



**North Carolina Landscape Contractors' Licensing Board**  
**Post Office Box 20875**  
**Raleigh, North Carolina 27619**  
**(O) 919.266.8070 (F) 919.782.9470**  
**administrator@nclclb.com**  
**www.nclclb.com**

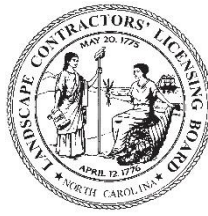
October 29, 2025

To: Joint Legislative Administrative Procedure Oversight Committee

Re: Annual Report

This letter is to comply with the provisions of NCGS 93B-2 relative to the filing on an annual report and financial statement.

This report covers the period from July 1, 2024 to June 30, 2025.



# North Carolina Landscape Contractors' Licensing Board

3901 Barrett Drive, Suite 202 \* Raleigh, NC 27619  
Telephone: 919-266-8070 \* Fax: 919-782-9470  
Website: www.nclclb.com \* email: info@nclclb.com

## ANNUAL REPORT July 1, 2024 - JUNE 30, 2025

1. Names of Board members and officers:

Kerry Danger, Chairman  
Tim Boone, Vice Chairman  
Chris W. Mitchell, Secretary-Treasurer

Board Members:

Joanna D'Ancona  
Henry Hardy  
Darrin Hockstra  
Lee Ivy  
Mark Metzler  
Emily Milliman

The address of the Board is 3901 Barrett Drive, Suite 202, Raleigh, NC 27609.

2. Number of persons who applied to the Board for examination	47
3. Number of applicants who were refused examination	- 0 -
4. Number of applicants who took the examination	40
5. Number of whom initial licenses were issued	2112
(By Exam)	26
(By Renewal)	2086
6. Number who applied for license by reciprocity of comity	- 0 -
7. Number who were granted licenses by reciprocity or comity	- 0 -
7a the number of official complaints received involving licensed and unlicensed activities.	42
7b the number of disciplinary actions taken against licensees, or other actions taken against non-licensees, including injunctive relief.	7
8. Number of licenses suspended or revoked (for non-renewal)	91
9. Number of licenses terminated for any reason other than failure to pay the required renewal fee	-0-
10. Number of active Military or Veterans who applied to the Board for examination	-0-
Number granted a license	-0-
Number denied	-0-
Summary of Reasons for denials	-0-
11. Number of active Military Spouses or Veteran Spouses who applied to the Board for examination	-0-
Number granted a license	-0-
Number denied	-0-
Summary of Reasons for denials	-0-
12. The substance of any anticipated request by the occupational licensing board to the General Assembly to amend statutes related to the occupational licensing board.	None
13. The substance of any anticipated change in rules adopted by the occupational licensing board or the substance of any anticipated adoption of new rules by the occupational licensing board.	None

# **NORTH CAROLINA LANDSCAPE CONTRACTORS' LICENSING BOARD**

**Financial Statements for the  
Years Ended June 30, 2025 and 2024 and  
Independent Auditor's Report**

# **NORTH CAROLINA LANDSCAPE CONTRACTORS' LICENSING BOARD**

## **Financial Statements for the Years Ended June 30, 2025 and 2024 and Independent Auditor's Report**

### **BOARD MEMBERS (2024-2025)**

Kerry Danger, Chairperson

Timothy J. Boone, Vice-Chairperson

Chris W. Mitchell, Secretary-Treasurer

Joanna D'Ancona

Henry Hardy

Darrin Hockstra

Lee Ivy

Mark Metzler

Emily Milliman

### **EXECUTIVE OFFICER**

Calvin M. Kirven, Executive Administrator

### **LEGAL COUNSEL**

Anna B. Choi  
Hedrick Gardner Kincheloe & Garofalo LLP

Catherine E. Lee  
Hedrick Gardner Kincheloe & Garofalo LLP

# **NORTH CAROLINA LANDSCAPE CONTRACTORS' LICENSING BOARD**

## **TABLE OF CONTENTS**

---

	<u>Page</u>
MANAGEMENT'S DISCUSSION AND ANALYSIS	1 - 4
INDEPENDENT AUDITOR'S REPORT	5 - 7
FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2025 AND 2024	
Statements of Net Position	8
Statements of Revenues, Expenses and Changes in Net Position	9 - 10
Statements of Cash Flows	11
Notes to Financial Statements	12 - 17

# **NORTH CAROLINA LANDSCAPE CONTRACTORS' LICENSING BOARD**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Introduction**

Management's discussion and analysis introduces the basic financial statements and provides an analytical overview of the financial activities of the Board. This section of the Board's financial report represents the Board's financial activity and performance. Please read it in conjunction with the financial statements which follow this section.

