



North Carolina State Board of Certified Public Accountant Examiners

Public Session Agenda September 25, 2023 2:00 p.m. Appalachian State University

I. Administrative Items

- A. Call to Order
Under North Carolina General Statute 138A-15(e), every Board member must avoid conflicts of interest and appearances of conflict. Does any Board member have a known conflict of interest or appearance of conflict with respect to any matter coming before the Board today? If so, please identify the conflict or appearance of conflict and refrain from participating in that matter.
 - 1. Conflict of Interest Checklist
- B. Welcome and Introduction of Guests
- C. Approval of Agenda **(ACTION)**
- D. Minutes **(ACTION)**
- E. Financial/Budgetary Items
 - 1. Financial Statements for August 2023 **(ACTION)**

II. Legislative & Rulemaking Items

- A. Proposed Rule Changes **(FYI)**

III. National Organization Items

- A. Regional Directors' Focus Questions **(ACTION)**
- B. NASBA's Proposed Credit Relief Initiative for CPA Exam Candidates **(FYI)**

IV. State & Local Organization Items

- A. Discussion of Employee Stock Ownership Plans (ESOPs) **(FYI)**

V. Committee Reports

- A. Professional Standards Committee **(ACTION)**
- B. Professional Education and Applications Committee **(ACTION)**
- C. Investment Committee **(ACTION)**

VI. Executive Staff and Legal Counsel Report

- A. Operational Metrics **(FYI)**
- B. Executive Staff Report **(FYI)**
- C. Proposed 2024 Meeting Dates **(ACTION)**

VII. Public Comments

VIII. Closed Session

IX. Adjournment



North Carolina State Board of Certified Public Accountant Examiners

PUBLIC SESSION MINUTES

August 21, 2023

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

BOARD STAFF IN 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; and Buck Winslow, Licensing Manager.

OTHERS ATTENDING: Noel L. Allen, Esq., Legal Counsel; Mark Sotichack, CPA, CEO, NCACPA; Robert Broome, Director of Advocacy, NCACPA; and Sgt. J.D. Rattlelade, Raleigh Police Department.

CALL TO ORDER: Ms. Demery called the meeting to order at 10:00 a.m.

CONFLICTS OF INTEREST: Mr. Winstead stated he recused himself from one item on the Professional Standards Committee agenda.

APPROVAL OF AGENDA: Ms. Lynch moved, and Mr. Payseur seconded the motion to approve the agenda as presented. The motion passed with five (5) affirmative and zero (0) negative votes.

MINUTES: Ms. Kruse moved, and Ms. Lynch seconded the motion to approve the July 24, 2023, meeting minutes as submitted. The motion passed with five (5) affirmative and zero (0) negative votes.

FINANCIAL AND BUDGETARY ITEMS: Mr. Payseur moved, and Mr. Winstead seconded the motion to approve the July 2023 financial statements as submitted. The motion passed with five (5) affirmative and zero (0) negative votes.

LEGISLATIVE AND RULEMAKING ITEMS: Mr. Nance informed the Board that the Rules Review Commission approved the Board's rules at its August 17, 2023, meeting. The rules are effective September 1, 2023.

NATIONAL ORGANIZATION ITEMS: Mr. Nance and Mr. Winstead provided information on the selection of the Tulane School of Professional Advancement for the AICPA/NASBA Experience, Learn, and Earn (ELE) program.

The Board discussed the increase in CPA Exam candidates, the BEC application deadline, and the potential for candidates to be unable to test due to limited seating at Prometric testing centers.

STATE AND LOCAL ORGANIZATION ITEMS: Ms. Kruse summarized the July 24, 2023, meeting of the Education Task Force. The meeting included presentations from Colleen Conrad, COO, NASBA; Jan Taylor, Academic in Residence, AICPA; and Mark Sotichack, CPA, COO, NCACPA. Ms. Kruse stated that the Task Force discussed the Board's international education acceptance policy, the *NC CPA Exam Candidate Bulletin*, the Board's education and awareness program, and several other items.

PROFESSIONAL STANDARDS COMMITTEE REPORT: The Board approved with five (5) affirmative and zero (0) negative votes the following recommendations of the Committee as presented by Mr. Winstead:

Case Nos. C2022010-1 and C2022010-2 - Donald H. Long and Long CPA, PLLC - Approve the signed Consent Order. (Appendix I)

Case No. C2023048 - Dermody, Burke & Brown, CPAs, LLC - Approve the signed Consent Order. (Appendix II)

Case No. C2023078 - Smith & Howard PC - Approve the signed Consent Order. (Appendix III)

Case No. C2023077 - Pease & Associates, LLC - Approve the signed Consent Order. (Appendix IV)
Mr. Winstead recused himself from this matter and did not participate in the Committee's deliberations or its decision.

Case No. C2023101 - Close the case without prejudice with a Letter of Warning.

Case Nos. C2023009-1 and C2023009-2 - Close the cases without prejudice.

Mr. Winstead stated that the Committee provided guidance to Board staff on several cases.

PROFESSIONAL EDUCATION AND APPLICATIONS COMMITTEE REPORT: The Board approved with five (5) 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:

Ross Michael Davis
Lynsey Dawn Roberts
Mitchell David Weaver

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

Ayesha Fahmeeda Alexander
Brandon Christopher Anderson
Nicholas Barnes Aycok
Sarah Margaret Benoist
Peter Joseph Birdsong
Joshua Allen Brady
Daniel Richard Bundy
Alina Brooke Cardwell
James Miller Clark
Ella Kate Concannon
Ross Michael Davis
Ethan Scott Edelson
Natalie Erin Ellis

Marcela Florez
Zachary Alan Gemmell
Amanda RaeJean Hamil
Joshua Kevin Head
Pablo Federico Hernandez III
Hannah Katherine Houston
William Keith Huffman
Clay Matthew Johnson
Benjamin Daniel Johnson
Lorraine Danasia Johnson
Ronald Frederick Keller
Christian Alexander Keoleian
Joshua Andrew Lail

Nikko Alexander Lairtoo
Andrew Brennan Lee
Kellie Sue Masters
Marley Brown Nelson
Stevie Jean Niccum
Tyler Fowlkes Pellarin
Sydney DeFranco Pickard
Jason Tyler Pomerantz
Allison Leigh Powell
Brandie Lee Ragsdale
Ethan Caleb Raub
Rebecca Michelle Reisberg
Lynsey Dawn Roberts

Melissa Purcell Robinson
Ryan Charles Rock
Sarah Grace Rossi
Andrew Paul Rothfuss
Regina Louise Ryan
Jacob Mikkal Scott
Denver Holt Stone
Mitchell David Weaver
Chavon Monique Westmoreland
Austin Patterson Williams
Adrian Elizabeth Wilmsen
Lawson Rogers Wimmer
Lucas Stephen Younts

Disapprove an original CPA license applicant's appeal of the denial of their application because they had not earned a total of 150 semester hours as required by NCGS 93-12(5)(a).

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

Nicholas Ruzicka Alexander
Samuel Banks Allen
Alexander James Brennan
Dee Ann Brower
Joy Ann Casterton
Elizabeth Ann Davis
Lindsay Keahikukapulani Facer
Semetra Teiona Leiquan Garden
James Joseph Goodall
Connor James Gordon
Xinyan Guo
Samuel Wakefield Hamrick
Lakin Elizabeth Hawkins
Aaron Michael Henry
Brian Jeffrey Jenkins
Roeleen Jooste
John Vincent Juron
Zachary Alan Kiser

Mary-Martha Lauren Krull
Jessica Marie Lang
Mackenzie Elizabeth Maring
Courtney Ruth McKenzie
Atenas Altagracia Mendez
Ian Garret Mesoznik
Cameron Robert Overton
Michael Christopher Popiela
Matthew Thomas Preston
Kevin Michael Randall
Christopher Michael Quinn
Rebecca McKay Richardson
James Matthew Robertson
Matthew David Roland
Jonathan Rucker
David Trent Smith
Cara Michelle Stevens
Nathan Wade Turner

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

Rachel Bray Griggs, T13966
Dean Andrew Carraway, T13967
John Francis Whalen, T13968
William Ryan Debo, T13969
Craig Kevin O'Toole, T13970
Ira Wayne McConnell, T13971

Evan Zwick Danals, T14012
Joseph Anthony Giordano, T14013
Kyle Jordan Eller, T14014
Bing Sun, T14015
Olivie Noe Burchett, T14016
Emma Nicole Jackson, T14017

Jacqueline Alyse Weinstein, T14018
Kevin Douglas Wrobel, T14019

Kerrin Danielle Santalessa, T14020
Nicholas Xavier Sanders, T14021

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

Rebecca Lynn Hoover, #27449
Jonathan David Swart, #36578

Reissuance - Approve the CPA certificate reissuance application submitted by the following individual:

Michele Belue Fogleman, #42428

Letters of Warning: Approve the Letters of Warning issued to the following individuals who indicated they completed the 2022 CPE requirement between January 1 and June 30, 2023, without an approved extension [21 NCAC 08G .0406(b)(1)]:

Michelle Caroline Abercrombie, #38938
Danielle Perry Abernathy, #38679
Aradhana Aggarwal, #42322
Shoaib Ahmed, #44556
Karen Rae Allen, #23347
Rodney Tyler Allison, #35859
Abdullah M. Alnwairi, #38068
Christopher Nicholas Alvarez, #39535
Archana Sekhri Anand, #25088
Kirsten Astrid Anderberg, #23397
Jacqueline Colburn Andreson, #38369
John Charles Anthony Jr., #11290
Joseph John Antonelli, #41959
Januarius Munachim Anyanwu, #45771
Michael Wade Apple II, #35285
Brent McNeill Ashburn, #38570
Bereket Ezra Baissa, #37794
Hekmat M. Barahmeh, #32340
Michael Alexander Barclift, #45878
Michael Richard Bass, #41320
Carly Renee Batchelor, #46065
Adam Richard Bearhalter, #36933
Barry Shayne Beasley, #32929
Seth Joseph Beaver, #40742
Hans Trulock Beier, #23630
Deneal Hicks Bennett, #17506
Terry Deems Best, #26196
Kara Joy Birolidi, #42858
William Edward Black, #40044
Meaghan Heather Bleakley, #44689

David McLeod Boggs, #30573
Mark Daniel Boland, #16705
Natalie Rae Bolick, #44536
Ryan Christopher Bourg, #40988
Randy Glenn Boyd, #14493
David Edward Bradsher, #20685
Donald George Braun Jr., #19727
Kellan Henry Brien, #45402
Kristin Marie Brigman, #42847
Brittney Lynn Brock, #38262
Brittany Janae Brown, #44787
Randolph Edward Brown, #44165
Taylor Lauren Brown, #44830
David Benjamin Bryant, #37039
Mark Buchheim, #37695
Jennifer Lynn Buller, #30171
Teresa Farmer Burgess, #19559
Melanie Marie Burke, #44719
Emily Kathleen Burr, #41333
Ann Campbell, #45343
Lauren Nowak Campbell, #37660
Jacob Calvin Capps, #41445
Larry E. Carpenter, #25467
Matthew Conrad Carpenter, #45093
Daniel Davis Carter, #39378
Karin Marie Cavanaugh, #22346
Kristen Elizabeth Chambers, #44999
Chad Barton Chandler, #42271
Maribeth Elias Christensen, #20691
Tyler Louis Cima, #39467

Amy Katherine Claflin, #41655
Shelly Marie Clark, #34813
Nadia Dolores Clevenger, #37205
Amy Joyce Coble, #44931
Stephen James Cole, #45178
Kevin James Conlon, #44798
Zachary Wayne Cope, #41230
Kermit Cameron Copley, 9903
Dudley Ross Coppage II, #14079
Helen Beach Couch, #17787
Christy Freeman Cox, #33288
Kim Cherie Creasey, #44189
Treva Ratcliff Cross, #24783
Leslie Ann Cunnane, #45302
Richard Nicholas Dawson, #43019
William Thomas DeLeo II, #45696
Emily New Dellinger, #37261
Jennifer Bacon Deutsch, #32837
Trent Jarrett Deyton, #33111
Michael James Dillon, #43401
Ryan Edward Dixon, #40807
Charles P. Doughert Sr., #25241
Ginger Riggs Draper #30586
Carl Dunne #42719
Eliza Savage Durfee, #43565
Thomas David Eiselt, #26305
Christopher Lee Eisenzimmer, #38410
Amanda Rosser Elder, #35418
William Preston Ellis, #24955
Rebekah Jo Embry, #43680
John Gabriel Esposito, #42082
Jonathan Rhett Esser, #34425
Andrew David Evans, #39482
Paul Walton Feisal, #44275
Michael Charles Felcher Jr., #43297
Kiala L. Felder, #32441
Jennifer Payden George, #40334
Frances F. Goldman, #16094
Carlos Manuel Gomez, #20195
Richard Robert Grace, #15342
John Winfield Graham III, #11759
Harry Edwin Gray, #9876
Trent Anderson Green, #25569
Bradley McDonald Greer, #31234
Caroline Cound Griffin, #28896
Jason W. Grooters, #31448
Susan Mary Groover, #29976

Benjamin Maxcey Gupton, #40572
Eric Thomas Gupton, #29366
Brittany Braun Guy, #44579
Ryan David Haas, #30751
Jennifer Handschumacher, #26589
Robert Martin Harper, #45676
Suzette Marie Harrison, #43703
Jeremy Craig Hartle, #24157
Tracy Leigh Harvey, #45672
Brian James Haun, #42657
Sally Jane Hawkins, #44128
Tyler Hawley, #46093
Neville Thomas Hayes, #39711
Codey Wayne Hendren, #30857
Amanda Marie Hernandez, #41933
Devin Weiss Holden, #45428
Shelby Lauren Holkeboer, #40201
Steven Rawles Holland, #21263
Elizabeth Briggs Holt, #35156
Alyssa Denise Horne, #45113
Emilie M. Houston, #43601
Brandon Andrew Howes, #43258
Marlene Kay Huneycutt, #33791
Mary Prewitt Huneycutt, #28916
Kenya Ndidika Iloka, #42223
Rhett Henry Inabinet, #10121
Andrew Brian Jackel, #42944
Kevin Thomas Jette, #45464
Rebecca Lynn Johns, #36808
Jennifer Christin Johnson, #43068
Megan Reanna Johnson, #37831
Alfred Jones, #16875
Janet Lee Joyner, #23042
Alex W. Kau, #37009
Gurpreet Kaur, #41351
Jonathan Nicholas Keller, #42114
Sara Kenn, #41130
Emma Jane Kenney, #43237
Michelle Phillips Keough, #41612
Jaime René Kilby, #33171
Phillip Earl King, #13508
Rebecca Howell Kolb, #26018
Sharon Ann La Roux, #44679
Jennifer Nicole Lane, #40824
Jared Dean Lashley, #35286
Benjamin Zachary Levin, #35790
Wade William Lewis, #41969

Reinafe Anne Pam Lipscomb, #43277
Nadine Lillie Lloyd, #40699
Jillian Layne Logan, #44861
Evan Scott Lucas, #44841
Terresa LaVern Lucas, #40435
Steven Neil Lund, #23543
Kevin Michael Madden, #18616
Fahad Nabeel Majeed, #38060
Alison Leigh Malloy, #24897
Allison Jean Malone, #41082
Douglas Keith Martin, #15488
James Thomas Massey, #13847
Kevin Michael Maxwell, #37924
Erin McCarthy, #24833
James McCorkle III, #17050
Charles McClayton McCoy, #36140
Ricky Rishod McCoy, #43167
Michael Scott McCrary, #32246
C'Ara Kisha McCrea, #45015
Patrick Daniel McFarland, #42529
Maryann McGarity, #15489
Seth Patrick McGroder, #44927
Elizabeth Joy McQuaig, #43768
Michelle Finney Miller, #26110
Stephen Michael Miller, #4342
Joshua Paige Minor, #39031
Allison Kent Moore, #41396
Carrie Morrison, #33359
Elizabeth Jones Morrow, #31004
Patricia F. Mueller, #27154
Connor William Murdock, #41504
Patrick Ambayi Mutongi, #31736
Andrew Logan Myers, #33935
Kelly Ann Necessary, #24147
Amy Shea Niles, #29910
Holly Berry Norvell, #37997
Victoria Ford Novak, #42115
David Johnson O'Donnell, #43426
Eric Parrish, #46014
Matthew Peter Parsells, #39243
Jay G. Patel, #43729
Puja Dev Patel, #38203
Rishi Narendra Patel, #33882
Neal Edward Pawsat, #41645
Chelsea Marie Peterson, #38493
Richard Steven Pfeffer Jr., #35688
Susan Scott Pierce, #30815

Glen Paul Pinkston, #13751
M. Lee Piver Jr., #15884
James Richard Pokorny, #43999
Jessep Michael Polk, #45801
Austin Phillip Powell, #42848
Kristen Pearson Pugliese, #44571
Marquis James Pullen, #40811
Helen Kay Rasoul, #45909
Allison Canner Ray, #29069
Eric Reeves, #43974
Christian Tyler Reighard, #41395
Laura Jean Reynolds, #43667
Jeffrey Glenn Richek, #31975
Yasmeen Rose Richie, #45390
Julian David Rojas, #43334
Kristin Cathleen Roland, #40176
Chadwick Everitt Rollins, #44897
Lisa Beeman Romeo, #19814
Jack Norman Rose, #28963
Lisa E. Rower, #33647
Karen L. Russell, #22491
Peter Rutkowski, #45022
Daniel Shane Ryan, #37068
Maitri Sagar Saraiya, #42547
Steven Patrick Sasser, #45054
Eleni Sugar Saunders, #18635
Sophia C. Schell, #23760
Jonathan David Schmidt, #41770
Megan Patricia Schmitt, #44496
Max Nathan Schulman, #43673
Courtney Michelle Scurry, #41153
Pamela Rasor Seagroves, #22771
Mark Roger Sears, #44886
Osei Sencherey, #42748
Catherine M. Sharpe, #31469
Jenna Rainsford Shaw, #43560
Charles Alan Shelton II, #42476
Karla Kay Shepard, #28614
Jessica Anne Sheridan, #40395
Heather Stone Sherron, #30772
Andrew Raymond Sherwood, #43484
Olanrewa Olaiya Shofoluwe, #36540
Jon Britt Sholar, #34533
Muhammad Atir Siddique, #44673
Elizabeth Tucker Sigafos, #44124
James Mallacha Simons, #43189
Lisa Kaye Simpson, #36377

Whitney Loraine Simpson, #30246
Andrew Ryan Smith, #39965
Derek Ross Smith, #39509
Teresa Tilley Smith, #25011
Kathryn Ann Sommese, #21993
Louise Marie Sperry, #26028
Jonathan Gibson Stark, #38567
Kristen Marie Steffen, #33642
Rebecca Sherrod Stenstrom, #37465
Deborah Jane Stewart, #34781
Michael E. Stoll, #16687
Elizabeth Claire Stollbrink, #38182
Gregory Ryan Strunk, #44241
Edward Steven Sullivan, #45369
Michael Robert Sullivan, #21868
Susan Leslie Swanger, #26781
Lana Kaye Szczepanski, #43377
Jeffery Blane Taylor, #17434
Todd Allen Taylor, #26290
Carl Samuel Thompson III, #22503
William Alexander Thompson, #44856
Lynsey Nicole Thornburg, #42494
Richard Trang, #46207
Nicholas Alan Vance, #40809
Lee Vang, #40359

Stephanie Elizabeth Vaughn, #39940
Dane Vincent, #14204
Lori L. von Gretener, #33439
Sarah Rebecca von Stein, #38695
Gregory Thomas Walter, #39660
Paul Kaplan Wapner, #35400
Jonathan Thomas Warren Jr., #45370
Lauren Susan Watkins, #36763
John Robert Weatherford, #45806
Gabbriel Elizabeth Webb, #40181
Todd Anthony Webb, #29079
Tanner Henderson West, #44844
Jillian Grace Whittaker, #44908
Ian Eugene Wickline, #44217
Rachel Ayers Wiles, #32208
David Brian Williams, #41234
Katherine Marie Witte, #38625
John Hutchins Wood Jr., #22004
John P. Wood, #19291
Daniel Alan Yarborough, #33032
Rebecca Ashley Yarnall, #44708
Danny Ray Yelton, #22005
Maheder Demissie Yohannes, #45563
Liudmila Logina Zill, #45112

