PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
May 24, 2021
Via Videoconference
1101 Oberlin Road
Raleigh, NC 27605

MEMBERS ATTENDING: Barton W. Baldwin, CPA, President; Bernita W. Demery, CPA, Vice President; Gary R. Massey, CPA, Secretary-Treasurer; Michael S. Massey, CPA; Wanda B. Taylor, Esq., Jennifer Van Zant, Esq.; and Arthur M. Winstead, Jr., CPA (all by simultaneous communication).

STAFF ATTENDING: Robert N. Brooks, Executive Director; David R. Nance, CPA, Deputy Director; Frank Trainor, Esq., Staff Attorney; Lisa R. Hearne, Communications Officer; Buck Winslow; Licensing Manager; and Noel L. Allen, Esq., Legal Counsel (all by simultaneous communication).

GUESTS: Sharon Bryson, CEO, NCACPA; Mark Soticheck, CPA, COO, NCACPA; Shawana Hudson, CPA, Chair, NCACPA; Ann Mebane Hine; and J. Bryant Kirkland, CPA (all by simultaneous communication).

CALL TO ORDER: President Baldwin called the meeting to order at 10:03 a.m.

AGENDA: Mr. Winstead moved, and Mr. M. Massey seconded the motion to approve the agenda with the addition of an item about in-person meetings. Motion passed with seven (7) affirmative votes and zero (0) negative votes.

MINUTES: Mr. G. Massey moved, and Mr. Winstead seconded the motion to approve the April 19, 2021, meeting minutes as submitted. Motion passed with seven (7) affirmative votes and zero (0) negative votes.

FINANCIAL AND BUDGETARY ITEMS: Mr. G. Massey moved, and Mr. M. Massey seconded the motion to approve the April 2021 financial statements as submitted. Motion passed with seven (7) affirmative votes and zero (0) negative votes.

Mr. Nance presented the draft 2021-2022 Board budget and answered questions from Board members about building-related expenses. Mr. M. Massey inquired if any developers had asked about purchasing the building. Mr. Brooks stated that despite the building's prime location, it has a small footprint and previous offers had been contingent on the surrounding lots selling simultaneously to the same developer. He stated there had been no recent inquiries, but if any are received, he will inform the Board. Mr. G. Massey moved, and Mr. Winstead seconded the motion to approve the 2021-2022 budget as presented. Motion passed with seven (7) affirmative votes and zero (0) negative votes (Appendix I).

NATIONAL ORGANIZATION ITEMS: The Board members reviewed the draft agenda for the June 22-23, 2021, NASBA virtual regional meeting. Mr. Nance reminded the Board members to register for the meeting.

President Baldwin stated that Mr. Winstead and a former Board member, Michael H. Womble, would like to serve on the NASBA Board of Directors. President Baldwin explained that Mr. Winstead is eligible to serve as an at-large director and regional director, but Mr. Womble is only eligible for the at-large position. He indicated it is not unusual for a board of accountancy to nominate more than one person, and therefore, the Board can support both Mr. Winstead and Mr. Womble. President Baldwin moved, and Mr. G. Massey seconded the motion to nominate Mr. Womble and Mr. Winstead for positions on the NASBA Board of Directors (Appendix II).

STATE AND LOCAL ORGANIZATION ITEMS: Ms. Bryson informed the Board that the 2021 CPA inauguration would be a one-hour virtual event on Thursday, June 24, 2021. The celebration honors those individuals who became licensed as North Carolina CPAs between May 1, 2020, and April 30, 2021. Ms. Bryson thanked President Baldwin and Vice President Demery for recording remarks for the event.

REPORT OF THE PROFESSIONAL STANDARDS COMMITTEE: Mr. Winstead moved, and the Board approved the following recommendations of the Committee with seven (7) affirmative and zero (0) negative votes.

Case No. C2021012 - James Fredrick Griffin - Approve the signed Consent Order (Appendix III).

Case No. C2021045 - Lisa B. Barnette - Approve the signed Consent Order (Appendix IV).

Case No. C2021058 - Jared A. Sink - Approve the signed Consent Order (Appendix V).

Case No. C2020059 - Scott C. Coyle – Approve a Notice of Hearing for July 26, 2021, at 10:00 a.m.

Case No. C2021051 - Michael J. Bongiovanni – Approve a Notice of Hearing for August 23, 2021, at 10:00 a.m. Ms. Van Zant did not participate in the discussion of this matter and did not vote on this matter.

Case No. C2020189 - Close the case without prejudice.

Case No. C2021027 - Close the case without prejudice. Mr. Baldwin did not participate in the discussion of this matter and did not vote on this matter.

REPORT OF THE PROFESSIONAL EDUCATION AND APPLICATIONS COMMITTEE: Mr. G. Massey moved, and the Board approved the following recommendations of the Committee with six (7) affirmative and zero (0) negative votes.

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

Chloe Jean Klingensmith
Krystyna Morozova

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

Benjamin Bradshaw Adams
Kyle Paul Albertelli
Austin Matthew Baker
Michael Seth Beam, IV
Kyle Benjamin Beebe
Mary Elizabeth Blair
Cecilia Choto Blanco
Haley Pace Boger
Tiffany Pugh Brooks
Mary Evelyn Brown
Taylor Lauren Brown
Zachary Eric Brown
Sarah Nicole Cacciabaudo
McKenna Elizabeth Coker
Carrie Cecile Culpepper
Stewart Pulliam Dula
Christopher Glen Foody
Hailey Madison Fretwell
Nathaniel Caleb Goodman
Matthew Joseph Griffith
Brian Michael Hardin
Clayton Russell Harris
Ann Mebane Hine
Daniel Ryan Hudson
Christine Samatha Johnson
Iryna Mykolaivna Kharlamova
Rebecca Faith Kirk
Chloe Jean Klingensmith
LeeAnne Marie Lower
Evan Scott Lucas
James Joseph Mastrangelo
Nicholas T. Matthews
Natalia McNeill
Dhwani Mehul Mehta
Matthew James Mirabile
Victoria Nicole Mitchner
Johnathan Craig Modlin
Matthew Thomas Morefield
Krystyna Morozova
Asaf Ravid
Eileen Celeste Rose
Tianxiang Shen
Margaret Mae Strickland
Yosef Gizaw Teffera
William Alexander Thompson
Noble Graham Vaughn
Mary Alice Walsh
Hannah Dickinson Weaver
Tanner Henderson West

Approve, with a one-year probation period, the application for original certification submitted by Matthew Ryan Sullivan. Mr. Sullivan failed to disclose pertinent information with his Exam application but provided it with his certificate application.

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

Joshua Steven Abrahams
James Michael Burns

Jerry David Golub
Jillian Layne Logan
Jason Taylor Ruvio
Laura Lewis Shintay
Elliott S. Ventiere

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

Keegan Marshall Hoff, T12411
Jeremy Delaine Smith, T12412
Courtney Hedgepeth Knoll, T12413
Mikayla Virginia Spurlock, T12414
James William Brackens, III, T12415
Mark William Carlin, T12416
Sophie Madeleine Philipp, T12417
William Charles Chavan, III, T12418
Michael Cirillo, T12419
David Robert Youngstrom, T12420
Ileana Marie Dancovich, T12476
Michael Ryan Behr, T12477
Becky Lynn Zunkiewicz, T12478
Brendan W. Simpkins, T12479
Danae Ann Dewar, T12480
Allister Bradley Berger, T12481
Kyle David Owens, T12482
Joy Ann Marie Phidd, T12483
Eric C. Grant, T12484
Tyler Jordan Kins, T12485
John Thomas Walter Pace, III, T12486
Kelsey Evans Schneider, T12487
Bernard Lee Bryant, II, T12488
Dana Kim, T12489
Soubedath Balogoun, T12490
Dahilvis Reyes, T12492
Hsiaolou Carolyn Heden, T12493

Reinstatements - Approve the following application for certificate reinstatement:

Robin Bernadette Smith, #20328

Firm Registrations - Approve the following firm registration applications approved by the Deputy Director:

Patricia T. Bitter, C.P.A., PLLC
RIL-CPA, Certified Public Accountants, PC

Rescind Letters of Warning - Approve rescinding the Letters of Warning issued to the following individuals:

James Alex Childers, Jr., #39265
Hayley Sumner Crumley, #43316
Joseph Patrick Davis, #29352
Jonathan M. Kearney, #43672
Mohan L. Mehta, #43291
Frederick Robert Perschau, Jr., #21986
Maurice Anthony Thompson, #41569
George Alan Yearwood, #41036
Andrew Robinson York, #38816

Examinations - Approve the following applications to sit for the Uniform CPA Examination:

Brittany Adams
Corey Adams
Jackson Adams
Dayana Alvarez
Heather Ambrose
Michael Andrews
O'Keil Bacon
Katherine Bagley

Jordan Bailey
Sahr Bangai
Graham Basquin
David Bell
Mariah Bishop
Nella Black
Tyler Black
Mary Bobbett
Amy Borhaug
Jacob Borkowski
Joseph Boyle
Kerri Brodie
Nolan Brown
Linda Bruton
William Burroughs
Melissa Byrne
Derrick Cahoon
Kristin Cain
Jonathan Calcagne
Zachary Carver
Joshua Cathey
David Chang
Lillian Chie
Marlon Clair Sharp
Drew Coble
Jonathan Connolly
Ceara Corbett
Alexis Credle
Eva Cruz Rivera
Christopher Cummings
Zalak Dave
Allyson Davis
Lauren Davis
Noah Davison
Courtney Dietsch
Michael Dignazio
Kelci Dixon
Benjamin Domingue
Abby Duggan
Allison Edmonds
John Fischer
Mary Futrell
Victoria Gervasi
Ceara Gibson
Jacob Gilbert
Preston Giles
Zachary Giles
Matthew Goings
Lauren Greene
Michole Greenwood
Nathan Greer
George Grier
John Guemple
Edwin Guest
Nicholas Hagopian
Morgan Halo
Mary Hansen
Reese Hanshaw
Jacob Harrell
Ellen Harris
Spencer Harris
Jonah Hatley
Emily Hay
Hannah Headen
Alyse Herburger
Christopher Hernandez
Kady Hill
Mary Hinkle
Joshua Holley
Dylan Hooper
John Hoopman
Heather Hornaday
Shelby Horton
Beverly Houie
Leigh-Anne Huffman
Zachary Hurst
Hannah Jabusch
Margaret Jeffreys
Cassandra Johnson
Donna Johnson
Lakendra Johnson
Hutton Johnston
Ryan Jones
Jacob Keller
Alexa Koch
Sandra Lafontaine
Christopher Lambert
Nisamsala Lathpandura
Brittany Lee
Christopher Leja
Crystal Lepine-Arrington
Benin Lester

Jiefang Liang
Cristina Louisos
Michael Lyons
Sara Major
Marissa Martin
Henry McDonald
Zachariah McLawhorn
Moniqua McLean
Jonathan McMillan
Neil Mehta
Marcos Melendez
Marianne Moore
Marley Nelson
Stevie Niccum
Kerri Nile
William Oakley
Carol-Anne Obusek
Jared Onque
Barrett Overman
Nathan Pacello
Bret Parker
Bhavin Patel
Dristi Patel
Nikhil Patel
Meghan Perdue
Kalejah Pierce
Reba Prevost Dunn
Margaret Prochaska
Kaitlyn Quinn
Brandie Ragsdale
John Reda
Jacob Reese
Rebecca Reisberg
Jonathan Rife
Brookie Rigsbee
Lawonder Roberts
Nicole Rosinsky
Andrew Rothfuss
Zachary Ruthledge
Samuel Ryan
Nimia Sabillon
Taniya Sachdeva
Patrick Schaffer
Trenton Seibert
Cole Setzer
Heather Shamblin
Andrew Shelton
Randy Shin
Charles Simpson
Jeffery Sisson
Jacob Smith
Casey Snodgrass
Taylor Spell
Lily Spence
Nathan Steger
Courtney Stephenson
William Stillman
Denver Stone
Anna Thompson
Rodney Tonkins
Laura Tosti
Jamar Turner
Victoria Vidal
Tyler Wade
Caleb Wagner
Mandy Wakem
Matthew Wall
Rusty Walser
Tian Wang
Stephen Ward
Amy Wares
Jonathan Warren
Reed Warren
Joseph Warta
Erin Weidinger
Katelyn Weiss
Robert Wheeler
John Wheeler II
Wesley Wilder
Nathaniel Willson
Sydney Wohlfert
Heather Wood
Jazmine Wright
Crystal Young
Liudmila Zill

Requests for Extension of Exam Section Credits - Approve one candidate's section credit until June 30, 2021, because of pandemic-related issues, and defer five extension requests until the candidates receive score notices for the sections for which they have already applied.

Mr. Winstead recognized Ann Mebane Hine, a meeting guest, as one of the individuals approved for original NC CPA licensure.

REPORT OF THE STRATEGY COMMITTEE: Mr. M. Massey presented the 2021-2023 Strategic Plan and provided a brief explanation of the five objectives of the Plan. The Board approved the Strategic Plan with a vote of seven (7) affirmative and zero (0) negative votes (Appendix VI).

