



North Carolina State Board of Certified Public Accountant Examiners

PUBLIC SESSION MINUTES

July 25, 2022

MEMBERS ATTENDING: Gary R. Massey, CPA, President; Bernita W. Demery, CPA, Vice President; Maria M. Lynch, Esq, Secretary-Treasurer; Barton W. Baldwin, CPA; and Jodi K. Kruse, CPA; Jennifer Van Zant, Esq., and Arthur M. Winstead Jr., CPA.

STAFF ATTENDING: David R. Nance, CPA, Executive Director; S. Lynne Sanders, CPA, Deputy Director; Frank Trainor, Esq., Staff Attorney; Lisa Hearne-Bogle, Communications Officer; Buck Winslow; Licensing Manager; and Noel L. Allen, Esq., Legal Counsel.

GUESTS: Sharon Bryson, CEO, NCACPA; Mark Sotichack, CPA, COO, NCACPA; and Brandon Mitchell, Senior Officer, Raleigh Police Department.

CALL TO ORDER: Mr. Massey called the meeting to order at 10:00 a.m. and immediately opened the Public Hearing.

PUBLIC HEARING: Mr. Massey called the Public Hearing to order at 10:01 a.m. to hear Case No. C2021223, Keith Joseph Keller, NC CPA No. 42280. Mr. Keller was not present at the Hearing and was not represented by counsel. Mr. Nance was sworn in and gave testimony. Mr. Winstead moved, and Ms. Kruse seconded the motion to enter Closed Session to discuss the case without the Executive Staff or Staff Attorney present but with Noel L. Allen, Esq., Legal Counsel, present. Motion passed with seven (7) affirmative and zero (0) negative votes. Upon re-entering the Hearing, Mr. Winstead moved, and Mr. Baldwin seconded the motion to approve the Board Order (Appendix I) permanently revoking the NC CPA certificate issued to Keith Joseph Keller. The motion passed with seven (7) affirmative votes and zero (0) negative votes. The Hearing is a matter of public record.

CONFLICTS OF INTEREST: Mr. Winstead identified two items on the Professional Standards Committee agenda from which he recused himself. The recusals are noted in the Professional Standards Committee report.

AGENDA: Ms. Kruse moved, and Ms. Demery seconded the motion to approve the agenda. The motion passed with seven (7) affirmative votes and zero (0) negative votes.

MINUTES: Mr. Baldwin moved, and Mr. Winstead seconded the motion to approve the June 23, 2022, meeting minutes as submitted. The motion passed with seven (7) affirmative votes and zero (0) negative votes.

NATIONAL ORGANIZATION ITEMS: Mr. Nance presented an overview of the AICPA Exposure Draft, *Maintaining the Relevance of the Uniform CPA Exam – Aligning the Exam with the CPA Evolution Licensure Model*. He stated that the Executive Staff would review the Exposure Draft and prepare a draft response for the Board's approval. Mr. Nance asked that Board members submit their comments on the Exposure Draft to him by August 5, 2022.

Mr. Nance reminded the Board that the 115th NASBA Annual Meeting would take place on October 30-November 2, 2022, in San Diego. He stated that based on available flight schedules, Board members would need to arrive in San Diego on Saturday, October 29, and depart on Thursday, November 3. Mr. Nance encouraged Board members to delay booking their flights until NASBA finalizes the meeting agenda. Mr. Massey confirmed that as Board president, he is the Board's voting representative at the meeting.

Mr. Massey congratulated Mr. Winstead on his nomination as NASBA's Middle-Atlantic Regional Director and stated that Mr. Winstead has the Board's full support.

STATE AND LOCAL ORGANIZATION ITEMS: Ms. Sanders and Mr. Nance provided the Board with information on their upcoming Executive Staff Retreat with Ms. Bryson and Mr. Sotichack. The meeting would include a discussion of how the expectations and goals of each organization align and how the organizations could support each other while maintaining their core missions and responsibilities. Ms. Bryson noted this would be the first such meeting between the two organizations. Mr. Baldwin asked where the Retreat would take place and if this meeting would differ from the monthly meetings between the two organizations. Mr. Nance explained that the Retreat would be at the NCAPCA's office in Morrisville and would allow for an in-depth discussion of topics not covered in regular meetings between the Executive Staff of the Board and NCACPA. Mr. Massey stated that the meeting is a welcome interaction, and he looks forward to hearing about the outcome of the meeting.

REPORT OF THE PROFESSIONAL STANDARDS COMMITTEE: The Board approved with seven (7) affirmative votes and zero (0) negative votes the following recommendations of the Committee as presented by Mr. Baldwin.

Case No. C2022062 - Ryan Christopher Bourg - Approve the signed Consent Order. (Appendix II)

Case No. C2022081 - Oliver Charles Earney - Approve the signed Consent Order. (Appendix III)

Case No. C2022092 - Robert Nathan Shuman - Approve the signed Consent Order. (Appendix IV)

Case No. C2022113 - Caleb L. Nicholson - Approve the signed Consent Order. (Appendix V)

Case No. C2022115 - Douglas Allen Kinnear - Approve the signed Consent Order. (Appendix VI)

Case No. C2022117 - Skipp Crawford Crider - Approve the signed Consent Order. (Appendix VII)

Case No. C2022132 - Betha Athiany Obange - Approve the signed Order. (Appendix VIII)

Case Nos. C2022094 and C2022148 - James Fredrick Griffin - Approve a Notice of Hearing for October 24, 2022, at 10:00 a.m. (Appendix IX)

Case No. C2022079 - Close the case without prejudice.

Case No. C2022126 - Close the case without prejudice and with a Letter of Warning.

Case No. C2022140 - Close the case without prejudice.

Case No. C2022082 - Close the case without prejudice

Case No. - C2022141 - Close the case without prejudice.

The Board approved with six (6) affirmative votes and zero (0) negative votes the following recommendations of the Committee as presented by Mr. Baldwin:

Case No. C2022116 - Close the case without prejudice. Mr. Winstead recused himself from this matter.

Case No. C2021211-2 - Bruce L. Thomas - Approve the Signed Consent Order (Appendix X) Mr. Winstead recused himself from this matter.

Mr. Baldwin reported that the Committee provided guidance on three (3) case matters.

REPORT OF THE PROFESSIONAL EDUCATION AND APPLICATIONS COMMITTEE: The Board approved with seven (7) affirmative votes and zero (0) negative votes the following recommendations of the Committee as presented by Ms. Demery.

Transfer of Uniform CPA Exam Grades - Approve the following applications for the transfer of Uniform CPA Exam grades:

O'Keil Sue Qunn Bacon
Olivia Katherine Davis
Poojitha Kantamneni
John Wile Kossler
Elizabeth Goodwin Millar

Daniel John Nazaruk II
Margaret Wells Osteen
Abigail Lane Rhea
Harrison William Saint
Bryson Matthew Walcott

Original CPA Certificate Applications - Approve the following applications for original CPA certification:

Januarius Munachim Anyanwu
O'Keil Sue Qunn Bacon
Katherine Elizabeth Bagley
Jessica Bishop Black
Tyler Brynn Black
Kenneth Hunter Byrd
Derrick Wayne Cahoon
Mark Dong Sug Chun
Olivia Katherine Davis
Michael Vincent D'Ignazio
Richmond Rivers Dunaway
Jacquelyn Elizabeth Evatt
Mary Madison Kizer Futrell
Michael Christopher Giannuzzi
Alexander Joseph Gibbons
Lee McKellar Grantham Jr.
John David Harsh
Harold Luke Holloman
Austin Boyd Horne
Joshua Todd Hudson
Isaac Bennett Irby
Timothy Blake Jackson
Poojitha Kantamneni
John Wile Kossler
Brandon Paul Lane

Henry Clyde McDonald IV
Colleen Anne McDonough
Kellee Lanae Meiners
Andrew John Mihok
Elizabeth Goodwin Millar
Daniel John Nazaruk II
Margaret Wells Osteen
Jessep Michael Brandon Polk
Taylor Marie Queen
Abigail Lane Rhea
Brookie Lane Rigsbee
Olivia VanKirk Rooney
Harrison William Saint
Richard Rinji Silas
Alexis Peyton Susa
Jesse Michael Switzer
Victoria Brooke Teachey
Jill Vang
Jaclyn Marie Veno
Bryson Matthew Walcott
Rusty Wayne Walser
Henry David West
Matthew Earl Williams
Eric Stephen Wohlgemuth
Ayesha Zeb

Reciprocal CPA Certificate Applications - Approve the following applications for reciprocal CPA certification:

Malek Aljabery
Kasey Tiffany Almanzi
Paige Mackenzie Anderson
Gregory Thomas Ballew
Philip Reagan Barrett
Christopher James Beatty
Tucker William Blanton
Monica E. Bogle
Daniel Jones Callihan
Shauntia Cardine
Christina Marie Carradine
Jessica Therese Dohman

Zachary Joseph Dorkings
Denise Danielle Dudas
Patrick Dougherty Dumler
Carmen Marie Ezell
Rebecca Ann Franklin
Amanda Rice Gibbs
Bridget Reese Graef
Qing Gu
Zachary Douglas Hamilton
Sarah Louise Hammann
David Michael Herlocker
Megan Erin Hubbuch

Na Mona Jach
Summer Moneak Jones
Chase Kessler Lawshe
Deepika Mannan-Upadhyay
Marilyn Louise Mantor
Natalie Jordan McCord
Corey Willis Meredith
Adam Pierce Messner
Amanda Ariana Mansouri Nasri
Tyler Gregory Ott
Jay M. Lyman Payne
Kyle J. Pisco
Tracy Elizabeth Ploch

