

NORTH CAROLINA STATE  
BOARD OF EXAMINERS FOR  
NURSING HOME ADMINISTRATORS

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022



**NORTH CAROLINA STATE BOARD OF EXAMINERS FOR  
NURSING HOME ADMINISTRATORS**  
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**NORTH CAROLINA STATE BOARD OF EXAMINERS FOR  
NURSING HOME ADMINISTRATORS  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023**

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**Introduction**

The following is a discussion and analysis of the North Carolina State Board of Examiners for Nursing Home Administrators' (the "Board") financial performance for the fiscal year ended June 30, 2023. Please read it in conjunction with the financial statements which follow this section.

**Financial Highlights**

The operating revenues of the Board increased by \$66,278 or 14.2%, due primarily to biennial renewals, seminar fees, and AIT 6-day lecture class.

The operating expenses of the Board decreased by \$70,384 or 14.94%, due primarily to salaries, payroll taxes, and retirement expenses.

The non-operating revenues of the Board did not change.

**Overview of the Basic Financial Statements**

This discussion and analysis is an introduction to the Board's basic financial statements, which are comprised of two components: 1) financial statements, and 2) notes to financial statements. This report also contains this required supplementary information in addition to the basic financial statements.

**Basic Financial Statements**

The basic 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 non-current 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 the year's operations.

The Statements of Cash Flows present information on how the Board's cash changed as a result of the year's activity.

**NORTH CAROLINA STATE BOARD OF EXAMINERS FOR  
NURSING HOME ADMINISTRATORS  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023**

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**Basic Financial Statements (Continued)**

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

	As of and for the Fiscal Year Ended June 30, 2023	As of and for the Fiscal Year Ended June 30, 2022	Restated As of and for the Fiscal Year Ended June 30, 2021
Current assets	\$ 425,240	\$ 250,875	\$ 226,830
Capital assets - net of depreciation	19,870	59,762	104,304
Total assets	<u>445,110</u>	<u>310,637</u>	<u>331,134</u>
Current liabilities	212,118	206,374	176,658
Noncurrent liabilities	42,515	46,054	91,874
Total liabilities	<u>254,633</u>	<u>252,428</u>	<u>268,532</u>
Investment in capital assets	16,609	18,059	25,388
Unrestricted	173,868	40,150	37,214
Total net position	<u>\$ 190,477</u>	<u>\$ 58,209</u>	<u>\$ 62,602</u>
Operating revenues	\$ 533,068	\$ 466,790	\$ 423,774
Operating expenses	400,814	471,197	408,453
Operating income (loss)	<u>132,254</u>	<u>(4,407)</u>	<u>15,321</u>
Non-operating revenues	14	14	15
Changes in net position	<u>\$ 132,268</u>	<u>\$ (4,393)</u>	<u>\$ 15,336</u>

**Events Affecting Future Operations**

The Board has executed contracts with Kingston Plantation to hold the Preceptor Seminar in their facility annually through 2025. Under these contracts, the Board is liable for certain cancellations when made according to a fixed schedule.

**Contacting the Board's Management**

This financial report is designed to provide a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives and expends. If you have any questions about this report or need additional information, contact: North Carolina State Board of Examiners for Nursing Home Administrators; 3733 National Drive, Suite 110; Raleigh, NC 27612.



## **Independent Auditor's Report**

Members of the Board  
North Carolina State Board of Examiners for Nursing Home Administrators  
Raleigh, North Carolina

### ***Opinion***

We have audited the statements of net position of the North Carolina State Board of Examiners for Nursing Home Administrators (the "Board") as of June 30, 2023 and 2022, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Board as of June 30, 2023 and 2022, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the North Carolina State Board of Examiners for Nursing Home Administrators and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibility of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP; 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.

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 North Carolina State Board of Examiners for Nursing Home Administrators' ability to continue as a going concern within one year after the date the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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.

### ***Auditor's Responsibilities for the Audit of the Financial Statements (Continued)***

Misstatements, including omissions, 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 auditing standards generally accepted in the United States of America, 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 we identified during the audit.

