

PUBLIC SESSION AGENDA
NORTH CAROLINA STATE BOARD OF CPA EXAMINERS
JANUARY 25, 2016
10:00 A.M.
1101 OBERLIN ROAD
RALEIGH, NC

I. Administrative Items

A. Call to Order

In accordance with the State Government Ethics Act, it is the duty of every Board member to avoid both conflicts of interest and appearances of conflict. Does any Board member have any known conflict of interest or appearance of conflict with respect to any matters coming before the Board today? If so, please identify the conflict or appearance of conflict and refrain from any undue participation in the particular matter involved.

1. Public Hearing – Paul David Musgrave, NC CPA No. 36832

B. Welcome and Introduction of Guests

C. Approval of Agenda (ACTION)

D. Minutes (ACTION)

E. Financial/Budgetary Items

1. Financial Statements for December 2015 (ACTION)

F. Strategic Planning Session (FYI)

G. Notification Letter Regarding Legal Representation (DISCUSSION)

II. Legislative & Rule-Making Items

A. Report on Review of Rules by Rules Review Commission (FYI)

B. Report on the January 5, 2016, Meeting of the Joint Legislative Administrative Procedures Oversight Committee (FYI)

C. Rule-Making Schedule for 2016-2017 (DISCUSSION)

III. National Organization Items

A. NASBA/AICPA Uniform Accountancy Act and NASBA Uniform Accountancy Act Rules Exposure Draft on “Retired-CPA” (ACTION)

IV. State & Local Organization Items

V. Request for Declaratory Ruling

VI. Committee Reports

A. Professional Standards (ACTION)

B. Professional Education and Applications (ACTION)

VII. Public Comments

VIII. Closed Session

IX. Executive Staff and Legal Counsel Report

X. Adjournment

PUBLIC HEARING AGENDA
NORTH CAROLINA STATE BOARD OF CPA EXAMINERS
JANUARY 25, 2016
10:00 A.M.
1101 OBERLIN ROAD
RALEIGH, NC

I. Administrative Items

A. Call to Order

II. Hearing Testimony

A. Case No. C2013172 - Paul David Musgrave, NC CPA No. 36832

III. Adjournment

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2013172

IN THE MATTER OF:
Paul David Musgrave, #36832
Respondent

NOTICE OF HEARING

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. Paul David Musgrave (hereinafter "Respondent") was the holder of North Carolina certificate number 36832 as a Certified Public Accountant.
2. On August 1, 2014, at his own request, Respondent was placed on inactive status. As provided by Board rules, Respondent could otherwise apply for and have his certificate returned to active status. Respondent remains subject to the Board's jurisdiction and authority regarding Respondent's conduct during the time that he was an active certificate holder.
3. Respondent was, and remains, subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 8 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein.
4. On December 13, 2011, Respondent was indicted in the Southern District of Ohio alleging that he made misrepresentations on a Small Business Administration ("SBA") loan application for an Ohio Company.
5. Respondent, following a trial by jury, was convicted on four (4) felony counts of financial crimes, including wire fraud and bank fraud.
6. In order to render a verdict against him, the jury, after hearing all of the evidence, was required to find that Respondent exhibited conduct that was dishonest, deceitful or fraudulent.
7. Respondent has appealed the verdict. To date, Respondent's appeal has been unsuccessful.

Notice of Hearing - 2
Paul David Musgrave

8. If proven at a hearing pursuant to the North Carolina Administrative Procedure Act, Respondent Musgrave's actions as set out above constitute violations of 21 NCAC 08N .0201, .0202, and .0203.

The discipline which the Board may impose on the Respondent for violation of the aforementioned statutes and rules includes censure, revocation of license for a period of time, or permanent revocation. In addition, the Board may impose civil penalties of up to \$1,000 per infraction.

Pursuant to N. C. Gen. Stat. § 150B-38, the Respondent is entitled to a public hearing on this matter. This notice is to advise Respondent Musgrave that, unless this matter is resolved by consent, the Board will hear this matter in the Board offices at 1101 Oberlin Road in Raleigh on January 25, 2016, at 10:00 a.m. If the Respondent is not present, a decision may be reached in his absence, and the Respondent may be deemed to have waived his right to a hearing.

Pursuant to N. C. Gen. Stat. § 150B-40(d), the Respondent may not communicate regarding this matter, directly or indirectly, with any individual member of the Board.

This notice is issued the 21 day of SEPTEMBER, 2015.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: Wm. Hunter Cook
Chairman, Professional Standards Committee

PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
December 14, 2015
1101 Oberlin Road
Raleigh, NC 27605

MEMBERS ATTENDING: Michael H. Womble, CPA, President; Wm. Hunter Cook, CPA, Vice President; Jeffrey J. Truitt, Esq., Secretary-Treasurer; Murchison (Bo) Biggs, CPA; Cynthia B. Brown, CPA; Justin C. Burgess; and George W. Rohe, CPA.

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

GUESTS: James T. Ahler, CEO, NCACPA; Sharon Bryson, COO, NCACPA; Eddie Sams, CPA, NCACPA; Mark Sotichack, CPA, NCACPA; Suzanne Jolicoeur, Senior Manager, State Regulation & Legislation, AICPA; Curt Lee, Legislative Liaison, NCSA; Officer Travis Goodman, Raleigh Police Department.

CALL TO ORDER: President Womble called the meeting to order at 10:05 a.m.

MINUTES: The minutes of the November 16, 2015, meeting were approved as submitted.

FINANCIAL AND BUDGETARY ITEMS: The November 2015 financial statements were accepted as submitted.

Mr. Brooks informed the Board that the lease agreement with Family Resource Center of Raleigh was not being renewed effective December 1, 2015. The Executive Staff will proceed with obtaining a listing agent to solicit a new tenant.

Mr. Brooks informed the Board that a real estate firm had approached the Executive Staff regarding the purchase of the Board property. The real estate firm will contact the Board in the upcoming months regarding this matter.

STRATEGIC PLANNING SESSION: President Womble provided the Board with an update on the Board's Strategic Planning Session scheduled for January 9, 2016, at the Grandover in Greensboro. Ed Barnicott of NASBA will contact the Board members prior to the meeting.

LEGISLATIVE AND RULE-MAKING ITEMS: Messrs. Cook and Truitt moved to approve the rules as published in the *NC Register, Volume 30*, on October 1, 2015. Motion passed with seven (7) affirmative votes and zero (0) negative votes.

NATIONAL ORGANIZATION ITEMS: The Board reviewed and approved the response to the NASBA Regional Directors' focus questions as submitted by President Womble and Mr. Brooks.

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

Case No. C2013175-2 - Gary A. House, CPA, PA - Approve the signed Consent Order (Appendix I).

Case No. C2015206 - Kevin M. Madden - Approve the signed Consent Order (Appendix II).

Case No. C2015266 - Close the case without prejudice.

Case No. C2015264 - Close the case without prejudice.

Case No. C2015263 - Close the case without prejudice.

Case No. C2015250 - Close the case without prejudice and with a Letter of Caution.

Case No. C2015251 - Close the case without prejudice and with a Letter of Warning.

REPORT OF THE PROFESSIONAL EDUCATION AND APPLICATIONS COMMITTEE: Mr. Rohe moved and the Board approved the following recommendations of the Committee:

Reciprocal Certificate Applications - The Committee recommended that the Board approve the following:

Johnnie Scott Dick
Ryan Andrew Halbrook

Temporary Permits - The Committee recommended that the Board approve the following temporary permits that were approved by the Executive Director:

Jamison Walter Buehler, #T8872
Kevin Martin Tate, #T8873
Lisa Ryan Blair, #T8874

Sneha Satishkumar Somani, #T8875
Peter Eric Baisch, Jr., #T8876
Michael Miano Mellow, #T8877

Erik John Molander, #T8878
John Joseph Pyne, #T8879
Johnnie Scott Dick, #T8907
Michael Henry Kochanny, #T8908
Theodore Clemente Smoyer, #T8909
John William Jordan, #T8910
Melissa Marie Monroe, #T8911
Brenna Dominica Seredinsky, #T8912
Deborah Lynn Railton, #T8913
Sharon A. Klock, #T8914

Lauren Elizabeth Riley, #T8915
Taylor Matthew Ward, #T8916
Charlene Brookins Weston, #T8917
Joshua Blaine Jackson, #T8918
Nancy Lynn Crates, #T8919
Daniel Michael Lavelle, #T8920
Marco Lam, #T8921
William George Sanborn, #T8922
Ashley Michelle Gardner, #T8923

Reinstatements - The Committee recommended that the Board approve the following:

Hampton Croson Hager, III, #26710
Jennifer Leigh Handschumacher, #26589

Reissuance of New Certificate - The Committee recommended that the Board approve the following applications for reissuance of new certificate:

Alexander Steven Arndt, #33341
Shao Dong Wang, #38582

Reissuance of New Certificate and Consent Agreement - The Committee recommended that the Board approve the following application for reissuance of new certificate and consent agreement submitted by Denise Rene Wainright, #30003.

Firm Registrations - The Committee recommended that the Board approve the following professional limited liability companies that were approved by the Executive Director:

Michael P. Mattimore, PLLC
Wiggins CPA, PLLC

Letter of Warning - The Committee recommended that the Board approve the request to rescind the letter of warning awarded to Stephanie G. Caragher, #32392.

Examinations - The Committee recommended that the Board approve the following staff-approved applicants to sit for the Uniform CPA Examination:

Matthew Albert
Naida Aliyeva
Anna Auslander
Pommy Aynu
Claire Babashanian

James Badgett
Assane Badji
Nicholas Barnas
Mason Barringer
Anthony Bechtel

Mary Beets
Richard Berlin
Andrew Bowman
Andrew Bragg
Stacie Brandhoefer
Sarah Branoff
Randolph Brown
Ian Cader
Kimberly Carson
Devin Cass
Mary Cates
Sarah Chin
Tracey Clements
Tiffany Collins
Hallie Corday
Christopher Cunningham
Gina Daniels
Cheryl De-Castro
Cameron Donaldson
Christina Drake
Stewart Dula
Logan Dziedzic
Michael Eckert
Miranda Edwards
Elizabeth Eisenrauch
Rida Fatima
Alison Faustyn
Giovanni Figaro
Victoria Ford
Paige Garner
Zachary Gasper
Callie Gettys
Nancy Gibson
Richard Goldston
Davi Goncalves
Thomas Graham
Danez Green
Frank Greer
Benjamin Gregory
Kregg Gustin
Krista Hagler
Mallory Hammett
Arben Hankollari

Geri Hare
Virginia Harrelson
Kevin Harris
Dustin Harrison
Daniel Helms
Morgan Hess
Robert Hogan
Lisa Hong
Nathaniel Hookman
Benjamin Horne
Travis Hudgins
Mario Jarrett
Kristin Jarvis-DeSouza
Elana Jones
Shan Jones
Zachary Jones
Bryce Jordan
Sheridan Jordan
Marie Joelle Kabashi
Thomas Keaveny
Soonam Kim
Nicole King
William Kingdon
Mackenzie Kinley
Brittain Knowles
Laura Krawczyk
Sherry Lafon
Cameron Landreth
Kelly Larouche
Camie Le
Jillian Lieber
Yi Hua Lin
James Lipps
Christopher Lynagh
Keisha Lyons
Erin Mack
Kirk Mangum
Craig Martin
Emily Maurer
Lee McCollum
Kirsten McKenna
Sophia McKinnon
Addis Melesse

