

**NORTH CAROLINA BOARD OF DIETETICS/NUTRITION**

**Financial Statements for the  
Years Ended June 30, 2024 and 2023 and  
Independent Auditor's Report**

# **NORTH CAROLINA BOARD OF DIETETICS/NUTRITION**

## **Financial Statements for the Years Ended June 30, 2024 and 2023 and Independent Auditor's Report**

### **BOARD MEMBERS (2023-2024)**

Amanda S. Holliday, MS, RD, LDN, Chairperson

Sarah C. Thomas, JD, Vice-Chairperson

Christie Nicholson, MS, RD, LDN, Treasurer

Patricia E. Pitts, MS, RD, LDN, Secretary

S. Analia Camarasa, MS, CNS, LN

Margaret King, MS, CNS, LN

Deanna M. Didiano, DO, CAQSM

### **EXECUTIVE OFFICER (2023-2024)**

Marnie Jones, Executive Director/Executive Secretary

### **LEGAL COUNSEL**

Henry W. Jones, Jr., Attorney At Law

Jordan Price Wall Gray Jones & Carlton, PLLC

# **NORTH CAROLINA BOARD OF DIETETICS/NUTRITION**

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# **NORTH CAROLINA BOARD OF DIETETICS/NUTRITION**

## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

### **Introduction**

Management’s discussion and analysis introduces the basic financial statements and provides an analytical overview of the financial activities of the Board. This section of the Board’s financial report represents the Board’s financial activity and performance during the fiscal years ended June 30, 2024 and 2023. Please read it in conjunction with the financial statements which follow this section.

### **Overview of the Financial Statements**

This financial report consists of two sections: Management’s Discussion and Analysis and the Financial Statements. The Board has no other supplementary information required by the Governmental Accounting Standards Board (GASB). The Financial Statements also include notes to the financial statements that provide detail of the information included in the financial statements. The financial statements, notes to the financial statements, and this discussion are the responsibility of Board management.

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. Current assets are those that are available to pay for expenses in the next fiscal year. Current liabilities are those payable in the next fiscal year. Net position consists of net investment in capital assets, restricted net position and unrestricted net position. The Board had no restricted net position at year end.

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 Board’s revenues are classified as operating or non-operating revenues. Revenues are recognized when earned, regardless of the timing of cash flows. Expenses are recorded when a liability has been incurred, regardless of the timing of cash flows. Non-operating revenues and expenses are classified as non-operating in the financial statements.

The *Statements of Cash Flows* present information on how the Board’s cash changed as a result of its financial activities. These statements provide information relative to the Board’s sources and uses of cash funds for operating activities, capital financing activities, and investing activities.

The *Notes to the Financial Statements* provide detail of the information included in the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. They are an integral part of the financial statements and should be read in conjunction with them.

# NORTH CAROLINA BOARD OF DIETETICS/NUTRITION

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Financial Summary, Highlights, and Analysis

#### Statements of Net Position

Net position is an indicator of the fiscal health of the Board. Assets exceeded liabilities by \$635,148 for the year ended June 30, 2024. Assets exceeded liabilities by \$419,318 for the year ended June 30, 2023. The largest component of net position was cash and investments. Cash and investments represented 147.33% of total net position at June 30, 2024. Cash and investments represented 166.18% of total net position at June 30, 2023. Current assets consist of cash and prepaid costs. Noncurrent assets consist of capital assets (net of accumulated depreciation) and long term investments. Capital assets are not a significant component of assets and are denoted below in the comparative summary. Current liabilities consist of accounts payable, accrued leave, payroll liabilities, and unearned revenue. Long-term liabilities consist of accrued leave not expected to be used within the next twelve months. Net position consists of investment in capital assets and unrestricted net position. Investment in capital assets is a component of net position and consists of capital assets net of depreciation.

