

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS

Financial Statements

Years Ended December 31, 2024 and 2023

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS
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Independent Auditors' Report

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

Opinion

We have audited the accompanying financial statements of the North Carolina Board of Athletic Trainer Examiners (the Board), which comprise the statements of net position as of December 31, 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 as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board as of December 31, 2024 and 2023, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Other Matters

Required Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The management's discussion and analysis on pages 4-5 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or any assurance.

RH CPA_s, PLLC

Greensboro, North Carolina
March 25, 2025

North Carolina Board of Athletic Trainer Examiners
Management's Discussion and Analysis
December 31, 2024 and 2023

The following is a discussion and analysis of the Board's financial performance for the fiscal years ended December 31, 2024 and 2023. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

- Net position increased by \$11,516, or 18.94%, due to an annual reoccurrence of revenues in excess of expenses.
- The operating revenues of the Board increased by \$3,447 or 1.91%. A review of the activity for the year found an increases in license fees.
- The non-operating revenues of the Board increased \$22,397 or 750.07%, due to certificate deposit accretion and interest earned thereon.
- The operating expenses of the Board increased by \$14,328 or 11.66%, which was due mostly to an increase in database expense.

Overview of the Basic Financial Statements

The financial report consists of three sections:

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

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

Basic Financial Statements

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

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

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

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

Basic Financial Statements (Continued)

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

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>Amount of Change</u>
Assets:			
Cash and cash equivalents	\$ 327,832	\$ 409,404	\$ (81,572)
Certificates of deposit - current	338,701	-	288,306
Accrued interest receivable	4,352	2	4,350
Prepaid expenses	11,667	11,667	-
Certificates of deposit – long term	184,819	353,993	(118,779)
Total assets	<u>\$ 867,371</u>	<u>\$ 775,066</u>	<u>\$ 92,305</u>
Liabilities:			
Accounts payable	\$ 12,882	\$ 986	\$ 11,896
Deferred revenues	61,081	53,004	8,077
Total liabilities	<u>\$ 73,963</u>	<u>\$ 53,990</u>	<u>\$ 19,973</u>
Unrestricted net position	<u>\$ 793,408</u>	<u>\$ 721,076</u>	<u>\$ 72,332</u>
Total net position	<u>\$ 793,408</u>	<u>\$ 721,076</u>	<u>\$ 72,332</u>
Operating revenues	\$ 184,125	\$ 180,678	\$ 3,447
Nonoperating revenues	25,383	2,986	22,397
Operating expenses	(137,176)	(122,848)	(14,328)
Change in net position	<u>\$ 72,332</u>	<u>\$ 60,816</u>	<u>\$ 11,516</u>

Events Affecting Future Operations

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

Contacting the Board's Management

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

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS

**Statements of Net Position
December 31, 2024 and 2023**

ASSETS

	2024	2023 (Restated)
Current assets:		
Cash and cash equivalents	\$ 327,832	\$ 409,404
Certificates of deposit with current maturities	338,701	50,395
Accrued interest receivable	4,352	2
Prepaid expenses	11,667	11,667
Total current assets	<u>682,552</u>	<u>471,468</u>
Non-current assets:		
Certificates of deposit with noncurrent maturities	184,819	303,598
Total non-current assets	<u>184,819</u>	<u>303,598</u>
Total assets	<u><u>\$ 867,371</u></u>	<u><u>\$ 775,066</u></u>

LIABILITIES AND NET POSITION

Current liabilities:		
Accounts payable	\$ 12,882	\$ 986
Total current liabilities	<u>12,882</u>	<u>986</u>
Non-current liabilities:		
Deferred revenues	61,081	53,004
Total non-current liabilities	<u>61,081</u>	<u>53,004</u>
Total liabilities	<u>73,963</u>	<u>53,990</u>
Net position:		
Unrestricted	793,408	721,076
Total liabilities and net position	<u><u>\$ 867,371</u></u>	<u><u>\$ 775,066</u></u>

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

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS**Statements of Revenues, Expenses, and Changes in Net Position****December 31, 2024 and 2023**

	2024	2023 (Restated)
Operating revenues:		
Program revenue	\$ 184,125	\$ 180,678
Total operating revenues	<u>184,125</u>	<u>180,678</u>
Operating expenses:		
General and administrative expenses	92,755	92,727
Postage	542	567
Supplies	950	324
Telephone	-	258
Web fees	1,573	2,095
Board reimbursement	3,197	1,759
Insurance expense	9,614	9,768
Board expense	299	413
Database expense	25,558	12,519
Storage	2,688	2,418
Total operating expenses	<u>137,176</u>	<u>122,848</u>
Operating income	<u>46,949</u>	<u>57,830</u>
Other income (expense):		
Interest income (including accretion and unrealized gain/loss on certificates of deposit in the secondary market)	25,383	2,986
Total other income	<u>25,383</u>	<u>2,986</u>
Change in net position	<u>72,332</u>	<u>60,816</u>
Total net position, beginning of year	<u>721,076</u>	<u>660,260</u>
Total net position, end of year	<u>\$ 793,408</u>	<u>\$ 721,076</u>

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

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS

**Statements of Cash Flows
December 31, 2024 and 2023**

	2024	2023 (Restated)
Cash flows from operating activities:		
Cash received from fee income	\$ 192,202	\$ 177,205
Cash paid for operating expenses	(125,280)	(149,569)
Net cash provided from operating activities	<u>66,922</u>	<u>27,636</u>
Cash flows from investing activities:		
Purchase of certificates of deposit	(200,010)	-
Maturity of certificates of deposit	51,000	30,000
Interest on certificates of deposit	516	636
Net cash used by investing activities	<u>(148,494)</u>	<u>30,636</u>
Net (decrease) increase in cash	(81,572)	58,272
Cash, beginning of year	<u>409,404</u>	<u>351,132</u>
Cash, end of year	<u><u>\$ 327,832</u></u>	<u><u>\$ 409,404</u></u>
Reconciliation of operating income to net cash flows provided from operating activities:		
Operating income	\$ 46,949	\$ 57,830
Adjustments to reconcile operating income to net cash from operating activities		
Cash provided from change in:		
Prepaid expenses	-	(11,667)
Accounts payable	11,896	(15,054)
Deferred revenue	8,077	(3,473)
Net cash provided from operating activities	<u><u>\$ 66,922</u></u>	<u><u>\$ 27,636</u></u>

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

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS

Notes to the Financial Statements Years Ended December 31, 2024 and 2023

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

Nature of Organization:

The North Carolina Board of Athletic Trainer Examiners (the Board) is an independent State board. It is an occupational licensing board and is authorized by Chapter 90 of the North Carolina General Statutes. The Board is composed of seven members who are appointed by the Governor and the General Assembly of the State of North Carolina. The Board's essential governmental function is to protect the public by setting standards for qualifications, training, and experience for those who seek to represent themselves to the public as a certified/licensed athletic trainer examiner and by promoting high standards of professional performance for those engaged in the practice of athletic training. It is a nonmajor enterprise fund of the primary government of the State of North Carolina and is reported as such in the State's Annual Comprehensive Financial Report (ACFR).

Basis of Presentation:

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

All activities of the Board are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or the change in net assets is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Financial Reporting Entity:

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

For financial reporting purposes, the Board is a non-major enterprise fund of the primary government of the State of North Carolina and is reported as such in the State's *Annual Comprehensive Financial Report* (ACFR). These financial statements for the Board are separate and apart from those of the State of North Carolina and do not present the financial position of the State nor changes in the State's financial position and cash flows.

Basis of Accounting:

The financial statements have been prepared using the accrual basis of accounting. Under the accrual basis of accounting revenues are recognized when earned, and expenses are recorded when a liability has been incurred, regardless of the timing of the cash flows. The Board classifies its revenues and expenses as operating and non-operating in the accompanying statements of revenues, expenses, and changes in net position. Operating revenues include activities that have characteristics of exchange transactions and consist primarily of application and license renewal fees. Non-operating revenues include activities that have characteristics of non-exchange transactions and consist primarily of investing type activities.

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS

Notes to the Financial Statements Years Ended December 31, 2024 and 2023

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

Net Position:

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

- a. Restricted net position – This component of net position consists of net position which the Board is legally or contractually obligated to spend in accordance with the restrictions imposed by external parties. As of December 31, 2024 and 2023, the Board had no restricted net position.
- b. Unrestricted net position – This component of net position consists of net positions that do not meet the definition of restricted or invested in property and equipment.
- c. Net investment in capital assets – This component of net position consists of capital assets net of accumulated depreciation, and reduced by any related debt, if applicable. As of December 31, 2024 and 2023, the Board has no investment in capital assets.

Cash and Cash Equivalents:

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

Certificates of Deposit:

The Board is authorized to invest idle funds in accordance with North Carolina General Statutes. This classification consists of certain certificates of deposits held by the Board for investment. Certificates of deposits are valued at amortized cost, which approximates their fair value. 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, when applicable, is recognized as a component of investment interest income.

Fair Value of Financial Instruments:

The carrying amounts of the Board's financial instruments approximate their fair value.

Prepaid Expense:

This classification includes prepaid computer database expense.

Deferred Revenue:

The Board's fees are assessed and collected on a fiscal year basis, which corresponds with the Board's accounting period. Licenses are renewed for a period of one fiscal year. License renewal fees received in the latter part of the fiscal year are unearned and recognized as revenue over the one year period to which they relate.

Use of Estimates:

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

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS

Notes to the Financial Statements Years Ended December 31, 2024 and 2023

NOTE 2 – CONCENTRATIONS OF CREDIT RISK

The Board places its cash and cash equivalents on deposit with financial institutions in the United States. Combined deposits with a financial institution are insured up to \$250,000. The amount of deposits in excess of the Federal Deposit Insurance Corporation limit totaled \$15,495 and \$93,807, respectively, at December 31, 2024 and 2023, respectively. The Board has not adopted a formal policy regarding custodial credit risk for deposit.