Natasha Alreja Pooler
Beatriz de Campos Rodrigues
Alexander Monroe Schmitt
Jessica Leigh Shear
Benjamin Lane Shepherd
Roger Kent Smith
Amy Taylor Sticht
Arleen Rodda Thomas
Ryan F. Ulrich
Brooke Shannon Van Fossan
John Robert Weatherford
Richard Warren Wentz III
Jeffrey Joseph Wilson

Temporary Permits - Approve the following temporary permits approved by the Executive Director:

Danielle Ann Gollehon, T13268
Loren Todd Stitt, T13269
Neekis Don Hammon, T13270
Kimberly Mikell Bond, T13274
Bradley Andrew Losiniecki, T13275
David Timothy Tyburski, T13276
Lisa Frick Szuhy, T13277
Dane Earl Wommer II, T13278
Heather Rose Godwin, T13279
Mandy Ellen Reynolds, T13280

Kathleen Alic Machamer, T13281
Justin McCauley Bledsoe, T13282
Jackson Louis Lee, T13283
Randall Scott Korver-Glenn, T13284
Ryan Derrick Young, T13285
Austen Daniel Scroggins, T13286
Ausra Lauzonyte, T13287
Alyssa Sterling Hardbarger, T13288
Karissa Marie Roemer, T13289

Reinstatements - Approve the applications for reinstatement of their CPA certificate submitted by the following individuals:

Lauren Michelle Adamov, #34496
Erica Jean Crabtree, #32059
Thomas Walker Cuffman, #37469
Peter Joseph Fedyszen, #20614

Amy McLaughlin Hrinsin, #28562
John Bradley Ipock, #33517
Steven H. Kight, #24075

Reissuance of New Certificate - Approve the application for reissuance of their CPA certificate submitted by the following individuals:

Alexander Lee Hall, #41034
Jeffrey Hoyle Joyce Jr., #43043
Conner DuBose Shaw, #44137

Tyran Javon Speed, #44087
James Russell Wilson Jr., #20333

Rescind Letters of Warning - Approve rescinding the Letters of Warning issued to Kathryn Nusbaum, #41656.

CPE Extension Requests - Approve until the date noted the requests for an extension to complete their 2021 CPE from the following individuals:

Brian Russell Crutchfield, #42111	June 30, 2022
William Darke Higgs Jr., #13926	June 30, 2022
Vera L. Wood, #41038	May 31, 2022

Uniform CPA Exam Applications - Approve the applications for the Uniform CPA Exam submitted by the following individuals:

Demi Abernathy	Amanda Colley-Townsend
Herleesha Anderson	Nicole Colmenares
Jayne Anderson	Jake Compton
Stephanie Angle	Michell Covey
Joshua Apple	Alexis Credle
Austin Atkinson	William Curry
Curtis Averre	Carson Cutright
Jonathan Ball	Hailey Dellinger
Jennifer Barrow	Mariah Diamond
Christopher Biddle	Julia Dillard
Kirstin Bigham	Olivia Dougherty
Mary Bobbett	Alicia Driver
Sarah Botts	Alex Duer
Dwight Bradshaw	Matthew Field
Collin Brooks	Austin Force
Benjamin Buben	Shane Fox
Duncan Bullins	Zachary Fry
Patricia Burggraf	Tracettia Gaither
Grace Burrus	Nicholas Gitter
William Burton	Colton Goheen
Bruce Campos	Eudelia Gomez
Candice Canino	Rachel Gosnell
Alina Cardwell	Christa Gray
Amanda Casey	George Grier
Miguel Chavez	Mohamed Hamed
Jacob Cherry	Reese Hanshaw
Diwash Chhetri	Lucius Harvin
Johnny Christian	Pablo Hernandez
Christian Christophe	Ryan Hoag
Laura Citty	Rachel Hogston
Shawna Clausen	Gabriella Iamiceli

Jason Iannicelli
Amy Ideozu
Douglas Isenhour
Nathan Jernigan
Josiah Johnson
Ryan Johnson
Jessica Jones
Timothy Kearns
Katlin Kendrick
Julie King
William Kinnamon
William Knabe
Marisa Kolanovic
Sophia Lanham
Yasmine Lansari
Hannah Leskovec
Andrew Lin
Emily Loehrke
Anna Loynes
Adam Lusch
Matthew Lyon
Kaitlyn McGoldrick
Shannon McLeod
Karla Mendiola
Rebecca Miller
Logan Miller-DeBrosky
Daniel Millick
Ethan Minshew
William Missert
Courtney Morris
Sydney Mose
Bryson Mosteller
Taner Moulton
Robert Naumann
Marcus Neal
Elizabeth Neblett
Gregory Nobles
Harrison Noblett
Maria Noyola
Shannon O'Rourke
Andrew Obimma
Carol-Anne Obusek
Mila Osipov
Alexander Palumbo

Reed Parris
Vedanti Patel
John Pearce
Carolina Pena
Sarah Pennington
Meghan Perdue
Zuleima Perez
Mackenzie Pierce
Matthew Pierson
Nicholas Pittman
Sally Jeanne Probst
Sierra Puryear
Grace Rathbun
Rebecca Reisberg
Christopher Rhodes
Brian Riley
Maddisen Robinson
Jack Rockhill
Caroline Rose
Zoe Rumberg
Ahmad Saleem
David Salvato
Cody Schall
Christopher Schult
Jacob Scott
Izabeth Serna
Jill Shaw
Michael Simmons
Parker Smith
Sheila Snyder
Andrew Sosnowski
Taylor Spell
Nicholas Spera
Marissa Spillars
Dylan Spurlin
James Stevens
Harrison Stinnett
Denver Stone
Samuel Straw
Teresa Striblin
Andrew Strickland
Zachary Swanson
Scarlet Sweet
Melia Tinnin

Rory Trujillo
Carie Valentine
Laura Vega Tejada
Haley Vierrether

Angela Vite
Carosue Ward Daley
Kayla Webb

Uniform CPA Exam Score Extension Requests - Disapprove requests from two (2) Uniform CPA Exam candidates to extend their score expiration dates because their scores had not yet expired.

CPA Firm Registrations - Approve the CPA firm registration submitted by Olivia Clark, CPA PLLC, and approved by the Executive Director.

AUDIT COMMITTEE REPORT: Ms. Kruse summarized the results of the Board's annual audit (Appendix XI) and stated there were no audit findings and one adjustment proposed, which management approved. Mr. Nance noted that the Committee met with the auditors without the Executive Staff present, allowing for an open dialogue about the audit process. The Board approved the audit with seven (7) affirmative votes and zero (0) negative votes. Mr. Nance noted that Bernard Robinson & Company would submit a copy of the audit to the relevant State entities by the August 31, 2022, deadline.

Ms. Kruse reported that the Committee approved the Audit Committee charter.

PERSONNEL COMMITTEE REPORT: Ms. Lynch moved to enter Closed Session to discuss a personnel matter without the Executive Staff or Staff Attorney present but with Noel L. Allen, Esq., present. Motion passed with seven (7) affirmative and zero negative votes. Upon re-entering the public session, the Board approved the Personnel Committee's recommendation with seven (7) affirmative and zero (0) negative votes.

EXECUTIVE STAFF AND LEGAL COUNSEL REPORT: The Board reviewed the June 2022 operational metrics. Mr. Nance said he anticipates an increase in Exam applications as candidates try to complete the Exam before the 2024 changes. He explained that the rise in inactive status requests is likely due to the license renewal; individuals who did not meet the CPE requirement chose to go inactive.

Ms. Sanders pointed out the changes to the Executive Staff Report. Instead of reciting the meetings the Executive Staff attended, the Report would provide highlights of meetings, project updates, compliance updates, and staff accomplishments. She asked Board members to give her feedback on the revised Report.

Ms. Sanders updated the Board on the Education and Awareness Initiative that is part of the Strategic Plan. She stated that the Executive staff had scheduled seven on-campus visits, with several more in the planning stage.

Ms. Van Zant moved, and Ms. Kruse seconded the motion to hold the September 26, 2022, Board meeting on the NCSU campus. The motion passed with seven (7) affirmative votes and zero (0) negative votes.

Mr. Nance and Ms. Sanders advised the Board that NASBA and AICPA representatives plan to attend the meeting and present information on the Exam, perhaps in a "lunch and learn" format. They also stated that committee reports would need to be more in-depth so that students would better understand the actions taken by the Board. Mr. Nance and Ms. Sanders said they would work with Board members to prepare talking points about the Board.

Mr. Nance informed the Board that a reporter contacted him about comments made about the Board by Treasurer Folwell and State Auditor Wood at the July 12, 2022, Local Government Commission (LGC) meeting. Mr. Nance stated that after consulting with Mr. Massey, he responded that the Board is open to attending LGC meetings and investigates all referrals from the State Auditor.

PUBLIC COMMENTS: Ms. Bryson told the Board that the CPA Society Executives Association requested that NASBA provide more non-proprietary information, specifically national demographics, on Exam candidates to state CPA societies.

Mr. Sotichack asked if the Board has plans to publish any of the licensee demographic information in the newsletter. Mr. Nance responded that the September or October *Activity Review* would include the information.

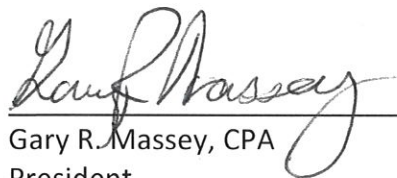
ADJOURNMENT: Ms. Demery moved, and Mr. Winstead seconded the motion to adjourn the meeting at 11:27 a.m. The motion passed with seven (7) affirmative votes and zero (0) negative votes.

