PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
September 23, 2013
1101 Oberlin Road
Raleigh, NC 27605

MEMBERS ATTENDING: Bucky Glover, CPA, Vice President; Maria M. Lynch, Esq., Secretary-Treasurer; Tawannah G. Allen, Ed.D.; Barton W. Baldwin, CPA (via telephone); John M. Kledis, CPA; and Michael H. Womble, CPA.

STAFF ATTENDING: Robert N. Brooks, Executive Director; David R. Nance, CPA, Deputy Director; Frank Trainor, Esq., Staff Attorney; Lisa R. Hearne, Manager-Communications; Ann J. Hinkle, Manager-Professional Standards; Buck Winslow, Manager-Licensing; and Noel L. Allen, Legal Counsel.

GUESTS: James T. Ahler, CEO, NCACPA; Cindy Brown, CPA, NCACPA; Suzanne Jolicoeur, Senior Manager, State Regulation & Legislation, AICPA and Curt Lee, Legislative Liaison, NCSA.

CALL TO ORDER: Vice President Glover called the meeting to order at 10:04 a.m.

MINUTES: The minutes of the August 19, 2013, meeting were approved as corrected.

FINANCIAL AND BUDGETARY ITEMS: The August 2013 financial statements were accepted as submitted.

The draft audit report for the Board for the year ending March 31, 2013, was presented. Ms. Allen and Mr. Womble moved to accept and approve the Board Audit Report for the year ending March 31, 2013 (Appendix I). Motion passed with six (6) affirmative and zero (0) negative votes.

LEGISLATIVE AND RULE-MAKING ITEMS: Mr. Brooks provided a brief update on legislation.

STATE AND LOCAL ORGANIZATION ITEMS: Mr. Brooks commented on the staff’s participation in the September 20, 2013, CPA Day of Service in North Carolina.

REPORT OF THE PROFESSIONAL STANDARDS COMMITTEE: Mr. Baldwin moved and the Board approved the following recommendations of the Committee:

Case No. 200602-021 – Michael H. Lippman, CPA – Approve the signed Consent Order (Appendix II).
Case No. C2011140 – James R. Hovis, Jr., CPA – Approve the signed Consent Order (Appendix III).

Case No. C2012183-1 and Case No. C2012183-2 – James E. Avent, Jr., CPA – Messrs. Baldwin and Glover moved to approve the voluntary permanent suspension of the CPA certificate (Appendix IV) issued to James E. Avent, Jr. Motion passed with six (6) affirmative and zero (0) negative votes.

Case No. C2012311-1 and Case No. C2012311-2 – James G. Kimbrough, CPA, and James G. Kimbrough, Jr. – Approve the signed Consent Order (Appendix V).

Case No. C2012354 – Kenneth C. Porter, CPA – Approve the signed Consent Order (Appendix VI).

Case No. C2013004 – William K. Lively, CPA – Messrs. Baldwin and Glover moved to approve the five (5) year suspension of the CPA certificate (Appendix VII) issued to William K. Lively. Motion passed with six (6) affirmative and zero (0) negative votes.


The Board approved the following Orders (Appendix X) as consented to by the following individuals:

    Case No. C2013153 – Aletta M. Lane, CPA
    Case No. C2013155 – Patsy R. Bolick, CPA
    Case No. C2013160 – Douglas J. Campbell, CPA

Case No. C2013080 - Close the case without prejudice.

Case No. C201311-1 and Case No. C2013211-2 - Close the case without prejudice.

Case No. 2013024 – Randeep Singh Brar – Accept the signed Notice of Apparent Violation and Demand to Cease and Desist (Appendix XI).

REPORT OF THE PROFESSIONAL EDUCATION AND APPLICATIONS COMMITTEE: Ms. Lynch moved and the Board approved the following recommendations of the Committee:
Transfer of Grades Applications - The following were approved:

Alexander Davis Lanier
Rachel Elise Loveland

Benjamin Taylor Mayo
Mark Edwin Menezes

Original Certificate Applications - The following were approved:

Travonte Antonio Aldrich
Natalie Davis Applonie
Adam Cole Alfero
Tyson Lee Badders
Samuel Adam Begley
Nicholas Anthony Ciamaricone
Reuben Blake Dalton
Jennifer Wren Durrett
Thomas Allen Forrester III
Carleton Harold Gallagher
Arthur Marcellus Gipple IV
Erica Marie Glasgow
Kevin Ran Guo
Julie Jones Harman
Lillian Alice Houston
Magda Jezovicova
Alexander Davis Lanier
Rachel Elise Loveland
Meredith Danielle Lowry
Benjamin Taylor Mayo
Mark Edwin Menezes

Christopher Dean Moore
Yuliya Sergeyevna Morris
Jeffrey Justus Myers
Carole Emily Wilson Pesta
Kerry McClellan Plemmons
Christine Wilson Rabon
Justin David Rink
Carlin Creech Smith
Scott Jason Snyder
David Marvin Stone
Emily Jo Thrdnson
Melissa Tiffany Vachon
Leigh Byrum Vogedes
Lin Wang
Daniel Staten Waters
Kyle Thomas White
Galadriel Elisha Williams
Patrick Ryan Willis
Sophia D. Woo
Jessica Lynn Baker Zemonek

Staff reviewed and recommended approval of the original application submitted by Ashley Victoria Bristow. Ms. Bristow failed to disclose pertinent information with her exam application but provided it with her certificate application. Staff recommended approval of the application with a one-year probationary period. The Committee approved staff recommendation.

Staff reviewed and recommended approval of the original application submitted by Joseph Warren Cook, IV. Mr. Cook failed to disclose pertinent information with his exam application but provided it with his certificate application. Staff recommended approval of the application with a one-year probationary period. The Committee approved staff recommendation.
Reciprocal Certificate Applications - The following were approved:

Brian David Donahue
Bonaventure E. Ezewuzie
David Lawrence Goldstein
Yung Ki Park
Carlos Guillermo Santiago-Orria

Temporary Permits - The following temporary permits were approved by the Executive Director and ratified by the Board:

Tracy Allen Dyer T7493
Mark Katherine Esleeck T7494
Theodore William Walls T7495
Michael John Bellairs T7496
Jason Michael Lester T7497
Heather Conoby Gray T7498
Kirti H. Shah T7521
James Harrison Nichols T7522
Anne T. M. Anderson T7523
Jeff Paul Thomas T7524
Steven Lyle Nashland T7525
Susan Diana Sabo T7526
Shemaine Latoya Rose T7527

Reinstatements - The following were approved:

Ronald Arthur Jordan #31728
Elizabeth Peeler Kirby #17267
Jana Mason Nethery #27555
Christopher John Schneider #31702
Rodney Eugene Smallwood #27821

Staff reviewed and recommended approval of the reinstatement application submitted by Michael Heath Walters (#28179). Mr. Walters failed to disclose pertinent information with his exam application but provided it with his reinstatement application. Staff recommended approval of the application with a one-year probationary period. The Committee approved staff recommendation.

Staff reviewed and recommended approval of the original application submitted by James Brantley Willis (#25799). Mr. Willis failed to disclose pertinent information with his reciprocal certificate application but provided it with his reinstatement application. Staff recommended approval of the application with a one-year probationary period. The Committee approved staff recommendation.

Reissuance of New Certificate - Applications for reissuance of new certificate submitted by the following were approved.

Barbara Jones Bouffard #20559
Teresa Lynne Brenan #34187
Reissuance of New Certificate and Consent Agreement - Applications for reissuance of new certificate and consent agreements submitted by the following were approved.

Viola Cutshall Shelton #21088
Gordon Valden Wheeler #34461

Letter of Warning - Staff received and recommended approval of the request to rescind the letter of warning awarded to Kristen M. Goodlaxson (#23677). The Committee approved staff recommendation.

Examinations - The Committee reviewed and approved the following staff approved applicants to sit for the Uniform CPA Examination:

Michelle Abercrombie
Alisha Adams
Amanda Aiken
Michael Alford
Jennifer Anderson
Mark Arrington
Brent Ashburn
Meghan Ayscue
Bruce Baird
Thomas Barker
Nicolas Barnes
Valerie Barney
Philip Barr
Gina Behan
Stephen Benson
Christine Black
Morgan Blaisdell-Buck
Amy Bleeker
Stephanie Blonchek
Matthew Borders
Alexander Bouknigh
Michael Bowers
Allison Braswell
Kimberly Brown
Lucas Brown
Desmona Brown-Cayruth
Ashley Bryson
Joseph Buckland
Christina Burnett
Amelia Byrd

William Call
Abigail Campbell
John Capasso
Laura Carter
Fangyuan Chang
Baron Chen
Nikhil Chheda
Charlene Cook Controne
David Cooper
Kenneth Cooper
Ryan Cornell
Margaret Correll
Jonathan Cothren
Taylor Creedon
Cameron Cross
Zeynep Cukro
Erin Cutler
Lauren Daughtry
Laura Davenport
Morris Davis
Valerie Derrick
Ghassan Dib
Andrew Dixon
Michael Doggett
Stephen Dunn
Elena Dusenbury
Tracy Ellis
Melanie Erickson
Elliott Etheridge
Nicole Evanger
Mallory Felder
Brittany Fields
Mary Fischer
Natalie Flannery
Jennifer Ford
Scott Foreman
Adam Forsberg
Lauren France
Monte Gainey
Michael Gardner
Adam Gattoni
Cordny Gilchrist
Carolyn Gile
Staci Ginsburg
Nicole Girard
Ashley Good
Matthew Green
Carole Guttery
William Haithcock
Natasha Hall
Bradley Hamby
David Hamilton
Ashley Hamm
Mallory Hammett
Geri Hare
Ashley Hare Massey
Sonya Harris
Warren Harvey
Stephen Hathcock
Margaret Helton
Lori Henson
Nicholas Heyland
Jeremy Hiatt
Crystal Hill
Ashley Holder
Gregory Howard
Julia Howe
Paul Huckle
Lindsay Huebler
Amber Huffman
Mary Hutchings
Hong Joon Im
Loren Jackson
Mia Jackson
Carla Jacobs
Jessica Johannessen
Kristi Johnson
Robert Johnson
Stephen Johnson
Christopher Jones
Joshua Jones
Ashley Keen
Sharon Kerley
Rahul Kharva
Ryan Kildoo
Johnathan Kildosher
Perry King
John Tyler Knox
Charles Lake
Bradley Lam
Robert Larison
Cilla Laurence
Crandall Lea
Minxue Lin
Randall Little
Stuart Long
Maria Maldonado
Joseph Marks
Nino Matic
Wilson McGuire
Marianne McKnight
Matthew McNealy
Jacqueline Messier
Ashley Middleton
Matthew Milbourn
Mildrid Ngamelue
Thao Nguyen
Robert Nicholson, II
Chun Nip
Farah Noameshie
Casey Noble
Ryan O'Neal
Jason Oliver
Anna Olson
Miles Onafowora
Jovanny Ortiz
Andrea Pack
Amy Page
Andrew Parsons
Trushaben Patel
Urvish Patel
Sara Pearson
Jessica Pemberton
William Perrault
Alexander Putzer
Kun Qian
Kristie Race
David Raines
Natalie Reed
Travis Reed
Jamie Reynolds
Anna Riddle
Jeremy Roberts
Erica Rock
Burnis Rollinson
Brian Roundtree
Jonathan Sawyer
Elisabeth Schwarz
Shay Sellati
Pamela Seward
Gabrielle Shahid
Fang Shen
Chad Sherin
Ashley Shinn
Amber Shively
Chon Shoaf
Adetoikunbo Shuler
Karine Simonyants
Courtney Smith
Rhonda Smith
Waylon Smith
Emilee Somers
Danielle Spauh
Jeffrey Speanburg
Alex Speight
Kira Staggers
Andrew Stanley

