

# **NORTH CAROLINA BOARD OF LANDSCAPE ARCHITECTS**

**Financial Statements for the  
Year Ended June 30, 2023 and  
Independent Auditor's Report**

# **NORTH CAROLINA BOARD OF LANDSCAPE ARCHITECTS**

## **Financial Statements for the Year Ended June 30, 2023 and Independent Auditor's Report**

### **BOARD MEMBERS (2023)**

Glenn Stach, Chairperson

Jennifer L. Wagner, Vice Chairperson

Shawsheen D. Baker, Treasurer

Melinda Arthur

Clay S. Gloster Jr.

Brian Charles Jenest

Ben Uwakweh

### **EXECUTIVE OFFICER**

Barbara U. Geiger, Board Administrator

### **LEGAL COUNSEL**

Jeffrey P. Gray, Attorney at Law  
Bailey & Dixon, LLP

# NORTH CAROLINA BOARD OF LANDSCAPE ARCHITECTS

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# **NORTH CAROLINA BOARD OF LANDSCAPE ARCHITECTS**

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

### **Introduction**

This section of the Board's financial report represents Management's analysis of the Board's financial performance during the fiscal year ended June 30, 2023. Please read this in conjunction with the financial statements which follow this section.

### **Financial Highlights**

During the fiscal year ended June 30, 2023, the Board's net position increased by \$19,808, or 4.97%, due primarily to an annual recurrence of operating revenues exceeding operating expenses.

During the fiscal year ended June 30, 2023, the operating revenues of the Board increased by \$3,740, or 2.23%, due primarily to an increase in license fees and late fees.

During the fiscal year ended June 30, 2023, the non-operating revenues of the Board increased by \$9,511, or 1044.02%, due primarily to an increase in interest earnings rates.

During the fiscal year ended June 30, 2023, the operating expenses of the Board increased by \$27,212, or 20.22%, due primarily to an increase in website design, consultation, and hosting expenses; and board member expenses.

### **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 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 Statement of Net Position presents the current and long-term portions of assets and liabilities separately.

The Statement of Revenues, Expenses, and Changes in Net Position presents information on how the Board's assets changed as a result of its operations.

The Statement of Cash Flows presents information on how the Board's cash changed as a result of its financial activities.

# NORTH CAROLINA BOARD OF LANDSCAPE ARCHITECTS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Condensed Financial Information

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

|                              | Current Year<br>as of and for<br>the year ended<br>June 30, 2023 | Prior Year<br>as of and for<br>the year ended<br>June 30, 2022 |
|------------------------------|--|--|
| Current assets               | \$ 461,206   | \$ 509,161   |
| Capital assets               | 215  | 215  |
| Total assets                 | <u>\$ 461,421</u>  | <u>\$ 509,376</u>  |
| Current liabilities          | \$ 43,360  | \$ 111,123   |
| Total liabilities            | <u>\$ 43,360</u>   | <u>\$ 111,123</u>  |
| Investment in capital assets | \$ 215   | \$ 215   |
| Unrestricted                 | 417,846  | 398,038  |
| Total net position           | <u>\$ 418,061</u>  | <u>\$ 398,253</u>  |
| Operating revenues           | \$ 171,160   | \$ 167,420   |
| Operating expenses           | <u>(161,774)</u>   | <u>(134,562)</u>   |
| Operating income             | 9,386  | 32,858   |
| Non-operating revenues       | 10,422   | 911  |
| Change in net position       | <u>\$ 19,808</u>   | <u>\$ 33,769</u>   |

# NORTH CAROLINA BOARD OF LANDSCAPE ARCHITECTS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Financial Analysis

Net position is an indicator of the fiscal health of the Board. Assets exceeded liabilities by \$418,061 at June 30, 2023. Assets exceeded liabilities by \$398,253 at June 30, 2022. The largest component of net position was cash and cash equivalents. Cash and cash equivalents represented 107.34% of total net position at June 30, 2023. Cash and cash equivalents represented 126.26% of total net position at June 30, 2022. Current assets consist of cash and cash equivalents and prepaid expenses. Noncurrent assets consist of capital assets (net of accumulated depreciation). Capital assets are not a significant component of assets and are denoted below in the comparative summary of the Statements of Net Position. Current liabilities consist of accounts payable due to vendors, accounts payable due to other state agencies, and unearned revenue from license fees paid in advance. The Board has no long-term liabilities. Net position consists of net assets invested in capital assets and unrestricted net assets. Net investment in capital assets is a component of net position and consists of capital assets net of depreciation. The following is a summary of the Statements of Net Position.

|                            | Current Year<br>as of<br>June 30, 2023 | Prior Year<br>as of<br>June 30, 2022 | Amount of<br>Change | Percentage<br>Change |
|----------------------------|--|--------------------------------------|---------------------|----------------------|
| Current assets             | \$ 461,206                             | \$ 509,161                           | \$ (47,955)         | -9.42%               |
| Capital assets             | 215                                    | 215                                  | 0                   | 0.00%                |
| Total assets               | <u>\$ 461,421</u>                      | <u>\$ 509,376</u>                    | <u>\$ (47,955)</u>  | <u>-9.41%</u>        |
| Current liabilities        | \$ (43,360)                            | \$ (111,123)                         | \$ 67,763           | -60.98%              |
| Total liabilities          | <u>\$ (43,360)</u>                     | <u>\$ (111,123)</u>                  | <u>\$ 67,763</u>    | <u>-60.98%</u>       |
| Invested in capital assets | \$ 215                                 | \$ 215                               | \$ 0                | 0.00%                |
| Unrestricted               | 417,846                                | 398,038                              | 19,808              | 4.97%                |
| Total net position         | <u>\$ 418,061</u>                      | <u>\$ 398,253</u>                    | <u>\$ 19,808</u>    | <u>4.97%</u>         |

The following is a summary of the Statement of Revenues, Expenses, and Changes in Net Position

|                        | The year ended<br>June 30, 2023 | The year ended<br>June 30, 2022 | Amount of<br>Change | Percentage<br>Change |
|------------------------|---------------------------------|---------------------------------|---------------------|----------------------|
| Operating revenues     | \$ 171,160                      | \$ 167,420                      | \$ 3,740            | 2.23%                |
| Operating expenses     | (161,774)                       | (134,562)                       | (27,212)            | 20.22%               |
| Non-operating revenues | 10,422                          | 911                             | 9,511               | 1044.02%             |
| Change in net position | <u>\$ 19,808</u>                | <u>\$ 33,769</u>                | <u>\$ (13,961)</u>  | <u>-41.34%</u>       |
| Ending net position    | <u>\$ 418,061</u>               | <u>\$ 398,253</u>               | <u>\$ 19,808</u>    | <u>4.97%</u>         |

## **NORTH CAROLINA BOARD OF LANDSCAPE ARCHITECTS**

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

The following is a breakdown of operating revenues by source.

|                                  | The year ended<br>June 30, 2023 | The year ended<br>June 30, 2022 | Amount of<br>Change | Percentage<br>Change |
|----------------------------------|---------------------------------|---------------------------------|---------------------|----------------------|
| License fees                     | \$ 149,750                      | \$ 147,500                      | \$ 2,250            | 1.53%                |
| Application fees                 | 15,900                          | 17,200                          | (1,300)             | -7.56%               |
| Late renewal fees                | 5,250                           | 2,650                           | 2,600               | 98.11%               |
| Miscellaneous operating revenues | 260                             | 70                              | 190                 | 271.43%              |
| Total                            | <u>\$ 171,160</u>               | <u>\$ 167,420</u>               | <u>\$ 3,740</u>     | <u>2.23%</u>         |

The following is a breakdown of non-operating revenues by source.

|                 | The year ended<br>June 30, 2023 | The year ended<br>June 30, 2022 | Amount of<br>Change | Percentage<br>Change |
|-----------------|---------------------------------|---------------------------------|---------------------|----------------------|
| Interest income | \$ 10,422                       | \$ 911                          | \$ 9,511            | 1044.02%             |
| Total           | <u>\$ 10,422</u>                | <u>\$ 911</u>                   | <u>\$ 9,511</u>     | <u>1044.02%</u>      |

### **Events Affecting Future Operations**

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.

### **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 Board of Landscape Architects, 3733 Benson Drive, Raleigh, NC 27609.

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

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**INDEPENDENT AUDITOR'S REPORT**

Members of the Board  
North Carolina Board of Landscape Architects  
Raleigh, North Carolina

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

***Opinion***

We have audited the financial statements of the North Carolina Board of Landscape Architects (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 year ended June 30, 2023, 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 Board of Landscape Architects as of June 30, 2023, 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:

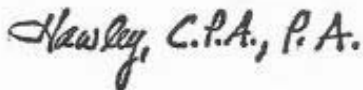
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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.



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

Angier, North Carolina

October 13, 2023

**NORTH CAROLINA BOARD OF LANDSCAPE ARCHITECTS**  
**STATEMENT OF NET POSITION**  
**YEAR ENDED JUNE 30, 2023**

|  | <b>June 30, 2023</b>                        |
|--|---|
|  | <b>Proprietary-<br/>Enterprise<br/>Fund</b> |
| <b>ASSETS</b>                                  |   |
| Current assets:                                |   |
| Cash in State Treasurer (STIF) (Notes 1 and 2) | \$ 448,763                                  |
| Prepaid expense (Note 1)                       | 12,443                                      |
| Total current assets                           | 461,206                                     |
| Capital assets (Notes 1 and 3):                |   |
| Furniture and office equipment                 | 215   |
| Total capital assets - net of depreciation     | 215   |
| <b>TOTAL ASSETS</b>                            | <b>\$ 461,421</b>                           |
| <b>LIABILITIES AND NET POSITION</b>            |   |
| Current liabilities:                           |   |
| Accounts payable (Note 4)                      | \$ 1,502                                    |
| Due to other state agency (Note 4)             | 658   |
| Unearned revenue (Note 1)                      | 41,200                                      |
| Total current liabilities                      | 43,360                                      |
| <b>TOTAL LIABILITIES</b>                       | <b>43,360</b>                               |
| <b>NET POSITION (NOTE 1)</b>                   |   |
| Investment in capital assets                   | 215   |
| Unrestricted net position                      | 417,846                                     |
| <b>TOTAL NET POSITION</b>                      | <b>418,061</b>                              |
| <b>TOTAL LIABILITIES AND NET POSITION</b>      | <b>\$ 461,421</b>                           |

See notes to financial statements.

**NORTH CAROLINA BOARD OF LANDSCAPE ARCHITECTS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2023**

|  | <u>2023</u>                                 |
|--|---|
|  | <u>Proprietary-<br/>Enterprise<br/>Fund</u> |
| OPERATING REVENUES:  |   |
| Fees, licenses, and fines:                                 |   |
| License fees (registration, certificate and renewal)       | \$ 149,750                                  |
| Application fees   | 15,900                                      |
| Late renewal fees  | 5,250                                       |
| Miscellaneous operating income                             | <u>260</u>                                  |
| Total operating revenues                                   | \$ 171,160                                  |
| OPERATING EXPENSES:  |   |
| Personal services (and board members expenses):            |   |
| Board members expenses (including annual meeting expenses) | \$ 34,571                                   |
| Committee members (board members) expenses                 | 1,982                                       |
| Supplies and materials:                                    |   |
| Office supplies and expenses                               | 1,922                                       |
| Services:  |   |
| Contractual management services (Note 5)                   | 69,000                                      |
| Staff expenses - contractual management service            | 435   |
| Legal, accounting and audit fees                           | 18,555                                      |
| Printing and copying                                       | 1,540                                       |
| Postage  | 1,125                                       |
| Telephone  | 1,110                                       |
| Website hosting, design, consultation and hosting expenses | 18,988                                      |
| Insurance  | 1,428                                       |
| Other expenses:  |   |
| Dues and subscriptions (including CLARB dues)              | 7,080                                       |
| Credit card processing fees                                | 3,758                                       |
| Miscellaneous expense                                      | <u>280</u>                                  |
| Total operating expenses                                   | <u>\$ 161,774</u>                           |
| Operating income (loss)                                    | \$ 9,386                                    |

See notes to financial statements.

**NORTH CAROLINA BOARD OF LANDSCAPE ARCHITECTS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2023**

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|                                    | <u>2023</u>                                 |
|------------------------------------|---|
|                                    | <u>Proprietary-<br/>Enterprise<br/>Fund</u> |
| NON-OPERATING REVENUES (EXPENSES): |   |
| Interest income                    | \$ 10,422                                   |
| Total non-operating revenues       | \$ 10,422                                   |
| Change in net position             | \$ 19,808                                   |
| Net position - beginning of year   | <u>398,253</u>                              |
| Net position - end of year         | <u><u>\$ 418,061</u></u>                    |

See notes to financial statements.

**NORTH CAROLINA BOARD OF LANDSCAPE ARCHITECTS**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2023**

|   | <b>2023</b>                                 |
|---|---|
|   | <b>Proprietary-<br/>Enterprise<br/>Fund</b> |
| Cash flows from operating activities:         |   |
| Cash received from fees                       | \$ 105,500                                  |
| Cash received from other operating revenues   | 260   |
| Cash payments for operating expenses          | (169,978)                                   |
| Net cash provided by operating activities     | \$ (64,218)                                 |
| Cash flows from investing activities:         |   |
| Interest earnings                             | \$ 10,422                                   |
| Net cash provided by investing activities     | \$ 10,422                                   |
| Net increase in cash                          | \$ (53,796)                                 |
| Cash - beginning of year                      | 502,559                                     |
| Cash - end of year                            | \$ 448,763                                  |
| Reconciliation of operating income            |   |
| to net cash provided by operating activities: |   |
| Operating income (loss)                       | \$ 9,386                                    |
| Adjustments to reconcile operating income     |   |
| to net cash provided by operating activities: |   |
| Changes in assets and liabilities:            |   |
| Prepaid expense                               | \$ (5,841)                                  |
| Accounts payable                              | (2,363)                                     |
| Unearned revenue                              | (65,400)                                    |
| Total adjustments                             | \$ (73,604)                                 |
| Net cash provided by operating activities     | \$ (64,218)                                 |

See notes to financial statements.

