North Carolina State Board of Certified Public Accountant Examiners  

PUBLIC SESSION MINUTES  
July 24, 2023

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

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

GUESTS: Sharon Bryson, CEO, NCACPA; Mark Soticheck, CPA, CEO, NCACPA; Felicia Edwards, CPA; Mashieka Lee; Carlie C. (Mack) McLamb Jr.; Galen McLamb; James (Jay) Otis McLamb Jr.; Jon McLamb; Sonya McLamb; William McLamb; Alan Schneider, Esq.; Scott Showalter, CPA; Dr. Mark Beasley, CPA; Hanna Williams, CPA; and Sgt. J.D. Rattlelade, Raleigh Police Department.

CALL TO ORDER: Mr. Massey called the meeting to order at 10:01 a.m.

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

PUBLIC HEARING: Mr. Massey called the Public Hearing to order to hear the Request for Modification of Discipline from James (Jay) Otis McLamb Jr. Mr. Jay McLamb was sworn in and presented testimony. Mr. Showalter, Dr. Beasley, Ms. Williams, and Mr. Mack McLamb were sworn in and gave testimony. Ms. Lynch moved, and Mr. Winstead seconded the motion to enter Closed Session to discuss legal matters with Mr. Allen. The motion passed with seven (7) affirmative and zero (0) negative votes. Upon re-entering the Hearing, Ms. Lynch moved, and Mr. Winstead seconded the motion to issue a Board Order (Appendix I) approving Mr. McLamb's Request for Modification of Discipline and permitting him to apply for reissuance of his North Carolina CPA license. The motion passed with seven (7) affirmative and zero (0) negative votes.

CONFLICTS OF INTEREST: Ms. Van Zant recused herself from an item on the Professional Standards Committee's agenda.

MINUTES: Mr. Winstead moved, and Mr. Payseur seconded the motion to approve the June 20, 2023, meeting minutes as submitted. The motion passed with seven (7) affirmative and zero (0) negative votes.

FINANCIAL AND BUDGETARY ITEMS: Ms. Demery moved, and Ms. Kruse seconded the motion to approve the June 2023 financial statements as submitted. The motion passed with seven (7) affirmative and zero (0) negative votes.
Ms. Demery moved, and Ms. Van Zant seconded the motion to hire Paving Professionals to repair and resurface the Board’s parking lot. The motion passed with seven (7) affirmative and zero (0) negative votes.

LEGISLATIVE AND RULEMAKING ITEMS: Mr. Nance stated that he, Ms. Sanders, and Mr. Trainor would attend the Rules Review Commission’s August 17, 2023, meeting.

NATIONAL ORGANIZATION ITEMS: Mr. Nance and Mr. Winstead updated the Board on NASBA’s proposed Credit Restoration Policy (formerly known as the Credit Amnesty Policy). The Board requested Executive staff to draft a letter to NASBA identifying that the Board had the necessary authority and means to address the basic tenets of the Credit Restoration Policy and that the timeline for addressing any concerns related to the candidates that might have been impacted during the pandemic is narrowing as we move beyond that time period.

Mr. Nance informed the Board that over 50 North Carolina CPA Exam candidates had credits reinstated under the Board’s 30-month Exam credit window policy.

STATE AND LOCAL ORGANIZATION ITEMS: Mr. Sotichek shared “Pipeline Roadmap: NCACPA’s Approach” with the Board and explained how the NCACPA plans to address the CPA pipeline issue.

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

Case Nos. C2021203-1 and C2021203-2 - David A. Kingman and David A. Kingman, CPA, PC - Approve the signed Consent Order. (Appendix II)

Case No. C2023037 - AGL CPA Group, LLC - Approve the signed Consent Order. (Appendix III)

Case No. C2023038 - Alan Ross & Company, PC - Approve the signed Consent Order. (Appendix IV)

Case No. C2023039- Baker Newman Noyes - Approve the signed Consent Order. (Appendix V)

Case No. C2023044 - Bober, Markey, Fedorovich & Company - Approve the signed Consent Order. (Appendix VI)

Case No. C2023045 - Bolinger, Segars, Gilbert & Moss, L.L.P. - Approve the signed Consent Order. (Appendix VII)

Case No. C2023046 - Colby & Company, PLC - Approve the signed Consent Order. (Appendix VIII)

Case No. C2023047- Chugh CPAs LLP - Approve the signed Consent Order. (Appendix IX)
Case No. C2023050 - Harvey Ginsberg & Co., CPAs, P.C. - Approve the signed Consent Order. (Appendix X)

Case Nos. C2023052-1 and C2023052-2 - Arvinder Singh and Singh CPA PLLC - Approve the signed Consent Order. (Appendix XI)

Case Nos. C2023060-1 and C2023060-2 - Robert H. Collis and Collis & Associates CPAs, P.C. - Approve the signed Consent Order. (Appendix XII)

Case No. C2023064 - HBME, LLC - Approve the signed Consent Order. (Appendix XIII)

Case No. C2023071 - Jones & Roth, P.C. - Approve the signed Consent Order. (Appendix XIV)

Case No. C2023074 - KSDT CPA - Approve the signed Consent Order. (Appendix XV)

Case No. C2023079 - The American Auditors Group, LLC - Approve the signed Consent Order. (Appendix XVI)

Case No. C2023082 - Wendling, Noe, Nelson & Johnson, LLC - Approve the signed Consent Order. (Appendix XVII)

Case No. C2023097 - Michael Wayne Sledge, CPA - Approve the signed Consent Order. (Appendix XVIII)

Case No. C2023106 - Close the case without prejudice. Ms. Van Zant recused herself from this matter.

Case No. 2022279 - Close the case without prejudice.

Case No. C2023102 - Close the case without prejudice with a Letter of Warning.

Case No. C2023114-1 - Close the case without prejudice with a Letter of Warning.

Case Nos. C2022155-1 and C2022155-2 - Close the cases without prejudice with a Letter of Warning.

Mr. Winstead stated that the Committee provided guidance on three other matters.

PROFESSIONAL EDUCATION AND APPLICATIONS COMMITTEE REPORT: The Board approved with seven (7) affirmative and zero (0) negative votes the following recommendations of the Committee as presented by Ms. Demery:
Transfer of Uniform CPA Exam Grades - Approve the following applications for the transfer of Uniform CPA Exam grades:

Bailey Elizabeth Alleman
Xin Chen
Lorin Taylor Hartley
Maxwell Harding Humphries

Kendra Marie Jacques
Cassidy Morgan Peikin
Hannah Adair Risenmay
Kai Wei

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

Bailey Elizabeth Alleman
Ashlyn Elizabeth Jennifer Allen
Tanner Ross Barnett
Jennifer Moody Barrow
Clara Elizabeth Blackstock
Xin Chen
Shirley Enid Chiari
Turner Austin Cunningham
Mary Caitlin Deans
Michael Dejulio
Regina Susan Eyes
Rayan Wail Faraj
Carlyn Appleton Flake
Jacob Henry Gilbert
Michole Marie Greenwood
Elizabeth Darden Grubb
Shannon Elizabeth Gurreri
Connor Michael Haggarty
Zachary Tyler Halsey
Lorin Taylor Hartley
John Marshall Hoopman
Leigh-Anne Hughey Huffman
Maxwell Harding Humphries
Susan S. Hutchins
Kingsley Onyekachukwu Ifedi
Kendra Marie Jacques
Christopher Kenneth Johnson
Lauren Catherine Kirkpatrick
Ginamarie Eileen Klos
Sunyoung Kong
Rashel Kirsten Korte

Amy Elizabeth Lamp
Joanna Louise Leary
Jackie Lin
Erin Susanne Lowdermilk
Emily Elizabeth Lower
Kenneth Jackson Lutz
Philip Scott McIntosh
Angel Maria Sundance Moore
Bryson Cole Mosteller
Gregory Tucker Nobles
Kelsey Edens O’Brian
Maggie Christine Ostwalt-Yantis
Charles Wood Parrish
Satyam Pravinkumar Patel
Cassidy Morgan Peikin
Margaret Hampton Prochaska
Hannah Adair Risenmay
Wills Dustin Roman
Zoe Miller Rumberg
Arianna Maryam Shahin
Jeffery Todd Sisson Jr.
Sheila Greene Snyder
Eric Leigh Syfrett
Andrea Broadhurst Taylor
Angie Dione Tucker
Christopher Brooks Vaughn
Payton Riley Vogelgesang
Kai Wei
Lexia Jade Wingler
Lihua Zhao

Approve, with a one-year probationary period, the original certificate application submitted by Jonathan Laurel Denise. Mr. Denise failed to disclose pertinent information with his Exam application but provided it with his certificate application.
Reciprocal CPA Certificate Applications - Approve the following applications for reciprocal CPA certification:

Robert E. Acuna
Joseph Michael Adam
Danielle Nicole Agosta
Taylor Caitlin Akindele
Quintin Jerome Bell
Joshua Race Borfitz
Bruce Burton Brown
Melissa Ann Burke
Witcliff Anthony Cammock
Jeffrey Arthur Carlson
Christopher Ryan Carroll
Erik Matthew Causey
Keith Anthony Clarke
Skyle Morgan Faulkner
John Anthony Ficara
Rebecca Marie Freiheit
Peyton Marie Gladieux
Arwin Velasco Guban
Justin Taylor Hammond
John Patrick Heffron
Christopher Michael Hurst
Julian Malachy Jackson
Chandler Blake Julian
Haley Elizabeth King
Katherine J. McIntyre
Rodney Mudondo
Matthew James Nelson
Brennan Murphy Peterson
Tebbi Jean Purvis
Matthew Gerald Scheuers
Alexa Lynn Sheridan
Patricia Elise Sholtis
John William Slyh
Lori Lynn Toro
Joshua Nathanael Tyler
Kenneth Scott Vietzke
Erin Therese Weis
Lisa Rene Wierer
Josh Yelen

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

Cara Michelle Stevens, T13935
John Vincent Juron, T13936
Michael Christopher Popiela, T13937
Jonathan Rucker, T13938
Christopher Michael Quinn, T13939
Joy Ann Casterton, T13940
Lakin Elizabeth Aycock, T13941
Aaron Michael Henry, T13942
Alexander James Brennan, T13943
Ian Garret Mesoznik, T13944
Mackenzie Elizabeth Maring, T13945
Cameron Robert Overton, T13946
James Matthew Robertson, T13947
Benjamin John Culotta, T13950
Kristen Taylor Estrada, T13951
Joseph Milton Collier Baker, T13952
Kelsey Christine Roman, T13953
Matthew Jerome Michels, T13954
Daniel Anthony Tartarini, T13955
Jesse Ray Wilde, T13956
Deborah Brand Kallman, T13957
Samantha Lynn Fouser, T13958
Emily Robertson Chilton, T13959
Odysseus Mathedrial Lanier, T13960
Caleb Shawn Thunem, T13961
Marjorie R. Corcoran, T13962
Arne Arthur Lebrato, T13963
Michelle Turnage Huffman, T13964
Jon M. Ryan, T13965

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

Valarie Shea Burke, #39991
Bethany Anne Chapman, #30661
Reissuance of New Certificate - Approve the application for reissuance of a new certificate submitted by the following individual:

Tiffany Ann Neijna, #31844

CPE Extension Requests - Approve two (2) requests for an extension to complete the 2022 CPE requirement and disapprove two (two) requests for an extension to complete the 2022 CPE requirement.

