

**NAME OF NC STATE BOARD:**

**NC Board of Physical Therapy Examiners**

**18 West Colony Place, Suite 140  
Durham, North Carolina 27705**

**Telephone: 919-490-6393**

**Fax: 919-490-5106**

**Website: [www.ncptboard.org](http://www.ncptboard.org)**

**Email address: [BenMassey@ncptboard.org](mailto:BenMassey@ncptboard.org)**

# NC Board of Physical Therapy Examiners

## Licenses Issued – Disciplinary Action Y/E 06-30-2013

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1. the address of the board, the names of its members and officers. See attached	
2. the number of persons who applied to the board for examination. (PT & PTA) <b>471</b>	
3. the number of who were refused examination. <b>0</b>	
4. the number who took the examination. (PT & PTA) <b>412 &amp; 158 Repeaters = 570</b>	
5. the number to whom initial licenses were issued (by exam) <b>412</b>	
6. the number who applied for license by reciprocity or comity. (Endorsement PT & PTA) <b>443</b>	
7. the number who were granted licenses by reciprocity or comity. (Endorsement PT & PTA) <b>416</b>	
7a the number of official complaints received involving licensed and unlicensed activities. <ul style="list-style-type: none"> <li>• Formal complaints using Board's form – <b>18</b></li> <li>• Written or email complaints (including failure to renew by deadline) – <b>32</b></li> <li>• Telephone - <b>0</b></li> </ul>	
7a the number of official complaints received involving licensed and unlicensed activities. <ul style="list-style-type: none"> <li>• Formal complaints using Board's form - <b>Sixteen (16)</b></li> <li>• Written or email complaints (including failure to renew by deadline &amp; failure to complete continuing competence requirements) - <b>Seventy-four (74)</b></li> <li>• Telephone – <b>Zero (0)</b></li> </ul>	
7b the number of disciplinary actions taken against licensees, or other actions taken against non-licensees, including injunctive relief. <ul style="list-style-type: none"> <li>• Disciplinary actions – <b>Nineteen (19)</b></li> <li>• Advisory letters (not disciplinary actions) - <b>Thirty one (31)</b></li> <li>• Referrals to District Attorney, OIG, or other licensing Board – <b>Zero (0)</b></li> </ul>	
8. the number of licenses suspended or revoked. Five (5) suspended	
9. the number of licenses terminated for any reason other than failure to pay the required renewal fee. Two (2) licensees surrendered their licenses	
10. the substance of any anticipated request by the occupational licensing board to the General Assembly to amend statutes related to the occupational licensing board.	
House Bill 828 – ratified July 10, 2013 <ul style="list-style-type: none"> <li>• Allow the Board to establish or participate in a program for chemical or alcohol addiction or abuse or mental health problems.</li> <li>• Allow the Board to purchase its own building.</li> <li>• Allow for licensure of Foreign Trained Physical Therapist Assistants (FTPPTA's)</li> <li>• Allow PT's and PTA's who are accompanying an athletic team or performing arts company from the requirement that he/she must</li> </ul>	

# NC Board of Physical Therapy Examiners

## Licenses Issued – Disciplinary Action Y/E 06-30-2013

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have a license in NC prior to treating a member of their sports team or performing arts company.

- Allow PT's and PTA's who are licensed in another jurisdiction or state to provide physical therapy services during a State or national disaster or emergency provided that he/she notifies the Board of his/her intent to practice.
- Allow an exemption for PT & PTA's who are licensed in another jurisdiction or state and are displaced due to State or national disaster the ability to practice physical therapy.
- Allow the Board to request the NC Department of Justice to perform criminal background checks.

