

NORTH CAROLINA APPRAISAL BOARD

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2014 AND 2013



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NORTH CAROLINA APPRAISAL BOARD

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NORTH CAROLINA APPRAISAL BOARD

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2014

The following is a discussion and analysis of the North Carolina Appraisal Board's (the "Board") financial performance for the fiscal year ended June 30, 2014. 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 years are presented in the analysis.

Financial Highlights

The operating revenues of the Board decreased \$53,250 or 3.8%. The reason for the decrease was primarily due to a decrease in new applications for both appraiser credentials and Appraisal Management Company registrations. Management had anticipated that new Appraisal Management Company registrations, which exceeded expectations in 2012-2013, would decline as most of these companies seeking to do business in North Carolina have already registered. Applications for appraiser credentials appear to be down due to a spike in applications for 2012-2013, created by the removal of the trainee exam and individuals trying to upgrade in advance of the 2015 criteria. There also appears to have been a decrease in demand for appraisal services in the last fiscal year which affects new trainee applications and the ability for applicants to apply for upgrades.

Non-operating revenues were down \$1,804 or 2.0%, due primarily to the continued reduction in interest rates. Management, in consultation with the Finance Committee, has decided it is more practical to eliminate risk for funds held in reserve than the amount of return that could be gained by less certain investments. Management will continue to gauge CD and money market rates and recommend reallocation when appropriate.

The operating expenses of the Board increased by \$92,172 or 7.8%. The increase in expenses was largely due to the expense of purchasing USPAP books for all applicants who wished to have one. There was also an additional expense for the first three months of the subscription fee for the new database.

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

The Statements of Revenues, Expenses, and Changes in Net Position (page 7) present information on how the Board's net position changed as a result of the year's operations.

NORTH CAROLINA APPRAISAL BOARD
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014

Basic Financial Statements (Continued)

The Statements of Cash Flows (page 8) present information on how the Board's cash changed as a result of the year's activity.

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Current assets	\$ 2,579,588	\$ 2,549,507	\$ 2,042,983
Non-current assets	97,290	-	250,000
Capital assets - net of depreciation	2,234,140	2,278,467	2,362,036
Total assets	<u>4,911,018</u>	<u>4,827,974</u>	<u>4,655,019</u>
Current liabilities	1,065,045	1,051,933	1,101,436
Non-current liabilities	47,400	49,100	45,500
Total liabilities	<u>1,112,445</u>	<u>1,101,033</u>	<u>1,146,936</u>
Investment in capital assets	2,234,140	2,278,467	2,362,036
Unrestricted	1,564,433	1,448,474	1,146,047
Total net position	<u>\$ 3,798,573</u>	<u>\$ 3,726,941</u>	<u>\$ 3,508,083</u>
Operating revenues	\$ 1,337,540	\$ 1,390,790	\$ 1,347,310
Operating expenses	1,272,947	1,180,775	1,188,555
Operating income	64,593	210,015	158,755
Non-operating revenues	7,039	8,843	11,292
Change in net position	<u>\$ 71,632</u>	<u>\$ 218,858</u>	<u>\$ 170,047</u>

Events Affecting Future Operations

New Criteria - The Appraiser Qualifications Board has made changes in the education requirements to become a real estate appraiser beginning January 1, 2015. These changes, specifically a four year degree requirement for certification, would appear likely to cause a decrease in the number of trainee applicants as there is a smaller overall pool of candidates that meet this requirement.

Application and Renewal Fees – Renewal fees have remained unchanged on appraiser licenses since 1994, but the cost of operations has of course increased over this time period. The additional revenue, received from the registration of Appraisal Management Companies, has delayed the need to consider a fee increase, but revenue should continue to be closely monitored due to the length of time necessary to seek legislative approval and implement any changes in fees.

NORTH CAROLINA APPRAISAL BOARD

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2014

Registered trainees are still finding it difficult to find supervisors and when they do, the assignments they are allowed to work on may be limited by certain clients. These limited opportunities along with increased educational criteria for becoming an appraiser, will likely reduce the number of trainee applicants for the foreseeable future. The upcoming criteria change appears to have caused most certified appraisers to maintain their credential since there is now a high threshold for reentering the profession. The licensed residential credential will again be offered beginning in 2015, which will allow someone with an associate's degree to progress beyond the trainee level. Management does not see this as having a significant impact on applications as appraisal assignments are becoming more limited for appraisers that are not certified.

