

**NORTH CAROLINA STATE  
BOARD OF CHIROPRACTIC EXAMINERS**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2024 AND 2023**



**NORTH CAROLINA STATE BOARD OF CHIROPRACTIC EXAMINERS**  
**Board Members**

---

**BOARD MEMBERS**  
**as of September 1, 2024**

R. Todd Shaver, D.C., President

Christopher Outten, D.C. - Past President

Stuart Kordonowy, D.C., Vice President

Joseph W. Democko, D.C., Secretary

Jenn Sales-Slechter, D.C., Treasurer

Thomas Mitchell, D.C., Member

Kimberly Q. Swintosky, Public Member

D. Curtis Lawson, Public Member

**EXECUTIVE DIRECTOR**

Dr. Joseph Siragusa

# **NORTH CAROLINA STATE BOARD OF CHIROPRACTIC EXAMINERS**

## **Table of Contents**

---

	<u>Page No.</u>
Management's Discussion and Analysis .....	1 - 3
Independent Auditor's Report .....	4 - 6
<i>Financial Statements</i>	
Statements of Net Position .....	7
Statements of Revenues, Expenses and Changes in Net Position .....	8
Statements of Cash Flows .....	9
Notes to Financial Statements .....	10 - 13

**NORTH CAROLINA STATE BOARD OF CHIROPRACTIC EXAMINERS**  
**Management's Discussion and Analysis**  
**Years Ended June 30, 2024 and 2023**

---

**Introduction**

The following is a discussion and analysis of the North Carolina State Board of Chiropractic Examiner's (the "Board") financial performance for the fiscal year ended June 30, 2024. Please read it in conjunction with the financial statements which follow this section.

**Board Overview**

The North Carolina State Board of Chiropractic Examiners was established May 5, 1917 by the General Assembly to properly regulate doctors of chiropractic for the benefit and protection of the people of North Carolina. The North Carolina State Board of Chiropractic Examiners also regulates and certifies Chiropractic Clinical Assistants (G.S. 90-143.4) and Radiologic Technicians (X-Ray) (G.S. 90-143.2).

The practice of chiropractic is a privilege granted by the State of North Carolina. The North Carolina State Board of Chiropractic Examiners, through diligent oversight, will license, monitor, discipline and educate practitioners to assure their fitness and competence in serving the people of North Carolina. In fulfilling its mission, the Board will play a leading role in the ever-changing health care environment through dialogue with the public, the legislature, academia, and the chiropractic community.

**Financial Highlights**

The operating revenues of the Board increased by \$36,910 or 4.63%, due to increase in renewal fees and miscellaneous income, which includes incorporation renewal fees.

The operating expenses of the Board increased by \$30,503 or 4.28%, due primarily to an increase in salaries and travel, offset by a decrease in legal expenses.

The non-operating revenues of the Board decreased by \$383.

**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.

**NORTH CAROLINA STATE BOARD OF CHIROPRACTIC EXAMINERS**  
**Management's Discussion and Analysis**  
**Years Ended June 30, 2024 and 2023**

---

**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 years' operations.

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

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

	As of and for the Fiscal Year Ended June 30, 2024	As of and for the Fiscal Year Ended June 30, 2023	As of and for the Fiscal Year Ended June 30, 2022
Current assets	<b>\$ 1,060,693</b>	\$ 1,009,867	\$ 1,010,270
Noncurrent assets	-	-	11,000
Property and equipment - net of depreciation	<b>198,775</b>	154,197	47,298
Total assets	<b>1,259,468</b>	1,164,064	1,068,568
Current liabilities	<b>31,881</b>	26,845	15,693
Total liabilities	<b>31,881</b>	26,845	15,693
Investment in capital assets	<b>198,775</b>	154,197	47,298
Unrestricted	<b>1,028,812</b>	983,022	1,005,577
Total net position	<b>\$ 1,227,587</b>	<b>\$ 1,137,219</b>	<b>\$ 1,052,875</b>
Operating revenues	<b>\$ 833,696</b>	\$ 796,786	\$ 769,959
Operating expenses	<b>743,703</b>	713,200	578,390
Operating income	<b>89,993</b>	83,586	191,569
Non-operating revenues	<b>375</b>	758	97
Changes in net position	<b>\$ 90,368</b>	<b>\$ 84,344</b>	<b>\$ 191,666</b>

**NORTH CAROLINA STATE BOARD OF CHIROPRACTIC EXAMINERS**  
**Management's Discussion and Analysis**  
**Years Ended June 30, 2024 and 2023**

---

**Economic Factors Affecting Future Operations**

The main factors impacting the economic outlook for the Board are 1) the number of existing license/certificate holders that annually renew their license/certification and 2) the number of new candidates seeking a license/certification.

North Carolina remains a desirable place to live, work and retire. People continue to seek alternative, and non-opioid based treatments for pain management/pain relief from various ailments. These demographic trends bode well for the chiropractic market in North Carolina.

**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 the Executive Director, Dr. Joseph Siragusa at:

North Carolina State Board of Chiropractic Examiners  
9121 Anson Way Ste. 200  
Raleigh, NC 27615  
Phone: (704) 793-1342 Ext. 1004  
By email at: [dr.joe@ncchiroboard.com](mailto:dr.joe@ncchiroboard.com)



## **Independent Auditor's Report**

Board of Directors  
North Carolina State Board of Chiropractic Examiners  
Raleigh, North Carolina

### ***Opinion***

We have audited the accompanying financial statements of the North Carolina Board of Chiropractic Examiners (the "Board"), an enterprise fund of the State of North Carolina, which comprise the statements of net position as of June 30, 2024 and 2023, 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 North Carolina Board of Chiropractic Examiners as of June 30, 2024 and 2023, and the changes in its financial position and its 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. 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 Board of Chiropractic Examiners 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Board of Chiropractic Examiner's 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. 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 presented are only for the North Carolina Board of Chiropractic Examiners and do not purport to, and do not present fairly the financial position of the State of North Carolina as of June 30, 2024 and 2023, or the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 1 - 3 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  
September 30, 2024

**NORTH CAROLINA STATE BOARD OF CHIROPRACTIC EXAMINERS**  
**Statements of Net Position**  
**June 30, 2024 and 2023**

---

	<u>2024</u>	<u>2023</u>
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 1,060,693	\$ 999,867
Accounts receivable	-	10,000
Total current assets	<u>1,060,693</u>	<u>1,009,867</u>
Noncurrent assets:		
Property and equipment, net of depreciation	<u>198,775</u>	154,197
Total noncurrent assets	<u>198,775</u>	<u>154,197</u>
Total assets	<u>1,259,468</u>	<u>1,164,064</u>
<b>LIABILITIES:</b>		
Current liabilities:		
Accounts payable	6,797	1,610
Payroll liabilities	17,084	16,235
Unearned revenues	8,000	9,000
Total current liabilities	<u>31,881</u>	<u>26,845</u>
<b>NET POSITION:</b>		
Invested in capital assets	198,775	154,197
Unrestricted	<u>1,028,812</u>	<u>983,022</u>
Total net position	<u>\$ 1,227,587</u>	<u>\$ 1,137,219</u>

**NORTH CAROLINA STATE BOARD OF CHIROPRACTIC EXAMINERS**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**Years Ended June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
Operating revenues:		
Renewal fees	\$ 727,980	\$ 719,703
Certification fees and licensure	64,899	64,844
Miscellaneous income	40,817	12,239
Total operating revenues	<b>833,696</b>	<b>796,786</b>
Operating expenses:		
Salaries and benefits	492,817	444,285
Travel, hearings, seminars and meetings	44,722	33,589
Office expense	13,183	13,258
Office rent	2,957	3,600
Insurance	21,668	20,942
Investigation expense	5,510	6,368
Payment processing fees	24,396	21,727
Communication	6,625	6,003
Computer and technology	13,458	19,202
Legal and professional fees	75,045	110,200
Depreciation	43,322	34,026
Total operating expenses	<b>743,703</b>	<b>713,200</b>
Operating income	<b>89,993</b>	<b>83,586</b>
Non-operating revenues:		
Interest income	375	758
Total non-operating revenues	<b>375</b>	<b>758</b>
Changes in net position	<b>90,368</b>	<b>84,344</b>
Net position - beginning of year	<b>1,137,219</b>	<b>1,052,875</b>
Net position - end of year	<b>\$ 1,227,587</b>	<b>\$ 1,137,219</b>

**NORTH CAROLINA STATE BOARD OF CHIROPRACTIC EXAMINERS**  
**Statements of Cash Flows**  
**Years Ended June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
Cash flows from operating activities:		
Cash received from renewals, applicants, and fees	\$ <b>832,696</b>	\$ 798,786
Cash payments to employees for services	<b>(491,968)</b>	(428,050)
Cash payments to suppliers for goods and services	<b>(125,987)</b>	(186,441)
Cash payments for other expenses	<b>(66,390)</b>	(54,531)
Net cash provided by operating activities	<b>148,351</b>	129,764
Cash flows from investing activities:		
Purchase of property and equipment	<b>(87,900)</b>	(140,925)
Interest income	<b>375</b>	758
Net cash used in investing activities	<b>(87,525)</b>	(140,167)
Net increase (decrease) in cash	<b>60,826</b>	(10,403)
Cash and cash equivalents - beginning of year	<b>999,867</b>	1,010,270
Cash and cash equivalents - end of year	<b>\$ 1,060,693</b>	\$ 999,867
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ <b>89,993</b>	\$ 83,586
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	<b>43,322</b>	34,026
Changes in assets and liabilities:		
Accounts receivable	<b>10,000</b>	1,000
Accounts payable	<b>5,187</b>	(7,083)
Payroll liabilities	<b>849</b>	16,235
Unearned revenues	<b>(1,000)</b>	2,000
Total adjustments	<b>58,358</b>	46,178
Net cash provided by operating activities	<b>\$ 148,351</b>	\$ 129,764

# **NORTH CAROLINA STATE BOARD OF CHIROPRACTIC EXAMINERS**

## **Notes to Financial Statements**

---

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

#### **Description of Organization**

The North Carolina State Board of Chiropractic Examiners (the "Board") is an independent State agency. It is an occupational licensing board authorized by Chapter 93B of the *North Carolina General Statutes*, and established under Chapter 90 of the *North Carolina General Statutes* to maintain minimum standards for services provided by chiropractic practitioners. The Board formally consists of eight members appointed by the Governor and General Assembly. The Board's operations are funded primarily through license renewal fees and license examination fees.

#### **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 only the 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 included 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 or changes in the State's financial position and cash flows.

#### **Basis of Presentation**

The accompanying financial statements have been prepared in accordance with U.S. GAAP 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.

#### **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 cash assets. Both long-term assets and long-term liabilities are measured, and depreciation is recorded as a cost of operations. 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 CHIROPRACTIC EXAMINERS**

## **Notes to Financial Statements**

---

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

#### **Cash and Cash Equivalents**

For purposes of the Statements of Cash Flows, cash equivalents include cash on deposit and money market accounts and highly liquid investment instruments, such as certificates of deposit with original maturity dates of three months or less.

#### **Accounts Receivable**

Accounts receivable consist of court ordered reimbursements to the Board for a portion of its costs and attorneys' fees due from administrative proceedings. The receivable is recorded when the agreement between the Board and the respondent is executed. Reimbursed fees are netted with legal and professional fees in the accompanying Statements of Revenues, Expenses, and Changes in Net Position. As of June 30, 2024, all amounts are believed to be collectible and an allowance for doubtful accounts is not deemed necessary.

#### **Property and Equipment**

Property and equipment, including software purchases, of \$2,500 or more with an expected useful life greater than one year are considered capital assets. Property and equipment are recorded at cost and are depreciated over their estimated useful lives. Furniture, equipment, and software are depreciated over a 3-5 year period. 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 as a non-operating activity.

#### **Use of Estimates**

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

#### **Net Position**

The Board's net position is classified as follows:

*Invested in Capital Assets* - This represents the Board's total investment in capital assets. The Board's capital assets include property and equipment, net of accumulated depreciation.

*Unrestricted* - This represents assets with no external restriction as to use or purpose. This equity can be employed for any purpose designated by the governing board.

# NORTH CAROLINA STATE BOARD OF CHIROPRACTIC EXAMINERS

## Notes to Financial Statements

---

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

#### Compensated Absences

Vacation and sick leave are expensed as taken and there is no liability since Board policy does not allow the carryforward of accrued absences.

### NOTE 2 - DEPOSITS

All funds of the Board are deposited in board-designated official depositories. The Board's cash and cash equivalent deposits include cash on deposit with commercial bank accounts.

Custodial credit risk: Custodial credit risk is the risk that in the event of a bank failure, the Board's deposits may not be returned to it. The Board's deposits with each commercial bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Deposit accounts, at times, may exceed federally insured limits. At June 30, 2024, the Board had cash deposits that exceeded the FDIC limits by \$810,694.

### NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment were comprised of the following:

	<u>Cost</u> <u>6/30/2023</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Cost</u> <u>6/30/2024</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Net</u> <u>Amount</u>
Furniture and equipment	\$ 3,095	\$ -	\$ -	\$ 3,095	\$ 2,494	\$ 601
Software	192,825	87,900	-	280,725	82,551	198,174
	<u>\$ 195,920</u>	<u>\$ 87,900</u>	<u>\$ -</u>	<u>\$ 283,820</u>	<u>\$ 85,045</u>	<u>\$ 198,775</u>

  

	<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 and equipment	\$ 3,095	\$ -	\$ -	\$ 3,095	\$ 1,462	\$ 1,633
Software	51,900	140,925	-	192,825	40,261	152,564
	<u>\$ 54,995</u>	<u>\$ 140,925</u>	<u>\$ -</u>	<u>\$ 195,920</u>	<u>\$ 41,723</u>	<u>\$ 154,197</u>

### NOTE 4 - 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 through the purchase of Directors' and Officers' liability insurance with a private insurance company. The Board also protects itself from exposures to loss through the purchase of commercial insurance including general liability, errors & omissions, and cybersecurity.

## **NORTH CAROLINA STATE BOARD OF CHIROPRACTIC EXAMINERS**

### **Notes to Financial Statements**

---

#### **NOTE 5 - RETIREMENT PLAN**

Effective July 1, 2021, the Board has a simplified employee IRA contribution plan covering all employees. The Board matches the employee's elective deferral on a dollar-for-dollar basis up to 3% of the employee's compensation. Total participant contributions in any calendar year are subject to limitations set by the Internal Revenue Code. On behalf of its employees, the Board contributed \$5,896 and \$5,099 for the years ended June 30, 2024 and 2023, respectively.

#### **NOTE 6 - SUBSEQUENT EVENTS**

Management of the Board evaluated subsequent events through September 30, 2024, which is the date the financial statements were available to be issued. They discovered no subsequent events that should be disclosed.

The Board's audit was conducted in approximately 60 hours at a cost of \$14,000.