Kent Stanton
Samantha Stoddard
Diana Stoyneva
Steven Strickland
Angela Stromberger
Kristin Stroud
Mollie Swann-Deyoung
Dayvon Taliaferro
Anthony Tallarico
Nathan Tate
William Tate
Willie Tate
Brittany Tetlow
Jevon Thomas
Jonathan Thornton
Caitlin Townsend
Daniel Vandekar
Kelli Vollick
Eric Vozzo
Stephanie Wall
Qin Wang
Cherise Washington
Morgan Webster
Charles Wells
Binbin Weng
Frank White
John Whitley
Heather Whittington
David Williams
Brian Wilson
Patty Wilson
Ryan Winkler
Joseph Wood
Brad Woodard
Jack Xie
Lei Xu
Bradley Yacenda
Melissa Young
Najla Zeitawi
Weiqian Zhang
Staff reviewed and recommended approval of a hypothetical CPA initial exam application. Staff recommended approval of the request. The Committee approved staff recommendation.

Staff reviewed and recommended disapproval of three hypothetical CPA initial exam applications. Staff recommended disapproval of all three requests. The Committee disapproved all three requests.

**Miscellaneous** – The Committee reviewed an Independent Assessment Report for the course, “NCACPA’s 2013 CPE Beach Cluster.”

**ADJOURNMENT:** Ms. Allen and Mr. Kledis moved to adjourn the meeting at 10:29 am. Motion passed.

Respectfully submitted:

Attested to by:

[Signatures]

Robert N. Brooks  
Executive Director  

Jose R. Rodriguez, CPA  
President
NORTH CAROLINA STATE BOARD
OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED
MARCH 31, 2013 AND 2012

BERNARD ROBINSON & COMPANY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
NORTH CAROLINA STATE BOARD
OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEARS ENDED MARCH 31, 2013 AND 2012

BOARD MEMBERS

Jose R. Rodriguez, CPA, President

Bucky Glover, CPA, Vice-President

Maria M. Lynch, Esquire, Secretary-Treasurer

Barton W. Baldwin, CPA

John M. Kledis, CPA

Michael H. Womble, CPA

Tawannah G. Allen, Ed.D.

ADMINISTRATIVE STAFF

Robert N. Brooks, Executive Director

David R. Nance, CPA, Deputy Director

Frank X. Trainor, Esquire, Staff Attorney

OUTSIDE LEGAL COUNSEL

Allen, Pinnix & Nichols, P.A.

Noel L. Allen, Esquire
# NORTH CAROLINA STATE BOARD
OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

FOR THE FISCAL YEARS ENDED MARCH 31, 2013 AND 2012

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Introduction

The following discussion and analysis provides an overview to assist the reader in interpreting and understanding the accompanying basic financial statements. This overview includes a comparative financial analysis with discussion of significant changes from the prior year, as well as a discussion of currently known facts, decisions, and conditions. This information is provided by the North Carolina State Board of Certified Public Accountant Examiners' (Board) management in conjunction with the issuance of the accompanying financial statements.

Overview of the Basic Financial Statements

The Statements of Net Position provide information relative to the Board’s assets, deferred outflows, liabilities, deferred inflows, and the resulting net position as of the last day of the fiscal year. Assets and liabilities on these statements are categorized as either current or noncurrent. 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. The Board currently has no elements that meet the definition of deferred inflows or deferred outflows. Net position on these statements is categorized as either invested in capital assets or unrestricted. Overall, the Statements of Net Position provide information relative to the financial strength of the Board and its ability to meet current and long-term obligations.

The Statements of Revenues, Expenses, and Changes in Net Position provide information relative to the results of the Board’s operations, non-operating activities, and other activities affecting net position that occurred during the fiscal year. Operating activities include the licensure and examination activities for the public practice of accountancy in the State. Non-operating activities include primarily investment income and office rental activities for a portion of the Board-owned building. Overall, the Statements of Revenues, Expenses, and Changes in Net Position provide information relative to the Board’s management of its operations and its ability to maintain its financial strength. The above statements are articulated by agreeing the ending net position reported on both statements.

The Statements of Cash Flows provide information relative to the Board’s sources and uses of cash funds for operating activities, capital financing activities, and investing activities. These statements provide a reconciliation of beginning cash balances to ending cash balances and is representative of activity reported on the Statements of Revenues, Expenses, and Changes in Net Position as adjusted for changes in beginning and ending balances of noncash accounts on the Statements of Net Position.

The three statements described above are the basic financial statements required by the Governmental Accounting Standards Board (GASB) accounting principles. In accordance with GASB, the financial statements are presented on the Board as a whole and use reporting concepts in a manner similar to that required of a business enterprise. The financial statement
balances reported are presented in a classified format to aid the reader in understanding the nature of the financial statement balances.

In using the basic financial statements, the Notes to the Financial Statements accompanying the basic financial statements should be read in conjunction with the basic financial statements. The Notes to the Financial Statements provide information relative to the significant accounting principles applied in the basic financial statements, authority for and associated risk of deposits and investments, detailed information on capital assets and noncurrent liabilities, revenues and expenses, required information on pension plans, insurance against losses, commitments and contingencies, accounting changes, and if necessary a discussion of adjustments to prior periods and events subsequent to the Board's financial statement period. Overall, the Notes to the Basic Financial Statements provide information to better understand details, risk, and uncertainty associated with amounts reported in the basic financial statements.

**Brief Agency Highlights**

The Board is an occupational licensing board that grants certificates of qualification as certified public accountants (CPAs) to those individuals who meet the statutory requirements. The Board also adopts and enforces the Rules of Professional Ethics and Conduct to be observed by CPAs in this State. Other functions of the Board include registration of CPA firms; renewal of CPA certificates and CPA firm registrations; administration of the Uniform CPA Examination; administration of the continuing professional education (CPE) compliance program; disposition of administrative hearings with respect to State statutes and rules; and administration of other provisions of Chapter 93 of the *North Carolina General Statutes*.

**Analysis of Financial Position and Results of Operations**

The Board's net position as of March 31, 2013 and March 31, 2012, was approximately $2.32 million and $2.28 million, respectively, an increase of $40,000 during the year.
Condensed Financial Information

The following table summarizes the North Carolina State Board of Certified Public Account Examiners’ assets, liabilities and net position as of March 31, 2013 and 2012.

Condensed Statements of Net Position
March 31, 2013, 2012, and 2011

<table>
<thead>
<tr>
<th>Assets</th>
<th>2013</th>
<th>2012</th>
<th>% Change</th>
<th>2012</th>
<th>2011</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td>$1,267,240</td>
<td>$819,214</td>
<td>54.69%</td>
<td>$819,214</td>
<td>$1,027,442</td>
<td>-20.27%</td>
</tr>
<tr>
<td>Noncurrent Assets</td>
<td>638,235</td>
<td>1,059,084</td>
<td>-39.74%</td>
<td>1,059,084</td>
<td>749,852</td>
<td>41.24%</td>
</tr>
<tr>
<td>Capital Assets, Net</td>
<td>980,772</td>
<td>1,029,998</td>
<td>-4.78%</td>
<td>1,029,998</td>
<td>911,349</td>
<td>13.02%</td>
</tr>
<tr>
<td>Total Assets</td>
<td>2,886,247</td>
<td>2,908,296</td>
<td>-0.76%</td>
<td>2,908,296</td>
<td>2,688,643</td>
<td>8.17%</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>502,393</td>
<td>549,586</td>
<td>-8.59%</td>
<td>549,586</td>
<td>508,127</td>
<td>8.16%</td>
</tr>
<tr>
<td>Noncurrent Liabilities</td>
<td>64,208</td>
<td>77,458</td>
<td>-17.11%</td>
<td>77,458</td>
<td>75,307</td>
<td>2.86%</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>566,601</td>
<td>627,044</td>
<td>-9.64%</td>
<td>627,044</td>
<td>583,434</td>
<td>7.47%</td>
</tr>
<tr>
<td>Net Position</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in Capital Assets</td>
<td>980,772</td>
<td>1,029,998</td>
<td>-4.78%</td>
<td>1,029,998</td>
<td>911,349</td>
<td>13.02%</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>1,338,874</td>
<td>1,251,254</td>
<td>7.00%</td>
<td>1,251,254</td>
<td>1,193,860</td>
<td>4.81%</td>
</tr>
<tr>
<td>Total Net Position</td>
<td>$2,319,646</td>
<td>$2,281,252</td>
<td>1.68%</td>
<td>$2,281,252</td>
<td>$2,105,209</td>
<td>8.36%</td>
</tr>
</tbody>
</table>

Current Assets

Current assets as of March 31, 2013, consisted primarily of cash, $240,000, investments, $1,019,000, and receivables, $9,000. Current assets as of March 31, 2012, consisted primarily of cash, $148,000, investments, $661,000, and receivables, $10,000.

Current assets increased during the fiscal year March 31, 2013, due to the increase in cash and short-term certificates of deposit as a majority of the Board’s certificates of deposit mature within one year and are classified as current assets.

Noncurrent Assets and Capital

Noncurrent assets as of March 31, 2013, primarily consisted of investments, $637,000 and capital assets, $981,000. Noncurrent assets as of March 31, 2012, consisted of investments, $1,056,000, and capital assets, $1,030,000.