*The following is a summary of the Statements of Net Position.*

	Current Year as of June 30, 2024	Prior Year as of June 30, 2023	Amount of Change	Percentage Change
Current assets	\$ 292,982	\$ 352,319	\$ (59,337)	-16.84%
Capital assets	2,489	3,405	(916)	-26.90%
Other assets	647,410	350,862	296,548	84.52%
Total assets	<u>\$ 942,881</u>	<u>\$ 706,586</u>	<u>\$ 236,295</u>	<u>33.44%</u>
Current liabilities	\$ (297,996)	\$ (278,145)	\$ (19,851)	7.14%
Long term liabilities	(9,737)	(9,123)	(614)	6.73%
Total liabilities	<u>\$ (307,733)</u>	<u>\$ (287,268)</u>	<u>\$ (20,465)</u>	<u>7.12%</u>
Invested in capital assets	\$ 2,489	\$ 3,405	\$ (916)	-26.90%
Unrestricted	632,659	415,913	216,746	52.11%
Total net position	<u>\$ 635,148</u>	<u>\$ 419,318</u>	<u>\$ 215,830</u>	<u>51.47%</u>

During 2024, the Board's net position increased by \$215,830, or 51.47%, due primarily to the Board's operating revenues exceeding its operating expenses. During 2023, the Board's net position increased by \$33,419, or 8.66%, due primarily to the Board's operating revenues exceeding its operating expenses.

#### Statements of Revenues, Expenses, and Changes in Net Position

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Board. Operating revenues consist primarily of license fees and includes activities that have characteristics of exchange transactions. Fees received for the various licenses are deemed earned when the license period begins. Operating expenses are all expense transactions incurred other than those related to capital and noncapital financing or investing activities.

*The following is a summary of the Statements of Revenues, Expenses, and Changes in Net Position.*

	The year ended June 30, 2024	The year ended June 30, 2023	Amount of Change	Percentage Change
Operating revenues	\$ 509,775	\$ 380,300	\$ 129,475	34.05%
Operating expenses	(310,620)	(354,554)	43,934	-12.39%
Non-operating revenues	16,675	7,673	9,002	117.32%
Change in net position	<u>\$ 215,830</u>	<u>\$ 33,419</u>	<u>\$ 182,411</u>	<u>545.83%</u>
Ending net position	<u>\$ 635,148</u>	<u>\$ 419,318</u>	<u>\$ 215,830</u>	<u>51.47%</u>

**NORTH CAROLINA BOARD OF DIETETICS/NUTRITION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Financial Summary, Highlights, and Analysis**

**Statements of Revenues, Expenses, and Changes in Net Position (Continued)**

*The following is a breakdown of operating revenues by source.*

	The year ended June 30, 2024	The year ended June 30, 2023	Amount of Change	Percentage Change
Licensing fees	\$ 461,280	\$ 348,750	\$ 112,530	32.27%
Application fees	43,440	28,070	15,370	54.76%
Late fees	4,500	2,850	1,650	57.89%
Duplicate license fees	555	630	(75)	-11.90%
Total	<u>\$ 509,775</u>	<u>\$ 380,300</u>	<u>\$ 129,475</u>	<u>34.05%</u>

During 2024, the operating revenues of the Board increased by \$129,475, or 34.05%, due primarily to an increase in licensing and application fees. During 2023, the operating revenues of the Board increased by \$31,380, or 10.32%, due primarily to an increase in licensing fee and application fee revenues.

*The following is a breakdown of operating expenses by source.*

	The year ended June 30, 2024	The year ended June 30, 2023	Amount of Change	Percentage Change
Salaries and benefits	\$ 169,913	\$ 183,940	\$ (14,027)	-7.63%
Board members - per diem	4,300	4,600	(300)	-6.52%
Payroll taxes	11,131	12,206	(1,075)	-8.81%
Office expenses	5,406	2,005	3,401	169.63%
Legal fees	34,936	79,958	(45,022)	-56.31%
Contracted services	27,406	11,858	15,548	131.12%
Data services	12,152	10,320	1,832	17.75%
Staff travel expenses	1,782	2,236	(454)	-20.30%
Board meeting expenses	-	152	(152)	-100.00%
Printing and copying	886	1,546	(660)	-42.69%
Postage and freight	1,897	3,884	(1,987)	-51.16%
Telephone/fax	190	169	21	12.43%
Bank charges (incl discount fees)	18,246	15,595	2,651	17.00%
Depreciation	916	959	(43)	-4.48%
Insurance	19,753	23,614	(3,861)	-16.35%
Other expenses	1,706	1,512	194	12.83%
Total	<u>\$ 310,620</u>	<u>\$ 354,554</u>	<u>\$ (43,934)</u>	<u>-12.39%</u>

During 2024, the operating expenses of the Board decreased by \$43,934, or 12.39%, due primarily to a decrease in legal fees. During 2023, the operating expenses of the Board increased by \$32,932, or 10.24%, due primarily to an increase in legal fees.

# **NORTH CAROLINA BOARD OF DIETETICS/NUTRITION**

## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

### **Financial Summary, Highlights, and Analysis**

#### **Statements of Revenues, Expenses, and Changes in Net Position (Continued)**

*The following is a breakdown of non-operating revenues and expense by source.*

	The year ended June 30, 2024	The year ended June 30, 2023	Amount of Change	Percentage Change
Interest income	\$ 16,675	\$ 7,673	\$ 9,002	117.32%
Total	\$ 16,675	\$ 7,673	\$ 9,002	117.32%

During 2024, the non-operating revenues of the Board increased by \$9,002, or 117.32%, due primarily to an increase in cash held in investments and interest earning rates. During 2023, the non-operating revenues of the Board increased by \$6,397, or 501.33%, due primarily to an increase in interest earning rates.

#### **Economic and Other Factors Impacting Future Periods**

The North Carolina Board of Dietetics/Nutrition (hereinafter “the Board”) saw a significant increase in its applicants during the fiscal year ended June 30, 2024 and has begun to realize the operating income generated by increased licensure fees implemented in late 2022. The Board anticipates growth will continue into the fiscal year ended June 30, 2025 due to both the popularity of NC for out-of-state transplant residents, and the use of telehealth to deliver services remotely here. While the Board continues to maintain its investment policy of low-risk, laddered CD investments, they also saw much higher returns than budgeted due to a better annual percentage yield (APY). The Board continues to work towards building reserves to cover potential legal expenses, future technical improvements to systems, and staff growth to cover licensee growth. Operating virtually continues to realize cost savings in rent, travel, and meeting expenses.

The Board resolved its legal matter arising from the interpretation of NCGS §90-357.5. The Board’s application of the law was upheld by Administrative Law Judge Lassiter, as well as the Superior court ruling in its favor. Thus, the Board saw reasonable and under-budget legal fees at the close of fiscal year June 30, 2024.

Currently, there are no pending or planned statute or rule changes on the horizon for the North Carolina Board of Dietetics/Nutrition. However, due to its increase in applicants and licensees, the Board is hiring a third staff member (part-time with benefits) in fiscal year June 30, 2025 to support administrative duties. Operating costs will increase accordingly.

#### **Contacting the Board’s Management**

This financial report is designed to provide a general overview of the Board’s finances and to demonstrate the Board’s accountability for the money it receives. If you have any questions about this report or need additional information, contact: North Carolina Board of Dietetics/Nutrition, 1135 Kildaire Farm Road, Suite 200, Cary, NC 27511.

**HAWLEY, C.P.A., P.A.**  
**Certified Public Accountant**

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800 N. RALEIGH ST.	TELEPHONE: 919.639.4825
SUITE B1	FACSIMILE: 919.639.3102
P.O. Box 1545	EMAIL : CPABRAT@AOL.COM
ANGIER, NC 27501-1545	

**INDEPENDENT AUDITOR'S REPORT**

Members of the Board  
North Carolina Board of Dietetics/Nutrition  
Cary, North Carolina

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of the North Carolina Board of Dietetics/Nutrition (Board), an independent state board which is a nonmajor enterprise fund of the primary government of the State of North Carolina, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the accompanying financial statements present fairly, in all material respects, the respective financial position of the North Carolina Board of Dietetics/Nutrition as of June 30, 2024 and 2023, and the results of its operations, changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

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

***Responsibilities of Management for the Financial Statements***

The Board's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

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

## INDEPENDENT AUDITOR'S REPORT (CONCLUDED)

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink that reads "Hawley, C.P.A., P.A." The signature is written in a cursive, flowing style.

Hawley, C.P.A., P.A.

Angier, North Carolina

September 15, 2024

**NORTH CAROLINA BOARD OF DIETETICS/NUTRITION**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2024 AND 2023**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
	<u>Proprietary- Enterprise Fund</u>	<u>Proprietary- Enterprise Fund</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents (Notes 1 and 2)	\$ 288,331	\$ 345,976
Prepaid expenses (Note 1)	<u>4,651</u>	<u>6,343</u>
Total current assets	292,982	352,319
Capital assets (Notes 1 and 4):		
Office and computer equipment	<u>2,489</u>	<u>3,405</u>
Total capital assets - net of depreciation	2,489	3,405
Other assets:		
Investments (Notes 1 and 2)	<u>647,410</u>	<u>350,862</u>
Total other assets	647,410	350,862
<b>TOTAL ASSETS</b>	<u><u>\$ 942,881</u></u>	<u><u>\$ 706,586</u></u>
<b>LIABILITIES AND NET POSITION</b>		
Current liabilities:		
Accounts payable - operations (Note 5)	\$ 2,019	\$ 1,565
Due to other state agencies (Note 5)	7,272	4,346
Accrued payroll (including payroll taxes and related costs)	3,595	4,239
Accrued vacation (Notes 1 and 6)	3,245	3,040
Unearned revenue (Note 1)	<u>281,865</u>	<u>264,955</u>
Total current liabilities	297,996	278,145
Long term liabilities:		
Accrued vacation (Notes 1 and 6)	<u>9,737</u>	<u>9,123</u>
Total long term liabilities	9,737	9,123
<b>TOTAL LIABILITIES</b>	<u><u>307,733</u></u>	<u><u>287,268</u></u>
<b>NET POSITION (NOTE 1)</b>		
Invested in capital assets	2,489	3,405
Unrestricted net position	<u>632,659</u>	<u>415,913</u>
<b>TOTAL NET POSITION</b>	<u><u>635,148</u></u>	<u><u>419,318</u></u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 942,881</u></u>	<u><u>\$ 706,586</u></u>

See notes to financial statements.

**NORTH CAROLINA BOARD OF DIETETICS/NUTRITION**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
	<b>Proprietary- Enterprise Fund</b>	<b>Proprietary- Enterprise Fund</b>
OPERATING REVENUES:		
Fees, licenses, and fines:		
Licensing fees	\$ 461,280	\$ 348,750
Application fees	43,440	28,070
Late fees	4,500	2,850
Duplicate license fees	555	630
Total operating revenues	<u>\$ 509,775</u>	<u>\$ 380,300</u>
OPERATING EXPENSES:		
Personal services (and board members expenses):		
Salaries and wages - staff (including accumulated leave)	\$ 141,207	\$ 154,949
Board members expenses - per diem	4,300	4,600
Payroll taxes	11,131	12,206
Retirement (Note 7)	5,554	7,476
Employee benefits	23,152	21,515
Supplies and materials:		
Office supplies and expenses	5,406	2,005
Services:		
Legal fees	34,936	79,958
Contracted services - auditing	7,995	7,795
Contracted services - accounting	4,800	2,513
Contracted services - consulting and recruiting	12,500	1,550
Contracted services - investigation	2,111	
Data processing fees (to outside agents)	4,582	3,045
Data processing services	7,570	7,275
Staff travel expenses	1,782	2,236
Board meeting expenses		152
Printing and copying	886	1,546
Postage and freight	1,897	3,884
Telephone/fax	190	169
Bank charges (including discount fees)	18,246	15,595

See notes to financial statements.

**NORTH CAROLINA BOARD OF DIETETICS/NUTRITION**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
	<u>Proprietary- Enterprise Fund</u>	<u>Proprietary- Enterprise Fund</u>
OPERATING EXPENSES (CONTINUED):		
Depreciation	916	959
Insurance	19,753	23,614
Other expenses:		
Office rent (Note 3)	1,446	1,252
Miscellaneous expenses	<u>260</u>	<u>260</u>
Total operating expenses	<u>\$ 310,620</u>	<u>\$ 354,554</u>
Operating income (loss)	\$ 199,155	\$ 25,746
NON-OPERATING REVENUES (EXPENSES):		
Interest income	<u>\$ 16,675</u>	<u>\$ 7,673</u>
Total non-operating revenues	\$ 16,675	\$ 7,673
Change in net position	<u>\$ 215,830</u>	<u>\$ 33,419</u>
Net position - beginning of year	<u>419,318</u>	<u>385,899</u>
Net position - end of year	<u><u>\$ 635,148</u></u>	<u><u>\$ 419,318</u></u>

See notes to financial statements.