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

Kassaundra Abbate
Larry Adams
Alexander Ade
Faith Adesina
Joseph Aiello
Jeremiah Akinsola
Tara Alderman
Christopher Alesso
Riane Allen
Brittany Allgood
Dwayne Altman-Leach
Julio Alvarez
Michael Ament
Cole Anderson
Emelia Anderson
Herleesha Anderson
Emily Armstrong
Gardner Atkinson

Natallia Auramenka
Austin Bailey
Christopher Baker
Stewart Baker
Josie Baldwin
Porter Baldwin
Sydney Baldwin
Andrew Ball
Jessica Banda
Caroline Bare
Holden Barham
Meghan Barrett
Adam Bateman
Peter Beam
Kevin Bell
Ian Best
McKenzy Bethune
Daniel Bidwick

Noah Bilodeau
Parker Bishop
Spencer Blackmore
Ian Blad
Joshua Block
Skyler Bohall
Ashley Bornkamp
Jessica Boyer
Matthew Boyes
Alan Brandon
Blaire Brookreson
Robert Brown
Dylan Bryan
Quionte Bryant
Riley Burke
Grace Burrus
Zackery Busby
Brett Butler
Jillian Caffey
Andrew Callihan
Regina Cameron
Candice Canino
William Cartrette
Margaret Cauley
Kelsey Caulfield
Matthew Celeste
Destiny Chafin
Miranda Chambers
Andrew Chang
Kayla Clark
Drew Coble
Jillian Coffey
Kevin Collier
Bryan Collins
Dylan Coltrane
Rachel Combs
Ashley Compton
Danielle Coney
David Conrad
Janell Cooper
Alyssa Core
Katherine Corn
Lexi Couch
Tyler Counts
Michell Covey
Savannah Crawford
Alexis Credle

Tanesha Crewes
Samantha Crossen
Erin Crotty
Ian Cummings
Charles Cunningham
William Curry
Hadley Daniel
Andrew Dautel
Sonmi Davis
Eden Deanhardt
Samantha DeBonis
Emily Deskins
Anna Dixon
Josue Dominguez
Asandy Dominguez Regules
Connor Douglass
Kearsten Dozier
Sophia Dubrovsky
Alex Duer
Sabrina Dunkle
Annie Edmonston
Noah Ehreth
Joe El Saikali
Natalie Erwin
Hua Fan
Joshua Fassett
Hannah Fay
Ashley Fleming
Brittany Foster
Katlyn Foster
Deidre Frazier
Lauren Frazier
Zachary Fry
Andres Fuentes
Carson Fulp
Erica Gales
Madeline Gentry
Stuart Gentry
Peyton Gilbert
Michael Giles
Levi Gillespie
Michael Girgis
Deon Goode Gaither
Michelle Goodwin
Jonathan Gori
Finley Gough
Ruben Greenstein

Robert Grubbs
William Hackley
Alondo Hagans
Michael Hannah
Christopher Harborth
Tanikya Harmon
Jonathan Hartbarger
Lucius Harvin
Syun Hasebe
Mackenzie Hatchett
Brett Hedrick
Annalise Helms
Mark Hensley
Alyse Herburger
Alexander Hester
Destinee Hile
Brian Himmel
Anna Hodge
Chassidy Hodge
Olivia Hollingsworth
Sadie Holt
Angela House
Alexandria Howard
Alexis Howell
Joseph Huynh
Crystal Irvin
Keno Ivri Ivri
Artanzia Jackson Yates
Kevin Jarman
Frank Jennings
Lorena Jiang
Cassandra Johnson
Josiah Johnson
Alicia Jones
Brandon Jones
Cathryn Jones
Patrick Jones
Veronica Jones
Sindhuja Kajjam
Dillon Keane
Hannah Keller
Jordan Keller
William Keller
Anna Kemp
Hallie Kent
Amy Kidder
John King

Breanna Kirk
Erin Kissling
Emily Kluth
Daniel Koenigsberger
Noah Koenigsnecht
Virginia Kohake
Hannah Kondratik
Lija Kornivska
Edward Laiewski
Shayne Lamb
Savannah Lampley Lampley
Matthew Laxton
Melody Leekley
Ellen Lefkowitz
Maia Lew
Jonathan Lewis
Osvani Ley
Tanner Lloyd
Candace Locklear
Josue Lomeli-Garcia
Edith Lopez
Travis Lowman
Kacie Loye
Julie Macialek
Jackson Madonia
Alexander Madormo
Robert Maholic
Juanitha Makamwe
Bailey Maltba
Jansen Manley
Amanda Matthews
Reuben Maxwell
Jennifer Maybee
Olivia McCarthy
Erica McDermott
Sloman McDurmon
Ciara McFadden
Shaneen McKie
Eric McLaughlin
Samuel Merriam
Joseph Merriman
Thomas Messenheimer
Adam Midyette
Rebecca Miller
Jacob Mitchell
Natalie Mitchell
Bilali Mohammed

David Mooney
Jordan Morgan
James Morrison
Catherine Motsinger
Taner Moulton
Tiaria Mulbah
John Murphy
Meredith Norris
Anne Nutter
Daniel O'Brien
Ryan O'Keeffe
Erica O'Rourke
Remilekun Ogedengbe
Kelly Orlando
Taylor Pagan
Jennifer Palma
Christina Palmer
Tysinger Palmer
Alicia Papworth
Jordan Parks
Adam Parsons
Rachel Parsons
Aishni Patel
Amit Patel
Jacob Pearson
Carolina Pena
Elizabeth Pena
Crystal Perry
Allison Petro
Joshua Pfister
Matthew Pierson
Olivia Pleasant
Jamie Porter
Kyle Prestidge
April Purvis
Casmir Ramaswamy
Robert Ramseur
Amy Ray
Matthew Raynor
Taylor Redman
Payton Reynolds
Taylor Reynolds
Matthew Ridenour
Nicholas Rinaldi
Jason Ringle
Faith Rives
Samuel Roberts

Maddisen Robinson
Giny Robles
Jason Rosales
Lacey Ross
Natalie Royal
Anthony Rucki
Ahmad Saleem
David Salvato
Corey Saunders
Megan Schuette
Andrew Schwetz
Gabrielle Shannon
Hongyun Shen
Janelle Shipotofsky
Thomas Shover
Stephanie Sierra
Thomas Simmons
Allison Simpson
Michael Sinkus
Kyle Smaw
Connor Smith
Kierra Smith
Mahogany Smith
Mitchell Smith
Mariela Sosa Sosa
Samuel Sosnowski
Teneshia Spencer
Lori Stahlberg
Sean Stewart
Ransom Stokes
Mark Storey
Tyler Strauss
Teresa Striblin
Zachary Styons
Alexander Szigedi
Sheryar Tahirkheli
Ty Talbott
Isabella Tarlton
Willie Tate
Marcy Taylor
Christopher Thorburn
Sara Tinsley
Charles Tompkins
Peyton Tyler
Nathan Jon Uy
Michelle Van
Thomas Vaughn

Leslie Vazquez-Herrera
Saraswathy Veeraraghavan
Sarah Vellines
Micah Vera
Francis Vicere
James Vitt
Kayla Walter
Dylan Ward
Jace Ward
Erin Ware
Lauren Warr
Tyrese Washington
Lacey Way
Ashley Weatherston
Robert Wheeler
Dotson Wike
Wesley Wilder
Christopher Williams
Elana Williams

Lisa Williams
Omar Williams
Terrell Williams
Matthew Willis
Morgan Winogradoff
Jacob Woodard
Kiersten Woodring
Chandler Woods
Carly Wright
James Wyatt
Benjamin York
William Youngblood
David Zhang
Linda Zhang
Anna Zhao
Yanxi Zhuo
Joshua Zimmer
Mikayla Zucker
Matthew Zweier

CPA Firm Registrations - Approve the CPA firm registration applications submitted by the following firms:

Bruce B. Brown CPA, PLLC
James Wax CPA, PLLC

EXECUTIVE STAFF AND LEGAL COUNSEL REPORT: The Board reviewed the operational metrics and Executive Staff Report. Mr. Nance and Ms. Sanders updated the Board on the status of the self-service portal for applicants and licensees and presented the Board with a preview of the new Board website that will launch later this year.

Ms. Demery thanked Mr. Nance and Ms. Mayo for their years of service to the Board.

PUBLIC COMMENTS: Mr. Broome shared information on federal Beneficial Ownership Reporting legislation that may impact CPAs. Mr. Sotichet updated the Board on the NCACPA's activities and expressed appreciation for the Board's student and educator outreach.

ADJOURNMENT: Mr. Winstead moved, and Ms. Lynch seconded the motion to adjourn the meeting at 10:43 a.m. The motion passed with five (5) affirmative and zero (0) negative votes.

Respectfully submitted:

Attested to by:

David R. Nance, CPA
Executive Director

Bernita W. Demery, CPA
Vice President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #s C2022010-1/2

IN THE MATTER OF:
Donald H. Long, CPA, #23388
Long 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, the Respondent and the Respondent Firm stipulate to the following:

1. Donald H. Long, CPA (hereinafter "Respondent"), is the holder of North Carolina certificate number 23388 as a Certified Public Accountant.
2. Long CPA, PLLC (hereinafter "Respondent Firm"), is a registered certified public accounting firm in North Carolina. Hereinafter, the Respondent and the Respondent Firm shall collectively be referred to as the "Respondents."
3. The Respondent Firm received a "fail" on its most recent system peer review, with an acceptance letter date of January 21, 2021. The peer review report was for the period ending January 31, 2017.
4. The peer review report noted that, for the Respondent Firm's ERISA engagements, there was insufficient application of practice aids to ensure compliance with all professional standards. The peer review report also noted that the Respondent Firm failed to perform annual internal monitoring as required by the quality control system.
5. The Peer Review Committee required the Respondent Firm to undergo a pre-issuance review of an ERISA engagement for the period ending December 31, 2018. The Respondent Firm successfully completed that pre-issuance review and the reviewer noted that the audit documentation had improved significantly and that only minor issues needed to be corrected.
6. The Respondent was not immediately responsive to the Board's inquiries for information related to the peer review. It was only after several communications from the Board staff that the Respondent finally provided adequate information.
7. 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. The Respondents' failure to perform attest and assurance services in accordance with generally accepted auditing standards constitutes a violation of 21 NCAC 08N .0212 (Competence) and .0403 (Auditing Standards).
3. The Respondents' failure to timely respond to the Board's inquiries constitutes a violation of 21 NCAC 08N .0206 (Cooperation with Board Inquiry).
4. 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, Donald H. Long, CPA, is censured.
2. The Respondents shall pay a one thousand dollar (\$1,000) civil monetary penalty, to be remitted with this signed Consent Order.
3. For the Respondent Firm, each staff member participating in engagements subject to peer review must complete four (4) hours of pension plan A&A CPE annually until the firm receives a pass on a system review or a pass or a pass with deficiencies on an engagement review.

CONSENTED TO THIS THE 2nd DAY OF August, 2023
(Day) (Month) (Year)

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

[Signature]
Respondent

APPROVED BY THE BOARD THIS THE 21 DAY OF August, 2023
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: [Signature: Gary R. Massey]
President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2023048

IN THE MATTER OF:
Dermody, Burke & Brown, CPAs, 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. Dermody, Burke & Brown, CPAs, LLC (hereinafter “Respondent Firm”), has a principal place of business outside of North Carolina and has no office in North Carolina. The Respondent Firm is not a registered certified public accounting firm in North Carolina.
2. The Respondent Firm performed an audit of a retirement plan sponsored in North Carolina (“ERISA audit”).
3. The North Carolina Accountancy Act, at N.C. Gen. Stat. § 93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.
4. The Respondent Firm did not provide the Board with a Notification of Intent to Practice (“Notice”) prior to performing the ERISA audit.
5. There is no indication that the audit performed by the Respondent Firm was otherwise deficient.
6. The Respondent Firm wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. The Respondent Firm understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

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

1. The Respondent Firm is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. By exercising the practice privilege afforded by N.C. Gen. Stat. § 93-10(c) of the Accountancy Act, the Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.

3. The Respondent Firm's failure to comply with N.C. Gen. Stat. § 93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.
4. Per N.C. Gen. Stat. § 93-12(9), 93-10(b) and also by virtue of Respondent Firm's consent to this order, the Respondent Firm is subject to the discipline set forth below.

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

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

CONSENTED TO THIS THE 19 DAY OF July, 2023.
(Day) (Month) (Year)
Lori A. Ciarla, CPA
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 21 DAY OF August, 2023.
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: Gary R. Massey
President

NC BOARD OF
JUL 24 2023
CPA EXAMINERS

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2023078

IN THE MATTER OF:
Smith & Howard 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. Smith & Howard 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 audits of retirement plans sponsored in North Carolina (“ERISA audit”) for four 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 audit.
5. There is no indication that the audits performed by the Respondent Firm were otherwise deficient.
6. The Respondent Firm wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. The Respondent Firm understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

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

1. The Respondent Firm is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. By exercising the practice privilege afforded by N.C. Gen. Stat. § 93-10(c) of the Accountancy Act, the Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.

3. The Respondent Firm's failure to comply with N.C. Gen. Stat. § 93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.
4. Per N.C. Gen. Stat. § 93-12(9), 93-10(b) and also by virtue of Respondent Firm's consent to this order, the Respondent Firm is subject to the discipline set forth below.

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

1. The Respondent Firm shall remit, with this signed Order, a \$4,000.00 civil penalty.

CONSENTED TO THIS THE 10 DAY OF August, 2023.
(Day) (Month) (Year)

JS Sid
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 21 DAY OF August, 2023.
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: Larry R Massey
President

NC BOARD OF
AUG 10 2023
CPA EXAMINERS

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2023077

IN THE MATTER OF:
Pease & Associates, 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. Pease & Associates, LLC (hereinafter “Respondent Firm”), has a principal place of business outside of North Carolina and has no office in North Carolina. The Respondent Firm is not a registered certified public accounting firm in North Carolina.
2. The Respondent Firm performed an audit of a retirement plan sponsored in North Carolina (“ERISA audit”).
3. The North Carolina Accountancy Act, at N.C. Gen. Stat. § 93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.
4. The Respondent Firm did not provide the Board with a Notification of Intent to Practice (“Notice”) prior to performing the ERISA audit.
5. There is no indication that the audit performed by the Respondent Firm was otherwise deficient.
6. The Respondent Firm wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. The Respondent Firm understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

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

1. The Respondent Firm is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. By exercising the practice privilege afforded by N.C. Gen. Stat. § 93-10(c) of the Accountancy Act, the Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.

3. The Respondent Firm's failure to comply with N.C. Gen. Stat. § 93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.
4. Per N.C. Gen. Stat. § 93-12(9), 93-10(b) and also by virtue of Respondent Firm's consent to this order, the Respondent Firm is subject to the discipline set forth below.

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

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

CONSENTED TO THIS THE 18th DAY OF JULY, 2023.
(Day) (Month) (Year)

Christopher J. Jurek
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 21 DAY OF August, 2023.
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: Gary R. Massey
President

MS BOARD OF
JUL 24 2023
CPA EXAMINERS

Financial Highlights
For the Five Month Period Ended August 31, 2023
Compared to the Five Month Period Ended August 31, 2022

	Budget Var.	Aug-23	Aug-22	Inc. (Dec.)
Total Revenue	\$ 250,963.59	\$ 2,153,316.09	\$ 1,946,419.78	\$ 206,896.31
■ Total Operating Revenue	\$ 234,179.55	\$ 2,107,439.95	\$ 1,919,167.85	\$ 188,272.10
❖ Total Net Non Operating Revenue	\$ 16,784.04	\$ 45,876.14	\$ 27,251.93	\$ 18,624.21
○ Total Expenses	\$ 188,929.02	\$ 1,403,833.52	\$ 1,193,089.45	\$ 210,744.07
Increase(Dec.) Net Assets for Period		\$ 749,482.57	\$ 753,330.33	\$ (3,847.76)
Total Checking and Savings		\$ 2,297,981.93	\$ 2,578,268.66	\$ (280,286.73)
Total Assets		\$ 5,555,727.86	\$ 5,337,273.76	\$ 218,454.10
Full-Time/Part-time Employees		12/0	12/0	

Budget:

- Operating revenue was \$234,000 over budget. Certificate fees decreased (-\$16k) while Exam fee revenue increased (+\$252k)
- ❖ Non-Operating revenue was over budget by \$17,000 due to increased gift card revenue (+\$3k) and increased interest earnings (+\$14k)
- Expenses were over budget by \$189,000. Key variances individually were increased exam costs (+\$196k) and office expenses (+\$18k); offset by higher civil penalties assessed (-\$8k), reduced building expenses (-\$6k), and other general expense items due to timing of payment

Actual:

- Total operating revenue increased from prior year by \$188,000. Increase mainly attributed to increased exam activity (+\$187k)
- ❖ Total net non-operating revenue increased from prior period by \$19,000 primarily due increased interest earnings (+\$18k)
- Total expenses increased from prior period by \$211,000. Key variances include increased costs related to the exam costs (+\$139k), legal expense (+\$20k), and staff salary (+\$42k)

NC Board of CPA Examiners
Statement of Net Position
As of August 31, 2023

	Aug 31, 23	Aug 31, 22
ASSETS		
Current Assets		
Checking/Savings		
1078 · Pinnacle - ICS	487,416.00	778,000.83
1076 · Pinnacle - MMA	1,549,704.91	1,570,314.01
1023 · Truist Disciplinary Clearng Acct	3,000.00	0.00
1020 · Truist Checking Acct	102,554.04	168,639.64
1021 · Truist Savings Account	155,206.98	61,214.18
1030 · Truist Payroll Acct	100.00	100.00
Total Checking/Savings	2,297,981.93	2,578,268.66
Other Current Assets		
1130 · Lease Receivable - Current	47,406.00	44,579.00
1110 · Accrued CD Interest	2,119.50	646.23
1050 · CD Investments - Current	250,000.00	250,000.00
1125 · Accts Rec Civil Penalties	600.00	0.00
1120 · Accounts Receivable	-790.00	0.00
1170 · Interest Receivable	0.00	3,035.00
Total Other Current Assets	299,335.50	298,260.23
Total Current Assets	2,597,317.43	2,876,528.89
Fixed Assets		
1395 · Amortization of GL Software	-94,840.00	0.00
1335 · GL Software Subscription	279,684.00	0.00
1330 · Capital Improvements	163,679.96	74,469.90
1300 · Building	985,976.03	1,024,414.94
1305 · Land	300,000.00	300,000.00
1310 · Furniture	61,443.00	110,793.38
1320 · Equipment	152,015.45	192,770.39
1325 · Data Base Software	180,336.18	180,336.18
1390 · Accumulated Depreciation	-878,146.62	-1,027,725.92
Total Fixed Assets	1,150,148.00	855,058.87
Other Assets		
1081 · Raymond James Investment	304,629.43	0.00
1180 · Lease Receivable - LT	54,654.00	102,060.00
1080 · Wells Fargo Advisors Investment	1,448,979.00	1,503,626.00
Total Other Assets	1,808,262.43	1,605,686.00
TOTAL ASSETS	5,555,727.86	5,337,273.76

09/06/23

NC Board of CPA Examiners
Statement of Net Position
As of August 31, 2023

	Aug 31, 23	Aug 31, 22
LIABILITIES & NET ASSETS		
Liabilities		
Current Liabilities		
Other Current Liabilities		
2013 · GL Software Subscription Payable	184,844.00	0.00
2005 · Due to Exam Vendors	460,164.20	306,999.04
2011 · Accounts Payable Other	2,500.00	2,500.00
2015 · Accrued Vacation Current	4,132.17	21,612.17
Total Other Current Liabilities	651,640.37	331,111.21
Total Current Liabilities	651,640.37	331,111.21
Long Term Liabilities		
2310 · Deferred Inflow of Resources	102,060.00	146,639.00
2020 · Accrued Vacation	84,737.27	54,086.27
Total Long Term Liabilities	186,797.27	200,725.27
Total Liabilities	838,437.64	531,836.48
Net Assets		
3010 · Net Assets Invest in Cap Assets	1,150,148.00	855,058.87
3020 · Designated for Capital Assets	100,000.00	100,000.00
3031 · Designated-Operating Expenses	300,000.00	300,000.00
3040 · Designated for Litigation	1,000,000.00	1,000,000.00
3900 · Net Assets Undesignated	1,417,659.65	1,797,048.08
Change in Net Assets	749,482.57	753,330.33
Total Net Assets	4,717,290.22	4,805,437.28
TOTAL LIABILITIES & NET ASSETS	<u>5,555,727.86</u>	<u>5,337,273.76</u>