**NORTH CAROLINA BOARD OF LANDSCAPE ARCHITECTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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Note 1 - Nature of Activities and Significant Accounting Policies

*Description of Organization and Purpose*

The North Carolina Board of Landscape Architects (the "Board") is an independent State board. It is an occupational licensing board and is authorized by Chapter 89A of the North Carolina General Statutes. The Board is composed of seven members who are appointed by the Governor of the State of North Carolina. 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 architects.

The Board's operations are financed with self-generated revenues from fees charged to examinees and 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 BOARD OF LANDSCAPE ARCHITECTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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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 in State Treasurer*

This classification consists of funds deposited by the Board with the cash accounts of the North Carolina State Treasurer. 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, 2023 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.

*Prepaid Expenses*

This classification includes prepaid commercial insurance, prepaid telephone and prepaid management at year end.

*Capital Assets*

Capital assets 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 \$200 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 BOARD OF LANDSCAPE ARCHITECTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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

*Unearned Revenue*

The Board's fees are assessed and collected on an annual basis for the period July 1 through June 30, which corresponds with the Board's accounting period. License renewal fees received in the latter part of the fiscal year are unearned 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) and reduced by outstanding liabilities (if any) related to those capital assets.

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.

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*. The Board has designated a reserve for investment; general economic decline; health, safety and welfare awareness/education; and fiduciary and tort claims expenses in the amount of \$75,000 of its unrestricted net position for the year ended June 30, 2023.

*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.

Note 2 - Deposits

*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 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.

**NORTH CAROLINA BOARD OF LANDSCAPE ARCHITECTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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Note 2 - Deposits (Continued)

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. 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, 2023, the Board's deposits with the State Treasurer STIF account had a carrying value and fair market value of \$448,763 (including undeposited receipts, if any), and a bank balance of \$437,296 (including in uncertified deposits, if any).

Note 3 - Capital Assets

Changes in capital assets as of and for the year ended June 30, 2023 is as follows:

|                     | Cost<br>6-30-2022 | Acquisitions | Disposals   | Cost<br>6-30-2023 | Accumulated<br>Depreciation | Net<br>Amount |
|---------------------|-------------------|--------------|-------------|-------------------|-----------------------------|---------------|
| Furniture/Equipment | \$ 5,984          | \$ -         | \$ -        | \$ 5,984          | \$ 5,769                    | \$ 215        |
|                     | <u>\$ 5,984</u>   | <u>\$ -</u>  | <u>\$ -</u> | <u>\$ 5,984</u>   | <u>\$ 5,769</u>             | <u>\$ 215</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. There was no depreciation expense for the fiscal year ended June 30, 2023.

Note 4 - Accounts Payable

Accounts payable consists of amounts due to vendors in the ordinary operations of the Board. Accounts payable due in the ordinary operations of the Board which are due to other state agencies (if any) are reported separately.

|                             | June 30, 2023   |
|-----------------------------|-----------------|
| Due to Vendors              | \$ 1,502        |
| Due to Other State Agencies | 658             |
| Total Accounts Payable      | <u>\$ 2,160</u> |

**NORTH CAROLINA BOARD OF LANDSCAPE ARCHITECTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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Note 5 - Contractual Management Services

The Board does not have any employees. The Board contracts with a management consultant service to provide services for the Board. The contract includes all services related to the process of licensure application and renewal and various other management and administrative duties. The Board also reimburses the management service for printing, postage, copying and miscellaneous office expenses. Payments to the management service totaled \$80,976 (which consisted of contractual management services in the amount of \$69,000 and reimbursements in the amount of \$11,976) during the fiscal year ended June 30, 2023.

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. Additionally, the Board protects itself from exposure to potential loss through the purchase of commercial insurance coverage. There have been no significant reductions 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 period under audit do not materially affect the Board's operations, changes in financial position, or cash flows for the year(s) herein ended.

Note 8 - Subsequent Events

Subsequent events have been evaluated through October 13, 2023, 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 financial statements would be required.

This audit required 81 audit hours at a cost of \$7,995.