CPE Letters of Warning - Approve rescinding the CPE Letters of Warning issued to the following individuals because they provided additional information substantiating that they timely completed the 2021 CPE requirement:

Caroline Marie Flowers, #39746          Susan Tran, #42899

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

Richard Andrews          Ashley Bornkamp
Demi Abernathy           Patrick Bradford
Jalen Adams              Joshua Branch
Deana Alhorani           Seth Brim
Michael Allan            Austin Brooks
Riane Allen              Jack Brown
Emily Almerini           Justin Brown
Julio Alvarez             Robert Brown
Rachel Anstett           Wendell Brown
Hollie Ardoin            Ethan Brunelli
Jonathan Ball            Isabella Bucaro
Sahr Bangai              Tanner Buff
Alison Banther           Hallie Burris
Connor Barton            Justin Byrd
Nathan Benn              Madeline Cabe
Emily Bennett            Lionel Cabrera
Zachary Berglund         Austen Cagwin
Daniel Bidwick           Alyssa Carey
Michael Blasko           Sander Casino
Rachel Blevins           Jessica Cathey
Madison Bonello          Amanda Cauble
Robert Bordiere          Kurt Cerrato
CPA Firm Registration - Approve the CPA firm registration submitted by McConnell & Jones LLP.

CPA Firm Registration Renewals - Approve referring the following CPA firms to the Professional Standards Committee because each firm submitted a CPA firm registration renewal or termination notice more than 120 days after the deadline:

Allen Chandler CPA/CVA, PLLC  
   Richard Allen Chandler, #18210
GUINN, SMITH & CO., INC.  
   James Elmer Guinn, #N702
C. L. Lindsay CPA, PLLC  
   Christopher Lee Lindsay, #41458

AUDIT COMMITTEE: The Board approved the 2022-2023 audit report (Appendix XIX) as presented by Ms. Kruse with seven (7) affirmative and zero (0) negative votes.
EXECUTIVE STAFF AND LEGAL COUNSEL REPORT: The Board reviewed the June 2023 operational metrics and the Executive Staff Report.

PUBLIC COMMENTS: After updating the Board on the NCACPA’s activities, Ms. Bryson thanked the Board for its continued collaboration on matters of interest to the CPA profession.

CLOSED SESSION: Ms. Lynch moved, and Mr. Winstead seconded the motion to enter Closed Session to discuss legal matters with Mr. Allen, Mr. Nance, Ms. Sanders, and Mr. Trainor. The motion passed with seven (7) affirmative and zero (0) negative votes.

PUBLIC SESSION: The Board returned to Public Session to continue with the agenda.

ADJOURNMENT: Mr. Winstead moved, and Ms. Demery seconded the motion to adjourn the meeting at 12:39 pm. The motion passed with seven (7) affirmative and zero (0) negative votes.

Respectfully submitted:

David R. Nance, CPA
Executive Director

Attested to by:

Bernita W. Demery, CPA
Vice President
IN THE MATTER OF:  
James O. McLamb, Jr., #19680  
Applicant  

BOARD ORDER

THIS CAUSE coming before the North Carolina State Board of Certified Public Accountant Examiners (the “Board”) at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, at public hearing (“Hearing”), with a quorum present, the Board finds, based on the evidence presented at the Hearing on July 24, 2023, that:

FINDINGS OF FACT

1. The Applicant was the holder of a certificate as a Certified Public Accountant in North Carolina until that certificate was revoked on July 21, 2008.

2. Five (5) years have elapsed since the Applicant’s revocation, and he has requested a Modification of Discipline pursuant to 21 NCAC 08I .0104.

3. The disciplinary action that the Applicant seeks to modify was a Consent Order revoking his certificate (“Consent Order”). The effective date of the Consent Order was July 21, 2008.

4. The Board has jurisdiction over the Applicant and the subject matter of this action.

5. The Applicant received at least fifteen (15) days written notice of the Hearing. The notice was achieved by serving a Notice of Hearing by personal service, certified mail, or other method of delivery authorized by N.C. Gen. Stat. § 150B-38(c).

6. Venue is proper and the Hearing was properly held at 1101 Oberlin Road, Raleigh, North Carolina.

7. The Applicant did not object to any Board Member’s participation in the Hearing of this matter.
8. The Applicant was present at the Hearing and was represented by counsel.

9. This matter is before the Board upon application by the Applicant for Modification of Discipline pursuant to 21 NCAC 08I .0104.

CONCLUSIONS OF LAW

1. The Hearing was duly noticed pursuant to N. C. Gen. Stat. § 150B-38 and was conducted with a quorum of Board members and all necessary parties present.

2. Because the discipline in this case imposed by a Board Order was permanent revocation, pursuant to 21 NCAC 08I .0104, the burden of establishing a justification for modifying the earlier discipline is upon the Applicant.

3. The Applicant, during the Hearing, was able to demonstrate good cause for the relief sought, including evidence that he is rehabilitated with respect to the conduct that was the basis of the Board Order.

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

1. James O. McLamb, Jr.’s Application for Modification of Discipline is approved. The Board will accept an application for reissuance of McLamb’s CPA certificate.

2. As a condition of the reissuance, McLamb shall continue to comply with any restitution agreement that he entered into with the IRS.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY Gary R. Massey
President
IN THE MATTER OF:
David A. Kingman, CPA, #16754
David A. Kingman CPA, PC, Firm #12510
Respondents

CONSENT ORDER

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

1. David A. Kingman, CPA (hereinafter "Respondent"), is the holder of North Carolina certificate number 16754 as a Certified Public Accountant.

2. David A. Kingman CPA, PC (hereinafter "Respondent Firm"), is a registered certified public accounting firm in North Carolina. Hereinafter, the Respondent and the Respondent Firm are collectively referred to as the "Respondents."

3. The Respondent is listed as the supervising CPA of the Respondent Firm and is therefore responsible for the Respondent Firm's actions.

4. On October 24, 2019, the Respondents entered into a Consent Order with the Board due to their failure to complete the peer review process. Per that Consent Order, the Respondent agreed to re-enroll in peer review and provide the Board with the results.

5. On January 13, 2020, the Respondents subsequently completed a peer review and received a "fail."

6. On February 24, 2020, the AICPA Peer Review Committee reviewed the matter and recommended that the Respondent Firm undergo pre-issuance review prior to issuing further opinions.

7. The Respondents have now informed the Board that they no longer desire to perform services subject to peer review.

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

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

1. The Respondents are subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
By virtue of the facts set forth above, the Respondents have violated Rule 21 NCAC 08N.0203(b)(7).

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

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

1. The Respondent, David A. Kingman, CPA, is hereby censured.

2. The Respondent Firm, David A. Kingman CPA, PC, shall pay a one thousand dollar ($1,000) civil monetary penalty to be returned with this signed Consent Order.

3. The Respondents' ability to perform services subject to peer review is hereby permanently revoked.

CONSENTED TO THIS THE [3] DAY OF [July] [2023].

[Signature]
D AVID A. KINGMAN CPA, PC
Respondent

Approved by the Board this the [24] day of [July] [2023].

[Signature]
President

North Carolina State Board of Certified Public Accountant Examiners

[Seal]
IN THE MATTER OF:
AGL CPA Group, LLC
Respondent

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2023037

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. AGL CPA Group, LLC (hereinafter “Respondent Firm”), has a principal place of
business outside of North Carolina and has no office in North Carolina. The
Respondent Firm is not a registered certified public accounting firm in North
Carolina.

2. The Respondent Firm performed an audit of a retirement plan sponsored in North
Carolina (“ERISA audit”).

to provide notice without a fee to the Board prior to performing financial statement
audits or other engagements performed in accordance with the Statements on
Auditing Standards. The members or partners of Respondent Firm were unaware of
the notice requirement.

4. The Respondent Firm did not provide the Board with a Notification of Intent to
Practice (“Notice”) prior to performing the ERISA audit.

5. There is no indication that the audit performed by the Respondent Firm was
otherwise deficient.

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

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

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

2. By exercising the practice privilege afforded by N.C. Gen. Stat. § 93-10(c) of the
Accountancy Act, the Respondent Firm consented to comply with the laws of this
State and to be subject to the jurisdiction and disciplinary authority of the Board.
3. The Respondent Firm's failure to comply with N.C. Gen. Stat. § 93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.

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

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

1. The Respondent Firm shall remit, with this signed Order, a $1,000.00 civil penalty.

CONSENTED TO THIS THE \underline{27}\textsuperscript{th} DAY OF \underline{June} \underline{}, 2023

\underline{Individual authorized to sign on behalf of Respondent Firm}

APPROVED BY THE BOARD THIS THE \underline{24}\textsuperscript{th} DAY OF \underline{July} \underline{, 2023}

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY: Tony L. Massey
President
IN THE MATTER OF:  
Alan Ross & Company, PC  
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. Alan Ross & Company, PC (hereinafter "Respondent Firm"), has a principal place of business outside of North Carolina and has no office in North Carolina. The Respondent Firm is not a registered certified public accounting firm in North Carolina.

2. The Respondent Firm performed an audit of a retirement plan sponsored in North Carolina ("ERISA audit").

3. The North Carolina Accountancy Act, at N.C. Gen. Stat. § 93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.

4. The Respondent Firm did not provide the Board with a Notification of Intent to Practice ("Notice") prior to performing the ERISA audit.

5. There is no indication that the audit performed by the Respondent Firm was otherwise deficient.

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

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

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

2. By exercising the practice privilege afforded by N.C. Gen. Stat. § 93-10(c) of the Accountancy Act, the Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.

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CPA EXAMINERS
3. The Respondent Firm’s failure to comply with N.C. Gen. Stat. § 93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.

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

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

1. The Respondent Firm shall remit, with this signed Order, a $1,000.00 civil penalty.

CONSENTED TO THIS THE 29TH DAY OF JUNE, 2023.

Individual authorized to sign on behalf of Respondent Firm


NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY: __________________________
    President
IN THE MATTER OF:
Baker Newman Noyes
Respondent Firm

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. Baker Newman Noyes (hereinafter "Respondent Firm"), has a principal place of business outside of North Carolina and has no office in North Carolina. The Respondent Firm is not a registered certified public accounting firm in North Carolina.

2. The Respondent Firm performed an audit of a retirement plan sponsored in North Carolina ("ERISA audit").

3. The North Carolina Accountancy Act, at N.C. Gen. Stat. § 93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.

4. The Respondent Firm did not provide the Board with a Notification of Intent to Practice ("Notice") prior to performing the ERISA audit.

5. There is no indication that the audit performed by the Respondent Firm was otherwise deficient.

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

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

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

2. By exercising the practice privilege afforded by N.C. Gen. Stat. § 93-10(c) of the Accountancy Act, the Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.
3. The Respondent Firm's failure to comply with N.C. Gen. Stat. § 93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.