**NORTH CAROLINA BOARD OF PHYSICAL THERAPY EXAMINERS – effective September 18, 2013**

**BOARD MEMBERS**

Patricia S. Hodson, PT, Chair Fax: 252-744-6240 Term expires: 2014	603 Eleanor Street Greenville, NC 27858 B: 252-744-6233 H: 252-756-1922 E-mail: stavrakasp@ecu.edu
Judy L. Edwards, PTA, Secretary - Treasurer Fax: Term expires: 2014	2908 Windrow Lane Matthews, NC 28105 B: 704-882-3420 H: 704/847-4277 C: 704-577-3418 E-mail: <a href="mailto:lpta16@earthlink.net">lpta16@earthlink.net</a>
Angela L. Diaz, PT Fax: Term expires: 2014	10136 Darling Street Raleigh, NC 27613 H: 919/848-3754 C: 919/316-0876 E-mail: <a href="mailto:diazang@bellsouth.net">diazang@bellsouth.net</a>
Paul Garcia, MD Fax: 252/974-5499 Term expires: 2013	140 Sabre Pointe Drive Bath, NC 27808 B: 252/975-8838 H: 252/923-0251 E-mail: <a href="mailto:paulgarciamd@hotmail.com">paulgarciamd@hotmail.com</a>
Leslie P. Kesler, PT Fax: 910-342-3232 Term expires: 2015	3101 Durbin Court Wilmington, NC 28409 H: 910/799-0087 W: 910/815-5619 C: 910/465-2130 E-mail: <a href="mailto:Leslie.Kesler@nhrmc.org">Leslie.Kesler@nhrmc.org</a>
Gloria H. Lewis, Public Member Fax: 919-564-2187 Term expires: 2013	PO Box 1953 Oxford, NC 27565 H: 919-482-6716; B: 919-564-2355 E-mail: <a href="mailto:Gloria.lewis@mckesson.com">Gloria.lewis@mckesson.com</a>
Patricia Ann Rode, PT Fax: 910/256-4443 Term expires: 2013	131 Cavalier Drive Wilmington, NC 28403 B: 910/256-4442 H: 910/256-3510 C: 910/617-7878 E-mail: <a href="mailto:prode131@yahoo.com">prode131@yahoo.com</a>
Eric J. Smith Fax: Term expires: 2015	1204 Cool Springs Road Sanford, NC 27330 C- 919 775-9450, H: 919 776-0156 E-mail: <a href="mailto:smithej@mindspring.com">smithej@mindspring.com</a>

**OFFICE PERSONNEL**

Ben F. Massey, Jr., PT, Exec Dir Fax: 919-490-5106 Work E-mail: <a href="mailto:benmassey@ncptboard.org">benmassey@ncptboard.org</a> Home E-mail: <a href="mailto:bfmassey@mindspring.com">bfmassey@mindspring.com</a>	18 West Colony Place, Suite 140 Durham, NC 27705 B: 919-490-6393 Voice Mail: 919-226-2299 Cell: 919-760-3505
Cindy Kiely, Administrative Assistant H: 919-967-8305	B: 919-490-6393 Fax: 919-490-5106 E-mail: <a href="mailto:cindy@ncptboard.org">cindy@ncptboard.org</a>

**ATTORNEY**

John M. Silverstein, Attorney Fax: 919-790-1560 B: 919-790-9102	Satsky & Silverstein 900 Ridgefield Dr., Suite 250 Raleigh, NC 27609 E-mail: <a href="mailto:jms@satskysilverstein.com">jms@satskysilverstein.com</a>
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Angela L. Diaz, PT  
10136 Darling Street  
Raleigh, NC 27613

Judy L. Edwards, PTA  
2908 Windrow Lane  
Matthews, NC 28105

Paul Garcia, MD  
140 Sabre Pointe Drive  
Bath, NC 27808

Patricia S. Hodson, PT  
603 Eleanor Street  
Greenville, NC 27858

Leslie P. Kesler, PT  
3101 Durbin Court  
Wilmington, NC 28409

Gloria H. Lewis  
PO Box 1953  
Oxford, NC 27565

Patricia Ann Rode, PT  
131 Cavalier Drive  
Wilmington, NC 28403

Eric J. Smith, PTA  
1204 Cool Springs Road  
Sanford, NC 27330

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John M. Silverstein, Attorney  
Satsky & Silverstein  
900 Ridgefield Dr., Suite 250  
Raleigh, NC 27609