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

This financial report consists of two sections: Management's Discussion and Analysis and the Financial Statements. The Board has no other supplementary information required by the Governmental Accounting Standards Board (GASB). The Financial Statements also include notes to the financial statements that provide detail of the information included in the financial statements. The financial statements, notes to the financial statements, and this discussion are the responsibility of Board management.

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

The *Statements of Net Position* present the current and long-term portions of assets and liabilities separately. Current assets are those that are available to pay for expenses in the next fiscal year. Current liabilities are those payable in the next fiscal year. Net position consists of net investment in capital assets, restricted net position and unrestricted net position. The Board had no restricted net position at year end.

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 Board's revenues are classified as operating or non-operating revenues. Revenues are recognized when earned, regardless of the timing of cash flows. Expenses are recorded when a liability has been incurred, regardless of the timing of cash flows. Non-operating revenues and expenses are classified as non-operating in the financial statements.

The *Statements of Cash Flows* present information on how the Board's cash changed as a result of its financial activities. These statements provide information relative to the Board's sources and uses of cash funds for operating activities, capital financing activities, and investing activities.

The *Notes to the Financial Statements* provide detail of the information included in the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. They are an integral part of the financial statements and should be read in conjunction with them.

**NORTH CAROLINA LANDSCAPE CONTRACTORS' LICENSING BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Financial Summary, Highlights, and Analysis**

Net position is an indicator of the fiscal health of the Board. Assets exceeded liabilities by \$309,607 for the year ended June 30, 2025. Assets exceeded liabilities by \$277,399 for the year ended June 30, 2024. The largest component of net position was cash and cash equivalents, and cash in State Treasurer. Because cash in State Treasurer funds are immediately available for expenditure they are considered a cash equivalent. Cash and cash equivalents represented 145.57% of total net position for the fiscal year ended June 30, 2025. Cash and cash equivalents represented 155.20% of total net position for the fiscal year ended June 30, 2024. Current assets consist of cash and cash equivalents, and landscaping publications and decals inventory. Noncurrent assets consist of capital assets (net of accumulated depreciation), which are fully depreciated. Capital assets are not a significant component of assets. Current liabilities consist of accounts payable, due to other state agencies, and unearned revenue. The Board has no long-term liabilities. Net position consists of investment in capital assets and unrestricted net assets. Investment in capital assets is a component of net position and consists of capital assets, net of depreciation.

*The following is a comparative summary of the Statements of Net Position.*

	Current Year as of	Restated Prior Year as of	Amount of	Percentage
	June 30, 2025	June 30, 2024	Change	Change
Current assets	\$ 462,669	\$ 443,556	\$ 19,113	4.31%
Capital assets, net	0	0	0	0.00%
Total assets	<u>\$ 462,669</u>	<u>\$ 443,556</u>	<u>\$ 19,113</u>	<u>4.31%</u>
Current liabilities	\$ 153,062	\$ 166,157	\$ (13,095)	-7.88%
Total liabilities	<u>\$ 153,062</u>	<u>\$ 166,157</u>	<u>\$ (13,095)</u>	<u>-7.88%</u>
Invested in capital assets	\$ 0	\$ 0	\$ 0	0.00%
Unrestricted	309,607	277,399	32,208	11.61%
Total net position	<u>\$ 309,607</u>	<u>\$ 277,399</u>	<u>\$ 32,208</u>	<u>11.61%</u>

During 2025, the Board's net position increased by \$32,208, or 11.61%, due primarily to a recurrence of revenues exceeding expenses.