09/06/23

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

	Apr - Aug 23	Apr - Aug 22
Ordinary Income/Expense		
Income		
Certificate Fees		
4110 · Certificates - Initial	20,300.00	19,300.00
4120 · Certificates - Reciprocal	12,200.00	14,600.00
4140 · Certificates - Renewal Fees	1,326,180.00	1,320,720.00
4150 · Certificates - Reinst/Revoked	500.00	1,200.00
4151 · Certificates - Reinst/Surr	2,100.00	1,900.00
Total Certificate Fees	1,361,280.00	1,357,720.00
Exam Fee Revenue		
4001 · Initial Adm Fees	98,440.00	71,990.00
4002 · Re-Exam Adm Fees	85,875.00	64,125.00
4004 · Exam Fees Revenue	576,201.80	432,647.25
4070 · Transfer Exam Grade Credit	0.00	75.00
4072 · Exam Scholarship Coupon	-16,772.85	-11,975.40
Total Exam Fee Revenue	743,743.95	556,861.85
Misc		
4970 · Duplicate Certificates	275.00	225.00
4990 · Miscellaneous	711.00	336.00
Total Misc	986.00	561.00
Partnership Fees		
4260 · Partnership Registration Fees	30.00	2,500.00
Total Partnership Fees	30.00	2,500.00
Professional Corporation Fees		
4250 · PC Registration Fees	1,400.00	1,500.00
4251 · PC Renewal Fees	0.00	25.00
Total Professional Corporation Fees	1,400.00	1,525.00
Total Income	2,107,439.95	1,919,167.85
Expense		
6690 · Over & Short	0.00	4.47
Fringe Benefits		
5031 · Retirement - NCLB Contribution	25,001.14	22,634.75
5033 · Retirement - NCLB Administr	1,593.56	4,233.52
5035 · Health Ins. Premiums	50,660.32	50,133.08
5036 · Medical Reim Plan	12,835.67	14,498.41
5038 · Unemployment Claims	200.00	0.00
Total Fringe Benefits	90,290.69	91,499.76

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

	Apr - Aug 23	Apr - Aug 22
Board Travel		
5120 · Board Travel - Board Meetings	9,246.71	7,669.74
5121 · Board Travel - Prof Meetings	0.00	113.75
5123 · Board Travel - NASBA Regional	11,830.79	8,109.85
5129 · Miscellaneous Board Costs	0.00	98.63
5131 · Board Travel - Outside Legal	795.00	1,780.09
Total Board Travel	21,872.50	17,772.06
Building Expenses		
5800 · Building Maintenance	713.50	2,697.89
5801 · Electricity	3,915.85	3,716.38
5802 · Grounds Maintenance	1,968.44	4,491.64
5803 · Heat & Air Maintenance	1,035.95	997.70
5804 · Improvements	169.73	0.00
5807 · Janitorial Maintenance	6,425.00	6,425.00
5808 · Pest Control Service	150.00	300.00
5809 · Security & Fire Alarm	2,204.93	2,051.10
5810 · Trash Collection	723.86	894.32
5811 · Water & Sewer	624.25	619.49
Total Building Expenses	17,931.51	22,193.52
Continuing Education -Staff		
5050 · Continuing Education - Staff	396.00	335.12
Total Continuing Education -Staff	396.00	335.12
Exam Postage		
5531 · Exam Postage	240.00	360.00
Total Exam Postage	240.00	360.00
Exam Sitting and Grading		
5539 · Exam Vendor Accommodations	1,745.27	1,518.00
5538 · Exam Vendor Expense	532,356.37	393,474.74
Total Exam Sitting and Grading	534,101.64	394,992.74
Investigation & Hearing Costs		
5222 · Investigation Materials	1,298.00	1,260.00
5230 · Hearing Costs	125.00	867.37
5250 · Administrative Cost Assessed	-600.00	0.00
5260 · Civil Penalties Assessed	-36,000.00	-149,500.00
5261 · Civil Penalties Remitted	26,864.90	139,808.00
Total Investigation & Hearing Costs	-8,312.10	-7,564.63
Legal Expense		
5140 · Legal Counsel - Administrative	20,663.64	19,494.00
5211 · Legal Counsel - Litigation	19,040.00	0.00
Total Legal Expense	39,703.64	19,494.00

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

	Apr - Aug 23	Apr - Aug 22
Misc Personnel		
5034 · Misc. Payroll Deduction	0.00	0.00
5037 · HSA Deduction	-200.00	0.00
5092 · Misc. Personnel Costs	395.04	475.17
Total Misc Personnel	195.04	475.17
Office Expense		
5320 · Payroll Service	759.78	710.28
5360 · Telephone	2,542.00	2,691.70
5361 · Internet & Website	1,633.50	1,633.50
5390 · Clipping Service	421.40	594.40
5400 · Computer Prog/Assistance	150.00	150.00
5405 · Computer Software Maintenance	87,435.84	80,147.32
5410 · Dues	8,141.00	7,568.00
5420 · Insurance	8,486.00	8,682.00
5430 · Audit Fees	15,000.00	13,000.00
5440 · Misc Office Expense	525.00	420.00
5445 · Banking Fees	699.30	678.16
5450 · Credit Card Fees	51,904.44	46,442.91
Total Office Expense	177,698.26	162,718.27
Per Diem - Board		
5110 · Per Diem - Board Meetings	5,050.00	4,950.00
5111 · Per Diem - Prof Meetings	0.00	150.00
5113 · Per Diem - NASBA Regional	1,700.00	1,250.00
5114 · Per Diem - NASBA Committees	100.00	0.00
5117 · Per Diem - NCACPA/Board	50.00	200.00
Total Per Diem - Board	6,900.00	6,550.00
Postage		
5345 · Postage - UPS	10,000.00	9,500.00
5340 · Postage - Other	1,100.00	1,890.06
5341 · Postage - Newsletter	2,500.00	7,588.39
5342 · Postage - Business Reply	300.00	450.00
5343 · Postage - Renewal	1,043.00	540.00
Total Postage	14,943.00	19,968.45
Printing		
5330 · Printing - Other	3,823.76	879.20
5331 · Printing - Newsletter	12,648.66	10,881.21
5332 · Printing - Certificates	899.00	960.50
Total Printing	17,371.42	12,720.91
Repairs & Maintenance		
5381 · Maintenance - Copiers	780.27	607.35
5383 · Maintenance - Postage	312.00	950.00
Total Repairs & Maintenance	1,092.27	1,557.35

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

	Apr - Aug 23	Apr - Aug 22
Salaries & Payroll Taxes		
5010 · Staff Salaries	416,687.44	377,709.96
5030 · FICA Taxes	31,876.53	28,894.76
Total Salaries & Payroll Taxes	448,563.97	406,604.72
Staff Travel		
5061 · Staff Travel - Prof Mtgs	460.32	197.63
5070 · Staff Travel - NASBA Annual	1,052.80	0.00
5071 · Staff Travel - NASBA Regional	6,328.08	5,395.15
5072 · Staff Travel - NASBA ED/Legal	0.00	6,612.21
5073 · Staff Travel - NASBA Committee	180.65	0.00
5076 · Staff Travel - NCACPA/Board	0.00	128.70
Total Staff Travel	8,021.85	12,333.69
Subscriptions/References		
5370 · Subscriptions/References	7,251.60	6,588.88
Total Subscriptions/References	7,251.60	6,588.88
Supplies		
5355 · Expendable Equipment	2,318.92	0.00
5350 · Supplies - Office	2,736.09	4,650.55
5351 · Supplies - Copier	0.00	204.07
5352 · Supplies - Computer	767.22	880.35
Total Supplies	5,822.23	5,734.97
5920 · Funded Depreciation	19,750.00	18,750.00
Total Expense	1,403,833.52	1,193,089.45
Net Ordinary Income	703,606.43	726,078.40
Other Income/Expense		
Other Income		
8250 · Gift Card Revenue	5,000.00	5,057.50
Interest Income		
8500 · Interest Income - MMAs	14,919.65	1,455.82
8510 · Interest Income - CDs	5,268.46	653.16
Total Interest Income	20,188.11	2,108.98
8200 · Rental Income	20,688.03	20,085.45
Total Other Income	45,876.14	27,251.93
Net Other Income	45,876.14	27,251.93
Change in Net Assets	<u>749,482.57</u>	<u>753,330.33</u>

09/06/23

NC Board of CPA Examiners

Statement of Revenues & Expense - Budget v. Actual

April 2023 through August 2023

	Apr - Aug 23	Budget	\$ Over B...
Ordinary Income/Expense			
Income			
Certificate Fees			
4110 · Certificates - Initial	20,300.00	21,666.65	-1,366.65
4120 · Certificates - Reciprocal	12,200.00	14,583.35	-2,383.35
4140 · Certificates - Renewal Fees	1,326,180.00	1,338,000.00	-11,820.00
4150 · Certificates - Reinst/Revoked	500.00	729.15	-229.15
4151 · Certificates - Reinst/Surr	2,100.00	2,187.50	-87.50
4152 · Certificates - Reinst/Inactive	0.00	0.00	0.00
4160 · Certificates - Notification	0.00	0.00	0.00
Total Certificate Fees	1,361,280.00	1,377,166.65	-15,886.65
Exam Fee Revenue			
4001 · Initial Adm Fees	98,440.00	71,875.00	26,565.00
4002 · Re-Exam Adm Fees	85,875.00	59,375.00	26,500.00
4004 · Exam Fees Revenue	576,201.80	375,000.00	201,201.80
4060 · Equivalency Exam Fees	0.00	0.00	0.00
4070 · Transfer Exam Grade Credit	0.00	0.00	0.00
4071 · Exam Review Fees	0.00	0.00	0.00
4072 · Exam Scholarship Coupon	-16,772.85	-14,322.90	-2,449.95
Total Exam Fee Revenue	743,743.95	491,927.10	251,816.85
Misc			
4993 · Revenue Suspense	0.00	0.00	0.00
4999 · Board Training	0.00	0.00	0.00
4910 · Educational Program Fees	0.00	0.00	0.00
4970 · Duplicate Certificates	275.00	0.00	275.00
4980 · Copies	0.00	0.00	0.00
4990 · Miscellaneous	711.00	416.65	294.35
Total Misc	986.00	416.65	569.35
Partnership Fees			
4260 · Partnership Registration Fees	30.00	2,000.00	-1,970.00
4261 · Partnership Renewal Fees	0.00	0.00	0.00
Total Partnership Fees	30.00	2,000.00	-1,970.00
Professional Corporation Fees			
4250 · PC Registration Fees	1,400.00	1,750.00	-350.00
4251 · PC Renewal Fees	0.00	0.00	0.00
4252 · PC Renewal Fees W/Penalties	0.00	0.00	0.00
Total Professional Corporation Fees	1,400.00	1,750.00	-350.00
Total Income	2,107,439.95	1,873,260.40	234,179.55
Expense			
6900 · Bad Debt Expense	0.00	0.00	0.00
6690 · Over & Short	0.00	0.00	0.00

09/06/23

NC Board of CPA Examiners

Statement of Revenues & Expense - Budget v. Actual

April 2023 through August 2023

	Apr - Aug 23	Budget	\$ Over B...
Fringe Benefits			
5031 · Retirement - NCLB Contribution	25,001.14	25,094.86	-93.72
5033 · Retirement - NCLB Administr	1,593.56	2,000.00	-406.44
5035 · Health Ins. Premiums	50,660.32	50,003.18	657.14
5036 · Medical Reim Plan	12,835.67	15,000.00	-2,164.33
5038 · Unemployment Claims	200.00	0.00	200.00
Total Fringe Benefits	90,290.69	92,098.04	-1,807.35
Board Travel			
5120 · Board Travel - Board Meetings	9,246.71	10,450.00	-1,203.29
5121 · Board Travel - Prof Meetings	0.00	0.00	0.00
5122 · Board Travel - NASBA Annual	0.00	0.00	0.00
5123 · Board Travel - NASBA Regional	11,830.79	12,570.00	-739.21
5124 · Board Travel - NASBA Committees	0.00	0.00	0.00
5125 · Board Travel - AICPA Council	0.00	850.00	-850.00
5126 · Board Travel - NCACPA Annual	0.00	0.00	0.00
5127 · Board Travel - NCACPA/Board	0.00	0.00	0.00
5128 · Board Travel - AICPA Committees	0.00	0.00	0.00
5129 · Miscellaneous Board Costs	0.00	0.00	0.00
5131 · Board Travel - Outside Legal	795.00	2,333.33	-1,538.33
Total Board Travel	21,872.50	26,203.33	-4,330.83
Building Expenses			
5800 · Building Maintenance	713.50	1,250.00	-536.50
5801 · Electricity	3,915.85	5,416.65	-1,500.80
5802 · Grounds Maintenance	1,968.44	3,333.35	-1,364.91
5803 · Heat & Air Maintenance	1,035.95	875.00	160.95
5804 · Improvements	169.73	833.35	-663.62
5805 · Insurance	0.00	3,500.00	-3,500.00
5807 · Janitorial Maintenance	6,425.00	6,666.65	-241.65
5808 · Pest Control Service	150.00	600.00	-450.00
5809 · Security & Fire Alarm	2,204.93	0.00	2,204.93
5810 · Trash Collection	723.86	833.35	-109.49
5811 · Water & Sewer	624.25	666.65	-42.40
Total Building Expenses	17,931.51	23,975.00	-6,043.49
Continuing Education -Staff			
5050 · Continuing Education - Staff	396.00	1,250.00	-854.00
Total Continuing Education -Staff	396.00	1,250.00	-854.00
Exam Postage			
5531 · Exam Postage	240.00	625.00	-385.00
Total Exam Postage	240.00	625.00	-385.00
Exam Printing			
5533 · Exam Printing	0.00	0.00	0.00
Total Exam Printing	0.00	0.00	0.00

09/06/23

NC Board of CPA Examiners

Statement of Revenues & Expense - Budget v. Actual

April 2023 through August 2023

	Apr - Aug 23	Budget	\$ Over B...
Exam Sitting and Grading			
5539 · Exam Vendor Accommodations	1,745.27	0.00	1,745.27
5538 · Exam Vendor Expense	532,356.37	338,452.23	193,904.14
Total Exam Sitting and Grading	534,101.64	338,452.23	195,649.41
Exam Supplies			
5532 · Exam Supplies	0.00	0.00	0.00
Total Exam Supplies	0.00	0.00	0.00
Investigation & Hearing Costs			
5220 · Investigator Fees	0.00	0.00	0.00
5221 · Staff Investigation Costs	0.00	0.00	0.00
5222 · Investigation Materials	1,298.00	1,458.35	-160.35
5230 · Hearing Costs	125.00	2,083.35	-1,958.35
5231 · Rule-Making Hearing Costs	0.00	0.00	0.00
5232 · Legal Advertising	0.00	0.00	0.00
5250 · Administrative Cost Assessed	-600.00	-1,041.65	441.65
5260 · Civil Penalties Assessed	-36,000.00	-3,125.00	-32,875.00
5261 · Civil Penalties Remitted	26,864.90	0.00	26,864.90
Total Investigation & Hearing Costs	-8,312.10	-624.95	-7,687.15
Legal Expense			
5140 · Legal Counsel - Administrative	20,663.64	25,833.35	-5,169.71
5141 · Legal Counsel - Spec Projects	0.00	0.00	0.00
5210 · Legal Counsel - Prof Standards	0.00	0.00	0.00
5211 · Legal Counsel - Litigation	19,040.00	15,000.00	4,040.00
Total Legal Expense	39,703.64	40,833.35	-1,129.71
Misc Personnel			
5034 · Misc. Payroll Deduction	0.00	0.00	0.00
5037 · HSA Deduction	-200.00	0.00	-200.00
5090 · Flowers, Gifts, Etc.	0.00	0.00	0.00
5091 · Staff Recruiting	0.00	0.00	0.00
5092 · Misc. Personnel Costs	395.04	1,458.35	-1,063.31
Total Misc Personnel	195.04	1,458.35	-1,263.31
Office Expense			
5448 · Interest Expense - GL Software	0.00	5,291.65	-5,291.65
5301 · Equipment Rent	0.00	60.00	-60.00
5310 · Decorations	0.00	0.00	0.00
5320 · Payroll Service	759.78	875.00	-115.22
5360 · Telephone	2,542.00	3,541.65	-999.65
5361 · Internet & Website	1,633.50	1,666.65	-33.15
5390 · Clipping Service	421.40	833.35	-411.95
5400 · Computer Prog/Assistance	150.00	416.65	-266.65
5405 · Computer Software Maintenance	87,435.84	90,200.00	-2,764.16
5410 · Dues	8,141.00	4,270.85	3,870.15
5420 · Insurance	8,486.00	6,666.67	1,819.33
5430 · Audit Fees	15,000.00	15,000.00	0.00
5435 · Consulting Services	0.00	3,416.65	-3,416.65
5440 · Misc Office Expense	525.00	0.00	525.00

09/06/23

NC Board of CPA Examiners

Statement of Revenues & Expense - Budget v. Actual

April 2023 through August 2023

	Apr - Aug 23	Budget	\$ Over B...
5445 · Banking Fees	699.30	875.00	-175.70
5450 · Credit Card Fees	51,904.44	26,666.65	25,237.79
Total Office Expense	177,698.26	159,780.77	17,917.49
Per Diem - Board			
5110 · Per Diem - Board Meetings	5,050.00	5,250.00	-200.00
5111 · Per Diem - Prof Meetings	0.00	1,041.65	-1,041.65
5112 · Per Diem - NASBA Annual	0.00	0.00	0.00
5113 · Per Diem - NASBA Regional	1,700.00	0.00	1,700.00
5114 · Per Diem - NASBA Committees	100.00	0.00	100.00
5115 · Per Diem - AICPA Council	0.00	0.00	0.00
5116 · Per Diem - NCACPA Annual	0.00	800.00	-800.00
5117 · Per Diem - NCACPA/Board	50.00	200.00	-150.00
5118 · Per Diem - AICPA Committees	0.00	0.00	0.00
5119 · Per Diem - Miscellaneous	0.00	200.00	-200.00
Total Per Diem - Board	6,900.00	7,491.65	-591.65
Postage			
5345 · Postage - UPS	10,000.00	7,500.00	2,500.00
5340 · Postage - Other	1,100.00	2,916.65	-1,816.65
5341 · Postage - Newsletter	2,500.00	4,166.65	-1,666.65
5342 · Postage - Business Reply	300.00	1,250.00	-950.00
5343 · Postage - Renewal	1,043.00	1,041.65	1.35
Total Postage	14,943.00	16,874.95	-1,931.95
Printing			
5330 · Printing - Other	3,823.76	1,666.65	2,157.11
5331 · Printing - Newsletter	12,648.66	13,000.00	-351.34
5332 · Printing - Certificates	899.00	1,750.00	-851.00
Total Printing	17,371.42	16,416.65	954.77
Repairs & Maintenance			
5380 · Repairs - Misc.	0.00	0.00	0.00
5381 · Maintenance - Copiers	780.27	1,187.50	-407.23
5382 · Maintenance - Computer	0.00	0.00	0.00
5383 · Maintenance - Postage	312.00	687.50	-375.50
Total Repairs & Maintenance	1,092.27	1,875.00	-782.73
Salaries & Payroll Taxes			
5040 · State Unemployment Tax	0.00	0.00	0.00
5010 · Staff Salaries	416,687.44	419,776.20	-3,088.76
5020 · Part-Time Staff Salaries	0.00	0.00	0.00
5021 · Temporary Contractors	0.00	0.00	0.00
5030 · FICA Taxes	31,876.53	32,196.38	-319.85
Total Salaries & Payroll Taxes	448,563.97	451,972.58	-3,408.61
Scholarships			
5535 · Scholarship	0.00	0.00	0.00
Total Scholarships	0.00	0.00	0.00

Statement of Revenues & Expense - Budget v. Actual

April 2023 through August 2023

	Apr - Aug 23	Budget	\$ Over B...
Staff Travel			
5060 · Staff Travel - Local	0.00	0.00	0.00
5061 · Staff Travel - Prof Mtgs	460.32	833.35	-373.03
5062 · Staff Travel - NASBA CPE	0.00	0.00	0.00
5070 · Staff Travel - NASBA Annual	1,052.80	0.00	1,052.80
5071 · Staff Travel - NASBA Regional	6,328.08	5,910.00	418.08
5072 · Staff Travel - NASBA ED/Legal	0.00	0.00	0.00
5073 · Staff Travel - NASBA Committee	180.65	0.00	180.65
5074 · Staff Travel - AICPA	0.00	0.00	0.00
5075 · Staff Travel - NCACPA Meetings	0.00	0.00	0.00
5076 · Staff Travel - NCACPA/Board	0.00	0.00	0.00
5077 · Staff Travel - Clear/FARB Conf	0.00	0.00	0.00
Total Staff Travel	8,021.85	6,743.35	1,278.50
Subscriptions/References			
5370 · Subscriptions/References	7,251.60	3,229.15	4,022.45
Total Subscriptions/References	7,251.60	3,229.15	4,022.45
Supplies			
5355 · Expendable Equipment	2,318.92	2,083.35	235.57
5350 · Supplies - Office	2,736.09	3,125.00	-388.91
5351 · Supplies - Copier	0.00	520.85	-520.85
5352 · Supplies - Computer	767.22	520.85	246.37
5353 · Supplies - Special Projects	0.00	0.00	0.00
Total Supplies	5,822.23	6,250.05	-427.82
5920 · Funded Depreciation	19,750.00	20,000.00	-250.00
6999 · Uncategorized Expenses	0.00	0.00	0.00
9999 · Suspense	0.00	0.00	0.00
Total Expense	1,403,833.52	1,214,904.50	188,929.02
Net Ordinary Income	703,606.43	658,355.90	45,250.53
Other Income/Expense			
Other Income			
8360 · Investment Account Fees	0.00	0.00	0.00
8350 · Unrealized Gain/Loss on Invest	0.00	0.00	0.00
8250 · Gift Card Revenue	5,000.00	2,083.35	2,916.65
Interest Income			
8500 · Interest Income - MMAs	14,919.65	3,125.00	11,794.65
8510 · Interest Income - CDs	5,268.46	3,125.00	2,143.46
Total Interest Income	20,188.11	6,250.00	13,938.11
8200 · Rental Income	20,688.03	20,758.75	-70.72
8920 · Gain on Sale of Fixed Assets	0.00	0.00	0.00
8921 · Loss on Sale of Fixed Assets	0.00	0.00	0.00
Total Other Income	45,876.14	29,092.10	16,784.04

09/06/23

Statement of Revenues & Expense - Budget v. Actual

April 2023 through August 2023

	Apr - Aug 23	Budget	\$ Over B...
Other Expense			
7000 - Leasing Commission	0.00	0.00	0.00
Total Other Expense	0.00	0.00	0.00
Net Other Income	45,876.14	29,092.10	16,784.04
Change in Net Assets	<u>749,482.57</u>	<u>687,448.00</u>	<u>62,034.57</u>

Proposed Changes to CPA Board Rules

September 2023

General Notes:

- The staff has identified amendments to two of the Board's rules.
- In each of these rules, we have to:
 - Add an Introductory Statement - 26 NCAC .0108
 - Examples: <https://www.oah.nc.gov/rules-division/information-rulemaking-coordinators/rule-format-examples>
 - Save each rule as a separate file
 - Underline new text and strikethrough deleted text
 - Ensure all text is only either underlined or struck through to reflect the action of adding or deleting text from the existing rule
 - Make sure you are showing all changes you are making to existing text. That includes moving existing text from one place within the Rule to another.
 - Add a proposed effective date to the history note of each rule.