REPORT OF THE INVESTMENT COMMITTEE: Mr. G. Massey informed the Board that the *Request for Proposal (RFP) for Selection of an Investment Advisory Firm* (Appendix VII) was sent to five investment advisor firms, posted on the Board's website, and shared on the Board's social media channels. Mr. Nance stated that as of Friday, May 21, 2021, the Board had not received any responses to the RFP.

EXECUTIVE STAFF AND LEGAL COUNSEL REPORT: The Board reviewed the monthly operational metrics and Executive staff report.

President Baldwin read a Resolution honoring Jean Marie Small for her service to the Board and congratulating her on her retirement from the Board (Appendix VIII).

The Board discussed returning to in-person meetings and the benefits and drawbacks of conducting hybrid meetings (an in-person meeting with the option to participate by Webex). After Ms. Van Zant voiced concern about the sound quality in hybrid meetings, Mr. M. Massey asked the Executive Staff to research options for upgrading the microphones in the conference room. Ms. Taylor moved, and Mr. G. Massey seconded the motion to return to in-person meetings with the option to participate by WebEx starting with the July 26, 2021, meeting. The motion passed with seven (7) affirmative and zero (0) negative votes.

PUBLIC COMMENTS: Ms. Bryson told the Board that in conversations with other state CPA society leaders, she learned that Prometric had proposed closing CPA Exam testing sites in several states. She stated that closing testing locations would make it more challenging for individuals to schedule appointments to take the CPA Exam. Mr. Brooks and Mr. Nance explained that NASBA must approve the permanent closure of any CPA Exam testing site. NASBA representatives have stated that no locations would be closed without input from the affected board of accountancy.

Mr. Kirkland asked several questions about the Board's cybersecurity policies and procedures. President Baldwin and Mr. Nance explained that the Board's IT vendor ensures the integrity of Board systems by performing necessary testing and updating all antivirus/malware software. Mr. Nance affirmed that the Board has a cyber insurance policy.

President Baldwin announced that the General Assembly confirmed Governor Cooper's appointment of Ms. Taylor as a Commissioner for the NC Industrial Commission. Ms. Taylor will assume the role of Commissioner after she takes the Oath of Office.

CLOSED SESSION: Mr. Winstead moved, and Ms. Demery seconded the motion to enter Closed Session to discuss personnel and legal matters. Motion passed with seven (7) affirmative and zero (0) negative votes.

REPORT OF THE PERSONNEL COMMITTEE: Ms. Taylor moved that the Board 1) make no changes to the Executive Director's salary for the current fiscal year, and 2) grant a one-time waiver to the personnel policy allowing staff to carry forward up to forty (40) hours of annual leave to the current fiscal year so long as the time is used by December 31, 2021. Motion passed with seven (7) affirmative and (0) negative votes.

ADJOURNMENT: Ms. Demery moved, and Mr. G. Massey seconded the motion to adjourn the meeting at 11:59 a.m. The motion passed with seven (7) affirmative and zero (0) negative votes.

Respectfully submitted:

David R. Nance, CPA
Deputy Director

Attested to by:

Barton W. Baldwin, CPA
President

North Carolina State Board of Certified Public Accountant Examiners
2021-2022 Approved Budget

Operating Budget	*Prior Year Budget* 2020-2021	*Prior Year Actual* 2020-2021		*Approved Budget* 2021-2022	Ref
OPERATING REVENUES					
Examination Fees	1,032,875	1,117,831		1,176,875	
Licensing Fees	1,501,500	1,480,855		1,507,000	
Miscellaneous	6,000	1,128		1,000	
Total Operating Revenues	$ 2,540,375	$ 2,599,814		$ 2,684,875	A
OPERATING EXPENSES					
Salaries and Employee Benefits	1,216,943	1,191,901		1,211,855	B
Examination	775,000	752,648		850,000	C
Office	110,050	98,669		107,550	D
Postage and Printing	73,000	64,691		70,000	E
Travel	76,754	19,997		72,688	F
Maintenance and Computer Support	74,000	71,024		100,000	G
Depreciation	45,000	38,064	1	45,000	
Legal and Investigative Costs	63,000	131,399		112,500	H
Insurance	23,500	21,646	1	24,500	I
Dues and Subscriptions	14,500	14,479		14,500	I
Building	48,800	30,835	1	45,300	J
Total Operating Expenses	$ 2,520,547	$ 2,435,353		$ 2,653,893	
Operating Income (Loss)	$ 19,828	$ 164,461		$ 30,982	
NON-OPERATING REVENUES (EXPENSES)					
Rental Income	45,593	45,593		46,961	
Interest Income	33,000	32,156		10,000	
Gain on Sale of Assets	0	0		0	
Nonoperating Building Expenses	(22,000)	(20,266)	1	(22,000)	
Miscellaneous	0	0		0	
Total Non-Operating Revenues	$ 56,593	$ 57,483		$ 34,961	A
Estimated Change in Net Assets	$ 76,421	$ 221,944		$ 65,943	

Capital Budget			
Equipment	$ 20,000	18,932	$ 4,000
Building Improvements	25,000	31,550	25,000
Software	0	0	0
Total	$ 45,000	$ 50,482	$ 29,000

1 Actual expenditures are allocated between operating and non-operating for presentation

Approved May 24, 2021

North Carolina State Board of Certified Public Accountant Examiners
Approved Revenue Budget

	Prior Year Budget 2020-2021		Prior Year Actual 2020-2021		Approved Budget 2021-2022	
Examination Fees						
Initial Admin Fees	$ 161,000	(700*230)	$ 161,920	(794*230)	$ 172,500	(750*230)
Re-Exam Fees	131,250	(1750*75)	131,100	(1748*75)	138,750	(1850*75)
Exam Fees Revenue	775,000		844,521		900,000	
Exam Coupon	(34,375)		(19,785)		(34,375)	
Exam Review Fees	0		0		0	
Equivalency Exam Fees	0		0		0	
Grade Transfer Fees	0		75		0	
Total Exam Fees	1,032,875		1,117,831		1,176,875	
Certificate Fees						
Initial	55,000	(550/100)	48,300	(483/100)	52,000	(520/100)
Reciprocal	35,000	(350/100)	27,400	(274/100)	35,000	(350/100)
Renewals	1,320,000	(22000/60)	1,304,880	(21748/60)	1,320,000	(22000/60)
Reinstatements	7,500	(75/100)	7,500	(75/100)	7,500	(75/100)
Total Certificate Fees	1,417,500		1,388,080		1,414,500	
Firm Registrations						
Partnership Renewal	37,500		44,690		44,000	
PC Initial	4,500		4,550		4,500	
PC Renewal	40,000		41,135		42,000	
Partnership Registration	2,000		2,400		2,000	
Total Firm Registrations	84,000		92,775		92,500	
Miscellaneous Income	1,000		1,128		1,000	
Rental Income	45,593		45,593		46,961	
Gain on Fixed Assets	0		0		0	
Interest	33,000		32,156		10,000	
Gift Cards	5,000		-		-	
Other	0		0		0	
Total Revenues	$ 2,618,968		$ 2,677,562		$ 2,741,836	

North Carolina State Board of Certified Public Accountant Examiners
Approved Salaries and Employees Benefits Budget

	Prior Year Budget 2020-2021	*Prior Year Actual* 2020-2021	*Approved Budget* 2021-2022	Ref
Full Time Staff	$ 920,567	$ 928,797	$ 921,420	
Part Time Staff	13,800	0	7,200	
Taxes - FICA	71,500	66,391	71,050	
Taxes - State Unemployment	0	0	0	
Retirement Contributions	55,234	52,385	55,285	
Retirement - NCLB Admin Fee	2,000	2,391	2,400	
Insurance - Health	153,842	141,938	154,500	
Total Salaries and Employees Benefits	$ 1,216,943	$ 1,191,901	$ 1,211,855	

North Carolina State Board of Certified Public Accountant Examiners
Approved Examination Budget

	Prior Year Budget 2020-2021	*Prior Year Actual* 2020-2021	*Approved Budget* 2021-2022
Exam Sitting & Grading	$ 775,000	$ 752,648	$ 850,000
Total Examination	$ 775,000	$ 752,648	$ 850,000

North Carolina State Board of Certified Public Accountant Examiners
Approved Office Budget

	Prior Year Budget 2020-2021	Prior Year Actual 2020-2021	Approved Budget 2021-2022
Office Decorations	$ 350	$ 110	$ 150
Equipment Rental	200	0	200
Supplies	9,500	8,572	9,000
Telephone	9,000	8,892	9,200
Repairs & Maintenance	3,500	3,016	3,500
Clipping Service	3,200	1,968	2,400
Miscellaneous Personnel	4,500	2,600	3,500
Audit Fees	12,000	12,000	12,500
Credit Card Fees	60,000	56,147	60,000
Banking Fees	2,000	1,938	2,000
Payroll Service	1,800	1,892	2,100
Continuing Education	2,000	1,535	2,000
Bad Debt Expense	0	0	0
Consulting Fees	2,000	0	1,000
Total Office	$ 110,050	$ 98,669	$ 107,550

North Carolina State Board of Certified Public Accountant Examiners
Approved Postage and Printing Budget

	Prior Year Budget 2020-2021	*Prior Year Actual* 2020-2021	*Approved Budget* 2021-2022
Exam Postage	$ 1,500	$ 1,200	$ 1,500
Postage - UPS	19,500	15,983	18,000
Postage - Other	7,000	5,597	6,000
Postage - Newsletter	7,000	5,375	6,000
Postage - Business Reply	4,200	2,895	3,500
Postage - Renewal	2,500	1,800	2,500
Printing - Other	4,800	6,681	6,000
Printing - Newsletter	23,500	22,185	23,500
Printing - Certificates	3,000	2,976	3,000
Total Postage and Printing	$ 73,000	$ 64,691	$ 70,000

North Carolina State Board of Certified Public Accountant Examiners
Approved Travel Budget

	Prior Year Budget 2020-2021	Prior Year Actual 2020-2021	Approved Budget 2021-2022	Ref
Staff Travel	$ 17,250	$ 209	$ 17,250	F1
Board Travel	35,304	2,239	31,238	F2
Per Diem	24,200	17,550	24,200	F2
Total Travel	$ 76,754	$ 19,997	$ 72,688	

North Carolina State Board of Certified Public Accountant Examiners
Approved Staff Travel Budget

	Mtgs	Staff	Days	Rate					Approved Budget 2021-2022	Ref
				Air	Reg	Hotel	Meal			
NASBA Meetings										
Annual	1	2	4	500	750	325	50	$	5,500	
Regional (Virtual)	1	3	2	0	0	0	0		0	
Executive Director/Legal	1	5	3	350	695	300	50		10,475	
Other Meetings										
Professional									1,275	
Total Staff Meeting Expense								$	17,250	F

North Carolina State Board of Certified Public Accountant Examiners
Approved Board Travel & Per Diem Expense Budget

Board Travel	Mtgs	Members	Days	Rate	*Approved Budget* 2021-2022	Ref
Regular Board Meetings						
Hotel	4	4	1	160	$ 2,560	
Meals	4	4	1	40	640	
Travel	4	7	1	146	4,088	
					7,288	
NASBA Annual Meeting						
Hotel	1	7	4	325	9,100	
Meals	1	7	4	50	1,400	
Travel	1	7	1	500	3,500	
Registration	1	7	1	750	5,250	
					19,250	
NASBA Regional Meeting (Virtual)						
Hotel	1	7	1	0	-	
Meals	1	7	1	0	-	
Travel	1	7	1	0	-	
Registration	1	7	1	0	-	
					-	
AICPA Council Meetings						
Hotel	1	1	3	350	1,050	
Meals	1	1	3	50	150	
Travel	1	1	1	500	500	
					1,700	
Professional Meetings					3,000	
Total Board Meeting Expense					$ 31,238	F

Board Per Diem	Mtgs	Members	Days	Rate	Amount	Ref
Regular Meeting	12	7	2	100	$ 16,800	
Professional Meetings	25	1	1	100	2,500	
NASBA						
Annual Meeting	1	7	5	100	3,500	
Regional Meeting	1	7	2	100	1,400	
Total Board Per Diem Expense					$ 24,200	F

North Carolina State Board of Certified Public Accountant Examiners
Approved Maintenance and Computer Support Budget

	Prior Year Budget 2020-2021	Prior Year Actual 2020-2021	Approved Budget 2021-2022
Internet & Website	$ 4,000	$ 3,957	$ 4,000
Computer Program/Assistance	5,000	694	1,000
Computer Software Maintenance	65,000	66,373	95,000
Total Maintenance and Computer Support	$ 74,000	$ 71,024	$ 100,000

North Carolina State Board of Certified Public Accountant Examiners
Approved Board Legal Budget

	Prior Year Budget **2020-2021**	*Prior Year Actual* **2020-2021**	*Approved Budget* **2021-2022**
Legal Counsel Fees - Admin/Prof Stds	$ 48,000	$ 48,098	$ 54,000
Legal Counsel Fees - Litigation	10,000	77,183	60,000
Investigation Cost	11,000	3,600	3,500
Hearing Cost	4,000	6,574	5,000
Reimbursements - Net	(10,000)	(4,055)	(10,000)
Total Board Legal	$ 63,000	$ 131,399	$ 112,500