*The following is a comparative summary of the Statements of Revenues, Expenses, and Changes in Net Position.*

	The year ended	Restated The year ended	Amount of	Percentage
	June 30, 2025	June 30, 2024	Change	Change
Operating revenues	\$ 403,375	\$ 416,335	\$ (12,960)	-3.11%
Operating expenses	372,858	343,955	28,903	8.40%
Non-operating revenues	1,691	1,439	252	17.51%
Change in net position	<u>\$ 32,208</u>	<u>\$ 73,819</u>	<u>\$ (41,611)</u>	<u>-56.37%</u>
Ending net position	<u>\$ 309,607</u>	<u>\$ 277,399</u>	<u>\$ 32,208</u>	<u>11.61%</u>

# NORTH CAROLINA LANDSCAPE CONTRACTORS' LICENSING BOARD

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Financial Summary, Highlights, and Analysis

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 and includes activities that have characteristics of exchange transactions. Fees received for the various licenses are deemed earned when the license period begins. Operating expenses are all expense transactions incurred other than those related to capital and noncapital financing or investing activities. *The following is a comparative breakdown of operating revenues.*

	The year ended June 30, 2025	The year ended June 30, 2024	Amount of Change	Percentage Change
Individual license fees (incl reinstatements)	\$ 220,400	\$ 232,700	\$ (12,300)	-5.29%
Corporate license fees	120,500	121,500	(1,000)	-0.82%
Certificate fees	175	25	150	600.00%
Application fees	3,750	3,675	75	2.04%
Examination fees	11,250	11,700	(450)	-3.85%
Late filing fees	4,225	5,700	(1,475)	-25.88%
Books, manuals and decal sales	41,194	39,023	2,171	5.56%
General disciplinary income	1,881	2,012	(131)	-6.51%
Total	<u>\$ 403,375</u>	<u>\$ 416,335</u>	<u>\$ (12,960)</u>	<u>-3.11%</u>

During 2025, the operating revenues of the Board decreased by \$12,960, or 3.11%, due primarily to a decrease in individual license fees (including reinstatement fees).

*The following is a comparative breakdown of operating expenses.*

	The year ended June 30, 2025	<b>Restated</b> The year ended June 30, 2024	Amount of Change	Percentage Change
Board members expenses	\$ 3,195	\$ 3,090	\$ 105	3.40%
Committee members expenses	1,882	4,738	(2,856)	-60.28%
Office supplies	189	386	(197)	-51.04%
Books, manuals and decals	27,934	26,647	1,287	4.83%
Contractual management services	253,000	230,000	23,000	10.00%
Legal, audit and accounting	47,195	43,354	3,841	8.86%
Data processing expense	8,099	6,690	1,409	21.06%
Website	1,868	1,634	234	14.32%
Printing and copying	10,341	8,624	1,717	19.91%
Postage and related costs	3,522	3,134	388	12.38%
Bank fees and credit card discount fees	12,461	12,252	209	1.71%
Promotional costs (including trade show )	2,472	2,456	16	0.65%
Miscellaneous expense	700	950	(250)	-26.32%
Total	<u>\$ 372,858</u>	<u>\$ 343,955</u>	<u>\$ 28,903</u>	<u>8.40%</u>

During 2025, the operating expenses of the Board increased by \$28,903, or 8.40%, due primarily to an increase in contracted services.



**NORTH CAROLINA LANDSCAPE CONTRACTORS' LICENSING BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Financial Summary, Highlights, and Analysis**

*The following is a comparative breakdown of non-operating revenues.*

	The year ended June 30, 2025	The year ended June 30, 2024	Amount of Change	Percentage Change
Interest income	\$ 1,691	\$ 1,439	\$ 252	17.51%
Total	\$ 1,691	\$ 1,439	\$ 252	17.51%

During 2025, the non-operating revenues of the Board increased by \$252, or 17.51%, due primarily to an increase in interest earnings.

**Economic and Other Factors Impacting Future Periods**

The Board is not aware of any significant events that may affect future operations of the Board which are reportable pursuant to GASB reporting requirements. The Board anticipates that revenues and expenses of the Board in the upcoming year will be comparable to preceding years.

**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. If you have any questions about this report or need additional information, contact: North Carolina Landscape Contractors' Licensing Board, PO Box 20875, Raleigh, NC 27619.