08F .0105:

- This rule was recently updated to address many of the changes that are being implemented in the new CPA exam format that starts January 2024, including:
 - measuring the start date of the 18-month score window from the date of score release for the first passed section (previously the exam sit date).
 - language added that clarifies that the Board can adjust the score window based on circumstances that are beyond the candidate's control and rigorously evaluated by the Board.
- The changes are simply to move the score window from the 18-month window established currently in the rule to the 30-month window previously approved for adoption by the Board.

08F .0401:

- This rule was also recently updated to add clarification that any direct supervision under a CPA occurs within one of the US jurisdictions such that it can be adequately verified. However, in working with the Rules Commission attorney, other language was adjusted that implies "all experience" has to be obtained under the direct supervision of a CPA, which is not correct.
- Board staff is proposing reinserting the previous qualifying language that identifies "only that experience that is obtained through the direct supervision of a CPA" occurs within one of the US jurisdictions.

21 NCAC 08F .0105 is proposed for amendment as follows:

21 NCAC 08F .0105 CONDITIONING REQUIREMENTS

(a) Passing Grades. A candidate shall pass all sections of the examination with a grade of 75 or higher on each section.

(b) Military Service. A candidate who is on active military service shall not have the time on active military service counted against Subparagraph (c)(1) of this Rule unless the candidate applies to take the examination during the active military service, in which case each month a candidate sits shall be counted toward Subparagraph (c)(1) of this Rule.

(c) A candidate is subject to the following conditioning requirements:

- (1) a candidate shall earn a passing grade on all sections of the examination within ~~an 18-month~~ a 30-month period;
- (2) a candidate may sit for any section of the examination individually and in any order;
- (3) a candidate may retake the same section of the examination as many times during a one-year period as determined by the examination vendors but shall not retake a failed test section until the candidate has been notified of the score of the most recent attempt of that failed section;
- (4) credit awarded by the Board for passage of a section of the examination shall be valid for ~~an 18-month~~ a 30-month period from the date the passing scores are released by the examination vendors;
- (5) the ~~18-month~~ 30-month period begins on the date the first passing score is released to the candidate and concludes with the sit date of the final passed examination section, regardless of when the score is released by the examination vendors for the final passed section. A candidate, after earning credit for the initial passed section, must complete the remaining test sections of the examination by the last day of the ~~18-month~~ 30-month period. If all four sections of the examination are not passed within the ~~18-month~~ 30-month period, credit for any test section passed outside of the ~~18-month~~ 30-month period shall expire; and
- (6) notwithstanding subparagraphs (c)(1), (c)(4), and (c)(5) of this Rule, the period of time in which to pass all test sections of the examination may be extended by the Board upon a showing that the credit was lost by reason of circumstances beyond the testing candidate's control.

*History Note: Authority G.S. 93-12(3); 93-12(4); 93-12(5);
Eff. February 1, 1976;
Readopted Eff. September 26, 1977;
Amended Eff. February 1, 2011; January 1, 2006; January 1, 2004; August 1, 1998; April 1, 1994;
April 1, 1991; March 1, 1990;
Readopted Eff. February 1, 2016;
Amended Eff. March 1, 2024; September 1, 2023; January 1, 2020.*

21 NCAC 08F .0401 is proposed for amendment as follows:

**21 NCAC 08F .0401 WORK EXPERIENCE REQUIRED OF CANDIDATES FOR CPA
CERTIFICATION**

(a) G.S. 93-12(5)(c) sets forth work experience alternatives, one of which is required of candidates applying for CPA certification. In connection with those requirements, the following provisions apply:

- (1) the work experience shall be acquired prior to the date a candidate applies for certification; and
- (2) all experience that is required to be under the direct supervision of a CPA shall be under the direct supervision of a licensed CPA on active status in one of the U.S. states or jurisdictions.

(b) The following provisions apply to all candidates seeking to meet the work experience requirement of G.S. 93-12(5)(c)(3) by working in the field of accounting:

- (1) One year of work experience is 52 weeks of full-time employment. The candidate is employed full-time when the candidate is expected by the employer to work for the employer at least 30 hours each week. Any other work is working part-time.
- (2) All weeks of actual full-time employment are added to all full-time equivalent weeks in order to calculate how much work experience a candidate has acquired. Dividing that number by 52 results in the years of work experience the candidate has acquired.
- (3) Full-time-equivalent weeks are determined by the number of actual part-time hours the candidate has worked. Actual part-time hours do not include hours paid for sick leave, vacation leave, attending continuing education courses, or other time not spent directly performing accounting services. For each calendar week during which the candidate worked actual part-time hours of 30 hours or more, the candidate receives one full-time-equivalent week. The actual part-time hours worked in the remaining calendar weeks are added together and divided by 30. The resulting number is the additional number of full-time-equivalent weeks to which the candidate is entitled.
- (4) The candidate shall submit experience affidavits on a form provided by the Board from all of the relevant employers; provided that when such experience was not acquired while employed with a CPA firm, the candidate shall also submit details of the work experience and supervision on a form provided by the Board. Experience affidavits for part-time work shall contain a record of the actual part-time hours the candidate has worked for each week of part-time employment. Both the experience affidavit and the form for additional detail shall be certified by the employer's office supervisor or an owner of the firm who is a certificate holder.

(c) Rule .0409 of this Section applies to teaching experience acquired pursuant to G.S. 93-12(5)(c)(2) and (4).

History Note: Authority G.S. 93-12(3); 93-12(5);

Eff. February 1, 1976;

Readopted Eff. September 26, 1977;

Temporary Amendment Eff. June 17, 1982 for a period of 120 days to expire on October 12, 1982;

1 *Legislative Objection Lodged Eff. July 20, 1982;*
2 *Amended Eff. February 1, 2011; January 1, 2006; August 1, 1998; March 1, 1990; July 1, 1989;*
3 *December 1, 1988; September 1, 1988;*
4 *Readopted Eff. February 1, 2016;*
5 *Amended Eff. March 1, 2024; September 1, 2023.*



North Carolina State Board of Certified Public Accountant Examiners

AGENDA ITEM:

NASBA Focus Questions

David Nance

Situation: Executive Staff has completed draft responses to the Fall 2023 FOCUS Questions as requested by NASBA. The responses are being provided for Board member review such that answers may be finalized and submitted to NASBA by October 13, 2023. This information will be used by the NASBA Board of Directors as well as be included as part of the discussions at the NASBA annual meeting in October.

Background: The NASBA Relations with Member Boards Committee routinely requests State Boards to complete surveys related to various issues impacting the local boards. Attached are the Fall 2023 FOCUS Questions. These questions aim to understand how the Board is navigating various issues, how NASBA can best assist the Board, and seeks the Board's feedback on what to discuss at the next Board of Directors meeting.

Assessment: The questions focus on things that might be impacting the Board. Highlights include:

- The Board is communicating directly with candidates about the upcoming changes to the Exam. The Board staff created and is distributing a monthly candidate bulletin that discusses aspects of the new Exam and changes the candidates need to be aware of. Board staff has heard positive feedback from candidates and educators related to this action.
- Board staff are unaware of any impending legislation requiring NASBA assistance.
- Board staff can access and use the AICPA's Facilitated State Board Access (FSBA) program. This tool is used in monitoring CPA firm compliance with peer review requirements. The Board's most recent rulemaking changes enacted a change requiring all NC CPA firms to participate in the FSBA program. Previously, most firms did participate; however, CPA firms could opt out of the program.
- Board staff provided several specific examples of how the NC Board promotes the CPA designation.
- Input was provided on the credit relief initiative based on Board discussions. In the future, Board staff will be providing more specific candidate information based on a listing provided by NASBA.

Action: Executive staff requests that the Board approve the responses to the Fall 2023 FOCUS Questions so that they can be submitted timely to NASBA representatives.

FOCUS Questions - Q3 2023

Please complete these questions no later than October 13th.

What is your name? *

David R Nance

Which state is your jurisdiction? *

NC

Is your board communicating directly with exam candidates regarding the new Uniform CPA Exam, or are you relying on communication from NASBA/AICPA? *

- ☐ Yes—Board sends all communication
- ☐ No—Relying on NASBA/AICPA
- ☒ Both
- ☐ Other

Are you aware of any current or upcoming legislation (or pressing issues) that NASBA should be aware of, especially in the 2024 legislative session? *

- ☐ Yes
- ☒ No

Are you aware that NASBA and ARPL can help you? *

- ☒ Yes
- ☐ No
- ☐ I would like more information

Is your jurisdiction allowed to utilize the AICPA's Facilitated State Board Access (FSBA) program? *

- ☒ Yes
- ☐ No

Is the jurisdiction limited to certain information? Please elaborate if so. *

We have availability to all the information that can be provided by the AICPA per its guidance.

What is your board doing to promote the CPA designation? *

Candidate files are reviewed on a case-by-case basis and credit can be provided retroactively, potentially restoring lost credits.

6 - Deputy Director is on advisory board of a local major university which allows for monitoring and input from the CPA board perspective.

Please submit any questions you have for NASBA's leadership or Board of Directors. *

These questions will be compiled among all regional calls. If there is something specific to your region, leadership will try to answer these during your call.

Please submit any comments you have for NASBA's leadership or Board of Directors. *

We genuinely appreciate your feedback! Thank you!

and its fit into individualized state statutes and rules. There has also been no conversation as to the impact on these potential candidates, many who have been out of the sitting environment for over two years. With a new exam format, would be setting candidates up to fail?

When answering these questions, who had input from your board? *

Please select all who have participated in answering these questions.

- ☒ Executive Director
- ☒ Board Chair
- ☒ Board Members

☒ Send me a copy of my responses

Email address

Submit

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We have availability to all the information that can be provided by the AICPA per its guidance.

- 1 - Education and awareness initiatives, which include college and university presentations by Board staff and members - Have presented to over 500 students in the past 12 months with planning ongoing for the upcoming school year.
- 2 - Board meetings are being held on college campuses twice a year with a scripted meeting agenda that provides information related to the purpose and activities of the Board. Locations include the community college system.
- 3 - The Board has created a CPA Exam Candidate Bulletin that will be sent to candidates only by email. Being sent monthly during the transition period for the new exam format.
- 4 - Board created a joint task force with the NC Association made up of university and community college level educators to discuss CPA candidate and education initiatives. Representatives from across the state including both public and private institutions as well as a mid-size firm to address hiring perspectives.
- 5 - The Board has approved moving to the 30-month credit window while authorizing Executive staff the ability to early implement the windows to allow candidates currently in the testing process to benefit from the additional timeframe. Candidate files are reviewed on a case-by-case basis and credit can be provided retroactively, potentially restoring lost credits.
- 6 - Deputy Director is on advisory board of a local major university which allows for participation and input from the CPA board perspective.

The Board considered the exam credit restoration concept at its July meeting. During the pandemic timeframe, the Board extended credit windows to an average of 24 months, with some extending to 30 months. Timeframes for Notices to Schedule were also extended to the candidate's benefit. The Board has also given Executive staff the ability to retroactively approve 12-month extensions to individual exam sections in aligning exam candidates with the current 30-month credit window policy. The Board's position is that it has addressed many of the "concerns" driving the discussions around the credit restoration policy and is not sure that a UAA action is necessary in this matter, rather individual Boards should work within their rules to address any matters. The new NASBA policy recommendation for the credit relief initiative has only recently been exposed. The Board plans to review the policy tenants and the ramifications on potentially impacted North Carolina CPA exam candidates while ensuring its fit into individualized state statutes and rules.



North Carolina State Board of Certified Public Accountant Examiners

AGENDA ITEM:

NASBA Pipeline Response: Credit Relief Initiative.....David Nance

Situation: In July, Executive Staff requested guidance from the Board as to whether it is in favor of or against a potential “Amnesty Policy” under consideration by NASBA. Given Board direction, the Executive Staff was to communicate to NASBA leadership and provide feedback on the Board’s interest in implementing such a policy.

After the July Board meeting, NASBA provided further information to the Board of Accountancy Chairs and Executive Directors, outlining the basic premise of what is now known as a *Credit Relief Initiative* with encouragement to Boards for adoption.

Background: As reported by NASBA leadership, an important topic of concern for NASBA, the AICPA, State Boards of Accountancy, and State CPA Associations is the decreasing population of CPA candidates entering the profession. Firms of all sizes are struggling to find and hire new CPAs and are looking to State CPA Societies, State Boards of Accountancy (BOAs), NASBA, and the AICPA to find solutions to this growing problem. NASBA staff and volunteers have worked closely with the AICPA to develop strategies and implementable plans for consideration. NASBA is recommending the Credit Relief Initiative as a strategy to address the pipeline issue.

The NC CPA Board acknowledges that candidates may have fallen out of the CPA pipeline due to difficulties faced during the pandemic and approved actions to respond. The Board initially extended all Exam credit windows to December 31, 2020, regardless of when the sections were due to expire. As the ramifications of COVID continued, our Board again granted a global extension of Exam credit windows to March 31, 2021. The Board also stated that it would review candidate requests for individual extensions beyond that time on a case-by-case basis. In some cases, additional extensions were granted for an even longer period.

More currently, the Board approved moving the score credit extension timeline from 18 months to 30 months and, as we wait for the opportunity for a formal rule change, granted the Executive Director the authority to grant a retroactive 12-month extension to those candidates who have disqualified sections within the past 12 months or have sections expiring up through December 31, 2023. This action has resulted in extending or reinstating Exam score sections for at least 75 North Carolina Exam candidates. Considering the Board’s implementation of this policy, NC candidates who sat for the Exam beginning on January 1, 2021 (expiring on July 1, 2022) have had an opportunity for a possible extension of their expiring or expired Exam sections. This provides a backend to the Board’s previous actions of giving candidates global and individual extensions during COVID.

Assessment: The Board previously implemented procedures to address the impact of the COVID pandemic on the CPA Pipeline by extending candidate score windows. In addition, the

Board's recent approval of a 30-month window, with a retroactive review of candidate score histories, provides a targeted effort to address candidates currently in the pipeline or who may have dropped out of the pipeline more recently. Extending score windows 12 months will encourage candidates to continue their journey to pass the CPA Exam.

To address continuing concerns regarding the CPA pipeline, NASBA's CBT Administration Committee is recommending Boards of Accountancy consider adopting a one-time Credit Relief Initiative that will extend credit periods through June 30, 2025, for CPA Examination credits that expired from January 30, 2020, through May 11, 2023, which have not been subsequently replaced by new credits for the same sections. The NASBA Board of Directors fully supports the Credit Relief Initiative. In addition, the general concept has been circulated with state societies and CPA firms in recent months and embraced with significant enthusiasm.

Action: Executive staff requests guidance from the Board regarding how it would like to proceed with the NASBA Credit Relief recommendation.



National Association of State Boards of Accountancy

150 Fourth Avenue North ♦ Suite 700 ♦ Nashville, TN 37219-2417 ♦ Tel 615/880-4200 ♦ Fax 615/880/4290 ♦ Web www.nasba.org

August 29, 2023

Dear Board of Accountancy Chairs and Executive Directors:

In an effort to address continuing concerns regarding the CPA pipeline, NASBA's CBT Administration Committee is recommending Boards of Accountancy consider adopting a one-time credit relief initiative. We encourage board adoption of this initiative as soon as possible and have provided recommended language below.

A task force including representatives of the CBT Administration Committee and executive directors from the Executive Directors Committee developed language, which was approved for recommendation by the CBT Administration Committee for dissemination to the state boards. This credit relief initiative is also fully supported by the NASBA Board of Directors. In addition, this general concept has been circulated with state societies and CPA firms in recent months and embraced with significant enthusiasm.

As the task force considered the initiative, it realized that some state boards have the ability to adopt such an initiative en masse for all candidates to which it applies. Other state boards must apply it on a case-by-case basis by request. Given this, two separate recommendations are provided, as appropriate:

Jurisdictions that CAN adopt en masse for candidates:

In response to significant health, economic, education, and travel disruptions resulting in CPA Examination candidate hardships, the Board of Accountancy will extend credit periods through June 30, 2025, for CPA Examination credits that expired from January 30, 2020⁽¹⁾ through May 11, 2023⁽²⁾, which have not been subsequently replaced by new credits for the same sections.

⁽¹⁾ The United States Department of Health and Human Services declared a national Public Health Emergency.

⁽²⁾The United States Department of Health and Human Services announced the expiration of the national Public Health Emergency.

Jurisdictions that CANNOT adopt en masse extensions for candidates:

In response to significant health, economic, education, and travel disruptions resulting in CPA Examination candidate hardships, the Board of Accountancy will consider individual candidate requests to extend credit periods through June 30, 2025, for CPA Examination credits that expired from January 30, 2020⁽¹⁾ through May 11, 2023⁽²⁾, which have not been subsequently replaced by new credits for the same sections.

⁽¹⁾ The United States Department of Health and Human Services declared a national Public Health Emergency.

⁽²⁾ The United States Department of Health and Human Services announced the expiration of the national Public Health Emergency.

Please note that NASBA can provide lists of candidate information for those meeting the criteria established by the board. Also, NASBA will be pleased to assist boards in determining candidates who are eligible for this initiative and will develop communications, which can be used when contacting affected individuals.

Frequently Asked Questions (FAQs) and talking points for boards are currently under development and will be shared shortly, as we understand that questions regarding this initiative and its implementation are certain. NASBA will host a webinar at two different times for convenience for board members and board staff (September 7, 2023, from 10-11 a.m. CDT and September 11, 2023, from 3-4 p.m. CDT). The recommended credit relief initiative and FAQs will be discussed, and time will be allowed for questions.