North Carolina State Board of Certified Public Accountant Examiners
Approved Other Budget

	Prior Year Budget 2020-2021	Prior Year Actual 2020-2021	Approved Budget 2021-2022
Insurance	$ 23,500	$ 22,926	$ 24,500
Dues and Subscriptions	14,500	14,479	14,500
Total Other	$ 38,000	$ 37,405	$ 39,000

North Carolina State Board of Certified Public Accountant Examiners
Approved Building Budget

	Prior Year Budget 2020-2021	*Prior Year Actual* 2020-2021	*Approved Budget* 2021-2022
Building Maintenance	$ 2,500	$ 114	$ 1,000
Electricity	14,000	12,237	13,000
Grounds Maintenance	6,200	4,818	6,000
Heat & Air Maintenance	3,000	2,424	3,000
Improvements	2,000	0	1,000
Janitorial Maintenance	16,000	15,420	16,000
Trash Collection	1,000	2,338	1,000
Water & Sewer	1,400	1,294	1,400
Security	2,300	2,018	2,300
Pest Control	400	450	600
Total Building	$ 48,800	$ 41,113	$ 45,300

	A	B	C	D	E	F	G
1	**Trial Balance Information**						
2	**Quickbooks Accounts and Amounts**						
3	**Link to Budget Information Schedules**						
4							
5	Account #				Amount		Budget
6	4110		Certificates - Initial		48,300.00		55,000.00
7	4120		Certificates - Reciprocal		27,400.00		35,000.00
8	4121		Certificates - Recip/Temp		0.00		0.00
9	4130		Certificates - Temporary		0.00		0.00
10	4131		Certificates - Temp Renewal		0.00		0.00
11	4140		Certificates - Renewal Fees		1,304,880.00		1,320,000.00
12	4150		Certificates - Reinstate/Revoked		2,000.00		0.00
13	4151		Certificates - Reinstate/Surrender		5,500.00		7,500.00
14	4152		Certificates - Reinstate/Retired		0.00		0.00
15	4160		Certificates - Notification		0.00		0.00
16	4161		Certificates - Notification Renewal		0.00		0.00
17	4001		Initial Adm Fees		161,920.00		161,000.00
18	4002		Re-Exam Adm Fees		131,100.00		131,250.00
19	4004		Exam Fees Revenue		844,521.00		775,000.00
20	4060		Equivalency Exam Fees		0.00		0.00
21	4070		Transfer Exam Grade Credit		75.00		0.00
22	4071		Exam Review Fees		0.00		0.00
23	4072		Exam Scholarship Coupon		(19,785.39)		(34,375.00)
24	4910		Educational Program Fees		0.00		0.00
25	4970		Duplicate Certificates		675.00		250.00
26	4980		Copies		0.00		0.00
27	4990		Miscellaneous		453.09		750.00
28	4260		Partnership Registration Fees		2,400.00		2,000.00
29	4261		Partnership Renewal Fees		44,690.00		37,500.00
30	4250		PC Registration Fees		4,550.00		4,500.00
31	4251		PC Renewal Fees		41,135.00		40,000.00
32	4252		PC Renewal less W/Penalties		0.00		0.00
33	6900		Bad Debt Expense		0.00		0.00
34	6690		Over/Short		0.00		0.00
35	5031		Retirement - NCLB Contribution		52,384.73		55,234.00
36	5033		Retirement - NCLB Administrator		2,390.50		2,000.00
37	5035		Health Ins Premium		116,663.16		114,842.00
38	5036		Medical Reimbursement Plan		25,274.72		39,000.00
39	5038		Unemployment Claims		0.00		0.00
40	5120		Board Travel - Board Mtgs		1,258.58		11,354.00
41	5121		Board Travel - Prof Mtgs		0.00		3,000.00
42	5122		Board Travel - NASBA Annual		0.00		19,250.00
43	5123		Board Travel - NASBA Regional		0.00		0.00
44	5124		Board Travel - NASBA Committees		0.00		0.00
45	5125		Board Travel - AICPA Council		0.00		0.00
46	5126		Board Travel - NCACPA Annual		0.00		0.00
47	5127		Board Travel - NCACPA Board		0.00		850.00
48	5128		Board Travel - AICPA Committees		0.00		0.00
49	5129		Miscellaneous Board Costs		980.00		850.00
50	5133		Board Travel - NASBA CPE		0.00		0.00

	A	B	C	D	E	F	G
1	**Trial Balance Information**						
2	**Quickbooks Accounts and Amounts**						
3	**Link to Budget Information Schedules**						
4							
5	Account #				Amount		Budget
51	5800		Building Maintenance		113.75		2,500.00
52	5801		Electricity		12,237.05		14,000.00
53	5802		Grounds Maintenance		4,818.00		6,200.00
54	5803		Heat & Air Maintenance		2,424.00		3,000.00
55	5804		Improvements		0.00		2,000.00
56	5805		Insurance		5,118.00		5,000.00
57	5807		Janitorial Maintenance		15,420.00		16,000.00
58	5808		Pets Control Service		450.00		400.00
59	5809		Security & Fire Alarm		2,018.18		2,300.00
60	5810		Trash Collection		2,337.92		1,000.00
61	5811		Water & Sewer		1,294.04		1,400.00
62	5050		Continuing Education - Staff		1,534.87		2,000.00
63	5051		Continuing Education - RNB		0.00		0.00
64	5052		Continuing Education - Computer		0.00		0.00
65	5531		Exam Postage		1,200.00		1,500.00
66	5533		Exam Printing		0.00		0.00
67	5538		Exam Vendor Expense		752,647.88		775,000.00
68	5539		Exam Vendor Accomodations		0.00		0.00
69	5532		Exam Supplies		0.00		0.00
70	5530-10		Temp Employees - May		0.00		0.00
71	5530-20		Temp Employees - Nov		0.00		0.00
72	5220		Investigator Fees		0.00		10,000.00
73	5221		Staff Investigation Costs		0.00		0.00
74	5222		Investigation Materials		3,600.00		1,000.00
75	5230		Hearing Costs		6,573.57		4,000.00
76	5231		Rule-Making Hearing Costs		0.00		0.00
77	5232		Legal Advertising		0.00		0.00
78	5250		Adminstrative Costs Assessed		(2,250.00)		(2,500.00)
79	5260		Civil Penalties Assessed		(25,600.00)		(7,500.00)
80	5261		Civil Penalties Remitted		23,794.80		0.00
81	5140		Legal Counsel - Administrative		48,098.06		48,000.00
82	5141		Legal Counsel - Special Projects		0.00		0.00
83	5210		Legal Counsel - Prof Standards		0.00		0.00
84	5211		Legal Counsel - Litigation		77,182.56		10,000.00
85	5034		Misc Payroll Deduction		0.00		0.00
86	5037		HSA Deduction		0.00		0.00
87	5090		Flowers, Gifts, Etc.		137.08		0.00
88	5091		Staff Recruiting		800.75		500.00
89	5092		Misc Personnel Costs		1,661.78		4,000.00
90	5301		Equipment Rent		0.00		200.00
91	5310		Decorations		110.00		350.00
92	5320		Payroll Service		1,891.64		1,800.00
93	5360		Telephone		8,891.62		9,000.00
94	5361		Internet & Website		3,956.64		4,000.00
95	5390		Clipping Service		1,968.40		3,200.00

	A	B	C	D	E	F	G
1	**Trial Balance Information**						
2	**Quickbooks Accounts and Amounts**						
3	**Link to Budget Information Schedules**						
4							
5	Account #				Amount		Budget
96	5400		Computer Program/Assistance		693.75		5,000.00
97	5405		Computer Software Maintenance		66,373.31		65,000.00
98	5410		Dues		7,885.00		8,500.00
99	5420		Insurance		17,807.92		18,500.00
100	5430		Audit Fees		12,000.00		12,000.00
101	5435		Consulting Fees		0.00		2,000.00
102	5436		Contracted Copy Service		0.00		0.00
103	5440		Misc Office Expense		0.00		0.00
104	5445		Banking Fees		1,938.10		2,000.00
105	5450		Credit Card Fees		56,146.84		60,000.00
106	5110		Per Diem - Board Meetings		14,150.00		15,000.00
107	5111		Per Diem - Prof Meetings		0.00		2,500.00
108	5112		Per Diem - NASBA Annual		950.00		3,500.00
109	5113		Per Diem - NASBA Regional		1,100.00		1,400.00
110	5114		Per Diem - NASBA Committee		450.00		0.00
111	5115		Per Diem - AICPA/NASBA		0.00		0.00
112	5116		Per Diem - NCACPA Annual		0.00		800.00
113	5117		Per Diem - NCACPA/Board		900.00		500.00
114	5118		Per Diem - AICPA Committees		0.00		0.00
115	5119		Per Diem - Miscellaneous		0.00		500.00
116	5130		Clerical Reimbursement		0.00		0.00
117	5135		Per Diem - NASBA CPE		0.00		0.00
118	5345		Postage - UPS		15,982.82		19,500.00
119	5340		Postage - Other		5,597.30		7,000.00
120	5341		Postage - Newsletter		5,375.00		7,000.00
121	5342		Postage - Business Reply		2,895.00		4,200.00
122	5343		Postage - Renewal		1,800.00		2,500.00
123	5344		Postage - Rulebook		0.00		0.00
124	5330		Printing - Other		6,680.66		4,800.00
125	5331		Printing - Newsletter		22,184.51		23,500.00
126	5332		Printing - Certificates		2,975.50		3,000.00
127	5333		Printing - Renewal		0.00		0.00
128	5334		Printing - Rulebook		0.00		0.00
129	5335		Mailing Label Printing		0.00		0.00
130	5380		Repairs - Misc		0.00		0.00
131	5381		Maintenance - Copiers		1,600.91		2,300.00
132	5382		Maintenance - Computer		0.00		0.00
133	5383		Maintenance - Postage		1,415.00		1,200.00
134	5010		Staff Salaries		928,797.40		920,567.00
135	5020		Part-Time Staff Salaries		0.00		13,800.00
136	5021		Temporary Contractors		0.00		0.00
137	5030		FICA Taxes		66,390.61		71,500.00
138	5040		State Unemployment Tax		0.00		0.00
139	5535		Scholarships		0.00		0.00
140	5060		Staff Travel - Local		119.18		0.00

	A	B	C	D	E	F	G
1	**Trial Balance Information**						
2	**Quickbooks Accounts and Amounts**						
3	**Link to Budget Information Schedules**						
4							
5	Account #				Amount		Budget
141	5061		Staff Travel - Prof Mtgs		89.70		600.00
142	5062		Staff Travel - NASBA CPE		0.00		0.00
143	5063		Staff Travel - NASBA Ethics		0.00		0.00
144	5070		Staff Travel - NASBA Annual		0.00		5,500.00
145	5071		Staff Travel - NASBA Regional		0.00		0.00
146	5072		Staff Travel - NASBA Adminstration		0.00		10,475.00
147	5073		Staff Travel - NASBA Committee		0.00		0.00
148	5074		Staff Travel - AICPA Committee		0.00		0.00
149	5075		Staff Travel - NCACPA Annual		0.00		175.00
150	5076		Staff Travel - NCACPA Board		0.00		500.00
151	5077		Staff Travel - Clear Conference		0.00		0.00
152	5078		Staff Travel - Vehicle		0.00		0.00
153	5080		Staff Travel - Univ Dialogue		0.00		0.00
154	5370		Subcriptions/References		6,594.22		6,000.00
155	5350		Supplies - Office		5,471.16		7,000.00
156	5351		Supplies - Copier		1,112.68		1,100.00
157	5352		Supplies - Computer		1,988.11		1,400.00
158	5353		Supplies - Special Projects		0.00		0.00
159	5920		Depreciation Expense		46,771.82		45,000.00
160	6999		Uncategorized Expense		0.00		0.00
161	9999		Suspense		0.00		0.00
162	8250		Gift Card Revenue		0.00		5,000.00
163	8500		Interest Income - MMAs		5,662.83		4,000.00
164	8505		Interest Income - BB&T Bus IDA		0.00		0.00
165	8510		Interest Income - CDs		26,492.85		29,000.00
166	8520		Interest Income - Prudential TB		0.00		0.00
167	8530		Interest Income - Wachovia MM		0.00		0.00
168	8200		Rental Income		45,593.11		45,593.00
169	8920		Gain on Sale of Assets		0.00		0.00
170	8921		Loss on Sale of Assets		0.00		0.00
171	7000		Leasing Commission		0.00		0.00
172							
173			Revenues		2,677,562		2,618,968
174			Expenses		2,455,619		2,520,547
175			Net Income		221,943.71		98,421.00
176							
177							
178							

Non-operating Expense Breakout
CPA Board

Non-operation expenses:	Actual 20-21	Actual 19-20	Actual 18-19	Actual 17-18	Actual 16-17	Actual 15-16	
Depreciation	8,708	8,577	8,092	7,554	7,554	6,063	A
Utilities	3,383	3,407	3,839	3,273	3,232	3,228	D
Maintenance	6,895	9,125	5,336	4,615	4,101	4,548	C
Insurance	1,280	1,123	1,070	1,018	1,176	1,115	B
Leasing Commission	-	-	2,092	2,092	1,917	-	ATB #7000
Total Non-Operating - Building	20,266	22,232	20,428	18,551	17,980	14,953	