**HAWLEY, C.P.A., P.A.**  
**Certified Public Accountant**

P.O. BOX 1545	PHONE: 919.639.4825
800 N. RALEIGH ST., STE B1	FAX: 919. 639.3102
ANGIER, NC 27501-1545	EMAIL: CPABRAT@AOL.COM

**INDEPENDENT AUDITOR'S REPORT**

Members of the Board  
North Carolina Landscape Contractors' Licensing Board  
Raleigh, North Carolina

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of the North Carolina Landscape Contractors' Licensing Board (Board), an independent state board which is a nonmajor enterprise fund of the primary government of the State of North Carolina, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the accompanying financial statements present fairly, in all material respects, the respective financial position of the North Carolina Landscape Contractors' Licensing Board as of June 30, 2025 and 2024, and the results of its operations, changes in financial position, and 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 audit 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***

The Board's 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 one year after the date that the financial statements are issued.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### *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.

## INDEPENDENT AUDITOR'S REPORT (CONCLUDED)

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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.

A handwritten signature in black ink that reads "Hawley, C.P.A., P.A." in a cursive script.

Hawley, C.P.A., P.A.

Angier, North Carolina

October 15, 2025

**NORTH CAROLINA LANDSCAPE CONTRACTORS' LICENSING BOARD**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2025 AND 2024**

		Restated
	June 30, 2025	June 30, 2024
	Proprietary- Enterprise Fund	Proprietary- Enterprise Fund
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents (cash in bank) (Notes 1 and 2)	\$ 413,215	\$ 394,719
Cash and cash equivalents (cash in STIF) (Notes 1 and 2)	37,492	35,801
Inventory (books and decals for resale, at cost) (Note 1)	11,962	13,036
Total current assets	462,669	443,556
Capital assets (Notes 1 and 3):		
Furniture and office equipment	0	0
Total capital assets - net of depreciation	0	0
<b>TOTAL ASSETS</b>	<b>\$ 462,669</b>	<b>\$ 443,556</b>
<b>LIABILITIES AND NET POSITION</b>		
Current liabilities:		
Accounts payable (Notes 4 and 8)	\$ 3,290	\$ 12,685
Due to other state agencies (Note 4)	892	892
Unearned revenue (Note 1)	148,880	152,580
Total current liabilities	153,062	166,157
<b>TOTAL LIABILITIES</b>	<b>153,062</b>	<b>166,157</b>
NET POSITION (NOTES 1 and 8)		
Investment in capital assets	0	0
Unrestricted net position	309,607	277,399
<b>TOTAL NET POSITION</b>	<b>309,607</b>	<b>277,399</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 462,669</b>	<b>\$ 443,556</b>

See notes to financial statements.

**NORTH CAROLINA LANDSCAPE CONTRACTORS' LICENSING BOARD**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

			Restated
		2025	2024
		Proprietary- Enterprise Fund	Proprietary- Enterprise Fund
OPERATING REVENUES:			
Fees, licenses, and fines:			
Individual license fees (including reinstatement fees)	\$	220,400	\$ 232,700
Corporate license fees		120,500	121,500
Certificate fees		175	25
Application fees		3,750	3,675
Examination fees		11,250	11,700
Late filing fees		4,225	5,700
Sales and services:			
Books, manuals and decal sales		41,194	39,023
Miscellaneous operating revenues:			
General disciplinary income		1,881	2,012
Total operating revenues	\$	403,375	\$ 416,335
OPERATING EXPENSES:			
Personal services (and board members expenses):			
Board members expenses	\$	3,195	\$ 3,090
Committee members expenses		1,882	4,738
Supplies and materials:			
Office supplies		189	386
Books, manuals and decals		27,934	26,647
Services:			
Contractual management services (Note 5)		253,000	230,000
Legal, audit and accounting (Note 8)		47,195	43,354
Data processing expense		8,099	6,690
Website		1,868	1,634
Printing and copying		10,341	8,624
Postage and related costs		3,522	3,134
Bank fees and credit card discount fees		12,461	12,252

See notes to financial statements.

**NORTH CAROLINA LANDSCAPE CONTRACTORS' LICENSING BOARD**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

		Restated
	2025	2024
	Proprietary- Enterprise Fund	Proprietary- Enterprise Fund
OPERATING EXPENSES (CONTINUED):		
Other expenses:		
Promotional costs (including trade show expense) (Note 1)	2,472	2,456
Miscellaneous expense	700	950
Total operating expenses	\$ 372,858	\$ 343,955
Operating income	\$ 30,517	\$ 72,380
NON- OPERATING REVENUES (EXPENSES):		
Interest income	\$ 1,691	\$ 1,439
Total non-operating revenues	\$ 1,691	\$ 1,439
Change in net position	\$ 32,208	\$ 73,819
Net position - beginning of year (Note 8)	277,399	203,580
Net position - end of year	\$ 309,607	\$ 277,399

See notes to financial statements.