Technology Upgrades – The Board continues to contract out the monitoring, maintenance and updating of the computer system which is a higher monthly cost, but reduces risk both financially and from the possible loss of information due to a system crash. Management recommended the Board begin the process of transitioning to a computerized application, record keeping, and case management, including an online payment system for applications and renewals. The Board entered into a contract with Accela, Inc. in April 2014, to provide this system and also agreed to prepay 3 years of maintenance and support in order to obtain a 15% discount. Although the maintenance and support subscription will show as an expense well into the 2016-2017 budget year, there will actually be funds being replenished into reserves.

Cash Reserves - The Board continues to maintain reserves necessary to cover operations, potential legal matters and any possible repairs to fixed assets. Although management does not feel these reserves need to be increased at this time, due to the purchase and installation of the new database, most of the funds reserved for technology have been depleted. It is recommended the Board set aside additional funds to allow for future technology expenses such as redesign of the website, replacement of the server, and any additional technology that may be necessary for areas such as virtual meetings and/or conferences.

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: North Carolina Appraisal Board, 5830 Six Forks Road, Raleigh, North Carolina 27609.

Independent Auditor's Report

Members of the Board
North Carolina Appraisal Board
Raleigh, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the North Carolina Appraisal Board (the "Board"), an enterprise fund of the state of North Carolina, which comprise the statements of net position as of June 30, 2014 and 2013, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the basic financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the North Carolina Appraisal Board as of June 30, 2014 and 2013, and its 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.

Emphasis of Matter

As discussed in Note 1, the financial statements present only those of the North Carolina Appraisal Board and do not purport to and do not present fairly the financial position of the State of North Carolina as of June 30, 2014 and 2013, and the changes in its financial position and its cash flows thereof 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 the Management's Discussion and Analysis, on pages 1 – 3, be presented to supplement the basic financial statements. Such information, 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.

Bernard Robinson & Company, L.L.P.

Raleigh, North Carolina
August 20, 2014

NORTH CAROLINA APPRAISAL BOARD
Statements of Net Position
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS:		
Current assets:		
Cash	\$ 2,519,343	\$ 2,294,683
Investments	-	251,990
Prepaid subscription fees	55,600	-
Other current assets	4,645	2,834
Total current assets	<u>2,579,588</u>	<u>2,549,507</u>
Non-current assets:		
Prepaid subscription fees	97,290	-
Total non-current assets	<u>97,290</u>	<u>-</u>
Capital assets - net		
Land	440,000	440,000
Building	1,725,927	1,800,172
Furniture, equipment and software	68,213	38,295
Total capital assets - net	<u>2,234,140</u>	<u>2,278,467</u>
Total assets	<u>4,911,018</u>	<u>4,827,974</u>
LIABILITIES:		
Current liabilities:		
Accounts payable	15,460	26,730
National registry fees payable	93,585	81,745
Flex plan payable	-	2,458
Unearned revenues	956,000	941,000
Total current liabilities	<u>1,065,045</u>	<u>1,051,933</u>
Non-current liabilities:		
Accrued vacation	47,400	49,100
Total non-current liabilities	<u>47,400</u>	<u>49,100</u>
Total liabilities	<u>1,112,445</u>	<u>1,101,033</u>
NET POSITION:		
Invested in capital assets	2,234,140	2,278,467
Unrestricted	1,564,433	1,448,474
Total net position	<u>\$ 3,798,573</u>	<u>\$ 3,726,941</u>

NORTH CAROLINA APPRAISAL BOARD
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2014 and 2013

	2014	2013
Operating revenues:		
Renewal fees	\$ 1,057,700	\$ 1,037,805
Application fees	60,100	139,000
National registry fees	65,840	63,355
Licensee rosters	360	565
Reciprocity	18,000	21,400
Course approval	9,450	9,150
Temporary permit applications	61,200	69,600
Supervisor training course	4,000	4,050
USPAP	18,730	-
CE roster fees	24,655	35,725
Other	17,505	10,140
Total operating revenues	1,337,540	1,390,790
Operating expenses:		
Personnel costs	654,936	639,346
Insurance	99,790	98,250
Staff expenses	50,590	38,618
Legal	134,450	133,230
Board member expenses	54,981	54,443
Professional fees	6,900	7,700
Building expenses	38,024	37,370
Office operations	67,118	72,220
Depreciation	88,976	94,768
Subscription fees	13,900	-
USPAP	56,685	-
Supervisor training course	299	232
Other	6,298	4,598
Total operating expenses	1,272,947	1,180,775
Operating income	64,593	210,015
Non-operating revenues (expenses):		
Interest income	7,440	8,843
Loss on disposal of equipment	(401)	-
Total non-operating revenues	7,039	8,843
Changes in net position	71,632	218,858
Net position - beginning of year	3,726,941	3,508,083
Net position - end of year	\$ 3,798,573	\$ 3,726,941