We would appreciate it if you would share this communication with your board members to give them context for the recommendation before the webinars. Invitations to the webinars will be sent to all board members shortly, though we have provided registration links below for your convenience.

*September 7 Registration:
10:00 - 11:00 a.m. CDT*

Register Now

*September 11 Registration:
3:00 - 4:00 p.m. CDT*

Register Now

We do understand that some boards may choose not to adopt this initiative or may be restricted to dates other than those recommended.

If you have any questions, please contact Patricia Hartman, NASBA Director of Client Services, at 615-880-4273 or phartman@nasba.org. Pat and other NASBA senior staff are available to attend your board meetings virtually over the coming weeks and months to answer questions and to provide further background information regarding the recommendation of the Committee if that would be helpful.

Thank you for your consideration of this matter.

Sincerely,

Gerald Weinstein, CPA
Chair, CBT Administration Committee
weinstein@jcu.edu

Cc: NASBA Board of Directors

Webinar for Boards of Accountancy: CPA Exam Credit Relief Initiative – Discussion and Q&A

Gerald Weinstein , CPA, PhD
Chair, CBT Administration
Committee

Patricia Hartman
NASBA Director, Client Services

Colleen K. Conrad, CPA
NASBA Executive VP and COO

The Uniform CPA Examination®



Topics for Discussion

- Background
- Credit Relief Initiative Recommendation
- Selected FAQs
- Additional Q&A with attendees





The Uniform
CPA Examination

Background and Process

NASBA



Background / Why

- ▶ **Pipeline initiative**
- ▶ **Encouraging candidates back to complete their CPA Exam testing and seek licensure**
- ▶ **With change in economy, some might be incentivized to resume their CPA Exam journey**
- ▶ **Finite number of candidates eligible – one-time effort**

Process

- ▶ Shared with NASBA Board as concept in January 2023. Received enthusiastic support.
- ▶ NASBA Board recommended taking to CBT Administration Committee for consideration
- ▶ CBT Administration Committee formed a task force to discuss further and consider formulating a recommendation
- ▶ Task force convened and discussed at length, developing a recommendation
- ▶ Task force recommendation taken back to CBT Administration Committee for approval
- ▶ Shared widely with state boards for consideration to adopt on 8/29/23
- ▶ Webinars for state boards to be held on 9/7/23 and 9/11/23

NASBA CPA Credit Relief Initiative Task Force Members

**Gerald
Weinstein,
Chair (OH)**

**Barry
Berkowitz (PA)**

**Fred Briggs
(NH)**

**Boyd Busby
(AL)**

**Wendy Garvin
(TN)**

**Nicole Kasin
(SD)**

**Martin Pittioni
(OR)**

**Susan Somers
(KS)**

**Colleen
Conrad,
NASBA Liaison**

**Pat Hartman,
NASBA Liaison**



NASBA CBT Administration Committee

**Gerald
Weinstein,
Chair (OH)**

**Barry
Berkowitz
(PA)**

**Fred Briggs
(NH)**

**Pam Church
(TN)**

**Wendy
Garvin (TN)**

**Cynthia
Harmon (ID)**

**Nicole Kasin
(SD)**

**Leslie
Mostow (MD)**

**David Nance
(NC)**

**Dave Sanford
(GU)**

**Craig Smith
(GA)**

**Susan
Somers (KS)**

**Michael
Watts (AR)**

**Pat Hartman,
NASBA
Liaison**

**James Polite,
NASBA
Liaison**

Goals of Task Force / Principles

Presuming an initiative is created:

1. What should it look like?
2. What should be the parameters?
3. What could be roadblocks?
4. What due diligence needs to be conducted?

Guiding Principles:

1. Easy to understand, easy to communicate
2. Minimize change to state board statute and rules



The Uniform
CPA Examination

CPA Exam Credit Relief Initiative Explained

NASBA



CPA Exam Credit Relief Initiative Recommendation #1

► Jurisdictions that CAN adopt en masse for candidates:

In response to significant health, economic, education, and travel disruptions resulting in CPA Examination candidate hardships, the Board of Accountancy will extend credit periods through June 30, 2025, for CPA Examination credits that expired from January 30, 2020⁽¹⁾ through May 11, 2023⁽²⁾, which have not been subsequently replaced by new credits for the same sections.

(1) The United States Department of Health and Human Services declared a national Public Health Emergency.

(2) The United States Department of Health and Human Services announced the expiration of the national Public Health Emergency.

CPA Exam Credit Relief Initiative Recommendation #2

► Jurisdictions that CANNOT adopt en masse for candidates:

In response to significant health, economic, education, and travel disruptions resulting in CPA Examination candidate hardships, the Board of Accountancy will consider individual candidate requests to extend credit periods through June 30, 2025, for CPA Examination credits that expired from January 30, 2020⁽¹⁾ through May 11, 2023⁽²⁾, which have not been subsequently replaced by new credits for the same sections.

⁽¹⁾ The United States Department of Health and Human Services declared a national Public Health Emergency.

⁽²⁾ The United States Department of Health and Human Services announced the expiration of the national Public Health Emergency.



The Uniform
CPA Examination

Selected FAQs

NASBA



FAQ #1

Why were the dates in the recommendation chosen?

FAQ #2 – Case-by-Case Implementation

If a board adopts the initiative on a case-by-case basis, what information does the candidate need to submit?

If a board adopts the initiative on a case-by-case basis, should there be a deadline to submit the request?

FAQ #3 – Transfer Topics

What if a candidate from another jurisdiction wants to transfer expired credits to our jurisdiction?

What if a candidate transfers from a jurisdiction that adopted the initiative to one that did not?

If a board adopts en masse and a candidate has already transferred to another jurisdiction, how do we handle it?

FAQ #4 – Communication

How do we communicate this initiative to impacted candidates?

FAQ #5

With the adoption of this initiative, does this mean that some candidates might automatically complete their last sections and be eligible to move forward toward licensure?

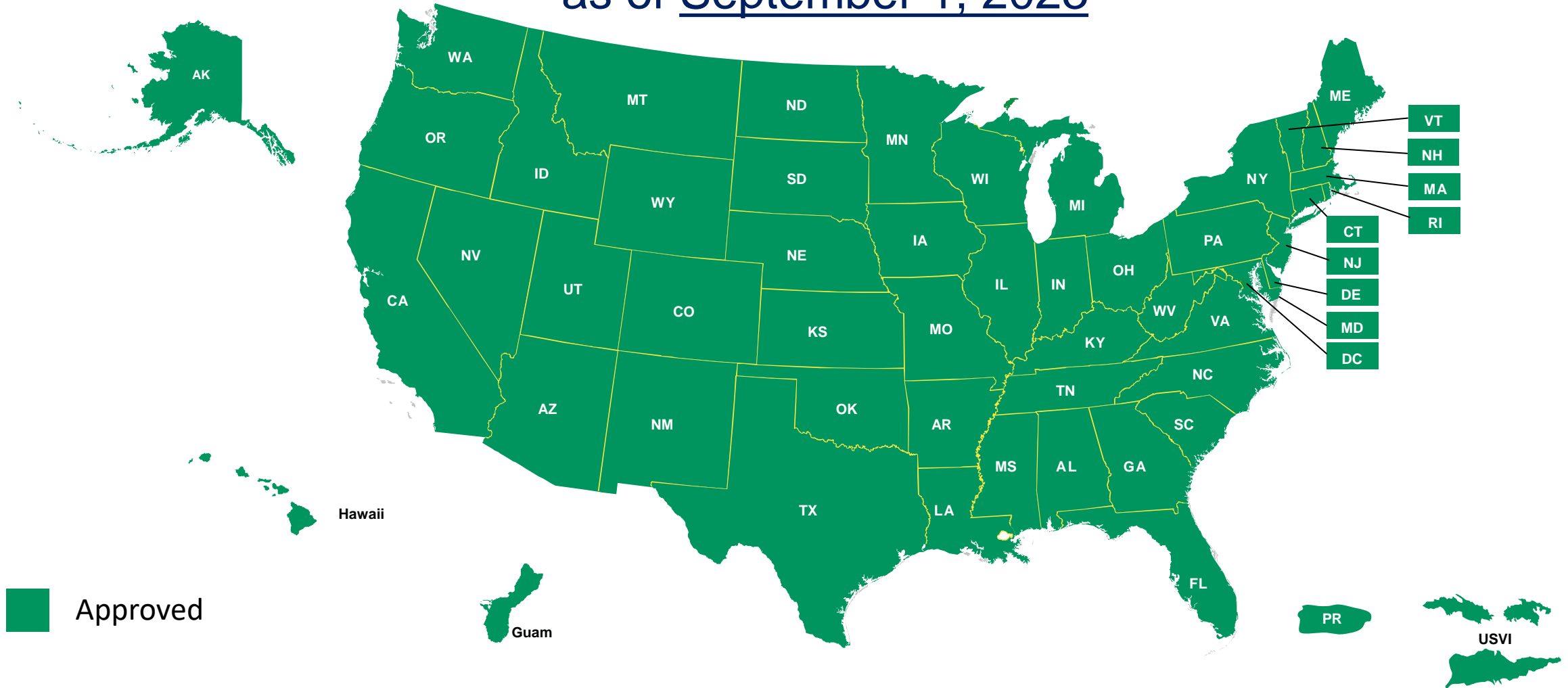
FAQ #6

What about candidates who have credits expiring from 5/12/23 through 12/31/23? Aren't they left out?

Policy Recommended for Individual State Board Consideration

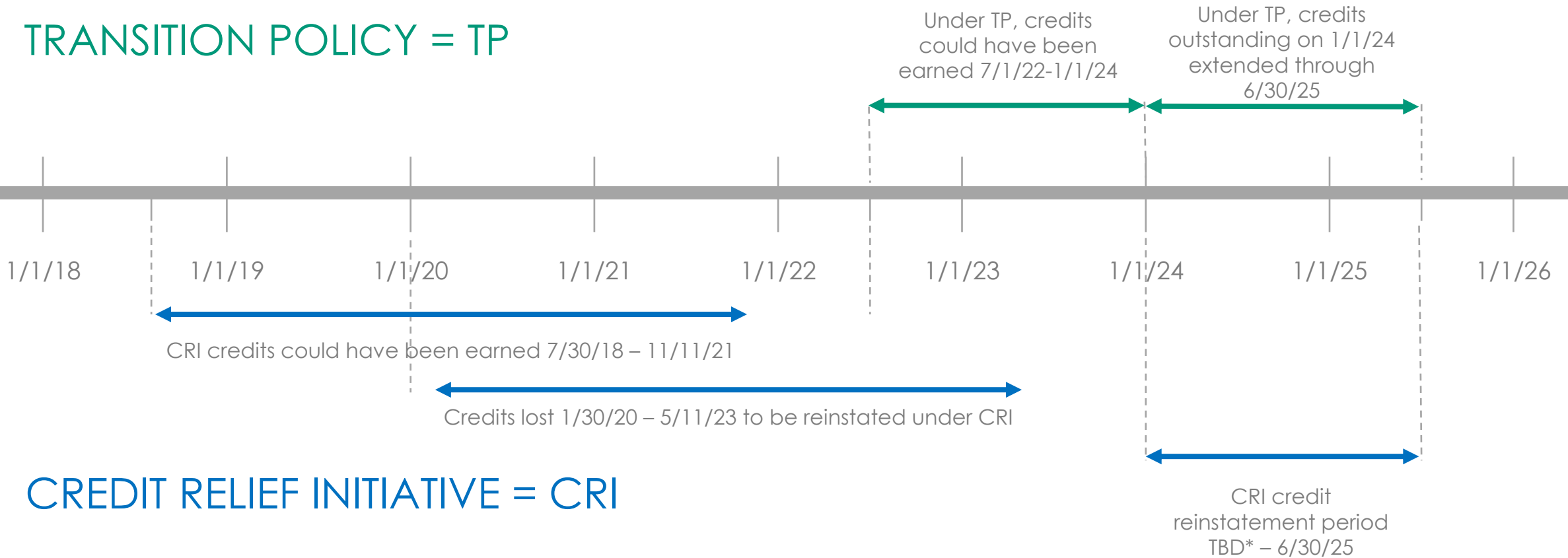
“Any candidate with Uniform CPA Examination credit(s) on January 1, 2024 will have such credit(s) extended to June 30, 2025”

Board of Accountancy Status on the Recommended Credit Extension Policy for CPA Evolution as of September 1, 2023



Transition Policy v. Credit Relief Initiative

TRANSITION POLICY = TP



CREDIT RELIEF INITIATIVE = CRI

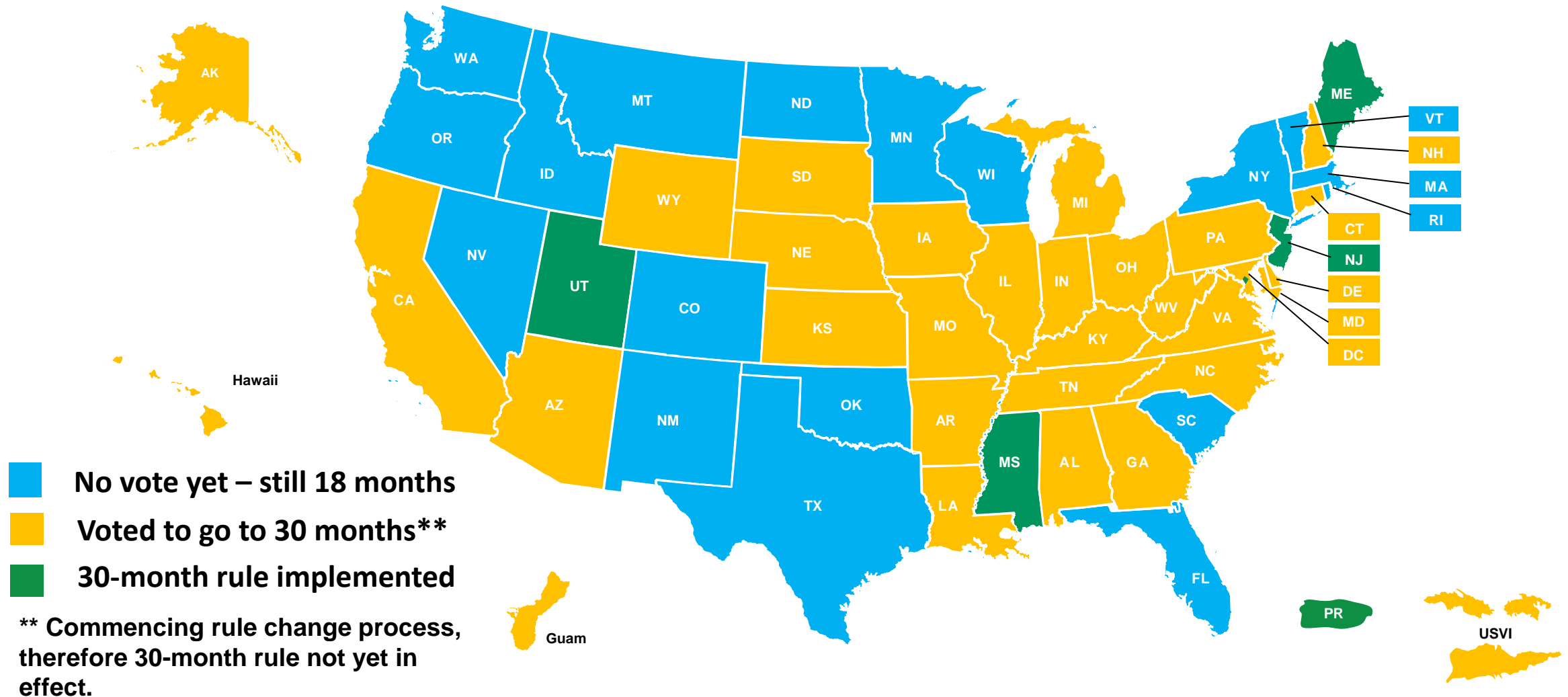
Recommendation from CBT Administration Committee Regarding 30 Month Implementation

“The CBT Administration Committee strongly recommends all boards of accountancy accept the approved model UAA rules to allow candidates 30 months from the date initial credit is earned to successfully complete remaining sections of the Uniform CPA Examination. The date of initial credit earned should be calculated on the date NASBA provides scores to the boards and/or candidates. We recommend a targeted implementation date of January 1, 2024, but no later than July 1, 2025.

In addition, the board should grant the Executive Director the authority to extend credit up to 12 months from the current expiration date on a case-by-case basis until the 30-month rule is effective.”

Status of Credit Period Decisions by Jurisdiction

As of 9/7/2023



FAQ #7

What can NASBA do to support state boards if they choose to implement this recommendation, or as they consider implementation?

Contact Information:

Jerry Weinstein – weinstein@jcu.edu

Pat Hartman - phartman@nasba.org

Colleen Conrad – cconrad@nasba.org



CONSIDERATION OF FIRM OWNERSHIP BY ESOP OR OTHER ENTITIES THAT ARE NOT NATURAL PERSONS

Recently, a large CPA firm has announced that it intends to implement an employee stock ownership plan ("ESOP"). **(Ex. 1)**. Although the specifics of that plan are not yet known, an ESOP generally establishes a trust that holds an ownership interest in the employer. **(Ex. 2)**.

The Board staff issued a letter of inquiry to the firm requesting additional information regarding the ESOP to determine whether it comports with North Carolina laws and regulations. Nevertheless, this specific event presents an opportunity for this Board to decide whether it generally desires to explore allowing for an expansion of ways in which CPA firm ownership can be held.

Existing Rule: 21 NCAC 08N .0302

The Rules of Professional Ethics and Conduct ("Rules"), and the Professional Corporation Act, allow 49% of a CPA firm to be owned by non-CPAs. However, the Rules require that ownership in the firm, regardless of whether the owner is a CPA or a non-CPA, must be held by a "natural person" or a partnership comprised of "natural persons." Through the years, the Board staff has repeatedly received inquiries asking if CPAs can place their ownership interest in an ESOP, another type of trust, or some other entity. Those requests are always denied because trusts and other entities are not "natural persons."

Further, the Board's rules require all owners to actively participate in the firm. There is also a requirement that non-CPA owners be of "good moral character." That requirement also indicates that owners must be actual people who provide services to the firm.

21 NCAC 08N .0302 FORMS OF PRACTICE

* * *

(b) Authorized Ownership. A CPA firm may have an ownership of up to 49 percent by non-CPAs. A CPA firm shall have ownership of at least 51 percent and be controlled in law and fact by holders of valid CPA certificates who have the unrestricted privilege to use the CPA title and to practice public accountancy in a jurisdiction and at least one of whom shall be licensed by this Board.

* * *

(e) CPA Firm Requirements for CPA Ownership. A CPA firm and its designated supervising CPA shall be accountable for the following in regard to a CPA owner:

- (1) a CPA owner shall be a natural person or a general partnership or a limited liability partnership directly owned by natural persons;
- (2) a CPA owner shall actively participate in the business of the CPA firm; and
- (3) a CPA owner who, prior to January 1, 2006, is not actively participating in the CPA firm may continue as an owner until such time as his or her ownership is terminated.

(f) CPA Firm Requirements for Non-CPA Ownership. A CPA firm and its designated supervising CPA owner shall be accountable for the following in regard to a non-CPA owner:

- (1) a non-CPA owner shall be a natural person or a general partnership or limited liability partnership directly owned by natural persons;
- (2) a non-CPA owner shall actively participate in the business of the firm or an affiliated entity as his or her principal occupation;
- (3) a non-CPA owner shall comply with all applicable accountancy statutes and the rules as set forth in G.S. 93 and all rules in this Chapter.
- (4) a non-CPA owner shall be of good moral character and shall be dismissed and disqualified from ownership for any conduct that, if committed by a licensee, would result in a discipline pursuant to G.S. 93-12(9); and
- (5) a non-CPA owner shall report his or her name, home address, phone number, social security number, and Federal Tax ID number (if any) on the CPA firm's registration.

Other Jurisdictions

The Board staff issued a survey through NASBA to determine whether this State is an outlier regarding the ownership issue. **(Ex. 3)**. Twenty-three jurisdictions responded to that poll. Eleven of those jurisdictions had a statute or rule that would disallow ESOP ownership of a CPA firm. The most notable jurisdiction that would allow for ESOP ownership is Nebraska, which specifically passed legislation to allow for ESOP ownership. **(Ex. 4)**.