### ***Emphasis of Matter***

As discussed in Note 1, the financial statements present only the North Carolina State Board of Examiners for Nursing Home Administrators and do not purport to and do not present fairly the financial position of the State of North Carolina as of June 30, 2023 and 2022, or the changes in its financial position and its cash flows thereof for the years then ended in conformity with U.S. GAAP.

### ***Required Supplementary Information***

U.S. GAAP requires that the Management's Discussion and Analysis on pages 1-2 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.

*Bernard Robinson & Company, L.L.P.*

Raleigh, North Carolina  
August 16, 2023

**NORTH CAROLINA STATE BOARD OF EXAMINERS FOR  
NURSING HOME ADMINISTRATORS**  
**Statements of Net Position**  
**June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS:</b>		
Current assets:		
Cash	\$ 424,229	\$ 249,864
Prepaid expenses	1,011	1,011
Total current assets	<u>425,240</u>	<u>250,875</u>
Capital assets:		
Right-to-use leased assets, net of amortization	3,120	40,549
Property and equipment, net of depreciation	16,750	19,213
Total capital assets	<u>19,870</u>	<u>59,762</u>
Total assets	<u>445,110</u>	<u>310,637</u>
<b>LIABILITIES:</b>		
Current liabilities:		
Accounts payable and payroll taxes payable	49,354	2,469
Retirement payable	7,128	6,825
Lease liabilities, current portion	3,261	38,442
Unearned revenues	152,375	158,638
Total current liabilities	<u>212,118</u>	<u>206,374</u>
Non-current liabilities:		
Lease liabilities	-	3,261
Unearned revenues	28,650	32,175
Compensated absences	13,865	10,618
Total non-current liabilities	<u>42,515</u>	<u>46,054</u>
Total liabilities	<u>254,633</u>	<u>252,428</u>
<b>NET POSITION:</b>		
Invested in capital assets	16,609	18,059
Unrestricted	173,868	40,150
Total net position	<u>\$ 190,477</u>	<u>\$ 58,209</u>

**NORTH CAROLINA STATE BOARD OF EXAMINERS FOR  
NURSING HOME ADMINISTRATORS**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**Years Ended June 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
Operating revenues:		
Biennial registrations	\$ 240,988	\$ 228,187
Initial registrations	25,260	19,554
Seminar fees	68,762	57,123
Seminar sponsorships	26,000	26,500
Temporary licenses	18,500	17,500
Reciprocity licenses	22,780	18,600
Reciprocity application fees	15,300	10,800
Exam fees	21,000	16,850
Administrator-in-training application fees	15,600	11,700
Inactive fees	10,000	3,900
Continuing education review fees	10,790	8,990
AIT 6-day lecture class	54,500	44,224
Licensure verification fees	2,850	-
Duplicate licenses	300	250
Other revenue	438	2,612
Total operating revenues	<u>533,068</u>	<u>466,790</u>
Operating expenses:		
Salaries	168,248	231,035
Compensation to board members	3,700	3,650
Payroll taxes	12,623	18,685
Retirement	20,929	23,558
Employee insurance	25,599	25,104
Seminar expense	52,382	44,159
AIT 6-day lecture class	8,234	7,589
Legal and accounting	20,232	22,022
Repairs and maintenance	1,067	601
Travel - staff	5,094	6,609
Travel - board	5,055	7,703
Telephone	956	1,016
Internet and website services	12,536	10,328
Postage	1,839	1,649
Printing	415	554
Insurance	1,296	1,294
Office supplies and expense	9,719	8,360
Honorariums	2,500	2,500
Miscellaneous	3,212	8,225
Interest expense on lease liabilities	786	2,014
Amortization, right to use leased assets	37,429	37,429
Depreciation	6,963	7,113
Total operating expenses	<u>400,814</u>	<u>471,197</u>
Operating income (loss)	<u>132,254</u>	<u>(4,407)</u>
Non-operating revenue:		
Interest income	14	14
Total non-operating revenue	<u>14</u>	<u>14</u>
Changes in net position	132,268	(4,393)
Net position - beginning of year	58,209	62,602
Net position - end of year	<u>\$ 190,477</u>	<u>\$ 58,209</u>