NORTH CAROLINA APPRAISAL BOARD
Statements of Cash Flows
Years Ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Cash received from fees	\$ 1,352,540	\$ 1,339,190
Cash payments to employees for services	(656,636)	(635,746)
Cash payments for operating expenses	(685,624)	(444,400)
Net cash provided by operating activities	10,280	259,044
Cash flows from investing activities:		
Proceeds from investments	251,990	-
Purchase of investments	-	(1,990)
Acquisition of capital assets	(45,050)	(11,199)
Interest on investments	7,440	8,843
Net cash provided by (used in) investing activities	214,380	(4,346)
Increase in cash	224,660	254,698
Cash - beginning of year	2,294,683	2,039,985
Cash - end of year	\$ 2,519,343	\$ 2,294,683
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 64,593	\$ 210,015
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	88,976	94,768
Changes in assets and liabilities:		
Other current assets	(1,811)	164
Prepaid subscription fees	(152,890)	-
Accounts payable	(11,270)	14,342
National registry fees payable	11,840	(11,920)
Flex plan payable	(2,458)	(325)
Unearned revenues	15,000	(51,600)
Accrued vacation	(1,700)	3,600
Total adjustments	(54,313)	49,029
Net cash provided by operating activities	\$ 10,280	\$ 259,044

NORTH CAROLINA APPRAISAL BOARD

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

The North Carolina Appraisal Board (the “Board”) is an independent State agency. It is an occupational licensing board authorized by Chapter 93E of the *North Carolina General Statutes*. The Board members are appointed by the Governor, the Speaker of the House, and the President Pro Tempore of the Senate.

The Board's function is to maintain minimum standards for services provided by appraisers and Appraisal Management Companies. 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 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 changes in the State's financial position and cash flows.

The accompanying financial statements present all funds and activities for which the Board is responsible.

Basis of Presentation

The accompanying basic financial statements are presented in accordance with accounting principles generally accepted in the United States of America 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.

NORTH CAROLINA APPRAISAL BOARD
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

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. Operating revenues include activities that have characteristics of exchange transactions and consist primarily of license renewal 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.

Cash

This classification includes cash on deposit and money market accounts with financial institutions. 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.

Investments

Investments as of June 30, 2013 consisted of a certificate of deposit which earned interest at a rate of .8% and matured on December 29, 2013. The certificate of deposit is recorded at fair value which approximated cost at June 30, 2013.

It is the Board's investment policy to keep funds in low risk holdings and therefore, funds are limited to certificates of deposit and money market accounts.

Capital Assets

Capital assets are recorded at cost at the date of acquisition. The Board capitalizes assets that have a cost of \$1,000 or greater at the date of acquisition and an expected useful life in excess of one year. Depreciation is computed using the straight-line method over the following useful lives:

Building and improvements	5 - 39 years
Furniture, equipment and software	3 - 7 years

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. Renewal fees received prior to the end of the fiscal year are deferred and recognized as revenue in the period to which they relate.

NORTH CAROLINA APPRAISAL BOARD
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Vacation Pay

The vacation policy of the Board provides for the accumulation of up to 30 days earned vacation leave with such leave being fully vested when earned. Accumulated earned vacation at June 30, 2014 and 2013, totaled \$47,400 and \$49,100, respectively.

The Board's sick leave policy provides for an unlimited accumulation of earned sick leave. There is no liability for unpaid accumulated sick leave because the Board has no obligation to pay sick leave upon employee termination or retirement.

Net Position

The Board's net position is classified as follows:

Invested in Capital Assets - This represents the Board's total investment in capital assets, net of accumulated depreciation.

Unrestricted - 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.

Designations of net position represent tentative management plans that are subject to change based on perceived operating conditions and situations.

Designated amounts as of June 30, 2014 were as follows:

Annual leave	\$ 56,000
Operating expenses	600,000
Replace fixed assets	75,000
Litigation	350,000
Technology	204,950
Total designated balances	<u>\$1,285,950</u>

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

All funds of the Board are deposited in board-designated official depositories.

The Board is subject to the following risks:

Custodial credit risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Board will not be able to recover the value of its collateral securities that are in the possession of an outside party.

NORTH CAROLINA APPRAISAL BOARD**Notes to Financial Statements**

NOTE 2 - DEPOSITS (Continued)

The Board maintains an account through a financial institution's insured deposit program ("IDP"), which insures amounts up to \$1.5 million. At June 30, 2014, the bank balance in this account was \$750,178.