Note: Total depreciation expense is broken out on the financial statements between operating and non-operating, based on square footage of rented real estate which is considered non-operating. The following shows the calculation:

Total depreciation	46,772	48,636	48,593	47,786	46,792	44,261	
Non-operating	8,708	8,577	8,092	7,554	7,554	6,063	A
	38,064	40,059	40,501	40,232	39,238	38,198	
Residential real estate depreciation	34,833	34,307	32,369	30,216	30,216	24,251	Per Asset Detail
Non-operating depreciation	8,708	8,577	8,092	7,554	7,554	6,063	PY financials
	25%	25%	25%	25%	25%	25%	
Insurance	22,926	22,230	22,765	21,400	21,313	20,560	
Non-operating	1,280	1,123	1,070	1,018	1,176	1,115	B
	21,646	21,108	21,696	20,382	20,137	19,445	
Building insurance 5805	5,118	4,490	4,278	4,073	4,704	4,459	
	1,280	1,123	1,070	1,018	1,176	1,115	
	25%	25%	25%	25%	25%	25%	
Building Maintenance (5800, 5802, 5803, 5804, 5807, 5808, 5809, 5810)	27,582	36,498	21,342	18,458	16,404	18,190	
Non-operating	6,895	9,125	5,336	4,615	4,101	4,548	C
	25%	25%	25%	25%	25%	25%	
Utilities (5801, 5811)	13,531	13,629	15,355	13,090	12,928	12,911	
Non-operating	3,383	3,407	3,839	3,273	3,232	3,228	D
	25%	25%	25%	25%	25%	25%	
Building 58XX less 5805	41,113	50,126	36,698	31,548	29,332		
Less: Non-operating maintenance	(6,895)	(9,125)	(5,336)	(4,615)	(4,101)		
Less: Non-operating utilities	(3,383)	(3,407)	(3,839)	(3,273)	(3,232)		
	30,835	37,594	27,524	23,661	21,999		

North Carolina State Board of Certified Public Accountant Examiners
Operating Budget History

Operating Budget	***Approved Budget* 2021-2022**	***Approved Budget* 2020-2021**	***Approved Budget* 2019-2020**	***Approved Budget* 2018-2019**	***Approved Budget* 2017-2018**	***Approved Budget* 2016-2017**
Revenues	$ 2,684,875	$ 2,540,375	$ 2,822,525	$ 2,784,075	$ 3,021,840	$ 3,021,760
Expenses:						
Salaries and Employee Benefits	1,211,855	1,216,943	1,240,026	1,244,201	1,277,711	1,270,514
Examination	850,000	775,000	1,000,000	910,000	1,145,000	1,100,000
Office	107,550	110,050	110,450	114,125	118,900	109,740
Postage and Printing	70,000	73,000	75,600	74,100	164,100	178,800
Travel	72,688	76,754	108,139	107,747	131,441	120,627
Maintenance and Computer Support	100,000	74,000	74,400	89,200	87,500	65,000
Depreciation	45,000	45,000	45,000	45,000	45,000	0
Legal and Investigative Costs	112,500	63,000	63,000	67,000	55,000	52,500
Insurance	24,500	23,500	23,500	22,500	24,000	21,300
Dues and Subscriptions	14,500	14,500	11,500	11,000	10,000	11,200
Building	45,300	48,800	48,382	38,800	40,300	38,300
Total	2,653,893	2,520,547	2,799,997	2,723,673	3,098,952	2,967,981
Operating Income	$ 30,982	$ 19,828	$ 22,528	$ 60,402	$ (77,112)	$ 53,779
Total Non-Operating Revenues	34,961	56,593	98,265	70,976	60,625	55,225
Estimated Change in Net Assets	$ 65,943	$ 76,421	$ 120,793	$ 131,378	$ (16,487)	$ 109,004

Operating Budget	Approved Budget 2021-2022	Approved Budget 2020-2021	Approved Budget 2019-2020	Approved Budget 2018-2019	Approved Budget 2017-2018	Approved Budget 2016-2017	2021-2022 $ Change
Revenues	$ 2,684,875	$ 2,540,375	$ 2,822,525	$ 2,784,075	$ 3,021,840	$ 3,021,760	144,500
	5.69%	-10.00%	-6.60%	-7.87%	0.00%		
Expenses:							
Salaries and Employee Benefits	1,211,855	1,216,943	1,240,026	1,244,201	1,277,711	1,270,514	(5,088)
	-0.42%	-1.86%	-2.95%	-2.62%	0.57%		
Examination	850,000	775,000	1,000,000	910,000	1,145,000	1,100,000	75,000
	9.68%	-22.50%	-12.66%	-20.52%	4.09%		
Office	107,550	110,050	110,450	114,125	118,900	109,740	(2,500)
	-2.27%	-0.36%	-7.11%	-4.02%	8.35%		
Postage and Printing	70,000	73,000	75,600	74,100	164,100	178,800	(3,000)
	-4.11%	-3.44%	-53.93%	-54.84%	-8.22%		
Travel	72,688	76,754	108,139	107,747	131,441	120,627	(4,066)
	-5.30%	-29.02%	-17.73%	-18.03%	8.96%		
Maintenance and Computer Support	100,000	74,000	74,400	89,200	87,500	65,000	26,000
	35.14%	-0.54%	-14.97%	1.94%	34.62%		
Depreciation	45,000	45,000	45,000	45,000	45,000	0	0
	0.00%	0.00%	0.00%	0.00%	100.00%		
Legal and Investigative Costs	112,500	63,000	63,000	67,000	55,000	52,500	49,500
	78.57%	0.00%	14.55%	21.82%	4.76%		
Insurance	24,500	23,500	23,500	22,500	24,000	21,300	1,000
	4.26%	0.00%	-2.08%	-6.25%	12.68%		
Dues and Subscriptions	14,500	14,500	11,500	11,000	10,000	11,200	0
	0.00%	26.09%	15.00%	10.00%	-10.71%		
Building	45,300	48,800	48,382	38,800	40,300	38,300	(3,500)
	-7.17%	0.86%	20.05%	-3.72%	5.22%		
Total	2,653,893	2,520,547	2,799,997	2,723,673	3,098,952	2,967,981	133,346
	5.29%	-9.98%	-9.65%	-12.11%	4.41%		
Operating Income (Loss)	$ 30,982	$ 19,828	$ 22,528	$ 60,402	$ (77,112)	$ 53,779	11,154
	-56.25%	11.99%	129.21%	-178.33%	-243.39%		
Total Non-Operating Revenues	34,961	56,593	98,265	70,976	60,625	55,225	(21,632)
	-38.22%	-42.41%	62.09%	17.07%	9.78%		
Estimated Change in Net Assets	$ 65,943	$ 76,421	$ 120,793	$ 131,378	$ (16,487)	$ 109,004	(10,478)

North Carolina State Board of Certified Public Accountant Examiners
Budget History - Prior to Presentation Change to Match Financial Statements

Operating Budget	***Proposed Budget*** **2016-2017**	***Fiscal Year Budget*** **2015-2016**	***Fiscal Year Budget*** **2014-2015**	***Fiscal Year Budget*** **2013-2014**	***Fiscal Year Budget*** **2012-2013**	***Fiscal Year Budget*** **2011-2012**	***Fiscal Year Budget*** **2010-2011**
Revenues	$ 3,078,985	$ 2,797,364	$ 2,731,395	$ 2,782,204	$ 2,853,054	$ 2,845,688	$ 2,672,502
Expenses:							
Personnel	1,317,013	1,285,576	1,290,674	1,268,114	1,292,764	1,149,809	1,053,035
Board & Legal	136,128	139,822	123,495	128,799	123,190	150,441	218,610
Office	370,240	365,000	329,300	321,800	303,000	311,825	318,350
Examination	1,101,800	1,001,400	926,400	1,001,400	1,078,300	1,154,000	1,150,000
Scholarship	0	11,000	11,000	10,000	11,000	0	0
Building	42,800	39,500	51,050	37,350	51,530	58,901	32,000
Other/Capital	128,445	41,250	17,500	32,635	5,000	11,300	10,000
Total	3,096,426	2,883,548	2,749,419	2,800,098	2,864,784	2,836,276	2,781,995
Estimated Change in Net Assets (Before Depreciation)	$ (17,441)	$ (86,184)	$ (18,024)	$ (17,894)	$ (11,730)	$ 9,412	$ (109,493)

Operating Budget	Proposed Budget 2016-2017	Fiscal Year Budget 2015-2016	Fiscal Year Budget 2014-2015	Fiscal Year Budget 2013-2014	Fiscal Year Budget 2012-2013	Fiscal Year Budget 2011-2012	Fiscal Year Budget 2010-2011
Revenues	$ 3,078,985	$ 2,797,364	$ 2,731,395	$ 2,782,204	$ 2,853,054	$ 2,845,688	$ 2,672,502
	10.07%	2.42%	-1.83%	-2.48%	0.26%	6.48%	
Expenses:							
Personnel	1,317,013	1,285,576	1,290,674	1,268,114	1,292,764	1,149,809	1,053,035
	2.45%	-0.39%	1.78%	-1.91%	12.43%	9.19%	
Board & Legal	136,128	139,822	123,495	128,799	123,190	150,441	218,610
	-2.64%	13.22%	-4.12%	4.55%	-18.11%	-31.18%	
Office	370,240	365,000	329,300	321,800	303,000	311,825	318,350
	1.44%	10.84%	2.33%	6.20%	-2.83%	-2.05%	
Examination	1,101,800	1,001,400	926,400	1,001,400	1,078,300	1,154,000	1,150,000
	10.03%	8.10%	-7.49%	-7.13%	-6.56%	0.35%	
Scholarship	0	11,000	11,000	10,000	10,000	0	0
	-100.00%	0.00%	10.00%	0.00%	100.00%	0.00%	
Building	42,800	39,500	51,050	37,350	51,530	58,901	32,000
	8.35%	-22.62%	36.68%	-27.52%	-12.51%	84.07%	
Other	128,445	41,250	17,500	32,635	5,000	11,300	10,000
	211.38%	135.71%	-46.38%	552.70%	-55.75%	13.00%	
Total	3,096,426	2,883,548	2,749,419	2,800,098	2,863,784	2,836,276	2,781,995
	7.38%	4.88%	-1.81%	-2.22%	0.97%	1.95%	
Estimated Change in Net Assets (Before Depreciation)	$ (17,441)	$ (86,184)	$ (18,024)	$ (17,894)	$ (11,730)	$ 9,412	$ (109,493)

North Carolina State Board of Certified Public Accountant Examiners

May 24, 2021

Laurie J. Tish, CPA
Chair, Nominating Committee
NASBA
150 Fourth Avenue North, Suite 700
Nashville, TN 37219-2417

Dear Ms. Tish:

Michael H. Womble, CPA, a former member of the North Carolina State Board of CPA Examiners ("Board"), recently expressed interest in serving as an at-large director on the NASBA Board of Directors.

As you know, Mr. Womble served as the 2018-2019 Middle-Atlantic Regional Director and is active on several NASBA committees. He is also an active member of the AICPA and the NC Association of CPAs. The attached document shows the extent of Mr. Womble's involvement in the CPA profession.

The Board commends Mr. Womble for his desire to continue serving NASBA and the state boards of accountancy as a member of the Board of Directors. Please consider this letter as the Board's nomination of Michael H. Womble, CPA, for the position of at-large director on the NASBA Board of Directors.

Sincerely,

Barton W. Baldwin, CPA
President

Enclosure

1101 Oberlin Road, Suite 104 • PO Box 12827 • Raleigh, NC 27605 • (919) 733-4222 • Fax (919) 733-4209 • nccpaboard.gov

Williams Overman Pierce, LLP
CPAs • Advisors

May 11, 2021

Ms. Laurie J. Tish, CPA
NASBA Nominating Committee Chair
National Association of State Boards of Accountancy
150 Fourth Avenue North, Suite 700
Nashville, Tennessee 37219

Re: Interest in NASBA Board Position

Dear Laurie:

Please consider this letter as my expression of interest in serving, if nominated and/or elected, as an at-large member of NASBA's Board of Directors. As requested, please find attached my resume and biographical information. Please let me know if any additional information is required.

Sincerely yours,

WILLIAMS OVERMAN PIERCE, LLP

Michael H. Womble, CPA
Partner

Michael H. Womble, CPA, ABV, CVA, MAFF, CFF, ASA, CGMA

Experience

Michael Womble has over forty years' experience in private and public accounting including working in the distribution and construction industries as Controller/Chief Financial Officer and over thirty years in public accounting. From 1982 to 1987, Michael served as Controller at Mac-Page, Inc., an animal health distributor located in Dunn, NC. From 1987 to 1998, Michael was the owner and/or primary shareholder of a certified public accounting practice located in Dunn, NC until his merger in 1998 with Todd Rivenbark & Puryear. In 2000, Michael joined Williams Overman Pierce, LLP as Manager, admitted as Partner in 2001, served as Managing Partner 2015-2020 and is currently a member of the Firm's Executive Committee and is partner-in-charge of the Firm's Wilmington, NC office.