*See Notes to Financial Statements*



**NORTH CAROLINA STATE BOARD OF EXAMINERS FOR  
NURSING HOME ADMINISTRATORS**  
**Statements of Cash Flows**  
**Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash received from fees	\$ 523,280	\$ 498,803
Cash payments to employees for services	(165,001)	(244,250)
Cash payments to suppliers for goods and services	(92,677)	(135,609)
Cash payments for other expenses	(48,309)	(57,700)
Net cash provided by operating activities	<u>217,293</u>	<u>61,244</u>
Cash flows from investing activities:		
Interest income	<u>14</u>	<u>14</u>
Net cash provided by investing activities	<u>14</u>	<u>14</u>
Cash flows from capital and related financing activities:		
Acquisition of property and equipment	(4,500)	-
Payments on lease liabilities	(38,442)	(37,213)
Net cash used in capital and related financing activities	<u>(42,942)</u>	<u>(37,213)</u>
Net increase in cash	174,365	24,045
Cash - beginning of year	<u>249,864</u>	<u>225,819</u>
Cash - end of year	<u>\$ 424,229</u>	<u>\$ 249,864</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	<u>\$ 132,254</u>	<u>\$ (4,407)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Amortization, right to use leased assets	37,429	37,429
Depreciation	6,963	7,113
Changes in assets and liabilities:		
Accounts payable	46,885	498
Retirement payable	303	1,813
Unearned revenues	(9,788)	32,013
Compensated absences	3,247	(13,215)
Total adjustments	<u>85,039</u>	<u>65,651</u>
Net cash provided by operating activities	<u>\$ 217,293</u>	<u>\$ 61,244</u>

**NORTH CAROLINA STATE BOARD OF EXAMINERS FOR  
NURSING HOME ADMINISTRATORS  
Notes to Financial Statements**

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**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Description of Organization**

The North Carolina State Board of Examiners for Nursing Home Administrators (the "Board") is an occupational licensing board, established under Chapter 90 of the North Carolina General Statutes to maintain minimum standards for services provided by nursing home administrators within the State of North Carolina. The Board's operations are funded primarily through license renewals and license application fees.

The Board is considered an independent agency of the State of North Carolina for financial reporting purposes. The Board members are appointed by the Governor.

**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 financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**Reporting Entity**

The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents for their actions. As required by accounting principles generally accepted in the United States of America ("U.S. 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 may be 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.

The accompanying basic financial statements present all funds and activities for which the Board is responsible.

**Basis of Accounting**

The basic financial statements of the Board are prepared using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when a liability has been incurred, regardless of the timing of the cash flows.

**NORTH CAROLINA STATE BOARD OF EXAMINERS FOR  
NURSING HOME ADMINISTRATORS  
Notes to Financial Statements**

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**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Accounting (Continued)**

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 examination and license fees. Non-operating revenues and expenses include activities that have characteristics of non-exchange transactions and consist primarily of investing type activities.

**Cash**

Cash is comprised of amounts held in checking and savings accounts at a bank.

**Right-To-Use Leased Asset and Lease Liabilities**

Leases that provide the Board the right-to-use an asset for a period of more than one year are considered a capital asset. Right-to-use leased assets are recorded at the initial measurement of the lease liability which equals the present value of all payments expected to be made during the lease term. The right-to-use leased assets are amortized on a straight-line basis over the term of the lease(s).

Lease liabilities represent the Board's financial obligation to make lease payments during the term of the lease and is measured at the present value of future lease payments.

**Property and Equipment**

Property and equipment, including software purchases, are recorded at cost at the date of acquisition. The Board capitalizes assets that have a cost of \$500 or greater at the date of acquisition and an expected useful life in excess of two years.

Depreciation is computed using the straight-line method over the following useful lives:

Leasehold improvements	10 years
Furniture, equipment and software	3-10 years

When an asset is disposed of, the cost of the asset and the related accumulated depreciation are removed from the books. Any gain or loss on disposition is reflected in non-operating revenue or expense for the period.

