

**STATE BOARD OF  
REGISTRATION FOR FORESTERS**

**Financial Statements**

**Years ended June 30, 2025 and 2024**



# STATE BOARD OF REGISTRATION FOR FORESTERS

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## **STATE BOARD OF REGISTRATION FOR FORESTERS**

### **Management's Discussion and Analysis**

**For the Fiscal Year Ended June 30, 2025**

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The following is a discussion and analysis of the State Board of Registration for Foresters' (the "Board") financial performance for the fiscal year ended June 30, 2025. The following financial statements and footnotes comprise our complete set of financial information. The Management's Discussion and Analysis identifies significant transactions that have financial impact and highlights favorable and unfavorable trends. Comparative data for the current year and the previous year are presented in the analysis.

#### **Financial Highlights**

During the year ended June 30, 2025, the operating revenues of the Board decreased by \$1,279 or 3.9%, due to a decrease in application and renewal fees.

During the year ended June 30, 2025, the operating expenses of the Board decreased by \$2,829 or 5.6%, primarily due to an decrease in professional services and Board member travel and per diem expenses.

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

This discussion and analysis is an introduction to the Board's basic financial statements, which are comprised of the following components: 1) Statements of Net Position, 2) Statements of Revenues, Expenses and Changes in Net Position, 3) Statements of Cash Flows, and 4) Notes to Financial Statements. These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

#### **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 noncurrent positions of assets and liabilities separately.

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

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

## STATE BOARD OF REGISTRATION FOR FORESTERS

### Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2025

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The following presents condensed financial information on the operations of the Board as of and for the year ended June 30:

	2025	2024	2023
Current assets	\$ 119,237	\$ 126,093	\$ 140,952
Capital assets - net of depreciation	-	340	747
Total assets	119,237	126,433	141,699
Current liabilities	32,272	27,168	28,832
Total liabilities	32,272	27,168	28,832
Net position:			
Investment in capital assets	-	340	747
Unrestricted	86,965	98,925	112,120
Total net position (deficit)	\$ 86,965	\$ 99,265	\$ 112,867
Operating revenues	\$ 31,882	\$ 33,161	\$ 34,953
Operating expenses	47,564	50,393	49,474
Operating income	(15,682)	(17,232)	(14,521)
Non-operating revenues	3,382	3,630	7
Changes in net position	\$ (12,300)	\$ (13,602)	\$ (14,514)

### Events Affecting Future Operations

There are no known events affecting future operations.

### 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 State Board of Registration for Foresters, P.O. Box 27393, Raleigh, North Carolina 27611-7393.

## **Independent Auditor's Report**

Members of the Board  
State Board of Registration for Foresters  
Raleigh, North Carolina

### **Opinion**

We have audited the accompanying financial statements of the State Board of Registration for Foresters (the "Board"), an enterprise fund of the State of North Carolina, which comprise the statements of net position as of June 30, 2025 and 2024, 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 Board as of June 30, 2025 and 2024, 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

## **Emphasis of Matters**

As discussed in Note 1, the financial statements presented are only for the Board and do not purport to, and do not present fairly the financial position of the State of North Carolina as of June 30, 2025, or the changes in its financial position and its cashflows 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 Management's Discussion and Analysis, on pages 1 - 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 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.

*Gidewell CPA, PLLC*

Cary, North Carolina

October 21, 2025

**STATE BOARD OF REGISTRATION FOR FORESTERS**  
**Statements of Net Position**  
**June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 32,783	\$ 33,118
Prepaid expenses	2,236	2,139
Investments	84,218	90,836
Total current assets	<u>119,237</u>	<u>126,093</u>
Property and equipment:		
Equipment	1,841	1,841
Accumulated depreciation	(1,841)	(1,501)
Total capital assets - net	<u>-</u>	<u>340</u>
Total assets	<u>119,237</u>	<u>126,433</u>
<b>LIABILITIES:</b>		
Current liabilities:		
Accounts payable	\$ 879	\$ 1,898
Unearned revenue	31,393	25,270
Total current liabilities	<u>32,272</u>	<u>27,168</u>
<b>NET POSITION:</b>		
Investment in capital assets, net of lease liabilities	-	340
Unrestricted	<u>86,965</u>	<u>98,925</u>
Total net position	<u>\$ 86,965</u>	<u>\$ 99,265</u>

See Notes to Financial Statements



**STATE BOARD OF REGISTRATION FOR FORESTERS**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Renewal fees	\$ 30,111	\$ 30,556
Application and exam fees	730	1,170
Registration fees	800	920
Late payment fees	241	515
Total operating revenues	<u>31,882</u>	<u>33,161</u>
Operating expenses:		
Administrative services	31,500	31,500
Professional services	6,900	9,000
Postage and box rent	887	944
Office supplies	3,907	3,862
Miscellaneous	1,274	1,318
Telephone	964	708
Board member travel and per diem	1,412	2,486
Insurance	292	97
Printing	88	71
Depreciation	340	407
Total operating expenses	<u>47,564</u>	<u>50,393</u>
Operating income	<u>(15,682)</u>	<u>(17,232)</u>
Non-operating revenues:		
Interest income	3,382	3,630
Total non-operating revenues	<u>3,382</u>	<u>3,630</u>
Changes in net position	(12,300)	(13,602)
Net position - beginning of year	<u>99,265</u>	<u>112,867</u>
Net position - end of year	<u><u>\$ 86,965</u></u>	<u><u>\$ 99,265</u></u>

