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STATE BOARD OF
REGISTRATION FOR FORESTERS

Financial Statements

June 30, 2018 and 2017

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STATE BOARD OF REGISTRATION FOR FORESTERS

Statements of Net Position

June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets:		
Cash	\$ 104,487	\$ 109,055
Investments	52,781	52,336
Accrued Interest		76
Total Current Assets	<u>157,268</u>	<u>161,467</u>
Property and Equipment:		
Equipment	619	5,911
Accumulated Depreciation	<u>(619)</u>	<u>(5,705)</u>
Net Property and Equipment	<u>206</u>	<u>206</u>
Total Assets	<u>157,268</u>	<u>161,673</u>
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts Payable		
Unearned Revenue	<u>13,720</u>	<u>26,360</u>
Total Liabilities	<u>13,720</u>	<u>26,360</u>
Total Liabilities	<u>13,720</u>	<u>26,360</u>
NET POSITION	<u>\$ 143,548</u>	<u>\$ 135,313</u>

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

STATE BOARD OF REGISTRATION FOR FORESTERS
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
OPERATING REVENUES:		
Renewal Fees	\$ 33,082	\$ 34,080
Application and Exam Fees	1,575	1,870
Registration Fees	1,160	1,077
Late Payment Fees	553	1,110
Total Operating Revenues	<u>36,370</u>	<u>38,137</u>
OPERATING EXPENSES:		
Administrative Services	19,858	21,753
Postage and Box Rent	537	961
Board Member Travel and Per Diem	2,194	2,087
Professional Fees	2,712	2,500
Printing	22	24
Telephone	792	777
Miscellaneous	1,753	518
Office Supplies	1,160	451
Depreciation	207	206
Insurance	234	192
Total Operating Expenses	<u>29,469</u>	<u>29,469</u>
OPERATING INCOME	6,901	8,668
NON-OPERATING REVENUES:		
Interest Income	<u>1,334</u>	<u>1,233</u>
CHANGES IN NET POSITION	8,235	9,901
NET POSITION--Beginning of Year	<u>135,313</u>	<u>125,412</u>
NET POSITION--End of Year	<u>\$ 143,548</u>	<u>\$ 135,313</u>

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

STATE BOARD OF REGISTRATION FOR FORESTERS

Statements of Cash Flows

For the Years Ended June 30, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Fees	\$ 23,806	\$ 47,456
Cash Payments for Operating Expenses	<u>(29,262)</u>	<u>(29,263)</u>
Net Cash Provided (Used) by Operating Activities	<u>(5,456)</u>	<u>18,193</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	(446)	(307)
Interest on Investments	<u>1,334</u>	<u>1,233</u>
Net Cash Provided by Investing Activities	<u>888</u>	<u>926</u>
NET INCREASE (DECREASE) IN CASH	(4,568)	19,119
CASH--Beginning of Year	<u>109,055</u>	<u>89,936</u>
CASH--End of Year	<u><u>\$ 104,487</u></u>	<u><u>\$ 109,055</u></u>
Reconciliation of Operating Income to		
Net Cash Provided (Used) by Operating Activities:		
Operating Income	\$ 6,901	\$ 8,668
Adjustments to Reconcile Operating Income		
to Net Cash Provided by Operating Activities:		
Depreciation	207	206
Changes in Assets and Liabilities:		
Accrued Interest	76	(1)
Unearned Revenue	<u>(12,640)</u>	<u>9,320</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (5,456)</u></u>	<u><u>\$ 18,193</u></u>

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

STATE BOARD OF REGISTRATION FOR FORESTERS

Notes to Financial Statements

June 30, 2018 and 2017

1. Summary of Significant Accounting Policies

A. Description of Organization:

The State Board of Registration for Foresters (the "Board") is established under Chapter 89B of the North Carolina General Statutes to maintain minimum standards for services provided by foresters. The Board's operations are funded primarily through license renewal fees and license application fees.

The Board is considered an agency of the State of North Carolina for financial reporting purposes. The Board members are appointed by the Governor, the Speaker of the House, and the Present Pro Tempore of the Senate.

B. 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 Comprehensive Annual Financial Report (CAFR). 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 the changes in the State's financial position and cash flows.

C. Basis of Presentation:

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards. The Board applied all applicable Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989.

All activities of the Board are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

D. Basis of Accounting:

In accordance with *Statement of Governmental Accounting Standards 34*, the Board presents a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows. These statements reflect entity-wide operations of the Board. The Board has no fiduciary funds or component units.

The financial statements report all activities of the State Board of Registration for Foresters using the 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 fees. Non-operating revenues consist of those revenues that are related to investing types of activities and are classified as non-operating in the financial statements.

STATE BOARD OF REGISTRATION FOR FORESTERS

Notes to Financial Statements

June 30, 2018 and 2017

1. Summary of Significant Accounting Policies (Continued)

E. Cash:

For purposes of the statement of cash flows, the Board considers all highly liquid investments with a maturity of three months or less when purchased to be cash.

F. Property and Equipment:

Property and equipment are stated at cost and are being depreciated over their useful lives on a straight-line basis. The Board's policy is to capitalize property and equipment when acquired at a cost of \$300 or more. A summary follows:

	Beginning Balance 6/30/2017	Additions	Retirements	Ending Balance 6/30/2018
Equipment	\$ 5,911	\$	\$ 5,292	\$ 619
Less Accumulated Depreciation	(5,705)	(206)	(5,292)	(619)
Capital Assets, net	<u>\$ 206</u>	<u>\$ (206)</u>	<u>\$ 0</u>	<u>\$ 0</u>
	Beginning Balance 6/30/2016	Additions	Retirements	Ending Balance 6/30/2017
Equipment	\$ 5,911	\$	\$	\$ 5,911
Less Accumulated Depreciation	(5,498)	(207)		(5,705)
Capital Assets, net	<u>\$ 413</u>	<u>\$ (207)</u>	<u>\$ 0</u>	<u>\$ 206</u>

When an asset is disposed of, the cost of the asset and the related accumulated depreciation are removed from the financial records. Any gain or loss on disposition is reflected in the earnings for the period.

G. Unearned Revenue:

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.

H. Use of Estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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.

2. Deposits and Investments

Custodial Credit Risk. The Board maintains cash balances and certificates of deposit with one financial institution. There were no deposits which exceeded the insurance coverage provided by the National Credit Union Association at year-end.

Certificates of deposit are purchased with original maturities of six months or less. The book and market value of the certificates at June 30, 2018 and 2017 were \$52,781 and \$52,336, respectively.

STATE BOARD OF REGISTRATION FOR FORESTERS
Notes to Financial Statements
June 30, 2018 and 2017

3. 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 up to \$1,000,000 are self-insured by the State under the authority of the State Tort Claims Act. Additional coverage is provided to the Board under the State's public officers' and employees' liability insurance contract with a private insurance company. The amount of coverage per person is \$10,000,000.

4. Subsequent Events

Management evaluated subsequent events through October 15, 2018, which is the date the financial statements were available to be issued. They discovered no subsequent events that should be disclosed.