

***North Carolina State Board of  
Environmental Health Specialist Examiners***

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

**NORTH CAROLINA STATE BOARD OF  
ENVIRONMENTAL HEALTH SPECIALIST EXAMINERS**

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

***BOARD MEMBERS***

Felissa Vazquez, REHS, Chair

Larry Michael, REHS, Vice Chair

Rebecca Rosso, REHS, Secretary – Treasurer

Lillian Koontz, REHS

Brenda Bass, REHS

Bibianna Contti, REHS

Wilson Mize, REHS

Victoria Hudson, REHS

Jason Masters, REHS

Greg Caulder, REHS

Alicia Pickett, REHS

William Hill, REHS

***ADMINISTRATIVE OFFICER***

Donna Coffey, Administrative Assistant to the Board

***LEGAL COUNSEL***

North Carolina Attorney General's Office

**NORTH CAROLINA STATE BOARD OF  
ENVIRONMENTAL HEALTH SPECIALIST EXAMINERS**

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**NORTH CAROLINA STATE BOARD OF ENVIRONMENTAL HEALTH SPECIALIST EXAMINERS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024**

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The following is a discussion and analysis of the financial performance of the Board for the year ended December 31, 2024. This information should be read in conjunction with the audited financial statements which follows this section.

***Financial Highlights***

- The Board's net position was \$109,530 at December 31, 2024, an increase of \$4,871 over the \$104,659 reported at December 31, 2023. The increase was due to the Board's revenues exceeding its expenses for the year.
- During 2024, the operating revenues of the Board increased \$8,595, or 8.8%, when compared to 2023.
- During 2024, the operating expenses of the Board decreased \$113, or 0.1%, when compared to 2023.
- The last fee increase was July 1, 2010, therefore overall revenues have remained relatively stagnant while costs associated with service demands, workload, and overall costs of doing business have increased.

***Overview of the Financial Statements***

This financial report consists of two sections:

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

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

***Basic Financial Statements***

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

The Statements of Net Position present the current and 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.

**NORTH CAROLINA STATE BOARD OF ENVIRONMENTAL HEALTH SPECIALIST EXAMINERS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024**

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***Basic Financial Statements - continued***

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

	As of and for the year ended December 31, 2024	As of and for the year ended December 31, 2023
Current assets	\$ 164,143	\$ 157,187
Capital assets	3,040	3,869
Total assets	167,183	161,056
Current liabilities	57,653	56,397
Total liabilities	57,653	56,397
Invested in capital assets	3,040	3,869
Unrestricted net position	106,490	100,790
Total net position	\$ 109,530	\$ 104,659
Operating revenues	\$ 106,280	\$ 97,685
Operating expenses	104,392	104,505
Operating income (loss)	1,888	(6,820)
Non-operating revenues	2,983	1,276
Change in net position	\$ 4,871	\$ (5,544)

***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 receives and expends. If you have any questions about this report or need additional information, contact:

North Carolina State Board of Environmental Health Specialist Examiners  
Post Office Box 238  
Efland, NC 27243



ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

Members of the Board  
North Carolina State Board of Environmental Health Specialist Examiners  
Efland, North Carolina

### **Opinion**

We have audited the accompanying financial statements of the North Carolina State Board of Environmental Health Specialist Examiners (the "Board"), an enterprise fund of the State of North Carolina, 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 basic financial statements referred to above present fairly, in all material respects, the financial position of the North Carolina State Board of Environmental Health Specialist Examiners as of December 31, 2024 and 2023, and its changes in financial position and cash flows for the years then ended in accordance with accounting principles general accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits 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 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.

### **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 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 and 2 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 audits 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.

*Anderson Smith & Wike PLLC*

June 19, 2025  
Rockingham, North Carolina  
(910)-997-1418

**NORTH CAROLINA STATE BOARD OF ENVIRONMENTAL HEALTH SPECIALIST EXAMINERS**  
**STATEMENTS OF NET POSITION**  
**December 31, 2024 and 2023**

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	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Current assets:		
Cash in bank	\$ 148,558	\$ 142,573
Cash in Short Term Investment Fund (STIF)	<u>15,585</u>	<u>14,614</u>
Total current assets	<u>164,143</u>	<u>157,187</u>
Noncurrent assets:		
Capital assets, net	<u>3,040</u>	<u>3,869</u>
Total assets	<u>167,183</u>	<u>161,056</u>
<b>LIABILITIES</b>		
Current liabilities:		
Unearned revenue	57,375	53,555
Accrued wages and related expenses	<u>278</u>	<u>2,842</u>
Total current liabilities	<u>57,653</u>	<u>56,397</u>
<b>NET POSITION</b>		
Invested in capital assets	3,040	3,869
Unrestricted	<u>106,490</u>	<u>100,790</u>
Total net position	<u>\$ 109,530</u>	<u>\$ 104,659</u>