See Notes to Financial Statements

**STATE BOARD OF REGISTRATION FOR FORESTERS****Statements of Cash Flows****Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash received from fees	\$ 38,005	\$ 31,391
Cash payments for suppliers of goods and services	(45,654)	(46,676)
Cash payments for other operating expenses	(2,686)	(3,804)
Net cash provided by operating activities	<u>(10,335)</u>	<u>(19,089)</u>
Cash flows from investing activities:		
Purchase of certificates of deposit	(166,053)	(90,000)
Proceeds from certificate of deposit	176,053	105,459
Net cash provided by investing activities	<u>10,000</u>	<u>15,459</u>
Increase in cash	(335)	(3,630)
Cash - beginning of year	33,118	36,748
Cash - end of year	<u>\$ 32,783</u>	<u>\$ 33,118</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ (15,682)	\$ (17,232)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	340	407
Changes in assets and liabilities:		
Prepaid expenses	(97)	(600)
Accounts payable	(1,019)	106
Unearned revenue	6,123	(1,770)
Total adjustments	<u>5,347</u>	<u>(1,857)</u>
Net cash provided by operating activities	<u>\$ (10,335)</u>	<u>\$ (19,089)</u>

See Notes to Financial Statements

## STATE BOARD OF REGISTRATION FOR FORESTERS

### Notes to Financial Statements

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

##### **Description of Organization**

The State Board of Registration for Foresters (the "Board") is an independent State agency. It is an occupational licensing board authorized by Chapter 86B of the North Carolina General Statutes. The Board members are appointed by the Governor, the Speaker of the House, and the Present Pro Tempore of the Senate. The Board is entitled to the services of the Attorney General of North Carolina.

The Board's function is to maintain minimum standards for services provided by foresters. The Board's operations are funded primarily through license renewal fees and license application fees.

##### **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 may be reported as such in the State's *Annual Comprehensive Financial Report* (ACFR). These financial statements for the Board are separate and apart from those of the State of North Carolina and do not present the financial position of the State nor changes in the State's financial position and cash flows.

##### **Basis of Presentation**

The accompanying basic financial statements have been prepared in accordance with GAAP as prescribed by the 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.

##### **Basis of Accounting**

The basic financial statements of the Board have been prepared using the economic resource measurement focus and the accrual basis of accounting. 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. Fees received for the various licenses are deemed earned when the license period begins.

The Board classifies its revenues and expenses as operating or non-operating in the accompanying Statements of Revenues, Expenses, and Changes in Net Position. Operating revenues and expenses generally result from providing services that are necessary to the Board's principal ongoing operations.

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

### **Basis of Accounting (Continued)**

Operating revenues include activities that have characteristics of exchange transactions and consist primarily of license renewal and examination fees. Operating expenses are all expense transactions other than those related to capital and noncapital financing or investing activities as defined by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting*. Non-operating revenues and expenses include activities that have characteristics of non-exchange transactions and consist primarily of investment activities.

### **Changes in Financial Accounting and Reporting**

During the year ended June 30, 2025, the Board adopted GASB Statement No. 102, *Certain Risk Disclosures* (GASB 102). This Statement requires disclosure of concentrations and constraints that may expose an entity to a risk of significant financial impact if certain events occur. Adoption of GASB 102 did not have an impact on the Board's financial position or results of operations, and management determined that no additional disclosures were required for the year ended June 30, 2025.

### **Cash**

For purposes of the statement of cash flows, the Board considers all highly liquid debt instruments with original maturities of three months or less to be cash.

### **Investments**

Investments are comprised of certificates of deposit and are reported at cost plus accrued interest, which approximates their fair value.

### **Property and Equipment**

Property and equipment of \$300 or more with an expected useful life greater than two years are considered capital assets. Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the following useful lives:

Equipment	3 - 5 years
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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 non-operating revenue or expense for the period.

### **Unearned Revenues**

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

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

### Net Position

The Board's net position is classified as follows:

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

*Unrestricted* - This represents assets with no external restriction as to use or purpose. Unrestricted net assets can be employed 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 generally accepted in the United States of America 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 amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates, resulting in adjustments in future periods.

## NOTE 2 - DEPOSITS AND INVESTMENTS

The Board's deposits include cash on deposit in financial institutions and certificates of deposit.

*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 does not have a formal deposit policy for custodial credit risk. the Board's deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. As of June 30, 2025, all of the Board's deposits were within the FDIC insurance limits, and there were no uninsured deposits.

Certificates of deposit are purchased with original maturities of seven months or less. The cost plus accrued interest approximates fair value of the certificates at June 30, 2025 totaling \$84,218.

## NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment were comprised of the following:

	Cost			Cost	Accum.	Net
	6/30/2024	Additions	Disposals	6/30/2025	Depreciation	Amount
Equipment	1,841	-	-	1,841	(1,841)	-
	<u>\$ 1,841</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,841</u>	<u>\$ (1,841)</u>	<u>\$ -</u>
	Cost			Cost	Accum.	Net
	6/30/2023	Additions	Disposals	6/30/2024	Depreciation	Amount
Equipment	1,841	-	-	1,841	(1,501)	340
	<u>\$ 1,841</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,841</u>	<u>\$ (1,501)</u>	<u>\$ 340</u>

#### NOTE 4 - RISK MANAGEMENT

Risk of loss relative to dishonesty and damage or destruction of assets is covered by private insurance. 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 are self-insured by the State under the authority of the State Tort Claims Act. Additional coverage is provided to the Board under the State's public officers' and employees' liability insurance contract with a private insurance company.

#### NOTE 5 - SUBSEQUENT EVENTS

Management of the Board evaluated subsequent events through October 21, 2025, which is the date the financial statements were available to be issued. Management discovered no subsequent events which should be disclosed.

The audit was conducted in approximately 30 hours at a cost of \$6,900.