**NORTH CAROLINA BOARD OF  
PHYSICAL THERAPY EXAMINERS**

**FINANCIAL STATEMENTS**

**JUNE 30, 2013**

NORTH CAROLINA BOARD OF PHYSICAL THERAPY EXAMINERS

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JUNE 30, 2013

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3200 CROASDAILE DRIVE  
SUITE 501  
DURHAM, NC 27705

OFFICE: (919) 383-7026  
FAX: (919) 382-0673

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### Independent Auditors' Report

Members of the Board  
North Carolina Board of Physical Therapy Examiners  
Durham, North Carolina

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the North Carolina Board of Physical Therapy Examiners as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audits.

#### **Management's Responsibility 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.

#### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis

for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the North Carolina Board of Physical Therapy Examiners as of June 30, 2013, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2013 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

*Garrett, Dohr & Associates, Ltd.*

Durham, North Carolina  
October 30, 2013

NORTH CAROLINA BOARD OF PHYSICAL THERAPY EXAMINERS  
STATEMENT OF NET ASSETS  
ENTERPRISE FUND  
JUNE 30, 2013

ASSETS

Current Assets:

Cash and cash equivalents (Note B)	\$ 1,729,177
Certificates of deposit (Note B)	<u>440,823</u>
	2,170,000
Total Current Assets	<u>2,170,000</u>

Noncurrent Assets:

Capital assets (Note C)	
Furniture	39,697
Equipment	11,517
Computer equipment	<u>103,835</u>
	155,049
Less accumulated depreciation	<u>(130,141)</u>
	24,908
Other Assets	<u>1,360</u>
Total Noncurrent Assets	<u>26,268</u>
Total Assets	<u>2,196,268</u>

LIABILITIES

Current Liabilities:

Payroll Liabilities	2,263
Deferred revenue	43,500
Accrued vacation (Note D)	<u>34,654</u>
Total Current Liabilities	80,417

Long-Term Liabilities:

Accrued vacation (Note D)	<u>29,415</u>
Total Liabilities	<u>109,832</u>

NET ASSETS

Invested in capital assets, net of related debt	24,908
All other net assets (Note G)	<u>2,061,528</u>
Total Net Assets	<u>\$2,086,436</u>

See Independent Auditors' Report and Notes to Financial Statements

NORTH CAROLINA BOARD OF PHYSICAL THERAPY EXAMINERS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
ENTERPRISE FUND  
FOR THE YEAR ENDED JUNE 30, 2013

OPERATING REVENUES

Charges for services:	
Renewal fees	\$ 945,100
License, revival, transfer and other fees	186,150
Disciplinary reimbursements	4,735
Other revenues	<u>7,455</u>

Total operating revenues 1,143,440

OPERATING EXPENSES

Salaries	320,467
Social security taxes	21,579
Retirement contributions (Note E)	17,506
Board members and other travel per diem, subsistence and registration	45,435
Legal and investigation	94,806
Telephone	10,615
Postage	11,645
Newsletter and directory printing	7,898
Office supplies	12,705
Computer supplies and support	123,357
Professional fees	84,802
Group insurance	67,499
Insurance	1,345
Membership dues	5,130
Bank service charges	27,483
Equipment rent (Note F)	13,039
Rent (Note F)	38,058
Utilities and other office expenses	8,278
Secretarial assistance	25,037
Chemical impairment program costs	3,500
Depreciation	<u>5,902</u>

Total operating expenses 946,086

Operating income \$ 197,354

See Independent Auditors' Report and Notes to Financial Statements

NORTH CAROLINA BOARD OF PHYSICAL THERAPY EXAMINERS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
ENTERPRISE FUND  
FOR THE YEAR ENDED JUNE 30, 2013