**NORTH CAROLINA BOARD OF DIETETICS/NUTRITION**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
	<b>Proprietary- Enterprise Fund</b>	<b>Proprietary- Enterprise Fund</b>
Cash flows from operating activities:		
Cash received from fees	\$ 526,685	\$ 450,255
Cash payments to employee and board members for services	(185,169)	(210,610)
Cash payments for operating expenses	(119,288)	(154,058)
Net cash provided (used) by operating activities	<u>\$ 222,228</u>	<u>\$ 85,587</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	\$	\$ (3,669)
Net cash used in capital and related financing activities	<u>\$ 0</u>	<u>\$ (3,669)</u>
Cash flows from investing activities:		
Earnings on investments	\$ 16,675	\$ 7,673
Transfers from (to) investments	(296,548)	(57,504)
Net cash provided (used) by investing activities	<u>\$ (279,873)</u>	<u>\$ (49,831)</u>
Net increase (decrease) in cash	<u>\$ (57,645)</u>	<u>\$ 32,087</u>
Cash - beginning of year	<u>345,976</u>	<u>313,889</u>
Cash - end of year	<u><u>\$ 288,331</u></u>	<u><u>\$ 345,976</u></u>
Reconciliation of operating income		
to net cash provided by operating activities:		
Operating income (loss)	<u>\$ 199,155</u>	<u>\$ 25,746</u>
Adjustments to reconcile operating income		
to net cash provided by operating activities:		
Depreciation	\$ 916	\$ 959
Changes in assets and liabilities:		
Prepaid expenses	1,692	(427)
Accounts payable	3,380	(782)
Other liabilities	175	(9,864)
Unearned revenue	16,910	69,955
Total adjustments	<u>\$ 23,073</u>	<u>\$ 59,841</u>
Net cash provided (used) by operating activities	<u><u>\$ 222,228</u></u>	<u><u>\$ 85,587</u></u>

See notes to financial statements.

**NORTH CAROLINA BOARD OF DIETETICS/NUTRITION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

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Note 1 - Nature of Activities and Significant Accounting Policies

*Description of Organization and Purpose*

The North Carolina Board of Dietetics/Nutrition (the "Board") is an independent state board. It is an occupational licensing board and is authorized by Chapter 90 of the North Carolina General Statutes. The Board is composed of seven members who are appointed by the Governor and the General Assembly of the State of North Carolina. It is a nonmajor enterprise fund of the primary government of the State of North Carolina and is reported as such in the State's Annual Comprehensive Financial Report (ACFR).

The Board is established to maintain minimum standards for services provided by dietitians/nutritionists and nutritionists.

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

*Financial Reporting Entity*

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

For financial reporting purposes, the Board is a nonmajor enterprise fund of the primary government of the State of North Carolina and is reported as such in the State's 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 accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards.

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

**NORTH CAROLINA BOARD OF DIETETICS/NUTRITION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

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

*Basis of Accounting*

The basic financial statements of the Board are prepared using the economic resource measurement focus and the accrual basis of accounting. The economic resource measurement focus measures all assets that are available to the entity, not only cash or soon to be assets. Both long-term assets and long-term liabilities are measured and depreciation is recorded as a cost of operations. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when a liability has been incurred, regardless of the timing of cash flows. Fees received for the various licenses are deemed earned when the license period begins.

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

*Cash and Cash Equivalents*

This classification includes undeposited receipts and cash on deposit held by the Board with financial institutions.

*Investments*

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

*Prepaid Expenses*

This classification includes expenses which were prepaid at year end for commercial insurance coverage and other office expenses.



**NORTH CAROLINA BOARD OF DIETETICS/NUTRITION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

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

*Capital Assets*

Property and equipment are stated at cost and are being depreciated over their useful lives on a straight-line basis. The Board capitalizes assets that have a value or cost of \$500 or greater at the date of acquisition and an estimated useful life of more than one year. Depreciation is computed using the straight-line method of depreciation over the estimated useful lives of the assets, generally estimated as follows: office furniture and equipment, 5 to 7 years.