Michael's primary service concentrations are tax, forensic, valuation and litigation support services, including business valuation, divorce litigation services, dissenting shareholder litigation and financial and economic damages. Business valuations have been performed for estate and gift tax, equitable distribution, ESOP, stockholder dissent and appraisal, and internal ownership transfer purposes. In addition to serving as either a consulting or testifying expert in these matters, Michael is frequently jointly retained or court appointed to perform these services.

Since 1989, Michael has continuously served clients operating in the following industries: real estate development, residential construction, commercial construction, hotel development and hotel operation. Michael previously held a North Carolina general contractor's license while engaged in the construction industries during the 1990s as an owner and chief financial officer.

Education

Bachelor of Science in Business Administration with a concentration in accounting from the University of North Carolina at Pembroke, 1982

At least forty hours of continuing education each year since 1987. Courses include seminars conducted by the North Carolina Association of Certified Public Accountants, American Institute of Certified Public Accountants, National Association of Certified Valuation Analysts, American Society of Appraisers and the Institute of Business Appraisers.

Memberships in Professional Organizations

American Institute of Certified Public Accountants (AICPA)
North Carolina Association of Certified Public Accountants (NCACPA)
National Association of Certified Valuation Analysts (NACVA)
American Society of Appraisers (ASA)

Professional Accreditations

Awarded Certificates of Educational Achievement from the AICPA for the completion of study programs in *Tax Planning and Advising for Closely Held Businesses* (96 hours) and *Business Valuations* (64 hours)

Awarded Certificate of Educational Achievement from the NCACPA in the area of *Divorce Litigation Services in North Carolina* (28 hours)

Professional Accreditations (continued)

Awarded designation of *Certified Valuation Analyst* from the National Association of Certified Valuation Analysts, August 1999

Awarded designation of *Accredited in Business Valuation* from the American Institute of Certified Public Accountants, February 2000

Awarded designation of *Master Analyst in Financial Forensics,* formerly *(Certified Forensic Financial Analyst),* from the National Association of Certified Valuation Analysts, September 2003

Awarded designation of *Certified in Financial Forensics* from the American Institute of Certified Public Accountants, August 2008

Awarded designation of *Accredited Senior Appraiser* from the American Society of Appraisers, Designated in Business Valuation, March 2012

Awarded designation of *Chartered Global Management Accountant* from the American Institute of Certified Public Accountants, December 2013

Professional Writing and Public Speaking

Authored and Presented *Understanding The Tax Consequences of Equitable Distribution Scenarios* as part of *Equitable Distribution Workshop* conducted by HalfMoon Seminars, LLC, February 28, 2003

Co-authored and co-presented *Top 10 Pitfalls of Equitable Distribution* at the 2003 Annual Conference of the North Carolina Academy of Trial Lawyers, June 17, 2003

Authored *Five Pitfalls of Equitable Distribution From a CPA's Perspective* appearing in the March 2004 edition of the *Family Forum,* a publication of the North Carolina Bar Association

Co-authored and Co-presented *Drawing Value and Perspective from a Business Valuation* to the May 18, 2004 meeting of the Raleigh Chapter of the CPA/Law Forum

Co-authored and Co-presented *Equitable Distribution: Business Valuations of Closely Held Corporations, S-Corps or Sole Proprietorships* as part of *Family Law: Mastering the Experts* conducted by the North Carolina Academy of Trial Lawyers, August 27, 2004

Co-authored and co-presented *CPA on the Hot Seat* at the October 19, 2004 meeting of the Raleigh chapter of the CPA/Law Forum

Authored and presented *ESOP 101, What Every CPA Should Know About ESOPs* to the October 19, 2004 meeting of the Triangle Chapter of the North Carolina Association of CPAs

Co-authored and co-presented *ESOP 101, What Every CPA and Attorney Should Know About Employee Stock Ownership Plans* to the December 14, 2004 meeting of the Raleigh Chapter of the CPA/Law Forum

Co-authored and co-presented *Buy-Sell Agreements: Practical, Tax and Valuation Consequences* at the May 17, 2005 meeting of the Raleigh chapter of the CPA/Law Forum

Professional Writing and Public Speaking (continued)

Presented *Using ABA Business Tax Return Handbook* as part of the Family Law Intensive Program *Selected Equitable Distribution Issues Before, During and After the Marriage* conducted by the North Carolina Bar Association, November 17, 2005

Authored and presented *Five Pitfalls of Equitable Distribution from a CPA's Perspective* as part of *The Nuts and Bolts of Divorce in North Carolina* conducted by Lorman Education Services, November 29, 2005

Co-authored and co-presented *Practical, Income Tax and Estate Planning Issues Arising with Divorce and Remarriage* to the December 13, 2005 meeting of the Raleigh Chapter of the CPA/Law Forum

Presented *Using ABA Business Tax Return Handbook* as part of the Family Law Intensive Program *Selected Equitable Distribution Issues Before, During and After the Marriage* conducted by the North Carolina Bar Association, February 2, 2006

Co-authored and co-presented *IRS Code 409A and its Impact on Your Deferred Compensation Plans* to a group of member companies of Capital Associated Industries, a trade association, October 4, 2006

Authored and presented *Selected Tax Issues* as part of the Family Law Intensive Program *Bedded and Imbedded Taxes* conducted by the North Carolina Bar Association, November 1-2, 2007

Authored and presented *Selected Tax Issues* as part of the Family Law Intensive Program *Bedded and Imbedded Taxes* conducted by the North Carolina Bar Association, February 7-8, 2008

Co-authored and co-presented *Buy-Sell Agreements: Practical, Tax and Valuation Consequences* at the July 22, 2008 meeting of the Raleigh chapter of the CPA/Law Forum

Co-authored and co-presented *CPA on the Hot Seat* at the November 18, 2008 meeting of the Raleigh chapter of the CPA/Law Forum

Co-authored and co-presented *Buy-Sell Agreements: Practical, Tax and Valuation Consequences* as part of the National Business Institute/Wachovia Exchange Services program *Advanced Topics in Real Estate Trends, Developments and Tax Strategies*, December 16, 2008

Contributing author to *"Til Death Do Us Part" – Dealing with Retirement Survivor Benefits in Equitable Distribution* as part of the Family Law Intensive Program *"The Uh-Oh Moments"* conducted by the North Carolina Bar Association, October 29-30, 2009

Co-authored and co-presented *CPA on the Hot Seat* at the November 10, 2009 meeting of the Raleigh chapter of the CPA/Law Forum

Co-authored and co-presented *Accounting 101 for Attorneys*, a seminar conducted by the National Business Institute in Raleigh, North Carolina, July 21, 2010

Presented *Standards* as part of the National Business Institute's program *Business Valuation*, a seminar conducted by the National Business Institute in Raleigh, North Carolina, October 21, 2010

Authored and Presented *Implementing Professional Standards in Forensic Accounting Engagements* as part of the North Carolina Association of Certified Public Accountant's 2010 A&A and Fraud Conference, October 26, 2010

Professional Writing and Public Speaking (continued)

Authored and presented *The Impact of Current Economic Conditions on the Value of Your Business* as part of the Vaco CPE Series conducted by Vaco, LLC, November 18, 2010

Authored and presented *Til Death or Taxes Do Us Part: The Effect of Income Taxation on Divorce*, as part of *Dividing Debt During Divorce*, a seminar conducted by the National Business Institute in Raleigh, North Carolina, June 12, 2012

Authored and presented *Using a Forensic Accountant in Court* as part of *Money Matters*, a seminar conducted by the North Carolina Conference of District Attorneys in Raleigh, North Carolina, October 4, 2013.

Authored and presented *Hoodoo Voodoo: It's Just the Facts*, as part of the 2014 Family Law Specialists Annual Conference conducted by the North Carolina Bar Association in Raleigh, North Carolina, July 25, 2014

Authored and presented *Using a Forensic Accountant in Court* as part of *Money Matters*, a seminar conducted by the North Carolina Conference of District Attorneys in Concord, North Carolina, December 4-5, 2014.

Authored and presented *Identification, Valuation, and Distribution of Separate, Marital, and Divisible Property*, as part of *Handling Divorce Cases from Start to Finish*, a seminar conducted by the National Business Institute in Wilmington, North Carolina, December 16, 2014.

Authored and presented *Complex Assets: Valuation and Division* and *Tax Issues in Divorce*, as part of *Advanced Issues in Family and Divorce Law*, a seminar conducted by the National Business Institute in Raleigh, North Carolina, February 19, 2015.

Professional and Civic Accomplishments

Dunn Rescue Squad, Inc.
    Volunteer Emergency Medical Technician, 1985-1990
All-America City Award-City of Dunn, NC
    Competition Participant, 1989
Dunn Area Chamber of Commerce
    Vice President, Finance, 1989-1990
    Executive Committee, 1989-1994
    Board of Directors, 1989-1994
    President-Elect, 1991
    President, 1992
Planning Board, City of Dunn, NC
    Member 1991-1996
    Chairman 1995-1996
Averasboro Township Tourism Development Authority
    Chairman, 1992
Greater Dunn Jaycees, Dunn, NC
    Distinguished Service Award, 1994

Professional and Civic Accomplishments (continued)

Leadership Harnett
    Graduate, Class of 1998
City Council Member, City of Dunn, NC, 1999-2003
    Mayor Pro-Tem, City of Dunn, NC, 1999-2003
U.S. Coast Guard Auxiliary, Member, Flotilla 9-10
    Member 2004-Present
    Finance Officer-2008-2009
N.C. State Board of Certified Public Accountant Examiners
    Member, 2012-2018
    President, 2016-2017
National Association of State Boards of Accountancy
    Former Middle-Atlantic Regional Director, 2018-2019
    Former Member, Committee on Relations with Member Boards
    Former Chair and Member, Enforcement Resources Committee
    Former Member, Strategic Planning Committee
    Former Member, CPA Evolution Working Group
    Current Member, Standard Setting and Professional Trends Advisory Committee
American Institute of Certified Public Accountants
    Member, Joint Trial Board, 2020-Present
University of North Carolina – Wilmington, NC
    Member, MSA Advisory Board, 2020-Present

Interests

Boating, saltwater fishing

Family

Mother, Odell Womble, Wilmington, NC
Wife, Amy M. Womble
Children, Carrisa Womble, Age 24; Hunter Womble, Age 23
Stepchildren, Tyler Bowen, Age 25; Madison Bowen, Age 23

North Carolina State Board of Certified Public Accountant Examiners

May 24, 2021

Laurie J. Tish, CPA
Chair, Nominating Committee
NASBA
150 Fourth Avenue North, Suite 700
Nashville, TN 37219-2417

Dear Ms. Tish:

Arthur M. Winstead, Jr., CPA, a member of the North Carolina State Board of CPA Examiners, has expressed interest in serving as a member of the NASBA Board of Directors, either as the Middle Atlantic Regional Director or a Director-at-Large

Mr. Winstead first served on our Board from 2003 through 2009. In 2017, Governor Cooper appointed Mr. Winstead to a three-year term on the Board, and in 2020, he appointed Mr. Winstead to another three-year term. Throughout his long tenure on the Board, Mr. Winstead has provided thoughtful, dependable leadership. He has significant knowledge of the issues and challenges that boards of accountancy face in regulating the accounting profession to protect the public interest.

Licensed as a North Carolina CPA in 1980, Mr. Winstead joined the CPA firm DMJ & Co., PLLC, in 1978 and became a partner in 1984. He is a general services partner in the firm's Greensboro office and is the firm-wide Accounting, Auditing, and Quality Control Partner. He also serves as team captain and team member for on-site peer reviews and off-site engagement reviews nationwide.

The North Carolina State Board of CPA Examiners is confident that Mr. Winstead possesses the knowledge, skills, and dedication to lead boards of accountancy and NASBA into the future. Please consider this letter as the Board's nomination of Mr. Winstead for a Director-at-Large or Middle Atlantic Regional Director

Sincerely,

Bart W. Baldwin

Barton W. Baldwin, CPA
President

Enclosure

Arthur M. Winstead, Jr., CPA

Art Winstead has spent his entire life in Greensboro, NC. After graduation from Grimsley Senior High School, he attended the University of South Carolina. He earned his B.S. in Business (with a concentration in Accounting) at the University of North Carolina at Greensboro. Art is also a Certified Fraud Examiner (CFE), Certified Financial Forensic (CFF), and holds the designation of Chartered Global Management Accountant (CGMA). He currently serves on the UNCG Excellence Foundation as President and has also served as Finance Chairman. He has served on the UNCG Bryan Business School Advisory Board, the UNCG Board of Visitors, and is a member of the UNCG Spartan Club.

Art is a consulting and testifying expert witness on accounting, auditing, and financial matters. His clients have included state and federal government agencies and major law firms, involving commercial litigation (assisting both plaintiff and defense) and white-collar criminal defense matters. He has either provided testimony or been deposed in local District and Superior Court and U.S. District Court. Art has also authored numerous CPE courses and articles regarding accounting, auditing, fraud, and ethics.