NONOPERATING REVENUES (EXPENSES):

Interest income	\$ 7,031
Loss on sale of equipment	<u>(211)</u>
	<u>6,820</u>
Change in net assets	204,174
Net assets June 30, 2012	<u>1,882,262</u>
Net assets June 30, 2013	<u><u>\$ 2,086,436</u></u>

See Independent Auditors' Report and Notes to Financial Statements

NORTH CAROLINA BOARD OF PHYSICAL THERAPY EXAMINERS  
STATEMENT OF CASH FLOWS  
ENTERPRISE FUND  
JUNE 30, 2013

Cash flows from operating activities:	
Cash received from licensees and applicants	\$1,131,250
Cash received from others	12,190
Cash paid to employees and professionals	(520,481)
Cash paid to suppliers	<u>(419,119)</u>
Net cash flows from operating activities	203,840
Cash flows from capital and related financing activities	
Acquisition of capital assets	(10,394)
Proceeds from sale of equipment	<u>50</u>
	(10,344)
Cash flows from investing activities	
Receipt of interest income	7,031
Increase in certificates of deposit	<u>(2,417)</u>
	<u>4,614</u>
Net change in cash equivalents	198,110
Cash and cash equivalents - June 30, 2012	<u>1,531,067</u>
Cash and cash equivalents - June 30, 2013	<u>\$ 1,729,177</u>
Reconciliation of operating income to net cash flows from operating activities	
Operating income	\$197,354
Adjustments to reconcile operating income to net cash provided (used)	
by operating activities:	
Depreciation	5,902
Changes in assets and liabilities:	
Increase in other assets	(610)
Increase in payroll liabilities	2,263
Increase in accrued vacation	4,631
(Decrease) in deferred revenue	<u>(5,700)</u>
Net cash provided by operating activities	<u>\$ 203,840</u>

See Independent Auditors' Report and Notes to Financial Statements

NORTH CAROLINA BOARD OF PHYSICAL  
THERAPY EXAMINERS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Board was established by the North Carolina General Assembly as an occupational licensing board to maintain standards for the practice of physical therapy in North Carolina.

Reporting Entity

The Board is considered an agency of the state of North Carolina and along with other state licensing boards is reported as an enterprise fund within the state's Comprehensive Annual Financial Report (CAFR).

Basis of Presentation

The statement of net assets reflects all assets including long-term assets, and all obligations including long-term obligations.

The statement of revenues, expenses and changes in fund net assets presents a comparison between direct expenses and program revenues of the Board. Primary revenues include fees and other charges paid by the recipients of services.

Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, the Board's accounts are maintained during the year using the modified accrual basis of accounting. However, at year-end, financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when cash flows take place.

NORTH CAROLINA BOARD OF PHYSICAL  
THERAPY EXAMINERS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE A (CONTINUED)

Use of Estimates

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

FASB Pronouncements

FASB pronouncements issued after November 30, 1989 are not applied unless so directed by the Governmental Accounting Standards Board (GASB).

Cash Equivalents

The Board considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Deferred Revenues

Deferred revenues consist principally of license fees paid by applicants prior to taking exams.

Capital Assets

Capital assets are defined by the Board as assets with an initial individual cost of \$500 or more and an estimated useful life of more than two years. Purchased assets are reported at cost. The cost of normal maintenance and repairs that do not add to the value of an asset or materially extend asset lives are expensed.

NORTH CAROLINA BOARD OF PHYSICAL  
THERAPY EXAMINERS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE A (CONTINUED)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Furniture and equipment	5-10 years
Computer equipment	3 years

Accrued Vacation

The vacation leave policy of the Board provides for accumulation of earned vacation leave with such leave being fully vested when earned. Because vacation leave is payable to employees at termination, a liability for the outstanding balances has been recorded. That portion of accrued vacation that is estimated to be used in the next fiscal year has been designated as a current liability in the financial statements (first-in, first-out method of using accumulated time).