Noncurrent assets decreased during the fiscal year March 31, 2013 due to the reclassification of investments as current noted above as well as the disposal of fully depreciated assets in the amount of $38,000.
Liabilities

Current liabilities as of March 31, 2013, consisted primarily of accounts payable, $26,000, due to examination vendors, $451,000, accrued compensated absences, $25,000, and unearned revenue, $720. Current liabilities as of March 31, 2012, consisted primarily of accounts payable, $24,000, due to examination vendors, $474,000, and unearned revenue, $51,000. The net decrease in current liabilities is primarily caused by the $50,000 decrease in the unearned revenue due to the timing of licensees’ certificate renewals and $25,000 due to examination vendors related to a lesser number of candidates sitting for the exam. These amounts offset the increase of $25,000 related to the accrued compensated absences which is due primarily to the anticipated payout of unused vacation accrual to the retiring deputy director.

Noncurrent liabilities consisted entirely of accrued compensated absences in the amount of $64,000 and $77,000 as of March 31, 2013 and 2012, respectively. The amount decreased during the current year to properly reflect the above amount to be paid out within the upcoming fiscal year.

Net Position

The Board’s net position consists of net assets invested in capital assets and unrestricted net assets. Net assets invested in capital assets were $981,000 and $1,030,000 as of March 31, 2013 and 2012, respectively. Unrestricted net assets of $1.34 and $1.25 million as of March 31, 2013 and 2012, respectively, represent amounts not subject to externally imposed stipulations, but subject to internal designations for various activities and initiatives.

For the year ended March 31, 2013, the increase in net assets of $40,000 is primarily attributable to the increase in non-operating income related to rental of Board office space.
The Statements of Revenues, Expenses, and Changes in Net Position present the results of the Board’s operations for the report period. The following table summarizes the Board’s revenues, expenses, and changes in net position for the years ended March 31, 2013 and 2012.

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues:</td>
<td>2013</td>
<td>2012</td>
<td>% Change</td>
<td>2012</td>
<td>2011</td>
<td>% Change</td>
</tr>
<tr>
<td>Exam Fees</td>
<td>$1,435,721</td>
<td>$1,494,670</td>
<td>-3.94%</td>
<td>$1,494,670</td>
<td>$1,590,333</td>
<td>-6.02%</td>
</tr>
<tr>
<td>Certificate Fees</td>
<td>1,295,485</td>
<td>1,275,560</td>
<td>1.56%</td>
<td>1,275,560</td>
<td>1,063,660</td>
<td>19.92%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,889</td>
<td>3,719</td>
<td>-49.21%</td>
<td>3,719</td>
<td>1,305</td>
<td>184.98%</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>(2,741,057)</td>
<td>(2,636,454)</td>
<td>3.97%</td>
<td>(2,636,454)</td>
<td>(2,724,269)</td>
<td>-3.22%</td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>(7,962)</td>
<td>137,495</td>
<td>-105.79%</td>
<td>137,495</td>
<td>(68,871)</td>
<td>-299.35%</td>
</tr>
<tr>
<td>Non-Operating Revenues</td>
<td>63,979</td>
<td>55,107</td>
<td>16.10%</td>
<td>55,107</td>
<td>40,053</td>
<td>37.59%</td>
</tr>
<tr>
<td>Non-Operating Expenses</td>
<td>(17,623)</td>
<td>(16,559)</td>
<td>6.43%</td>
<td>(16,559)</td>
<td>(12,004)</td>
<td>37.95%</td>
</tr>
<tr>
<td>Increase in Net Position</td>
<td>38,394</td>
<td>176,043</td>
<td>-78.19%</td>
<td>176,043</td>
<td>(40,922)</td>
<td>-530.19%</td>
</tr>
<tr>
<td>Net Position Beginning of Year</td>
<td>2,281,252</td>
<td>2,105,209</td>
<td>8.36%</td>
<td>2,105,209</td>
<td>2,146,131</td>
<td>-1.91%</td>
</tr>
<tr>
<td>Net Position End of Year</td>
<td>$2,319,646</td>
<td>$2,281,252</td>
<td>1.68%</td>
<td>$2,281,252</td>
<td>$2,105,209</td>
<td>8.36%</td>
</tr>
</tbody>
</table>

**Operating Revenues**

For the fiscal year ended March 31, 2013, operating revenues totaled $2.73 million, consisting primarily of exam fee revenue of $1.44 million and licensing fee revenues of $1.30 million. For the fiscal year ended March 31, 2012, operating revenues totaled $2.77 million, consisting primarily of exam fee revenue of $1.49 million and licensing fee revenues of $1.28 million.

**Non-Operating Revenues**

For the fiscal year ended March 31, 2013, non-operating revenues totaled $64,000, primarily from interest income of $25,000 and rental income of $30,000. For the fiscal year ended March 31, 2012, non-operating revenues totaled $55,000, primarily from interest income of $32,000 and rental income of $10,000.
The following table summarizes the Board's expenses (operating and non-operating) for the reporting periods.

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>2013</th>
<th>2012</th>
<th>% Change</th>
<th>2012</th>
<th>2011</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative</td>
<td>$1,713,279</td>
<td>$1,550,217</td>
<td>10.52%</td>
<td>$1,550,217</td>
<td>$1,566,714</td>
<td>-1.05%</td>
</tr>
<tr>
<td>Examination</td>
<td>980,474</td>
<td>1,037,369</td>
<td>-5.48%</td>
<td>1,037,369</td>
<td>1,121,545</td>
<td>-7.51%</td>
</tr>
<tr>
<td>Building</td>
<td>47,304</td>
<td>48,868</td>
<td>-3.20%</td>
<td>48,868</td>
<td>36,010</td>
<td>35.71%</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>$2,741,057</td>
<td>$2,636,454</td>
<td>3.97%</td>
<td>$2,636,454</td>
<td>$2,724,269</td>
<td>-3.27%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Operating Expenses</th>
<th>2013</th>
<th>2012</th>
<th>% Change</th>
<th>2012</th>
<th>2011</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Operating Expense</td>
<td>$17,623</td>
<td>$16,559</td>
<td>6.43%</td>
<td>$16,559</td>
<td>$12,004</td>
<td>37.95%</td>
</tr>
<tr>
<td><strong>Total Non-Operating Expenses</strong></td>
<td>$17,623</td>
<td>$16,559</td>
<td>6.43%</td>
<td>$16,559</td>
<td>$12,004</td>
<td>37.95%</td>
</tr>
</tbody>
</table>

For the fiscal year ended March 31, 2013, the increase in administrative expenses was related to an increase in salaries and benefits cost of $131,000 related to the hiring of a replacement deputy director and increased health care costs. Additional costs were also incurred for board travel $11,000, postage $11,000, scholarships $7,000, and computer software costs $11,000. Examination costs decreased by $57,000 as a lesser number of candidates sat for the exam during the year.

**Economic Factors That Will Affect the Future**

The main factors impacting the economic outlook for the Board are the number of candidates seeking to sit for the Uniform Certified Public Accountants examination and the number of licensees registered with the State.

The Board derives 95% of its revenues from examination and licensing fees. Exam revenues have decreased slightly over the past year as a lesser number of examination sections were taken by examination candidates. However, that decrease was offset by a slight increase in active licensees in North Carolina, resulting in an increase in registration fees. The Certified Public Accountant credential is highly regarded in the business world and the Board expects candidates to continue to seek licensure for the foreseeable future.
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 State Board of Certified Public Accountant Examiners
Post Office Box 12827
Raleigh, North Carolina  27605-2827
INDEPENDENT AUDITOR'S REPORT

Board of Directors
North Carolina State Board of Certified Public Accountant Examiners
Raleigh, North Carolina

Report on the Financial Statements

We have audited the statements of net position of the North Carolina State Board of Certified Public Accountant Examiners (the Board) as of March 31, 2013 and 2012, and the related statements of revenues, expenses, and changes in net position, and cash flows for the fiscal years then ended and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

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 these basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 financial statements are free of 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 opinions.
Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Board's activities as of March 31, 2013 and 2012, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements. The supplementary schedules listed on the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Raleigh, North Carolina
August 19, 2013

North Carolina State Board of Certified Public Accountant Examiners  
Statements of Net Position  
As of March 31

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$240,215</td>
<td>$147,617</td>
</tr>
<tr>
<td>Short-Term Investments</td>
<td>1,018,696</td>
<td>660,615</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>6,474</td>
<td>9,127</td>
</tr>
<tr>
<td>Deferred Lease Commission</td>
<td>1,855</td>
<td>1,855</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$1,267,240</td>
<td>819,214</td>
</tr>
<tr>
<td>Noncurrent Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>637,000</td>
<td>1,055,993</td>
</tr>
<tr>
<td>Deferred Lease Commission</td>
<td>1,235</td>
<td>3,091</td>
</tr>
<tr>
<td>Capital Assets, Non-Depreciable (Note 4)</td>
<td>300,000</td>
<td>300,000</td>
</tr>
<tr>
<td>Capital Assets, Depreciable, Net (Note 4)</td>
<td>680,772</td>
<td>729,998</td>
</tr>
<tr>
<td>Total Noncurrent Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,619,007</td>
<td>2,089,082</td>
</tr>
<tr>
<td>Total Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,886,247</td>
<td>2,908,296</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>25,598</td>
<td>23,912</td>
</tr>
<tr>
<td>Due to Examination Vendors</td>
<td>450,639</td>
<td>474,494</td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>720</td>
<td>51,180</td>
</tr>
<tr>
<td>Compensated Absences (Note 5)</td>
<td>25,436</td>
<td></td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>502,393</td>
<td>549,586</td>
</tr>
<tr>
<td>Noncurrent Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensated Absences (Note 5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>566,601</td>
<td>627,044</td>
</tr>
<tr>
<td><strong>NET POSITION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in Capital Assets</td>
<td>980,772</td>
<td>1,029,998</td>
</tr>
<tr>
<td>Unrestricted (Note 1K)</td>
<td>1,338,874</td>
<td>1,251,254</td>
</tr>
<tr>
<td>Total Net Position</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$2,319,646</td>
<td>$2,281,252</td>
</tr>
</tbody>
</table>

The accompanying notes to the basic financial statements are an integral part of these audited statements.
North Carolina State Board of Certified Public Accountant Examiners
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended March 31