Erica Merriman
Jessica Metts
Megan Meyer
Jenni Middlebrook
Robert Mitchell
Steven Montross
Austin Morgan
Joseph Morrow
Donna Multerer
Connor Murdock
William O'Donnell
Abigail Odette
Meera Ogale
Ashley Oliver
Alynn Parker
Taylor Parks
Urvish Patel
Tonette Peace
Philip Pearce
Armand Perez
Mark Perlberg
Lynda Peterson
Marquis Pullen
Brian Reynolds
Devan Riley
Connor Ritchey
Dredlin Rodriguez-Ramos
Carol Ruffin
Stephanie Ruggeri
Ayanna Schlick
Vanessa Seigle
Elizabeth Senczy
Shelly-Ann Serrette
Pamela Seward
Payal Shah

Michael Shortall
Lanita Slaughter
Krista Smith
Meaghann Smith
Sandra Smith
Tammy Southerland
Seth Spencer
Stephen Spivey
Charles Sprouse
Charles Steffenella
Maren Stephenson
Quasha Stinson
Bennett Strickland
Andrew Sudran
Qianxiang Tang
Charnice Taylor
Lindsay Tippet
Jeffrey Turner
Petra Tyndall
Edward Vallejo
Patrick Walsh
Andrew Wasilick
Samuel Watson
Shelby Webb
BreAnn Weeda
Haley West
Lindsey Willis
Nellie Wilson
Adam Woeller
Logan Wolfe
Kate Woltz
Garrett Wydysh
Nia Wylie
Patricia Young
Serafim Zaravelis

Staff recommended that the Committee determine and accept the grades received for the July - August 2015 exams. Twenty-five files with grade reports were haphazardly selected and available at the meeting for review by a Board member. The Committee recommended that the Board approve staff recommendation.

ADJOURNMENT: Messrs. Cook and Biggs moved to adjourn the meeting at 10:37 a.m. Motion passed.

Respectfully submitted:

Attested to by:

Robert N. Brooks
Executive Director

Michael H. Womble, CPA
President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2013175-2

IN THE MATTER OF:
Gary A. House, CPA, P.A.
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. Gary A. House, CPA, P.A. (hereinafter "Respondent firm"), is a registered certified public accounting corporation in North Carolina.
2. Respondent firm received a "fail" on its most recent engagement peer review, with an acceptance letter date of February 23, 2015.
3. Per 21 NCAC 08M .0106, for all failed and second passed with deficiencies reports, the Respondent firm was required to submit to the Board a package to include the Peer Review Report, Letter of Response, and Final Letter of Acceptance.
4. Respondent firm failed to provide any of the required documents within the time period required by 21 NCAC 08M .0106.
5. Per 21 NCAC 08N .0212, and .0404, Respondent firm was required to perform attest and assurance services in accordance with standards of generally accepted accounting principles.
6. The peer review report noted a failure to use the proper report language and a failure to obtain written engagement letters as required by professional standards.
7. 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.

NC BOARD OF
NOV 20 2015
CPA EXAMINERS

Consent Order - 2
Gary A. House, CPA, P.A.

2. Respondent firm's failure to submit to the Board copies of its Peer Review Report and Letter of Response constitutes a violation of 21 NCAC 08M .0106(a)(4), resulting in disciplinary action per 21 NCAC 08N .0213.
3. Respondent firm's failure to perform attest and assurance services in accordance with standards constitutes a violation of the Statements on Standards for Accounting and Review Services in violation of 21 NCAC 08N .0404 and .0212.
4. Per N.C. Gen. Stat. § 93-12(9), 93-10(b) and also 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 pay a one thousand dollar (\$1,000) civil penalty to be remitted with this signed Consent Order.
3. 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.

CONSENTED TO THIS THE 17th DAY OF November, 2015.
(Day) (Month) (Year)

Gary A. House
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 14 DAY OF DECEMBER, 2015.
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: [Signature]
President

NC BOARD OF
NOV 20 2015
CPA EXAMINERS

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2015206

IN THE MATTER OF:
Kevin Michael Madden, CPA, #18616
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 is the holder of North Carolina certificate number 18616 as a Certified Public Accountant.
2. Respondent informed the Board on his 2014-2015 individual certificate Renewal ("Renewal") that between January 1, 2013, and June 30, 2014, he had obtained the requisite forty (40) hours of continuing professional education ("CPE") to meet the 2013 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 2013 requirements.
5. Respondent was unable to provide documentation for twelve (12) hours of the 2013 CPE hours that he would need to meet the forty (40) hour requirement that he claimed on his 2014-2015 annual renewal.
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.

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CPA EXAMINERS

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 therein 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), 93-10(b) 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 failure to provide adequate documentation of CPE renders the Renewal insufficient and untimely. Respondent's failure to adequately renew his certificate results in an automatic forfeiture pursuant to N.C. Gen. Stat. § 93-12(15).
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 as long as the civil penalty required in number five (5) of this Order has 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. Fifty-two (52) 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 in a group-study format.

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CPA EXAMINERS

Consent Order - 3
Kevin Michael Madden, CPA

5. Respondent shall pay a one thousand dollar (\$1,000) 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 his certificate.

CONSENTED TO THIS THE 12 DAY OF NOVEMBER, 2015.
(Day) (Month) (Year)

Kevin M. Madden
Respondent

APPROVED BY THE BOARD THIS THE 14 DAY OF DECEMBER, 2015
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: [Signature]
President

NC BOARD OF
NOV 12 2015
CPA EXAMINERS

Financial Highlights
For the Nine Month Period Ended December 31, 2015
Compared to the Nine Month Period Ended December 31, 2014

	Budget Var.	Dec-15	Dec-14	Inc. (Dec.)
Total Revenue	\$111,592.95	\$ 2,499,532.39	\$ 2,458,389.34	\$ 41,143.05
■ Total Operating Revenue	\$99,457.06	\$ 2,453,006.00	\$ 2,418,290.09	\$ 34,715.91
❖ Total Net Non Operating Revenue	\$12,135.89	\$ 46,526.39	\$ 40,099.25	\$ 6,427.14
○ Total Expenses	-\$125,135.22	\$ 2,022,752.03	\$ 2,052,520.25	\$ (29,768.22)
Increase(Dec.) Net Assets for Period		\$ 476,780.36	\$ 405,869.09	\$ 70,911.27
Total Checking and Savings		\$ 890,106.70	\$ 708,957.85	\$ 181,148.85
Total Assets		\$ 3,556,671.42	\$ 3,361,629.49	\$ 195,041.93
Full-Time/Part-time Employees		13/1	13/1	1/0

Budget:

- Operating revenue was \$99,000 over budget primarily due to increased certificate fees (\$26,000), exam fees (\$46,000), and firm renewal fees (\$27,000).
- ❖ Non-Operating revenue was \$12,000 over budget due to usage of gift cards for copier purchase
- Expenses were \$125,000 under budget, primarily due to reduced salary/benefit costs (\$56,000), administrative costs assessed (\$22,000), postage/travel costs (\$18,000) and exam fees (\$16,000).

Actual:

- Total operating revenue increased from prior year by \$35,000. Majority of variance due to increase in certificate renewal fees.
- ❖ Total net non-operating revenue increased this period compared to prior by \$6,400 primarily due to Board's use of gift cards for business expenses
- Total expenses decreased from prior period by \$30,000. Exam fee costs represent \$20,000 of that amount.

01/07/16

NC Board of CPA Examiners
Statement of Net Position
 As of December 31, 2015

	<u>Dec 31, 15</u>	<u>Dec 31, 14</u>
ASSETS		
Current Assets		
Checking/Savings		
1076 · Bank of North Carolina - MMA	250,857.62	0.00
1075 · Union - Money Market	246,165.67	245,060.42
1074 · First Tennessee Bank - MMA	245,313.08	244,363.12
1023 · BB&T Disciplinary Clearing Acct	3,500.00	0.00
1020 · BB&T Checking Acct	133,930.24	124,842.70
1021 · BB&T Savings Account	10,240.09	94,591.61
1030 · BB&T Payroll Acct	100.00	100.00
Total Checking/Savings	<u>890,106.70</u>	<u>708,957.85</u>
Other Current Assets		
1110 · Accrued CD Interest	9,715.66	6,533.64
1050 · CD Investments - Current	991,541.47	983,269.23
1165 · Deferred Lease Commissions	0.00	1,236.24
1125 · Accts Rec Civil Penalties	500.00	1,000.00
1120 · Accounts Receivable	-606.16	-250.00
Total Other Current Assets	<u>1,001,150.97</u>	<u>991,789.11</u>
Total Current Assets	<u>1,891,257.67</u>	<u>1,700,746.96</u>
Fixed Assets		
1330 · Land Improvement	14,640.90	9,240.90
1300 · Building	917,143.10	922,543.10
1305 · Land	300,000.00	300,000.00
1306 · Vehicle	0.00	26,622.40
1310 · Furniture	113,918.90	113,918.90
1320 · Equipment	209,139.09	193,139.75
1325 · Data Base Software	180,336.18	180,336.18
1390 · Accumulated Depreciation	-807,493.22	-780,570.50
Total Fixed Assets	<u>927,684.95</u>	<u>965,230.73</u>
Other Assets		
1250 · CD Investments Non-Current	<u>737,728.80</u>	<u>695,651.80</u>
Total Other Assets	<u>737,728.80</u>	<u>695,651.80</u>
TOTAL ASSETS	<u>3,556,671.42</u>	<u>3,361,629.49</u>
LIABILITIES & NET ASSETS		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · Accounts Payable	<u>0.00</u>	<u>40.17</u>
Total Accounts Payable	<u>0.00</u>	<u>40.17</u>

01/07/16

NC Board of CPA Examiners
Statement of Net Position
As of December 31, 2015

	<u>Dec 31, 15</u>	<u>Dec 31, 14</u>
Other Current Liabilities		
2040 · Accounts Payable Civil Penalty	450.00	900.00
2005 · Due to Exam Vendors	463,417.29	443,217.60
2011 · Accounts Payable Other	2,500.00	2,500.00
2015 · Accrued Vacation Current	4,571.00	6,444.67
Total Other Current Liabilities	<u>470,938.29</u>	<u>453,062.27</u>
Total Current Liabilities	470,938.29	453,102.44
Long Term Liabilities		
2020 · Accrued Vacation	73,432.34	72,148.92
Total Long Term Liabilities	<u>73,432.34</u>	<u>72,148.92</u>
Total Liabilities	544,370.63	525,251.36
Net Assets		
3010 · Net Assets Invest in Cap Assets	927,684.95	965,230.73
3020 · Designated for Capital Assets	100,000.00	100,000.00
3031 · Designated-Operating Expenses	300,000.00	300,000.00
3040 · Designated for Litigation	750,000.00	750,000.00
3900 · Net Assets Undesignated	457,835.48	315,278.31
Change in Net Assets	476,780.36	405,869.09
Total Net Assets	<u>3,012,300.79</u>	<u>2,836,378.13</u>
TOTAL LIABILITIES & NET ASSETS	<u>3,556,671.42</u>	<u>3,361,629.49</u>