**Unearned Revenues**

The Board's license renewal fees are assessed and collected for a fiscal period of 2 years, beginning October 1st. License renewal fees received in advance are deferred and recognized as revenue over the 2-year period to which they relate. The Board also collects fees for training classes in advance of the year they are given: therefore the Board defers those revenues until the classes take place.

**NORTH CAROLINA STATE BOARD OF EXAMINERS FOR  
NURSING HOME ADMINISTRATORS**  
**Notes to Financial Statements**

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**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Vacation and Sick Leave**

The Board has chosen to follow the state's policy which provides for a maximum accumulation of unused vacation leave of 30 days which can be carried forward at the end of each year, or for which an employee can be paid upon termination of employment.

The Board, in accordance with state policy, records the cost of sick leave taken when paid rather than when the leave is earned. The accumulation of sick leave is unlimited, but the employee cannot be compensated for any unused sick leave upon termination of employment.

**Net Position**

The Board's net position is classified as follows:

*Invested in Capital Assets* - This component of net position represents the Board's total investment in capital assets. Capital assets include property and equipment, net of accumulated depreciation; right-to-use leased assets, net of accumulated amortization; and related lease liabilities.

*Unrestricted* - This component of net position consists of the Board's net position that does not meet the definition of restricted or invested in capital assets. The Board has reserved unrestricted net position up to \$500,000 for purposes of payment for legal services and the related costs for conducting administrative hearings and related appeals for the defense of Board members, employees and contractors of the Board in the event of claims against Board members, employees or contractors.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates and assumptions, resulting in adjustments in future periods.

**NOTE 2 - PROPERTY AND EQUIPMENT**

Property and equipment are stated at cost and are being depreciated over their useful lives on a straight-line basis as follows:

	<u>Cost</u> <u>6/30/2022</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Cost</u> <u>6/30/2023</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Net</u> <u>Amount</u>
Furniture, equipment and software	\$ 95,915	\$ 4,500	\$ -	\$ 100,415	\$ 83,665	\$ 16,750
Leasehold improvements	3,072	-	-	3,072	3,072	-
	<u>\$ 98,987</u>	<u>\$ 4,500</u>	<u>\$ -</u>	<u>\$ 103,487</u>	<u>\$ 86,737</u>	<u>\$ 16,750</u>

**NORTH CAROLINA STATE BOARD OF EXAMINERS FOR  
NURSING HOME ADMINISTRATORS**  
**Notes to Financial Statements**

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**NOTE 2 - PROPERTY AND EQUIPMENT (Continued)**

	<u>Cost 6/30/2021</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Cost 6/30/2022</u>	<u>Accumulated Depreciation</u>	<u>Net Amount</u>
Furniture, equipment and software	\$ 95,915	\$ -	\$ -	\$ 95,915	\$ 76,702	\$ 19,213
Leasehold improvements	3,072	-	-	3,072	3,072	-
	<u>\$ 98,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,987</u>	<u>\$ 79,774</u>	<u>\$ 19,213</u>

**NOTE 3 - CONCENTRATION OF CREDIT RISK**

The Board maintains its cash balances with a financial institution located in Raleigh, North Carolina. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. At June 30, 2023, the Board has \$179,182 in deposits at financial institutions that exceeded amounts insured by the FDIC.

**NOTE 4 - COMPENSATED ABSENCES**

Changes to compensated absences are as follows:

	<u>2023</u>	<u>2022</u>
Beginning compensated absences	\$ 10,618	\$ 23,833
Compensated absences earned	13,261	21,195
Compensated absences used	(10,014)	(34,410)
Ending compensated absences	<u>\$ 13,865</u>	<u>\$ 10,618</u>

**NOTE 5 - RETIREMENT PLAN**

The Board has a simplified employee pension plan covering all employees who are at least 21 years of age, have performed services for the Board for 3 months, and whose total compensation during the year is more than \$450. Benefit terms are established by the board of directors and may be changed by the board of directors. The Board contributes 10.83% of an employee's compensation. Employees are not permitted to defer additional amounts under the plan. For the years ended June 30, 2023 and 2022, the Board contributed \$20,929 and \$23,558, respectively, on behalf of its employees.