**NORTH CAROLINA STATE BOARD OF ENVIRONMENTAL HEALTH SPECIALIST EXAMINERS**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**For the Years Ended December 31, 2024 and 2023**

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	<u>2024</u>	<u>2023</u>
<b>OPERATING REVENUES</b>		
Certificate renewal fees	\$ 60,705	\$ 55,885
Late renewal fees	975	4,400
Application fees	4,250	5,550
Examination fees	40,350	31,850
Total operating revenues	<u>106,280</u>	<u>97,685</u>
<b>OPERATING EXPENSES</b>		
Administrative salary (including payroll taxes)	32,943	44,777
Board members - travel and per diem	10,355	9,230
Administrative travel	1,515	2,534
Telephone	999	907
Exam	35,663	31,640
Office supplies	379	617
Computer support and database development	3,866	2,637
Deprecation	829	276
Postage	744	911
Insurance	500	500
Professional fees	5,000	4,562
Miscellaneous	11,599	5,914
Total operating expenses	<u>104,392</u>	<u>104,505</u>
Operating income (loss)	<u>1,888</u>	<u>(6,820)</u>
<b>NON-OPERATING REVENUES</b>		
Interest Income	<u>2,983</u>	<u>1,276</u>
Change in net position	4,871	(5,544)
Total net position - beginning	<u>104,659</u>	<u>110,203</u>
Total net position - ending	<u><u>\$ 109,530</u></u>	<u><u>\$ 104,659</u></u>

**NORTH CAROLINA STATE BOARD OF ENVIRONMENTAL HEALTH SPECIALIST EXAMINERS**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2024 and 2023**

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	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from fees	\$ 110,100	\$ 101,765
Cash payments for operating expenses	(70,620)	(59,452)
Cash payments to employees for services	(35,507)	(44,931)
Net cash provided (used) by operating activities	<u>3,973</u>	<u>(2,618)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of capital assets	<u>-</u>	<u>(4,145)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	<u>2,983</u>	<u>1,276</u>
Net increase (decrease) in cash and cash equivalents	6,956	(5,487)
Cash and cash equivalents - beginning of the year	<u>157,187</u>	<u>162,674</u>
Cash and cash equivalents - end of the year	<u><u>\$ 164,143</u></u>	<u><u>\$ 157,187</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>		
Operating income (loss)	\$ 1,888	\$ (6,820)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	829	276
Changes in assets and liabilities:		
Increase in unearned revenue	3,820	4,080
Decrease in accrued wages and related expenses	<u>(2,564)</u>	<u>(154)</u>
Total adjustments	<u>2,085</u>	<u>4,202</u>
Net cash provided (used) by operating activities	<u><u>\$ 3,973</u></u>	<u><u>\$ (2,618)</u></u>

**NORTH CAROLINA STATE BOARD OF ENVIRONMENTAL HEALTH SPECIALIST EXAMINERS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2024 and 2023**

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NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The North Carolina State Board of Environmental Health Specialist Examiners (the "Board") is an independent State agency. It is an occupational licensing board and is authorized by Chapter 90A of the North Carolina General Statutes. The Board is composed of 12 members who are appointed by the Governor of the State of North Carolina.

The Board is established to maintain minimum standards for services provided by environmental health specialists. 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 basic 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 basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by Governmental Accounting Standards Board (GASB).

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.

Measurement Focus and Basis of Accounting

In accordance with current GASB statements, the Board presents Statements of Net Position; Statements of Revenues, Expenses and Changes in Net Position; and Statements of Cash Flows. These statements reflect entity-wide operations of the Board. The Board has no fiduciary funds or component units.

The Statements of Revenues, Expenses and Changes in Net Position demonstrate the degree to which direct expenses of the Board are offset by license and examination fees.

**NORTH CAROLINA STATE BOARD OF ENVIRONMENTAL HEALTH SPECIALIST EXAMINERS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2024 and 2023**

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

Measurement Focus and Basis of Accounting (continued)

The Statements of Revenues, Expenses and Changes in Net Position demonstrate the degree to which direct expenses of the Board are offset by license and examination fees.