Art joined DMJ in 1978 and became a partner in 1984. He is a general services partner, primarily serving in the firm's Accounting, Auditing, and Attestation services areas. He serves as team captain and team member for on-site peer reviews and off-site engagement reviews throughout the country and State of North Carolina. Art is the current A&A Consultant-Director for CPAmerica, Inc., and has also served as Chairman of the CPAmerica Accounting and Auditing and Continuing Professional Education Executive Committees.

His memberships include the American Institute of Certified Public Accountants and the North Carolina Association of Certified Public Accountants (NCACPA). Art has served on the NCACPA Board of Directors. Art has also served on the State Mobility, Regulatory Response, and Global Standards Committees of the National Association of State Boards of Accountancy (NASBA). He served a three-year term on the AICPA Auditing Standards Board, in addition to serving nine years on the North Carolina Board of CPA Examiners. He is a past member of the North Carolina Association of CPAs Peer Review Executive and is currently a member of the NCACPA Audit and Accounting Committees. He has served on the following AICPA ASB Task Forces: Risk Assessment, Auditor's Report, Internal Control, and chaired the Task Force for Special Considerations-Fair Value, Inventory, and Litigation Claims and Assessments. He has also served on the AICPA Board of Examiners Practice Sponsor Group to evaluate the future of the CPA exam. He teaches Ethics for CPAs and accounting and auditing continuing education courses throughout the country.

Art is a life member and past president of the Greensboro Jaycees. He served on the GGO Executive Committee, currently the Wyndham Championship, and the Nike Greensboro Open Executive Committee. He currently serves as Treasurer of the Wyndham Championship Founders Club. Art has served as an Elder, Deacon, Sunday School teacher, Cub Scout Packmaster, youth advisor, and a frequent committee chairman within the Presbyterian Church. He has served as Chairman and Treasurer of the Guilford County Democratic Party. Art has served on the Old North State Council of Boy Scouts Executive Committee, the Greensboro One Task Force Committee, the American Cancer Society, the City of Greensboro Human Services Commission, the Community Development Commission, Greensboro Transit Authority, and the Greensboro Center

City Committee. He currently serves on the Board of Directors for Arts Greensboro and the Finance Committee for Community Foundation of Greater Greensboro. He is a former member of the Greensboro Visions Bond Committee and the Chamber of Commerce Governmental Liaison and Community Planning and Development Committees, and the Guilford County Education Alliance. Art has served as Chairman of the Greensboro Coliseum Commission and as a member of the City of Greensboro Comprehensive Growth Plan Steering Committee. He has also served on the Board of Directors for the Piedmont Triad Chapter of the Juvenile Diabetes Foundation, the Community Foundation of Greater Greensboro Development Committee. He is a member of the Greensboro Sports Council and Greensboro 100 Club. He currently serves on the Board for the African American Atelier, Past President of the Greenhill Center for NC Art, and is the current Treasurer of the Forge. Art is active in federal, state, and local politics and is the founding partner of Noah's Ark Investment Club.

Art enjoys spending time with his wife Mary and daughters Mollie and Emma. He is an avid golfer and often plays at Starmount Forest Country Club, where he has served on the Board for eleven years, including three terms as President.

Professional Designations & Licenses

- Certified Public Accountant (CPA)
- Certified Fraud Examiner (CFE)
- Certified Financial Forensic (CFF)
- Chartered Global Management Accountant (CGMA)

Memberships

- American Institute of Certified Public Accountants (AICPA)
- North Carolina Association of Certified Public Accountants (NCACPA)

Professional Involvement

- North Carolina State Board of CPA Examiners
- North Carolina Association of CPAs
- NASBA
- American Institute of Certified Public Accountants (AICPA)

Education

- The University of North Carolina at Greensboro, B.S. in Business with an Accounting concentration and Political Science minor

Arthur M. Winstead, Jr., CPA
Greensboro, North Carolina

NC CPA Certification Date:	September 9, 1980
Board Appointment Date:	August 26, 2003
Board Reappointment Date:	May 17, 2006
Board Appointment Date	July 24, 2017
Board Appointment Date:	July 1, 2020
Professional History:	DMJ & Co., PLLC (Partner)
Education:	University of North Carolina-Greensboro (UNC-G) BS, Business with Concentration in Accounting

Honors and Activities:

North Carolina State Board of CPA Examiners
- President
- Vice President
- Secretary-Treasurer
- Audit Committee
- Executive Committee
- Personnel Committee
- Professional Education and Application Committee
- Professional Standards Committee

National Association of State Boards of Accountancy (NASBA)
- Global Standards Committee
- Regulatory Response Committee
- State Mobility Committee
- Uniform Accountancy Act Committee

American Institute of CPAs (AICPA)
- Auditing Standards Board
- Certified Financial Forensic

NC Association of CPAs (NCACPA)
- Board of Directors
- Audit Committee
- Peer Review Committee
- Advocacy Advisory Council
- Governmental Accounting & Auditing Committee
- Accounting & Attestation Committee
- Financial Literacy Volunteer
- Speakers Bureau

Association of Certified Fraud Examiners
- Certified Fraud Examiner

Chartered Global Management Accountant

UNC-G Board of Visitors

UNC-G Bryan School of Business Advisory Board

UNC-G Excellence Foundation
- President
- Finance Chair

UNC-G Spartan Club

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2021012

IN THE MATTER OF:
James Fredrick Griffin, CPA, #8583
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. James Fredrick Griffin, CPA (hereinafter "Respondent"), is the holder of North Carolina certificate number 8583 as a Certified Public Accountant.

2. The Board received a complaint from a client of the Respondent. The complaint asserts that the Respondent was hired in order to clear up some purported tax delinquencies with the North Carolina Department of Revenue ("DOR") from tax years 2012 and 2013. The complainant signed a Power of Attorney form so that the Respondent could discuss the matters with the DOR.

3. The Respondent became unresponsive, and the matter remained unsettled. The complainant hired a new CPA and requested the return of her records on November 9, 2020. The complainant did not receive a response to her records request and filed her complaint on January 20, 2021.

4. The Respondent states that he had medical issues that hindered his ability to provide services to his client. He asserts that he had requested additional information from the complainant but did not receive anything from her, causing some delay. He returned the complainant's original records on February 11, 2021.

5. 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. If proven at hearing, the facts set forth above alleging the Respondent's unresponsiveness is a violation of 21 NCAC 08N .0212.

3. If proven at hearing, the facts set forth above alleging the Respondent's failure to timely return client records is a violation of 21 NCAC 08N .0305.

NC BOARD OF
MAY 12 2021
CPA EXAMINERS

4. 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, James Fredrick Griffin, CPA, is censured.

CONSENTED TO THIS THE 10 DAY OF MAY, 2021.
(Day) (Month) (Year)

Respondent

APPROVED BY THE BOARD THIS THE 24 DAY OF MAY, 2021.
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY:
President

NC BOARD OF
MAY 12 2021
CPA EXAMINERS

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2021045

IN THE MATTER OF:
Lisa B. Barnette, CPA, #31615
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. Lisa B. Barnette, CPA (hereinafter "Respondent"), is the holder of North Carolina certificate number 31615 as a Certified Public Accountant.

2. The Respondent informed the Board on her 2019-2020 individual certificate Renewal ("Renewal") that between January 1, 2018, and June 30, 2019, she had obtained the requisite forty (40) hours of continuing professional education ("CPE") to meet the 2018 CPE requirements.

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

4. Board staff requested that the Respondent provide certificates of completion for the CPE reported to meet her 2018 and 2019 requirements.

5. The Respondent was unable to provide documentation for sixteen (16) hours of the forty (40) hours of 2018 CPE hours that she claimed on her 2019-2020 annual renewal.

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.

NC BOARD OF
MAY 14 2021
CPA EXAMINERS

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 5th (Day) DAY OF May (Month), 2021 (Year).

Lisa B. Barnette
Respondent

APPROVED BY THE BOARD THIS THE 24 (Day) DAY OF MAY (Month), 2021 (Year).

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY: ______________________
President

NC BOARD OF
MAY 14 2021
CPA EXAMINERS

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2021058

IN THE MATTER OF:
Jared A. Sink, CPA, #39410
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. Jared A. Sink, CPA (hereinafter "Respondent"), is the holder of North Carolina certificate number 39410 as a Certified Public Accountant.

2. The Respondent informed the Board on his 2019-2020 individual certificate Renewal ("Renewal") that between January 1, 2018, and June 30, 2019, he had obtained the requisite forty (40) hours of continuing professional education ("CPE") to meet the 2018 CPE requirements.

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

4. Board staff requested that the Respondent provide certificates of completion for the CPE reported to meet his 2018 and 2019 requirements.

5. The Respondent failed to provide documentation of at least two (2) hours of ethics from a sponsor registered with NASBA to meet his 2019 CPE requirements that he claimed on his 2019-2020 annual renewal.

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.

NC BOARD OF
MAY 14 2021
CPA EXAMINERS

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 04 DAY OF May, 2021.
(Day) (Month) (Year)

Jared Sink
Respondent

APPROVED BY THE BOARD THIS THE 24 DAY OF MAY, 2021.
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BY: ______________________
President

NC BOARD OF
MAY 14 2021
CPA EXAMINERS

North Carolina State Board of CPA Examiners
2021-2023 Strategic Plan

STRATEGIC PLAN TENETS

Purpose

The Strategic Plan (Plan) will be driven by the North Carolina State Board of CPA Examiners' (Board) mission to ensure protection of the public and both efficient and effective engagement with licensees, firms, and candidates. This Plan will align and support the Board' mandate established by Chapter 93-12 of the North Carolina General Statutes to license and regulate certified public accountants in the State of North Carolina. The Plan will strive to assess, evolve, and implement initiatives resulting in meaningful and impactful solutions for stakeholders and the execution of the Board' duties.

Core Strategies and Objectives

The Plan's core focus is to create an operating business model which results in the effective issuance of licenses and enforcement of the North Carolina Accountancy Act and Board rules. The macro-objective is to ensure the resulting services and engagements are conducted and delivered in a timely, seamless, and optimal manner for stakeholders including the public, licensees, firms, and candidates. This framework of strategic objectives considers the full environment of processes and requirements within the operating business model.

The strategic objectives defined within the scope of this Plan are:

- Modernization of technology for efficient engagement with stakeholders, inclusive of an online CPE tracking solution for licensees,
- Education and awareness among stakeholders of the Board's role and the profession,
- Management of policies, requirements, and fees for applicants, licensees, and firms,
- Service levels and satisfaction among stakeholders, and
- Staff development and succession planning

Defining the Core Strategies and Objectives

Modernization of technology for efficient engagement with stakeholders – This strategic objective requires a review and ongoing reassessment of the Board's interactions with the public, applicants, and licensees. For the general public, this includes leveraging technology for ongoing enhancements in both the incoming complaint filing process and outbound messaging channels. With regard to applicants, implementation of technology will focus on the communication of requirements, the exam and licensing application processes, and the exchange of supporting documentation and communications. For other stakeholders, the Board seeks to optimize digital and technological opportunities with a goal of providing an efficient and paperless experience for all processes where practical. For licensees, that would include digital solutions to support licensees in the tracking of CPE credits, including housing of certificates, self-monitoring, and reporting of those CPE credits to the Board to ensure compliance with Board requirements.

- Key Initiatives for 2021 – 2023
    - Continue to implement enhancements to current GL Solutions licensing software applications,
    - Research and evaluate alternative licensing software application options to determine best solution(s) for Board operations,
    - Review current Board activities related to monitoring CPE activities and assess if NASBA's CPE Tracker Tool provides a digital solution,
    - Explore alternative solutions to NASBA's CPE Tracker Tool as a possible module within any alternative licensing software solutions.

- Key Performance Indicators
    - Provision of self-service options to stakeholders,
    - Increased online interactions with stakeholders and a reduction in paper submission requirements,
    - Provision of online CPE tracking and monitoring capabilities to licensees

Education and awareness among stakeholders of the Board's role and the CPA profession – The Board is an occupational licensing board and an independent State agency with stakeholders that include the general public, CPA candidates, CPA firms, and CPA licensees. As such, the Board will strive to enhance the education, awareness, and communication to these stakeholders and the value provided to them.

- Key Initiatives for 2021 – 2022:
    - Create awareness of the Board through professional publications, business journals, and other appropriate channels.
    - Identify events, conferences, and audiences where Board members and staff may participate, make presentations, or initiate communications and communicate availability of Board members.
    - Provide opportunities for Board members to attend in-person or virtual events hosted by high schools, colleges, and universities within North Carolina (including Historically Black Colleges and Universities (HBCUs)) to promote the Board, profession, and their responsibilities.
    - Promote attendance to awareness and educational events among the Board members.

- Key Performance Indicators
    - Count of touch points and engagements with the stakeholders across opportunities identified.

Management of policies, requirements, and fees for applicants and licensees – This strategic objective will assess policies within the Board's domain; CPA licensing and examination requirements; and related fees. The assessment is to determine if the policies and procedures are accomplishing the desired outcome without delivering unintended negative consequences, barriers, and restrictions. A key resource for this will be Section 23 of the Uniform Accountancy Act (UAA) which provides guidance regarding substantial equivalency and reciprocity in CPA licensing across jurisdictions.