The Nebraska Board then enacted the following rule to implement the new legislation:

TITLE 288- REVISED & SUBSTITUTED RULES OF THE BOARD EFFECTIVE September 2019 1 CHAPTER 11 – FORMS OF PRACTICE AND GENERAL REQUIREMENTS

004.08 If an owner of a business entity licensed in Nebraska to practice public accountancy is an employee stock ownership plan (“ESOP”), it shall comply with the following conditions:

004.08A No shares of stock in the licensed business entity may be held by a nonemployee, former employee, or person not actively participating in the licensed business entity. Shares of stock distributed from an ESOP and immediately put back to the business entity for repurchase shall not be considered to be held by a terminated participant or beneficiary. The licensed business entity must meet any requirements of law that would allow the business entity to restrict ownership of shares of stock to active employees and the ESOP and to restrict participants’ right to demand a distribution in the form of stock in the ESOP.

004.08B Unallocated shares under the ESOP shall be treated for the purposes of compliance with Section 1-162.01(b) through (e) of the Act as if such unallocated shares are allocated each year to eligible participants in the ESOP based on a uniform allocation method as allowed by laws governing an ESOP. The trustees of the ESOP shall specify the results of such allocation in connection with the granting or renewal of a permit in Nebraska of the Nebraska permit holder.

004.08C If under Section 1-162.01(k) a special independent trustee or fiduciary is appointed, the special trustee or fiduciary may not exercise any authority whatsoever over professional matters relating to the practice of public accountancy.

004.08D Although the trustee of the ESOP may be the legal owner of the shares of stock held in the ESOP, the Board shall look through the ESOP to all beneficial owners in the ESOP to determine compliance with Section 1-162.01(b) through (e) of the Act. The Board shall disregard any vesting rights to any shares of stock in determining the beneficial ownership under the ESOP. Furthermore, only those participants who have a stock account in the ESOP shall be taken into account as beneficial owners of the licensed business entity.

004.08E All shares of stock allocated, directly or allocated pursuant to 004.08B, to beneficial owners in an ESOP shall be aggregated with any shares of stock directly owned by such natural persons to determine compliance with Section 1-162.01(b) through (e) of the Act.

North Carolina Business Corporation Act

If this Board determines that it desires to implement a rule allowing ownership of CPA firms by ESOPs or other entities, there may still be some obstacles posed by the North Carolina Business Corporation Act (“Chapter 55B”). The staff has not fully analyzed 55B; however, some references in that act to “natural persons” could prove problematic. In a slightly different context, the North Carolina Attorney General issued an opinion that an ESOP could hold some of the ownership in professional architecture firms. **(Ex. 5)**. That opinion lends some support that it may be allowable for the Board to promulgate a rule allowing at least 49% of a CPA firm to be vested in an ESOP.

Exhibit 1

[← Home](#) [← Insights](#) [← Press Releases](#)

Together We Thrive

Charting the course to our resilient future.

BDO USA Stewards Transformative Next Chapter With ESOP

Purpose-driven strategy gives participating U.S. employees shared stake in firm's success.

CHICAGO, AUGUST 2023 – BDO USA, one of the nation's leading accounting and advisory firms, today announced its intention to establish an Employee Stock Ownership Plan (ESOP), providing a broad base of our employees the benefit of ownership and a new model for the firm's continued

investment, growth, and long-term sustainability. When effective, BDO would be the first large public accounting firm to implement an ESOP. With more than 10,000 participating employees, BDO would be among the largest ESOPs in the country.

“An ESOP is the realization of our purpose of helping people thrive, every day. It is a game-changer for our people, clients and communities, designed to improve lives for generations to come,” said Wayne Berson, CEO of BDO USA. “Amid the changing landscape of our profession, the ESOP unlocks the value of our firm today and embodies our strategy to sustain a strong, caring and resilient business for tomorrow. We are proud to establish this ESOP to invest in each other so everyone who contributes to our success has the opportunity to benefit from it.”

“Today’s talented professionals have many options in choosing where to start and build their careers,” shared BDO USA Chief People Officer Cathy Moy. “BDO has long been distinguished by a culture which puts people first with a commitment to thriving together. The ESOP will be unique and innovative in our profession and supports our goal to be an employer of choice.”

An ESOP is a qualified retirement plan established as a trust, where current and future employees receive beneficial ownership in the company over time. Through the allocation of company stock, participating BDO USA professionals will be able to access a retirement plan that requires no out-of-pocket contribution, helping them plan for their future financial well-being.

“The ESOP also has material benefit to the firm,” notes Steve Ferrara, Chief Operating Officer of BDO USA. “It allows for continued investment in quality, as well as operations and growth strategies, while maintaining continuity in leadership and commitment to a longstanding vision and purpose.”

Establishing BDO’s ESOP involved some of the leading ESOP advisors in the country. Stout, a global investment bank and advisory firm, acted as exclusive financial advisor and debt placement agent on the transaction. Global law firm, McDermott Will & Emery provided legal counsel. In addition, BDO has engaged an experienced, independent Trustee to represent the interests of ESOP participants. The debt financing to support the transaction was arranged by Apollo Capital Solutions and will be anchored by certain funds managed by affiliates of Apollo (NYSE: APO). The ESOP and related transactions are expected to become effective August 31, 2023. In conjunction with the effective date, BDO USA’s fiscal year end will change to December 31. Terms of the transaction are undisclosed.

Media Contact:

Silas Hill

Zeno Group

(919) 360-2623

silas.hill@zenogroup.com

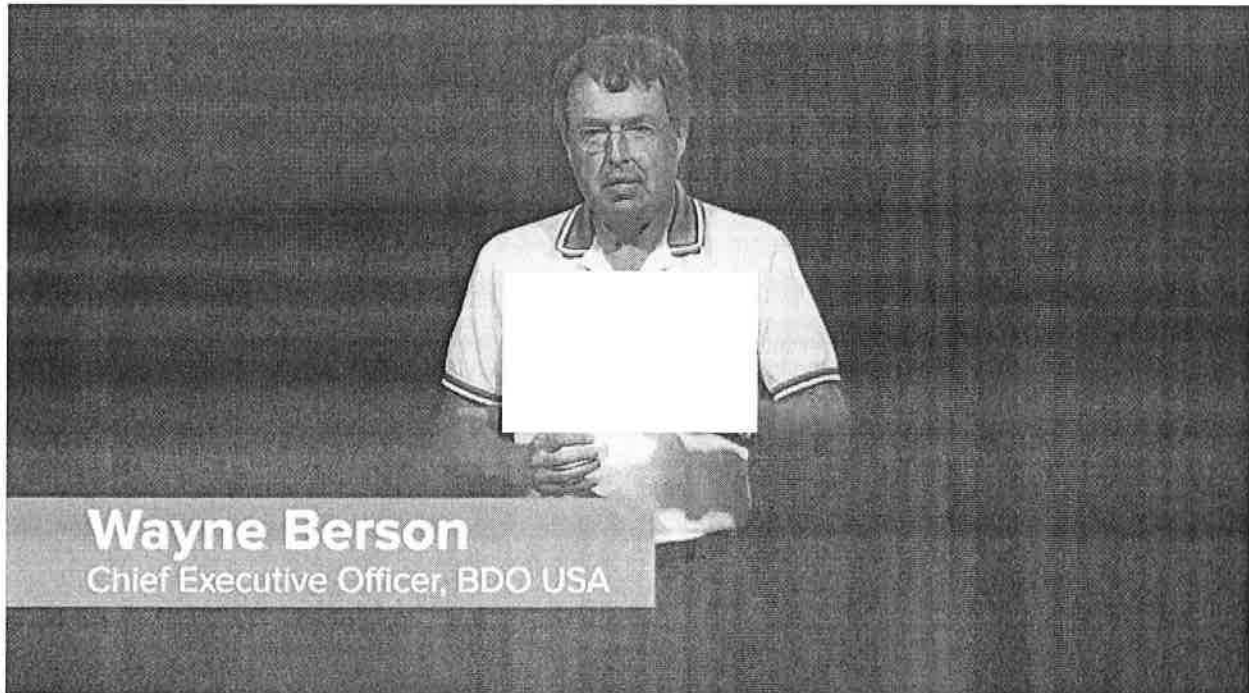
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By investing in the strength of our culture, the resilience of our business and the future of our planet, we will continue to serve our clients to be able to care for our people and help drive equity well into the future.

WAYNE BERSON, CEO OF BDO USA

The Leadership Files | Accounting Today

[Read Full Article](#)





ESOP Fundamentals

- ▶ An ESOP is a qualified retirement plan that provides all participating employees with an ownership stake in a company.
- ▶ In 1974, Congress created the legal framework to encourage ESOPs because its members believed ESOPs would create a broader distribution of wealth.
- ▶ Congress also expected ESOPs to improve company performance and to provide a way for owners of closely held companies to preserve their business legacy.

[Learn More About ESOPs](#)

“

Today's talented professionals have many options in choosing where to start and build their careers. BDO has long been distinguished by a culture which puts people first with a commitment to thriving together.

The ESOP is unique and innovative in our profession and supports our goal to be an employer of choice.

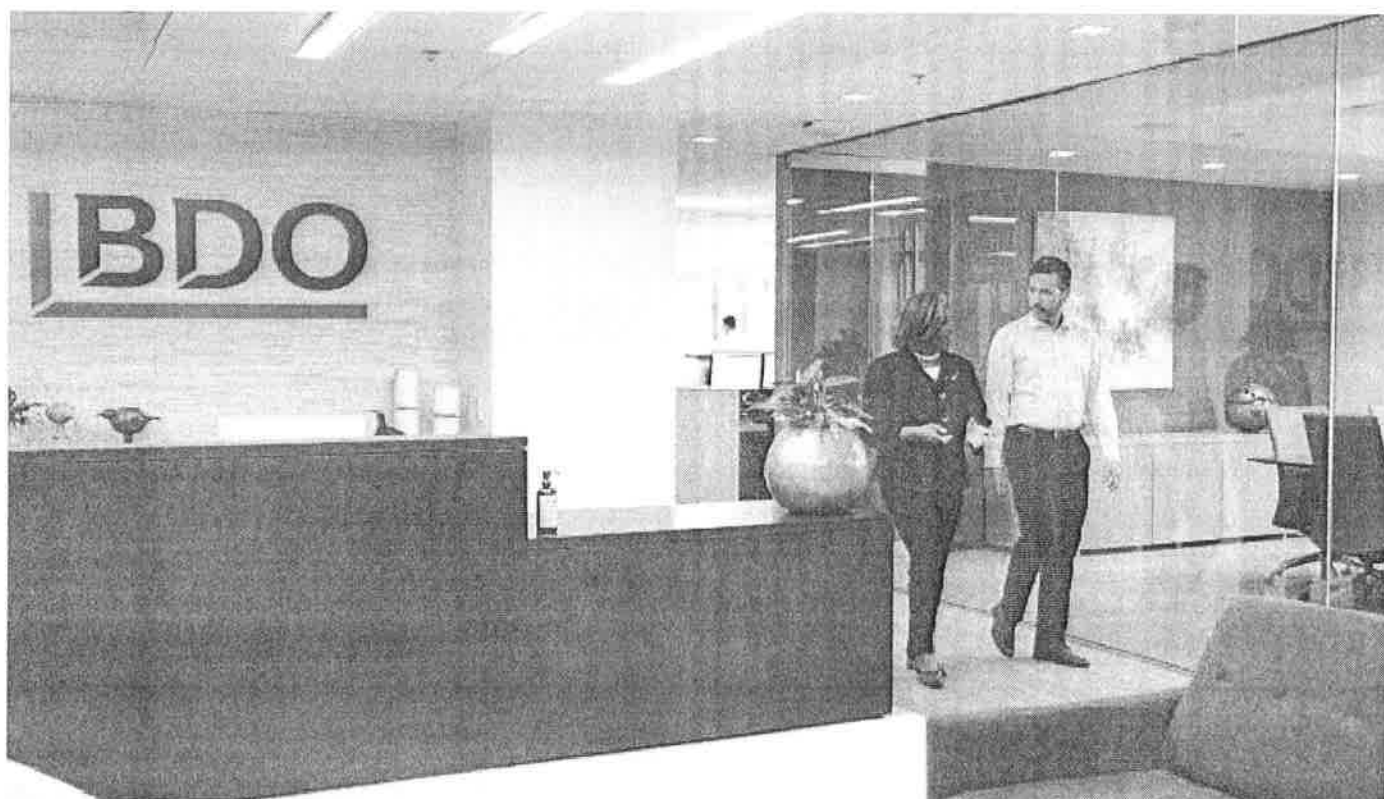
CATHY MOY

Chief People Officer

Building a new model for our firm of the future.

The ESOP reflects the realization of our core purpose and commitment to helping people thrive, every day. Benefits include:

- ▶ Bringing shared success to all participating employees
- ▶ Providing access to a retirement plan that requires no employee out-of-pocket contribution, helping our people plan for their future financial well-being
- ▶ Helping to fuel continued investment in quality, as well as operations and growth strategies
- ▶ Positively positioning us to recruit and retain talent
- ▶ Allowing us to preserve our 113-year-old history and culture
- ▶ Honoring our past and positioning us for the future



Read more about this transformational moment in BDO's history

► ***The Wall Street Journal***

[BDO to Establish Employee Stock Ownership Plan as Part of U.S. Restructuring](#)

► ***Bloomberg Tax***

[BDO Launches Stock Plan Giving 10,000 Workers Part Ownership](#)

► ***Accounting Today***

[BDO to create ESOP with \\$1.3B credit deal](#)

► ***The Consulting Report***

[BDO USA's Innovative Move: Employee Ownership and \\$1.3 Billion Debt Financing from Apollo Global Management](#)

► ***CPA Practice Advisor***

[What Accountants Had to Say About the CPA Firm Business Model—and Why it Needs to Evolve](#)

Together, we thrive.

Everything we do is rooted in our core purpose to help people thrive every day. It's not only the right business thing to do; it's the right human thing to do. This starts by putting our people at the center of our work and extends to how we treat and value our people, our clients and our communities. With a dedication to quality and a purpose-driven culture, BDO offers a powerful choice both for clients and those seeking rewarding professional careers.

BDO to create ESOP with \$1.3B credit deal

AT accountingtoday.com/news/bdo-to-create-esop-with-1-3b-credit-deal

Daniel Hood

August 14, 2023

The partners of Top 10 Firm BDO USA voted at a meeting in Florida on Friday to approve a deal to access \$1.3 billion in credit to finance the creation of an employee stock ownership plan.

Apollo Global Management will provide the credit, but will not get any kind of ownership stake; effectively, it's acting like BDO's bank in providing the money, BDO CEO Wayne Berson told Accounting Today.

"This is not a private equity deal — it is private credit," he explained. "It's realigning our debt and our obligations to optimize our business and invest in the firm. Much of the Apollo funds will fund the creation of the ESOP."

"People are saying this is an infusion of cash to pay off debt," he continued, "but nothing could be further from the truth. It enables us to realign debt and keep control of the firm in our hands, while giving us the financial flexibility to continue to invest in our business."

The \$1.3 billion will cover BDO's pension obligations to its current retired partners — which total roughly \$400 million, according to Berson — as well as some other legal settlements and the firm's current line of credit.

The bulk of the money, though, will go to creating the ESOP, which will involve the current partner group selling off a large chunk of their ownership stake to give the firm's 10,000-plus employees their own stake.

Every year after that, the firm's employees will get an allocation into their accounts based on their salary.

"Management sets a percentage of payroll compensation, and that's done right across the board for everyone," said Berson. "Each year you get your allocation. If you stay for 20 years, you walk away with millions. It's a windfall for our employees."

He recalled a story that a BDO partner told at last week's meeting about his father, a butcher at a company that had an ESOP, who never earned more than \$40,000 a year but got a check for \$2 million when he retired.

"The people who contribute to our success will have the opportunity to benefit from it," Berson added.

ESOPs also offer a significant tax advantage: The allocation of stock into each employee's account is deductible, a tax deduction that BDO will use to help pay back Apollo.

A sign of things to come

Allan Koltin, CEO of Koltin Consulting Group, who has advised BDO on various strategic, M&A, and capital-related issues over the past decade, commented, "This is truly a ground-breaking event for BDO and the profession. At a time where firms are either increasing capital requirements of the partnership, or selling parts of their firm to private equity or wealth management firms, BDO chose a completely different path."

"The ESOP was a two-for-one," Koltin added. "It helped create the capital but also gave their people a potential 'piece of the rock.'"

That ability to reward talent was a key factor for BDO in creating the program — spurred by the firm's own look into why the profession is having so much trouble pulling in young accountants, and what it would take to change that.

"We knew we weren't getting enough people, and our people team started studying the generational differences," Berson said. "The more we studied it, the more it pointed to something like this."

"To be a best-in-class advisory firm, we need to be able to invest and to bring on the best people," continued Berson, who has focused on creating an attractive culture — one that foregrounds flexibility and diversity — since the beginning of his tenure as CEO over a decade ago. "People want to work where they have meaning and purpose — and the ESOP creates a shared sense of purpose and responsibility."

Berson expects to see more firms pursuing ESOPs in the near future, as a strong alternative to taking on PE investment.

"We get all the benefits of private equity, without giving up control of the firm," he said. "I bet you're going to see more of this kind of deal before the end of the year, or at least dialogue around it. It doesn't make sense why someone wouldn't do it."

"Our industry is at an inflection point — you've seen how private equity has influenced the profession in recent years," he continued. "We explored private equity, but knew it wouldn't be the right model for us. It may work for other firms, but not for BDO. But we recognized we needed to transform our business to meet our investment and growth goals, and the needs of our people."

"This is an important, transformative moment for our industry and for BDO. Our profession needed a wakeup call, and I believe this is it," he concluded.

Partner approval

The ESOP plan was approved at a shareholders' meeting in Orlando, Florida, last Friday, with early news reports — often inaccurate — leaking out over the weekend.

"Ninety-nine-plus percent of partners approved it," Berson said. "It has been characterized by the media as an emergency partner meeting, but it was not by any stretch of the imagination. This was our first shareholder meeting since we became a corporation, and we kept it to a short time frame precisely because of what happened -- a leak. We didn't want to put pressure on our partners to keep the information quiet."

While a business needs to be structured as a corporation to create an ESOP, BDO's announcement in early July that it would no longer be a partnership was unrelated.

"That wasn't why we made that change — that was for other tax reasons," Berson said. "These are two separate deals — the first one was more to realign with our tax strategies."

"[Accounting firms] don't have to be partnerships — and the more we looked into it, the more it seemed like it would be better for us," he explained. "We do a lot of choice-of-entity consulting, and we thought, 'Why don't we just look at it for BDO?' And we concluded we'd be better off as a corporation."

•

BDO USA to Establish ESOP

 bdo.com/insights/press-releases/bdo-usa-to-establish-esop

BDO USA Stewards Transformative Next Chapter With ESOP

Purpose-driven strategy gives participating U.S. employees shared stake in firm's success.

CHICAGO, AUGUST 2023 – BDO USA, one of the nation's leading accounting and advisory firms, today announced its intention to establish an Employee Stock Ownership Plan (ESOP), providing a broad base of our employees the benefit of ownership and a new model for the firm's continued investment, growth, and long-term sustainability. When effective, BDO would be the first large public accounting firm to implement an ESOP. With more than 10,000 participating employees, BDO would be among the largest ESOPs in the country.

"An ESOP is the realization of our purpose of helping people thrive, every day. It is a game-changer for our people, clients and communities, designed to improve lives for generations to come," said Wayne Berson, CEO of BDO USA. "Amid the changing landscape of our profession, the ESOP unlocks the value of our firm today and embodies our strategy to sustain a strong, caring and resilient business for tomorrow. We are proud to establish this ESOP to invest in each other so everyone who contributes to our success has the opportunity to benefit from it."

"Today's talented professionals have many options in choosing where to start and build their careers," shared BDO USA Chief People Officer Cathy Moy. "BDO has long been distinguished by a culture which puts people first with a commitment to thriving together. The ESOP will be unique and innovative in our profession and supports our goal to be an employer of choice."

An ESOP is a qualified retirement plan established as a trust, where current and future employees receive beneficial ownership in the company over time. Through the allocation of company stock, participating BDO USA professionals will be able to access a retirement plan that requires no out-of-pocket contribution, helping them plan for their future financial well-being.

"The ESOP also has material benefit to the firm," notes Steve Ferrara, Chief Operating Officer of BDO USA. "It allows for continued investment in quality, as well as operations and growth strategies, while maintaining continuity in leadership and commitment to a longstanding vision and purpose."