The basic financial statements report all activities of the Board using the current financial resource measurement focus and the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recognized when incurred, if measurable.

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 and examination fees. Non-operating revenues and expenses consist of those revenues and expenses that are related to investing activities and are classified as non-operating in the financial statements.

Cash and Cash Equivalents

This classification includes undeposited receipts, petty cash, cash on deposit with private bank accounts and deposits held by the State Treasurer in the short-term investment fund. The short-term investment fund maintained by the State Treasurer has the general characteristics of a demand deposit account in that participants may deposit and withdraw cash at any time without prior notice or penalty.

Capital Assets

The Board's capital assets are recorded at original cost. 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.

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

	<u>Years</u>
Equipment and furniture	3 - 5

Capital asset activity for the year ended December 31, 2024, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Retirements</u>	<u>Ending Balances</u>
Equipment and furniture	\$ 7,261	\$ -	\$ -	\$ 7,261
Accumulated depreciation	3,392	829	-	4,221
Net capital assets	<u>\$ 3,869</u>			<u>\$ 3,040</u>

**NORTH CAROLINA STATE BOARD OF ENVIRONMENTAL HEALTH SPECIALIST EXAMINERS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2024 and 2023**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (continued)

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balances	Increases	Retirements	Ending Balances
Equipment and furniture	\$ 5,147	\$ 4,145	\$ (2,031)	\$ 7,261
Accumulated depreciation	5,147	276	(2,031)	3,392
Net capital assets	<u>\$ -</u>			<u>\$ 3,869</u>

Unearned Revenue

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

Net Position

*Invested in Capital Assets* – This component of net position consists of capital assets, net of accumulated depreciation.

*Restricted* – 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 as of December 31, 2024 or 2023.

*Unrestricted* – This represents assets with no external restriction as to use or purpose. Unrestricted net position can be used for any purpose designated by the governing board, as distinguished from funds restricted externally for specific purposes.

Use of Estimates

The preparation of financial statements in conformity with accounting principles general accepted 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.

**NORTH CAROLINA STATE BOARD OF ENVIRONMENTAL HEALTH SPECIALIST EXAMINERS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2024 and 2023**

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NOTE 2 – DEPOSITS

Deposits in Banks

At December 31, 2024, the Board's deposits had a carrying amount of \$148,558 (including undeposited funds) and a bank balance of \$145,910, which was insured by the National Credit Union Administration. At December 31, 2023, the Board's deposits had a carrying amount of \$142,573 (including undeposited funds) and a bank balance of \$139,099, which was insured by the National Credit Union Administration. 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 policies regarding custodial credit risk for deposits.

Deposits in State Treasurer Short Term Investment Fund (STIF)

Pursuant to North Carolina General Statute 147-69.3(b), the Board voluntarily holds deposits with the North Carolina Short Term Investment Fund (STIF). The STIF is managed by the staff of the Department of State Treasurer and operated in accordance with state law and regulations. It is not registered with the SEC. It consists of an internal portion and an external portion in which the Board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

Ownership interest in the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. Valuation of the underlying assets is performed by the custodian. All investments are measured using the market approach. The STIF is classified as Level 2 in the fair value hierarchy and is valued using prices that are either directly or indirectly observable for an asset or liability. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to external participants of the fund.

The STIF is unrated and had a weighted average maturity of 1.3 years at December 31, 2024. At December 31, 2024 and 2023, the Board had \$15,585 and \$14,614, respectively, invested with the State Treasurer in the STIF. The Board has no policy for managing interest rate risk or credit risk.

NOTE 3 – RISK MANAGEMENT

The Board is exposed to various risk of loss related to torts, theft of assets, 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. The Board has purchased limited commercial insurance coverage. There have been no significant reductions in insurance coverage from the previous year and no insurance claims were filed during the last three fiscal years.

**NORTH CAROLINA STATE BOARD OF ENVIRONMENTAL HEALTH SPECIALIST EXAMINERS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2024 and 2023**

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NOTE 4 – CONTINGENCIES

Disciplinary Hearings

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 years under audit do not materially affect the Board's operations, changes in financial position or cash flows for the years then ended.

NOTE 5 – SUBSEQUENT EVENTS

The Board has evaluated subsequent events through June 19, 2025 (the issuance date of the financial statements) and has determined that there were no subsequent events to recognize or disclose in these financial statements.

The audit was conducted in approximately 40 hours at a cost of \$5,400.