Net Assets/Fund Balances

Net assets in the financial statements are classified as invested in capital assets, net of related debt, assigned and unassigned. Assigned net assets represent constraints on resources intended to be used for the purpose indicated.

NOTE B DEPOSITS AND INVESTMENTS

The Board maintains cash balances, money market accounts and certificates of deposit at several financial institutions in Durham, North Carolina. Certificates of deposit have a book and market value of \$440,823 at June 30,

NORTH CAROLINA BOARD OF PHYSICAL  
THERAPY EXAMINERS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE B (CONTINUED)

2013. Certificates of deposit have varying interest rates and staggered maturities over the next 12 months.

Custodial Credit Risk – Deposits. 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 does not have a formal deposit policy for custodial credit risk. As of June 30, 2013, the Board’s deposits of \$2,170,000 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized \$395,879

NOTE C CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2013 were as follows:

	ASSET			
	June 30, <u>2012</u>	<u>Additions</u>	<u>Retirements</u>	June 30, <u>2013</u>
Furniture	\$ 37,050	\$ 2,647		\$ 39,697
Equipment	10,692	825		11,517
Computer Equipment	<u>98,219</u>	<u>6,922</u>	\$ 1,306	<u>103,835</u>
	<u>\$145,961</u>	<u>\$10,394</u>	<u>\$ 1,306</u>	<u>\$155,049</u>

NORTH CAROLINA BOARD OF PHYSICAL  
THERAPY EXAMINERS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE C (CONTINUED)

	DEPRECIATION			
	<u>June 30,</u> <u>2012</u>	<u>Current</u> <u>Expense</u>	<u>Retirements</u>	<u>June 30,</u> <u>2013</u>
Furniture	\$ 28,306	\$ 1,580		\$ 29,886
Equipment	10,512	162		10,674
Computer Equipment	<u>86,466</u>	<u>4,160</u>	<u>\$ 1,045</u>	<u>89,581</u>
	<u>\$ 125,284</u>	<u>\$ 5,902</u>	<u>\$ 1,045</u>	<u>\$130,141</u>

NOTE D ACCRUED VACATION

The changes in accrued vacation are as follows:

	<u>June 30,</u> <u>2012</u>	<u>Additions</u>	<u>Used</u>	<u>June 30,</u> <u>2013</u>
Amount	\$59,438	\$43,706	\$39,075	\$64,069

The amount representing the current portion of vacation leave is \$34,654.

NOTE E RETIREMENT PLAN

The North Carolina Licensing Boards Retirement Plan is a multiple-employer, cost-sharing defined contribution plan. Participating employees must contribute 6% of their gross pay and the board matches those contributions 100%. Employee's contributions are 100% vested; the Board's matching contributions are 100% vested after 5 years of credited service. The Board contributed a 6% matching share (\$17,506) on behalf of its employees.

NORTH CAROLINA BOARD OF PHYSICAL  
THERAPY EXAMINERS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

NOTE F LEASE OBLIGATIONS

The Board leases office space and office equipment through operating leases under which future minimum rentals are as follows:

<u>Year ended June 30:</u>	<u>Amount</u>
2014	\$ 38,058
2015	38,058
2016	40,543
2017	41,040
2018	41,040
Thereafter	<u>6,840</u>
	<u>\$205,579</u>

NOTE G NET ASSETS

The Board has assigned portions of its unrestricted net assets for the following purposes:

Designated	
Information technology reserve	\$ 50,000
Replacement of property & equipment	50,000
Continuing education	50,000
Possible future building acquisition	635,000
Unanticipated legal costs	<u>300,000</u>
	<u>1,085,000</u>
Undesignated	
	<u>976,528</u>
	<u>\$2,061,528</u>

NOTE H SUBSEQUENT EVENTS

The Board has evaluated subsequent events through October 30, 2013, the date which the financial statements were available to be issued.