Establishing BDO's ESOP involved some of the leading ESOP advisors in the country. Stout, a global investment bank and advisory firm, acted as exclusive financial advisor and debt placement agent on the transaction. Global law firm, McDermott Will & Emery provided legal

counsel. In addition, BDO has engaged an experienced, independent Trustee to represent the interests of ESOP participants. The debt financing to support the transaction was arranged by Apollo Capital Solutions and will be anchored by certain funds managed by affiliates of Apollo (NYSE: APO). The ESOP and related transactions are expected to become effective August 31, 2023. In conjunction with the effective date, BDO USA's fiscal year end will change to December 31. Terms of the transaction are undisclosed.

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By investing in the strength of our culture, the resilience of our business and the future of our planet, we will continue to serve our clients to be able to care for our people and help drive equity well into the future.

Wayne Berson, CEO of BDO USA

ESOP Fundamentals

- An ESOP is a qualified retirement plan that provides all participating employees with an ownership stake in a company.
- In 1974, Congress created the legal framework to encourage ESOPs because its members believed ESOPs would create a broader distribution of wealth.
- Congress also expected ESOPs to improve company performance and to provide a way for owners of closely held companies to preserve their business legacy.

Building a new model for our firm of the future.

The ESOP reflects the realization of our core purpose and commitment to helping people thrive, every day. Benefits include:

- Bringing shared success to all participating employees
- Providing access to a retirement plan that requires no employee out-of-pocket contribution, helping our people plan for their future financial well-being
- Helping to fuel continued investment in quality, as well as operations and growth strategies

- Positively positioning us to recruit and retain talent
- Allowing us to preserve our 113-year-old history and culture
- Honoring our past and positioning us for the future

Together, we thrive.

Everything we do is rooted in our core purpose to help people thrive every day. It's not only the right business thing to do; it's the right human thing to do. This starts by putting our people at the center of our work and extends to how we treat and value our people, our clients and our communities. With a dedication to quality and a purpose-driven culture, BDO offers a powerful choice both for clients and those seeking rewarding professional careers.

Exhibit 2



What is an ESOP?

By The ESOP Association

A basic guide summarizing the unique benefits Employee Stock Ownership Plans offer to owners, employees, and communities. This *ESOP Brief* is available to the public as an informational resource.

An Employee Stock Ownership Plan (ESOP) is a tax-qualified retirement plan authorized and encouraged by federal tax and pension laws. Unlike most retirement plans, ESOPs:

- Are required by law to invest primarily in the shares of stock of the sponsoring employer.
- Are trusts that hold shares of the business for employees, making them beneficial owners of the company that employs them.
- Can provide tax benefits to the company and to the exiting owner(s).
- Can borrow money from related parties to finance company projects—including the tax-advantaged purchase of the company's shares of stock.

Succession Planning Options

The most common reason for establishing an ESOP is to buy stock from the owners of a closely held company.

Many closely held companies have little or no succession plan in place. As a result, the day a founder or primary shareholder leaves the business often results in significant adverse consequences for the company, the employees, and the exiting owner.

ESOPs offer transitional flexibility that can facilitate succession planning. Founders and main shareholders can sell to ESOPs all of their shares at one time, or percentages of their shares on the schedule of their choosing. The transition in leadership, therefore, can occur as quickly or slowly as the owner wishes.

Providing a Buyer

Finding a buyer for a closely-held company is not always easy, even if the company is profitable. If a buyer cannot be found, businesses may simply shutter, denying the local economy of jobs and the products or services the company provided.

In areas as diverse as rural North Carolina and New York City, ESOPs have been recognized as a way of keeping businesses locally owned and afloat when buyers are scarce.

Even when buyers can be found, they sometimes layoff part or all of the staff or move the company's business operations—again, resulting in lost jobs for the community.

By contrast, an ESOP:

- Helps keep the business—and its jobs—in the community.
- Helps provide job security for employees. (The latest national research on the subject shows that companies with employee stock ownership are 7.3 times less likely to lay off employees than conventionally owned firms.)
- Provides a fair value market for the selling shareholder of a closely held company.
- Provides continuity for customers, who continue to interact with the same individuals they always have
- Provides business continuity. Employees, who know the business best, stay in place to continue its operation.

Tax Benefits for Owners

Under federal tax law, owners of closely held companies can defer and possibly avoid tax on the gains made when selling stock to an ESOP—when the following conditions are met:

1. The ESOP company is a C corporation at the time of the sale.
2. The ESOP owns at least 30 percent of the company immediately after the sale. (The sale of stock by two or more shareholders counts toward this 30 percent requirement).
3. The sale proceeds are re-invested in U.S. domestic corporation stocks and bonds within a set time period. To qualify, reinvestments must be made within a 15-month window that starts three months before the date of sale and ends 12 months after the date of the sale to the ESOP.

This “tax free rollover”—which is included in the federal tax laws to encourage the establishment of ESOPs—can be very attractive to retiring owners and shareholders of closely held companies. (For more information, see [ESOP Brief #4, The ESOP Tax-Free Rollover](#).)

Tax and Financing Benefits for Companies

S corporations that sponsor an ESOP are eligible for a different tax incentive: The portion of the business owned by the ESOP trust is exempt from federal (and often state) income tax.

If 60 percent of an S corporation is owned by the ESOP, the business would avoid taxes on 60 percent of its income. A 100 percent ESOP-owned S corporation operates essentially free of income tax. (For more information, see [ESOP Brief # 13, ESOPs and S Corporations](#).)

ESOPs as a Financing Technique

Companies have used ESOPs as a way to finance a variety of efforts, including business expansion, management buy-out, acquiring a target company, spinning off a division, and taking a company private.

In limited circumstances, ESOPs have been used to finance the buy-out of a firm or company division that otherwise would have closed.

The Uses of a Leveraged ESOP

In a leveraged ESOP, the ESOP or its corporate sponsor borrows money from a bank or other qualified lender, and uses the loan proceeds to buy shares from current owners or the company.

If the ESOP is the borrower, the company guarantees the loan. As part of the guarantee, the company agrees that it will make contributions to the ESOP that will enable the ESOP to pay back the loan on schedule.

If the borrower is the company—which is the arrangement preferred by many lenders—the company lends the funds from the loan to the ESOP so the ESOP can buy the shares. (For more information, see [ESOP Brief #5, ESOP Financing](#).)

If the leveraging is meant to provide new capital for company expansion or improvements, the ESOP will use the cash to buy newly issued shares of stock from the company. If the leveraging is used to buy shares of stock from a shareholder, the ESOP generally will acquire those existing shares directly. If the leveraging is being used to divest a division of the company, the ESOP will buy the shares of a newly created shell company, which in turn will purchase the division and its assets.

Two tax incentives make leveraged ESOP financing very attractive.

First, contributions to an ESOP are tax deductible so that:

- The company makes contributions to its ESOP.
- The ESOP in turn pays those contribution dollars back to the company to pay down its loan from the company.
- The company then uses those contribution dollars to pay down its loan from the bank or other lender.

In effect, the company gets to fully deduct the loan's principal and interest (not just the interest, as is the case for non-ESOP loans). By reducing the number of post-tax dollars needed to repay the loan principal, a company's cost of financing can be cut significantly.

Second, dividends paid on shares of a C corporation held in an ESOP are tax deductible if they are used in any of the following ways:

- To repay the ESOP loan.

- Passed through to employees.
- Reinvested by employees for more company stock.

This provision of the federal tax law well may increase the amount of cash available to a company, compared to one utilizing conventional financing.

Unique Retirement Plan

ESOPs are a unique retirement benefit. Unlike 401(k)s, most ESOPs require no out-of-pocket contribution from employees. For those employees who feel hard pressed to make an out-of-pocket contribution to a 401(k), an ESOP might be the only plan in which they can afford to participate.

A recent Pew study found that less than half of all non-government employees participate in a retirement plan at work. And 35 percent of private sector employees are not even offered an employer-sponsored retirement plan.

By contrast, many ESOP companies provide their employees multiple retirement plans. Among ESOP Association members responding to a 2015 survey, 93.6 percent offer both an ESOP and a 401(k).

Employee Ownership Incentive

In addition to the financial and tax incentives, most companies establishing an ESOP have a keen desire to provide an employee ownership incentive and benefit. In fact, for some companies, the ownership and benefit incentive is the primary reason for the ESOP.

Research has shown that giving workers a significant stake in the company that employs them improves employee attitudes toward the company, and these improved attitudes translate into improvement of the company's bottom line.

Companies may well find the added productivity resulting from employee ownership in the company makes the ESOP the best choice. (For more information, see [ESOP Brief #6, The Benefits of Employee Ownership](#).)

An ESOP Is a Trust

An ESOP is established by the company adopting specially designed ESOP plan and trust documents.

The ESOP plan provides to each participating employee an individual account where benefits accrue over the years. The ESOP trust holds the shares of company stock and company contributions made to the ESOP. These contributions and shares of stock are credited to the individual participants' accounts.

Different formulas may be used for allocations to these accounts. These allocation formulas may be based on years of service, compensation and years of service, or equally (per capita).

The most common formula provides allocations in proportion to each participant's annual "W-2" compensation for the year.

Typically, employees start participating in an ESOP and begin receiving allocations after completing one year of service with the company. A year of service is most commonly defined as any 12-month plan year period in which an employee is credited with at least 1,000 paid hours.

Vesting

The shares of company stock and other plan assets allocated to participants' accounts under the ESOP must be subject to a vesting schedule in which each participant has a right to an increasing percentage of the ESOP account over time. The two basic vesting schedules allowed by law are:

- Six-year graded vesting, with 20 percent vesting per year starting after two years of service and resulting in 100 percent vesting after six years.
- Three-year cliff vesting, with no vesting before three years of service and 100 percent vesting after three years.

These vesting schedule requirements are identical to the ones applied to 401(k)s. An ESOP may have a more rapid vesting schedule, if desired.

Diversification

Participants in privately (closely) held company ESOPs who are 55 or older and have participated in the plan for at least 10 years are legally required to have the option of diversifying up to 25 percent of their ESOP account credited with company shares. This investment diversification option continues for five years (typically to age 60), at which time the participant must have the option of diversifying up to 50 percent of his or her company shares account. (For more information on diversification, see [ESOP Brief #12, ESOP Diversification](#).)

Payouts

ESOP participants must receive the vested portion of their ESOP accounts after retirement, death, or other termination.

Join The ESOP Association

For information on membership benefits and dues, visit us at www.esopassociation.org/membership.

Companies that are considering—but have not yet established—an ESOP can become Affiliate Members. These discounted memberships provide access to The ESOP Association's online resources, and allow executives and employees to attend local and national ESOP Association conferences at discounted rates. At these events, Affiliate Members can network with other companies considering an ESOP and learn from organizations that have decades of experience successfully managing their ESOPs.

For retirement or death, payment of the vested ESOP benefit generally starts in the following year. For termination benefits, the start of payments may be delayed for up to five years after the year of termination.

ESOP benefits—whether due to retirement, death or other termination—can be paid in substantially equal installments over five years. Other options are allowed by plan design, including lump sum payments.

The benefit payments may be in the form of company stock and/or cash. In some situations, company stock is required to be offered; in others, it is never offered.

If the ESOP benefit is paid in the form of company shares and the company is closely held (non-public), the participant (or beneficiary) must have a put option right that requires the company to buy back the distributed shares at the ESOP set price.

The put option right has two 60-day periods. The first begins after the distribution is first made; the second (which applies if not put and sold in the first period) is set in the next plan year after the first 60-day period.

No other put option periods are required, and the company has no other obligation to repurchase such shares.

If an S corporation ESOP distributes shares, the put option/company purchase generally is mandatory. (For more information on distributions, see [ESOP Brief #18, ESOP Distributions](#).)

Additional Resources

This brief is the first in a series that is organized into two broad categories. The first is well suited to those considering an ESOP or for sharing with employee owners at an existing ESOP company. The second is best suited to executives and trustees who want a more technical overview of the issues involved in managing an ESOP.

We also recommend our booklet, *How The ESOP Really Works*, which provides an overview of the legal and business mechanics of ESOPs. For information on these publications, visit our website or contact our Membership Department at membership@esopassociation.org.

For the Media

Reporters who would like additional information on ESOPs are encouraged to visit our website (listed at the bottom of this page) or contact our communications team:

Patrick Mirza

Communications Director
Patrick@esopassociation.org

Paul Pflieger

Associate Director of Communications
Paul@esopassociation.org

Voting Rights

**Voting rights –
For registration
type class of
securities**

If the employer has a class of securities that:

- are required to be registered under Section 12 of the Securities and Exchange Act of 1934 (“the Exchange Act”) or
- would be required to be registered except for the exemption from registration provided by Section 12(g)(2)(H) of the Exchange Act,

Code §409(e)(2) states that the ESOP **must** provide each participant with the right to direct the voting of securities allocated to their account on **all** corporate matters.

**Voting rights –
If employer
does not have
registration
type securities**

If the employer does not have registration type securities, Code §409(e)(3), requires that an ESOP allow the participants to vote the shares in their account, **but only** with regard to the following issues:

1. any corporate matter involving mergers, or consolidations
 2. the sale of all or substantially all of the corporation’s assets
 3. re-capitalizations
 4. reclassifications
 5. liquidations
 6. dissolutions
-

**Right to direct
plan to vote
shares depends
on applicable
state law**

The Service ruled in TAM 9705004 that in the case of **non-registration** type securities, applicable state law would govern with respect to the right to direct the plan to vote allocated shares. Therefore, state law must provide for shareholder voting on those corporate matters before voting rights are passed through to the participants.

In addition, Code §409(e)(5) provides for a special 1 vote for each participant rule for **non-registration** type class securities. This special rule allows each participant 1 vote with the trustee voting the shares held by the plan in proportion to the votes received.

Continued on next page

Voting Rights, Continued

**Failure to
receive
instructions on
how to vote
shares & voting
of unallocated
Shares**

For either registration class or non- registration class of securities, the plan may provide that, if the plan trustee does not receive instructions on how to vote the particular shares, the trustee will vote those shares. See Revenue Ruling 95-57, 1995-2 C.B. 62

In addition, it is not uncommon for plan provisions to not “pass through” voting rights on unallocated shares (shares still in the suspense account). The plan could provide for the trustee to vote these shares. The plan could also provide that unallocated shares as well as allocated shares are voted in proportion to the allocated shares for which directions have been received. The Department of Labor has held that responsibility for voting unallocated shares should rest with plan trustees. Trustees however, may follow plan provisions only to the extent permitted by ERISA §404(a)(1)(D) (i.e. insofar as plan provisions are consistent with Titles I and IV of ERISA).

Exhibit 3

	Does your state board have a rule similar to North Carolina?	interest in an ESOP, would your board's statutes or regulations prevent that? Please provide a link to appropriate statute or regulation.	
State/B	Response	Response	Other (please specify)
HI	No	No	
OK	Yes	Yes	
LA	No	No	
NC	Yes		
CT	Yes	Yes	
AL	Yes	Yes	
UT	No	No	<p>https://www.cga.ct.gov/current/pub/chap_389.htm#sec_20-281e</p> <p>Section 34-1-6 - AL is reviewing the ownership of said firm and not made a final determination.</p> <p>58-26a-302(3) which reads: (a) Each applicant for registration as a Certified Public Accountant firm shall: (i) submit an application in a form prescribed by the division; (ii) pay a fee determined by the department under Section 63J-1-504; (iii) have, notwithstanding any other provision of law, a simple majority of the ownership of the Certified Public Accountant firm, in terms of financial interests and voting rights of all partners, officers, shareholders, members, or managers, held by individuals who are certified public accountants, licensed under this chapter or another state of the United States of America, and the partners, officers, shareholders, members, or managers, whose principal place of business is in this state, and who perform professional services in this A.R.S. 32-731 states "(a) Has a simple majority of the ownership, in terms of direct and indirect financial interests and voting rights, that belongs to holders in good standing of certificates or licenses as certified public accountants in any jurisdiction."</p> <p>See above. If the pending legislation is enacted, the law would prevent the ESOP ownership. Note, it is unclear how a partnership could issue shares of stock (but that's a whole other discussion)!!!</p> <p>https://codes.ohio.gov/ohio-revised-code/section-4701.04</p> <p>don't believe so as long as the ESOP ownership holding is in the minority and all participants in ESOP are actively participating in the firm [see 22 GCA 35107(D)]</p>
AZ	Yes	Yes	
NY	No	Yes	
OH	No	Yes	
GU	No	No	
ID	No	No	
TX	No	No	<p>dvance.lexis.com/document/?pdmfid=1000516&crid=1464ed90-726a-4a0a-89c4-b229c7f1aa7d&pddocfullpath=%2Fshared%2Fdocument%2Fstatutes-legislation%2Furn%3Acontentitem%3A68FR-9M63-GXF6-81NJ-00000-00&https://nbpa.nebraska.gov/sites/nbpa.nebraska.gov/files/doc/public-info/PAA%20w%20LB%20707%20-%20202022.pdf then go Section 1-162.01/ CPA ownership</p> <p>Say, what?</p>
NE	No	No	
KS	Yes		
MS	Yes	Yes	MS Code Sec. 73-33-1(4)(a); see www.msba.ms.gov
AR	Yes	Yes	Board Rule 7(b): https://www.labor.arkansas.gov/wp-content/uploads/Rule-7.pdf

OR	Yes	Yes	Interest in rule changes to allow ESOP is high in OR, looking at NE that just adopted ESOP as a starting point for
TN	Yes	Yes	We believe so but it is currently under legal review
NV	Yes	Yes	The Boards rules specify that the ownership must be a "natural person" and therefore would not
GA	Yes		allow the firm structure based on the ESOP being a trust and not a natural person
KY	No		There is no provision for an ESOP in our Rules (20-7)
SD	Yes	Yes	It would depend on the specifics of model of the particular ESOP.
IA	No	No	https://sdlegislature.gov/Statutes/36-20B-33

Exhibit 4

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL _____

Introduced by _____,

Read first time January _____, 2019

Committee: Banking, Commerce and Insurance Committee

DRAFT FOR DISCUSSION PURPOSES – _____, 2019
--

1 A BILL FOR AN ACT relating to the Nebraska Public Accountancy Act; to allow for certified public
2 accounting firms to be owned by an employee stock ownership plan; to promote job growth, job protection,
3 and maintain local ownership of CPA firms through employee ownership; to provide superior employee
4 benefits, including healthcare, to employee-owned companies; and through employee ownership, to provide
5 an effective way for working people to build wealth; and to provide a means for small business owners to
6 transition ownership when they are ready to retire and to provide for the continuation of these businesses in
7 Nebraska.

8 Be it enacted by the people of the State of Nebraska,

1 Sec. 1. Section 1-162.01, Reissue Revised Statutes of Nebraska, 2012, is amended to read:

2 1-162.01. Firms; owners permitted; conditions; rules and regulations.