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

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

1. The Respondent Firm shall remit, with this signed Order, a $1,000.00 civil penalty.


Individual authorized to sign on behalf of Respondent Firm


NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY: President
IN THE MATTER OF:
Bober, Markey, Fedorovich & Company
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. Bober, Markey, Fedorovich & Company (hereinafter "Respondent Firm"), has a principal place of business outside of North Carolina and has no office in North Carolina. The Respondent Firm is not a registered certified public accounting firm in North Carolina.

2. The Respondent Firm performed audits of retirement plans sponsored in North Carolina ("ERISA audit") for two separate clients.

3. The North Carolina Accountancy Act, at N.C. Gen. Stat. § 93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.

4. The Respondent Firm did not provide the Board with a Notification of Intent to Practice ("Notice") prior to performing the ERISA audits.

5. There is no indication that the audits performed by the Respondent Firm were otherwise deficient.

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

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

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

2. By exercising the practice privilege afforded by N.C. Gen. Stat. § 93-10(c) of the Accountancy Act, the Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.
3. The Respondent Firm’s failure to comply with N.C. Gen. Stat. § 93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.

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

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

1. The Respondent Firm shall remit, with this signed Order, a $2,000.00 civil penalty.

CONSENTED TO THIS THE 28th DAY OF June, 2023.

(Individual authorized to sign on behalf of Respondent Firm)


NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY: ____________________________

President
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. Bolinger, Segars, Gilbert & Moss, L.L.P. (hereinafter "Respondent Firm"), has a principal place of business outside of North Carolina and has no office in North Carolina. The Respondent Firm is not a registered certified public accounting firm in North Carolina.

2. The Respondent Firm performed an audit of a retirement plan sponsored in North Carolina ("ERISA audit").

3. The North Carolina Accountancy Act, at N.C. Gen. Stat. § 93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.

4. The Respondent Firm did not provide the Board with a Notification of Intent to Practice ("Notice") prior to performing the ERISA audit.

5. There is no indication that the audit performed by the Respondent Firm was otherwise deficient.

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

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

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

2. By exercising the practice privilege afforded by N.C. Gen. Stat. § 93-10(c) of the Accountancy Act, the Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.
3. The Respondent Firm's failure to comply with N.C. Gen. Stat. § 93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.

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

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

1. The Respondent Firm shall remit, with this signed Order, a $1,000.00 civil penalty.

CONSENTED TO THIS THE ___ DAY OF _____, 20__,

Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE ___ DAY OF _____, 20__,

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY: ____________________________
    President
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. Colby & Company, PLC (hereinafter "Respondent Firm"), has a principal place of business outside of North Carolina and has no office in North Carolina. The Respondent Firm is not a registered certified public accounting firm in North Carolina.

2. The Respondent Firm performed an audit of a retirement plan sponsored in North Carolina ("ERISA audit").

3. The North Carolina Accountancy Act, at N.C. Gen. Stat. § 93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.

4. The Respondent Firm did not provide the Board with a Notification of Intent to Practice ("Notice") prior to performing the ERISA audit.

5. There is no indication that the audit performed by the Respondent Firm was otherwise deficient.

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

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

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

2. By exercising the practice privilege afforded by N.C. Gen. Stat. § 93-10(c) of the Accountancy Act, the Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.
3. The Respondent Firm's failure to comply with N.C. Gen. Stat. § 93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.

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

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

1. The Respondent Firm shall remit, with this signed Order, a $1,000.00 civil penalty.

CONSENTED TO THIS THE 28th DAY OF June, 2023.

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


[Signature]
President

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

NC BOARD OF CPA EXAMINERS
JUL - 5 2023
IN THE MATTER OF:
Chugh CPAs LLP
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. Chugh CPAs LLP (hereinafter "Respondent Firm"), has a principal place of business outside of North Carolina and has no office in North Carolina. The Respondent Firm is not a registered certified public accounting firm in North Carolina.

2. The Respondent Firm performed an audit of a retirement plan sponsored in North Carolina ("ERISA audit").

3. The North Carolina Accountancy Act, at N.C. Gen. Stat. § 93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.

4. The Respondent Firm did not provide the Board with a Notification of Intent to Practice ("Notice") prior to performing the ERISA audit.

5. There is no indication that the audit performed by the Respondent Firm was otherwise deficient.

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

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

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

2. By exercising the practice privilege afforded by N.C. Gen. Stat. § 93-10(c) of the Accountancy Act, the Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.

JUL 10 2023
CPA EXAMINERS
Consent Order - 2
Chugh CPAs LLP

3. The Respondent Firm's failure to comply with N.C. Gen. Stat. § 93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.

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

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

1. The Respondent Firm shall remit, with this signed Order, a $1,000.00 civil penalty.

CONSENTED TO THIS THE 26th DAY OF June, 2023.

Individual authorized to sign on behalf of Respondent Firm


NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY: President

NC BOARD OF CPA EXAMINERS

JUL 10 2023
IN THE MATTER OF:
Harvey Ginsberg & Co., CPAs, P.C.
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. Harvey Ginsberg & Co., CPAs, P.C. (hereinafter "Respondent Firm"), has a principal place of business outside of North Carolina and has no office in North Carolina. The Respondent Firm is not a registered certified public accounting firm in North Carolina.

2. The Respondent Firm performed an audit of a retirement plan sponsored in North Carolina ("ERISA audit").

3. The North Carolina Accountancy Act, at N.C. Gen. Stat. § 93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.

4. The Respondent Firm did not provide the Board with a Notification of Intent to Practice ("Notice") prior to performing the ERISA audit.

5. There is no indication that the audit performed by the Respondent Firm was otherwise deficient.

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

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

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

2. By exercising the practice privilege afforded by N.C. Gen. Stat. § 93-10(c) of the Accountancy Act, the Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.
3. The Respondent Firm's failure to comply with N.C. Gen. Stat. § 93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N.0213.

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

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

1. The Respondent Firm shall remit, with this signed Order, a $1,000.00 civil penalty.

CONSENTED TO THIS THE ___ DAY OF ___ , 2023

Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 24th DAY OF __ , 2023

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY: ___________________________
    President
IN THE MATTER OF:
Arvinder Singh, CPA
Singh CPA PLLC
Respondents

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #s C2023052-1/2

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 Firm stipulate to the following:

1. Arvinder Singh, CPA (hereinafter “Respondent”), is the holder of North Carolina certificate number 36027 as a Certified Public Accountant.

2. Singh CPA PLLC (hereinafter “Respondent Firm”) is a registered certified public accounting firm in North Carolina. Hereinafter, the Respondent and the Respondent Firm are collectively referred to as the “Respondents.”


4. The Respondent did not register the Respondent Firm for peer review until January of 2023. The Respondent asserts that he mistakenly believed that the aforementioned disclosures would serve to automatically enroll his firm in a peer review program.

5. Board records indicate that the Respondent Firm is now enrolled in PRIMA with a deadline of June 30, 2024, for its first review.

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

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

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

2. By virtue of the facts set forth above, the Respondents violated Rule NCAC 08N .0203(b)(7) (failure to participate in a peer review program).

3. Per N.C. Gen. Stat. § 93-12(9), and also by virtue of the Respondents consent to this order, the Respondents are subject to the discipline set forth below.
Based on the foregoing and in lieu of further proceedings, the Board and the Respondents agree to the following Order:

1. The Respondent is hereby censured.

2. The Respondents shall pay a one thousand dollar ($1,000) civil monetary penalty with this signed Consent Order.

Consent Order - 2
Arvinder Singh, CPA
Singh CPA PLLC

CONSENTED TO THIS THE 16th DAY OF JUNE, 2023

________________________
ARVINDER SINGH
Respondent

Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 24th DAY OF JULY, 2023

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY: _______________________
   President

JUN 20 2023
CPA EXAMINERS
IN THE MATTER OF:
Robert H. Collis, CPA, Certificate #14921
Collis & Associates CPAs, P.C., Firm #30784
Respondents

CONSENT ORDER

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

1. Robert H. Collis, CPA, (hereinafter "Respondent"), is the holder of North Carolina certificate number 14921 as a Certified Public Accountant.

2. Collis & Associates CPAs, P.C. (hereinafter "Respondent Firm"), is a registered certified public accounting firm in North Carolina.

3. Hereinafter, the Respondent and the Respondent Firm are collectively referred to as the "Respondents."

4. The Respondent is listed as the supervising CPA for the Respondent Firm and is therefore responsible for the Respondent Firm's actions.

5. The Respondent Firm’s last completed peer review was a “pass” that was finalized on December 21, 2018.

6. Since that time, the Respondent Firm has performed services subject to peer review. However, the Respondent Firm had been dropped from the peer review program.

7. The Respondents wish to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board ex parte, whether or not the Board accepts this Consent Order as written. The Respondents understand 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 Respondents are subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. By virtue of the facts set forth above, the Respondents violated Rule 21 NCAC 08N .0203(b)(7).

3. Per N.C. Gen. Stat. § 93-12(9), and also by virtue of the Respondents' consent to this order, the Respondents are subject to the discipline set forth below.
Consent Order - 2  
Robert H. Collis, CPA  
Collis & Associates CPAs, P.C.

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

1. The Respondent is hereby censured.

2. The Respondent Firm shall pay a one thousand dollar ($1,000) civil monetary penalty, to be remitted with this signed Consent Order.

3. The Respondents' ability to perform services subject to peer review is revoked until the Respondent Firm is re-enrolled in the peer review program.

CONSENTED TO THIS THE ___ DAY OF ___ , 20__.

Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE ___ DAY OF ___ , 20__.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY: [Signature] President
IN THE MATTER OF:
HBME, LLC
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. HBME, LLC (hereinafter "Respondent Firm"), has a principal place of business outside of North Carolina and has no office in North Carolina. The Respondent Firm is not a registered certified public accounting firm in North Carolina.

2. The Respondent Firm performed an audit of a retirement plan sponsored in North Carolina ("ERISA audit").

3. The North Carolina Accountancy Act, at N.C. Gen. Stat. § 93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.

4. The Respondent Firm did not provide the Board with a Notification of Intent to Practice ("Notice") prior to performing the ERISA audit.

5. There is no indication that the audit performed by the Respondent Firm was otherwise deficient.

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

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

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

2. By exercising the practice privilege afforded by N.C. Gen. Stat. § 93-10(c) of the Accountancy Act, the Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.

JUL - 5 2023
CPA EXAMINERS
3. The Respondent Firm's failure to comply with N.C. Gen. Stat. § 93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N.0213.

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

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

1. The Respondent Firm shall remit, with this signed Order, a $1,000.00 civil penalty.

CONSENTED TO THIS THE ________ DAY OF ________, ______, 2021.

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


[Signature]
President

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
IN THE MATTER OF:
Jones & Roth, P.C.
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. Jones & Roth, P.C. (hereinafter "Respondent Firm"), has a principal place of business outside of North Carolina and has no office in North Carolina. The Respondent Firm is not a registered certified public accounting firm in North Carolina.

2. The Respondent Firm performed an audit of a retirement plan sponsored in North Carolina ("ERISA audit").

3. The North Carolina Accountancy Act, at N.C. Gen. Stat. § 93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.

4. The Respondent Firm did not provide the Board with a Notification of Intent to Practice ("Notice") prior to performing the ERISA audit.