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Examination Fees</td>
<td>$1,435,721</td>
<td>$1,494,670</td>
</tr>
<tr>
<td>Licensing Fees</td>
<td>1,295,485</td>
<td>1,275,560</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,889</td>
<td>3,719</td>
</tr>
<tr>
<td>Total Operating Revenues</td>
<td>2,733,095</td>
<td>2,773,949</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td>1,713,279</td>
<td>1,550,217</td>
</tr>
<tr>
<td>Examination</td>
<td>980,474</td>
<td>1,037,369</td>
</tr>
<tr>
<td>Building</td>
<td>47,304</td>
<td>48,868</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>2,741,057</td>
<td>2,636,454</td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>(7,962)</td>
<td>137,495</td>
</tr>
<tr>
<td><strong>NON-OPERATING REVENUES (EXPENSES)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Income</td>
<td>24,979</td>
<td>31,952</td>
</tr>
<tr>
<td>Rental Income</td>
<td>30,300</td>
<td>10,000</td>
</tr>
<tr>
<td>Credit Card Rebates</td>
<td>8,700</td>
<td>13,050</td>
</tr>
<tr>
<td>Gain on the Sale of Equipment</td>
<td>105</td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>(17,623)</td>
<td>(16,559)</td>
</tr>
<tr>
<td>Total Non-operating Revenues (Expenses)</td>
<td>46,366</td>
<td>38,648</td>
</tr>
<tr>
<td>Change in Net Position</td>
<td>38,394</td>
<td>176,043</td>
</tr>
<tr>
<td><strong>NET POSITION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Position - Beginning of Year</td>
<td>2,281,252</td>
<td>2,105,209</td>
</tr>
<tr>
<td>Net Position - End of Year</td>
<td>$2,319,646</td>
<td>$2,281,252</td>
</tr>
</tbody>
</table>

The accompanying notes to the basic financial statements are an integral part of these audited statements.
North Carolina State Board of Certified Public Accountant Examiners  
Statements of Cash Flows  
For the Fiscal Years Ended March 31

<table>
<thead>
<tr>
<th>CASH FLOWS PROVIDED FROM (USED FOR) OPERATING ACTIVITIES</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Received from Fees</td>
<td>$2,680,746</td>
<td>$2,756,200</td>
</tr>
<tr>
<td>Other Amounts Received</td>
<td>1,889</td>
<td>3,719</td>
</tr>
<tr>
<td>Payments to Employees for Services</td>
<td>(1,199,636)</td>
<td>(1,078,610)</td>
</tr>
<tr>
<td>Payments for Administrative, Examination, and Building Expenses</td>
<td>(1,483,177)</td>
<td>(1,424,373)</td>
</tr>
</tbody>
</table>

Net Cash Provided From (Used For) Operating Activities  
(178)  

CASH FLOWS PROVIDED FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES  
Acquisition of Capital Assets  
(13,712)  
Proceeds From the Sale of Capital Assets  
-  
105  
Cash Used For Capital and Related Financing Activities  
(13,712)  
(183,669)  

CASH FLOWS PROVIDED FROM (USED FOR) INVESTING ACTIVITIES  
Proceeds from Maturing Investments  
908,549  
959,621  
Purchases of Investments  
(839,717)  
(966,756)  
Non-Operating Rental Activities  
12,677  
(6,456)  
Interest Income  
24,979  
32,349  
Cash Provided From Investing Activities  
106,488  
18,758  

Net Increase in Cash  
92,598  
92,025  
Cash - Beginning of Year  
147,617  
55,592  
Cash - End of Year  
$240,215  
$147,617  

RECONCILIATION OF OPERATING GAIN (LOSS) TO NET CASH PROVIDED FROM (USED FOR) OPERATING ACTIVITIES  
Operating Gain (Loss)  
(7,962)  
137,495  
Adjustments to Reconcile Operating Gain (Loss) to Cash Provided From (Used For) Operating Activities:  
Depreciation Expense  
56,874  
60,076  
Credit Card Rebates Redeemed  
8,700  
13,050  
Changes in Assets and Liabilities:  
Accounts Receivable  
2,653  
2,705  
Accounts Payable  
1,086  
(14,339)  
Due to Examination Vendors  
(23,855)  
69,828  
Unearned Revenue  
(50,460)  
(14,030)  
Accrued Vacation  
12,186  
2,151  
Net Cash Provided From (Used For) Operating Activities  
(178)  
256,936  

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:  
Capital asset write-offs  
$37,172  

The accompanying notes to the basic financial statements are an integral part of these audited statements.
NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Purpose - The North Carolina State Board of Certified Public Accountant Examiners (Board) is an independent State agency. It is an occupational licensing board authorized by Chapters 93 and 93B of the North Carolina General Statutes. The Board is composed of seven members: five persons who are holders of valid and unrevoked certified public accountant certificates issued under the provisions of Chapter 93, and two persons who are not certified public accountants and represent the public at large.

The Board’s primary responsibilities are to administer the Uniform CPA Examination, to grant certificates of qualification as certified public accountants to qualified persons, to register certified public accounting firms, adopt and enforce the Rules of Professional Ethics and Conduct to be observed by CPAs in this State, and to enforce all statutes and rules of North Carolina General Statutes Chapter 93 and the North Carolina Administrative Code, Title 21, Chapter 08.

The Board had 19,384 and 18,987 licensees as of March 31, 2013 and 2012, respectively.

B. Financial Reporting Entity - The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents for their actions. As required by accounting principles generally accepted in the United States of America (GAAP), the financial reporting entity includes both the primary government and all of its component units. An organization other than a primary government serves as a nucleus for a reporting entity when it issues separate financial statements. The Board is a component unit of the State of North Carolina and is an integral part of the State’s Comprehensive Annual Financial Report (CAFR).

Component units are legally separate entities for which the State is financially accountable. Accountability is defined as the State’s substantive appointment of a majority of the component unit’s governing board. Furthermore, to be financially accountable, the State must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific benefits to, or impose
specific financial burdens on, the State. Financial accountability also exists when an organization is fiscally dependent upon the State.

As required by *North Carolina General Statute* 93-12, the Governor appoints the seven members of the Board. The Board’s operations are financed with self-generated revenues from fees charged to examinees and licensees. Because of the State’s appointment of the Board and the benefit/burden relationship, the Board is a component unit of the State of North Carolina and the Board’s basic financial statements are included in the State’s CAFR.

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

**C. 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 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.

**D. Basis of Accounting** - The basic financial statements of the Board are 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.

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 examination and license fees. 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 include activities that have characteristics of non-exchange transactions and consist primarily of
rental and investing type activities. Building expenses are allocated to operating or non-operating activities based on square footage.

E. **Cash** - This classification includes cash on deposit and money market accounts with private bank accounts. For the purpose of the Statements of Cash Flows, the Board considers all investments with a maturity of three months or less when purchased to be cash.

F. **Investments** - This classification includes non-negotiable certificates of deposit with original maturities of more than three months. Certificates of deposit maturing within one year are shown as current. The certificates of deposit are reported at fair market value, which is cost plus accrued interest to date.

G. **Receivables** - Receivables consist of amounts due from administrative proceedings and are shown at book value with no provision for doubtful accounts considered necessary.

H. **Capital Assets** - Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. The Board capitalizes assets that have a value or cost of $500 or greater at the date of acquisition and an expected useful life of in excess of two years.

Depreciation is computed using the straight-line method over the following estimated useful lives:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>10 - 40</td>
</tr>
<tr>
<td>Furniture</td>
<td>7 - 10</td>
</tr>
<tr>
<td>Equipment</td>
<td>5 - 10</td>
</tr>
<tr>
<td>Software</td>
<td>5</td>
</tr>
<tr>
<td>Vehicle</td>
<td>5</td>
</tr>
</tbody>
</table>

When an asset is disposed of, the cost of the asset and the related accumulated depreciation are removed from the financial records. Any gain or loss on disposition is reflected as a non-operating activity for the year.

The Board occupies 75% of its building while leasing the other 25% of the building, which is also accounted for as a non-operating activity.

I. **Noncurrent Liabilities** - Noncurrent liabilities consist of compensated absences that will not be paid within the next fiscal year.
J. **Compensated Absences** – Employees are permitted to accumulate earned but unused vacation pay benefits and all vacation pay is accrued when incurred. When determining the vacation pay liability due within one year, leave is considered taken on a last in, first out (LIFO) basis. The Board’s policy provides for a maximum accumulation of unused vacation leave of 30 days for staff members and 45 days for the Executive and Deputy Directors which can be carried forward each April 1\textsuperscript{st} or for which an employee can be paid upon termination of employment. Also, any accumulated vacation leave in excess of 30 days as of March 31 is converted to sick leave.

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.

K. **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 Net Assets** - Assets with no external restriction as to use or purpose. They can be employed for any purpose designated by the governing board, as distinguished from funds restricted externally for specific purposes.

Designations of net assets represent tentative management plans that are subject to change based on perceived operating conditions and situations.
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Designated amounts as of March 31, 2013 were as follows:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Litigation</td>
<td>$750,000</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>300,000</td>
</tr>
<tr>
<td>Capital Asset Acquisitions and/or Improvements</td>
<td>100,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,150,000</strong></td>
</tr>
</tbody>
</table>

L. **Budgetary Information** – Annual budgets are adopted by the Board and prepared and reported on the accrual basis of accounting. The budget prepared for fiscal year ended March 31, 2013 identifies major sources of revenue and expenses that were intended for the year and is presented as Schedules of Budget and Actual – Revenues, Expenses, and Changes in Net Position in the supplementary information. Although budgeted amounts lapse at year-end, the Board retains its unexpended net assets to fund expenses of the succeeding year.

M. **Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates, resulting in adjustments in future periods.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

A. **Deposits** – All funds of the Board are deposited in board-designated official depositories or brokerage firms. The Board’s deposits include cash on deposit with private bank accounts, money market accounts, and certificates of deposit. The amount shown on the Statements of Net Position as cash consists of deposits in private financial institutions with a carrying value of $1,895,911, and a bank balance of $1,958,620. Included in the deposits in private financial institutions are certificates of deposit in the amount of $1,655,696 reported as investments in the Statements of Net Position.

Custodial credit risk is the risk that in the event of a bank failure, the Board’s deposits may not be returned to it. The Board does not have a formal deposit policy for custodial credit risk. The Board’s deposits with each commercial bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The Board’s bank deposits in excess of the FDIC insured limit totaled $465,710 at March 31, 2013.
B. Investments - There are no legal limitations on the types of investments by the Board. The Board has adopted formal investment policies to establish investment objectives, standards of prudence, eligible investments, and safekeeping and custodial procedures necessary for the prudent management of the private funds maintained by the Board.

The Board is subject to the following risks:

*Interest Rate Risk:* Interest rate risk is the risk the Board may face should interest rate variances affect the fair value of investments. In accordance with its investment policy, the Board manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio. For its major investment type, certificates of deposit maturities may not exceed 24 months.