**NOTE 6 - RIGHT-TO-USE LEASED ASSETS AND RELATED LEASE LIABILITIES**

The Board has a lease providing the right-to-use office space for a term of three years beginning August 1, 2020 and ending July 31, 2023. The lease requires monthly payments of \$3,269 for the term of the lease.

**NORTH CAROLINA STATE BOARD OF EXAMINERS FOR  
NURSING HOME ADMINISTRATORS**  
**Notes to Financial Statements**

**NOTE 6 - RIGHT-TO-USE LEASED ASSETS AND RELATED LEASE LIABILITIES (Continued)**

Lease expenses were comprised of the following:

	<u>2023</u>	<u>2022</u>
Amortization expense by class of underlying asset -		
Office space	<u>\$ 37,429</u>	<u>\$ 37,429</u>
Interest on lease liabilities	<u>\$ 786</u>	<u>\$ 2,014</u>

Right-to-use leased assets activity:

	<u>6/30/2022</u>	<u>Additions</u>	<u>Subtractions</u>	<u>6/30/2023</u>
Office space	\$ 112,287	\$ -	\$ -	\$ 112,287
Less: Accumulated amortization:				
Office space	(71,738)	(37,429)	-	(109,167)
Right-to-use assets, net	<u>\$ 40,549</u>	<u>\$ (37,429)</u>	<u>\$ -</u>	<u>\$ 3,120</u>
	<u>6/30/2021</u>	<u>Additions</u>	<u>Subtractions</u>	<u>6/30/2022</u>
Office space	\$ 112,287	\$ -	\$ -	\$ 112,287
Less: Accumulated amortization:				
Office space	(34,309)	(37,429)	-	(71,738)
Right-to-use assets, net	<u>\$ 77,978</u>	<u>\$ (37,429)</u>	<u>\$ -</u>	<u>\$ 40,549</u>

Lease liabilities were comprised of the following:

	<u>6/30/2022</u>	<u>Additions</u>	<u>Subtractions</u>	<u>6/30/2023</u>
Office space	\$ 41,703	\$ -	\$ (38,442)	\$ 3,261
	<u>6/30/2021</u>	<u>Additions</u>	<u>Subtractions</u>	<u>6/30/2022</u>
Office space	\$ 78,916	\$ -	\$ (37,213)	\$ 41,703

Future lease payments are comprised of the following:

<u>Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	<u>\$ 3,261</u>	<u>\$ 8</u>	<u>\$ 3,269</u>

**NOTE 7 - 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. Tort claims of Board members up to \$1,000,000 are self-insured by the State under the authority of the State Tort Claims Act. Additional coverage is provided to the Board under the State's public officers' and employees' liability insurance contract with a private insurance company.

**NORTH CAROLINA STATE BOARD OF EXAMINERS FOR  
NURSING HOME ADMINISTRATORS**  
**Notes to Financial Statements**

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**NOTE 8 - COMMITMENTS**

The Board has executed contracts with Kingston Plantation, a Hilton and Embassy Suites property, to hold the annual Preceptor Seminar in their facility through 2025. Under these contracts, the Board is liable for certain cancellations when made according to a fixed schedule. There is also a performance damages clause if the event is held but Kingston Plantation does not realize a specified percentage of anticipated revenue from the event.

On June 13, 2023, the Board executed a new lease agreement for the continued use of office space. The lease term is sixteen months beginning August 1, 2023 and ending November 30, 2024. The lease requires monthly payments of \$3,306 during the term of the lease. The right-to-use leased asset and related lease liability for this lease are not included in Note 6 as the lease has not yet commenced.

**NOTE 9 - SUBSEQUENT EVENTS**

Management of the Board evaluated subsequent events through August 16, 2023, which is the date the financial statements were available to be issued. Management discovered no subsequent events that should be disclosed.

The Board's audit was conducted in approximately 45 hours at a cost of \$8,500.