**NORTH CAROLINA LANDSCAPE CONTRACTORS' LICENSING BOARD**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
	<b>Proprietary- Enterprise Fund</b>	<b>Proprietary- Enterprise Fund</b>
Cash flows from operating activities:		
Cash received from fees	\$ 358,481	\$ 367,812
Cash received from other income	42,268	32,623
Cash payments for operating expenses	(382,253)	(333,028)
Net cash provided (used) by operating activities	\$ 18,496	\$ 67,407
Cash flows from investing activities:		
Interest on investments	\$ 1,691	\$ 1,439
Net cash provided by investing activities	\$ 1,691	\$ 1,439
Net increase(decrease) in cash	\$ 20,187	\$ 68,846
Cash and cash equivalents - beginning of year	430,520	361,674
Cash and cash equivalents - end of year	<u>\$ 450,707</u>	<u>\$ 430,520</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 30,517	\$ 72,380
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in assets and liabilities:		
Inventory	\$ 1,074	\$ (6,400)
Accounts payable	(9,395)	10,927
Unearned revenue	(3,700)	(9,500)
Total adjustments	\$ (12,021)	\$ (4,973)
Net cash provided by operating activities	<u>\$ 18,496</u>	<u>\$ 67,407</u>

See notes to financial statements.



**NORTH CAROLINA LANDSCAPE CONTRACTORS' LICENSING BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

---

Note 1 - Nature of Activities and Significant Accounting Policies

*Description of Organization and Purpose*

The North Carolina Landscape Contractors' Licensing Board (the "Board") is an independent State board. It functions as an occupational licensing board and is authorized by Chapter 89D of the North Carolina General Statutes. Effective August 1, 2015 (pursuant to a statutory change) the Board's name was changed to the North Carolina Landscape Contractors' Licensing Board. It was formerly named the North Carolina Landscape Contractors' Registration Board. The Board is composed of nine members who are appointed by the Governor, the Commissioner of the NC Department of Agriculture, and certain associations designated by statute. It is a nonmajor enterprise fund of the primary government of the State of North Carolina and is reported as such in the State's Annual Comprehensive Financial Report (ACFR).

The Board is established to maintain minimum standards for services provided by landscape contractors.

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 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 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.

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.

**NORTH CAROLINA LANDSCAPE CONTRACTORS' LICENSING BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

---

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

*Basis of Accounting*

The basic financial statements of the Board are prepared using the economic resource measurement focus and the accrual basis of accounting. The economic resource measurement focus measures all assets that are available to the entity, not only cash or soon to be assets. Both long-term assets and long-term liabilities are measured and depreciation is recorded as a cost of operations. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when a liability has been incurred, regardless of the timing of cash flows. Fees received for the various licenses are deemed earned when the license period begins.

The Statements of Revenues, Expenses, and Changes in Net Position classifies the Board's revenues as operating or non-operating revenues. 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 and includes activities that have characteristics of exchange transactions. Operating expenses are all expense transactions incurred 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 consist of those revenues and expenses that are related to investing, capital, and non-capital financing activities; and are classified as non-operating in the financial statements.

*Cash and Cash Equivalents (Cash in Bank)*

This classification includes undeposited receipts, petty cash, checking accounts and time deposits (excluding certain certificates of deposit, if any) held by the Board.

*Cash and Cash Equivalents (Cash in STIF-State Treasurer Short Term Investment Fund)*

This classification consists of deposits with the State Treasurer of North Carolina. Because these funds are immediately available for expenditure they are considered a cash equivalent. Ownership interests of the STIF are determined on a fair market valuation basis as of June 30, 2025 and 2024 in accordance with the STIF operating procedures. Valuation of the underlying assets is performed by the custodial. Pool investments are measured at fair value in accordance with GASB Statement No. 72. The Board's position in the pool is measured and reported at fair value and the STIF is not required to be categorized within the fair value hierarchy.