*Credit Risk:* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Board manages credit risk by diversifying its investment portfolio. Investments are limited to:

- Obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States
- Obligations of the State of North Carolina
- Time Deposits, Certificates of Deposit, and Savings Accounts of financial institutions with a physical presence in North Carolina

The following table presents the fair value of investments by type and investments subject to interest rate risk and credit risk at March 31, 2013, for the Board’s investments.

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Fair Value</th>
<th>Weighted Average Maturities</th>
<th>Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of Deposit</td>
<td>$1,655,696</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Certificates of deposit reported as investments are also a component of the deposit totals reported in the deposits section of this note.
A reconciliation of deposits and investments for the Board to the basic financial statements at March 31, 2013, is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying Amount of Deposits with Private Financial Institutions</td>
<td>$223,144</td>
</tr>
<tr>
<td>Money Market Mutual Funds</td>
<td>$17,071</td>
</tr>
<tr>
<td>Investments in Certificates of Deposit</td>
<td>$1,655,696</td>
</tr>
<tr>
<td><strong>Total Deposits and Investments</strong></td>
<td><strong>$1,895,911</strong></td>
</tr>
</tbody>
</table>

**Current:**
- Cash and Cash Equivalents                          | $240,215   |
- Short-Term Investments                              | $1,018,696 |

**Noncurrent:**
- Investments                                         | 637,000    |

**Total Deposits and Investments**                    | **$1,895,911**|

**NOTE 3 - UNEARNED REVENUE**

The Board defers revenue recognition in connection with resources that have been received, but not yet earned. Certificate renewal fees are collected in advance and recorded as unearned revenue at year-end to be recognized as revenue when the license period begins in the next fiscal year. Unearned revenue reported was $720 and $51,180 for the periods ended March 31, 2013 and 2012, respectively.
### NOTE 4 - CAPITAL ASSETS

A summary of changes in the capital assets for the year ended March 31, 2013, is presented as follows:

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Additions</th>
<th>Depletions</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>April 1, 2012</td>
<td></td>
<td></td>
<td>March 31, 2013</td>
</tr>
<tr>
<td>Capital Assets, Non-depreciable:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and Improvements</td>
<td>$300,000</td>
<td>$</td>
<td>$</td>
<td>$300,000</td>
</tr>
<tr>
<td>Capital Assets, Depreciable:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>917,143</td>
<td>9,241</td>
<td>-</td>
<td>926,384</td>
</tr>
<tr>
<td>Furniture</td>
<td>113,918</td>
<td>-</td>
<td>-</td>
<td>113,918</td>
</tr>
<tr>
<td>Equipment</td>
<td>201,613</td>
<td>4,471</td>
<td>(37,172)</td>
<td>168,912</td>
</tr>
<tr>
<td>Software</td>
<td>180,337</td>
<td>-</td>
<td>-</td>
<td>180,337</td>
</tr>
<tr>
<td>Vehicle</td>
<td>26,622</td>
<td>-</td>
<td>-</td>
<td>26,622</td>
</tr>
<tr>
<td>Total Capital Assets, Depreciable</td>
<td>1,439,633</td>
<td>13,712</td>
<td>(37,172)</td>
<td>1,416,173</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>(290,899)</td>
<td>(24,713)</td>
<td>-</td>
<td>(315,612)</td>
</tr>
<tr>
<td>Building</td>
<td>(111,842)</td>
<td>(561)</td>
<td>-</td>
<td>(112,403)</td>
</tr>
<tr>
<td>Furniture</td>
<td>(147,849)</td>
<td>(18,867)</td>
<td>37,172</td>
<td>(129,544)</td>
</tr>
<tr>
<td>Equipment</td>
<td>(154,608)</td>
<td>(13,473)</td>
<td>-</td>
<td>(168,081)</td>
</tr>
<tr>
<td>Vehicle</td>
<td>(4,437)</td>
<td>(5,324)</td>
<td>-</td>
<td>(9,761)</td>
</tr>
<tr>
<td>Total Accumulated Depreciation</td>
<td>(709,635)</td>
<td>(62,938)</td>
<td>37,172</td>
<td>(735,401)</td>
</tr>
<tr>
<td>Total Capital Assets, Depreciable</td>
<td>729,998</td>
<td>(49,226)</td>
<td>-</td>
<td>680,772</td>
</tr>
<tr>
<td>Capital Assets, Net</td>
<td>$1,029,998</td>
<td>$49,226</td>
<td>$</td>
<td>$980,772</td>
</tr>
</tbody>
</table>

When an asset is disposed of, the cost of the asset and the related accumulated depreciation are removed from the financial records. Any gain or loss on disposition is reflected in the earnings for the period. The Board occupies 75% of the building and began leasing the other 25% of the office space during the 2012 fiscal year. Depreciation charged to operations and non-operations was $56,874 and $6,063, respectively.

### NOTE 5 - NON-CURRENT LIABILITIES

A summary of changes in non-current liabilities for the year ended March 31, 2013, is presented as follows:

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Additions</th>
<th>Depletions</th>
<th>Balance</th>
<th>Current Portion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>April 1, 2012</td>
<td></td>
<td></td>
<td>March 31, 2013</td>
<td></td>
</tr>
<tr>
<td>Compensated Absences</td>
<td>$77,458</td>
<td>$82,297</td>
<td>$70,111</td>
<td>$89,644</td>
<td>$25,436</td>
</tr>
</tbody>
</table>
NOTE 6 - EMPLOYEE PENSION PLAN

The Board participates in the North Carolina Licensing Board Retirement Savings Plan (Plan), which is a defined contribution plan created under Internal Revenue Code Section 401(k). Employees are eligible to participate in the Plan immediately upon employment. For each year of service, employees vest 20% in employer contributions. A 6% contribution, based on eligible employee compensation, is made monthly by both the Board and the employee. Employees may make additional voluntary contributions to the Plan. The Plan is administered by Prudential Insurance Company of America. Board pension costs including administrative fees, totaled $51,369 and $52,272 for fiscal years 2013 and 2012, respectively. Employee contributions totaled $94,261 and $87,958 for fiscal years 2013 and 2012, respectively.

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 methods, including purchase of commercial insurance and self-retention of certain risks. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

Public Officers and Employees Liability Insurance – Tort claims against Board members of up to $1,000,000 are retained by the State under the authority of the State Tort Claims Act. Additional coverage is provided to the Board through the purchase of excess public officers’ and employees’ liability insurance with a private insurance company.

Fire, Automobile, and Other Loss Insurance - Fire, coverage for other property losses, and vehicular liability insurance are covered by contracts with a private insurance company.

Cyber Risk Insurance – The Board is protected for losses due to risks associated with e-business, the Internet, networks and informational assets.

Employee and Computer Fraud - The Board is protected for losses from employee dishonesty and computer fraud for employees with a private insurance company.

Comprehensive Major Medical Plan - Employees are provided health care coverage by Blue Cross Blue Shield of North Carolina. The Plan is funded by employer and employee contributions.
The Board makes the necessary arrangements to carry out the provisions of the Workers’ Compensation Act by purchasing workers’ compensation insurance for employees through a private insurance company.

NOTE 8 - LEASE REVENUE – NON-OPERATING

Effective December 31, 2011, the Board entered into a three-year agreement to lease office space to The Family Resource Center of Raleigh, Inc. The lease agreement called for monthly payments of $2,500 to be paid for the first year with a three percent annual increase in monthly payment amounts. The Board also incurred $5,564 for a lease commission that is being recognized as an expense over the term of the lease. Future minimum lease payments to be received under the lease agreement are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Lease Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$31,209</td>
</tr>
<tr>
<td>2015</td>
<td>$21,218</td>
</tr>
<tr>
<td></td>
<td>$52,427</td>
</tr>
</tbody>
</table>

NOTE 9 - SCHOLARSHIP AWARD PROGRAMS

The *North Carolina General Statute* 93B-11 allows occupational licensing boards to use the interest earned on its funds for educational purposes to benefit licensees or the public. The Board provides these services through a Uniform CPA Examination “coupon” program and a graduate-level scholarship award program.

The Board awards a coupon, available to one financially-needy student graduating with an undergraduate degree in accounting, to each of the 36 North Carolina colleges and universities which grant undergraduate accounting degrees. Additional coupons are awarded at each of North Carolina’s historically black colleges and universities. The coupons are valid for one year from the date of issue and cover the graduating student’s initial application fee and the cost of sitting for each section of the Uniform CPA Examination. The current value of each coupon is $953. The Board accounts for the coupon program by netting the costs associated with the actual redeemed coupons against its examination fee revenues. The cost of the coupon program totaled $21,793 and $19,330 for fiscal years 2013 and 2012, respectively.
universities that offer a graduate-level degree in accounting. The scholarship is awarded through the college or university in the student’s name. The Board accounts for the scholarship program by reporting a scholarship expense at the time the funds are disbursed to the awarding college or university. The cost of the scholarship program totaled $13,000 and $6,000 for fiscal years 2013 and 2012, respectively.

**NOTE 10 - FUNCTIONAL EXPENSES**

The costs of providing the various programs and activities have been presented by their functional categories in the Statements of Revenues, Expenses, and Changes in Net Position. The Supplementary Schedules accompanying the basic financial statements include a summarization of those expenses by their natural classification for each fiscal year. Following are the functional categories and the services associated with those functions:

- **Administrative** - Expenses for the overall direction of the Board, its general board activities, business management, recordkeeping, budgeting, and administrative services. Also included are the costs for the enforcement of all statutes and rules administered by the Board.

- **Examination** – Expenses related to the administration of the Uniform CPA Examination by potential candidates including examination and grading costs.

- **Building** – Maintenance and upkeep costs related to the Board owned building. Costs are allocated as operating and non-operating based on space leased to other occupants per Note 4.

**NOTE 11 - CHANGES IN FINANCIAL ACCOUNTING AND REPORTING**

For the fiscal year ended March 31, 2013, the Board implemented the following pronouncement issued by the Governmental Accounting Standards Board (GASB):
GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, supersedes GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided for business-type activities to apply post-November 30, 1989, FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. This Statement has been applied retrospectively and had no impact on the Board's net assets, changes in net assets or financial reporting disclosures.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides guidance on how to present two newer financial statement elements - "deferred inflows" and "deferred outflows" - within a government's financial statements. Format changes to the balance sheet resulted in terminology changes from the "Net Asset" concept to the "Net Position" concept.