*Compensated Absences (Vacation and Sick Leave)*

Board employees may accumulate up to thirty days earned vacation and such leave is fully vested when earned. At year end, accrued vacation in excess of the limits are transferred and added to sick leave balances. Accumulated earned vacation payable at June 30, 2024 and 2023, consisted of the following:

	June 30, 2024	June 30, 2023
Current portion	\$ 3,245	\$ 3,040
Long-term portion	9,737	9,123
Total	<u>\$ 12,982</u>	<u>\$ 12,163</u>

The Board's sick leave policy provides for an unlimited accumulation of earned sick leave. Since the Board has no obligation for the accumulated sick leave until it is actually taken, or until retirement, no accrual for sick leave has been made. The Board has a contingent liability for sick leave in the amount of \$23,087 at June 30, 2024 and \$19,216 at June 30, 2023.

*Unearned Revenue*

The Board's fees are assessed and collected on an annual basis for the period April 1 through March 31 of each year. Licenses are renewed for a period of one year. License fees received in the latter part of the fiscal year are deferred and recognized as revenue over the periods to which they relate.

*Net Position*

Investment in capital assets - This component of net position consists of total investment in capital assets (net of accumulated depreciation) and reduced by outstanding liabilities (if any) related to those capital assets.

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

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

**NORTH CAROLINA BOARD OF DIETETICS/NUTRITION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

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

*Use of Estimates*

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

Note 2 - Deposits and Investments

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

At June 30, 2024, the Board's deposits had a carrying amount of \$935,741 and a bank balance of \$931,653. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$431,653 was uninsured and uncollateralized [unless collateralized pursuant to NC Administrative Code (20 NCAC 7)]. Certificates of deposit in the amount of \$647,410 are considered time deposits for this disclosure and are classified as investments on the Statements of Net Position. At June 30, 2023, the Board's deposits had a carrying amount of \$696,838 and a bank balance of \$698,022. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$198,022 was uninsured and uncollateralized [unless collateralized pursuant to NC Administrative Code (20 NCAC 7)]. Certificates of deposit in the amount of \$350,862 are considered time deposits for this disclosure and are classified as investments on the Statements of Net Position.

The Board is subject to the following risks:

Interest rate risk - Interest rate risk is the risk the Board may face should interest rate variances affect the fair value of investments. As a means of limiting its exposure to fair value losses arising from interest rate variances, the Board limits its investments, if any, to certificates of deposits with maturities of no more than 60 months, and to money market mutual funds.

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

**NORTH CAROLINA BOARD OF DIETETICS/NUTRITION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

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Note 2 - Deposits and Investments (Continued)

June 30, 2024			
Investment Type	Fair Values	Properties of Debt Securities	
		Weighted Avg Maturities	Ratings
Securities:			
Certificates of Deposit	\$647,410	13.00 Months	N/A
June 30, 2023			
Investment Type	Fair Values	Properties of Debt Securities	
		Weighted Avg Maturities	Ratings
Securities:			
Certificates of Deposit	\$350,862	12.00 Months	N/A

*Reconciliation of Deposits and Investments*

A reconciliation of deposits and investments for the Board to the basic financial statements at June 30, 2024 and 2023 is as follows:

	June 30, 2024	June 30, 2023
Carrying Amount of Bank Deposits	\$ 288,331	\$ 345,976
Certificates of Deposits	647,410	350,862
Total Deposits and Investments	<u>\$ 935,741</u>	<u>\$ 696,838</u>
Current:		
Cash and Cash Equivalents	\$ 288,331	\$ 345,976
Noncurrent:		
Investments	647,410	350,862
Total Deposits and Investments	<u>\$ 935,741</u>	<u>\$ 696,838</u>

**NORTH CAROLINA BOARD OF DIETETICS/NUTRITION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

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Note 3 - Virtual Office

The Board began operating virtually in November 2020. At that time, the Board utilized a virtual office and small storage unit to store permanent records. Both operate for a term of month to month tenancy. Total rent expense charged to operations for a virtual office and storage space was \$1,446 for the fiscal year ended June 30, 2024, and \$1,252 for the fiscal year ended June 30, 2023.