01/07/16

Statement of Revenues & Expense - Budget v. Actual

April 2015 through December 2015

	<u>Apr - Dec 15</u>	<u>Budget</u>	<u>\$ Over Bu...</u>
Ordinary Income/Expense			
Income			
Certificate Fees			
4110 · Certificates - Initial	49,900.00	45,000.00	4,900.00
4120 · Certificates - Reciprocal	24,600.00	22,500.00	2,100.00
4121 · Certificates - Recip/Temp	0.00	0.00	0.00
4130 · Certificates - Temporary	0.00	0.00	0.00
4131 · Certificates - Temp Renewal	0.00	0.00	0.00
4140 · Certificates - Renewal Fees	1,202,700.00	1,183,500.00	19,200.00
4150 · Certificates - Reinst/Revoked	2,100.00	0.00	2,100.00
4151 · Certificates - Reinst/Surr	4,700.00	7,499.97	-2,799.97
4152 · Certificates - Reinst/Retired	600.00	0.00	600.00
4160 · Certificates - Notification	0.00	0.00	0.00
4161 · Certificate - Notification RnwI	0.00	0.00	0.00
Total Certificate Fees	<u>1,284,600.00</u>	<u>1,258,499.97</u>	<u>26,100.03</u>
Exam Fee Revenue			
4001 · Initial Adm Fees	158,240.00	168,187.50	-9,947.50
4002 · Re-Exam Adm Fees	135,675.00	118,125.00	17,550.00
4004 · Exam Fees Revenue	806,532.56	787,500.00	19,032.56
4060 · Equivalency Exam Fees	0.00	0.00	0.00
4070 · Transfer Exam Grade Credit	75.00	0.00	75.00
4071 · Exam Review Fees	200.00	0.00	200.00
4072 · Exam Scholarship Coupon	-11,534.06	-30,930.21	19,396.15
Total Exam Fee Revenue	<u>1,089,188.50</u>	<u>1,042,882.29</u>	<u>46,306.21</u>
Misc			
4993 · Revenue Suspense	0.00		
4999 · Board Training	0.00	0.00	0.00
4910 · Educational Program Fees	0.00	0.00	0.00
4970 · Duplicate Certificates	725.00	0.00	725.00
4980 · Copies	0.00	0.00	0.00
4990 · Miscellaneous	322.50	1,125.00	-802.50
Total Misc	<u>1,047.50</u>	<u>1,125.00</u>	<u>-77.50</u>
Partnership Fees			
4260 · Partnership Registration Fees	0.00	0.00	0.00
4261 · Partnership Renewal Fees	36,670.00	24,333.34	12,336.66
Total Partnership Fees	<u>36,670.00</u>	<u>24,333.34</u>	<u>12,336.66</u>
Professional Corporation Fees			
4250 · PC Registration Fees	4,100.00	3,375.00	725.00
4251 · PC Renewal Fees	37,400.00	23,333.34	14,066.66
4252 · PC Renewal Fees W/Penalties	0.00	0.00	0.00
Total Professional Corporation Fees	<u>41,500.00</u>	<u>26,708.34</u>	<u>14,791.66</u>
Total Income	<u>2,453,006.00</u>	<u>2,353,548.94</u>	<u>99,457.06</u>
Expense			
6900 · Bad Debit Expense	0.00	0.00	0.00
6690 · Over & Short	0.05	0.00	0.05

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	Apr - Dec 15	Budget	\$ Over Bu...
Fringe Benefits			
5031 · Retirement - NCLB Contribution	39,777.87	40,852.53	-1,074.66
5033 · Retirement - NCLB Administr	1,131.18	1,333.34	-202.16
5035 · Health Ins. Premiums	82,475.18	103,500.00	-21,024.82
5036 · Medical Reim Plan	22,533.94	29,250.00	-6,716.06
5038 · Unemployment Claims	0.00	0.00	0.00
Total Fringe Benefits	145,918.17	174,935.87	-29,017.70
Board Travel			
5120 · Board Travel - Board Meetings	14,850.21	17,280.00	-2,429.79
5121 · Board Travel - Prof Meetings	113.49	0.00	113.49
5122 · Board Travel - NASBA Annual	16,381.04	18,907.00	-2,525.96
5123 · Board Travel - NASBA Regional	4,084.04	8,775.00	-4,690.96
5124 · Board Travel - NASBA Committees	238.20	0.00	238.20
5125 · Board Travel - AICPA/NASBA	0.00	0.00	0.00
5126 · Board Travel - NCACPA Annual	0.00	0.00	0.00
5127 · Board Travel - NCACPA/Board	1,548.55	0.00	1,548.55
5128 · Board Travel - AICPA Committees	0.00	0.00	0.00
5129 · Miscellaneous Board Costs	1,438.42	0.00	1,438.42
5133 · Board Travel - NASBA CPE	0.00	0.00	0.00
Total Board Travel	38,653.95	44,962.00	-6,308.05
Building Expenses			
5800 · Building Maintenance	348.57	1,000.00	-651.43
5801 · Electricity	8,138.64	9,000.00	-861.36
5802 · Grounds Maintenance	2,360.00	2,250.00	110.00
5803 · Heat & Air Maintenance	4,950.93	5,250.00	-299.07
5804 · Improvements	0.00	0.00	0.00
5805 · Insurance	4,459.00	4,500.00	-41.00
5807 · Janitorial Maintenance	4,275.00	4,500.00	-225.00
5808 · Pest Control Service	150.00	200.00	-50.00
5809 · Security & Fire Alarm	2,320.38	2,500.00	-179.62
5810 · Trash Collection	678.20	200.00	478.20
5811 · Water & Sewer	696.19	825.03	-128.84
Total Building Expenses	28,376.91	30,225.03	-1,848.12
Continuing Education -Staff			
5050 · Continuing Education - Staff	2,938.15	2,999.97	-61.82
5051 · Continuing Education - RNB	0.00	0.00	0.00
5052 · Continuing Education - Computer	0.00	0.00	0.00
Total Continuing Education -Staff	2,938.15	2,999.97	-61.82
Exam Postage			
5531 · Exam Postage	960.00	1,050.03	-90.03
Total Exam Postage	960.00	1,050.03	-90.03
Exam Printing			
5533 · Exam Printing	0.00	0.00	0.00
Total Exam Printing	0.00	0.00	0.00

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 April 2015 through December 2015

	<u>Apr - Dec 15</u>	<u>Budget</u>	<u>\$ Over Bu...</u>
Exam Sitting and Grading			
5538 · Exam Vendor Expense	734,155.13	749,999.97	-15,844.84
Total Exam Sitting and Grading	734,155.13	749,999.97	-15,844.84
Exam Supplies			
5532 · Exam Supplies	0.00	0.00	0.00
Total Exam Supplies	0.00	0.00	0.00
Exam Temporary Staff			
5530-10 · Temp Employees - May	0.00	0.00	0.00
5530-20 · Temp Employees - Nov	0.00	0.00	0.00
Total Exam Temporary Staff	0.00	0.00	0.00
Investigation & Hearing Costs			
5220 · Investigator Fees	0.00	0.00	0.00
5221 · Staff Investigation Costs	124.20	0.00	124.20
5222 · Investigation Materials	9,514.48	7,499.97	2,014.51
5230 · Hearing Costs	2,512.28	3,750.03	-1,237.75
5231 · Rule-Making Hearing Costs	398.80	0.00	398.80
5232 · Legal Advertising	0.00	0.00	0.00
5250 · Administrative Cost Assessed	-21,760.65	-1,874.97	-19,885.68
5260 · Civil Penalties Assessed	-67,700.00	-5,625.00	-62,075.00
5261 · Civil Penalties Remitted	59,180.44	0.00	59,180.44
Total Investigation & Hearing Costs	-17,730.45	3,750.03	-21,480.48
Legal Expense			
5140 · Legal Counsel - Administrative	28,094.30	22,500.00	5,594.30
5141 · Legal Counsel - Spec Projects	0.00	0.00	0.00
5210 · Legal Counsel - Prof Standards	0.00	9,000.00	-9,000.00
5211 · Legal Counsel - Litigation	25,824.39	10,000.00	15,824.39
Total Legal Expense	53,918.69	41,500.00	12,418.69
Misc Personnel			
5034 · Misc. Payroll Deduction	0.00	1,125.00	-1,125.00
5037 · HSA Deduction	0.00	0.00	0.00
5090 · Flowers, Gifts, Etc.	80.06	0.00	80.06
5091 · Staff Recruiting	0.00	0.00	0.00
5092 · Misc. Personnel Costs	4,150.40	2,250.00	1,900.40
Total Misc Personnel	4,230.46	3,375.00	855.46
Office Expense			
5436 · Contracted Copy Service	19,325.79	25,000.00	-5,674.21
5301 · Equipment Rent	624.00	1,000.00	-376.00
5310 · Decorations	223.76	250.00	-26.24
5320 · Payroll Service	1,267.90	1,500.03	-232.13
5360 · Telephone	4,044.87	5,625.00	-1,580.13
5361 · Internet & Website	4,016.01	5,715.00	-1,698.99
5390 · Clipping Service	2,147.48	2,999.97	-852.49
5400 · Computer Prog/Assistance	780.00	3,750.03	-2,970.03
5405 · Computer Software Maintenance	35,368.16	33,750.00	1,618.16
5410 · Dues	7,740.00	8,200.00	-460.00
5420 · Insurance	15,861.00	15,600.00	261.00
5430 · Audit Fees	8,730.00	8,730.00	0.00

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Statement of Revenues & Expense - Budget v. Actual
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	Apr - Dec 15	Budget	\$ Over Bu...
5435 · Consulting Services	0.00	749.97	-749.97
5440 · Misc Office Expense	840.00	3,500.00	-2,660.00
5445 · Banking Fees	1,913.69	2,400.03	-486.34
5450 · Credit Card Fees	42,332.14	33,750.00	8,582.14
Total Office Expense	145,214.80	152,520.03	-7,305.23
Per Diem - Board			
5110 · Per Diem - Board Meetings	8,450.00	10,800.00	-2,350.00
5111 · Per Diem - Prof Meetings	0.00	2,999.97	-2,999.97
5112 · Per Diem - NASBA Annual	1,900.00	3,500.00	-1,600.00
5113 · Per Diem - NASBA Regional	400.00	2,000.00	-1,600.00
5114 · Per Diem - NASBA Committees	711.80	0.00	711.80
5115 · Per Diem - AICPA/NASBA	0.00	0.00	0.00
5116 · Per Diem - NCACPA Annual	0.00	800.00	-800.00
5117 · Per Diem - NCACPA/Board	500.00	500.00	0.00
5118 · Per Diem - AICPA Committees	0.00	0.00	0.00
5119 · Per Diem - Miscellaneous	0.00	500.00	-500.00
5130 · Clerical Reimbursement	0.00	0.00	0.00
5135 · Per Diem - NASBA CPE	0.00	0.00	0.00
Total Per Diem - Board	11,961.80	21,099.97	-9,138.17
Postage			
5345 · Postage - UPS	11,900.00	10,000.00	1,900.00
5340 · Postage - Other	4,427.41	14,625.00	-10,197.59
5341 · Postage - Newsletter	51,100.00	49,500.00	1,600.00
5342 · Postage - Business Reply	1,700.00	1,874.97	-174.97
5343 · Postage - Renewal	1,440.00	1,500.03	-60.03
5344 · Postage - Rulebook	0.00	0.00	0.00
Total Postage	70,567.41	77,500.00	-6,932.59
Printing			
5330 · Printing - Other	8,233.97	5,249.97	2,984.00
5331 · Printing - Newsletter	39,602.88	39,750.03	-147.15
5332 · Printing - Special Projects	0.00	0.00	0.00
5333 · Printing - Renewal	0.00	0.00	0.00
5334 · Printing - Rulebook	0.00	0.00	0.00
5335 · Mailing Label Printing	0.00	0.00	0.00
Total Printing	47,836.85	45,000.00	2,836.85
Repairs & Maintenance			
5380 · Repairs - Misc.	0.00	0.00	0.00
5381 · Maintenance - Copiers	829.16	2,625.03	-1,795.87
5382 · Maintenance - Computer	1,075.92	1,125.00	-49.08
5383 · Maintenance - Postage	0.00	749.97	-749.97
Total Repairs & Maintenance	1,905.08	4,500.00	-2,594.92