NOTE 3 – INVESTMENTS

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 (negotiable and non negotiable) with maturities of no more than 84 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 (negotiable and non-negotiable) and money market mutual funds.

Custodial credit risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Board does not have formal written policies regarding custodial credit risk for investments.

The following table presents fair value of investments by type and investment subject to the above denoted risks at December 31, 2024 and 2023, for the Board's investments.

Investment Type	Fair Value at June 30, 2024	Maturity less than 6 months	Maturity 6 to 12 months	Maturity 1 to 3 years
Certificates of deposit	\$ 523,520	\$ 100,000	\$ 238,701	\$ 184,819
	<u>\$ 523,520</u>	<u>\$ 100,000</u>	<u>\$ 238,701</u>	<u>\$ 184,819</u>
Investment Type	Fair Value at June 30, 2023	Maturity less than 6 months	Maturity 6 to 12 months	Maturity 1 to 3 years
Certificates of deposit	\$ 353,993	\$ 50,395	\$ -	\$ 303,598
	<u>\$ 353,993</u>	<u>\$ 50,395</u>	<u>\$ -</u>	<u>\$ 303,598</u>

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS

Notes to the Financial Statements Years Ended December 31, 2024 and 2023

NOTE 4 – FAIR VALUE MEASUREMENTS

Fair value, as defined under GASB 72, Fair Value Measurement and Application, is an exit price representing the price that would be received to sell or paid to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

Level 1: Observable inputs that are based upon quoted market prices for identical assets or liabilities within active markets.

Level 2: Observable inputs other than Level 1 that are based upon quoted market prices for similar assets or liabilities, based upon quoted prices within inactive markets, or inputs other than quoted market prices that are observable through market data for substantially the full term of the asset or liability.

Level 3: Inputs that are unobservable for the particular asset or liability due to little or no market activity and are significant to the fair value of the asset or liability. These inputs reflect assumptions that market participants would use when valuing the particular asset or liability.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Board's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

2024				
	Level 1	Level 2	Level 3	Total
Investments:				
Certificates of Deposit	\$ 423,520	\$ -	\$ -	\$ 423,520
Total investments	<u>\$ 423,520</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 423,520</u>
2023				
	Level 1	Level 2	Level 3	Total
Investments:				
Certificates of Deposit	\$ 353,993	\$ -	\$ -	\$ 353,993
Total investments	<u>\$ 353,993</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 353,993</u>

NOTE 5 – INCOME TAXES

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

NOTE 6 – 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. For the years ended December 31, 2024 and 2023, the Board had accounts payable balances of \$12,882 and \$986, respectively.

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS

Notes to the Financial Statements Years Ended December 31, 2024 and 2023

NOTE 7 – CONTRACTUAL MANAGEMENT SERVICES

The Board does not have any employees, and contracts with a management consultant service to provide services for the Board. The contract includes all services related to the process of licensure application and renewal and various other secretarial duties. The Board also occasionally reimburses the management service for miscellaneous office supplies and expenses. For the years ended December 31, 2024 and 2023, management fees totaled \$45,512 and \$43,345, respectively.

NOTE 8 – RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; injuries to employees; and natural disasters. These exposures to loss are handled by participation in state-administered risk programs and self-retention of certain risks. The Board protects itself from exposure to loss through the purchase of commercial insurance coverage. There have been no significant reductions in insurance coverage from the previous year, and settled claims have not exceeded coverage in any of the past three fiscal years.

NOTE 9 – CONTINGENCIES

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

NOTE 10 – PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2024, management noted investment balances were not appropriately classified and recorded in the books of accounts of the Board in prior year. Thus, necessary prior period adjustments were made in order to record and present these balances correctly and prior year financial statements were restated. The effect of these restatements are as follows:

	2023		
	As previously reported	Restatement	As restated
Balance Sheet			
Assets			
Certificates of deposit	\$ 377,137	\$ (23,144)	\$ 353,993
Accrued interest receivable	3,541	(3,539)	2
Impact on assets	\$ 380,678	\$ (26,683)	\$ 353,995
Impact on opening retained earnings at January 1, 2024	\$ (747,759)	\$ 26,683	\$ (721,076)

NORTH CAROLINA BOARD OF ATHLETIC TRAINER EXAMINERS

**Notes to the Financial Statements
Years Ended December 31, 2024 and 2023**

NOTE 11 – DATE OF BOARD’S REVIEW

The Board has evaluated events and transactions that occurred subsequent to March 25, 2025, which is the date the financial statements were available to be issued. There were no recognized subsequent events requiring disclosure.

**NOTE 12 – NC LEGISLATIVE STATUTORY DISCLOSURE REQUIREMENT CONCERNING
AUDIT FEES**

The audit was conducted in approximately 80 hours at a cost of \$11,922.