The Board's remaining accounts are insured, in the aggregate per depositor, by the Federal Deposit Insurance Corporation ("FDIC") and the National Credit Union Administration ("NCUA") up to \$250,000 per institution. At June 30, 2014, the Board's uninsured cash balances totaled \$986,403. Throughout the fiscal year, the Board's deposits exceeded the amounts insured by the FDIC and NCUA.

NOTE 3 - CAPITAL ASSETS

Property, plant and equipment consist of the following:

	Cost 6/30/2013	Acquisitions	Disposals	Cost 6/30/2014	Accumulated Depreciation	Net Amount
Land	\$ 440,000	\$ -	\$ -	\$ 440,000	\$ -	\$ 440,000
Building	2,314,938	-	-	2,314,938	589,011	1,725,927
Furniture/ equipment/ software	247,956	45,050	2,429	290,577	222,364	68,213
	<u>\$ 3,002,894</u>	<u>\$ 45,050</u>	<u>2,429</u>	<u>\$ 3,045,515</u>	<u>\$ 811,375</u>	<u>\$ 2,234,140</u>
	Cost 6/30/2012	Acquisitions	Disposals	Cost 6/30/2013	Accumulated Depreciation	Net Amount
Land	\$ 440,000	\$ -	\$ -	\$ 440,000	\$ -	\$ 440,000
Building	2,314,938	-	-	2,314,938	514,766	1,800,172
Furniture/ equipment	236,757	11,199	-	247,956	209,661	38,295
	<u>\$ 2,991,695</u>	<u>\$ 11,199</u>	<u>\$ -</u>	<u>\$ 3,002,894</u>	<u>\$ 724,427</u>	<u>\$ 2,278,467</u>

NOTE 4 - RETIREMENT PLAN

The Board has a simplified employee pension (SEP) plan covering all employees with no waiting period. For the years ended June 30, 2014 and 2013, the Board contributed 10%, or \$55,781 and \$54,028, respectively, on behalf of its employees. Employee contributions for the years ended June 30, 2014 and 2013 totaled \$33,766 and \$31,562, respectively. The Board has authority over the SEP plan.

NORTH CAROLINA APPRAISAL BOARD
Notes to Financial Statements

NOTE 5 - ACCRUED VACATION

Changes to accrued vacation are as follows:

	Balance 7/1/2013	Increases	Decreases	Balance 6/30/2014
Accrued vacation	<u>\$ 49,100</u>	<u>\$ 41,051</u>	<u>\$ 42,751</u>	<u>\$ 47,400</u>

	Balance 7/1/2012	Increases	Decreases	Balance 6/30/2013
Accrued vacation	<u>\$ 45,500</u>	<u>\$ 39,848</u>	<u>\$ 36,248</u>	<u>\$ 49,100</u>

NOTE 6 - LEASE COMMITMENTS

The Board entered into an operating lease for two copiers in March 2011. This lease expires in March 2016. For the fiscal years ended June 30, 2014 and 2013, lease expense was \$7,773 and \$7,599, respectively. The following is a schedule of future minimum lease payments required under the lease:

<u>Years Ending June 30:</u>	
2015	\$ 6,288
2016	<u>3,666</u>
	<u>\$ 9,954</u>

NOTE 7 - 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 managed using a combination of the purchase of commercial insurance and various State coverages. 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.

NOTE 8 - COMMITMENTS

In March 2014, the Board entered into a contract for the installation of a new software system. Subscription fees totaling \$166,790 were paid in April 2014 and cover the three year period from March 31, 2014 through March 30, 2017. Of this amount, \$13,900 was expensed in the current year and the balance of \$152,890 was recorded as a prepaid asset as of June 30, 2014. The total amount payable under the service agreement is approximately \$198,000 which will be billed as monthly progress payments. As of June 30, 2014, \$45,050 had been paid under the service agreement and was capitalized at year end. The remaining payments of approximately \$153,000 are expected to be paid during the fiscal year ending June 30, 2015.

The Board entered into a twelve month agreement for landscaping services beginning in July 2014, payable in monthly installments of \$450. Either party may discontinue the contract by giving thirty days written notice.

NORTH CAROLINA APPRAISAL BOARD
Notes to Financial Statements

NOTE 9 - SUBSEQUENT EVENTS

Management of the Board evaluated subsequent events through August 20, 2014, which is the date the financial statements were available to be issued. Management discovered no subsequent events that should be disclosed.

The Board audit was conducted in approximately 50 hours at a total cost of \$6,900.