**NOTE 12 - RECLASSIFICATION**

Information related to payments to employees for services and payments for administrative, examination, and building expenses in the 2012 comparative Statements of Cash Flows has been reclassified to conform to the 2013 presentation.

The Board audit was conducted in 60 hours at a total audit cost of $7,700.
<table>
<thead>
<tr>
<th>Administrative Expenses</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Employee Benefits</td>
<td>$1,211,822</td>
<td>$1,080,761</td>
</tr>
<tr>
<td>Legal Counsel and Hearing Expense</td>
<td>41,407</td>
<td>38,691</td>
</tr>
<tr>
<td>Travel - Board Members</td>
<td>58,531</td>
<td>47,714</td>
</tr>
<tr>
<td>Postage</td>
<td>87,800</td>
<td>76,692</td>
</tr>
<tr>
<td>Depreciation</td>
<td>36,868</td>
<td>43,882</td>
</tr>
<tr>
<td>Printing</td>
<td>52,848</td>
<td>54,315</td>
</tr>
<tr>
<td>Credit Card Fees - License Renewals</td>
<td>40,337</td>
<td>43,297</td>
</tr>
<tr>
<td>Travel - Staff</td>
<td>44,383</td>
<td>41,051</td>
</tr>
<tr>
<td>Website Maintenance</td>
<td>3,831</td>
<td>14,903</td>
</tr>
<tr>
<td>Computer Programming and Assistance</td>
<td>1,740</td>
<td>2,965</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>12,479</td>
<td>9,806</td>
</tr>
<tr>
<td>Insurance</td>
<td>14,157</td>
<td>9,288</td>
</tr>
<tr>
<td>Scholarships</td>
<td>13,000</td>
<td>6,000</td>
</tr>
<tr>
<td>Telephone</td>
<td>6,806</td>
<td>6,822</td>
</tr>
<tr>
<td>Dues and Subscriptions</td>
<td>12,575</td>
<td>10,911</td>
</tr>
<tr>
<td>Audit Fees</td>
<td>7,400</td>
<td>7,125</td>
</tr>
<tr>
<td>Clipping Service</td>
<td>4,377</td>
<td>4,369</td>
</tr>
<tr>
<td>Professional Continuing Education</td>
<td>3,234</td>
<td>1,850</td>
</tr>
<tr>
<td>Equipment Repairs and Maintenance</td>
<td>2,947</td>
<td>5,546</td>
</tr>
<tr>
<td>Consulting Fees</td>
<td></td>
<td>1,105</td>
</tr>
<tr>
<td>Payroll Service</td>
<td>1,819</td>
<td>1,752</td>
</tr>
<tr>
<td>Computer Software</td>
<td>43,522</td>
<td>32,735</td>
</tr>
<tr>
<td>Equipment Rental</td>
<td>890</td>
<td>869</td>
</tr>
<tr>
<td>Banking Fees</td>
<td>3,992</td>
<td>4,144</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>4,696</td>
<td>3,624</td>
</tr>
<tr>
<td><strong>Total Administrative Expenses</strong></td>
<td><strong>$1,713,279</strong></td>
<td><strong>$1,550,217</strong></td>
</tr>
</tbody>
</table>
**North Carolina State Board of Certified Public Accountant Examiners**

**Schedules of Examination Expenses**

**For the Fiscal Years Ended March 31**

<table>
<thead>
<tr>
<th>Examination Expenses</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Examinations and Grading</td>
<td>$979,094</td>
<td>$1,036,110</td>
</tr>
<tr>
<td>Postage</td>
<td>1,380</td>
<td>1,259</td>
</tr>
<tr>
<td><strong>Total Examination Expenses</strong></td>
<td>$980,474</td>
<td>$1,037,369</td>
</tr>
</tbody>
</table>
North Carolina State Board of Certified Public Accountant Examiners  
Schedules of Building Expenses  
For the Fiscal Years Ended March 31

<table>
<thead>
<tr>
<th>Building Expenses - Operating</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>$18,188</td>
<td>$16,194</td>
</tr>
<tr>
<td>Utilities</td>
<td>$9,271</td>
<td>$6,496</td>
</tr>
<tr>
<td>Maintenance</td>
<td>$16,681</td>
<td>$23,587</td>
</tr>
<tr>
<td>Insurance</td>
<td>$3,164</td>
<td>$2,611</td>
</tr>
<tr>
<td><strong>Total Building Expenses - Operating</strong></td>
<td><strong>$47,304</strong></td>
<td><strong>$48,868</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Building Expenses - Non-Operating</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>$6,063</td>
<td>$5,049</td>
</tr>
<tr>
<td>Utilities</td>
<td>$3,090</td>
<td>$2,166</td>
</tr>
<tr>
<td>Maintenance</td>
<td>$5,560</td>
<td>$7,855</td>
</tr>
<tr>
<td>Insurance</td>
<td>$1,055</td>
<td>$871</td>
</tr>
<tr>
<td>Leasing Commission</td>
<td>$1,855</td>
<td>$618</td>
</tr>
<tr>
<td><strong>Total Building Expenses - Non-Operating</strong></td>
<td><strong>$17,623</strong></td>
<td><strong>$16,559</strong></td>
</tr>
</tbody>
</table>
North Carolina State Board of Certified Public Accountant Examiners  
Schedules of Budget and Actual - Revenues, Expenses, and Changes in Net Position  
For the Fiscal Years Ended March 31

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>Over (Under)</th>
<th>2012</th>
<th>Over (Under)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Examination Fees</td>
<td>$1,479,074</td>
<td>$1,436,721</td>
<td>$(43,353)</td>
<td>$1,564,688</td>
</tr>
<tr>
<td>Licensing Fees</td>
<td>1,298,460</td>
<td>1,286,465</td>
<td>$(2,975)</td>
<td>1,249,000</td>
</tr>
<tr>
<td>Other</td>
<td>75,520</td>
<td>65,869</td>
<td>$(9,651)</td>
<td>32,000</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>2,653,054</td>
<td>2,797,075</td>
<td>$(55,979)</td>
<td>2,845,688</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>1,292,764</td>
<td>1,256,205</td>
<td>$(36,559)</td>
<td>1,149,809</td>
</tr>
<tr>
<td>Examination</td>
<td>1,078,300</td>
<td>980,474</td>
<td>$(97,826)</td>
<td>1,154,000</td>
</tr>
<tr>
<td>Scholarship</td>
<td>10,000</td>
<td>13,000</td>
<td>3,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Office</td>
<td>303,000</td>
<td>305,451</td>
<td>2,451</td>
<td>301,825</td>
</tr>
<tr>
<td>Board and Legal</td>
<td>123,190</td>
<td>99,938</td>
<td>$(23,252)</td>
<td>150,441</td>
</tr>
<tr>
<td>Building</td>
<td>51,530</td>
<td>40,675</td>
<td>$(10,855)</td>
<td>58,901</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>62,936</td>
<td>-</td>
<td>62,936</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>2,858,784</td>
<td>2,758,681</td>
<td>$(100,103)</td>
<td>2,824,976</td>
</tr>
<tr>
<td>Change in Net Position</td>
<td>(5,730)</td>
<td>38,394</td>
<td>44,124</td>
<td>20,712</td>
</tr>
<tr>
<td>Net Position - Beginning of Year</td>
<td>2,281,252</td>
<td>2,281,252</td>
<td>-</td>
<td>2,105,209</td>
</tr>
<tr>
<td>Net Position - End of Year</td>
<td>$2,275,522</td>
<td>$2,319,646</td>
<td>$44,124</td>
<td>$2,125,921</td>
</tr>
</tbody>
</table>

28
IN THE MATTER OF:
Michael H. Lippman, #13596
Respondent

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: 200602-021

CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N.C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following FINDINGS OF FACT:

1. Michael Lippman ("Respondent") is the holder of North Carolina certificate number 13596 as a Certified Public Accountant.

2. Beginning in 1998, Respondent was the National Partner in Charge of National Tax Services for KPMG. One of the groups under Respondent’s authority was the Washington National Tax Practice ("WNT").

3. For the time period from about 1996 through 2002, KPMG developed, implemented, and marketed certain tax shelters including KPMG’s Foreign Leveraged Investment Program ("FLIP"), Bond Linked Issue Premium Structure ("BLIPS"), Offshore Portfolio Investment Strategy ("OPIS"), and Short Option Strategy ("SOS"), as well as other variants on those programs (hereinafter the "Tax Shelters").

4. KPMG marketed its Tax Shelters to residents in the State of North Carolina and implemented some of those Tax Shelters on behalf of its North Carolina clients.

5. On February 14, 2012, KPMG entered into a Consent Order with the Board regarding the Tax Shelters. The Consent Order imposed sanctions on KPMG based upon the actions of certain of its former partners and employees in developing, marketing and implementing of the Tax Shelters.

6. Although Respondent did not develop, market or implement the Tax Shelters, certain partners within WNT were involved in developing the Tax Shelters.
7. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board ex parte, whether or not the Board accepts this Consent Order as written. Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

Based upon the foregoing findings, the Board makes the following CONCLUSIONS OF LAW:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes ("Accountancy Act") and Title 21, Chapter 8 of the North Carolina Administrative Code including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board ("Board Rules").

2. The aforementioned actions by members of KPMG’s Washington National Tax Practice constitute violations of 21 NCAC 08N .0201, .0202(a), .0203(a) and .0212(2). Those violations are attributable to Respondent by virtue of 21 NCAC 08N .0103, which makes Respondent responsible for assuring compliance by anyone who is his partner or who is supervised by him.

3. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondent’s consent to this order, Respondent is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Michael Lippman, is suspended for five years. That suspension is stayed. The stay may be lifted in the event the Board proves Respondent has violated any provision of the Accountancy Act or Board Rules.

2. Respondent shall remit, with this signed Order, a one thousand dollar ($1,000.00) civil penalty.

3. Respondent shall reimburse the Board for the administrative costs incurred by the Board in its investigation of this matter. Those administrative costs must be remitted to the Board with this signed Order.
Consent Order - 3
Lippman, Michael

CONSENTED TO THIS THE 26TH DAY OF August, 2013.

Michael Lippman

APPROVED BY THE BOARD THIS THE 23 DAY OF SEPTEMBER, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY: Wileg W. Jones
Vice-President
IN THE MATTER OF:
James R. Hovis, Jr., #17242  
Respondent

CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N.C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following:

1. James R. Hovis, Jr., (hereinafter "Respondent") is the holder of North Carolina certificate number 17242 as a Certified Public Accountant.