5. There is no indication that the audit performed by the Respondent Firm was otherwise deficient.

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

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

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

2. By exercising the practice privilege afforded by N.C. Gen. Stat. § 93-10(c) of the Accountancy Act, the Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.
3. The Respondent Firm's failure to comply with N.C. Gen. Stat. § 93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.

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

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

1. The Respondent Firm shall remit, with this signed Order, a $1,000.00 civil penalty.

CONSENTED TO THIS THE ___ DAY OF _____, 2023

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

APPROVED BY THE BOARD THIS THE 24th DAY OF JULY, 2023

[Signature]
President

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2023074

IN THE MATTER OF:
KSDT CPA
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. KSDT CPA (hereinafter "Respondent Firm"), has a principal place of business outside of North Carolina and has no office in North Carolina. The Respondent Firm is not a registered certified public accounting firm in North Carolina.

2. The Respondent Firm performed an audit of a retirement plan sponsored in North Carolina ("ERISA audit").

3. The North Carolina Accountancy Act, at N.C. Gen. Stat. § 93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.

4. The Respondent Firm did not provide the Board with a Notification of Intent to Practice ("Notice") prior to performing the ERISA audit.

5. There is no indication that the audit performed by the Respondent Firm was otherwise deficient.

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

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

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

2. By exercising the practice privilege afforded by N.C. Gen. Stat. § 93-10(c) of the Accountancy Act, the Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.

JUL - 6 2023
CPA EXAMINERS
3. The Respondent Firm's failure to comply with N.C. Gen. Stat. § 93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.

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

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

1. The Respondent Firm shall remit, with this signed Order, a $1,000.00 civil penalty.

CONSENTED TO THIS THE 28th DAY OF June, 2023.

Individual authorized to sign on behalf of Respondent Firm


NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BY: President

JUL - 6 2023
CPA EXAMINERS
IN THE MATTER OF:
The American Auditors Group, LLC
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. The American Auditors Group, LLC (hereinafter "Respondent Firm"), has a principal place of business outside of North Carolina and has no office in North Carolina. The Respondent Firm is not a registered certified public accounting firm in North Carolina.

2. The Respondent Firm performed audits of retirement plans sponsored in North Carolina ("ERISA audit") for five separate clients.

3. The North Carolina Accountancy Act, at N.C. Gen. Stat. § 93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.

4. The Respondent Firm did not provide the Board with a Notification of Intent to Practice ("Notice") prior to performing the ERISA audits.

5. There is no indication that the audits performed by the Respondent Firm were otherwise deficient.

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

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

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

2. By exercising the practice privilege afforded by N.C. Gen. Stat. § 93-10(c) of the Accountancy Act, the Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.
Consent Order - 2
The American Auditors Group, LLC

3. The Respondent Firm's failure to comply with N.C. Gen. Stat. § 93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N.0213.

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

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

1. The Respondent Firm shall remit, with this signed Order, a $5,000.00 civil penalty.

CONSENTED TO THIS THE 30th DAY OF JUNE, 2023.

Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 24th DAY OF JULY, 2023.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY: ____________________________
President
IN THE MATTER OF:
Wendling Noe Nelson & Johnson LLC
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. Wendling Noe Nelson & Johnson LLC (hereinafter "Respondent Firm"), has a principal place of business outside of North Carolina and has no office in North Carolina. The Respondent Firm is not a registered certified public accounting firm in North Carolina.

2. The Respondent Firm performed an audit of a retirement plan sponsored in North Carolina ("ERISA audit").

3. The North Carolina Accountancy Act, at N.C. Gen. Stat. § 93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.

4. The Respondent Firm did not provide the Board with a Notification of Intent to Practice ("Notice") prior to performing the ERISA audit.

5. There is no indication that the audit performed by the Respondent Firm was otherwise deficient.

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

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

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

2. By exercising the practice privilege afforded by N.C. Gen. Stat. § 93-10(c) of the Accountancy Act, the Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.
3. The Respondent Firm's failure to comply with N.C. Gen. Stat. § 93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.

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

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

1. The Respondent Firm shall remit, with this signed Order, a $1,000.00 civil penalty.

CONSENTED TO THIS THE 30th DAY OF June 2023.

[Signature]

Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 24th DAY OF July 2023.

[Seal]

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY: [Signature]

President
IN THE MATTER OF:
Michael Wayne Sledge, CPA, #18338
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. Michael Wayne Sledge, CPA (hereinafter "Respondent"), is the holder of North Carolina certificate number 18338 as a Certified Public Accountant.

2. The Respondent informed the Board on his 2021-2022 CPA certificate renewal that he had obtained the required CPE for calendar year 2021.

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

4. The Respondent was subject to an audit of his 2021 and 2022 CPE.

5. In response to the Board’s audit of his CPE, the Respondent provided adequate documentation to substantiate completion of the Board’s annual forty hour (40) CPE requirements for 2021. However, the Respondent was unable to provide documentation to substantiate completion of the required ethics course for that year.

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

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

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 subject to a one-year stayed suspension. Because the suspension is stayed, the Respondent's CPA certificate will remain active. If the Board finds that the Respondent has violated any other Board Rules of Professional Conduct during the one-year period, the stay will be lifted, and the Respondent's CPA certificate will be actively suspended.

2. The Respondent shall pay a one thousand dollar ($1,000) civil penalty, to be remitted to the Board with this Consent Order.

3. The Respondent shall complete the NCACPA's eight hour (8) accountancy law course within three months (3) of the date of this order.

CONSENTED TO THIS THE 8th DAY OF July 2023

[Signature]
Respondent

APPROVED BY THE BOARD THIS THE 24th DAY OF July 2023

[Signature]  
President
NORTH CAROLINA STATE BOARD
OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS

FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2023 AND 2022
BOARD MEMBERS

Gary R. Massey, CPA, President
Bernita W. Demery, CPA, Vice-President
Maria M. Lynch, Esquire, Secretary-Treasurer
Jodi K. Kruse, CPA
D. Michael (Mickey) Payseur, CPA
Jennifer K. Van Zant, Esquire
Arthur M. Winstead, Jr., CPA

ADMINISTRATIVE STAFF

David R. Nance, CPA, Executive Director
S. Lynne Sanders, CPA, Deputy Director
Frank X. Trainor, Esquire, Staff Attorney

OUTSIDE LEGAL COUNSEL

Allen & Pinnix, P.A.
Noel L. Allen, Esquire
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Schedules of Budget and Actual - Revenues, Expenses, and
Changes in Net Position ................................................................. 25
Introduction

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

Overview of the Basic Financial Statements

The Statements of Net Position provide information relative to the Board’s assets, liabilities, and net position as of the last day of the fiscal year. Assets and liabilities on these statements are categorized as either current or noncurrent. Current assets are those that are available to pay for expenses in the next fiscal year. Current liabilities are those payable in the next fiscal year. Net position on these statements is categorized as either invested in capital assets or unrestricted. Overall, the Statements of Net Position provide information relative to the financial strength of the Board and its ability to meet current and long-term obligations.

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

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

The three statements described above, along with the Notes to the Financial Statements, are the financial statements required by the Governmental Accounting Standards Board (GASB) accounting principles. In accordance with GASB, the financial statements are presented on the Board as a whole and use reporting concepts in a manner like that required of a business enterprise. The Statements of Net Position are presented in a classified format to aid the reader in understanding the nature of the financial statement balance.

The Notes to the Financial Statements accompanying these financial statements are an integral part of the financial statements and should be read in conjunction with the financial statements. The Notes to the Financial Statements provide additional detail and explanation about the amounts reported in the financial statements.
The Board is an occupational licensing board that grants certificates of qualification as certified public accountants (CPAs) to those individuals who meet the statutory requirements. The Board also adopts and enforces the Rules of Professional Ethics and Conduct to be observed by CPAs in this State. Other functions of the Board include registration of CPA firms; renewal of CPA certificates and CPA firm registrations; administration of the Uniform CPA Examination; administration of the continuing professional education (CPE) compliance program; disposition of administrative hearings with respect to State statutes and rules; and administration of other provisions of Chapter 93 of the *North Carolina General Statutes*.

### Analysis of Financial Position and Results of Operations

The Board’s net position as of March 31, 2023 and March 31, 2022, was approximately $3.97 million and $4.05 million, respectively, a decrease of approximately $84,000 during the year. *(With the exception of the dollar and percentage amounts detailed in the following tables, all other dollar amounts have been rounded/approximated for presentation purposes.)*

### Condensed Financial Information

The following table summarizes the Board’s assets, liabilities and net position as of March 31, 2023, 2022 and 2021.

<table>
<thead>
<tr>
<th>Condensed Statements of Net Position</th>
<th>2023</th>
<th>2022</th>
<th>% Change</th>
<th>2022</th>
<th>2021</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>$2,151,909</td>
<td>2,155,962</td>
<td>-0.19%</td>
<td>2,155,962</td>
<td>3,497,305</td>
<td>-38.35%</td>
</tr>
<tr>
<td>Noncurrent assets</td>
<td>1,503,633</td>
<td>1,505,686</td>
<td>-0.14%</td>
<td>1,505,686</td>
<td>146,639</td>
<td>926.80%</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>1,104,833</td>
<td>825,492</td>
<td>33.84%</td>
<td>825,492</td>
<td>845,093</td>
<td>-2.32%</td>
</tr>
<tr>
<td>Total assets</td>
<td>4,760,375</td>
<td>4,487,140</td>
<td>6.09%</td>
<td>4,487,140</td>
<td>4,489,037</td>
<td>-0.04%</td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>523,456</td>
<td>234,305</td>
<td>123.41%</td>
<td>234,305</td>
<td>294,387</td>
<td>-20.41%</td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td>167,052</td>
<td>54,086</td>
<td>208.86%</td>
<td>54,086</td>
<td>71,555</td>
<td>-24.41%</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>690,508</td>
<td>288,391</td>
<td>139.43%</td>
<td>288,391</td>
<td>365,942</td>
<td>-21.19%</td>
</tr>
<tr>
<td><strong>Deferred Inflows of Resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred lease receipts</td>
<td>102,060</td>
<td>146,639</td>
<td>-30.40%</td>
<td>146,639</td>
<td>188,516</td>
<td>-22.21%</td>
</tr>
<tr>
<td><strong>Net Position:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets</td>
<td>1,104,833</td>
<td>825,492</td>
<td>33.84%</td>
<td>825,492</td>
<td>845,093</td>
<td>-2.32%</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>2,862,974</td>
<td>3,226,618</td>
<td>-11.27%</td>
<td>3,226,618</td>
<td>3,089,486</td>
<td>4.44%</td>
</tr>
<tr>
<td>Total net position</td>
<td>$3,967,807</td>
<td>$4,052,110</td>
<td>-2.08%</td>
<td>$4,052,110</td>
<td>$3,934,579</td>
<td>2.99%</td>
</tr>
</tbody>
</table>
Current Assets

Current assets as of March 31, 2023, consisted primarily of cash and short-term investments- $2,077,000, prepaids - $21,000, and accounts and lease receivables - $54,000. Current assets as of March 31, 2022, consisted primarily of cash, $2,085,000, prepaids - $23,000, and a lease receivable - $45,000. Current assets essentially remained the same during the fiscal year March 31, 2023. There was change in the composition as the Board directed more funds to short-term investments such as Treasury notes and certificates of deposit.

Noncurrent and Capital Assets

Noncurrent assets as of March 31, 2023, consisted of investments totaling $1,449,000 and lease receivable of $55,000. Capital assets totaled $1,105,000. Noncurrent assets as of March 31, 2022, consisted of investments totaling $1,404,000 and lease receivable of $102,000. Capital assets totaled $825,000. Noncurrent assets essentially remained the same during the fiscal year March 31, 2023. There was a change in the composition by $45,000 between the investment account and the lease receivable account. Capital assets increased by $280,000. With the implementation of GASB Statement No. 96, the Board identified a software subscription asset in the amount of $280,000 related to its licensing software. In addition, renovations to the Board office occurred during the year and the Board changed its capitalization policy effective April 1, 2022. See the Capital Assets footnote to the financial statements for further disclosures as to the impact of those changes.

Liabilities

Current liabilities as of March 31, 2023, consisted of accounts payable - $59,000, due to examination vendors - $358,000, subscription software payable - $103,000, and accrued compensated absences - $4,000. Current liabilities as of March 31, 2022, consisted of accounts payable - $16,000, due to examination vendors - $196,000, and accrued compensated absences - $22,000. The increase of $289,000 is due to a variety of factors. The accounts payable increase is due to amounts payable for updated office furniture received at year-end. During the year, the Board saw an increase in candidates sitting for the exam. Those costs are payable at the time the candidate actually sits for the exam; therefore, the payments are for future sittings by NC CPA exam candidates. The subscription software payable amount is a result of the Board implementation of GASB Statement No. 96. Finally, the reduction in the current portion of the compensated absences liability is due to the expected timing of when vacation leave amounts will become due.

Noncurrent liabilities consisted of long-term subscription software payables in the amount of $82,000 and accrued compensated absences of $85,000 as of March 31, 2023. Noncurrent liabilities consisted entirely of accrued compensated absences in the amount of $54,000 as of March 31, 2022. The increase during the current year reflects the Board’s implementation of GASB Statement No. 96 related to its licensing software subscription as well as the increase in the long-term portion of the compensated absences liability for the next fiscal year.

Deferred Inflows of Resources

The Deferred Inflows of Resources accounts for the Board’s lessor obligations related to an office rental. Deferred lease receipts of $102,000 and $147,000 are presented as of March 31, 2023 and 2022, respectively. The decrease of $45,000 recognizes the inflow of lease receipts during the year.
Net Position

The Board’s net position consists of net assets invested in capital assets and unrestricted net assets. Net assets invested in capital assets were $1,105,000 and $825,000 as of March 31, 2023 and 2022, respectively. Unrestricted net assets of $2.86 and $3.23 million as of March 31, 2023 and 2022, respectively, represent amounts not subject to externally imposed stipulations, but subject to internal designations for various activities and initiatives.

For the year ended March 31, 2023, there was a decrease in net assets of $84,000. The Board’s revenues increased by $165,000, mostly due to higher volume of candidates taking the CPA exam. Expenses increased by $409,000 during the year. Examination costs increased by $154,000, again related to the higher volume of exam sittings. Office costs increased by $47,000, the biggest increase related to consulting costs paid for website development and office improvements. Postage and printing increased by $13,000 related to the Board’s monthly newsletter and mailings of successful candidate certificates. Travel costs increased by $92,000. The comparison is against the prior year where travel was limited due to the pandemic. Finally, building costs increased by $40,000 as part of the Board’s renovations to its office building.

The Board had anticipated most of these changes in preparation of its annual budget that was projected with a net reduction of $84,000. Overall, revenue was about $99,000 more than budgeted due to increased examination fees. As the impact of the pandemic began to subside, there was a return of candidates sitting for the exam. Similarly, the Board’s expenditure categories were higher than budget expectations based on increased operational activities by the Board. Exam expenditures generally mirror the anticipated revenues; therefore, those costs were increased due to increased test sections taken. Travel costs were increased as many meeting events moved to in-person versus prior virtual attendance. Expenses were $114,000 more than budget in total. That overage, along with continued unrecognized losses related to the Board’s investment account resulted in the decrease in net assets of $84,000.

The Statements of Revenues, Expenses, and Changes in Net Position present the results of the Board’s operations for the report period. The following table summarizes the Board’s revenues, expenses, and changes in net position for the years ended March 31, 2023, 2022, and 2021.

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>% Change</th>
<th>2022</th>
<th>2021</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exam fees</td>
<td>$ 1,273,024</td>
<td>$ 1,116,436</td>
<td>14.03%</td>
<td>$1,116,436</td>
<td>$1,117,831</td>
<td>-0.12%</td>
</tr>
<tr>
<td>Licensing fees</td>
<td>1,498,895</td>
<td>1,495,210</td>
<td>0.25%</td>
<td>1,495,210</td>
<td>1,480,855</td>
<td>0.97%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>6,648</td>
<td>1,450</td>
<td>358.48%</td>
<td>1,450</td>
<td>1,128</td>
<td>28.55%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(2,845,132)</td>
<td>(2,436,131)</td>
<td>16.79%</td>
<td>(2,436,131)</td>
<td>(2,435,352)</td>
<td>0.03%</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>(66,565)</td>
<td>176,965</td>
<td>-137.61%</td>
<td>176,965</td>
<td>164,462</td>
<td>7.60%</td>
</tr>
<tr>
<td>Non-operating revenues</td>
<td>69,819</td>
<td>58,231</td>
<td>19.90%</td>
<td>58,231</td>
<td>77,749</td>
<td>-25.10%</td>
</tr>
<tr>
<td>Non-operating expenses</td>
<td>(87,557)</td>
<td>(117,665)</td>
<td>-25.59%</td>
<td>(117,665)</td>
<td>(20,267)</td>
<td>480.57%</td>
</tr>
<tr>
<td>Increase (decrease) in net position</td>
<td>(17,738)</td>
<td>(59,434)</td>
<td>-70.16%</td>
<td>(59,434)</td>
<td>57,482</td>
<td>-203.40%</td>
</tr>
<tr>
<td>Net position beginning of year</td>
<td>4,052,110</td>
<td>3,934,579</td>
<td>2.99%</td>
<td>3,934,579</td>
<td>3,712,635</td>
<td>5.98%</td>
</tr>
<tr>
<td>Net position end of year</td>
<td>$ 3,967,807</td>
<td>$ 4,052,110</td>
<td>-2.08%</td>
<td>$4,052,110</td>
<td>$3,934,579</td>
<td>2.99%</td>
</tr>
</tbody>
</table>
Operating Revenues

For the fiscal year ended March 31, 2023, operating revenues totaled $2.78 million, consisting primarily of exam fee revenue of $1.27 million and licensing fee revenues of $1.50 million. For the fiscal year ended March 31, 2022, operating revenues totaled $2.61 million, consisting primarily of examination fee revenue of $1.12 million and licensing fee revenues of $1.49 million. Exam fee revenue increased by $157,000 related to increased candidates sitting for the CPA exam during the year.

Non-Operating Revenues (Expenses)

For the fiscal year ended March 31, 2023, non-operating revenues totaled $70,000, primarily from interest income of $25,000 and rental income of $45,000. For the fiscal year ended March 31, 2022, non-operating revenues totaled $58,000, primarily from interest income of $16,000, and rental income of $42,000. The $25,000 increase in non-operating revenue activity is attributable to increased investment income due to higher market interest rates during the fiscal year.

The following table summarizes the Board’s expenses (operating and non-operating) for the years ended March 31, 2023, 2022 and 2021.

<table>
<thead>
<tr>
<th>Operating and Non-Operating Expenses</th>
<th>For the Fiscal Years Ended March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>$ 1,247,398</td>
</tr>
<tr>
<td>Examination</td>
<td>893,710</td>
</tr>
<tr>
<td>Office related expenses</td>
<td>484,616</td>
</tr>
<tr>
<td>Depreciation</td>
<td>44,030</td>
</tr>
<tr>
<td>Other expenses</td>
<td>175,378</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>$ 2,845,132</td>
</tr>
<tr>
<td>Non-operating expenses</td>
<td></td>
</tr>
<tr>
<td>Non-operating expense</td>
<td>$ 35,261</td>
</tr>
<tr>
<td>Unrealized loss on investments</td>
<td>52,296</td>
</tr>
<tr>
<td>Loss on equipment sale</td>
<td>-</td>
</tr>
<tr>
<td>Total non-operating expenses</td>
<td>$ 87,557</td>
</tr>
</tbody>
</table>

For the fiscal year ended March 31, 2023, the Board’s overall operating costs increased by $409,000, or 16.79%. Exam expenses increased by $154,000 related to the increased sittings for the CPA exam. Office expenses were higher due to the Board moving to a higher service level with its licensing software provider in an effort to develop more online self-service options for its licensees, development costs related to an enhanced website, and general operations as the board operations moved out of the pandemic timeline.

The Board incurred high non-operating expenses due to building renovation activities that related to its leased office space. In addition, the Board continues to see unrealized losses on the Board’s investments of $53,000. As these are long-term investments held by the Board, the expectation is that the eventual market recovery will address the unrealized losses.
Economic Factors That Will Affect the Future

The main factors impacting the economic outlook for the Board are the number of candidates seeking to sit for the Uniform Certified Public Accountants examination and the number of licensees registered with the State. As the impacts of the COVID-19 pandemic began to subside, the Board saw an increase in sittings for the CPA exam; however, the number of candidates sitting for the CPA examination has not completely returned to previous norms. In addition, the format of the CPA examination is changing effective January 1, 2024. These changes bring uncertainties in the testing area and how it will impact candidate sitting patterns. The Board continues to license similar numbers of CPAs, helped by an influx of CPAs from other states applying for reciprocal licensure.

The Board derives 99% of its revenues from examination and licensing fees. Examination revenues were increased during the current year. There was a slight increase in licensing fees due to increased renewals for NC licensees. The Board anticipates an increase in candidate testing for those seeking to complete the CPA exam prior to the change in exam content expected January 2024; however, it also anticipates a drop-off in testing during the latter quarter of the upcoming fiscal year as candidates navigate the new testing arrangements. As such, the Board has budgeted no change in the number of examination sections to be taken by examination candidates for the next fiscal year. Licensing fees have shown a minor increase as the number of active licensees in North Carolina has increased; however, some of that increase is tempered by retirements and licensees being granted inactive status. The Certified Public Accountant credential is highly regarded in the business world and the Board expects candidates to continue to seek licensure for the foreseeable future.

Contacting the Board's Management

This financial report is designed to provide a general overview of the Board’s finances and to demonstrate the Board’s accountability for the money it receives and expends. If you have any questions about this report or need additional information, contact:

North Carolina State Board of Certified Public Accountant Examiners
Post Office Box 12827
Raleigh, North Carolina 27605-2827
Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of the North Carolina State Board of Certified Public Accountant Examiners (Board), an enterprise fund of the State of North Carolina, which comprise the statements of net position as of March 31, 2023 and 2022, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the North Carolina State Board of Certified Public Accountant Examiners as of March 31, 2023 and 2022, and its changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibility of Management for the Financial Statements

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

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

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

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

• Exercise professional judgment and maintain professional skepticism throughout the audit.

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, no such opinion is expressed.

• Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

• Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

As discussed in Note 1, these financial statements are presented only for the North Carolina State Board of Certified Public Accountant Examiners and do not purport to and do not present fairly the financial position of the State of North Carolina as of March 31, 2023 and 2022, nor the changes in its financial position and its cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis, on pages 1 – 6, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedules of budget and actual - revenues, expenses, and changes in net position, on page 25, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information, except for that portion marked "unaudited," was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Raleigh, North Carolina
July 13, 2023
NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
Statements of Net Position
March 31, 2023 and 2022

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$1,521,122</td>
<td>$2,085,155</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>556,107</td>
<td>-</td>
</tr>
<tr>
<td>Receivables</td>
<td>6,719</td>
<td>3,035</td>
</tr>
<tr>
<td>Prepaids</td>
<td>20,555</td>
<td>23,193</td>
</tr>
<tr>
<td>Lease receivable (Note 10)</td>
<td>47,406</td>
<td>44,579</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>2,151,909</td>
<td>2,155,962</td>
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<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
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<tr>
<td>Investments</td>
<td>1,448,979</td>
<td>1,403,626</td>
</tr>
<tr>
<td>Lease receivable (Note 10)</td>
<td>54,654</td>
<td>102,060</td>
</tr>
<tr>
<td>Capital assets, non-depreciable (Note 4)</td>
<td>300,000</td>
<td>300,000</td>
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<tr>
<td>Capital assets, depreciable, net (Note 4)</td>
<td>804,833</td>
<td>525,492</td>
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<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>2,608,466</td>
<td>2,331,178</td>
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<tr>
<td><strong>Total assets</strong></td>
<td>4,760,375</td>
<td>4,487,140</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES:</strong></td>
<td></td>
<td></td>
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<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>59,161</td>
<td>15,981</td>
</tr>
<tr>
<td>Due to examination vendors</td>
<td>357,634</td>
<td>196,172</td>
</tr>
<tr>
<td>Subscription software payable (Note 8)</td>
<td>102,529</td>
<td>-</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>-</td>
<td>540</td>
</tr>
<tr>
<td>Compensated absences - current portion</td>
<td>4,132</td>
<td>21,612</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>523,456</td>
<td>234,305</td>
</tr>
<tr>
<td>Noncurrent liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscription software payable (Note 8)</td>
<td>82,315</td>
<td>-</td>
</tr>
<tr>
<td>Compensated absences (Note 5)</td>
<td>84,737</td>
<td>54,086</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>167,052</td>
<td>54,086</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>690,508</td>
<td>288,391</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DEFERRED INFLOWS OF RESOURCES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred lease receipts (Note 10)</td>
<td>102,060</td>
<td>146,639</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET POSITION:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>1,104,833</td>
<td>825,492</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>2,862,974</td>
<td>3,226,618</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>$3,967,807</td>
<td>$4,052,110</td>
</tr>
</tbody>
</table>

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

Statements of Revenues, Expenses, and Changes in Net Position
Years Ended March 31, 2023 and 2022

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Examination fees</td>
<td>$ 1,273,024</td>
<td>$ 1,116,436</td>
</tr>
<tr>
<td>Licensing fees</td>
<td>1,498,895</td>
<td>1,495,210</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>6,648</td>
<td>1,450</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>2,778,567</td>
<td>2,613,096</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>1,247,398</td>
<td>1,219,922</td>
</tr>
<tr>
<td>Examination</td>
<td>893,710</td>
<td>739,742</td>
</tr>
<tr>
<td>Office expenses</td>
<td>150,083</td>
<td>102,615</td>
</tr>
<tr>
<td>Postage and printing</td>
<td>75,562</td>
<td>62,604</td>
</tr>
<tr>
<td>Travel</td>
<td>116,866</td>
<td>25,166</td>
</tr>
<tr>
<td>Maintenance and computer support</td>
<td>142,105</td>
<td>87,465</td>
</tr>
<tr>
<td>Depreciation</td>
<td>44,030</td>
<td>39,147</td>
</tr>
<tr>
<td>Legal and investigative costs</td>
<td>60,343</td>
<td>86,038</td>
</tr>
<tr>
<td>Insurance</td>
<td>24,212</td>
<td>22,860</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>17,854</td>
<td>17,960</td>
</tr>
<tr>
<td>Building</td>
<td>72,969</td>
<td>32,612</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>2,845,132</td>
<td>2,436,131</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>(66,565)</td>
<td>176,965</td>
</tr>
<tr>
<td>Non-operating revenues (expenses):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>25,240</td>
<td>16,354</td>
</tr>
<tr>
<td>Rental income</td>
<td>44,579</td>
<td>41,877</td>
</tr>
<tr>
<td>Rental building expenses</td>
<td>(35,261)</td>
<td>(20,947)</td>
</tr>
<tr>
<td>Unrealized loss on investments/advisory fees</td>
<td>(52,296)</td>
<td>(96,374)</td>
</tr>
<tr>
<td>Loss on the sale of equipment</td>
<td>-</td>
<td>(344)</td>
</tr>
<tr>
<td>Total non-operating revenues (expenses)</td>
<td>(17,738)</td>
<td>(59,434)</td>
</tr>
<tr>
<td>Changes in net position</td>
<td>(84,303)</td>
<td>117,531</td>
</tr>
<tr>
<td>Net position - beginning of year</td>
<td>4,052,110</td>
<td>3,934,579</td>
</tr>
<tr>
<td>Net position - end of year</td>
<td>$ 3,967,807</td>
<td>$ 4,052,110</td>
</tr>
</tbody>
</table>

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

### Statements of Cash Flows

**Years Ended March 31, 2023 and 2022**

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received from fees</td>
<td>$2,771,379</td>
<td>$2,612,186</td>
</tr>
<tr>
<td>Cash received from other sources</td>
<td>6,648</td>
<td>1,836</td>
</tr>
<tr>
<td>Cash payments to employees for services</td>
<td>(1,234,227)</td>
<td>(1,248,359)</td>
</tr>
<tr>
<td>Cash payments to suppliers for goods and services</td>
<td>(995,748)</td>
<td>(1,084,861)</td>
</tr>
<tr>
<td>Cash payments for other expenses</td>
<td>(172,343)</td>
<td>(159,470)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>375,709</td>
<td>121,332</td>
</tr>
<tr>
<td><strong>Cash flows from capital and related financing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(155,922)</td>
<td>(28,948)</td>
</tr>
<tr>
<td>Right-to-use software subscription</td>
<td>(279,684)</td>
<td>-</td>
</tr>
<tr>
<td>Software subscription liability</td>
<td>(94,840)</td>
<td>-</td>
</tr>
<tr>
<td>Loss on the sale of capital assets</td>
<td>-</td>
<td>344</td>
</tr>
<tr>
<td><strong>Net cash used in capital and related financing activities</strong></td>
<td>(530,446)</td>
<td>(28,604)</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from maturing investments</td>
<td>211,397</td>
<td>1,560,537</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(667,465)</td>
<td>(1,495,691)</td>
</tr>
<tr>
<td>Non-operating rental activities</td>
<td>21,532</td>
<td>32,346</td>
</tr>
<tr>
<td>Interest income</td>
<td>25,240</td>
<td>16,354</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) investing activities</strong></td>
<td>(409,296)</td>
<td>113,546</td>
</tr>
<tr>
<td><strong>Increase (decrease) in cash</strong></td>
<td>(564,033)</td>
<td>206,274</td>
</tr>
<tr>
<td>Cash - beginning of year</td>
<td>2,085,155</td>
<td>1,878,881</td>
</tr>
<tr>
<td>Cash - end of year</td>
<td>$1,521,122</td>
<td>$2,085,155</td>
</tr>
<tr>
<td><strong>Reconciliation of operating income (loss) to net cash provided by operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>$(66,565)</td>
<td>$176,965</td>
</tr>
<tr>
<td>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>44,030</td>
<td>39,147</td>
</tr>
<tr>
<td><strong>Changes in assets and liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>(3,684)</td>
<td>(2,649)</td>
</tr>
<tr>
<td>Prepaids</td>
<td>2,638</td>
<td>(11,878)</td>
</tr>
<tr>
<td>Lease receivable</td>
<td>(2,827)</td>
<td>(2,702)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>43,180</td>
<td>(8,249)</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>(540)</td>
<td>540</td>
</tr>
<tr>
<td>Due to examination vendors</td>
<td>161,462</td>
<td>(41,405)</td>
</tr>
<tr>
<td>Subscription software payable</td>
<td>184,844</td>
<td>-</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>13,171</td>
<td>(28,437)</td>
</tr>
<tr>
<td><strong>Total adjustments</strong></td>
<td>442,274</td>
<td>(55,633)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>$375,709</td>
<td>$121,332</td>
</tr>
</tbody>
</table>

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

Notes to Financial Statements

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

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

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

The Board had 22,469 and 22,363 licensees as of March 31, 2023 and 2022, respectively.

Financial Reporting Entity

The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents for their actions. As required by accounting principles generally accepted in the United States of America (U.S. GAAP), the financial reporting entity includes both the primary government and all of its component units. An organization other than a primary government serves as a nucleus for a reporting entity when it issues separate financial statements. The accompanying financial statements present all funds and activities for which the Board is responsible.

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

Basis of Presentation

The accompanying basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by Governmental Accounting Standards Board (GASB).

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Basis of Accounting

The basic financial statements of the Board are prepared using the economic resource measurement focus and the accrual basis of accounting. The economic measurement focus measures all assets that are available to the entity, not only cash or soon to be cash assets. Both long-term assets and long-term liabilities are measured, and depreciation is recorded as a cost of operations.
NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

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

The Board classifies its revenues and expenses as operating or non-operating in the accompanying Statements of Revenues, Expenses, and Changes in Net Position. Operating revenues and expenses generally result from providing services that are necessary to the Board’s principal ongoing operations. Operating revenues include activities that have characteristics of exchange transactions and consist primarily of examination and licensing fees. Operating expenses are all expense transactions incurred other than those related to capital and noncapital financing or investing activities as defined by GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting.

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

Cash

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

Investments

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

Accounts Receivables

Accounts receivable consist of amounts due from vendors or administrative proceedings and are shown at book value with no provision for doubtful accounts considered necessary.

Capital Assets

Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. The Board capitalizes assets that have a value or cost of $5,000 or greater at the date of acquisition and an expected useful life in excess of two years. Depreciation is computed using the straight-line method over the following estimated useful lives:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and improvements</td>
<td>10 - 40 years</td>
</tr>
<tr>
<td>Furniture</td>
<td>7 - 10 years</td>
</tr>
<tr>
<td>Equipment</td>
<td>5 - 10 years</td>
</tr>
<tr>
<td>Software</td>
<td>5 years</td>
</tr>
</tbody>
</table>
NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

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

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

Noncurrent Liabilities

Noncurrent liabilities consist of compensated absences that will not be paid within the next fiscal year as well as amounts payable related to the Board’s licensing subscription software.

Compensated Absences

Employees are permitted to accumulate earned but unused vacation pay benefits and all vacation pay is accrued when incurred. When determining the vacation pay liability due within one year, leave is considered taken on a last in, first out (LIFO) basis. The Board’s policy provides for a maximum accumulation of unused vacation leave of 30 days for staff members and 45 days for the Executive and Deputy Directors which can be carried forward each April 1st, or for which an employee can be paid upon termination of employment. Also, any accumulated vacation leave in excess of the allowed maximum accumulation as of March 31 is converted to sick leave.

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

Net Position

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

*Unrestricted net position* - This represents assets with no external restriction as to use or purpose. They can be employed for any purpose designated by the governing board, as distinguished from funds restricted externally for specific purposes.

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Litigation</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>300,000</td>
</tr>
<tr>
<td>Capital asset acquisitions and/or improvements</td>
<td>100,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,400,000</strong></td>
</tr>
</tbody>
</table>
NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates, resulting in adjustments in future periods.

NOTE 2 - DEPOSITS AND INVESTMENTS

All funds of the Board are deposited in board-designated official depositories or brokerage firms. The Board’s deposits include cash on deposit with private bank accounts, money market accounts, and investment accounts. At March 31, 2023, deposits in private financial institutions, with a carrying value of $3,526,208 and a bank balance of $3,567,699, consists of cash and investments, as shown on the Statements of Net Position.

Custodial credit risk is the risk that in the event of a bank failure, the Board’s deposits may not be returned. The Board does not have a formal deposit policy for custodial credit risk. The Board’s deposits with each commercial bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Also, the Board maintains funds in a Certificate of Deposit Account Registry Service (CDARS) account to help address custodial credit risk. With a CDARS account, investments are broken down and placed across a network of more than 3000 banks and savings associations around the United States. This allows depositors to deal with a single bank that participates in CDARS but avoid having funds above the Federal Deposit Insurance Corporation deposit insurance limits for any one bank.

The Board’s deposits with investment institutions are insured by the Securities Investor Protection Corporation (SPIC), a nonprofit member corporation funded by its member securities broker-dealers. The SPIC insures against the loss or theft of securities as well as the failure or insolvency of the brokerage firm. The Board’s bank deposits in excess of the FDIC and SPIC insured limits totaled $948,979 at March 31, 2023.

The types of investments available to the Board are identified at North Carolina General Statutes 147-69.2 and 147-69.3. The Board has adopted formal investment policies to establish investment objectives, standards of prudence, eligible investments, and safekeeping and custodial procedures necessary for the prudent management of the private funds maintained by the Board in accordance with statutory requirements.

The Board is subject to the following risks:

Interest Rate Risk: Interest rate risk is the risk the Board may face should interest rate variances affect the fair value of investments. In accordance with its investment policy, the Board manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.
NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Board manages credit risk by diversifying its investment portfolio. At March 31, 2023, the Board’s money market funds were unrated and the Board’s bond portfolio had the following credit ratings as rated by Moody’s Investors Service:

<table>
<thead>
<tr>
<th>Credit Rating</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>$223,924</td>
</tr>
<tr>
<td>AA</td>
<td>11,891</td>
</tr>
<tr>
<td>A</td>
<td>33,720</td>
</tr>
<tr>
<td>BA</td>
<td>54,680</td>
</tr>
<tr>
<td>BAA</td>
<td>108,391</td>
</tr>
</tbody>
</table>

Investments are presented at fair value based on the market prices at March 31, 2023.

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

The maturities of the Board’s fixed income investments at March 31, 2023, were as follows:

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 5 years</td>
<td>$96,730</td>
</tr>
<tr>
<td>6 - 10 years</td>
<td>76,870</td>
</tr>
<tr>
<td>11 -15 years</td>
<td>55,862</td>
</tr>
<tr>
<td>16 - 20 years</td>
<td>33,103</td>
</tr>
<tr>
<td>21 - 30 years</td>
<td>165,815</td>
</tr>
<tr>
<td>Over 30 years</td>
<td>4,226</td>
</tr>
<tr>
<td>Total</td>
<td>$432,606</td>
</tr>
</tbody>
</table>

NOTE 3 - FAIR VALUE INVESTMENTS

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

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

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

The following tables set forth by level the fair value hierarchy of the Board's financial assets accounted for at fair value on a recurring basis as of March 31, 2023 and 2022:

<table>
<thead>
<tr>
<th></th>
<th>2023 Total Fair Value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate bonds</td>
<td>$179,036</td>
<td>$-</td>
<td>$179,036</td>
<td>$-</td>
</tr>
<tr>
<td>Government bonds</td>
<td>72,677</td>
<td>72,677</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Government backed securities</td>
<td>146,294</td>
<td>-</td>
<td>146,294</td>
<td>-</td>
</tr>
<tr>
<td>Municipal bonds</td>
<td>25,332</td>
<td>-</td>
<td>25,332</td>
<td>-</td>
</tr>
<tr>
<td>Foreign bonds</td>
<td>9,267</td>
<td>-</td>
<td>9,267</td>
<td>-</td>
</tr>
<tr>
<td>Equities</td>
<td>551,710</td>
<td>551,710</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>431,469</td>
<td>-</td>
<td>431,469</td>
<td>-</td>
</tr>
<tr>
<td>US treasury notes</td>
<td>292,936</td>
<td>292,936</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Negotiable certificates of deposit</td>
<td>253,756</td>
<td>-</td>
<td>253,756</td>
<td>-</td>
</tr>
<tr>
<td>Total deposits and investments</td>
<td>$1,962,477</td>
<td>$917,323</td>
<td>$1,045,154</td>
<td>-</td>
</tr>
</tbody>
</table>

The investment balances on the Statement of Net Position include cash balances held temporarily in the investment portfolio until reinvestment and therefore are not included in the fair value hierarchy above in the amount of $42,609 as of March 31, 2023.

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

The investment balances on the Statement of Net Position include cash balances held temporarily in the investment portfolio until reinvestment and therefore are not included in the fair value hierarchy above in the amount of $38,353 as of March 31, 2022.
## NOTE 4 - CAPITAL ASSETS

Changes in capital assets for the year ended March 31, 2023 are as follows:

<table>
<thead>
<tr>
<th>Capital assets, non-depreciable:</th>
<th>Balance April 1, 2022</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance March 31, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and improvements</td>
<td>$300,000</td>
<td>$-</td>
<td>$-</td>
<td>$300,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital assets, amortizable/depreciable:</th>
<th>Balance April 1, 2022</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance March 31, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and improvements</td>
<td>1,070,606</td>
<td>93,991</td>
<td>(38,440)</td>
<td>1,126,157</td>
</tr>
<tr>
<td>Furniture</td>
<td>112,386</td>
<td>21,522</td>
<td>(99,906)</td>
<td>34,002</td>
</tr>
<tr>
<td>Equipment</td>
<td>171,136</td>
<td>40,409</td>
<td>(73,655)</td>
<td>137,890</td>
</tr>
<tr>
<td>Software</td>
<td>180,337</td>
<td>-</td>
<td>-</td>
<td>180,337</td>
</tr>
<tr>
<td>Subscription software</td>
<td>-</td>
<td>279,684</td>
<td>-</td>
<td>279,684</td>
</tr>
<tr>
<td><strong>Total capital assets, amortizable/depreciable:</strong></td>
<td><strong>1,534,465</strong></td>
<td><strong>435,606</strong></td>
<td><strong>(212,001)</strong></td>
<td><strong>1,758,070</strong></td>
</tr>
</tbody>
</table>

Less accumulated amortization/depreciation:

<table>
<thead>
<tr>
<th>Capital assets, amortizable/depreciable:</th>
<th>Balance April 1, 2022</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance March 31, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and improvements</td>
<td>(592,084)</td>
<td>(37,550)</td>
<td>37,711</td>
<td>(591,923)</td>
</tr>
<tr>
<td>Furniture</td>
<td>(110,791)</td>
<td>-</td>
<td>99,907</td>
<td>(10,884)</td>
</tr>
<tr>
<td>Equipment</td>
<td>(125,763)</td>
<td>(15,871)</td>
<td>66,379</td>
<td>(75,255)</td>
</tr>
<tr>
<td>Software</td>
<td>(180,335)</td>
<td>-</td>
<td>-</td>
<td>(180,335)</td>
</tr>
<tr>
<td>Subscription software</td>
<td>-</td>
<td>(94,840)</td>
<td>-</td>
<td>(94,840)</td>
</tr>
<tr>
<td><strong>Total capital assets, amortizable/depreciable, net:</strong></td>
<td><strong>(1,008,973)</strong></td>
<td><strong>(148,261)</strong></td>
<td><strong>203,997</strong></td>
<td><strong>(953,237)</strong></td>
</tr>
</tbody>
</table>

Depreciation charged to operations and non-operating expenses for the year ended March 31, 2023 was $44,030 and $9,387, respectively.

The Board adopted GASB Statement No. 96 during the year that resulted in the establishment of a right-to-use subscription asset related to the Board's licensing software subscription. See Note 8 for further details related to the implantation of GASB No. 96; however, the subscription software and related amortization costs are separately presented in the above schedule.

In addition, the Board approved a change to its capitalization policy during the year effective April 1, 2022. The Board increased the value for capitalization of an asset from $500 to $5,000. The policy change resulted in the removal of equipment valued at $22,199, furniture valued at $4,630, and building and improvements valued at $2,457. Those amounts are included in the deletion amounts identified for each category above.
NOTE 4 - CAPITAL ASSETS (Continued)

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance April 1, 2021</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance March 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets, non-depreciable:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and improvements</td>
<td>$300,000</td>
<td>$-</td>
<td>$-</td>
<td>$300,000</td>
</tr>
<tr>
<td>Capital assets, amortizable/depreciable:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building and improvements</td>
<td>1,070,606</td>
<td>-</td>
<td>-</td>
<td>1,070,606</td>
</tr>
<tr>
<td>Furniture</td>
<td>112,386</td>
<td>-</td>
<td>-</td>
<td>112,386</td>
</tr>
<tr>
<td>Equipment</td>
<td>150,044</td>
<td>28,948</td>
<td>(7,856)</td>
<td>171,136</td>
</tr>
<tr>
<td>Software</td>
<td>180,337</td>
<td>-</td>
<td>-</td>
<td>180,337</td>
</tr>
<tr>
<td>Total capital assets, amortizable/depreciable:</td>
<td>1,513,373</td>
<td>28,948</td>
<td>(7,856)</td>
<td>1,534,465</td>
</tr>
</tbody>
</table>

Less accumulated amortization/depreciation:

<table>
<thead>
<tr>
<th>Description</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance March 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and improvements</td>
<td>(557,252)</td>
<td>(34,832)</td>
<td>(592,084)</td>
</tr>
<tr>
<td>Furniture</td>
<td>(110,791)</td>
<td>-</td>
<td>(110,791)</td>
</tr>
<tr>
<td>Equipment</td>
<td>(119,902)</td>
<td>(13,024)</td>
<td>(125,763)</td>
</tr>
<tr>
<td>Software</td>
<td>(180,335)</td>
<td>-</td>
<td>(180,335)</td>
</tr>
<tr>
<td>Total capital assets, amortizable/depreciable, net:</td>
<td>(968,280)</td>
<td>(47,856)</td>
<td>(1,008,973)</td>
</tr>
</tbody>
</table>

Capital assets, net

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance March 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets, net</td>
<td>$545,093</td>
</tr>
<tr>
<td>(accumulated amortization/depreciation)</td>
<td>$(18,908)</td>
</tr>
</tbody>
</table>

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

NOTE 5 - NONCURRENT LIABILITIES

A summary of changes in noncurrent liabilities for the year ended March 31, 2023, is presented as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance April 1, 2022</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance March 31, 2023</th>
<th>Current Portion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensated absences</td>
<td>$75,698</td>
<td>$88,699</td>
<td>$75,528</td>
<td>$88,869</td>
<td>$4,132</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance April 1, 2021</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance March 31, 2022</th>
<th>Current Portion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensated absences</td>
<td>$104,135</td>
<td>$91,433</td>
<td>$119,870</td>
<td>$75,698</td>
<td>$21,612</td>
</tr>
</tbody>
</table>
NOTE 5 - NONCURRENT LIABILITIES (Continued)

The Board adopted GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements* during the year that resulted in the establishment of a right-to-use subscription asset related to the Board’s licensing software subscription and a corresponding subscription liability. See Note 8 for further details related to the implementation of GASB No. 96; however, the long-term portion of the subscription liability was $82,315 for the year ended March 31, 2023. There was no such liability for the year ended March 31, 2022.

NOTE 6 - EMPLOYEE PENSION PLAN

The Board participates in the North Carolina Licensing Board Retirement Savings Plan (Plan), which is a defined contribution plan created under Internal Revenue Code Section 401(k) for eligible employees. The Employer, defined as the eight participating licensing boards, is empowered to appoint and remove the Trustee and Administrator. The Plan is administered by Prudential Insurance Company of America. Employees are eligible to participate in the Plan immediately upon employment. For each year of service, employer contributions and the applicable earnings vest 20% per year. A 6% contribution, based on eligible employee compensation, is made monthly by both the Board and the employee to the individual employee accounts. Employees are permitted to make additional voluntary contributions to the Plan up to the applicable Internal Revenue Code limits. Employee contributions and the applicable earnings on those contributions vest immediately. Nonvested Board contributions and the applicable earnings are forfeited upon termination from employment to the applicable participating occupational licensing board. Administrative expenses are paid by the participating occupational licensing boards in accordance to the boards’ percentage of plan assets.

Board pension costs including administrative fees, totaled $62,084 and $58,443 for fiscal years 2023 and 2022, respectively. Administrative fees were higher for 2023 due to the cost involved with the required IRS restatement of the plan. Employee contributions totaled $69,947 and $65,133 for fiscal years 2023 and 2022, respectively. For fiscal years 2023 and 2022, employer contributions were reduced by $0 and $0, respectively, by forfeited nonvested accounts.

NOTE 7 - RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; injuries to employees; and natural disasters. These exposures to loss are managed using a combination of methods, including purchase of commercial insurance and self-retention of certain risks. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

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

**Fire, Automobile, and Other Loss Insurance** - Fire, coverage for other property losses, and vehicular liability insurance are covered by contracts with a private insurance company.
NOTE 7 - RISK MANAGEMENT (Continued)

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

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

**Comprehensive Major Medical Plan** - Employees are provided health care coverage by Blue Cross & Blue Shield. The Plan is funded by employer and employee contributions.

The Board makes the necessary arrangements to carry out the provisions of the Workers’ Compensation Act by purchasing workers’ compensation insurance for employees through a private insurance company.

NOTE 8 - SOFTWARE LICENSING AGREEMENT

The Board adopted GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements* (SIBTAs) during the year that resulted in the establishment of a right-to-use subscription asset related to the Board’s licensing software subscription and a corresponding subscription liability. A SIBTA is defined as a contract that conveys control of the right to use another party’s information technology software for a period of time in an exchange-like transaction. The Board is party to a SIBTA with a third-party vendor and moved to a higher level of service agreement effective April 1, 2022, that will allow the Board to begin to making enhancements to its online offerings.

During the current fiscal year, the Board recognized a right-to-use subscription asset and a corresponding subscription liability in the amount of $279,684, the present value of the subscription payments expected to be made during the subscription term. Future subscription payments have been discounted using the incremental borrowing rate of 7.82% as identified by the North Carolina Office of State Controller. The subscription payments will result in the reduction of the subscription liability payable, amortization of the right-to-use subscription asset, and interest expense for the use of the asset.

A schedule of the SIBTA transactions for this year and future years is identified below.

<table>
<thead>
<tr>
<th></th>
<th>Payments</th>
<th>Amortization</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>$ 108,109</td>
<td>$ 94,840</td>
<td>$ 13,269</td>
</tr>
<tr>
<td>2024</td>
<td>115,215</td>
<td>102,529</td>
<td>12,686</td>
</tr>
<tr>
<td>2025</td>
<td>89,245</td>
<td>82,315</td>
<td>6,930</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 312,569</strong></td>
<td><strong>$ 279,684</strong></td>
<td><strong>$ 32,885</strong></td>
</tr>
</tbody>
</table>

The Board’s other subscription licensing agreements were evaluated and determined to not meet the requirements of GASB No. 96.
NOTE 9 - CHANGES IN FINANCIAL ACCOUNTING AND REPORTING

For the fiscal year ended March 31, 2023, the Board implemented the following pronouncements issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SIBTAs) for government end users. This statement (1) defines a SIBTA; (2) establishes that a SIBTA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires not disclosures regarding a SIBTA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Earlier application is encouraged.

NOTE 10 - LESSOR REVENUE

The Board implemented GASB No. 87 for the fiscal year ending March 31, 2021. As such, the Board’s lessor agreement with Allen & Pinnix, P.A. is required to be recognized as a lease receivable and a deferred inflow of resources over the period of the lease.

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>$47,406</td>
</tr>
<tr>
<td>2025</td>
<td>$50,362</td>
</tr>
<tr>
<td>2026</td>
<td>$4,292</td>
</tr>
<tr>
<td></td>
<td><strong>$102,060</strong></td>
</tr>
</tbody>
</table>

NOTE 11 - EDUCATIONAL AWARD PROGRAMS

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

The Board awards a coupon, available to one institution selected student graduating with an undergraduate degree in accounting, to each of the 36 North Carolina colleges and universities which grant undergraduate accounting degrees. Additional coupons are awarded at each of North Carolina’s historically black colleges and universities. The coupons provide candidates with an 18-month timeframe from the date of issue to sit for all four parts of the Uniform CPA Examination.
NOTE 11 - EDUCATIONAL AWARD PROGRAMS (Continued)

The coupon covers the student’s initial exam application fee, re-exam application fees, and the cost of sitting for each section of the Uniform CPA Examination. The current maximum value of each coupon is $1,408. The Board accounts for the coupon program by netting the costs associated with the actual redeemed coupons against its examination fee revenues. The cost of the coupon program totaled $35,036 and $45,490 for fiscal years 2023 and 2022, respectively.

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

NOTE 12 - SUBSEQUENT EVENTS

Management of the Board evaluated subsequent events through July 13, 2023, which is the date the financial statements were available to be issued. Management discovered no subsequent events that should be disclosed.

The audit was conducted in approximately 90 hours at a cost of $15,000.
SUPPLEMENTARY INFORMATION
### NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

Schedules of Budget and Actual - Revenues, Expenses, and Changes in Net Position

**Years Ended March 31, 2023 and 2022**

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
<td>Over (under)</td>
<td>Budget</td>
</tr>
<tr>
<td><strong>Operating revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Examination fees</td>
<td>$1,163,925</td>
<td>$1,273,024</td>
<td>$109,099</td>
<td>$1,176,875</td>
</tr>
<tr>
<td>Licensing fees</td>
<td>1,514,800</td>
<td>1,498,895</td>
<td>(15,905)</td>
<td>1,507,000</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,000</td>
<td>6,648</td>
<td>5,648</td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>2,679,725</td>
<td>2,778,567</td>
<td>98,842</td>
<td>2,684,875</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>1,232,278</td>
<td>1,247,398</td>
<td>15,120</td>
<td>1,211,855</td>
</tr>
<tr>
<td>Examination</td>
<td>800,000</td>
<td>893,710</td>
<td>93,710</td>
<td>850,000</td>
</tr>
<tr>
<td>Office expenses</td>
<td>134,850</td>
<td>150,083</td>
<td>15,233</td>
<td>107,550</td>
</tr>
<tr>
<td>Postage and printing</td>
<td>73,200</td>
<td>75,562</td>
<td>2,362</td>
<td>70,000</td>
</tr>
<tr>
<td>Travel</td>
<td>98,790</td>
<td>116,866</td>
<td>18,076</td>
<td>72,688</td>
</tr>
<tr>
<td>Maintenance and computer support</td>
<td>142,200</td>
<td>142,105</td>
<td>(95)</td>
<td>100,000</td>
</tr>
<tr>
<td>Legal and investigative costs</td>
<td>72,000</td>
<td>60,343</td>
<td>(11,657)</td>
<td>112,500</td>
</tr>
<tr>
<td>Insurance</td>
<td>26,000</td>
<td>24,212</td>
<td>(1,788)</td>
<td>24,500</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>17,000</td>
<td>17,854</td>
<td>854</td>
<td>14,500</td>
</tr>
<tr>
<td>Building</td>
<td>89,400</td>
<td>72,969</td>
<td>(16,431)</td>
<td>45,300</td>
</tr>
<tr>
<td>Depreciation</td>
<td>45,000</td>
<td>44,030</td>
<td>(970)</td>
<td>45,000</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>2,730,718</td>
<td>2,845,132</td>
<td>114,414</td>
<td>2,653,893</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>(50,993)</td>
<td>(66,656)</td>
<td>(15,572)</td>
<td>30,982</td>
</tr>
<tr>
<td><strong>Non-operating revenues (expenses)</strong></td>
<td>(32,630)</td>
<td>(17,738)</td>
<td>14,892</td>
<td>34,961</td>
</tr>
<tr>
<td><strong>Changes in net position</strong></td>
<td>(83,623)</td>
<td>(84,303)</td>
<td>(680)</td>
<td>65,943</td>
</tr>
<tr>
<td><strong>Net position - beginning of year</strong></td>
<td>4,052,110</td>
<td>4,052,110</td>
<td>-</td>
<td>3,934,579</td>
</tr>
<tr>
<td><strong>Net position - end of year</strong></td>
<td>$3,968,487</td>
<td>$3,967,807</td>
<td>$ (680)</td>
<td>$4,000,522</td>
</tr>
</tbody>
</table>

**Budgetary Information**

Annual budgets are adopted by the Board and prepared and reported on the accrual basis of accounting. The budgets prepared for the fiscal years ended March 31, 2023 and 2022 identify major sources of revenue and expenses. Although budgeted amounts lapse at year-end, the Board retains its unexpended net assets to fund expenses of the succeeding years.