*Capital Assets*

Property and equipment are stated at cost and are being depreciated over their useful lives on a straight-line basis. The Board capitalizes assets that have a value or cost of \$500 or greater at the date of acquisition and an estimated useful life of more than one year. Depreciation is computed using the straight-line method of depreciation over the estimated useful lives of the assets, generally estimated as follows: office furniture and equipment, 5 to 7 years.

**NORTH CAROLINA LANDSCAPE CONTRACTORS' LICENSING BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

---

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

*Inventory*

This classification consists of publications and decals on hand for sale to licensees. Inventory on hand is recorded at cost. Cost is determined on the first-in, first-out method.

*Unearned Revenue*

The Board's license fees were assessed and collected on a calendar year basis until the fiscal year ended June 30, 2015. During the fiscal year ended June 30, 2015, concurrent with the Board's statutory name change, the Board adopted a new license term beginning August 1st of each year, and ending July 31st of each succeeding year. Licenses are renewed for a period of one year. License fees are deferred and recognized as revenue over the one year period to which they relate.

*Net Position*

Investment in capital assets - This component of net position consists of total investment in capital assets (net of accumulated depreciation).

Restricted net position - This component of net position consists of net position which the Board is legally or contractually obligated to spend in accordance with restrictions imposed by external parties. The Board had no restricted net position at year end.

Unrestricted net position - This component of net position consists of net position that does not meet the definition of *restricted or investment in capital assets*.

*Promotional Costs*

The Board incurs trade show expenses annually. These promotional costs are expensed as incurred. Payments for promotional costs totaled \$2,472 during the fiscal year ended June 30, 2025, and \$2,456 during the fiscal year ended June 30, 2024.

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles 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 LANDSCAPE CONTRACTORS' LICENSING BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

---

Note 2 - Deposits

*Cash in Bank*

All of the Board's deposits which are uninsured are uncollateralized [unless collateralized pursuant to NC Administrative Code (20 NCAC 7)] by the financial institution holding said deposits. 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 formal written policies regarding custodial credit risk for its deposits.

At June 30, 2025, the Board's deposits had a carrying amount (including undeposited receipts, if any) of \$413,215, and a bank balance \$412,023. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$162,023 was uninsured and uncollateralized [unless collateralized pursuant to NC Administrative Code (20 NCAC 7)]. At June 30, 2024, the Board's deposits had a carrying amount (including undeposited receipts, if any) of \$394,719, and a bank balance of \$384,722. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$134,722 was uninsured and uncollateralized [unless collateralized pursuant to NC Administrative Code (20 NCAC 7)].

*Cash in State Treasurer Short Term Investment Fund (STIF)*

Pursuant to North Carolina General Statute 147-69.3(b), the Board voluntarily deposits to the North Carolina Short Term Investment Fund (STIF). Disbursements, if applicable, are through the issuance of warrants by the Board. Investments of the Short Term Investment Fund are limited to those authorized for the State's General Fund, generally high quality money market investments and US Government/agency securities. FDIC insurance and deposit collateralization rules do not apply. Deposit and investments risks associated with the State Treasurer's Investment Pool (which includes the State Treasurer's Short-Term Investment Fund) are included in the State of North Carolina's Annual Comprehensive Financial Report (ACFR). An electronic version of the financial report is available by accessing the North Carolina Office of the State Controller's internet home page, [www.ncosc.net](http://www.ncosc.net), and clicking on "Financial Reports", or calling the State Controller's Financial Reporting Section at 919-707-0500.

At June 30, 2025, the Board's deposits with the State Treasurer STIF account had a carrying value and fair market value of \$37,492 (including undeposited receipts, if any), and a bank balance of \$37,492. At June 30, 2024, the Board's deposits with the State Treasurer STIF account had a carrying value and fair market value of \$35,801 (including undeposited receipts, if any), and a bank balance of \$35,801.

**NORTH CAROLINA LANDSCAPE CONTRACTORS' LICENSING BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

Note 3 - Capital Assets

	Cost 06-30-2024	Acquisitions	Disposals	Cost 06-30-2025	Accumulated Depr	Net Amount
Furniture/Equipmen	\$ 852	\$ -	\$ -	\$ 852	\$ 852	\$ 0
	<u>\$ 852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 852</u>	<u>\$ 852</u>	<u>\$ 0</u>
	Cost 06-30-2023	Acquisitions	Disposals	Cost 06-30-2024	Accumulated Depr	Net Amount
Furniture/Equipmen	\$ 852	\$ -	\$ -	\$ 852	\$ 852	\$ 0
	<u>\$ 852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 852</u>	<u>\$ 852</u>	<u>\$ 0</u>

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. No depreciation expense was recorded for the fiscal years ended June 30, 2025 and 2024.