- Key Initiatives for 2021 – 2022:
  - Staff will create and make accessible a listing of all documented policies, requirements, and fees for applicants and licensees.
  - Board and staff to review policies, requirements, and controllable fees at some defined intervals, such as at least biennially.

- Key Performance Indicators
  - Percentage of policies reviewed relative to total policies.

Service levels and satisfaction among customers / stakeholders including applicants, licensees, firms, and the public – The Board is committed to delivering a professional, unbiased, and respectful experience during all engagements with stakeholders. The Board will remain steadfast and judicious in the execution of the Accountancy Act and promulgation of its rules. Although a final response from the Board may not result in a specifically desired outcome for the stakeholder, the response and engagements will hold true to a professional standard and service levels.

- Key Initiatives for 2020 – 2022:
  - Develop a formal process to receive survey responses among stakeholders.
  - Average response times for requests of stakeholders.

- Key Performance Indicators
  - Customer satisfaction measurements.

Staff development and succession planning – The Board's staff represents the core channel of all communications, interactions, and support between the Board and its stakeholders. Therefore, it is imperative that the staff is equipped with the continuing professional development, tools, and resources required to perform their duties and responsibilities effectively and skillfully. This strategic objective seeks to assess opportunities and implement a framework for the development and engagement of staff. As a component of the staff development, the Board Plan will be reviewed and evolved as necessary to address key person risks and the continuity of Board operations during staff transitions.

- Key Initiatives for 2021 – 2022:
  - Staff job description and skills assessment.
  - Identification of professional development program for key staff.
  - Personnel Committee review of the Succession Plan.

- Key Performance Indicators
  - Overall employee satisfaction survey scoring.
  - Review conducted of Board Succession Plan.

Request for Proposal for Selection of an Investment Advisory Firm
RFP# CPA-Advisor-21

Dear Proposed Vendor:

You are invited to submit a proposal for our Request for Proposal for Selection of an Investment Advisory Firm to assist the Board, Investment Committee, and staff in developing sound investment policies and making prudent investment decisions with respect to the Board's investment portfolio in accordance with the requirements set forth in the attached *request for proposal* (RFP).

The North Carolina State Board of Certified Public 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's primary responsibilities are to administer the Uniform CPA Examination, to grant CPA licensure to qualified persons, to register CPA firms, and to enforce all appropriate statutes and rules in oversight of its licensees.

Thank you for your time, effort, and interest in our Selection of an Investment Advisor Firm proposal.

Sincerely,

David R. Nance, CPA
Deputy Director

Attachment: RFP # CPA-Advisor-21

TECHNICAL MEMORANDUM

No. CPA-Advisor-21

SELECTION OF AN INDEPENDENT INVESTMENT ADVISOR

TWO PART REQUEST FOR PROPOSAL FOR INVESTMENT ADVISORY SERVICES

BY

NORTH CAROLINA STATE BOARD

OF

CERTIFIED PUBLIC ACCOUNTANTS

REQUEST FOR PROPOSAL

The North Carolina State Board of Certified Public Accountants (hereinafter called the "Board") invites qualified investment advisors (hereinafter called "advisor") to submit a proposal for this Request for Proposal (RFP). The Board is seeking an advisor that will assist the Board, Investment Committee, and staff in developing sound investment policies and making prudent investment decisions with respect to the Board's investment portfolio.

There is no expressed or implied obligation for the Board to reimburse advisors for any expenses incurred in preparing proposals in response to this request. The Board reserves the right to reject any proposal submitted under this process for any reason.

The specific details shown herein shall be considered minimum unless otherwise shown. The specifications, terms, and conditions included with this RFP shall govern in any resulting contract(s) unless approved otherwise in writing by the Board. The bidder consents to personal jurisdiction and venue in a state court of competent jurisdiction in Wake County, North Carolina.

Time Schedule for Awarding the Contract

Request for proposal packages will be available on the Board's website as of **May 17, 2021**. Proposal packages will be mailed to select local advisors identified by Board staff and Investment Committee members.

Any questions about the RFP should be directed to David R. Nance, Board Deputy Director, at (919) 733-4215 or dnance@nccpaboard.gov. Appointments may be scheduled to discuss further any specific matters necessary in preparing your proposal.

Proposals signed by authorized officials will be received by David R. Nance, Board Deputy Director at the address listed below until **June 30, 2021** at **2:00 p.m.** Envelopes containing proposals should be clearly identified on the front with the words "RESPONSE TO RFP FOR INVESTMENT ADVISORY SERVICES" and the two proposal sections appropriately identified (second section sealed). Should the bidder wish to submit the RFP proposal package electronically, the bidder may do so at the email address identified above. Steps should be taken to clearly distinguish the two proposal sections as noted above. The Board Deputy Director will review the proposals and provide copies of the proposals and summary information to the Investment Committee by **July 16, 2021.** The Investment Committee reserves the opportunity to schedule an advisor presentation with the Committee prior to making its final recommendation to the full Board at its **July 26, 2021** regularly scheduled Board meeting. A contract will be awarded to the approved advisor.

Qualified Bidders

To be considered a qualified candidate, your firm must:

- Comply with all the specifications within the RFP or clearly indicate where your proposal deviates.
- Provide fee-based investment advisory services.
- Include a fixed fee quotation for the services indicated.
- Respond to all items in the RFP.

Evaluation Criteria

Specific attention will be paid to:

- Organization and capabilities.
- Credentials, experience, and reputation of the proposed investment advisory team.
- Experience advising and reporting to similar sized organizations on the prudent management and oversight of investment funds.
- Investment research and manager/fund due diligence capabilities.
- Access to quality investment managers and fund platforms.
- Competitiveness of fees.
- Quality of existing client relationships and references.
- Ability to deliver within 10 business days of month/quarter end accurate, informative, and useful performance reports including relevant benchmarking data.
- Upon request, ability of investment advisor to actively participate during quarterly Investment Committee conference calls or in-person meetings.
- Upon request, ability of investment advisor to actively participate in meetings of the Board.
- Ability to assist the Board in crafting an Investment Policy that aligns with the Board's statutory authority.
- Ability to assist in developing and updating policies and guidelines for various investment activities.
- Ability to provide education and training to the Board's Investment Committee, Board (as requested), and staff on investment topics as requested.

Period

The Board intends to continue the relationship with the advisor for no less than three years based on annual review and renewal after the completion of the first-year contract. Each subsequent year renewal will be subject to the original contract documenting the terms of the advisory arrangement. Since one governing board may not obligate future governing boards, the remaining years of the agreement are subject to annual governing board review and approval. The Board reserves the right to request proposals at any time following the first year of this contract. Thus, prepare proposals for the following years, with Year One being the only obligated year:

August 1, 2021 to July 31, 2022

August 1, 2022 to July 31, 2023

August 1, 2023 to July 31, 2024

PROPOSAL INFORMATION

Entity

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 is a nonmajor enterprise fund of the primary government of the State of North Carolina and is reported as such in the State's *Comprehensive Annual Financial Report* (CAFR). The Board's financial statements are separate and apart from those of the State of North Carolina and do not present the financial position of the State.

The Board's Investment Committee is responsible for providing Board oversight and guidance to Board staff related to the Board's investment portfolio. Members of the Investment Committee are fiduciaries of the portfolio, responsible for overseeing investment policies, guidelines, investment performance, and related risk management.

The Board's Investment limitations and requirements are identified in *North Carolina General Statute* 147-69.3(b), and by reference 147-69.1 and 147-69.2. In addition, the Board must use its earnings to (1) reduce fees; (2) improve services offered to licensees and the public; or (3) for educational purposes to benefit licensees or the public.

Assets to Be Managed

The Board currently manages funds available for investment through a combination of money market funds and laddered certificates of deposit. The selected advisor will manage approximately \$1 – \$1.5 million.

Description of Selection Process

A copy of each section of the proposal should be submitted at the time and place indicated under the section entitled "Time Schedule for Awarding Contract."

Proposals will be submitted in two (2) sections. The first section will be comprised of the advisory firm's qualifications and provision of investment advisory services. The Board Deputy Director will initially evaluate the firm on technical qualifications and provide summary information to the Investment Committee. The top three (3) firms from the first section will have their second section reviewed and evaluated. The firm best meeting the Board expectations for experience, investment approach, and cost requirements will be selected.

Please keep in mind that cost, while an important factor, will not be a sole determining factor. The priority in evaluating proposals will be to establish a working relationship with the investment advisor selected through this process. Unusually low bids that are out of line with other bidders or bids that are significantly lower than expected market rates might raise concerns. The lowest bid will not automatically be awarded preferential consideration.

The Board requests that no Board officials be contacted during this process. The Board Deputy Director may be contacted only to clarify questions concerning the RFP.

The Board reserves the right to reject any or all bids, waive technicalities, and to be the sole judge of suitability of the services for its intended use and further specifically reserve the right to make the award in the best interest of the Board.

Failure to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents, may disqualify the bid.

First Section

The first section should address the requested information related to the advisory firm's experience, investment philosophies, and proposed investment solutions. Bidders should provide corresponding responses to the questions identified in Section One.

Second Section

Proposals should include a completed advisory cost proposal and any other necessary cost information in a *separate, sealed* envelope marked – "Advisory Cost Proposal." The Board plans to evaluate the qualifications of all firms submitting proposals before considering the Advisory Cost Proposals.

Specify costs using the format provided within this RFP for the year August 1, 2021 to July 31, 2022. For the two years that follow, please list the proposed costs. The cost for the advisor year ending July 31, 2022 is binding, while the second and third years are proposed costs subject to approval and continuation of the advisory contract by the Board.

Contact information:

Name:	David R. Nance, CPA
Title:	Deputy Director
Address:	North Carolina State Board of Certified Public Examiners
	1101 Oberlin Road, Suite 104 – Post Office Box 12827
	Raleigh, NC 27605

Phone: (919) 733-4215
Fax: (919) 733-4209
Email: dnance@nccpaboard.gov

FIRM TECHNICAL PROPOSAL

1. Advisor Information

   Main Contact information:

   - Name:
   - Title:
   - Firm:
   - Address:
   - E-mail:
   - Phone Number:
   - Website:
   - FINRA Rep Number:

2. Please provide a general description of the corporate structure of the firm, including the legal form of organization, the parent company (if applicable), and any affiliated companies, strategic partnerships, and joint ventures. If any significant short-term changes to the firm's corporate structure, senior management, ownership, or staffing are anticipated, please also note these.

3. Since inception, has the firm, the Main Contact(s) or any other officer or principal of the firm been involved in any business litigation, regulatory, or other legal proceedings or government investigation involving allegations of fraud, negligence, criminal activity, or breach of fiduciary duty relating to investment consulting activities? If so, please describe the case(s) and provide an explanation and indicate the status.

4. Please provide a biography of the key personnel that will be assigned to the Board account including:
   a. Name:
   b. Title:
   c. Role:
   d. Total years of institutional investment experience:
   e. Total years with the firm:
   f. Educational qualifications:
   g. Total dollars under advisory and average client portfolio size:

5. Please explain how the team dedicated to the Board's account would function. Please be sure to identify who would be the client relationship lead, who would perform the analytical work on the relationship, and who would serve as the back-up contact in situations when the proposed lead contact could not serve or attend meetings.

6. Please describe the levels of insurance coverage, including the amounts of errors and omission insurance and any other fiduciary professional liability insurance your firm carries.

7. Please list the number of current clients and assets the firm serviced in a full-service retainer capacity as of June 30, 2021. (Performance evaluation services or project-based work alone are not considered full-service retainer investment consulting relationships.)

8. If you are selected as a finalist, please confirm that you will provide a list of references from other organizations that your firm provides full services for.

9. Describe the structure of your investment research processes. How many professionals in your organization are assigned to investment manager/fund research, selection, and monitoring? Is there a preference for active versus passive managers?

10. Please describe your due diligence process over manager/fund selection including the frequency of review.

11. What guidelines do you utilize with respect to asset allocation and recommending possible termination of an investment manager or fund investment?

12. Describe your asset allocation methodology.

13. Describe your process for rebalancing a portfolio, including how often you recommend rebalancing and how you typically achieve rebalancing.

14. Describe your process for managing an investment watch list and recommending replacement investment opportunities.

15. Please describe how benchmarks are chosen or developed and how performance is compared to similar portfolios. Can the firm provide custom benchmarks?

16. Describe the timeframe in which you deliver standard reports.

17. Confirm that you will provide us secure Internet access to our account data.

18. Discuss how you would structure the relationship between your firm and its advisors and the Board Investment Committee and staff.

19. Please present a sample proposed Long Term Portfolio (10 years) and Intermediate Term Portfolio (5-7 years) that is consistent with the target return and risk tolerance profile inherent in the attached draft Board Investment Policy. This provides a framework to help us understand your approach, expected net returns, and cost structure of our asset holdings.

20. Please review and comment on any changes you would propose to the Board's Investment Policy and the reason why you would propose such a change.

21. In general, what key strengths or competitive advantages do the firm and your team possess that would generate superior performance and service?

22. Will your firm/team be acting in a Fiduciary capacity? Please describe this Fiduciary role and how it is articulated in your contract language. How will your firm/team educate the Investment Committee and the Board on fiduciary responsibility?