Respectfully submitted:

Attested to by:



David R. Nance, CPA
Executive Director



Gary R. Massey, CPA
President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2021223

IN THE MATTER OF:
Keith Joseph Keller, CPA, #42280
Respondent

BOARD ORDER

THIS CAUSE coming before the North Carolina State Board of Certified Public Accountant Examiners (the "Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, at public hearing ("Hearing"), with a quorum present, the Board finds, based on the evidence presented at the Hearing on July 25, 2022, that:

FINDINGS OF FACT

1. Respondent is the holder of a certificate as a Certified Public Accountant in North Carolina.
2. The Board has jurisdiction over Respondent and the subject matter of this action.
3. Respondent received at least fifteen (15) days written notice of the Hearing. The notice was achieved by serving a Notice of Hearing by process server.
4. Venue is proper and the Hearing was properly held at 1101 Oberlin Road, Raleigh, North Carolina.
5. Respondent did not object to any Board Member's participation in the Hearing of this matter.
6. Respondent was not present at the Hearing and was not represented by counsel.
7. The Respondent informed the Board on his 2020-2021 CPA certificate renewal and his 2021-2022 CPA certificate renewal that he had obtained the required CPE for calendar years 2019 and 2020, respectively.
8. Based on the Respondent's representation, the Board accepted his renewals.
9. The Respondent was subjected to an audit of his CPE by the Board staff. Board staff requested that the Respondent provide certificates of completion for the CPE reported to meet his 2019 and 2020 requirements.
10. The Respondent failed to provide adequate supporting documentation for those CPE courses.

11. The Board finds that the Respondent did not obtain the required CPE credits for 2019 and 2020.
12. On December 17, 2021, the Board staff mailed a letter to the Respondent and requested his response within twenty-one days. The Respondent did not provide a response.
13. On January 14, 2022, the Board staff mailed a second request letter to the Respondent, via certified mail, and requested his response within twenty-one days. Tracking indicates that the letter was delivered to the Respondent's address on January 18, 2022, but the Respondent did not provide a response.
14. On February 23, 2022, the Board staff mailed another communication to the Respondent and requested his response within twenty-one days. The Respondent did not provide a response.
15. On March 30, 2022, the Board staff sent an email to the Respondent and requested his response. The Respondent did not respond.
16. All communications were sent to the mailing address and email address provided by the Respondent to the Board on his annual renewals.

CONCLUSIONS OF LAW

1. Per N.C. Gen. Stat. § 150B-42, this Board Order constitutes a Final Agency Decision of the Board.
2. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 8 of the North Carolina Administrative Code. Pursuant to N.C. Gen. Stat. § 93-12(9), the Board has the authority to impose discipline upon the Respondent and Respondent's certificate and to impose civil monetary penalties.
3. The Respondent failed to obtain requisite CPE hours for 2019 and 2020 and then reported to the Board that he had obtained those hours. The Respondent knew, or should have known, that his representations to the Board were false, resulting in violations of 21 NCAC 08N .0202(b)(4) and .0203 (b)(5).
4. The Respondent's failures to timely respond to inquiries from the Board constitute violations of 21 NCAC 08N .0206.

BASED ON THE FOREGOING, the Board orders in a vote of 7 to 0 that:

1. The Certified Public Accountant certificate issued to Respondent, Keith Joseph Keller, is hereby permanently revoked.

Board Order - 3
Keith Joseph Keller, CPA

2. Respondent must return his certificate to the Board within fifteen (15) days of his receipt of the Board's notification of its approval of this Board Order.
3. 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 based upon his permanently revoked North Carolina certificate.

This the 25th day of July, 2022.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY:
President

Daryl Massey

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2022062

IN THE MATTER OF:
Ryan Christopher Bourg, CPA, #40988
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. Ryan Christopher Bourg, CPA (hereinafter “Respondent”), is the holder of North Carolina certificate number 40968 as a Certified Public Accountant.
2. The Respondent informed the Board on his 2020-2021 CPA certificate renewal that he had obtained the required CPE for calendar year 2019. He also informed the Board on his 2021-2022 certificate renewal that he had obtained the required CPE for calendar year 2020.
3. Based on the Respondent’s representation, the Board accepted his renewal.
4. The Respondent was subject to an audit of his 2019 and 2020 CPE.
5. In response to the Board’s audit of his CPE, the Respondent was not able to provide adequate documentation to substantiate all CPE hours needed for those years.
6. The Respondent cites his confusion about the CPE requirements and his inability to obtain access to his CPE records after leaving his previous job as reasons why he made this mistake.
7. Per Section 3.20 of Session Law 2020-97, the North Carolina General Assembly has authorized State agencies to exercise regulatory flexibility during the Coronavirus emergency in order to protect the economic well-being of the citizens and businesses of North Carolina. The Board finds that allowing the Respondent to retain an active CPA certificate, under the facts set forth above, furthers that goal.
8. The 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. The 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. The 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. The 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 the Respondent's consent to this order, the Respondent is subject to the discipline set forth below.

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

1. The Respondent's CPA certificate is suspended for one year.
2. In light of the aforementioned State policy to exercise regulatory flexibility, the Respondent's suspension is stayed. The stay shall be lifted if the Board finds that the Respondent has engaged in further violations of the Board's Rules of Professional Ethics and Conduct.
3. The Respondent shall pay a one thousand dollar (\$1,000) civil penalty, to be remitted to the Board with this Consent Order.

CONSENTED TO THIS THE 14 DAY OF June, 2022.
(Day) (Month) (Year)
Ryan Bourg
Respondent

APPROVED BY THE BOARD THIS THE 29 DAY OF July, 2022.
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: Daryl Massey
President

NC BOARD OF

JUN 17 2022

CPA EXAMINERS

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #02022081

IN THE MATTER OF:

Oliver Charles Earney, CPA, #34987
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. Oliver Charles Earney, CPA (hereinafter "Respondent"), is the holder of North Carolina certificate number 34987 as a Certified Public Accountant.
2. The Respondent informed the Board on his 2020-2021 CPA certificate renewal that he had obtained the required OPE for calendar year 2019.
3. Based on the Respondent's representation, the Board accepted his renewal.
4. The Respondent was subject to an audit of his 2019 and 2020 CPE.
5. In response to the Board's audit of his OPE, the Respondent was only able to provide documentation for thirty-six and one-half (36,5) hours of CPE required for 2019.
6. Per Section 3.20 of Session Law 2020-97, the North Carolina General Assembly has authorized State agencies to exercise regulatory flexibility during the Coronavirus emergency in order to protect the economic well-being of the citizens and businesses of North Carolina. The Board finds that allowing the Respondent to retain an active CPA certificate, under the facts set forth above, furthers that goal.
7. The 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. The 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. The 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.

Consent Order - 2
Oliver Charles Earney, CPA

2. The 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 the Respondent's consent to this order, the Respondent is subject to the discipline set forth below.

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

1. The Respondent's CPA certificate is suspended for one year.
2. In light of the aforementioned State policy to exercise regulatory flexibility, the Respondent's suspension is stayed. The stay shall be lifted if the Board finds that the Respondent has engaged in further violations of the Board's Rules of Professional Ethics and Conduct.
3. The Respondent shall pay a one thousand dollar (\$1,000) civil penalty, to be remitted to the Board with this Consent Order.

CONSENTED TO THIS THE 10th DAY OF June, 2022.
(Day) (Month) (Year)

Oliver Charles Earney
Respondent

APPROVED BY THE BOARD THIS THE 25 DAY OF July, 2022.
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: Darryl Mossey
President

NC BOARD OF
JUN 15 2022
CPA EXAMINERS

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2022092

IN THE MATTER OF:
Robert Nathan Shuman, CPA, #12412
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. Robert Nathan Shuman, CPA (hereinafter “Respondent”), is the holder of North Carolina certificate number 12412 as a Certified Public Accountant.
2. The Respondent informed the Board on his 2021-2022 CPA certificate renewal that he had obtained the required CPE for calendar year 2020.
3. Based on the Respondent’s representation, the Board accepted his renewal.
4. The Respondent was subjected to an audit of his 2020 and 2021 CPE. He was unable to provide documentation for all of the CPE hours claimed for 2020.
5. Per Section 3.20 of Session Law 2020-97, the North Carolina General Assembly has authorized State agencies to exercise regulatory flexibility during the Coronavirus emergency in order to protect the economic well-being of the citizens and businesses of North Carolina. The Board finds that allowing the Respondent to retain an active CPA certificate, under the facts set forth above, furthers that goal.
6. The 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. The 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:

Consent Order - 2
Robert Nathan Shuman, CPA

1. The 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. The 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 the Respondent's consent to this order, the Respondent is subject to the discipline set forth below.

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

1. The Respondent's CPA certificate is suspended for one year.
2. In light of the aforementioned State policy to exercise regulatory flexibility, the Respondent's suspension is stayed. The stay shall be lifted if the Board finds that the Respondent has engaged in further violations of the Board's Rules of Professional Ethics and Conduct.
3. The Respondent shall pay a one thousand dollar (\$1,000) civil penalty, to be remitted to the Board with this Consent Order.

CONSENTED TO THIS THE 1 DAY OF July, 2022
(Day) (Month) (Year)

Robert Nathan Shuman
Respondent

APPROVED BY THE BOARD THIS THE 25 DAY OF July, 2022
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: Gary R. Massey
President

NC BOARD OF
JUL -5 2022
CPA EXAMINERS

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2022113

IN THE MATTER OF:
Caleb L. Nicholson, CPA, #34587
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. Caleb L. Nicholson, CPA (hereinafter “Respondent”), is the holder of North Carolina certificate number 34587 as a Certified Public Accountant.
2. The Respondent informed the Board on his 2020-2021 CPA certificate renewal that he had obtained the required CPE for calendar year 2020. He also informed the Board on his 2021-2022 certificate renewal that he had obtained the required CPE for calendar year 2021.
3. Based on the Respondent’s representation, the Board accepted his renewal.
4. The Respondent was subject to an audit of his 2020 and 2021 CPE.
5. In response to the audit, the Respondent was able to provide documentation for all CPE hours during those years. However, the ethics courses were not from a NASBA-approved CPE sponsor and therefore, did not qualify to meet the annual ethics requirement.
6. Per Section 3.20 of Session Law 2020-97, the North Carolina General Assembly has authorized State agencies to exercise regulatory flexibility during the Coronavirus emergency in order to protect the economic well-being of the citizens and businesses of North Carolina. The Board finds that allowing the Respondent to retain an active CPA certificate, under the facts set forth above, furthers that goal.
7. The 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. The 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. The 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. The 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 the Respondent's consent to this order, the Respondent is subject to the discipline set forth below.