2. At all times relevant, Respondent was an owner of James R. Hovis, Jr. Certified Public Accountant, PLLC (hereinafter "Firm"), and was responsible for the Firm’s operations, including the Firm’s payroll tax deposits and retirement accounts.

3. The Firm offered to certain employees a retirement plan with an employer match (hereinafter "Retirement Plan"). For a period of time, Respondent failed to transfer his employees’ deferred compensation into the Retirement Plan.

4. Respondent failed to timely remit 941 payments for some of the quarters between March 2006 and September 2010.

5. Respondent also failed to timely file the Firm’s quarterly 941 returns at least once.

6. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board ex parte, whether or not the Board accepts this Consent Order as written. Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina
Consent Order - 2

James R. Hovis, Jr.

Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. Respondent’s actions as set out above constitute violations of NCAC 08N .0201, .0203, and .0207.

3. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondent’s consent to this order, Respondent is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and Respondent agree to the following Order:

1. Respondent’s CPA certificate shall be suspended for two (2) years; however, said suspension shall be stayed. If the Respondent fails to timely comply with any and all terms of this Order, the stay of the suspension referenced shall be lifted.

2. Respondent shall remit, with this signed Order, a one thousand dollar ($1,000.00) civil penalty.

3. Respondent shall reimburse the Board seven thousand five hundred dollars ($7,500.00) for the administrative costs incurred by the Board in its investigation of this matter. Those costs must be remitted to the Board no later than six (6) months from the date this Order is approved by the Board.

4. Respondent must provide the Board, over the next two (2) years, with proof that the quarterly payroll obligations for the Firm have been timely filed and paid.

CONSENTED TO THIS THE 20 DAY OF August, 2013.

[Signature]
Respondent

APPROVED BY THE BOARD THIS THE 23 DAY OF September, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

[Seal]

[Signature]
President

[Stamp: Received Aug 23 2013]
NORTH CAROLINA
WAKE COUNTY
BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #s: C2012183-1 and C2012183-2

IN THE MATTER OF:
James E. Avent, Jr. #16850
James E. Avent, Jr., CPA
Respondents

CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N.C. Gen. Stat. § 150B-41, the Board and Respondents stipulate to the following:

1. Respondent James E. Avent, Jr. (hereinafter "Respondent Avent") is the holder of North Carolina certificate number 16850 as a Certified Public Accountant.

2. Respondent James E. Avent, Jr., CPA (hereinafter "Respondent Firm"), is a registered certified public accounting firm in North Carolina. Respondent Avent is the sole owner of Respondent Firm and has been individually responsible for the conduct of Respondent Firm.

3. In September of 2011, the Internal Revenue Service ("IRS") filed tax liens against Respondents for failure to insure payment of 940 and 941 taxes totaling $14,285.01. Respondents had timely filed all 940 and 941 tax forms, but had not paid all taxes due in full at the time of filing.

4. By April 23, 2012, Respondents paid all of the delinquent taxes. All tax liens were released on May 11, 2012.

5. Respondents wish to resolve these matters by consent and agree that the Board staff and counsel may discuss this Consent Order with the Board ex parte, whether or not the Board accepts this Consent Order as written. Respondents understand and agree that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondents are subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondents’ actions as set out above constitute violations of 21 NCAC 08N .0201, .0203(a), and .0207.

3. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondents’ consent to this order, Respondents are subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and Respondents agree to the following Order:

1. Respondent Avent voluntarily surrenders his North Carolina CPA certificate without the ability to apply for reissuance, reinstatement, or modification of discipline. As such, Respondent Avent shall not offer or render services as a CPA or otherwise trade upon or use the CPA title in this State whether through CPA mobility provisions or substantial equivalency practice privileges or in any other manner.

2. Respondent Firm, James E. Avent, Jr., CPA, voluntarily surrenders its firm registration.

3. Respondents waive any rights, privileges, or protections that may be afforded by 21 NCAC 08J .0106, 08I .0104, or N.C. Gen. Stat. § 93-10.

CONSENTED TO THIS THE 19TH DAY OF July, 2013.

[Signature]

Respondent

[Signature]

Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 23 DAY OF September, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

[Signature]

President
IN THE MATTER OF:
James G. Kimbrough, Jr. Certified Public Accountant
Respondent

CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N.C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following:

1. Respondent James G. Kimbrough, Jr. Certified Public Accountant (hereinafter "Respondent firm"), is a registered certified public accounting firm in North Carolina.

2. Respondent firm received a "fail" on its most recent system peer review, with an acceptance letter date of December 19, 2012.

3. Respondent firm failed to adopt and maintain a system of quality control and failed to perform an audit in accordance with standards.

4. Respondent firm wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board ex parte, whether or not the Board accepts this Consent Order as written. Respondent firm understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent firm is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative
Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. Respondent firm’s failure to perform an audit in accordance with standards is a violation of 21 NCAC 08N .0403 and .0212.

3. By virtue of Respondent firm’s consent to this order, Respondent firm is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and Respondent firm agree to the following Order:

1. Respondent firm is censured.

2. Respondent firm shall provide a written statement to the Board that it will no longer be participating in, performing, or reviewing any engagements subject to peer review.

3. Prior to Respondent firm participating in, performing, or reviewing any engagements subject to peer review, Respondent firm shall be required to complete the following:

   a. Respondent firm shall provide prior notification to the Board of Respondent firm’s intention to enter into engagements subject to peer review;

   b. Each of Respondent firm’s professional staff participating in engagements subject to peer review shall take a minimum of sixteen (16) hours of Audit CPE coursework in a group study format. After Respondent firm begins participating in, performing, or reviewing any engagements subject to peer review, each staff member shall complete eight (8) hours of Audit CPE coursework as part of their annual CPE requirement until Respondent firm receives a pass on a system peer review, or a pass or pass with deficiencies on an engagement peer review; and

   c. Pre-issuance reviews, to be performed by a pre-issuance reviewer approved by the Board, for all peer review engagements until a determination is made by the Board that those engagements can be
Consent Order - 3
James G. Kimbrough, Jr. Certified Public Accountant

performed by Respondent firm in accordance with applicable standards.

CONSENTED TO THIS THE 14 DAY OF AUGUST, 2013.

[Signature]
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 23 DAY OF SEPTEMBER, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

[Signature]
President
IN THE MATTER OF:
Kenneth C. Porter, #12546 (Inactive)
Respondent

CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N.C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following:

1. Kenneth C. Porter (hereinafter “Respondent”) was the holder of North Carolina certificate number 12546 as a Certified Public Accountant. In July of 2012, Respondent applied for and was granted “Inactive” status.

2. In December of 2011, Respondent sold his North Carolina CPA firm to another North Carolina CPA firm (“Purchasing firm”), which included a covenant of non-competition placing restrictions on his practice in the area.

3. In letters sent to the clients of his firm, Respondent informed the clients that he had “merged” his firm with the Purchasing firm, referencing a “combined firm” and “new partners.”

4. Respondent failed to obtain client authorization before releasing confidential client information to the Purchasing firm.

5. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board ex parte, whether or not the Board accepts this Consent Order as written. Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina
Consent Order - 2  
Kenneth C. Porter

Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. Respondent’s releases of confidential client information without prior authorization by the clients constitute violations of 21 NCAC 08N .0205.

3. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondent’s consent to this order, Respondent is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and Respondent agree to the following Order:

1. Respondent is censured.

2. Respondent shall pay a one thousand dollar ($1,000.00) civil monetary penalty to be remitted with this signed Consent Order.

CONSENTED TO THIS THE 12 DAY OF August, 2013.

[Signature]
Respondent

APPROVED BY THE BOARD THIS THE 23 DAY OF September, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

[Signature]
President
IN THE MATTER OF:
William Knox Lively, #26469
Respondent

CONSENT ORDER

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road,
Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N.C. Gen.
Stat. § 150B-41, the Board and Respondent stipulate to the following Findings:

1. Respondent is the holder of North Carolina certificate number 26469 as a
Certified Public Accountant.

2. Respondent informed the Board on his 2011-2012 and 2012-2013 individual
certificate renewals ("Renewals") that he had obtained all necessary CPE,
including the required ethics CPE, for the years 2010 and 2011.

3. Based on Respondent's representation, the Board accepted his Renewals.

4. Board staff subsequently requested that Respondent provide certificates of
completion for the CPE reported to meet his 2011 requirements (the "CPE
Audit").

5. In response to the CPE Audit, Respondent provided documentation that, on
its face, indicated that Respondent had met all 2011 CPE requirements.

6. Respondent later decided to send an unsolicited letter to the Board admitting
that he had created a certificate of completion for a 2011 ethics course in order
to pass the CPE Audit.

7. In the same letter, Respondent also admitted that he had not completed his
2010 ethics requirement.

8. Respondent was otherwise able to provide certificates of completion to show
compliance with the 40-hour annual CPE requirement for 2010 and 2011.

9. Respondent wishes to resolve this matter by consent and agrees that the
Board staff and counsel may discuss this Consent Order with the Board ex
parte, whether or not the Board accepts this Consent Order as written.
Respondent understands and agrees that this Consent Order is subject to
review and approval by the Board and is not effective until approved by the
Board at a duly constituted Board meeting.
Consent Order -2
William Knox Lively

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. Respondent's actions as set out above constitute violations of 21 NCAC 08N .0201, .0202(a), .0202(b)(3), .0202(b)(4), .0203(a), and .0203(b)(1).

3. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondent's consent to this Order, Respondent is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and Respondent agree to the following Consent Order:

1. The Certified Public Accountant certificate issued to Respondent, William Knox Lively, is hereby suspended for five (5) years.

2. Respondent shall not offer or render services as a CPA or otherwise trade upon or use the CPA title in this state either through CPA mobility provisions or substantial equivalency practice privileges or in any other manner, nor shall Respondent claim or attempt to use any practice privileges in any other state during the period of active suspension of his North Carolina certificate.

CONSENTED TO THIS THE 28th DAY OF August, 2013.

[Signature]
Respondent

APPROVED BY THE BOARD THIS THE 23 DAY OF September, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

[Signature]
President
IN THE MATTER OF:
Hiestand, Brand, Loughran, P.A.
Christopher Lee Hiestand, #N1522
Respondents

CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N.C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following:


2. Christopher Lee Hiestand (hereinafter "Respondent Hiestand") is the holder of a valid and unrevoked certificate as a certified public accountant issued by the State of Florida. Respondent Hiestand has a principal place of business outside of the State of North Carolina, but has, as set forth below, exercised a practice privilege to perform services in this State. As such, Respondent Hiestand is subject to the laws, rules, jurisdiction, and disciplinary authority of this Board, per N.C. Gen. Stat. § 93-10(b). Additionally, Respondent Hiestand has filed a North Carolina "Intent to Practice" number N1522 as a Certified Public Accountant.