Note 4 - Accounts Payable

Accounts payable consist of amounts due to vendors and amounts due to other state agencies (if any) and are reported separately on the Statements of Net Position.

	June 30, 2025	June 30, 2024
Due to Vendors	\$ 3,290	\$ 12,685
Due to Other State Agencies	892	892
Total Accounts Payable	<u>\$ 4,182</u>	<u>\$ 13,577</u>

Note 5 - Contractual Management Services

The Board does not have employees. The Board contracted with a management consultant agency to provide services for the Board. The contract included all services related to the process of licensure application and renewal, and various other administrative duties. The Board also reimbursed the management service agency for occasional purchases of miscellaneous office supplies and expenses. Payments to the management service agency totaled \$253,375 (contractual management services in the amount of \$253,000 and reimbursements in the amount of \$375) during the fiscal year ended June 30, 2025, and \$230,054 (contractual management services in the amount of \$230,000 and reimbursements in the amount of \$54) during the fiscal year ended June 30, 2024.

Note 6 - Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; injuries to employees; and natural disasters. These exposures to loss are handled by participation in certain state-administered risk programs and self retention of certain risks. The Board has not purchased any commercial insurance coverage. There have been no significant reductions/changes in insurance coverage from coverage in the prior year, and no insurance claims were filed during the last three fiscal years.

Note 7 - Contingencies

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

**NORTH CAROLINA LANDSCAPE CONTRACTORS' LICENSING BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

---

Note 8 - Net Position Restatement

The Board restated its beginning net position as of July 1, 2024 to record legal expense in the fiscal year that the liability was incurred. These changes had a current year effect and a retroactive year's effect on the Board's financial statements.

The Board's (restated) net position decreased for the year ended June 30, 2024 by the amount of \$9,183 which was reported as an increase to *accounts payable* on the *Statement of Net Position* as presented below:

	<u>As Restated</u>	<u>Previously Reported</u>
	<u>As of the Prior</u>	<u>As of the Prior</u>
	<u>Year Ended</u>	<u>Year Ended</u>
	<u>June 30, 2024</u>	<u>June 30, 2024</u>
Current assets	\$ 443,556	\$ 443,556
Capital assets	0	0
Total assets	<u>443,556</u>	<u>443,556</u>
Liabilities:		
Current liabilities:		
Accounts payable	<u>12,685</u>	<u>3,502</u>
Total current liabilities	<u>166,157</u>	<u>156,974</u>
Invested in capital assets	0	0
Unrestricted	<u>277,399</u>	<u>286,582</u>
Total net position	<u>\$ 277,399</u>	<u>\$ 286,582</u>

The Board's *legal expense* increased for the year ended June 30, 2024 in the amount of \$9,183 as reported on the *Statement of Revenues, Expenses, and Changes in Net Position* as presented below:

	<u>As Restated</u>	<u>Previously Reported</u>
	<u>For the Prior</u>	<u>For the Prior</u>
	<u>Year Ended</u>	<u>Year Ended</u>
	<u>June 30, 2024</u>	<u>June 30, 2024</u>
Operating Revenues	\$ 416,335	\$ 416,335
Total operating revenues	<u>416,335</u>	<u>416,335</u>
Operating Expenses:		
Legal, audit and accounting	<u>43,354</u>	<u>34,171</u>
Total operating expenses	<u>343,955</u>	<u>334,772</u>
Operating income (loss)	<u>72,380</u>	<u>81,563</u>
Total non-operating revenues	<u>1,439</u>	<u>1,439</u>
Change in net position	<u>73,819</u>	<u>83,002</u>
Net Position - beginning of year	<u>203,580</u>	<u>203,580</u>
Net position - end of year	<u>\$ 277,399</u>	<u>\$ 286,582</u>

**NORTH CAROLINA LANDSCAPE CONTRACTORS' LICENSING BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

---

Note 9 - Subsequent Events

Subsequent events have been evaluated through October 15, 2025, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

This audit required approximately 61 audit hours at a cost of \$6,195.