Note 4 - Capital Assets

Changes in capital assets as of and for the years ended June 30, 2024 and 2023 are as follows:

	Cost 6/30/2023	Additions	Deletions	Cost 6/30/2024	Accumulated Depr	Net
Office/computer equipment	\$ 9,529	\$ -	\$ -	\$ 9,529	\$ 7,040	\$ 2,489
	<u>\$ 9,529</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,529</u>	<u>\$ 7,040</u>	<u>\$ 2,489</u>

  

	Cost 6/30/2022	Additions	Deletions	Cost 6/30/2023	Accumulated Depr	Net
Office/computer equipment	\$ 6,074	\$ 3,669	\$ (214)	\$ 9,529	\$ 6,124	\$ 3,405
	<u>\$ 6,074</u>	<u>\$ 3,669</u>	<u>\$ (214)</u>	<u>\$ 9,529</u>	<u>\$ 6,124</u>	<u>\$ 3,405</u>

When an asset is disposed of, the cost of the asset and the related accumulated depreciation are removed from the books. Any gain or loss on disposition is reflected in earnings for the period. Depreciation expense was \$916 for the fiscal year ended June 30, 2024, and \$959 for the fiscal year ended June 30, 2023.

Note 5 - 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.

	June 30, 2024	June 30, 2023
Due to Vendors	\$ 2,019	\$ 1,565
Due to Other State Agencies	<u>7,272</u>	<u>4,346</u>
Total Accounts Payable	<u>\$ 9,291</u>	<u>\$ 5,911</u>

**NORTH CAROLINA BOARD OF DIETETICS/NUTRITION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

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Note 6 - Non-Current Liabilities

A summary of changes in non-current liabilities for the years ended June 30, 2024 and 2023 follows:

	Balance at 6-30-2023	Additions	Deletions	Balance at 6-30-2024	Current	Non-Current
Compensated	\$ 12,163	\$ 5,565	\$ (4,746)	\$ 12,982	\$ 3,245	\$ 9,737
Absences	\$ 12,163	\$ 5,565	\$ (4,746)	\$ 12,982	\$ 3,245	\$ 9,737

  

	Balance at 6-30-2022	Additions	Deletions	Balance at 6-30-2023	Current	Non-Current
Compensated	\$ 22,438	\$ 5,895	\$ (16,170)	\$ 12,163	\$ 3,040	\$ 9,123
Absences	\$ 22,438	\$ 5,895	\$ (16,170)	\$ 12,163	\$ 3,040	\$ 9,123

Note 7- Retirement Plan(s) and Postemployment Benefits Other Than Retirement Plan(s)

*Simplified Employee Pension Plan*

During 2011, the Board entered into a Simplified Employee Pension (SEP) plan agreement on behalf of eligible employee(s) of the Board. Eligible employee(s) are covered under the plan. Only the Board contributes to the plan, and only the Board has the authority to authorize and amend the plan. There are no forfeitures inuring to other employees under this type plan. The Board's payroll for employee(s) covered by the plan for the year ended June 30, 2024 was \$92,573; the Board's total payroll was \$141,207. The Board's pension contribution amounted to \$5,554 for 2024. The Board's payroll for employee(s) covered by the plan for the year ended June 30, 2023 was \$124,600; the Board's total payroll was \$154,949. The Board's pension contribution amounted to \$7,476 for 2023. The Board had no outstanding liabilities to the plan at June 30, 2024 and 2023. The Board assumes no liability for retiree benefits provided by this program other than its required contributions. The Board has no postemployment benefits other than this defined contribution retirement plan.

Note 8 - Contingencies

The Board may be involved in occasional disciplinary and licensure 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, if any, during the years under audit do not materially affect the Board's operations, changes in financial position, or cash flows for the years herein ended.

**NORTH CAROLINA BOARD OF DIETETICS/NUTRITION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

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Note 9 - Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; injuries to employees; and natural disasters. These exposures to loss are handled by participation in certain state-administered risk programs and self retention of certain risks. Additionally, the Board protects itself from exposure to loss through the purchase of commercial insurance coverage. There have been no significant reductions in insurance coverage from coverage in the prior year, and no insurance claims (other than claims by employees for health coverage) were filed during the last three fiscal years.

Note 10 - Subsequent Events

Subsequent events have been evaluated through September 15, 2024, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

This audit required 85 audit hours at a cost of \$8,195.