3. Respondent Firm complied with applicable firm registration requirements and registered with the Board under a compliant firm name.

4. Despite its registration under a compliant firm name, Respondent Firm failed to use that firm name in conducting business in this State.

5. Respondent Firm has identified Respondent Hiestand as the CPA in charge of ensuring Respondent Firm’s compliance with this State’s regulations.

6. Respondents wish to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board ex parte, whether or not the Board accepts this Consent Order as written. Respondents understand and agree that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.
BETAD upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondents are subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. Respondents’ actions as set out above constitute violations of 08N .0306 and .0307.

3. Per N.C. Gen. Stat. §§ 93-12(9) and 93-10(b) and also by virtue of Respondents’ consent to this order, Respondent is subject to the discipline set forth below.

BETAD on the foregoing and in lieu of further proceedings, the Board and Respondents agree to the following Order:

1. Respondent Hiestand is censured.

2. Respondent Firm is censured.

3. Respondent Firm shall pay a one thousand dollar ($1,000.00) civil monetary penalty to be remitted with this signed Consent Order.

CONSENTED TO THIS THE 15TH DAY OF AUGUST, 2013.

Respondent Hiestand

Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 23 DAY OF SEPTEMBER, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
IN THE MATTER OF:
Jeremy D. Parvin, #28446
Respondent

CONSENT ORDER

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N.C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following Findings:

1. Respondent is the holder of North Carolina certificate number 28446 as a Certified Public Accountant.

2. Respondent informed the Board on his 2012-2013 individual certificate Renewal ("Renewal") that between January 1, 2011, and June 30, 2012, he had obtained forty (40) hours of continuing professional education ("CPE"), had completed the annual approved ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet the 2011 CPE requirements.

3. Based on Respondent's representation, the Board accepted his Renewal.

4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet his 2011 and 2012 requirements.

5. Respondent provided the CPE certificates of completion to the Board as requested. Respondent was able to provide documentation for forty (40) hours of continuing professional education ("CPE") to meet the 2011 and 2012 CPE requirements. However, Respondent was not able to provide documentation of acceptable ethics courses to meet the annual ethics CPE requirements.

6. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board ex parte, whether or not the Board accepts this Consent Order as written. Respondent understands and agrees that this Consent Order is subject to
review and approval by the Board and is not effective until approved by the 
Board at a duly constituted Board meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina 
   General Statutes and Title 21, Chapter 08 of the North Carolina 
   Administrative Code, including the Rules of Professional Ethics and Conduct 
   promulgated and adopted herein by the Board.

2. Respondent’s actions as set out above constitute violations of 21 NCAC 08N 
   .0202(a), .0202(b)(3), and .0202(b)(4).

3. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondent’s consent to 
   this Order, Respondent is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and 
Respondent agree to the following Consent Order:

1. Respondent’s failure to provide adequate documentation of ethics CPE 
   renders the Renewal insufficient and untimely. Respondent’s failure to 
   adequately renew his certificate results in an automatic forfeiture pursuant to 

2. Respondent must return his certificate to the Board within fifteen (15) days of 
   Respondent’s receipt of the Board’s notification of its approval of this 
Consent Order.

3. Respondent may apply for the reissuance of his certificate after one (1) year 
   from the date the Board approves this Consent Order and if Respondent’s 
   certificate and the civil penalty required in number five (5) of this Order have 
   been timely received by the Board.

4. Respondent may apply to return his certificate to active status by submission 
   and approval of a reissuance application which includes:
   a. Application form,
   b. Payment of the application fee,
   c. Three (3) moral character affidavits, and
   d. Forty (40) hours of CPE in the twelve (12) months preceding the 
      application, including an eight (8) hour accountancy law course as offered 
      by the North Carolina Association of CPAs.
5. Respondent shall pay a one thousand dollar ($1,000.00) civil penalty to be remitted to the Board prior to submitting a reissuance application.

6. Respondent agrees that failure to timely comply with any terms of this agreement and Consent Order shall be deemed sufficient grounds for revocation of her certificate.

CONSENTED TO THIS THE 16th DAY OF August, 2013.

[Signature]
Respondent

APPROVED BY THE BOARD THIS THE 23rd DAY OF SEPTEMBER, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

[Signature]
President
IN THE MATTER OF:
Aletta M. Lane, #29180
Respondent

ORDER

THIS MATTER having come before the Board with a quorum present, and having been
consented to by the Respondent, the Board finds and orders as follows:

1. Aletta M. Lane (hereinafter "Ms. Lane") is the holder of a certificate as a
   Certified Public Accountant in North Carolina.

2. Ms. Lane failed to timely renew or cancel the annual firm registration for
   Aletta M. Lane, CPA, in accordance with provisions as required by N. C.
   Gen. Stat. § 93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.

3. On February 7, 2013, Ms. Lane informed the Board that she does not
   desire to renew the firm registration for Aletta M. Lane, CPA, for the
   coming year.

4. Pursuant to 21 NCAC 08J .0111(1), because Ms. Lane’s infraction was for a
   period of less than 60 days, the appropriate penalty is $100.00.

5. Ms. Lane has paid her civil penalty and consents to the entry of this Order
   and has waived any right to a hearing.

6. The Board members present, representing a quorum of the Board, have
   unanimously decided to accept Ms. Lane’s payment as full resolution of
   the aforementioned rules violation.

This the 23 day of SEPTEMBER, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BY: [Signature]
President
NORTH CAROLINA
WAKE COUNTY
BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2013155

IN THE MATTER OF:
Patsy Rutledge Bolick, #19567
Respondent

ORDER

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Patsy Rutledge Bolick (hereinafter “Ms. Bolick”) is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Ms. Bolick failed to timely renew or cancel the annual firm registration for Patsy Rutledge Bolick, CPA, in accordance with provisions as required by N. C. Gen. Stat. § 93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.

3. On April 5, 2013, Ms. Bolick informed the Board that she does not desire to renew the firm registration for Patsy Rutledge Bolick, CPA, for the coming year.

4. Pursuant to 21 NCAC 08J .0111(2), because Ms. Bolick’s infraction was for a period of more than 60 days, but less than 120 days, the appropriate penalty is $200.00.

5. Ms. Bolick has paid her civil penalty and consents to the entry of this Order and has waived any right to a hearing.

6. The Board members present, representing a quorum of the Board, have unanimously decided to accept Ms. Bolick’s payment as full resolution of the aforementioned rules violation.

This the 23 day of SEPTEMBER, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY: [Signature]
President
IN THE MATTER OF:
Douglas Justin Campbell, #29539
Respondent

ORDER

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Douglas Justin Campbell (hereinafter "Mr. Campbell") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Campbell failed to timely renew or cancel the annual firm registration for Campbell CPA, PC, in accordance with provisions as required by N.C. Gen. Stat. § 93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.

3. Pursuant to 21 NCAC 08J .0111(3), because Mr. Campbell’s infraction was for a period of more than 120 days, the appropriate penalty is $500.00.

4. Mr. Campbell has paid his civil penalty and consents to the entry of this Order and has waived any right to a hearing.

5. The Board members present, representing a quorum of the Board, have unanimously decided to accept Mr. Campbell’s payment as full resolution of the aforementioned rules violation.

This the 23 day of SEPTEMBER, 2013.
IN THE MATTER OF:
Randeep Singh Brar
Respondent, Case #C2013024

NOTICE OF APPARENT VIOLATION
AND DEMAND TO CEASE AND DESIST

TO THE ABOVE NAMED RESPONDENT:

WHEREAS, the North Carolina State Board of Certified Public Accountant Examiners ("Board") is authorized by N.C. Gen. Stat. § 93-12 (16) to enforce the provisions of the North Carolina Certified Public Accountant Act through actions for injunctive relief regarding "a single violation" of this Chapter;

WHEREAS, pursuant to N.C. Gen. Stat. § 93-1, "A 'certified public accountant' is a person who holds a certificate as a certified public accountant issued under the provisions of this Chapter";

WHEREAS, pursuant to N.C. Gen. Stat. § 93-3, "It shall be unlawful for any person who has not received a certificate of qualification or not been granted a practice privilege under GS 93-10 admitting the person to practice as a certified public accountant to assume or use such a title, or to use any words, letters, abbreviations, symbols or other means of identification to indicate that the person using same has been admitted to practice as a certified public accountant";

WHEREAS, pursuant to N.C. Gen. Stat. § 93-6, "It shall be unlawful for any person to engage in the public practice of accountancy in this State who is not a holder of a certificate as a certified public accountant issued by the Board, unless such person uses the term 'accountant' and only the term 'accountant' in connection with his name on all reports, letters of transmittal, or advice, and on all stationery and documents used in connection with his services as an accountant, and refrains from the use in any manner of any other title or designation in such practice."

WHEREAS, Respondent Randeep Singh Brar (hereinafter "Brar") is actively licensed as a certified public accountant in the Commonwealth of Virginia, but he is not now, nor has he ever been, licensed as a certified public accountant in North Carolina;

WHEREAS, Brar lives, and has a principal place of business, in the State of North Carolina;

WHEREAS, Brar, while living and working in North Carolina, has held himself out as a certified public accountant as evinced by an audit report issued to a North Carolina client which Brar signed as a "Certified Public Accountant."
WHEREAS, Brar engaged in the public practice of accountancy by performing an audit and issuing an audit report without either obtaining licensure in this State or using the title “accountant” and only “accountant.”

THEREFORE, Brar is hereby notified and the North Carolina State Board of Certified Public Accountant Examiners demands that he immediately cease and desist from offering services or using in any manner the title “CPA” or “Certified Public Accountant” in North Carolina unless and until Brar has been licensed as a CPA by the North Carolina State Board of Certified Public Accountant Examiners.

North Carolina State Board of Certified Public Accountant Examiners

BY: __________________________ DATE: 8-8-13
Frank X. Trainor, III
Board Staff Attorney

In lieu of civil proceedings authorized by N.C. Gen. Stat. § 93-12(16), the Board will accept Respondent’s consent to this Demand.

Consented to:

BY: __________________________ DATE: 8/29/2013
Randeep Singh Brar

Wake County, North Carolina

Signed and sworn to (or affirmed) before me this day by Randeep Singh Brar

Date: 8/29/2013

[Signature]

Official Signature of Notary

Marion P. Steller, Notary Public
Notary’s printed or typed name

My commission expires: 3/29/2014