23. Please describe the process and timeline for the transition of our portfolio if the Board were to retain your firm.

Please provide the following sample reports and information as exhibits to your proposal:

a. Sample Monthly Performance Monitoring Report
b. Quarterly Investment Performance Review Report
c. Annual Investment Performance Review Report

<u>This information should be provided in a sealed envelope.</u>

Advisor COST PROPOSAL

Proposed Advisor Fee:

1. Please provide a fee proposal for full-service fee-based investment consulting for the next three years, including a list of all services that would be included in the fee and those services that would result in additional fees. Please include a breakdown of one-time set up fees, administrative fees, investment management fees, reporting fees, and transactional fees.

2. Please provide a schedule indicating how often and on what basis your fees are adjusted. Please detail your fee increases over the past three calendar years and indicate for what period you will guarantee your fee quote under this proposal.

The following is provided to identify annual costs; however, feel free to provide fee information in an alternative format that provides similar information.

August 1, 2021 to July 31, 2022	$________________
August 1, 2022 to July 31, 2023	$________________
August 1, 2023 to July 31, 2024	$________________

North Carolina State Board of CPA Examiners
Draft Cash Management and Investment Policy

Purpose of the Investment Policy Statement

This statement of Investment Policy ("Policy") has been adopted by the Board of the North Carolina State Board of CPA Examiners to provide guidance to those selected to manage the investment funds. The Policy has been set forth to:

1. State in a written document the Board's expectations, objectives, and guidance for the investment of cash assets.

2. Define and assign the responsibilities of all involved parties.

3. Establish criteria to evaluate investment performance and the performance of those selected to manage the Board's investment funds on a regularbasis.

For purposes of managing investment risk and optimizing investment returns within acceptable risk, funds will be divided into three separate pools. The three pools are the "Operating Funds", the "Reserve Funds" and the "Invested Funds".

Investment Committee

The purposes of the Investment Committee (the "Committee") will be to provide oversight and guidance to Board staff related to the Board's investment opportunities and the periodic monitoring of the performance of the investment portfolio.

The Committee shall have the following responsibilities:

a. Establish, implement, and review the Cash Management and Investment Policy Statement on an annual basis with any necessary amendments to be submitted to the Board for approval.
b. Select and retain an independent investment advisor(s) to assist it and to determine the compensation for such advisor(s). The Committee will report out to the Board during a regularly scheduled monthly meeting the choice for Advisor and the Compensation arrangement for the Advisor subject to Board approval.
c. Select and monitor the investments in accordance with the Cash Management and Investment Policy Statement.
d. Make changes to the investments selected based on the results of the quarterly review.
e. Other authority and responsibilities as may be assigned by the Board.

The Committee will be composed of Current Treasurer (Chair of the Committee), and two at large members of the Board selected by the President as voting members. The Executive Director and the Deputy Director shall serve as non-voting ex-officio members.

The Committee will meet quarterly, but more often as required. A majority of the voting members attending the meeting can ratify decisions. The Deputy Director will take and maintain meeting minutes for each meeting held.

Cash and Investments

Cash and Investments is comprised of three major categories: Operating Funds, Reserve Funds, and Invested Funds.

Operating Funds are those used to finance the day-to-day operations. Because of the seasonality of the Board's business, Operating Funds will experience variability during the fiscal year. Generally, Operating Funds are held in checking accounts at the primary financial institution or in short-term money-market funds. During periods of high collections, there may be periods of time where the funds reside in accounts that are not fully insured by FDIC coverage. Board staff should take appropriate measures to invest deposits to minimize investment risk. The stable financial position of the primary institution, as represented by its ratings, should provide the necessary security for these short periods of time.

Reserve Funds are the portion of "unrestricted net assets" that the Board has designated for use in emergencies to sustain financial operations in the unanticipated event of significant unbudgeted increases in operating expenses and/or losses in operating revenues. It is expected that these funds could sustain the organization for up to 4 months.

Invested Funds are those funds that are not expected to be needed for operating activities for at least eighteen months.

The decision and approval process for determining Operating Funds, Reserve Funds, and Invested Funds, and specific investment amounts and vehicles is set forth in the "Asset Allocation and Fund Investment Process".

The Advisor will prepare a quarterly investment performance report for presentation to the Committee. The report will be prepared and presented no later than 30 days after the end of each calendar quarter. *The report, as an example, will set forth the dollar amounts and performance returns for all allocations and investments, relevant benchmarks and/or adherence to selected indexes, investment costs, and specific investment parameters selected such as duration, credit worthiness, management changes, adherence to style.*

Operating Funds

Purpose

The purpose of the Operating Funds is to provide sufficient cash to meet the financial obligations of the Board in a timely manner.

Investment Objectives (More guidance may be added upon engaging an Advisor)

The investment objectives of the Operating Fund are:

1. Liquidity.
2. Preservation of capital.
3. To optimize the investment return within the constraints of the policy.

Operating Funds are to be used for the day-to-day operations of the Board. Throughout the fiscal year, the Board's operating costs average between $150-$200K per month, with the variable cost being examination expenses (based on volume of testers). The Board also collects a significant portion of its revenue during the first four months of the fiscal year, again with the variable being based on examination income (based on volume of applicants). As such, the Board should take steps to ensure funds are available to address its monthly operational costs throughout the year. Money-market securities and short-term certificates of deposit provide a safe, immediately accessible investment vehicle for the proportion of these funds that are not needed immediately but will be needed during the operating cycle.

Consistent with maintaining good banking relationships, the preponderance of these Operating Funds is to be invested in money-market funds with same-day cash availability that hold U. S. Treasury instruments. Market conditions may warrant investment of a portion of these funds in other highly-liquid, short-term cash equivalents.

The Deputy Director and the Executive Director will make appropriate transfers to and from the money market account consistent with good cash management practices. If the transfer is more than $100,000, the Treasurer will be advised and sign off on the approval of the transfer. Should there be a vacancy in one of these positions, the President may approve along with the other two individuals.

When investing in money-market accounts, particular care must be taken to keep costs of ownership as low as practical. These costs include, but are not limited to, brokerage fees, fund fees, fees built into the yield, etc.

Reserve Funds

Purpose

The purpose of the Operating Reserves Fund is to provide sufficient liquidity to meet the financial obligations of the Board that are outside of the current budget cycle and for unforeseen liquidity needs.

Investment Objectives (More guidance may be added upon engaging an Advisor)

The investment objectives of the Operating Reserves Fund are:

1. Preservation of capital.
2. Liquidity.
3. Optimization of the investment return within the constraints of the policy.

Reserve Funds equal to at least 4 months of operating expenses will be invested in short-term (1 year or less) investments. In normal investment environments, these funds could be invested in money markets, Certificates of Deposit, and/or a Certificate of Deposit Account Registry Services (CDARS). Alternatively, an option could be short-term diversified bond portfolio or treasuries may be suggested to allow for a greater investment return without taking on unwarranted interest or credit risk.

Invested Funds

Purpose

The purpose of the Invested Funds is to enhance the purchasing power of funds held for future expenditure and to maintain the financial stability of the Board.

Investment Objectives (More guidance may be added upon engaging an Advisor)

The Board's investment objectives are to safeguard its assets, preserve the real purchasing power of its assets, and diversify its assets while earning investment returns that are commensurate with the Board's risk tolerance. It is understood that fluctuating rates of return are characteristic of the securities markets. Recognizing that short-term market fluctuations may cause variations in the account performance, the portfolio is expected to achieve the following objectives, net of all fees, over a five-year moving timeframe:

1. The Invested Funds' total expected return should exceed the increase in the Consumer Price Index by a minimum of 2% annually.

2. The Invested Funds' total return should outperform a composite index that is a weighted blend of the indices referred to in the section entitled "Investment Guidelines" herein that reflects this policy's target asset allocation.

On a quarter-to-quarter basis, the actual returns will fluctuate and can be expected to exceed the targets about half the time.

Understanding that a long-term positive correlation exists between performance volatility (risk) and statistical returns in the securities markets, the following short-term objective has been established:

> The portfolio should be invested to minimize the probability of low negative total returns, defined as a one-year return worse than -7%. It is anticipated that a loss greater than this will occur no more than one out of twenty years.

The policies and restrictions presented for the Invested Funds serve as a framework to achieve the investment objectives at the level of risk deemed acceptable. These policies and restrictions are designed to minimize interference with efforts to attain overall objectives and to minimize the probability of excluding appropriate investment opportunities.

Invested Funds can be classified as fixed-term investments and/or equity investments.

The Board intends to invest in a diversified portfolio of stocks and bonds with the intent of achieving long-term returns.

<u>Investments in Fixed-Term Instruments</u> (More guidance may be added upon engaging an Advisor)
It is the intent of this policy that the fixed-term investment allocation will be invested in a conservative manner. Consistent with that intent, all investments in corporate debt must be in entities rated at least Baa by Moody's or BBB by S&P. For commercial paper, the minimum rating is P1 from Moody's or A1 from S&P. In the case of investments in bond mutual funds or ETF's, the average rating must be above the rating level indicated.

No more than 20% of fixed-term investments may be invested in any one company or group of related companies. This limit applies to federal agency debt (e.g., FHLBB, Freddie Mac, and Fannie Mae). There is no upper limit in the case of securities issued directly by the U.S. Treasury.

It will be preferred that CDs and/or CDARs be with institutions that provide for FDIC insurance. The Board has the option to hold CDs in the bank that is the primary financial institution for its Operating Funds.

Consistent with this document and with good investment practice, it is likely that the financial instrument portfolio will have a laddered strategy that invests funds with staggered maturity dates.

When investing in debt instruments, particular care must be taken to keep costs of ownership as low as practical. These costs include, but are not limited to, brokerage fees, fund fees, fees built into the yield, etc. Investments are prohibited in bond mutual funds that impose a sales charge or a deferred sales charge.

Investments in Equity Instruments

Equity investments can be a part of the Invested Funds. Acceptable domestic mutual funds or ETF's that passively track the performance of all or broad segments of the equity markets such as the Wilshire 5000, S&P 500, Russell 2000, NYSE Composite, NASDAQ Composite, S&P mid-cap or similar indices. A portion of the equity portfolio can be invested in one or more foreign mutual funds that track a broad international index (for example, the MSCI EAFE index or similar index). Asset allocation parameters are set forth in the Appendix.

When investing in equity mutual funds or ETF's, particular care must be taken to keep costs of ownership as low as practical. These costs include, but are not limited to, brokerage fees and annual fund fees, transaction fees, and similar.

Investments are prohibited in equity mutual funds that impose a sales charge or a deferred sales charge.

Asset Allocation and Fund Investment Process *(More guidance may be added upon engaging an Advisor)*

A key focus of the committee will be the monitoring the appropriate allocation between the Operating Funds, Reserve Funds, and Invested Funds; and within Invested Funds, determining the allocation between fixed-term investments and equity investments.

In addition, the Committee will evaluate on a regular basis the performance of the Advisor. The individual investment advisor will need to be independent of the Board and the Staff. The Advisor must have significant investment-related experience. The Advisor may, or may not, change from year-to- year. The Advisor's contract will be subject to all other rules that have been established by the Board for term and renewal.

An Advisor will be compensated on a fee-only basis. No Advisor, employer of an Advisor, or entity affiliated with an Advisor may receive any compensation, directly or indirectly, from the Board related to the investments of the Board other than the advising fee. No Board assets can be invested with the Advisor or an employer or other entity affiliated with such Advisor.

The tasks of the Advisor include:

(1) evaluating the preliminary allocation between fixed-term investments and equity investments,
(2) evaluating the preliminary allocations and fund selections within the fixed-term and equity components,
(3) providing an overview of past economic activity and market conditions,
(4) providing an assessment of future economic and market conditions and expectations,

(5) meeting with the Committee in preparation of a joint report to be presented to the Board and
(6) other agreed-upon tasks.

Appendix

Fund Allocations and Recommended Investments

Operating Funds	Checking Accounts
	Money Market Accounts
Reserve Funds	Short Term (1 year or less) Bond Funds, Treasuries, CDs or CDARs Money Markets
Invested Funds	Fixed Income – XX% Target
	Equities – XX% Target

The Invested Funds portion of Board assets will be invested in a diversified portfolio of stocks and bonds based on the recommendations of the Investment Committee and the Advisor(s). In no event shall the equity investment exceed 60% for a period longer than one calendar year quarter.

Adopted by the Board on XXXXXXXX]

North Carolina State Board of Certified Public Accountant Examiners

Resolution

Whereas, the North Carolina State Board of Certified Public Accountant Examiners hired Jean Marie Small as a Professional Standards Specialist on May 1, 2013;

Whereas, during her tenure, Jean Marie Small faithfully and tirelessly served as a valuable employee of the Board, a mentor to other Board employees, and an advocate for the protection of the public and the best interests of the CPA profession;

Be It Therefore Resolved, the North Carolina State Board of Certified Public Accountant Examiners thanks Jean Marie Small for her service to the Board and offers best wishes to her on her retirement from the Board.

This the 24th day of May 2021.

North Carolina State Board of
Certified Public Accountant Examiners

Barton W. Baldwin, CPA
President