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April 2015 through December 2015

	<u>Apr - Dec 15</u>	<u>Budget</u>	<u>\$ Over Bu...</u>
Salaries & Payroll Taxes			
5040 · State Unemployment Tax	1,148.54	2,099.97	-951.43
5010 · Staff Salaries	663,220.42	681,623.04	-18,402.62
5020 · Part-Time Staff Salaries	10,722.90	13,451.25	-2,728.35
5021 · Temporary Contractors	290.00	0.00	290.00
5030 · FICA Taxes	48,465.89	53,127.00	-4,661.11
Total Salaries & Payroll Taxes	723,847.75	750,301.26	-26,453.51
Scholarships			
5535 · Scholarship	6,000.00	11,000.00	-5,000.00
Total Scholarships	6,000.00	11,000.00	-5,000.00
Staff Travel			
5060 · Staff Travel - Local	404.57	1,912.50	-1,507.93
5061 · Staff Travel - Prof Mtgs	2,308.73	2,962.53	-653.80
5062 · Staff Travel - NASBA CPE	0.00	0.00	0.00
5063 · Staff Travel - NASBA Ethics	0.00	0.00	0.00
5070 · Staff Travel - NASBA Annual	7,520.15	8,103.00	-582.85
5071 · Staff Travel - NASBA Regional	5,347.45	5,265.00	82.45
5072 · Staff Travel - NASBA ED/Legal	298.00	0.00	298.00
5073 · Staff Travel - NASBA Committee	0.00	0.00	0.00
5074 · Staff Travel - AICPA	0.00	0.00	0.00
5075 · Staff Travel - NCACPA Meetings	93.70	1,500.03	-1,406.33
5076 · Staff Travel - NCACPA/Board	0.00	1,125.00	-1,125.00
5077 · Staff Travel - Clear Conference	0.00	0.00	0.00
5078 · Staff Travel - Vehicle	488.00	0.00	488.00
5080 · Staff Travel - Univ Dialogue	0.00	0.00	0.00
Total Staff Travel	16,460.60	20,868.06	-4,407.46
Subscriptions/References			
5370 · Subscriptions/References	876.80	3,300.03	-2,423.23
Total Subscriptions/References	876.80	3,300.03	-2,423.23
Supplies			
5350 · Supplies - Office	3,289.23	3,375.00	-85.77
5351 · Supplies - Copier	1,195.20	3,187.53	-1,992.33
5352 · Supplies - Computer	2,158.07	2,437.47	-279.40
5353 · Supplies - Special Projects	0.00	0.00	0.00
Supplies - Other	0.00	0.00	0.00
Total Supplies	6,642.50	9,000.00	-2,357.50
5920 · Funded Depreciation	0.00	0.00	0.00
6999 · Uncategorized Expenses	0.00	0.00	0.00
9999 · Suspense	17.38	0.00	17.38
Total Expense	2,022,752.03	2,147,887.25	-125,135.22
Net Ordinary Income	430,253.97	205,661.69	224,592.28
Other Income/Expense			
Other Income			
8250 · Gift Card Revenue	10,300.00	6,000.00	4,300.00

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Statement of Revenues & Expense - Budget v. Actual

April 2015 through December 2015

	<u>Apr - Dec 15</u>	<u>Budget</u>	<u>\$ Over Bu...</u>
Interest Income			
8500 · Interest Income - MMAs	2,410.16	0.00	2,410.16
8505 · Interest Income - BB&T BUS IDA	0.00	0.00	0.00
8510 · Interest Income - CDs	11,960.63	11,999.97	-39.34
8520 · Interest Income - Prudential TB	0.00	0.00	0.00
8530 · Interest Income - Wachovia MM	0.00	0.00	0.00
Total Interest Income	<u>14,370.79</u>	<u>11,999.97</u>	<u>2,370.82</u>
8200 · Rental Income	21,855.60	16,390.53	5,465.07
8920 · Gain on Sale of Fixed Assets	0.00	0.00	0.00
8921 · Loss on Sale of Fixed Assets	0.00	0.00	0.00
Total Other Income	<u>46,526.39</u>	<u>34,390.50</u>	<u>12,135.89</u>
Other Expense			
7000 · Leasing Commission	0.00	0.00	0.00
Total Other Expense	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net Other Income	<u>46,526.39</u>	<u>34,390.50</u>	<u>12,135.89</u>
Change in Net Assets	<u>476,780.36</u>	<u>240,052.19</u>	<u>236,728.17</u>

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	<u>Apr - Dec 15</u>	<u>Apr - Dec 14</u>
Ordinary Income/Expense		
Income		
Certificate Fees		
4110 · Certificates - Initial	49,900.00	46,725.00
4120 · Certificates - Reciprocal	24,600.00	22,500.00
4140 · Certificates - Renewal Fees	1,202,700.00	1,178,520.00
4150 · Certificates - Reinst/Revoked	2,100.00	1,900.00
4151 · Certificates - Reinst/Surr	4,700.00	3,200.00
4152 · Certificates - Reinst/Retired	600.00	0.00
Total Certificate Fees	<u>1,284,600.00</u>	<u>1,252,845.00</u>
Exam Fee Revenue		
4001 · Initial Adm Fees	158,240.00	170,660.00
4002 · Re-Exam Adm Fees	135,675.00	123,000.00
4004 · Exam Fees Revenue	806,532.56	813,720.85
4070 · Transfer Exam Grade Credit	75.00	150.00
4071 · Exam Review Fees	200.00	900.00
4072 · Exam Scholarship Coupon	-11,534.06	-21,099.76
Total Exam Fee Revenue	<u>1,089,188.50</u>	<u>1,087,331.09</u>
Misc		
4993 · Revenue Suspense	0.00	0.00
4999 · Board Training	0.00	0.00
4910 · Educational Program Fees	0.00	24.00
4970 · Duplicate Certificates	725.00	700.00
4990 · Miscellaneous	322.50	660.00
Total Misc	<u>1,047.50</u>	<u>1,384.00</u>
Partnership Fees		
4260 · Partnership Registration Fees	0.00	70.00
4261 · Partnership Renewal Fees	36,670.00	36,160.00
Total Partnership Fees	<u>36,670.00</u>	<u>36,230.00</u>
Professional Corporation Fees		
4250 · PC Registration Fees	4,100.00	3,650.00
4251 · PC Renewal Fees	37,400.00	36,850.00
Total Professional Corporation Fees	<u>41,500.00</u>	<u>40,500.00</u>
Total Income	<u>2,453,006.00</u>	<u>2,418,290.09</u>
Expense		
6690 · Over & Short	0.05	-0.99
Fringe Benefits		
5031 · Retirement - NCLB Contribution	39,777.87	41,628.72
5033 · Retirement - NCLB Administr	1,131.18	759.53
5035 · Health Ins. Premiums	82,475.18	82,623.78
5036 · Medical Reim Plan	22,533.94	25,761.65
5038 · Unemployment Claims	0.00	277.13
Total Fringe Benefits	<u>145,918.17</u>	<u>151,050.81</u>

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Statement of Revenues & Expenses
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	<u>Apr - Dec 15</u>	<u>Apr - Dec 14</u>
Board Travel		
5120 · Board Travel - Board Meetings	14,850.21	11,491.85
5121 · Board Travel - Prof Meetings	113.49	156.80
5122 · Board Travel - NASBA Annual	16,381.04	10,681.29
5123 · Board Travel - NASBA Regional	4,084.04	7,096.96
5124 · Board Travel - NASBA Committees	238.20	0.00
5127 · Board Travel - NCACPA/Board	1,548.55	824.95
5129 · Miscellaneous Board Costs	1,438.42	3,037.81
Total Board Travel	<u>38,653.95</u>	<u>33,289.66</u>
Building Expenses		
5800 · Building Maintenance	348.57	8,495.75
5801 · Electricity	8,138.64	7,709.85
5802 · Grounds Maintenance	2,360.00	1,400.51
5803 · Heat & Air Maintenance	4,950.93	5,026.97
5804 · Improvements	0.00	514.50
5805 · Insurance	4,459.00	3,983.00
5807 · Janitorial Maintenance	4,275.00	4,302.46
5808 · Pest Control Service	150.00	125.00
5809 · Security & Fire Alarm	2,320.38	2,199.41
5810 · Trash Collection	678.20	508.37
5811 · Water & Sewer	696.19	672.32
Total Building Expenses	<u>28,376.91</u>	<u>34,938.14</u>
Continuing Education -Staff		
5050 · Continuing Education - Staff	2,938.15	2,532.00
5051 · Continuing Education - RNB	0.00	60.00
Total Continuing Education -Staff	<u>2,938.15</u>	<u>2,592.00</u>
Exam Postage		
5531 · Exam Postage	960.00	840.00
Total Exam Postage	<u>960.00</u>	<u>840.00</u>
Exam Sitting and Grading		
5538 · Exam Vendor Expense	734,155.13	754,810.44
Total Exam Sitting and Grading	<u>734,155.13</u>	<u>754,810.44</u>
Investigation & Hearing Costs		
5221 · Staff Investigation Costs	124.20	200.00
5222 · Investigation Materials	9,514.48	9,298.22
5230 · Hearing Costs	2,512.28	2,255.13
5231 · Rule-Making Hearing Costs	398.80	978.75
5250 · Administrative Cost Assessed	-21,760.65	-6,238.60
5260 · Civil Penalties Assessed	-67,700.00	-52,400.00
5261 · Civil Penalties Remitted	59,180.44	41,135.98
Total Investigation & Hearing Costs	<u>-17,730.45</u>	<u>-4,770.52</u>
Legal Expense		
5140 · Legal Counsel - Administrative	28,094.30	19,525.74
5211 · Legal Counsel - Litigation	25,824.39	11,425.95
Total Legal Expense	<u>53,918.69</u>	<u>30,951.69</u>

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Statement of Revenues & Expenses
 Year-to-Date Comparison

	<u>Apr - Dec 15</u>	<u>Apr - Dec 14</u>
Misc Personnel		
5034 · Misc. Payroll Deduction	0.00	0.00
5037 · HSA Deduction	0.00	0.00
5090 · Flowers, Gifts, Etc.	80.06	72.48
5091 · Staff Recruiting	0.00	299.00
5092 · Misc. Personnel Costs	4,150.40	2,358.42
Total Misc Personnel	<u>4,230.46</u>	<u>2,729.90</u>
Office Expense		
5436 · Contracted Copy Service	19,325.79	0.00
5301 · Equipment Rent	624.00	467.15
5310 · Decorations	223.76	252.52
5320 · Payroll Service	1,267.90	1,414.71
5360 · Telephone	4,044.87	5,815.44
5361 · Internet & Website	4,016.01	2,969.10
5390 · Clipping Service	2,147.48	2,221.87
5400 · Computer Prog/Assistance	780.00	2,260.00
5405 · Computer Software Maintenance	35,368.16	27,448.83
5410 · Dues	7,740.00	8,040.00
5420 · Insurance	15,861.00	11,979.00
5430 · Audit Fees	8,730.00	8,475.00
5440 · Misc Office Expense	840.00	614.00
5445 · Banking Fees	1,913.69	2,147.96
5450 · Credit Card Fees	42,332.14	39,864.01
Total Office Expense	<u>145,214.80</u>	<u>113,969.59</u>
Per Diem - Board		
5110 · Per Diem - Board Meetings	8,450.00	6,450.00
5111 · Per Diem - Prof Meetings	0.00	200.00
5112 · Per Diem - NASBA Annual	1,900.00	1,800.00
5113 · Per Diem - NASBA Regional	400.00	1,350.00
5114 · Per Diem - NASBA Committees	711.80	250.00
5117 · Per Diem - NCACPA/Board	500.00	800.00
5118 · Per Diem - AICPA Committees	0.00	300.00
5119 · Per Diem - Miscellaneous	0.00	100.00
Total Per Diem - Board	<u>11,961.80</u>	<u>11,250.00</u>
Postage		
5345 · Postage - UPS	11,900.00	11,300.00
5340 · Postage - Other	4,427.41	4,184.22
5341 · Postage - Newsletter	51,100.00	56,100.00
5342 · Postage - Business Reply	1,700.00	1,050.00
5343 · Postage - Renewal	1,440.00	1,260.00
Total Postage	<u>70,567.41</u>	<u>73,894.22</u>
Printing		
5330 · Printing - Other	8,233.97	5,901.81
5331 · Printing - Newsletter	39,602.88	41,220.78
Total Printing	<u>47,836.85</u>	<u>47,122.59</u>

01/07/16

NC Board of CPA Examiners
Statement of Revenues & Expenses
 Year-to-Date Comparison

	<u>Apr - Dec 15</u>	<u>Apr - Dec 14</u>
Repairs & Maintenance		
5381 · Maintenance - Copiers	829.16	1,835.35
5382 · Maintenance - Computer	1,075.92	333.99
5383 · Maintenance - Postage	0.00	50.00
Total Repairs & Maintenance	<u>1,905.08</u>	<u>2,219.34</u>
Salaries & Payroll Taxes		
5040 · State Unemployment Tax	1,148.54	1,106.18
5010 · Staff Salaries	663,220.42	693,809.27
5020 · Part-Time Staff Salaries	10,722.90	10,150.38
5021 · Temporary Contractors	290.00	0.00
5030 · FICA Taxes	48,465.89	51,068.72
Total Salaries & Payroll Taxes	<u>723,847.75</u>	<u>756,134.55</u>
Scholarships		
5535 · Scholarship	6,000.00	8,000.00
Total Scholarships	<u>6,000.00</u>	<u>8,000.00</u>
Staff Travel		
5060 · Staff Travel - Local	404.57	443.22
5061 · Staff Travel - Prof Mtgs	2,308.73	1,836.07
5070 · Staff Travel - NASBA Annual	7,520.15	6,081.92
5071 · Staff Travel - NASBA Regional	5,347.45	4,795.37
5072 · Staff Travel - NASBA ED/Legal	298.00	0.00
5073 · Staff Travel - NASBA Committee	0.00	-486.80
5075 · Staff Travel - NCACPA Meetings	93.70	30.72
5076 · Staff Travel - NCACPA/Board	0.00	159.50
5077 · Staff Travel - Clear Conference	0.00	1,186.57
5078 · Staff Travel - Vehicle	488.00	4,947.62
Total Staff Travel	<u>16,460.60</u>	<u>18,994.19</u>
Subscriptions/References		
5370 · Subscriptions/References	876.80	4,315.15
Total Subscriptions/References	<u>876.80</u>	<u>4,315.15</u>
Supplies		
5350 · Supplies - Office	3,289.23	7,554.29
5351 · Supplies - Copier	1,195.20	1,576.20
5352 · Supplies - Computer	2,158.07	1,059.00
Total Supplies	<u>6,642.50</u>	<u>10,189.49</u>
9999 · Suspense	17.38	0.00
Total Expense	<u>2,022,752.03</u>	<u>2,052,520.25</u>
Net Ordinary Income	430,253.97	365,769.84
Other Income/Expense		
Other Income		
8250 · Gift Card Revenue	10,300.00	1,650.00

01/07/16

NC Board of CPA Examiners
Statement of Revenues & Expenses
Year-to-Date Comparison

	<u>Apr - Dec 15</u>	<u>Apr - Dec 14</u>
Interest Income		
8500 · Interest Income - MMAs	2,410.16	1,400.45
8510 · Interest Income - CDs	11,960.63	10,317.10
Total Interest Income	<u>14,370.79</u>	<u>11,717.55</u>
8200 · Rental Income	21,855.60	26,681.70
8920 · Gain on Sale of Fixed Assets	0.00	50.00
Total Other Income	<u>46,526.39</u>	<u>40,099.25</u>
Net Other Income	<u>46,526.39</u>	<u>40,099.25</u>
Change in Net Assets	<u><u>476,780.36</u></u>	<u><u>405,869.09</u></u>

ALLEN, PINNIX & NICHOLS, P.A.

ATTORNEYS AT LAW

P. O. DRAWER 1270

RALEIGH, NORTH CAROLINA 27602

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January 5, 2016

*ALSO LICENSED IN D.C.
**LICENSED ONLY IN WASHINGTON STATE & D.C.

NC State Bd. Of CPA Examiners
Attn: Robert Brooks
PO Box 12827
Raleigh, NC 27605

Re: Notification Letter Regarding Legal Representation

Dear Friends and Clients,

We are writing to inform you that, effective February 1, 2016, Jack Nichols, Anna Baird Choi, and Catherine Lee will be departing Allen, Pinnix & Nichols, P.A. ("APN") and continuing their practices at what will be Nichols, Choi & Lee, PLLC ("NCL").

North Carolina State Bar Rules require that we inform you of your right to choose legal counsel moving forward. Please select the appropriate instruction on the enclosed attachment, sign, and return the attachment as instructed. If we do not receive your response with other instructions, your pending and future legal work will remain with APN. Because Jack, Anna and/or Catherine have provided some or all of your legal services to you while at APN, we are writing to ask for your instructions as to how you wish your pending and/or future legal work be handled.

Additionally, all work performed by Jack, Anna, or Catherine or anyone else at APN on or before January 31, 2016, will be billed to you as an invoice from APN. You should send your payment for those charges to APN. Whomever you choose to represent you going forward will be responsible for billing you for work performed on or after February 1, 2016.

Beginning February 1, 2016 you may contact Jack, Anna, and Catherine as follows:

Nichols, Choi & Lee, PLLC
4700 Homewood Court, Suite 320
Raleigh, North Carolina 27609
919.341.2636
919.647.4485
www.ncl-law.com

NC BOARD OF

JAN 8 - 2016

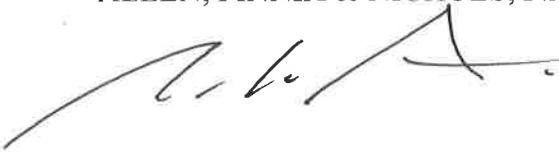
CPA EXAMINERS

Allen, Pinnix & Nichols, P.A. may be contacted at the same address, telephone, and fax numbers as shown on the letterhead above. If you have any questions regarding this matter, please feel free to contact Noel, Jack, Anna, or Catherine.

Thank you for your prompt attention to this matter and for allowing us to serve your legal needs.

Sincerely,

ALLEN, PINNIX & NICHOLS, P.A.



Noel L. Allen



M. Jackson Nichols



Anna Baird Choi



Catherine E. Lee

Attachment

**ATTACHMENT
CLIENT DIRECTIVE REGARDING REPRESENTATION**

- Please email a signed copy to nla@allen-pinnix.com and achoi@allen-pinnix.com.
- You may also fax it to APN at 919.829.8098, attention to Noel Allen and Jack Nichols.
- Please also mail the original signed document to APN; a stamped, self-addressed envelope has been provided.
- After February 1, 2016 please send your response to Jack, Anna or Catherine; their emails will be as follows:

jack@ncl-law.com
anna@ncl-law.com
catherine@ncl-law.com

As explained in our Notification Letter, please initial next to the appropriate statement regarding your legal matters and associated files:

1. _____ Leave all legal matters and associated files at Allen, Pinnix & Nichols, P.A.
2. _____ Transfer all current legal matters and associated files to Nichols, Choi & Lee, PLLC.
3. _____ Transfer only the following legal matters and associated files to Nichols, Choi & Lee, PLLC:

4. _____ Please send me a complete copy of my file(s) so that I may choose other counsel. Please send my file(s) to the following address:

5. _____ Please send a complete copy of all of my file(s) to the following attorney:

Attorney Name: _____
Firm Name: _____
Firm Address: _____

Print Name of Person Completing this Form
& Client Name

Preferred Contact Information

Signature

Date

General Assembly of North Carolina

Joint Legislative Administrative Procedure

Oversight Committee

State Legislative Office Building

Raleigh, North Carolina

COMMITTEE COCHAIRS
SENATOR FLETCHER HARTSELL

REPRESENTATIVE JONATHAN JORDAN

VICE CHAIR
REPRESENTATIVE SARAH STEVENS

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SENATOR ANDY WELLS

REPRESENTATIVE ROB BRYAN
REPRESENTATIVE JEFF COLLINS
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REPRESENTATIVE JON HARDISTER
REPRESENTATIVE DARREN JACKSON
REPRESENTATIVE KEN WADDELL

COMMITTEE STAFF
KAREN COCHRANE-BROWN
JEFF HUDSON
CHRIS SAUNDERS
COMMISSION COUNSELS
545 LEGISLATIVE OFFICE BUILDING
300 NORTH SALISBURY STREET
RALEIGH, NORTH CAROLINA 27603
(919) 733-2578

COMMITTEE CLERKS
GERRY JOHNSON
KEVIN KING



AGENDA

9:30 a.m. Tuesday, January 5, 2016
Room 544 Legislative Office Building
Raleigh, North Carolina

1. Call to order
Senator Fletcher Hartsell, presiding
2. Introductory remarks by Cochairs
Senator Fletcher Hartsell
Representative Jonathan Jordan
3. Review and discussion of the opinion United States Supreme Court in *North Carolina State Board of Dental Examiners v. Federal Trade Commission*
Karen Cochrane-Brown, Committee Counsel
Director, Research Division
4. Distribution of the overview of occupational licensing board reports submitted to the Joint Legislative Administrative Procedure Oversight Committee
Jeff Hudson, Committee Counsel
Research Division
5. Review and discussion of the Program Evaluation Division study of potential centralization and oversight of occupational licensing agencies
Chuck Hefren, Principal Program Evaluator
Program Evaluation Division
6. Update on the status of *North Carolina State Board of Education v. the State of North Carolina and the North Carolina Rules Review Commission*
Garth Dunklin
Chair, Rules Review Commission

7. Commission discussion and announcements

8. Adjourn

FUTURE MEETINGS:

The Joint Legislative Administrative Procedure Oversight Committee will meet on the following dates at 9:30 a.m. in Room 544 of the Legislative Office Building, Raleigh, North Carolina.

Tuesday, February 2, 2016

Tuesday, March 1, 2016

Tuesday, April 5, 2016

ADDITIONAL INFORMATION:

Persons having questions about the Committee meeting or other matters related to the Committee may contact Karen Cochrane-Brown, Jeff Hudson, or Chris Saunders at (919) 733-2578 or may visit the Committee's website at:

http://www.ncleg.net/gascripts/Committees/committees.asp?sAction=ViewCommittee&sActionDetails=Non-Standing_472

GENERAL ASSEMBLY OF NORTH CAROLINA
2015 SESSION

SENATE BILL 469

Short Title: Occupational Lic. Bd. Reporting Requirements. (Public)

Sponsors: Senators Hartsell (Primary Sponsor); and Robinson

Referred to: Rules and Operations of the Senate

March 26, 2015

1 A BILL TO BE ENTITLED
2 AN ACT TO MODERNIZE AND IMPROVE TRAINING AND REPORTING
3 REQUIREMENTS FOR OCCUPATIONAL LICENSING BOARDS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. Chapter 93B of the General Statutes reads as rewritten:

6 "Chapter 93B.

7 "Occupational Licensing Boards.

8 "§ 93B-1. ~~Definitions.~~Definitions; List of occupational licensing boards.

9 (a) As used in this ~~Chapter.~~Chapter, the following definitions apply:

10 (1) ~~"License" means any license~~ License. – Any license, (other than a
11 privilege license), certificate, or other evidence of qualification which an
12 individual is required to obtain before he may engage in or represent himself
13 to be a member of a particular profession or occupation.

14 (2) ~~"Occupational licensing board" means any~~ Occupational licensing board. –
15 Any board, committee, commission, or other agency in North Carolina
16 which receives no State general fund revenue and is established for the
17 primary purpose of regulating the entry of persons into, and/or the conduct of
18 persons within, a particular profession or occupation, and which is authorized
19 to issue licenses; "occupational licensing board" does not include State
20 agencies, staffed by full-time State employees, which as a part of their regular
21 functions may issue licenses. given statutory authority to do all of the
22 following:

23 a. Determine minimum qualifications required for licensure for a
24 particular profession or occupation.

25 b. Issue licenses to qualified applicants.

26 c. Regulate the conduct of licensees within a particular profession or
27 occupation.

28 d. Seek injunctive relief to prohibit unlicensed individuals or entities
29 from engaging in certain activities as defined by statute.

30 e. Collect fees to support agency operations.

31 (b) Occupational licensing boards include only those boards specifically identified in this
32 subsection. No additional boards or commissions may be added to this list without first having
33 been approved by the Joint Legislative Administrative Procedure Oversight Committee of the
34 General Assembly as being necessary in that the profession subject to licensure affects the
35 health, safety, or welfare of the public and that mandatory licensure is necessary to ensure
36 minimum standards of competency so as to protect the public from unqualified persons or
37 unprofessional conduct by persons or entities practicing in the profession. Occupational licensing
38 boards shall include only the following:

39 (1) Acupuncture Licensing Board.

- 1 (2) North Carolina Board of Landscape Architects.
- 2 (3) North Carolina Landscape Contractors' Licensing Board.
- 3 (4) Reserved.
- 4 (5) Board of Examiners for Speech and Language Pathologists and Audiologists.
- 5 (6) Reserved.
- 6 (7) Midwifery Joint Subcommittee.
- 7 (8) North Carolina Appraisal Board.
- 8 (9) North Carolina Auctioneers Commission.
- 9 (10) North Carolina Board for Licensing of Geologists.
- 10 (11) North Carolina Board for Licensing of Soil Scientists.
- 11 (12) North Carolina Board of Architecture.
- 12 (13) North Carolina Board of Athletic Trainer Examiners.
- 13 (14) North Carolina Board of Cosmetic Art Examiners.
- 14 (15) North Carolina Board of Dietetics/Nutrition.
- 15 (16) North Carolina Board of Electrolysis Examiners.
- 16 (17) North Carolina Board of Funeral Service.
- 17 (18) North Carolina Board of Licensed Professional Counselors.
- 18 (19) North Carolina Board of Massage and Bodywork Therapy.
- 19 (20) North Carolina Board of Nursing.
- 20 (21) North Carolina Board of Occupational Therapy.
- 21 (22) North Carolina Board of Pharmacy.
- 22 (23) North Carolina Board of Physical Therapy Examiners.
- 23 (24) North Carolina Board of Podiatry Examiners.
- 24 (25) North Carolina Board of Recreational Therapy Licensure.
- 25 (26) North Carolina Cemetery Commission.
- 26 (27) North Carolina Criminal Justice Education and Training Standards
27 Commission.
- 28 (28) Reserved.
- 29 (29) Reserved.
- 30 (30) North Carolina Home Inspector Licensure Board.
- 31 (31) North Carolina Interpreter and Transliterator Licensing Board.
- 32 (32) North Carolina Irrigation Contractors' Licensing Board.
- 33 (33) North Carolina State Licensing Board for General Contractors.
- 34 (34) North Carolina Locksmith Licensing Board.
- 35 (35) North Carolina Marriage and Family Therapy Licensure Board.
- 36 (36) North Carolina Medical Board.
- 37 (37) North Carolina On-Site Wastewater Contractors and Inspectors Certification
38 Board.
- 39 (38) North Carolina Psychology Board.
- 40 (39) North Carolina Real Estate Commission.
- 41 (40) North Carolina Respiratory Care Board.
- 42 (41) North Carolina Social Work Certification and Licensure Board.
- 43 (42) North Carolina State Board of Dental Examiners.
- 44 (43) North Carolina State Board of Examiners for Engineers and Surveyors.
- 45 (44) North Carolina State Board of Examiners for Nursing Home
46 Administrators.
- 47 (45) North Carolina State Board of Examiners in Optometry.
- 48 (46) North Carolina State Board of Examiners of Fee-Based Practicing Pastoral
49 Counselors.

- 1 (47) Reserved.
2 (48) North Carolina State Board of Opticians.
3 (49) North Carolina State Hearing Aid Dealers and Fitters Board.
4 (50) North Carolina Substance Abuse Professional Practice Board.
5 (51) North Carolina Veterinary Medical Board.
6 (52) Private Protective Services Board.
7 (53) Public Librarian Certification Commission.
8 (54) State Board of Barber Examiners.
9 (55) State Board of Certified Public Accountant Examiners.
10 (56) State Board of Chiropractic Examiners.
11 (59) Reserved.
12 (60) State Board of Environmental Health Specialist Examiners.
13 (61) State Board of Examiners of Electrical Contractors.
14 (62) State Board of Examiners of Plumbing, Heating, and Fire Sprinkler
15 Contractors.
16 (63) Reserved.
17 (64) State Board of Refrigeration Examiners.
18 (65) State Board of Registration for Foresters.

19 **"§ 93B-2. Annual reports required; contents; open to inspection; sanction for failure to**
20 **report.**

21 (a) No later than October 31 of each year, each occupational licensing board shall file
22 electronically with the ~~Secretary of State, the Attorney General, and the Joint Legislative~~
23 ~~Administrative Procedure Oversight Committee Committee, the Department of Commerce, the~~
24 ~~State Auditor, the Office of State Budget and Management, and the State Controller~~ an annual
25 report containing all of the following information:

- 26 (1) The address of the board, and the names of its members and officers.
27 (1a) The total number of licensees supervised by the board.
28 (2) The number of persons who applied to the board for examination.
29 (3) The number who were refused examination.
30 (4) The number who took the examination.
31 (5) The number to whom initial licenses were issued.
32 (5a) The number who failed the examination.
33 (6) The number who applied for license by reciprocity or comity.
34 (7) The number who were granted licenses by reciprocity or comity.
35 (7a) The number of official complaints received involving licensed and unlicensed
36 activities.
37 (7b) The number of disciplinary actions taken against licensees, or other actions
38 taken against nonlicensees, including injunctive relief.
39 (8) The number of licenses suspended or revoked.
40 (9) The number of licenses terminated for any reason other than failure to pay the
41 required renewal fee.
42 (10) The substance of any anticipated request by the occupational licensing board
43 to the General Assembly to amend statutes related to the occupational
44 licensing board.
45 (11) The substance of any anticipated change in rules adopted by the occupational
46 licensing board or the substance of any anticipated adoption of new rules by
47 the occupational licensing board.

- 1 (12) A financial report that includes the source and amount of all funds credited to
2 the occupational licensing board and the purpose and amount of all funds
3 disbursed by the occupational licensing board during the previous fiscal year.
4 (13) The certification of a proper system of internal control and other financial
5 information as required by G.S. 143D-7.
6 (14) A report of all civil penalties, civil forfeitures, and civil fines collected and
7 remitted to the Civil Penalty and Forfeiture Fund pursuant to
8 G.S. 115C-457.2.
9 (15) The statute or rule authorizing each fee collected, the amount of the fee, the
10 date the fee was last changed, the number of times the fee was collected
11 during the prior reporting period, and the total receipts stemming from the fee
12 during the prior reporting period.
13 (16) If the occupational licensing board has a budget of at least fifty thousand
14 dollars (\$50,000), a financial audit of its operations.

15 (b) ~~No later than October 31 of each year, each occupational licensing board shall file~~
16 ~~electronically with the Secretary of State, the Attorney General, the Office of State Budget and~~
17 ~~Management, and the Joint Legislative Administrative Procedure Oversight Committee a~~
18 ~~financial report that includes the source and amount of all funds credited to the occupational~~
19 ~~licensing board and the purpose and amount of all funds disbursed by the occupational licensing~~
20 ~~board during the previous fiscal year.~~

21 ~~(e)~~(b) The reports required by this section shall be open to public inspection. inspection
22 and shall be posted on the internet website of the occupational licensing board.

23 ~~(d)~~(c) The Joint Legislative Administrative Procedure Oversight Committee shall review
24 the reports submitted pursuant to this section and shall notify any board that fails to file the
25 reports required by this section. Failure of a board to comply with the reporting requirements of
26 this section by October 31 of each year shall result in a suspension of the board's authority to
27 expend any funds until such time as the board files the required reports. Suspension of a board's
28 authority to expend funds under this subsection shall not affect the board's duty to issue and
29 renew licenses or the validity of any application or license for which fees have been tendered in
30 accordance with law. Each board shall adopt rules establishing a procedure for implementing this
31 subsection and shall maintain an escrow account into which any fees tendered during a board's
32 period of suspension under this subsection shall be deposited.

33 **"§ 93B-4. Audit of Occupational Licensing Boards; payment of costs.**

34 (a) The State Auditor shall audit occupational licensing boards from time to time to
35 ensure their proper operation. The books, records, and operations of each occupational licensing
36 board shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147
37 of the General Statutes. In accordance with G.S. 147-64.7(b), the State Auditor may contract
38 with independent professionals to meet the requirements of this section.

39 ~~(b)~~ Each occupational licensing board with a budget of at least fifty thousand dollars
40 ~~(\$50,000) shall conduct an annual financial audit of its operations and provide a copy to the State~~
41 ~~Auditor.~~

42 **"§ 93B-5. Compensation, employment, and training of board members.**

43 (a) Notwithstanding the provisions of G.S. 138-5, Board members shall receive as
44 compensation for their services per diem not to exceed ~~one~~ two hundred
45 dollars ~~(\$100.00)~~(\$200.00) for each day during which they are engaged in the official business of
46 the board.

47 ...

48 (g) Within six months of a board member's initial appointment to the board, and at least
49 once within every two calendar years thereafter, a board member shall receive training, either

1 from the board's staff, including its legal advisor, or from an outside educational institution such
2 as the School of Government of the University of North Carolina, on the statutes governing the
3 board and rules adopted by the board, as well as the following State or federal laws, in order to
4 better understand the obligations and limitations of a State agency:

- 5 (1) Chapter 150B, The Administrative Procedure Act.
- 6 (2) Chapter 132, The Public Records Law.
- 7 (3) Article 33C of Chapter 143, The Open Meetings Act.
- 8 (4) Articles 31 and 31A of Chapter 143, The State Tort Claims Act and The
9 Defense of State Employees Law.
- 10 (5) Antitrust Law and State Action Immunity.
- 11 (5) Chapter 138A, The State Government Ethics Act.
- 12 (6) Chapter 120C, Lobbying.
- 13 (6) The ethics education and awareness program established pursuant to
14 G.S. 138A-14.

15 ~~Completion of the training requirements contained in Chapter 138A and Chapter 120C of the~~
16 ~~General Statutes satisfies the requirements of subdivisions (5) and (6) of this subsection.~~

17 ...

18 "**§ 93B-17. Venue for court enforcement.**

19 The venue for occupational licensing boards seeking court order for injunctive relief or to
20 show cause for failure to comply with a subpoena lawfully issued by the occupational licensing
21 board shall be in the superior court of the county where the defendant resides or in the county
22 where the occupational licensing board has its principal place of business."

24 **§ 93B-18. Unlicensed activity.**

26 (a) In addition to the powers in its enabling statutes, every occupational licensing board
27 shall have the authority to investigate unlicensed activity and notify unlicensed persons and
28 entities of the possible violation of the law and administrative rules and any civil action or
29 criminal penalty which may be imposed by a Court. Such notification shall not indicate that the
30 occupational licensing board has made any finding of a violation, but may indicate the board's
31 belief or opinion that a particular act may violate the board's enabling statutes, include factual
32 information regarding legislation and court proceedings concerning the potential violation, and
33 may provide notice of the board's bona fide intention to pursue administrative remedies or court
34 proceedings with regard to the potential violation.

35 (b) Any occupational licensing board providing notification to unlicensed persons and
36 entities of a possible violation of the law and administrative rules and any civil action or criminal
37 penalty which may be imposed by a Court shall include the following statement in such
38 notification:

39 You are hereby notified that the opinion expressed herein is not a legal determination.
40 An occupational licensing board does not have the authority to order you to discontinue
41 your current practices. Only a court may determine that you have violated, or are violating,
42 any law, and, if appropriate, impose a remedy or penalty for such violation. Further,
43 pursuant to N.C. Gen. Stat. § 150B-4, you may have the right, prior to the initiation of any
44 court action by the occupational licensing board, to request a declaratory ruling regarding
45 whether your particular conduct is lawful. You are further notified that any right to a
46 declaratory ruling supplements any other legal rights that you may already have to establish
47 the legality of your conduct with respect to the goods or services you offer or provide.

48 **§ 93B-19. Jurisdictional disputes between boards.**

1
2 It is the policy of this State that any jurisdictional dispute among occupational licensing
3 boards should be settled through informal procedures. If the occupational licensing boards do
4 not agree to a resolution of the dispute through informal procedures, any affected board may
5 commence an administrative proceeding to resolve the jurisdictional dispute by filing a petition
6 with the Office of Administrative Hearings and serve such petition on all of the affected boards.
7 Once such a petition is filed and the required fee is paid, the dispute shall become a “contested
8 case” and shall be conducted by the Office of Administrative Hearings under Articles 3 and 4,
9 Chapter 150B.

10
11
12 **SECTION 2.** G.S. 115C-457.2 reads as rewritten:

13 **"§ 115C-457.2. Remittance of moneys to the Fund.**

14 The clear proceeds of all civil penalties, civil forfeitures, and civil fines that are collected by
15 a State agency and that the General Assembly is authorized to place in a State fund pursuant to
16 Article IX, Section 7(b) of the Constitution shall be remitted to the Office of State Budget and
17 Management by the officer having custody of the funds within 10 days after the close of the
18 calendar month in which the revenues were received or collected. Notwithstanding any other
19 law, all such funds shall be deposited in the Civil Penalty and Forfeiture Fund. The clear
20 proceeds of these funds include the full amount of all civil penalties, civil forfeitures, and civil
21 fines collected under authority conferred by the State, diminished only by the actual costs of
22 collection, not to exceed twenty percent (20%) of the amount collected. The collection cost
23 percentage to be used by a State agency shall be established and approved by the Office of State
24 Budget and Management on an annual basis based upon the computation of actual collection
25 costs by each agency for the prior fiscal year. Occupational licensing boards as defined in
26 G.S. 93B-1 shall satisfy the annual reporting obligation imposed under this section by including
27 the information required in the occupational licensing board's annual report required pursuant to
28 G.S. 93B-2."

29 **SECTION 3.** G.S. 143C-9-4 reads as rewritten:

30 **"§ 143C-9-4. Biennial fee report.**

31 The Office of State Budget and Management shall prepare a report biennially on the fees
32 charged by each State department, bureau, division, board, commission, institution, and agency
33 during the previous two fiscal years. The report shall include the statutory or regulatory
34 authority for each fee, the amount of the fee, when the amount of the fee was last changed, the
35 number of times the fee was collected during the prior fiscal year, and the total receipts from the
36 fee during the prior fiscal year. The Office of State Budget and Management shall obtain the
37 information required under this section for occupational licensing boards as defined in
38 G.S. 93B-1 from the annual report filed by each occupational licensing board pursuant to
39 G.S. 93B-2."

40 **SECTION 4.** G.S. 143D-7 reads as rewritten:

41 **"§ 143D-7. Agency management responsibilities.**

42 The management of each State agency bears full responsibility for establishing and
43 maintaining a proper system of internal control within that agency. Each principal executive
44 officer and each principal fiscal officer shall annually certify, in a manner prescribed by the State
45 Controller, that the agency has in place a proper system of internal control. The State Controller
46 shall develop policies and procedures to direct agencies in their evaluation.

47 The management of each State agency also bears the responsibility periodically to submit
48 accurate and complete financial information to the State Controller for compilation into North
49 Carolina State government's various financial reports and other related financial information

1 disseminated to the public. With the submission of such periodic reports to the State Controller,
2 each agency's principal executive officer and each agency's principal fiscal officer shall certify,
3 in a manner prescribed by the State Controller, to the accuracy and completeness of the financial
4 information submitted.

5 Occupational licensing boards as defined in G.S. 93B-1 shall satisfy the annual reporting
6 obligation imposed under this section by including the information required in the occupational
7 licensing board's annual report required pursuant to G.S. 93B-2."

8
9 **SECTION 5.** G.S. 150B reads as rewritten:

10 ...
11 **§ 150B-4. Declaratory rulings and petitions for injunctive relief.**

12 ...
13 (c) An occupational licensing board as defined in Chapter 93B-1 of the General Statutes
14 may appear in its own name in superior court in actions for injunctive relief to restrain the
15 violation of the provisions of a statute administered by the board or of a rule or
16 order of the board. The superior court shall have the jurisdiction to grant these
17 injunctions, restraining orders, or take other appropriate action even if criminal prosecution has
18 been or may be instituted as a result of the violations, or whether the person is a licensee of the
19 board. The superior court may award the board the reasonable costs, including attorney fees,
20 associated with the investigation and prosecution of any violation. No board shall issue such
21 orders independently of the superior court unless specifically authorized to do so by law.

22 ...
23 ...
24 ...
25 **§ 150B-38. Scope; hearing required; notice; venue.**

- 26
27 (a) The provisions of this Article shall apply to:
28 (1) Occupational licensing agencies.
29 (2) The State Banking Commission, the Commissioner of Banks, and the Credit Union
30 Division of the Department of Commerce.
31 (3) The Department of Insurance and the Commissioner of Insurance.
32 (4) The State Chief Information Officer in the administration of the provisions of
33 Article 3D of Chapter 147 of the General Statutes.
34 (5) The North Carolina State Building Code Council.
35 (6) The State Board of Elections in the administration of any investigation or audit
36 under the provisions of Article 22A of Chapter 163 of the General Statutes.
37 (7) The Private Protective Services Board; the Alarm Systems Licensing Board; the
38 North Carolina Justice Education and Training Standards Commission; and the
39 North Carolina Sheriffs' Education and Training Standards.

40 ...
41 ...
42 **§ 150B-45. Procedure for seeking review; waiver.**

43 "(a) Procedure. – To obtain judicial review of a final decision under this Article, the
44 person seeking review must file a petition within 30 days after the person is served with a written
45 copy of the decision. The petition must be filed as follows:

- 46 (1) Contested tax cases. – A petition for review of a final decision in a contested
47 tax case arising under G.S. 105-241.15 must be filed in the Superior Court of
48 Wake County.

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(2) Other final decisions. – A petition for review of any other final decision under this Article must be filed in the superior court of the county where the person aggrieved by the administrative decision resides, in the county where the agency has its principal place of business, or in the case of a person residing outside the State, in the county where the contested case which resulted in the final decision was filed. In the event that a petitioner files a petition in a county other than as provided in this subdivision, the Superior Court may order a change of venue pursuant to G.S. 1-83; provided, however, that improper venue shall not be grounds for dismissal of the petition.

...."

SECTION 6. This act becomes effective January 1, 2017.

REDRAFT

Draft Rule-Making Schedule for 2016 as Recommended by Staff

- **January 25, 2016 – discussion of rules and draft rule-making schedule**
- **February 22, 2016 – continued discussion of rules**
- **March 23, 2016 – continued discussion of rules**
- **April 25, 2016 – draft rules presented and discussed**
- **May 19, 2016 - continued discussion of draft rules**
- **June 23, 2016 –continued discussion of draft rules**
- **July 22, 2016 - continued discussion of draft rules**
- **August 22, 2016 - proposed rules presented and voted on to send to the Rules Review Commission (RRC) for publication in the NC Register**
- **September 12, 2016 – filing deadline for publication in the NC Register**
- **October 3, 2016 – published in the NC Register**
- **October 27, 2016 – public rule-making hearing**
- **December 2, 2016 – public comment period ends**
- **December 19, 2016 – final action by the Board on the proposed rules**
- **December 20, 2016 – file rules with the RRC**
- **January 2017 – review by the RRC at its meeting**
- **February 1, 2017 – effective date of rules**



North Carolina State Board of Certified Public Accountant Examiners

January 25, 2016

Louise D. Haberman
Vice President, Information and Research
NASBA
12 East 49th Street, 17th Floor
New York, NY 10017

Dear Ms. Haberman:

The North Carolina State Board of CPA Examiners appreciates the opportunity to respond to the NASBA/AICPA Uniform Accountancy Act and NASBA Uniform Accountancy Act Rules Exposure Draft on Section 6(d) and Rule 6-7 regarding "Retired-CPA." Our Board's current rules have definitions for "active" and "inactive" (see attached). The Board's definition for "retired" was removed from the Board's rules effective January 1, 2014.

Because the Board is finishing up its 2015 rule-making process this month, we have not had time to review the Exposure Draft and discuss it with our stakeholders. Later this year, the Board will begin its annual review of rules, including the Exposure Draft, for possible rule-making.

Thank you again for the opportunity to provide this response.

Sincerely,

Michael H. Womble, CPA
President

Enclosure

cc: Mat Young, AICPA

21 NCAC 08A .0301 Definitions

(a) The definitions set out in G.S. 93-1(a) apply when those defined terms are used in this Chapter.

(1) "Active," when used to refer to the status of a person, describes a person who possesses a North Carolina certificate of qualification and who has not otherwise been granted "Inactive" status;

(20) "Inactive," when used to refer to the status of a person, describes a person who has requested inactive status and been approved by the Board and who does not use the title "certified public accountant" nor does he or she allow anyone to refer to him or her as a "certified public accountant," and neither he nor she nor anyone else refers to him or her in any representation as described in Rule .0308(b) of this Section.

21 NCAC 08A .0301 Definitions

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(20) "Inactive," when used to refer to the status of a person, describes a person who has requested inactive status and been approved by the Board and who does not use the title "certified public accountant" nor does he or she allow anyone to refer to him or her as a "certified public accountant," and neither he nor she nor anyone else refers to him or her in any representation as described in Rule .0308(b) of this Section.

EXPOSURE DRAFT

PROPOSED REVISIONS TO

AICPA/NASBA UNIFORM ACCOUNTANCY ACT and NASBA UNIFORM ACCOUNTANCY ACT RULES

SECTION 6(d) and Rule 6-7

November 2015

2014 – 2015 AICPA UAA Committee

Gary McIntosh, CPA – Chair
Gregory Burke, CPA
Leroy Dennis, CPA
Steven Geisenberger, CPA
Nancy Juron, CPA
Debbie Lambert, CPA
Robert Mancini
Thomas Neill, CPA
Stephanie Peters
Tammy Velasquez

2014 – 2015 NASBA UAA Committee

J. Coalter Baker, CPA - Chair
Barton W. Baldwin, CPA
David L. Dennis, CPA
Lori J. Druse, CPA
Andrew L. DuBoff, CPA
Karen Garrett, CPA
Kenneth R. Odom, CPA
John E. Patterson, Esq.
Donovan W. Rulien, CPA
Dan Sweetwood

Please submit comments by February 2, 2016 to:

Mat Young, Vice President – State Regulatory & Legislative Affairs –
RetiredExposureDraft@aicpa.org

and

Louise Dratler Haberman, Vice President, Information & Research –
lhaberman@nasba.org

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OVERVIEW

In September and October, the AICPA Board of Directors and the NASBA Board of Directors each approved for exposure the accompanying changes to the Uniform Accountancy Act and the Model Rules that would provide for the creation of a Retired-CPA status. Comments on this proposal are requested by February 2, 2016.

BACKGROUND

The AICPA and NASBA have worked together since 1984 to produce the Uniform Accountancy Act (UAA) and UAA Model Rules to serve as reference documents for all U.S. states and jurisdictions as they update their own statutes. They are evergreen documents that are regularly reviewed and updated by the joint AICPA/NASBA Committee, subject to the final approval of the two organizations' board of directors.

For several years, there has been a discussion as to whether or not there should be a Retired-CPA status in the UAA. Currently, there is an Inactive-CPA status, which simply indicates that a CPA has chosen not to maintain the requisite amount of continuing professional education and can no longer hold out as a CPA while his or her CPE is not current. State Boards have come to NASBA to request guidance on how to recognize both inactive and retired CPAs. With no uniform approach, a majority of states have adopted their own retired status in their statutes and/or rules. These variations in state policies have led to inconsistencies in expectations and treatment of this class of CPAs.

Coupled with these national differences in policy, demographic changes – in particular the wave of Baby Boomers retiring or preparing to retire – are further driving the debate about the need for a Retired-CPA status. Indeed, the AICPA estimates that approximately 75% of its members will be eligible to retire by 2020. Many of these retirees are well-respected business leaders in their communities who would like to find ways to continue to be of service, without necessarily remaining an active CPA in practice.

The UAA Committee has debated and reviewed this matter and is recommending the creation of a uniform Retired-CPA status. Furthermore, it would like to allow those Retired-CPAs to offer a limited array of volunteer, uncompensated services to the public.

THE PROPOSAL

The UAA Committee is recommending that Inactive CPAs, at least age 55, be allowed to:

- Refer to themselves as “Retired-CPA” with appropriate registration with their State Board
- Offer volunteer tax preparation services if competent
- Participate in government-sponsored business mentoring programs if competent
- Serve on the board of a non-profit organization if competent.

All of these activities would be uncompensated and are activities that can currently be offered by non-CPAs. Examples of these volunteer programs include the IRS's Volunteer Income Tax Assistance (VITA) program and the Small Business Administration's SCORE business mentoring program. Under no circumstances could the Retired-CPA provide services that require signature and use of the CPA title.

Furthermore, Retired-CPAs would be required to affirm to State Boards of Accountancy that they: (1) understand the scope of limitations on what services they offer, (2) agree not to use their retired status in any way which could be misleading, and (3) maintain professional competency, without a specific CPE requirement, when offering any of the permitted volunteer services.

TEXT OF PROPOSED STATUTE REVISIONS

Note: The material set out below is the proposed statutory text and commentary of the relevant UAA provisions. The proposed language to be added is underlined.

Section 6(d):

(d) For renewal of a certificate under this Section each licensee shall participate in a program of learning designed to maintain professional competency. Such program of learning must comply with rules adopted by the Board. The Board may by rule create an exception to this requirement for certificate holders who do not perform or offer to perform for the public one or more kinds of services involving the use of accounting or auditing skills, including issuance of reports on financial statements or of one or more kinds of management advisory, financial advisory or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters. Licensees granted such an exception by the Board must place the word “inactive” adjacent to their CPA title or PA title on any business card, letterhead or any other document or device, with the exception of their CPA certificate or PA registration, on which their CPA or PA title appears. In addition, inactive CPAs, at least 55 years of age, may, in lieu of "inactive", place the word “retired” adjacent to their CPA title or PA title on any business card, letterhead or any other document or device, with the exception of their CPA certificate or PA registration, on which their CPA or PA title appears. Nothing in this section shall preclude an inactive CPA, at least 55 years of age, from providing the following volunteer, uncompensated services; tax preparation services, participating in a government-sponsored business mentoring program, or serving on the board of directors for a non-profit organization. Licensees may only convert to inactive status if they hold a license in good standing .

COMMENT: A licensee is deemed competent to serve the public when he or she initially meets the requirements for licensure. However, a dynamic professional environment requires a licensee to continuously maintain and enhance his or her knowledge, skills and abilities. The board of accountancy may specify any reasonable approach to meeting this requirement using as a guideline the Statement on Standards for Continuing Professional Education (CPE) Programs jointly approved by the National Association of State Boards of Accountancy (NASBA) and the American Institute of Certified Public Accountants (AICPA). Furthermore, this section acknowledges that CPAs may, for a number of different reasons, place their license in inactive status and not continue with CPE requirements. In order to protect the public,

these CPAs should not use their “inactive CPA” status to continue to perform or offer to perform professional services. However, for CPAs who go inactive because they are at the end of their careers, this provision offers an exception to ensure that they can continue to offer a limited number of volunteer, uncompensated services to the public (such as participation in the Internal Revenue Service’s Volunteer Income Tax Assistance (VITA) program and the Small Business Administration’s SCORE program). These services are narrow in scope, may be offered by non-CPAs, and the provision acknowledges that these CPAs still have much to contribute to their communities during retirement. In order to protect the public the board of accountancy may consider requiring these CPAs to affirm their understanding of the limited types of activities in which they may engage while in inactive CPA status and their understanding that they have a professional duty to ensure that they hold the professional competencies necessary to offer these limited services.

TEXT OF PROPOSED RULES REVISIONS BY ARTICLE

Note: The material set out below is the proposed rules text and commentary of the relevant UAA provisions. The proposed language to be added is underlined, and proposed deleted language is stricken-through.

Rule 6-7 – Exceptions.

- (a) The Board may make an exception to the requirement set out in Rule 6-4(a) for a licensee who is inactive or who does not perform or offer to perform for the public one of more kinds of services involving the use of accounting or auditing skills, including the issuance of reports on financial statements or other compilation communication, or of one or more kinds of management advisory, financial advisory or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters.

- (b) The Board may in particular cases make exceptions to the requirements set out in Rule 6-4(a) for reasons of individual hardship including health, military service, foreign residence, or other good cause. At the time the exception is granted and for as long as the license remains in “inactive” or “retired” status, the license, and any other license issued by another state, must be in good standing and not be revoked, suspended, refused renewal, subject to revoked or limited privileges under Section 23, or under any other sanction. Nothing herein shall be construed to limit the Board’s disciplinary authority with regards to a license in “inactive” or “retired” status.

- (c) Licensees granted such an exception by the Board must place the word “inactive” adjacent to their CPA title or PA title on any business card, letterhead or any other document or device, with the exception of their CPA certificate or PA registration, on which their CPA or PA title appears. Licensees granted the exception who are at least fifty-five (55) years of age may replace “inactive” with “retired.” Any of these terms must not be applied in such a manner that could likely confuse the public as to the current status of the licensee.

- (d) Licensees granted the use of “inactive” or “retired” must affirm in writing their understanding of the limitations placed on them by being given an exception from CPE.
- (e) Licensees granted the use of “inactive” or “retired” may provide volunteer, uncompensated services to their community, to the extent provided in statute, unless such involvement could likely mislead the public as to the ongoing competence or status of such licensee. Licensees providing such volunteer, uncompensated services still have the responsibility to maintain professional competence relative to the volunteer services they provide even though excepted from the specific CPE requirements of Rule 6-4(a).
- (f) Licensees granted the use of “inactive” or “retired” may not sign documents using CPA with any of these terms attached when rendering one of the services allowed under UAA§A6(d) [volunteer, uncompensated services to the public or serving on the board of directors for a non-profit organization]. As UAA§6(d) provides, an inactive or retired licensee cannot offer or render professional services that require their signature and use of the CPA title either with or without “inactive” or “retired” attached.
- (g) Licensees granted an exception by the Board must comply with a re-entry competency requirement defined by the Board as set out in Rule 6-4(c) before they may discontinue use of the word “inactive” in association with their CPA or PA title.