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

1. The Respondent's CPA certificate is suspended for one year.
2. In light of the aforementioned State policy to exercise regulatory flexibility, the Respondent's suspension is stayed. The stay shall be lifted if the Board finds that the Respondent has engaged in further violations of the Board's Rules of Professional Ethics and Conduct.
3. The Respondent shall pay a one thousand dollar (\$1,000) civil penalty, to be remitted to the Board with this Consent Order.

CONSENTED TO THIS THE 8th DAY OF June, 2022.
(Day) (Month) (Year)
[Signature]
Respondent

APPROVED BY THE BOARD THIS THE 25 DAY OF July, 2022.
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: [Signature]
President

NC BOARD OF
JUN 13 2022
CPA EXAMINERS

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2022115

IN THE MATTER OF:
Douglas Allen Kinnear, #19514
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. Douglas Allen Kinnear, (hereinafter "Respondent") was the holder of North Carolina certificate number 19514 as a Certified Public Accountant.
2. The Respondent was subjected to an audit of his CPE for 2020 and 2021.
3. The Respondent failed to provide documentation to substantiate completion of the Board's annual forty (40) hour CPE requirements for 2020 or 2021.
4. The 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. The 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. The 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. The 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 the Respondent's consent to this order, the Respondent is subject to the discipline set forth below.

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

1. The Respondent's failure to provide adequate documentation of CPE renders the renewals insufficient and untimely. The Respondent's failure to adequately renew his certificate results in a forfeiture pursuant to N.C. Gen. Stat. § 93-12(15).
2. The Respondent must return his certificate to the Board within fifteen (15) days of his receipt of the Board's notification of its approval of this Consent Order.

3. The 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. The 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. Eighty (80) 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. The Respondent shall pay a one thousand dollar (\$1,000) civil penalty, to be remitted to the Board prior to submitting a reissuance application.
6. The 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 30th DAY OF June 2022
(Day) (Month) (Year)

Douglas Allen Kinnear
Respondent

APPROVED BY THE BOARD THIS THE 25 DAY OF July 2022
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: Gary R. Massey
President

NC BOARD OF
JUL 15 2022
CPA EXAMINERS

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2022117

IN THE MATTER OF:
Skipp Crawford Crider, CPA, #33169
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. Skipp Crawford Crider, CPA (hereinafter “Respondent”), is the holder of North Carolina certificate number 33169 as a Certified Public Accountant.
2. The Respondent informed the Board on his 2020-2021 CPA certificate renewal that he had obtained the required CPE for calendar year 2019.
3. Based on the Respondent’s representation, the Board accepted his renewal.
4. The Respondent was subject to an audit of his 2019 and 2020 CPE.
5. In response to the Board’s audit of his 2019 CPE, the Respondent was not able to provide documentation for all of the forty (40) hours of CPE required for 2019.
6. Per Section 3.20 of Session Law 2020-97, the North Carolina General Assembly has authorized State agencies to exercise regulatory flexibility during the Coronavirus emergency in order to protect the economic well-being of the citizens and businesses of North Carolina. The Board finds that allowing the Respondent to retain an active CPA certificate, under the facts set forth above, furthers that goal.
7. The 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. The 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. The 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.

Consent Order - 2
Skipp Crawford Crider, CPA

2. The 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 the Respondent's consent to this order, the Respondent is subject to the discipline set forth below.

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

1. The Respondent's CPA certificate is suspended for one year.
2. In light of the aforementioned State policy to exercise regulatory flexibility, the Respondent's suspension is stayed. The stay shall be lifted if the Board finds that the Respondent has engaged in further violations of the Board's Rules of Professional Ethics and Conduct.
3. The Respondent shall pay a one thousand dollar (\$1,000) civil penalty, to be remitted to the Board with this Consent Order.

CONSENTED TO THIS THE 9 DAY OF June, 2022
(Day) (Month) (Year)

Skipp Crawford Crider *Skipp Crider*
Respondent

APPROVED BY THE BOARD THIS THE 29 DAY OF July, 2022
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: David Mossey
President

NC BOARD OF
JUN 13 2022
CPA EXAMINERS

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2022132

IN THE MATTER OF:
Betha Athiany Obange, CPA
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. Betha Athiany Obange, CPA (hereinafter "Ms. Obange"), is the holder of a certificate as a Certified Public Accountant in North Carolina.
2. Ms. Obange failed to timely file the annual firm registration for Betha Obange CPA PLLC, 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(1), because Ms. Obange's infraction was for a period of less than sixty (60) days, the appropriate penalty is one hundred dollars (\$100).
4. Ms. Obange has paid the 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 Ms. Obange's payment as full resolution of the aforementioned rules violation.

This the 25 day of July, 2022.
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY:

Gary R. Mossey
President

NC BOARD OF

JUN -8 2022

CPA EXAMINERS

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #s: C2022094 and C2022148

IN THE MATTER OF:
James Fredrick Griffin, CPA, #8583
Respondent

NOTICE OF HEARING

The North Carolina State Board of Certified Public Accountant Examiners (“Board”) has received evidence which if admitted at hearing would show that:

1. James Fredrick Griffin, CPA (hereinafter “Respondent”), is the holder of North Carolina certificate number 8583 as a Certified Public Accountant.
2. 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.

Case #C2022094

3. The Respondent was subject to an audit of his 2020 CPE. Notwithstanding his representation to the contrary on his annual CPA certificate renewal, the Respondent had not taken an ethics course to meet his 2020 CPE requirement.
4. When the Respondent renewed his CPA certificate and made the representation that he had timely completed ethics CPE, he knew or should have known that representation was false.
5. The Board staff mailed correspondence related to the CPE audit to the Respondent on March 23, 2022, and provided him with twenty-one days to respond. The Respondent did not timely provide a response.
6. On April 20, 2022, the Board staff sent the Respondent an email with an attached copy of the March 23, 2022, correspondence. On April 20, 2022, the Respondent replied to that email, stating that a response would be forthcoming. However, the Respondent never provided a response.

Case #C2022148

7. The Board received a complaint against the Respondent from one of his clients (hereinafter “Complainant”). The Complainant asserts that the Respondent is in possession of her tax returns and original documents, and she wants him to return them. She states that the Respondent would not respond to her many attempts to communicate with him by telephone, email, or in person at his business.

Notice of Hearing - 2
James Fredrick Griffin, CPA

8. The Board staff mailed a copy of the complaint to the Respondent on June 6, 2022, and requested his response to the allegations within twenty-one days. The Respondent did not provide a response.
9. If proven at a hearing pursuant to the North Carolina Administrative Procedure Act, Respondent James Fredrick Griffin's actions as set out above in regard to Case #C2022094 constitute violations of Rules 21 NCAC 08N .0202 (deceptive conduct) and .0206 (response to Board inquiry).
10. If proven at a hearing pursuant to the North Carolina Administrative Procedure Act, Respondent James Fredrick Griffin's actions as set out above in regard to Case #C2022148 constitute violations of Rules 21 NCAC 08N .0206 (response to Board inquiry) and .0212 (due professional care in the performance of an engagement).

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 James Fredrick Griffin 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 October 24, 2022. 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 25th day of July, 2022.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: Atty. Gen. Whitehead
Chairman, Professional Standards Committee

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2021211-2

IN THE MATTER OF:
Bruce L. Thomas, CPA, #15229
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 the Respondent stipulate to the following:

1. Bruce L. Thomas, CPA (hereinafter "Respondent"), is the holder of North Carolina certificate number 15229 as a Certified Public Accountant.
2. The Respondent, through his prior firm, self-disclosed that he was subject to an AICPA investigation related to one of his audit clients.
3. The Board staff requested additional information related to the item and determined that the Department of Health and Human Services, Office of Inspector General (hereinafter "DHHS"), performed a review of the audit report for a company for the period ending June 30, 2019. DHHS identified that deficiencies were noted with the audit workpapers, resulting in a referral of the matter to the AICPA's Professional Ethics Division.
4. Among other things, the DHHS referral noted specifically that the major federal programs subject to audit were not properly determined.
5. The Respondent was the audit partner for the audit under review. The work performed on the audit was done under the supervision of the Respondent.
6. The Respondent left his firm prior to being notified of the referral. The firm determined that a clerical error in the major program workpaper determination occurred, resulting in a clustering error and the incorrect identification of the major program.
7. The firm reengaged the client to address the identified issues, resulting in the reissuance of the audit report. The firm updated its workpapers related to the determination of major federal programs performed and performed necessary test work to support a reissued report.

NC BOARD OF

JUL 18 2022

CPA EXAMINERS

Consent Order - 2
Bruce L. Thomas, CPA

8. The Respondent Firm addressed the DHHS referral by updating the audit workpapers, performing the necessary additional test work, and reissuing the audit report.
9. The Respondent failed to properly perform and supervise the audit under review.
10. The 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. The 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. The 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. By virtue of the facts set forth above, the Respondent violated 21 NCAC 08N .0403 (audit standards) and .0409 (GAGAS).
3. Per N.C. Gen. Stat. § 93-12(9), and also by virtue of the Respondent's consent to this order, the Respondent is subject to the discipline set forth below.