3200 CROASDAILE DRIVE  
SUITE 501  
DURHAM, NC 27705

OFFICE: (919) 383-7026  
FAX: (919) 382-0673

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To The Board of Directors  
North Carolina Board of Physical Therapy Examiners  
Durham, North Carolina

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the North Carolina Board of Physical Therapy Examiners (Board) as of and for the year ended June 30, 2013 and the related notes to the financial statements and have issued our report thereon dated October 30, 2013.

**Internal Control over Financial Reporting**

In planning and performing our audits of the financial statements, we considered the Board's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material* weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**GARRETT, DODD & ASSOCIATES, LTD.**

*Garrett, Dodd & Associates, Ltd.*

Durham, North Carolina  
October 30, 2013



3200 CROASDAILE DRIVE  
SUITE 501  
DURHAM, NC 27705

OFFICE: (919) 383-7026  
FAX: (919) 382-0673

October 30, 2013

Board of Directors  
North Carolina Board of Physical Therapy Examiners

We have audited the financial statements of the North Carolina Board of Physical Therapy Examiners for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. Professional standards require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the North Carolina Board of Physical Therapy Examiners are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2013. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of the depreciable lives of capital assets (i.e. equipment and vehicles). We evaluated the key factors and assumptions used to develop the useful lives and determined that they were reasonable in relation to the financial statements taken as a whole.

*Difficulties Encountered in Performing the Audit*

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

*Corrected and Uncorrected Misstatements*

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

*Disagreements with Management*

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

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 30, 2013.

*Management Consultations with Other Independent Accountants*

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

*Other Audit Findings or Issues*

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

*Other Audit Findings or Issues*

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

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

**GARRETT, DODD & ASSOCIATES, LTD.**

*Garrett, Dodd & Associates, Ltd.*

Durham, North Carolina

# Xerox WC 7556

## Workflow Scanning Confirmation Report



### Job Details:

### Job Status:

0 out of 1 filed successfully.

#### Job Information

Device Name: XRX\_0000AAE3F56A  
Submission Date: 03/14/14  
Submission Time: 11:55 AM

#### Template Information

Name: DEFAULT.XST  
Owner: ---  
Description: ---

#### File Settings

Format: Image-Only PDF  
Multi-Page  
Images Filed: 0  
Bytes Filed: 0

#### Scan Settings

Images Scanned: 24  
Original Type: Photo and Text  
Original Subtype: Printed Original  
Original Size: Auto Detect  
Auto Exposure: Off  
Lighten/Darken: Normal  
Contrast: Normal  
Sharpness: Normal  
Saturation: Normal  
Sides Imaged: 1-Sided  
Resolution: 300 dpi  
Bits per Pixel: 24  
Output Color: Auto Detect  
Compression Quality: Higher/Larger  
Compression: MRC\_2LAYER\_MULTI

#### Destination 1:

Status: \_\_\_\_\_ FAILED  
Status Details: Job canceled by user.  
Friendly Name: Default  
Server Name: 192.168.1.6:9988  
Path:  
Protocol: FTP  
Filing Policy: Add Number  
Document Name:

#### Destination 2:

Status: \_\_\_\_\_  
Status Details:  
Friendly Name:  
Server Name:  
Path:  
Protocol:  
Filing Policy:  
Document Name:

#### Destination 3:

Status: \_\_\_\_\_  
Status Details:  
Friendly Name:  
Server Name:  
Path:  
Protocol:  
Filing Policy:  
Document Name:

#### Destination 4:

Status: \_\_\_\_\_  
Status Details:  
Friendly Name:  
Server Name:  
Path:  
Protocol:  
Filing Policy:  
Document Name:

#### Destination 5:

Status: \_\_\_\_\_  
Status Details:  
Friendly Name:  
Server Name:  
Path:  
Protocol:  
Filing Policy:  
Document Name:

#### Destination 6:

Status: \_\_\_\_\_  
Status Details:  
Friendly Name:  
Server Name:  
Path:  
Protocol:  
Filing Policy:  
Document Name: