



# 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 Sotichack, 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. Sotichack 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'Brien  
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  
Skyler 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

Johnathan Gene Gabbard, #39923  
 Shirlene Guthmann Gray, #18827  
 Jiajia Hao, #38892  
 Jeffrey Clarence Hitzke, #21142  
 Jeffrey Sean Holley, #28993  
 Rebekah Catherine Howard, #39665

Jean Christophe Lecordier, #32817  
 Amy Marie Cline Leden, #32266  
 Joseph Charles Manzinger III, #41621  
 Christianna Leigh Morton, #28610  
 Jamie Lynn Stevens, #40398  
 Alicia Norman Thrasher, #33552

**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  
 Demi Abernathy  
 Jalen Adams  
 Deana Alhorani  
 Michael Allan  
 Riane Allen  
 Emily Almerini  
 Julio Alvarez  
 Rachel Anstett  
 Hollie Ardoin  
 Jonathan Ball  
 Sahr Bangai  
 Alison Banther  
 Connor Barton  
 Nathan Benn  
 Emily Bennett  
 Zachary Berglund  
 Daniel Bidwick  
 Michael Blasko  
 Rachel Blevins  
 Madison Bonello  
 Robert Bordiere

Ashley Bornkamp  
 Patrick Bradford  
 Joshua Branch  
 Seth Brim  
 Austin Brooks  
 Jack Brown  
 Justin Brown  
 Robert Brown  
 Wendell Brown  
 Ethan Brunelli  
 Isabella Bucaro  
 Tanner Buff  
 Hallie Burris  
 Justin Byrd  
 Madeline Cabe  
 Lionel Cabrera  
 Austen Cagwin  
 Alyssa Carey  
 Sander Casino  
 Jessica Cathey  
 Amanda Cauble  
 Kurt Cerrato

Audrey Chen  
Kaitlyn Cherniss  
Luke Chisholm  
Carson Chrismon  
Johnny Christian  
Tuong Vi Chuong  
Julian Codner  
Joseph Coffey  
Kylie Conlon  
Lydia Connor  
Hannah Cook  
Olivia Cope  
Heather Copeland  
Tyler Counts  
John Cox  
Mary Coyne  
Natalie Critelli  
Amanda Crnic  
James Croom  
Nia Crosdale  
Jacob Cruz  
Kevin Cruz-Garcia  
Vincent Cuzzo  
Mitesh Das  
Timothy Dillon  
Michael Dunning  
Ryan Durham  
Rachel Dyer  
Everett Echevarria  
Colburn Ehrhart  
Paige Ehrman  
Natalie Erwin  
Stacy Feldman  
Madison Ferguson  
Robert Fontana  
Austin Force  
Jared Foshee  
Robert Foxwell  
Keristen Franklin  
Maddalyn Franks  
Kaitlyn Frey  
Mariah Fuentes  
Carson Fulp  
Victoria Gahn  
Erica Gales  
Matthew Gay  
Brandi Geary

Rahul George  
Michael Gibson  
Murphy Gilbert  
Lillian Glaser  
Meredith Godwin  
Colton Goheen  
Deon Goode Gaither  
Thomas Gornisiewicz  
Reese Graef  
Jordan Gray  
Lashawn Green  
Sarah Green  
George Grier  
Cynthia Grose  
Andrea Guenther  
Maitland Gurney  
Alondo Hagans  
Jessica Haltom  
Lucius Harvin  
Milana Harwick  
Emily Hedrick  
Roberto Hernandez  
Garrett Hewett  
Tyler High  
Michael Ho  
Stephanie Hofinga  
Rachel Hogston  
Anna Hollin  
Stuart Holmes  
Daniel Honan  
Payton Hudson  
Christopher Hui  
Margaret Hulbert  
Kara Hunt  
Megan Hurley  
Crystal Irvin  
Jarkayla Jackson  
Grant Jacobson  
Roseann Jahn  
Jairo Jaimes  
Edwin Jimenez  
Olivia John  
Michael Johnson  
Daniel Johnston  
Alicia Jones  
John Jorgensen  
Gabrielle Juba

Zoe Kaiser  
Alexa Kallestén  
Makayla Kanous  
Jonathan Keller  
Elizabeth Kelly  
Hallie Kent  
Dainah Kilburn  
Kristy Kincaid  
Joseph King  
Christopher Kirby  
Melanie Kisting  
William Knabe  
Megan Leasure  
Hannah Leo  
Whitlee Letchworth  
Shontrail Lewis  
Jerrie Lombard  
Jessica Louros  
Allie Lovett  
Drew Luke  
Ryan Macy  
Quy Dong Mai  
Cameron Maroney  
Mario Massarelli  
Michael Matthai  
Jessica Matthews  
Adam Mayes  
Sarah McCarthy  
Jacob McCloskey  
Jayce McDaniel  
Roy McDonald  
Walter McEachern  
Michael McGrath  
Eric McLaughlin  
Jonathon McLean  
Samuel Merriam  
Kimball Midgett  
Logan Miller  
Miriam Miller  
William Missert  
Hannah Mitchell  
Ryan Monk  
Harrison Moore  
Chelsea Morgan  
Sallie Mueller  
Connor Mulvey  
Prasanna Nagarajan

Carson Nance  
Kaylan Nelson  
Thomas Newman  
Ha Nguyen  
Jack Niemer  
Meredith Norris  
Jonah O'Brien  
Faith Odutola  
So Young Oh  
Paul Owen  
Holden Parker  
Declan Payne  
William Peddycord  
Connor Pendergrass  
Sarah Pennington  
Meghan Perdue  
Lauren Perrigo  
Jacob Pesicka  
Madison Peters  
David Phagan  
Anne Pillow  
Courtney Ponder  
Ryan Poudrier  
Margaret Preston  
Sierra Puryear  
David Ramos  
Jeremy Reed  
William Reeves  
Sloan Reid  
Jason Ringle  
Jessica Robinson  
Meghan Robinson  
Elizabeth Rohlf  
Caroline Rose  
Jill Ross  
Marshal Roten  
Delaney Rust  
Jacob Rutter  
Kathryn Sadler  
Evonna Sampedro  
Kelsey Sampere  
Brian Schager  
Catherine Schwefler  
Matthew Seaton  
Jessica Seligmann  
Auriel Sharpe  
Hannah Sheaffer



Cayla Shinn  
Dhruva Shivakumar  
Sodiq Shofoluwe  
Anne Sippe  
Andrew Smith  
Diedre Smith  
Harry Smith  
Ian Smith  
ShaQuita Smith  
Shawn Smith  
Joshua Speer  
Mia Spencer  
Skye Stalter  
Jada Staten  
Lacey Steele  
Evan Stern  
Nicholas Stewart  
Tyler Strauss  
Teresa Striblin  
Zachary Suelflow  
James Suggs  
Emily Sullivan  
Zachary Swanson  
Michael Szabo  
Tiffany Tadlock  
Nicholas Tauber  
William Taylor  
Nikitaben Thakor

Martin Thomas  
Andrew Toland  
Rory Trujillo  
Verral Tubman  
Kelli Turpin  
Dominick Vaccaro  
Johana Valle Gutierrez  
Michelle Van  
Jana Vargas Diaz  
Joshua Vincent  
Walter Vozzo  
Alison Walker  
Jacob Walton  
Troy Warren  
Lauryn Wharton  
Macy Whitaker  
Morgan Whitaker  
Michael Wilkins  
Christopher Williams  
Lewis Williams  
Terrell Williams  
Daniel Wolf  
Chandler Woods  
Scott Wright  
Kevin Wrought  
Shelbi Wymard  
Carol Yun  
Meghan Zuzolo

**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:

Attested to by:

A handwritten signature in black ink, appearing to read "D.R. Nance", written over a horizontal line.

David R. Nance, CPA  
Executive Director

A handwritten signature in blue ink, appearing to read "Bernita W. Demery", written over a horizontal line.

Bernita W. Demery, CPA  
Vice President

NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: C2023084

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.

Board Order - 2  
James O. McLamb, Jr.

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



*Gary R Massey*  
BY Gary R Massey (Jul 25, 2023 14:15 EDT)  
President

NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #s C2021203-1/2

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 by the Board.

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CPA EXAMINERS

Consent Order - 2  
David A. Kingman, CPA  
David A. Kingman CPA, PC

2. By virtue of the facts set forth above, the Respondents have 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.

BASED 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.  
(Day) (Month) (Year)

DAVID A KINGMAN CPA, PC  
Respondent

David A Kingman  
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 24<sup>th</sup> DAY OF JULY, 2023.  
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS



BY: Sam P Massey  
President

NC BOARD OF

JUL 10 2023

CPA EXAMINERS

NORTH CAROLINA  
WAKE COUNTY

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

IN THE MATTER OF:  
AGL CPA 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. 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").
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 - 3 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 27<sup>th</sup> DAY OF June, 2023  
(Day) (Month) (Year)

  
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 24<sup>th</sup> DAY OF July, 2023  
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS



BY: Daryl Massey  
President

NO BOARD OF  
JUL - 3 2023  
CPA EXAMINERS



NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: C2023038

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.

JUL - 3 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 29 DAY OF June, 2023  
(Day) (Month) (Year)

Alan Ross, CPA  
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 24<sup>th</sup> DAY OF July, 2023  
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS



BY: Gary R. Massey  
President

NC BOARD OF  
JUL - 3 2023  
CPA EXAMINERS

NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: C2023039

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.

JUL 12 2023

CPA EXAMINERS

Consent Order - 2  
Baker Newman Noyes

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 10<sup>th</sup> DAY OF July, 2023.  
(Day) (Month) (Year)

*Mark Ay*  
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 29<sup>th</sup> DAY OF July, 2023.  
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS



BY:

*Daryl Massey*  
President

NC BOARD OF

JUL 12 2023

CPA EXAMINERS

NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: C2023044

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.

JUL -5 2023

CPA EXAMINERS

Consent Order - 2


Bober, Markey, Fedorovich & Company

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 28<sup>th</sup> DAY OF June, 2023  
(Day) (Month) (Year)

  
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 24<sup>th</sup> DAY OF July, 2023  
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS



BY:   
President

NC BOARD OF  
JUL - 5 2023  
CPA EXAMINERS

NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: C2023045

IN THE MATTER OF:

Bolinger, Segars, Gilbert & Moss, L.L.P.  
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. 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.

JUL 11 2023

CPA EXAMINERS

Consent Order - 2

Bolinger, Segars, Gilbert & Moss, L.L.P.

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 29 DAY OF JUNE, 2023  
(Day) (Month) (Year)

T. R.  
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 24<sup>th</sup> DAY OF JULY, 2023  
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS



BY: David Massey  
President

NC BOARD OF  
JUL 11 2023  
CPA EXAMINERS



NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: C2023046

IN THE MATTER OF:  
Colby & Company, PLC  
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. 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.

JUL -5 2023

CPA EXAMINERS

Consent Order - 2  
Colby & Company, PLC

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 28<sup>th</sup> DAY OF June, 2023.  
(Day) (Month) (Year)

*Tracy Colby*  
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 24<sup>th</sup> DAY OF July, 2023.  
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS



BY: *Gary R Massey*  
President

NC BOARD OF  
JUL -5 2023  
CPA EXAMINERS

NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: C2023047

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 26<sup>th</sup> DAY OF June, 2023  
(Day) (Month) (Year)

Kapil Handa  
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 24<sup>th</sup> DAY OF July, 2023  
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS



BY: Gary R Massey  
President

NC BOARD OF  
JUL 10 2023  
CPA EXAMINERS

NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: C2023050

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.

JUL -5 2023

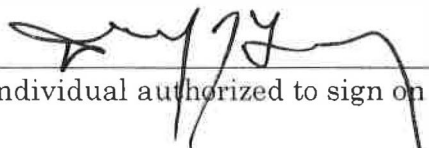
CPA EXAMINERS

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 3<sup>rd</sup> DAY OF July, 2023  
(Day) (Month) (Year)

  
\_\_\_\_\_  
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 24<sup>th</sup> DAY OF July, 2023  
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS



BY: Gary R Massey  
President

NC BOARD OF  
JUL -5 2023  
CPA EXAMINERS

NORTH CAROLINA  
WAKE COUNTY

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

IN THE MATTER OF:  
Arvinder Singh, CPA  
Singh CPA PLLC

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. 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."
3. On the Respondent Firm's annual firm renewal, the Respondent disclosed that the Respondent Firm had prepared compilations in 2019, 2020, 2021, and 2022.
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.

Consent Order - 2  
Arvinder Singh, CPA  
Singh CPA PLLC

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.

CONSENTED TO THIS THE 16<sup>th</sup> DAY OF June, 2023  
(Day) (Month) (Year)

ARVINDER SINGH  
Respondent

Ahsan  
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 24<sup>th</sup> DAY OF July, 2023  
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS



BY:

Larry R Massey  
President

NC BOARD OF  
JUN 20 2023  
CPA EXAMINERS



NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #s: C2023060-1/2

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.

NC BOARD OF

JUL 12 2023

CPA EXAMINERS

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 11<sup>th</sup> DAY OF July, 2023.  
(Day) (Month) (Year)

Robert H. Collis  
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 24<sup>th</sup> DAY OF July, 2023.  
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS



BY: Daryl Massey  
President

NC BOARD OF

JUL 12 2023

CPA EXAMINERS

NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: C2023064

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

Consent Order - 2  
HBME, 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 \$1,000.00 civil penalty.

CONSENTED TO THIS THE 26 DAY OF June, 2023.  
(Day) (Month) (Year)

g. N. M. A., CPA  
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 24<sup>th</sup> DAY OF July, 2023.  
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS



BY: Larry Massey  
President

NC BOARD OF  
JUL -5 2023  
CPA EXAMINERS

NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: C2023071

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.

NC BOARD OF

JUL 14 2023

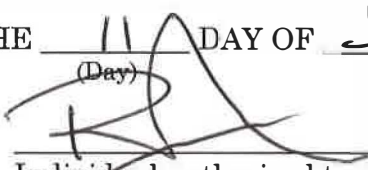
CPA EXAMINERS

Consent Order - 2  
Jones & Roth, P.C.

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 11 DAY OF July, 2023  
(Day) (Month) (Year)  
  
\_\_\_\_\_  
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 24<sup>th</sup> DAY OF July, 2023  
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS



BY: Gary R Massey  
President

NC BOARD OF  
JUL 14 2023  
CPA 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

Consent Order - 2  
KSDT CPA

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 28<sup>th</sup> DAY OF June, 2023.  
(Day) (Month) (Year)

*Eirj. Seethu*  
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 24<sup>th</sup> DAY OF July, 2023.  
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS



BY: *Dan R Massey*  
President

NC BOARD OF  
JUL -6 2023  
CPA EXAMINERS



NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: C2023079

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.

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

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.  
(Day) (Month) (Year)

for (JOSEPH SAVILLE, AUDIT PARTNER)  
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 24<sup>th</sup> DAY OF JULY, 2023.  
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS



BY: Gary L. Massey  
President

NC BOARD OF  
JUL -5 2023  
CPA EXAMINERS

NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: C2023082

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.

JUL -5 2023

CPA EXAMINERS

Consent Order - 2  
Wendling Noe Nelson & Johnson 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 \$1,000.00 civil penalty.

CONSENTED TO THIS THE 30<sup>th</sup> DAY OF June, 2023  
(Day) (Month) (Year)

Eva 20th  
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 24<sup>th</sup> DAY OF July, 2023  
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS



BY: Larry R Massey  
President

NC BOARD OF  
JUL -5 2023  
CPA EXAMINERS

NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #C2023097

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).

NC BOARD OF

JUL 10 2023

CPA EXAMINERS

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 8<sup>th</sup> DAY OF JULY, 2023  
(Day) (Month) (Year)

Michael Wayne Sledge  
Respondent

APPROVED BY THE BOARD THIS THE 24<sup>th</sup> DAY OF July, 2023  
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS



BY: Darryl Massey  
President

NC BOARD OF

JUL 10 2023

CPA EXAMINERS

NORTH CAROLINA STATE BOARD  
OF CERTIFIED PUBLIC  
ACCOUNTANT EXAMINERS

FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2023 AND 2022



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

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**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



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

---

**Introduction**

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

**Overview of the Basic Financial Statements**

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

The Statements of Revenues, Expenses, and Changes in Net Position provide information relative to the results of the Board's operations, non-operating activities, and other activities affecting 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.

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

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**Brief Agency Highlights**

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

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

The Board's net position as of March 31, 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.

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

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

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**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.

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

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**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.

Condensed Statements of Revenues, Expenses, and Changes in Net Position For the Fiscal Years Ended March 31,						
	<b>2023</b>	2022	<b>% Change</b>	2022	2021	<b>% Change</b>
Operating revenues:						
Exam fees	<b>\$ 1,273,024</b>	\$ 1,116,436	<b>14.03%</b>	\$ 1,116,436	\$ 1,117,831	-0.12%
Licensing fees	<b>1,498,895</b>	1,495,210	<b>0.25%</b>	1,495,210	1,480,855	0.97%
Miscellaneous	<b>6,648</b>	1,450	<b>358.48%</b>	1,450	1,128	28.55%
Operating expenses	<b>(2,845,132)</b>	(2,436,131)	<b>16.79%</b>	(2,436,131)	(2,435,352)	0.03%
Operating income (loss)	<b>(66,565)</b>	176,965	<b>-137.61%</b>	176,965	164,462	7.60%
Non-operating revenues	<b>69,819</b>	58,231	<b>19.90%</b>	58,231	77,749	-25.10%
Non-operating expenses	<b>(87,557)</b>	(117,665)	<b>-25.59%</b>	(117,665)	(20,267)	480.57%
	<b>(17,738)</b>	(59,434)	<b>-70.16%</b>	(59,434)	57,482	-203.40%
Increase (decrease) in net position	<b>(84,303)</b>	117,531	<b>-171.73%</b>	117,531	221,944	-47.04%
Net position beginning of year	<b>4,052,110</b>	3,934,579	<b>2.99%</b>	3,934,579	3,712,635	5.98%
Net position end of year	<b>\$ 3,967,807</b>	\$ 4,052,110	<b>-2.08%</b>	\$ 4,052,110	\$ 3,934,579	2.99%

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

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**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.

Operating and Non-Operating Expenses For the Fiscal Years Ended March 31,						
	2023	2022	% Change	2022	2021	% Change
Operating expenses:						
Salaries and employee benefits	\$ 1,247,398	\$ 1,219,922	2.25%	\$ 1,219,922	\$ 1,191,902	2.35%
Examination	893,710	739,742	20.81%	739,742	752,648	-1.71%
Office related expenses	484,616	277,850	74.42%	277,850	254,380	9.23%
Depreciation	44,030	39,147	12.47%	39,147	38,063	2.85%
Other expenses	175,378	159,470	9.98%	159,470	198,359	-19.61%
Total operating expenses	<u>\$ 2,845,132</u>	<u>\$ 2,436,131</u>	<u>16.79%</u>	<u>\$ 2,436,131</u>	<u>\$ 2,435,352</u>	<u>0.03%</u>
Non-operating expenses:						
Non-operating expense	\$ 35,261	\$ 20,947	68.33%	\$ 20,947	\$ 20,267	3.36%
Unrealized loss on investments	52,296	96,374	100.00%	96,374	-	100.00%
Loss on equipment sale	-	344	100.00%	344	-	100.00%
Total non-operating expenses	<u>\$ 87,557</u>	<u>\$ 117,665</u>	<u>-25.59%</u>	<u>\$ 117,665</u>	<u>\$ 20,267</u>	<u>480.57%</u>

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.

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

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**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.

*Bernard Robinson & Company, L.L.P.*

Raleigh, North Carolina  
July 13, 2023

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC  
ACCOUNTANT EXAMINERS  
Statements of Net Position  
March 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS:</b>		
Current assets:		
Cash	\$ 1,521,122	\$ 2,085,155
Short-term investments	556,107	-
Receivables	6,719	3,035
Prepays	20,555	23,193
Lease receivable (Note 10)	47,406	44,579
Total current assets	<u>2,151,909</u>	<u>2,155,962</u>
Noncurrent assets:		
Investments	1,448,979	1,403,626
Lease receivable (Note 10)	54,654	102,060
Capital assets, non-depreciable (Note 4)	300,000	300,000
Capital assets, depreciable, net (Note 4)	804,833	525,492
Total noncurrent assets	<u>2,608,466</u>	<u>2,331,178</u>
Total assets	<u>4,760,375</u>	<u>4,487,140</u>
<b>LIABILITIES:</b>		
Current liabilities:		
Accounts payable	59,161	15,981
Due to examination vendors	357,634	196,172
Subscription software payable (Note 8)	102,529	-
Unearned revenue	-	540
Compensated absences - current portion	4,132	21,612
Total current liabilities	<u>523,456</u>	<u>234,305</u>
Noncurrent liabilities:		
Subscription software payable (Note 8)	82,315	-
Compensated absences (Note 5)	84,737	54,086
Total noncurrent liabilities	<u>167,052</u>	<u>54,086</u>
Total liabilities	<u>690,508</u>	<u>288,391</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred lease receipts (Note 10)	<u>102,060</u>	<u>146,639</u>
<b>NET POSITION:</b>		
Net investment in capital assets	1,104,833	825,492
Unrestricted	<u>2,862,974</u>	<u>3,226,618</u>
Total net position	<u>\$ 3,967,807</u>	<u>\$ 4,052,110</u>

**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**

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

**NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC  
ACCOUNTANT EXAMINERS  
Statements of Cash Flows  
Years Ended March 31, 2023 and 2022**

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

*See Notes to Financial Statements*

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

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**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.

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

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**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:

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

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

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**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.

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



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

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**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.

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

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**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:

<u>Credit Rating</u>	<u>Amount</u>
AAA	\$ 223,924
AA	11,891
A	33,720
BA	54,680
BAA	108,391

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:

	<u>Amount</u>
0 - 5 years	\$ 96,730
6 - 10 years	76,870
11 -15 years	55,862
16 - 20 years	33,103
21 - 30 years	165,815
Over 30 years	4,226
Total	<u>\$ 432,606</u>

**NOTE 3 - FAIR VALUE INVESTMENTS**

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

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

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

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**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:

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

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

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

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

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

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**NOTE 4 - CAPITAL ASSETS**

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

	Balance April 1, 2022	Additions	Deletions	Balance March 31, 2023
Capital assets, non-depreciable:				
Land and improvements	\$ 300,000	\$ -	\$ -	\$ 300,000
Capital assets, amortizable/depreciable:				
Building and improvements	1,070,606	93,991	(38,440)	1,126,157
Furniture	112,386	21,522	(99,906)	34,002
Equipment	171,136	40,409	(73,655)	137,890
Software	180,337	-	-	180,337
Subscription software	-	279,684	-	279,684
Total capital assets, amortizable/depreciable:	<u>1,534,465</u>	<u>435,606</u>	<u>(212,001)</u>	<u>1,758,070</u>
Less accumulated amortization/depreciation:				
Building and improvements	(592,084)	(37,550)	37,711	(591,923)
Furniture	(110,791)	-	99,907	(10,884)
Equipment	(125,763)	(15,871)	66,379	(75,255)
Software	(180,335)	-	-	(180,335)
Subscription software	-	(94,840)	-	(94,840)
	<u>(1,008,973)</u>	<u>(148,261)</u>	<u>203,997</u>	<u>(953,237)</u>
Total capital assets, amortizable/depreciable, net:	<u>525,492</u>	<u>287,345</u>	<u>(8,004)</u>	<u>804,833</u>
Capital assets, net	<u>\$ 825,492</u>	<u>\$ 287,345</u>	<u>\$ (8,004)</u>	<u>\$ 1,104,833</u>

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.

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

**NOTE 4 - CAPITAL ASSETS (Continued)**

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

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

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:

	Balance April 1, 2022	Additions	Deletions	Balance March 31, 2023	Current Portion
Compensated absences	\$ 75,698	\$ 88,699	\$ 75,528	\$ 88,869	\$ 4,132

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

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

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

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**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.

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

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**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.

	<u>Payments</u>	<u>Amortization</u>	<u>Interest</u>
2023	\$ 108,109	\$ 94,840	\$ 13,269
2024	115,215	102,529	12,686
2025	89,245	82,315	6,930
	<u>\$ 312,569</u>	<u>\$ 279,684</u>	<u>\$ 32,885</u>

The Board's other subscription licensing agreements were evaluated and determined to not meet the requirements of GASB No. 96.

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

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**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:

2024	\$ 47,406
2025	50,362
2026	4,292
	<u>\$ 102,060</u>

**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.



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

	2023			2022		
	(Unaudited) Budget	Actual	Over (under) Budget	(Unaudited) Budget	Actual	Over (under) Budget
Operating revenues:						
Examination fees	\$1,163,925	\$1,273,024	\$ 109,099	\$1,176,875	\$1,116,436	\$ (60,439)
Licensing fees	1,514,800	1,498,895	(15,905)	1,507,000	1,495,210	(11,790)
Miscellaneous	1,000	6,648	5,648	1,000	1,450	450
Total operating revenues	<u>2,679,725</u>	<u>2,778,567</u>	<u>98,842</u>	<u>2,684,875</u>	<u>2,613,096</u>	<u>(71,779)</u>
Operating expenses:						
Salaries and employee benefits	1,232,278	1,247,398	15,120	1,211,855	1,219,922	8,067
Examination	800,000	893,710	93,710	850,000	739,742	(110,258)
Office expenses	134,850	150,083	15,233	107,550	102,615	(4,935)
Postage and printing	73,200	75,562	2,362	70,000	62,604	(7,396)
Travel	98,790	116,866	18,076	72,688	25,166	(47,522)
Maintenance and computer support	142,200	142,105	(95)	100,000	87,465	(12,535)
Legal and investigative costs	72,000	60,343	(11,657)	112,500	86,038	(26,462)
Insurance	26,000	24,212	(1,788)	24,500	22,860	(1,640)
Dues and subscriptions	17,000	17,854	854	14,500	17,960	3,460
Building	89,400	72,969	(16,431)	45,300	32,612	(12,688)
Depreciation	45,000	44,030	(970)	45,000	39,147	(5,853)
Total operating expenses	<u>2,730,718</u>	<u>2,845,132</u>	<u>114,414</u>	<u>2,653,893</u>	<u>2,436,131</u>	<u>(217,762)</u>
Operating income (loss)	(50,993)	(66,565)	(15,572)	30,982	176,965	145,983
Non-operating revenues (expenses)	<u>(32,630)</u>	<u>(17,738)</u>	<u>14,892</u>	<u>34,961</u>	<u>(59,434)</u>	<u>(94,395)</u>
Changes in net position	(83,623)	(84,303)	(680)	65,943	117,531	51,588
Net position - beginning of year	<u>4,052,110</u>	<u>4,052,110</u>	<u>-</u>	<u>3,934,579</u>	<u>3,934,579</u>	<u>-</u>
Net position - end of year	<u>\$3,968,487</u>	<u>\$3,967,807</u>	<u>\$ (680)</u>	<u>\$4,000,522</u>	<u>\$4,052,110</u>	<u>\$ 51,588</u>

**Budgetary Information**

Annual budgets are adopted by the Board and prepared and reported on the accrual basis of accounting. The budgets prepared for the fiscal years ended March 31, 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.