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

1. The Respondent is hereby censured.
2. The Respondent has stated that he no longer desires to perform services subject to peer review. As such, the Respondent's ability to perform those services is hereby suspended.
3. If the Respondent desires to perform services subject to peer review in the future, he must complete a minimum of eight (8) hours of CPE related to the Clarified Preparation, Compilation and Review standards promulgated by the AICPA. If he performs an audit subject to the Single Audit Act, he must first complete four (4) hours of CPE related to single audit practices and the related footnote disclosures. Any CPE completed pursuant to this Consent Order can also be credited towards the Respondent's forty (40) hour annual CPE requirement.

NC BOARD OF
JUL 18 2022

CPA EXAMINERS

Consent Order - 3
Bruce L. Thomas, CPA

CONSENTED TO THIS THE 15 DAY OF July, 2022.
(Day) (Month) (Year)

Bruce L. Thomas
Respondent

APPROVED BY THE BOARD THIS THE 25 DAY OF July, 2022.
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: Darryl Massey
President

NC BOARD OF
JUL 18 2022
CPA EXAMINERS

NORTH CAROLINA STATE BOARD
OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS

FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2022 AND 2021



**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS**

Board Members

BOARD MEMBERS

Barton W. Baldwin, CPA, President

Bernita W. Demery, CPA, Vice-President

Gary R. Massey, CPA, Secretary-Treasurer

Jodi K. Kruse, CPA

Maria M. Lynch, Esquire

Jennifer K. Van Zant, Esquire

Arthur M. Winstead, Jr., CPA

ADMINISTRATIVE STAFF

David R. Nance, CPA, Executive Director

Frank X. Trainor, Esquire, Staff Attorney

OUTSIDE LEGAL COUNSEL

Allen & Pinnix, P.A.

Noel L. Allen, Esquire

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS
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**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS
Management's Discussion and Analysis**

Introduction

The following discussion and analysis provide an overview to assist the reader in interpreting and understanding the accompanying 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, liabilities, and 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. 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, along with the Notes to the Financial Statements, are the 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 like that required of a business enterprise. The Statement of Net Position is presented in a classified format to aid the reader in understanding the nature of the financial statement balance.

The Notes to the Financial Statements accompanying these financial statements are an integral part of the financial statements and should be read in conjunction with the financial statements. The Notes to the Financial Statements provide additional detail and explanation about the amounts reported in the financial statements.

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS
Management's Discussion and Analysis**

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, 2022 and March 31, 2021, was approximately \$4.05 million and \$3.93 million, respectively, an increase of approximately \$118,000 during the year. *(With the exception of the dollar and percentage amounts detailed in the following tables, all other dollar amounts have been rounded/ approximated for presentation purposes.)*

Condensed Financial Information

The following table summarizes the Board's assets, liabilities and net position as of March 31, 2022, 2021 and 2020.

	Condensed Statements of Net Position (Restated)					
	2022	2021	% Change	2021	2020	% Change
Assets:						
Current assets	\$ 2,155,962	\$ 3,497,305	-38.35%	\$3,497,305	\$2,702,266	29.42%
Noncurrent assets	1,505,686	146,639	926.80%	146,639	503,506	-70.88%
Capital assets, net	825,492	845,093	-2.32%	845,093	872,932	-3.19%
Total assets	<u>4,487,140</u>	<u>4,489,037</u>	<u>-0.04%</u>	<u>4,489,037</u>	<u>4,078,704</u>	<u>10.06%</u>
Liabilities:						
Current liabilities	234,305	294,387	-20.41%	294,387	282,786	4.10%
Noncurrent liabilities	54,086	71,555	-24.41%	71,555	83,283	-14.08%
Total liabilities	<u>288,391</u>	<u>365,942</u>	<u>-21.19%</u>	<u>365,942</u>	<u>366,069</u>	<u>-0.03%</u>
Deferred Inflows of Resources						
Deferred lease receipts	<u>146,639</u>	<u>188,516</u>	<u>-22.21%</u>	<u>188,516</u>	<u>-</u>	<u>100.00%</u>
Net Position:						
Invested in capital assets	825,492	845,093	-2.32%	845,093	872,932	-3.19%
Unrestricted	3,226,618	3,089,486	4.44%	3,089,486	2,839,703	8.80%
Total net position	<u>\$ 4,052,110</u>	<u>\$ 3,934,579</u>	<u>2.99%</u>	<u>\$3,934,579</u>	<u>\$3,712,635</u>	<u>5.98%</u>

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS
Management's Discussion and Analysis**

Current Assets

Current assets as of March 31, 2022, consisted primarily of cash - \$2,085,000, prepaids - \$23,000, and a lease receivable - \$45,000. Current assets as of March 31, 2021, consisted primarily of cash, \$1,879,000, investments, \$1,565,000, prepaids - \$11,000, and a lease receivable - \$42,000.

Current assets decreased during the fiscal year March 31, 2022, due to the Board's decision to move away from short-term certificates of deposit. Those assets were moved into an investment account with maturities of a long-term nature. In addition, due to the implementation of GASB Statement No. 87, the Board's financial statements were restated to account for its lessor obligations identifying a lease receivable for the current amounts due on its rental of office space.

Noncurrent and Capital Assets

Noncurrent assets as of March 31, 2022, consisted of investments totaling \$1,404,000, capital assets totaling \$825,000, and lease receivable of \$102,000. Noncurrent assets as of March 31, 2021, consisted of capital assets totaling \$845,000 and lease receivable of \$147,000.

Noncurrent assets increased during the fiscal year March 31, 2022 due to the Board's decision to move away from short-term certificates of deposit and fund an investment account with maturities of a long-term nature. This resulted in an increase of \$1,404,000. In addition, due to the implementation of GASB Statement No. 87, the Board's financial statements were restated to account for its lessor obligations identifying a lease receivable for the noncurrent amounts due on its rental of office space. That amount decreased by \$45,000. Capital assets decreased by \$20,000 related to annual depreciation costs and equipment identified as obsolete.

Liabilities

Current liabilities as of March 31, 2022, consisted of accounts payable - \$16,000, due to examination vendors - \$196,000, and accrued compensated absences - \$22,000. Current liabilities as of March 31, 2021, consisted of accounts payable - \$24,000, due to examination vendors - \$238,000, and accrued compensated absences - \$33,000. The decrease during the current year is related to reduced amounts being owed to vendors for the upcoming fiscal year.

Noncurrent liabilities consisted entirely of accrued compensated absences in the amount of \$54,000 and \$72,000 as of March 31, 2022 and 2021, respectively. The decrease during the current year reflects the recognition of a payout of employee earned annual leave balances for the past fiscal year.

Deferred Inflows of Resources

Due to the implementation of GASB Statement No. 87, the Board's financial statements were restated to account for its lessor obligations related to an office rental. The statement requires the recognition of certain lease assets and liabilities for leases previously classified as operating leases to be reported as inflows of resources or outflows of resources based on the payment provisions of the contract. The restatement resulted in the presentation of deferred lease receipts of \$147,000 and \$188,000 as of March 31, 2022 and 2021, respectively. The decrease of \$41,000 recognizes the inflow of lease receipts during the year.

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS
Management's Discussion and Analysis**

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 \$825,000 and \$845,000 as of March 31, 2022 and 2021, respectively. Unrestricted net assets of \$3.23 and \$3.09 million as of March 31, 2022 and 2021, 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, 2022, there was an increase in net assets of approximately \$118,000. The Board's revenues and expenditures remained at the same levels as the prior year; however, the Board funded an investment account for \$1.5 million in December 2021. After an initial increase to the investment value, the markets unfortunately turned downward due to world events. As such, the Board had an unrealized loss on its investments of \$96,000 for the year ended March 31, 2022. This amount is essentially the difference in the operating results for the past two fiscal years. Overall, revenue was about \$60,000 less than budgeted due to lower examination fees. The impact of the pandemic continued to have an effect on the return of candidates sitting for the exam. Similarly, the Board's expenditure categories were lower than budget expectations based on lowered expenditures due to the pandemic-related responses. Exam expenditures generally mirror the anticipated revenues; therefore, those costs were down due to reduced test sections taken. Travel costs were reduced as many meeting events continued to be held virtually versus in-person throughout the year. Board legal and investigative costs were reduced as the Board settled a previous litigation matter that required outside legal assistance.

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, 2022, 2021, and 2020.

Condensed Statements of Revenues, Expenses, and Changes in Net Position						
For the Fiscal Years Ended March 31,						
	2022	2021	% Change	2021	2020	% Change
Operating revenues:						
Exam fees	\$ 1,116,436	\$ 1,117,831	-0.12%	\$ 1,117,831	\$ 1,271,047	-12.05%
Licensing fees	1,495,210	1,480,855	0.97%	1,480,855	1,483,265	-0.16%
Miscellaneous	1,450	1,128	28.55%	1,128	15,976	-92.94%
Operating expenses	(2,436,131)	(2,435,352)	0.03%	(2,435,352)	(2,527,588)	-3.65%
Operating income	176,965	164,462	7.60%	164,462	242,700	-32.24%
Non-operating revenues	58,231	77,749	-25.10%	77,749	111,335	-30.17%
Non-operating expenses	(117,665)	(20,267)	480.57%	(20,267)	(22,405)	-9.54%
	(59,434)	57,482	-203.40%	57,482	88,930	-35.36%
Increase in net position	117,531	221,944	-47.04%	221,944	331,630	-33.07%
Net position beginning of year	3,934,579	3,712,635	5.98%	3,712,635	3,381,005	9.81%
Net position end of year	\$ 4,052,110	\$ 3,934,579	2.99%	\$ 3,934,579	\$ 3,712,635	5.98%

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS
Management's Discussion and Analysis**

Operating Revenues

For the fiscal year ended March 31, 2022, operating revenues totaled \$2.61 million, consisting primarily of examination fee revenue of \$1.12 million and licensing fee revenues of \$1.49 million. For the fiscal year ended March 31, 2021, operating revenues totaled \$2.60 million, consisting primarily of exam fee revenue of \$1.12 million and licensing fee revenues of \$1.48 million. Licensing fee revenue increased by \$15,000 related to renewal fees collected from licensees.

Non-Operating Revenues (Expenses)

For the fiscal year ended March 31, 2022, non-operating revenues totaled \$58,000, primarily from interest income of \$16,000, and rental income of \$42,000. For the fiscal year ended March 31, 2021, non-operating revenues totaled \$78,000, primarily from interest income of \$38,000, and rental income of \$39,000. The \$20,000 decrease in non-operating revenue activity is attributable to reduced investment income due to significantly lower market interest rates offset by a 3% increase on rental income during the fiscal year.

The following table summarizes the Board's expenses (operating and non-operating) for the years ended March 31, 2022, 2021 and 2020.

	Operating and Non-Operating Expenses For the Fiscal Years Ended March 31,					
	2022	2021	% Change	2021	2020	% Change
Operating expenses:						
Salaries and employee benefits	\$ 1,219,922	\$ 1,191,902	2.35%	\$ 1,191,902	\$ 1,216,465	-2.02%
Examination	739,742	752,648	-1.71%	752,648	817,190	-7.90%
Office related expenses	277,850	254,380	9.23%	254,380	329,756	-22.86%
Depreciation	39,147	38,063	2.85%	38,063	40,058	-4.98%
Other expenses	159,470	198,359	-19.61%	198,359	124,119	59.81%
Total operating expenses	<u>\$ 2,436,131</u>	<u>\$ 2,435,352</u>	<u>0.03%</u>	<u>\$ 2,435,352</u>	<u>\$ 2,527,588</u>	<u>-3.65%</u>
Non-operating expenses:						
Non-operating expense	\$ 20,947	\$ 20,267	3.36%	\$ 20,267	\$ 22,405	-9.54%
Unrealized loss on investments	96,374	-	100.00%	-	-	0.00%
Loss on equipment sale	344	-	100.00%	-	-	0.00%
Total non-operating expenses	<u>\$ 117,665</u>	<u>\$ 20,267</u>	<u>480.57%</u>	<u>\$ 20,267</u>	<u>\$ 22,405</u>	<u>-9.54%</u>

For the fiscal year ended March 31, 2022, the Board's overall operating costs were similar to the prior year with only a 0.03% change. Costs mirrored the prior year as Board operations continued to be impacted by the COVID-19 pandemic. The key change from the prior year are the results from the Board's change in investment strategies. The Board moved its investments to a market-based strategy. After some initial success, world events impacted the global investment markets resulting in an unrealized loss on the Board's investments of \$96,000. As these are long-term investments held by the Board, the expectation is that the eventual market recovery will address the unrealized losses.

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS
Management's Discussion and Analysis**

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 has been impacted by the COVID-19 pandemic, particularly in the area of examination. Testing patterns by candidates have been disrupted and the number of candidates sitting for the CPA examination has not returned to previous norms. In addition, the format of the CPA examination and the expectations for future CPA candidates is changing as part of the CPA Evolution initiative; therefore, uncertainties remain in the testing area. The Board continues to license similar numbers of CPAs, helped by an influx of CPAs from other states applying for reciprocal licensure.

The Board derives 99% of its revenues from examination and licensing fees. Examination revenues were flat during the current year. There was a slight increase in licensing fees due to increased renewals for NC licensees. While the Board is beginning to see signs of candidates returning to the testing centers, the increase will be driven by candidates seeking to complete the CPA exam prior to the change in exam content expected January 2024. As such, the Board has budgeted a slight increase in the number of examination sections to be taken by examination candidates for the next fiscal year. Licensing fees have shown a minor increase as the number of active licensees in North Carolina has increased; however, some of that increase is tempered by retirements and licensees being granted inactive status. 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

Members of the Board
North Carolina State Board of Certified Public Accountant Examiners
Raleigh, North Carolina

Opinion

We have audited the accompanying financial statements of the North Carolina State Board of Certified Public Accountant Examiners (Board), an enterprise fund of the State of North Carolina, which comprise the statements of net position as of March 31, 2022 and 2021, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the North Carolina State Board of Certified Public Accountant Examiners as of March 31, 2022 and 2021, and its changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the North Carolina State Board of Certified Public Accountant Examiners and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the North Carolina State Board of Certified Public Accountant Examiner's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters we identified during the audit.

Emphasis of Matter

As discussed in Note 1, these financial statements are presented only for the North Carolina State Board of Certified Public Accountant Examiners and do not purport to and do not present fairly the financial position of the State of North Carolina as of March 31, 2022 and 2021, nor the changes in its financial position and its cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, on pages 1 – 6, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedules of budget and actual - revenues, expenses, and changes in net position, on page 24, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information, except for that portion marked "unaudited," was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Bernard Robinson & Company, L.L.P.

Raleigh, North Carolina
July 25, 2022

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS
Statements of Net Position
March 31, 2022 and 2021**

	<u>2022</u>	<u>Restated 2021</u>
ASSETS:		
Current assets:		
Cash	\$ 2,085,155	\$ 1,878,881
Short-term investments	-	1,564,846
Receivables	3,035	386
Prepays	23,193	11,315
Lease receivable (Note 11)	44,579	41,877
Total current assets	<u>2,155,962</u>	<u>3,497,305</u>
Noncurrent assets:		
Investments	1,403,626	-
Lease receivable (Note 11)	102,060	146,639
Capital assets, non-depreciable (Note 4)	300,000	300,000
Capital assets, depreciable, net (Note 4)	525,492	545,093
Total noncurrent assets	<u>2,331,178</u>	<u>991,732</u>
Total assets	<u>4,487,140</u>	<u>4,489,037</u>
LIABILITIES:		
Current liabilities:		
Accounts payable	15,981	24,230
Due to examination vendors	196,172	237,577
Unearned revenue	540	-
Compensated absences - current portion	21,612	32,580
Total current liabilities	<u>234,305</u>	<u>294,387</u>
Noncurrent liabilities:		
Compensated absences (Note 5)	54,086	71,555
Total noncurrent liabilities	<u>54,086</u>	<u>71,555</u>
Total liabilities	<u>288,391</u>	<u>365,942</u>
DEFERRED INFLOWS OF RESOURCES:		
Deferred lease receipts (Note 11)	<u>146,639</u>	<u>188,516</u>
NET POSITION:		
Net investment in capital assets	825,492	845,093
Unrestricted	3,226,618	3,089,486
Total net position	<u>\$ 4,052,110</u>	<u>\$ 3,934,579</u>

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS**
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended March 31, 2022 and 2021

	<u>2022</u>	<u>Restated 2021</u>
Operating revenues:		
Examination fees	\$ 1,116,436	\$ 1,117,831
Licensing fees	1,495,210	1,480,855
Miscellaneous	1,450	1,128
Total operating revenues	<u>2,613,096</u>	<u>2,599,814</u>
Operating expenses:		
Salaries and employee benefits	1,219,922	1,191,902
Examination	739,742	752,648
Office expenses	102,615	98,670
Postage and printing	62,604	64,688
Travel	25,166	19,998
Maintenance and computer support	87,465	71,024
Depreciation	39,147	38,063
Legal and investigative costs	86,038	131,400
Insurance	22,860	21,646
Dues and subscriptions	17,960	14,479
Building	32,612	30,834
Total operating expenses	<u>2,436,131</u>	<u>2,435,352</u>
Operating income	<u>176,965</u>	<u>164,462</u>
Non-operating revenues (expenses):		
Interest income	16,354	38,454
Rental income	41,877	39,295
Rental building expenses	(20,947)	(20,267)
Unrealized loss on investments/advisory fees	(96,374)	-
Loss on the sale of equipment	(344)	-
Total non-operating revenues (expenses)	<u>(59,434)</u>	<u>57,482</u>
Changes in net position	117,531	221,944
Net position - beginning of year	<u>3,934,579</u>	<u>3,712,635</u>
Net position - end of year	<u>\$ 4,052,110</u>	<u>\$ 3,934,579</u>

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS
Statements of Cash Flows
Years Ended March 31, 2022 and 2021**

	<u>2022</u>	<u>Restated 2021</u>
Cash flows from operating activities:		
Cash received from fees	\$ 2,612,186	\$2,598,686
Cash received from other sources	1,836	742
Cash payments to employees for services	(1,248,359)	(1,181,904)
Cash payments to suppliers for goods and services	(1,084,861)	(1,019,227)
Cash payments for other expenses	(159,470)	(200,941)
Net cash provided by operating activities	<u>121,332</u>	<u>197,356</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(28,948)	(18,932)
Loss on the sale of capital assets	344	-
Net cash used in capital and related financing activities	<u>(28,604)</u>	<u>(18,932)</u>
Cash flows from investing activities:		
Proceeds from maturing investments	1,560,537	1,557,541
Purchases of investments	(1,495,691)	(1,057,320)
Non-operating rental activities	32,346	30,318
Interest income	16,354	38,454
Net cash provided by investing activities	<u>113,546</u>	<u>568,993</u>
Increase in cash	206,274	747,417
Cash - beginning of year	<u>1,878,881</u>	<u>1,131,464</u>
Cash - end of year	<u>\$ 2,085,155</u>	<u>\$ 1,878,881</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	<u>\$ 176,965</u>	<u>\$ 164,462</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	39,147	38,063
Changes in assets and liabilities:		
Receivables	(2,649)	(386)
Prepays	(11,878)	(2,074)
Lease receivable	(2,702)	(2,582)
Accounts payable	(8,249)	11,154
Unearned revenue	540	-
Due to examination vendors	(41,405)	(21,279)
Compensated absences	(28,437)	9,998
Total adjustments	<u>(55,633)</u>	<u>32,894</u>
Net cash provided by operating activities	<u>\$ 121,332</u>	<u>\$ 197,356</u>

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS
Notes to Financial Statements**

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

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 22,363 and 22,269 licensees as of March 31, 2022 and 2021, respectively.

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 (U.S. GAAP), the financial reporting entity includes both the primary government and all of its component units. An organization other than a primary government serves as a nucleus for a reporting entity when it issues separate financial statements. The accompanying financial statements present all funds and activities for which the Board is responsible.

For financial reporting purposes, the Board is a nonmajor enterprise fund of the primary government of the State of North Carolina and is reported as such in the State's *Annual Comprehensive Financial Report* (ACFR). These financial statements for the Board are separate and apart from those of the State of North Carolina and do not present the financial position of the State nor changes in the State's financial position and cash flows.

Basis of Presentation

The accompanying basic financial statements have been prepared 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.

Basis of Accounting

The basic financial statements of the Board are prepared using the economic resource measurement focus and the accrual basis of accounting. The economic measurement focus measures all assets that are available to the entity, not only cash or soon to be cash assets. Both long-term assets and long-term liabilities are measured, and depreciation is recorded as a cost of operations.

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS
Notes to Financial Statements**

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when a liability has been incurred, regardless of the timing of the cash flows. Fees received for the various licenses are deemed earned when the license period begins on July 1st.

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 licensing 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 consist primarily of rental and investing type activities. Building expenses are allocated to operating or non-operating activities based on square footage.

Cash

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

Investments

This classification includes non-negotiable certificates of deposit with original maturities of more than three months as well as deposits held by the Board in an investment portfolio maintained by an investment advisor and consists of cash sweep accounts, stocks, fixed income securities, and mutual funds. Investments are reported at fair value. Investments may experience significant increases and decreases in fair value.

Receivables

Receivables consist of accrued interest receivable.

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 in excess of two years. Depreciation is computed using the straight-line method over the following estimated useful lives:

Building and improvements	10 - 40 years
Furniture	7 - 10 years
Equipment	5 - 10 years
Software	5 years

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS
Notes to Financial Statements**

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

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 non-operating revenue or expense for the year.

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

Noncurrent Liabilities

Noncurrent liabilities consist of compensated absences that will not be paid within the next fiscal year.

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 1st, or for which an employee can be paid upon termination of employment. Also, any accumulated vacation leave in excess of the allowed maximum accumulation 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.

Net Position

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

Unrestricted net position - This represents 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.

The following designations of net assets represent management's estimates that are subject to change based on perceived operating conditions and situations.

Litigation	\$ 1,000,000
Operating expenses	300,000
Capital asset acquisitions and/or improvements	100,000
	<u>\$ 1,400,000</u>

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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.

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS
Notes to Financial Statements**

NOTE 2 - DEPOSITS AND INVESTMENTS

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 investment accounts. At March 31, 2022, deposits in private financial institutions, with a carrying value of \$3,488,781 and a bank balance of \$3,586,443, consists of cash and investments, as shown on 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. The Board does not have a formal deposit policy for custodial credit risk; however, the Board's deposits with each commercial bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Board previously maintained funds in a Certificate of Deposit Account Registry Service (CDARS) account to help address custodial credit risk. The Board's deposits with investment institutions are insured by the Securities Investor Protection Corporation (SIPC), a nonprofit member corporation funded by its member securities broker-dealers. The SIPC insures against the loss or theft of securities as well as the failure or insolvency of the brokerage firm. The Board's bank deposits in excess of the FDIC and SIPC insured limits totaled \$989,584 at March 31, 2022.

The types of investments available to the Board are identified at North Carolina General Statutes 147-69.2 and 147-69.3. 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 in accordance with statutory requirements.

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.

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. At March 31, 2022, the Board's money market funds were unrated and the Board's bond portfolio had the following credit ratings as rated by Moody's Investors Service:

<u>Credit Rating</u>	<u>Amount</u>
AAA	\$ 96,433
AA	13,388
A	33,600
BAA	148,182

Investments are presented at fair value based on the market prices at March 31, 2022.

The Board has approved an investment policy that provides for an equity allocation range from 30% to 50% and the fixed income allocation can range from 50% to 70%, with target allocations established as 55%-65% for fixed income and 35%-45% for equities.

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
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NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

The maturities of the Board's fixed income investments at March 31, 2022, were as follows:

	Amount
0 - 5 years	\$ 92,417
6 - 10 years	145,236
10 years +	186,451
Total	<u>\$ 424,104</u>

NOTE 3 - FAIR VALUE INVESTMENTS

Fair value, as defined under U.S. GAAP, is an exit price representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1: Observable inputs such as quoted prices in active markets.
- Level 2: Inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3: Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Board's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

The following tables set forth by level the fair value hierarchy of the Board's financial assets accounted for at fair value on a recurring basis as of March 31, 2022 and 2021:

	Total Fair Value 2022	Level 1	Level 2	Level 3
Corporate bonds	\$ 166,406	\$ -	\$ 166,406	\$ -
Government bonds	92,116	92,116	-	-
Government backed securities	132,501	-	132,501	-
Municipal bonds	23,183	-	23,183	-
Foreign bonds	9,898	-	9,898	-
Equities	531,480	531,480	-	-
Mutual funds	409,689	-	409,689	-
Total deposits and investments	<u>\$ 1,365,273</u>	<u>\$ 623,596</u>	<u>\$ 741,677</u>	<u>\$ -</u>

The investment balances on the Statement of Net Position include cash balances held temporarily in the investment portfolio until reinvestment and therefore are not included in the fair value hierarchy above in the amount of \$38,353 as of March 31, 2022.

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
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NOTE 3 - FAIR VALUE INVESTMENTS (Continued)

	Total Fair Value 2021	Level 1	Level 2	Level 3
Certificates of deposit	\$ 1,564,846	\$ -	\$ 1,564,846	\$ -
Corporate bonds	-	-	-	-
Government bonds	-	-	-	-
Government backed securities	-	-	-	-
Municipal bonds	-	-	-	-
Foreign bonds	-	-	-	-
Equities	-	-	-	-
Mutual funds	-	-	-	-
Total deposits and investments	<u>\$ 1,564,846</u>	<u>\$ -</u>	<u>\$ 1,564,846</u>	<u>\$ -</u>

There were no investment balances as of March 31, 2021 other than certificates of deposit identified as short-term investments.

NOTE 4 - CAPITAL ASSETS

Changes in capital assets for the year ended March 31, 2022 are as follows:

	Balance April 1, 2021	Additions	Deletions	Balance March 31, 2022
Capital assets, non-depreciable:				
Land and improvements	\$ 300,000	\$ -	\$ -	\$ 300,000
Capital assets, depreciable:				
Building and improvements	1,070,606	-	-	1,070,606
Furniture	112,386	-	-	112,386
Equipment	150,044	28,948	(7,856)	171,136
Software	180,337	-	-	180,337
Total capital assets, depreciable	<u>1,513,373</u>	<u>28,948</u>	<u>(7,856)</u>	<u>1,534,465</u>
Less accumulated depreciation:				
Building and improvements	\$ (557,252)	\$ (34,832)	\$ -	\$ (592,084)
Furniture	(110,791)	-	-	(110,791)
Equipment	(119,902)	(13,024)	7,163	(125,763)
Software	(180,335)	-	-	(180,335)
	<u>(968,280)</u>	<u>(47,856)</u>	<u>7,163</u>	<u>(1,008,973)</u>
Total capital assets, depreciable, net	<u>545,093</u>	<u>(18,908)</u>	<u>(693)</u>	<u>525,492</u>
Capital assets, net	<u>\$ 845,093</u>	<u>\$ (18,908)</u>	<u>\$ (693)</u>	<u>\$ 825,492</u>

Depreciation charged to operations and non-operating expenses for the year ended March 31, 2022 was \$39,147 and \$8,709, respectively.

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
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NOTE 4 - CAPITAL ASSETS (Continued)

Changes in capital assets for the year ended March 31, 2021 are as follows:

	Balance April 1, 2020	Additions	Deletions	Balance March 31, 2021
Capital assets, non-depreciable:				
Land and improvements	\$ 300,000	\$ -	\$ -	\$ 300,000
Capital assets, depreciable:				
Building and improvements	1,070,606	-	-	1,070,606
Furniture	112,386	-	-	112,386
Equipment	139,843	18,932	(8,731)	150,044
Software	180,337	-	-	180,337
Total capital assets, depreciable	<u>1,503,172</u>	<u>18,932</u>	<u>(8,731)</u>	<u>1,513,373</u>
Less accumulated depreciation:				
Building and improvements	(522,421)	(34,831)	-	(557,252)
Furniture	(112,386)	-	1,595	(110,791)
Equipment	(115,098)	(11,940)	7,136	(119,902)
Software	(180,335)	-	-	(180,335)
	<u>(930,240)</u>	<u>(46,771)</u>	<u>8,731</u>	<u>(968,280)</u>
Total capital assets, depreciable, net	<u>572,932</u>	<u>(27,839)</u>	<u>-</u>	<u>545,093</u>
Capital assets, net	<u>\$ 872,932</u>	<u>\$ (27,839)</u>	<u>\$ -</u>	<u>\$ 845,093</u>

Depreciation charged to operations and non-operating expenses for the year ended March 31, 2021 was \$38,063 and \$8,708, respectively.

NOTE 5 - NONCURRENT LIABILITIES

A summary of changes in noncurrent liabilities for the year ended March 31, 2022, is presented as follows:

	Balance April 1, 2021	Additions	Deletions	Balance March 31, 2022	Current Portion
Compensated absences	<u>\$ 104,135</u>	<u>\$ 91,433</u>	<u>\$ 119,870</u>	<u>\$ 75,698</u>	<u>\$ 21,612</u>

A summary of changes in noncurrent liabilities for the year ended March 31, 2021, is presented as follows:

	Balance April 1, 2020	Additions	Deletions	Balance March 31, 2021	Current Portion
Compensated absences	<u>\$ 94,137</u>	<u>\$ 88,613</u>	<u>\$ 78,615</u>	<u>\$ 104,135</u>	<u>\$ 32,580</u>

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
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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) for eligible employees. The Employer, defined as the eight participating licensing boards, is empowered to appoint and remove the Trustee and Administrator. The Plan is administered by Prudential Insurance Company of America. Employees are eligible to participate in the Plan immediately upon employment. For each year of service, employer contributions and the applicable earnings vest 20% per year. A 6% contribution, based on eligible employee compensation, is made monthly by both the Board and the employee to the individual employee accounts. Employees are permitted to make additional voluntary contributions to the Plan up to the applicable Internal Revenue Code limits. Employee contributions and the applicable earnings on those contributions vest immediately. Nonvested Board contributions and the applicable earnings are forfeited upon termination from employment to the applicable participating occupational licensing board. Administrative expenses are paid by the participating occupational licensing boards in accordance to the boards' percentage of plan assets.

Board pension costs including administrative fees, totaled \$58,443 and \$54,776 for fiscal years 2022 and 2021, respectively. Employee contributions totaled \$65,133 and \$63,252 for fiscal years 2022 and 2021, respectively. For fiscal years 2022 and 2021, the Board had forfeitures of \$0 and \$2,700, respectively, that will be applied to reduce employer contributions.

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 with a private insurance company.

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

Comprehensive Major Medical Plan - Employees are provided health care coverage by United Healthcare. 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.

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS
Notes to Financial Statements**

NOTE 8 - SOFTWARE LICENSING AGREEMENT

The Board is party to a software licensing agreement with GL Suite, Inc. The agreement currently operates on an annual contract basis and requires monthly payments, subject to an annual cost-of-living adjustment. Notification of any increase must be provided to the Board not less than three months prior to the commencement of the next fiscal year. The Board moved to a higher level of service agreement effective May 1, 2022 that will allow the Board to begin to make enhancements to its online offerings. The Board's monthly payment amount for the upcoming fiscal year will be \$9,159 based on this new service level.

The Board is party to a software licensing agreement with LexisNexis. The agreement calls for monthly payments of \$315 beginning January 1, 2022, for a period of three years, subject to an annual cost-of-living adjustment.

The Board is party to a software licensing agreement with RCO Systems for operating software and backup systems. The agreement includes monthly payments of \$1,063 through its termination at March 31, 2023.

Total expenses related to the software licensing agreements for the year ended March 31, 2022 totaled \$76,269.

NOTE 9 - CHANGES IN FINANCIAL ACCOUNTING AND REPORTING

For the fiscal year ended March 31, 2021, the Board implemented the following pronouncements issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. The new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. Earlier application is encouraged.

NOTE 10 - LESSOR REVENUE

The Board implemented GASB Statement No. 87 for the fiscal year ended March 31, 2021. As such, the Board's lessor agreement with Allen & Pinnix, P.A. is required to be recognized as a lease receivable and a deferred inflow of resources over the period of the lease. The standard also required the Board to restate the impact of the implementation, which is identified in Note 11.

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
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Notes to Financial Statements**

NOTE 10 - LESSOR REVENUE (Continued)

The original lessor agreement was effective May 1, 2019. The lease agreement called for monthly payments of \$3,698 to be paid the first year with a three percent annual increase in the monthly payment amounts for the second and third years. The lessor agreement was extended for an additional three-year period with the same lease terms effective May 1, 2022. A schedule of the total amount of inflows or resources expected to be recognized under the lease agreement are as follows:

2023	\$ 44,579
2024	47,406
2025	50,362
2026	4,292
	<u>\$ 146,639</u>

NOTE 11 - RESTATEMENT OF LESSOR CONTRACT

The adoption of GASB Statement No. 87 changed the manner in which the Board accounts for its lessor contract with Allen & Pinnix, P.A. Under GASB Statement No. 87, a lessor should recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. The lease receivable should be measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods.

A lessor should recognize interest revenue on the lease receivable and an inflow of resources (for example, revenue) from the deferred inflows of resources in a systematic and rational manner over the term of the lease.

The Board performed an analysis at year-end to determine the impact of the changes and they are presented in the table below:

	Restated 2021	Reported 2021	Restated 2020	Reported 2020
Assets				
Lease receivable - current	\$ 41,877	\$ -	\$ 39,295	\$ -
Lease receivable - long-term	146,639	-	188,516	-
Total Assets	<u>\$ 188,516</u>	<u>\$ -</u>	<u>\$ 227,811</u>	<u>\$ -</u>
Total Assets	<u>\$4,489,037</u>	<u>\$4,300,521</u>	<u>\$4,306,515</u>	<u>\$4,078,704</u>
Deferred Inflows of Resources				
Deferred lease receipts	<u>\$ 188,516</u>	<u>\$ -</u>	<u>\$ 227,811</u>	<u>\$ -</u>
Net Position				
Invested in capital assets	\$ 845,093	\$ 845,093	\$ 872,932	\$ 872,932
Unrestricted	3,089,486	3,089,486	2,839,703	2,839,703
Total net position	<u>\$3,934,579</u>	<u>\$3,934,579</u>	<u>\$3,712,635</u>	<u>\$3,712,635</u>

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
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NOTE 11 - RESTATEMENT OF LESSOR CONTRACT (Continued)

	Restated 2021	Reported 2021	Restated 2020	Reported 2020
Non-Operating Revenues				
Interest income	\$ 38,454	\$ 32,156	\$ 66,935	\$ 66,935
Rental income	39,295	45,593	44,265	44,265
Total non-operating revenues	<u>\$ 77,749</u>	<u>\$ 77,749</u>	<u>\$ 111,200</u>	<u>\$ 111,200</u>

The overall effect to the Board’s Statement of Net Position is total assets increased for the years ended March 31, 2021 and 2020 by the amount reported as deferred lease receipts, \$188,516 and \$227,811, respectively. In addition, the make-up of the interest income and rental income changed for the 2021 fiscal year due to the reporting of the interest income component of the deferred lease receipts. There was no change to the net impact of the income amounts on the Statements of Revenues, Expenses, and Changes in Net Position.

NOTE 12 - EDUCATIONAL 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.

The Board awards a coupon, available to one institution selected 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 provide candidates an 18-month timeframe from the date of issue to sit for all four parts of the Uniform CPA Examination. The coupon covers the student’s initial exam application fee, re-exam application fees, and the cost of sitting for each section of the Uniform CPA Examination. The current maximum value of each coupon is \$1,355. 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 \$45,490 and \$19,785 for fiscal years 2022 and 2021, respectively.

The costs for the educational awards program include the use of interest earned on the Board's funds during the year.

NOTE 13 - SUBSEQUENT EVENTS

Management of the Board evaluated subsequent events through July 25, 2022, which is the date the financial statements were available to be issued. Management discovered no subsequent events that should be disclosed.

The audit was conducted in approximately 90 hours at a cost of \$13,000.

SUPPLEMENTARY INFORMATION

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS
Schedules of Budget and Actual - Revenues, Expenses, and Changes in Net Position
Years Ended March 31, 2022 and 2021**

	2022			2021		
	(Unaudited) Budget	Actual	Over (under) Budget	(Unaudited) Budget	Actual	Over (under) Budget
Operating revenues:						
Examination fees	\$1,176,875	\$1,116,436	\$ (60,439)	\$1,032,875	\$1,117,831	\$ 84,956
Licensing fees	1,507,000	1,495,210	(11,790)	1,501,500	1,480,855	(20,645)
Miscellaneous	1,000	1,450	450	6,000	1,128	(4,872)
Total operating revenues	<u>2,684,875</u>	<u>2,613,096</u>	<u>(71,779)</u>	<u>2,540,375</u>	<u>2,599,814</u>	<u>59,439</u>
Operating expenses:						
Salaries and employee benefits	1,211,855	1,219,922	8,067	1,216,943	1,191,902	(25,041)
Examination	850,000	739,742	(110,258)	775,000	752,648	(22,352)
Office expenses	107,550	102,615	(4,935)	110,050	98,670	(11,380)
Postage and printing	70,000	62,604	(7,396)	73,000	64,688	(8,312)
Travel	72,688	25,166	(47,522)	76,754	19,998	(56,756)
Maintenance and computer support	100,000	87,465	(12,535)	74,000	71,024	(2,976)
Legal and investigative costs	112,500	86,038	(26,462)	63,000	131,400	68,400
Insurance	24,500	22,860	(1,640)	23,500	21,646	(1,854)
Dues and subscriptions	14,500	17,960	3,460	14,500	14,479	(21)
Building	45,300	32,612	(12,688)	48,800	30,834	(17,966)
Depreciation	45,000	39,147	(5,853)	45,000	38,063	(6,937)
Total operating expenses	<u>2,653,893</u>	<u>2,436,131</u>	<u>(217,762)</u>	<u>2,520,547</u>	<u>2,435,352</u>	<u>(85,195)</u>
Operating income	30,982	176,965	145,983	19,828	164,462	144,634
Non-operating revenues (expenses)	34,961	(59,434)	(94,395)	56,593	57,482	889
Changes in net position	65,943	117,531	51,588	76,421	221,944	145,523
Net position - beginning of year	<u>3,934,579</u>	<u>3,934,579</u>	<u>-</u>	<u>3,712,635</u>	<u>3,712,635</u>	<u>-</u>
Net position - end of year	<u>\$4,000,522</u>	<u>\$4,052,110</u>	<u>\$ 51,588</u>	<u>\$3,789,056</u>	<u>\$3,934,579</u>	<u>\$ 145,523</u>

Budgetary Information

Annual budgets are adopted by the Board and prepared and reported on the accrual basis of accounting. The budgets prepared for the fiscal years ended March 31, 2022 and 2021 identify major sources of revenue and expenses. Although budgeted amounts lapse at year-end, the Board retains its unexpended net assets to fund expenses of the succeeding years.