3 Notwithstanding the Nebraska Professional Corporation Act or the Public Accountancy Act or any
4 other provision of law inconsistent with this section, firms may have ~~persons as~~ owners who are not certified
5 public accountants if the following conditions are met:

6 (1) Owners who are not certified public accountants shall be:

7 (a) natural persons;

8 (b) an employee stock ownership plan defined in Sections 401(a) and 4975(e)(7) of the
9 Internal Revenue Code of 1986, as amended;

10 (c) a partnership or limited liability company; or

11 (d) a corporation;

12 provided, that each ultimate beneficial owner of an equity interest in the corporation sponsoring the
13 employee stock ownership plan shall be a natural person actively participating in the business of the firm or
14 an entity controlled by the firm; and provided further, that all of the trustees of such employee stock
15 ownership plan shall be natural persons who are certified public accountants, except in the event that a
16 conflict of interest exists for one or more trustees with respect to a specific issue or transaction, such trustees
17 may appoint a special independent trustee or special fiduciary, who is not a certified public accountant or
18 otherwise legally authorized to render professional services in public accountancy, which special
19 independent trustee or special fiduciary shall be authorized to make decisions only with respect to the
20 specific issue or transaction that is the subject of the conflict;

21 (2)(1)Such persons Owners, whether direct or beneficial, who are natural persons and who are not
22 certified public accountants, shall not exceed, in the aggregate, forty-nine percent of the total number of
23 owners of such firm;

24 (3)(2)Such Owners who are natural persons and who are not certified public accountants shall not
25 hold, in the aggregate, directly or beneficially, more than forty-nine percent of such firm's equity capital or
26 voting rights or receive, in the aggregate, directly or beneficially, more than forty-nine percent of such firm's

profits or losses;

(4) Owners who are certified public accountants shall in the aggregate, directly or beneficially, comprise a majority of the owners of a firm;

(5) Owners who are certified public accountants shall in the aggregate, directly or beneficially, hold more than half of the equity capital of the firm and possess majority voting rights of the firm;

(6)(3)Such Owners, whether direct or beneficial, who are natural persons and who are not certified public accountants shall not hold themselves out as certified public accountants;

(7)(4)Such Owners, whether direct or beneficial, who are natural persons and who are not certified public accountants shall not hold themselves out to the general public or to any client as an owner, partner, shareholder, limited liability company member, director, officer, or other official of the firm except in a manner specifically permitted by the rules and regulations of the board;

(8)(5)Such Owners, whether direct or beneficial, who are natural persons and who are not certified public accountants shall not have ultimate responsibility for the performance of any audit, review, or compilation of financial statements or other forms of attestation related to financial information;

(9)(6)Such Owners who are natural persons and who are not certified public accountants shall not be direct or beneficial owners of a firm engaged in the practice of public accountancy without board approval if such natural persons (a) have been convicted of any felony under the laws of any state, of the United States, or of any other jurisdiction, (b) have been convicted of any crime, an element of which is dishonesty or fraud, under the laws of any state, of the United States, or of any other jurisdiction, (c) have had their professional or vocational licenses, if any, suspended or revoked by a licensing agency of any state of the United States or of any other jurisdiction or such persons have otherwise been the subject of other final disciplinary action by any such agency, or (d) are in violation of any rule or regulation regarding character or conduct adopted and promulgated by the board relating to owners who are not certified public accountants; and

(10)(7) Such persons, regardless of where located, shall actively participate in the business of the firm
Owners which are a partnership, limited liability company or corporation must: (a) hold a permit under section 1-136 of the Act; (b) not have the ultimate responsibility for the firm's performance of audits, reviews

1 or compilations of financial statements or other forms of attestation relating to financial information; (c)
2 have its owners be in compliance with this section, provided that any natural persons who have an
3 ownership or beneficial interest in such partnership, limited liability company or corporation, directly or
4 indirectly, shall meet, as if direct owners in the firm, the requirements of section 1-162.01 (2) through (9) of
5 the Act; and

6 (11) The issuance or transfer of any shares of stock or equity interests in a firm in violation of this
7 section is void. No shareholder or equity owner of a firm shall enter into a voting trust agreement or any
8 other type of agreement vesting in another person the authority to exercise the voting power of any of the
9 stock or equity of a firm.

10 The board shall adopt and promulgate rules and regulations for purposes of interpretation and
11 enforcement of compliance with this section.

12 Sec. 2 Original section 1-162.01, Reissue Revised Statutes of Nebraska is repealed.
13
14

Exhibit 5



Attorney General

Josh Stein

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Application of Professional Corporation Act, G.S. 55B to Employee Stock Ownership Plans (ESOP)

December 22, 1986

Subject:

Application of Professional Corporation Act, G.S. 55B to Employee Stock Ownership Plans (ESOP)

Requested By:

Julian Mann, III Attorney for the North Carolina Board of Architecture

Question:

Under G.S. 55B-6, may an architectural professional corporation establish an employee stock ownership plan (ESOP) wherein up to one third of the outstanding shares of the professional corporation are held in trust, by a trustee who is a licensed employee of the corporation, for the benefit of non-licensed employees of the corporation?

Conclusion:

Yes.

The Employee Stock Ownership Plan (ESOP) proposed here would have the following characteristics: The ESOP will be an agreement between the trustee (who will be a licensed shareholder of the corporation) and the corporation, under which the trustee will hold stock in the corporation for the benefit of corporation employees (hereinafter "participants"). The shares attributable to the accounts of the participants plus all shares owned by non-licensed shareholder employees will comprise less than one third of the total outstanding shares of the corporation.

The specific question posed here is whether the proposed ESOP would be in violation of G.S. 55B-6 which is set out in full as follows:

§ 55B-6. Capital stock.

"A professional corporation may issue shares of its capital stock only to a licensee as hereinabove defined, and such shareholders may voluntarily transfer such shares of stock issued to him only to another such licensee. No share or shares of any stock of such corporation shall be transferred upon the books of the corporation unless and until the corporation has received a certification of the appropriate licensing board that the transferee of such shares is a licensee as here defined. Provided, it shall be lawful in the case of professional corporations rendering services as defined in Chapters 83, 89A and 89C, for non-licensed employees of such corporation to own not more than one third of the total issued and outstanding shares of such corporation. Upon the transfer of any shares of such corporation to a non-licensed employee of such corporation, the corporation shall inform the appropriate licensing board of the name and address of the transferee and the number of shares issued to such nonprofessional transferee. Any share of stock of such corporation issued or

transferred in violation of this section shall be null and void. No shareholder of a professional corporation shall enter into a voting trust agreement or any other type of agreement vesting in another person the authority to exercise the voting power of any or all of his stock. (1969, c. 718, s. 6; 1977, c. 855, s. 1.)"

It is the opinion of this office that the proposed ESOP does not constitute an illegal voting trust and that it fully complies with the requirements of G.S. 55B-6. The participants under the ESOP proposed here would be the beneficiaries of a trust, the corpus of the trust consisting of stock of the professional corporation. Thus the participants under the plan would be equitable but not legal owners of the stock which constitutes the corpus of the trust. Since the participants are never given or promised any legal interest in the stock, they have no voting power and they are incapable of entering into an agreement to vest the voting power of the stock in another. Obviously, one cannot agree to give away what he does not have.

The only "agreement" involved in this type of plan would be an agreement between the trustee and the corporation in which the trustee agrees to hold the shares for the participating employees. This does not constitute an agreement to vest the voting power of the stock in another person since the voting power of the stock at all times remains with the trustee. The proposed ESOP therefore does not constitute a prohibited voting trust.

The policy behind G.S. 55B-6 presumably is that of keeping majority control of a professional corporation in the hands of licensed professionals who will manage the corporation consistent with the ethical standards of the profession. (See Official Comment to Model Professional Corporation Act § 22). The proposed ESOP would in no way contravene this policy, nor would it violate the statute. All ESOP shares would be voted by the trustee, a licensed professional employee of the corporation. Moreover, the ESOP would absorb only so many shares as would allow the total number of shares owned by non-licensed employees (either equitably or legally) to be less than one third of the total amount of outstanding shares. This is consistent with G.S. 55B

6.

In conclusion, the ESOP proposed here does not violate G.S. 55B-6 because (1) all interests in the stock (both equitable and legal) will be held by authorized shareholders; and (2) there has been no "voting trust" whereby shareholders have agreed to convey away their voting rights.

Lacy H. Thornburg Attorney General

Richard G. Sowerby, Jr. Associate Attorney General

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North Carolina State Board of CPA Examiners

Cash Management and Investment Policy ~~(Proposed Amendments for discussion- 7/20/2023)~~

Purpose of the Cash Management and Investment Policy- Statement

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

1. State in a written document the Board's expectations, objectives, and guidance for the investment of cash assets.
2. Define and assign the responsibilities of all involved parties.
3. Establish criteria to evaluate investment performance and the performance of those selected to manage the Board's investment funds on a regular basis.

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

Investment Committee

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

The Committee shall have the following responsibilities:

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

e. Other authority and responsibilities as may be assigned by the Board.

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

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

Commented [MP1]: Does this really need to be part of the Policy? This is more structure of the Investment Committee. Should it remain?

Commented [DN2R1]: This can be removed as the Committee Charter now addresses these matters.

Cash and Investments

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

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

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

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

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

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

Commented [CJ3]: We can provide monthly statements that show activity and we can provide quarterly performance reports. But we cannot provide monthly reports that show performance. I would leave the old language regarding quarterly performance - and potentially add monthly statement language if that is desired.

Commented [DN4R3]: Returned back to performance reports on quarterly basis. Added sentence about Bard staff receiving monthly activity reports for review.

In addition, Executive staff will obtain and monitor monthly investment activity reports to assist the Committee in its oversight role.

Operating Funds

Purpose

The purpose of the Operating Funds is to provide sufficient cash to meet the financial obligations of the Board's [daily operations in a timely manner](#).

Investment Objectives

The investment objectives of the Operating Fund are:

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

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

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

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

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

Reserve Funds

Purpose

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

Investment Objectives

The investment objectives of the Operating Reserves Fund are:

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

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

Invested Funds

Purpose

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

Investment Objectives

The Board's investment objectives are to safeguard its assets, preserve the real purchasing power of its assets, and diversify its assets while earning investment returns that are commensurate with the Board's risk tolerance. The Board's risk tolerance is generally described as "conservative growth & income over a time horizon of 10+ years to support moderate liquidity needs". It is understood that fluctuating rates of return are characteristic of the securities markets. Recognizing that short-term market fluctuations may cause variations in the account performance, the portfolio is expected to achieve the following objectives, net of all fees, over a five-year moving timeframe:

1. The Invested Funds' total expected return should exceed the increase in the Consumer Price Index by a minimum of 2% over a full market cycle of 3-5 years.

Commented [CJ5]: Great Addition

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

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

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

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

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

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

The Board intends to invest in a diversified portfolio of ~~publically-traded~~ publicly traded stocks and exchange-traded funds (ETFs), and corporate bonds, U.S. government bonds, U.S. government asset backed/CMO securities, municipal bonds, foreign fixed income securities, and mutual funds with the intent of achieving long-term returns.

Investments in Fixed-Term Instruments

It is the intent of this policy that the fixed-term investment allocation will be invested in a conservative manner. Consistent with that intent, when investing in individual bonds in a non-managed approach, all investments in corporate debt must be in entities rated at least ~~Baa- Ba~~ by Moody's or ~~BBB- BB-~~ by S&P. For commercial paper, the minimum rating is P1 from Moody's or A1 from S&P. In the case of investments in bond mutual funds, institutional bond managers, or ETF's, the average rating must be above the rating level indicated. Bond mutual funds should be analyzed and monitored for manager tenure, reasonable expenses, a long-term track record, and good relative performance compared to their fund peer group.

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

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

Commented [CJ6]: This is below investment grade for bonds. Instead I would adjust the language to allow for institutional bond managers.

Commented [DN7R6]: Added language about non-managed approach

institution for its Operating Funds.

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

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

Investments in Equity Instruments

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

Commented [JKK8]: I was not sure if this is the intent but felt sentence was missing something.

When investing in equity mutual funds or ETF's, particular care must be taken to keep costs of ownership as low as practical. These costs include, but are not limited to, brokerage fees and annual fund fees, transaction fees, and similar. Equity mutual funds should be analyzed and monitored for manager tenure, reasonable expenses, a long-term track record, and good relative performance compared to their fund peer group.

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

Asset Allocation and Fund Investment Process

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

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

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

with such Advisor.

The tasks of the Advisor include:

- ~~(1)~~ assisting the Board with compliance with this Cash Management and Investment Policy with regard to the assets to which the Advisor is providing advice and services.
 - ~~(1)(2)~~ evaluating the preliminary-allocation between fixed-term investments and equity investments,
 - ~~(2)(3)~~ evaluating the preliminary-allocations and fund selections within the fixed-term and equity components,
 - ~~(3)(4)~~ providing an overview of past economic activity and market conditions,
 - ~~(4)(5)~~ providing an assessment of future economic and market conditions and expectations,
 - ~~(5)(6)~~ meeting with the Committee in preparation of a joint report to be presented to the Board and
 - ~~(6)(7)~~ other agreed-upon tasks.
-

Appendix

Fund Allocations and Recommended Investments

For the Invested Funds the investment policy allows flexibility according to market and economic conditions. The equity allocation can range from 30% to 50% and the fixed income allocation can range from 50%-70%, with target allocations outlined below.

Operating Funds	Checking Accounts
	Money Market Accounts
Reserve Funds	Short Term (1 year or less) Bond Funds, Treasuries, CDs or CDARs Money Markets
Invested Funds	Fixed Income Target: 55%-65%
	Equities Target: 35%-45%

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

Adopted by the Board on November 22, 2021
Amended by the Board on Month Day, 2023

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

Purpose of the Cash Management and Investment Policy

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

1. State in a written document the Board's expectations, objectives, and guidance for the investment of cash assets.
2. Define and assign the responsibilities of all involved parties.
3. Establish criteria to evaluate investment performance and the performance of those selected to manage the Board's investment funds on a regular basis.

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

Investment Committee

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

The Committee shall have the following responsibilities:

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

Cash and Investments

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

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

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

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

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

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

In addition, Executive staff will obtain and monitor monthly investment activity reports to assist the Committee in its oversight role.

Operating Funds

Purpose

The purpose of the Operating Funds is to provide sufficient cash to meet the financial obligations of the Board's daily operations.

Investment Objectives

The investment objectives of the Operating Fund are:

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

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

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

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

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

Reserve Funds

Purpose

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

Investment Objectives

The investment objectives of the Reserve Fund are:

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

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

Invested Funds

Purpose

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

Investment Objectives

The Board's investment objectives are to safeguard its assets, preserve the real purchasing power of its assets, and diversify its assets while earning investment returns that are commensurate with the Board's risk tolerance. The Board's risk tolerance is generally described as "conservative growth & income over a time horizon of 10+ years to support moderate liquidity needs". It is understood that fluctuating rates of return are characteristic of the securities markets. Recognizing that short-term market fluctuations may cause variations in the account performance, the portfolio is expected to achieve the following objectives, net of all fees, over a five-year moving timeframe:

1. The Invested Funds' total expected return should exceed the increase in the Consumer Price Index by a minimum of 2% over a full market cycle of 3-5 years.

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

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

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

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

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

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

The Board intends to invest in a diversified portfolio of publicly traded stocks and exchange-traded funds (ETFs), corporate bonds, U.S. government bonds, U.S. government asset backed/CMO securities, municipal bonds, foreign fixed income securities, and mutual funds with the intent of achieving long-term returns.

Investments in Fixed-Term Instruments

It is the intent of this Policy that the fixed-term investment allocation will be invested in a conservative manner. Consistent with that intent, when investing in individual bonds in a non-managed approach, all investments in corporate debt must be in entities rated at least Ba by Moody's or BB- by S&P. For commercial paper, the minimum rating is P1 from Moody's or A1 from S&P. In the case of investments in bond mutual funds, institutional bond managers, or ETF's, the average rating must be above the rating level indicated. Bond mutual funds should be analyzed and monitored for manager tenure, reasonable expenses, a long-term track record, and good relative performance compared to their fund peer group.

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

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

institution for its Operating Funds.

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

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

Investments in Equity Instruments

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

When investing in equity mutual funds or ETF's, particular care must be taken to keep costs of ownership as low as practical. These costs include, but are not limited to, brokerage fees and annual fund fees, transaction fees, and similar. Equity mutual funds should be analyzed and monitored for manager tenure, reasonable expenses, a long-term track record, and good relative performance compared to their fund peer group.

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

Asset Allocation and Fund Investment Process

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

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

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

The tasks of the Advisor include:

- (1) assist the Board with compliance with this Cash Management and Investment Policy with regard to the assets to which the Advisor is providing advice and services.
- (2) evaluating the allocation between fixed-term investments and equity investments,
- (3) evaluating the allocations and fund selections within the fixed-term and equity components,
- (4) providing an overview of past economic activity and market conditions,
- (5) providing an assessment of future economic and market conditions and expectations,
- (6) meeting with the Committee in preparation of a joint report to be presented to the Board and
- (7) other agreed-upon tasks.

Appendix

Fund Allocations and Recommended Investments

For the Invested Funds, the investment policy allows flexibility according to market and economic conditions. The equity allocation can range from 30% to 50% and the fixed income allocation can range from 50%-70%, with target allocations outlined below.

Operating Funds	Checking Accounts
	Money Market Accounts
Reserve Funds	Short Term (1 year or less) Bond Funds, Treasuries, CDs or CDARs Money Markets
Invested Funds	Fixed Income Target: 55%-65%
	Equities Target: 35%-45%

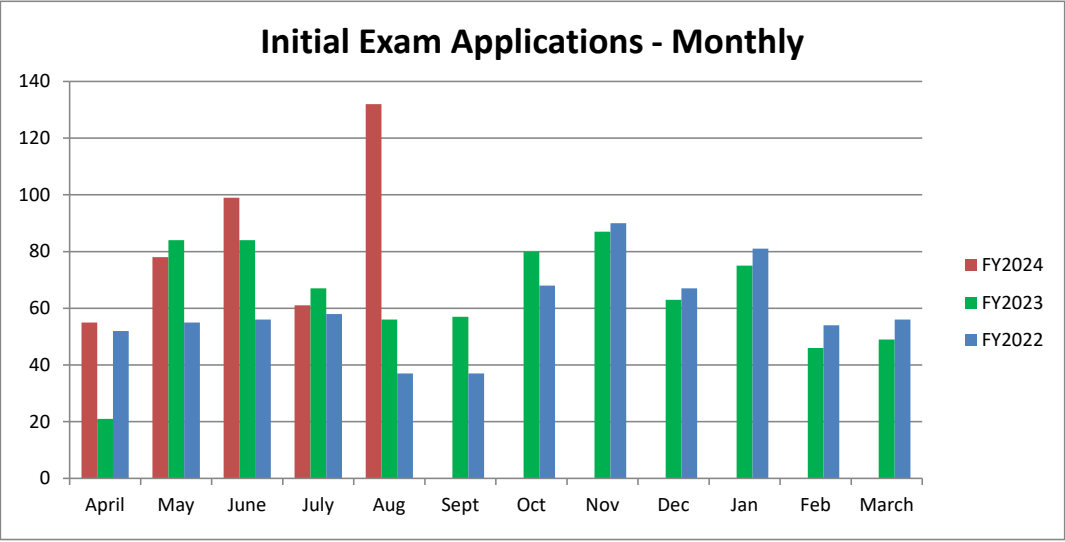
The Invested Funds portion of Board assets will be invested in a diversified portfolio based on the recommendations of the Investment Committee and the Advisor. In no event shall the equity investment exceed 60% for a period longer than one calendar year quarter.

Adopted by the Board on November 22, 2021
Amended by the Board on Month Day, 2023

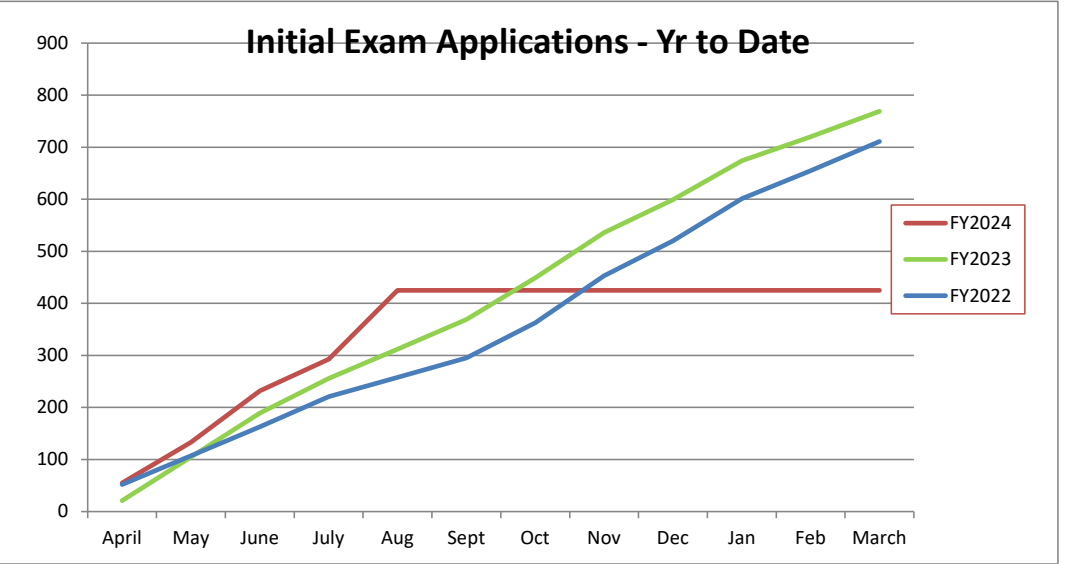
NC State Board of CPA Examiners
Monthly and Year-to-Date Operational Metrics

Exam Applications					
IntEx	2024	2023	2022	2021	2020
Mth	#	#	#	#	#
April	55	21	52	14	61
May	78	84	55	59	70
June	99	84	56	87	62
July	61	67	58	71	92
Aug	132	56	37	18	51
Sept	0	57	37	56	54
Oct	0	80	68	85	62
Nov	0	87	90	78	58
Dec	0	63	67	61	83
Jan	0	75	81	66	111
Feb	0	46	54	66	70
March	0	49	56	46	41

Avg	85	64	59	59	68
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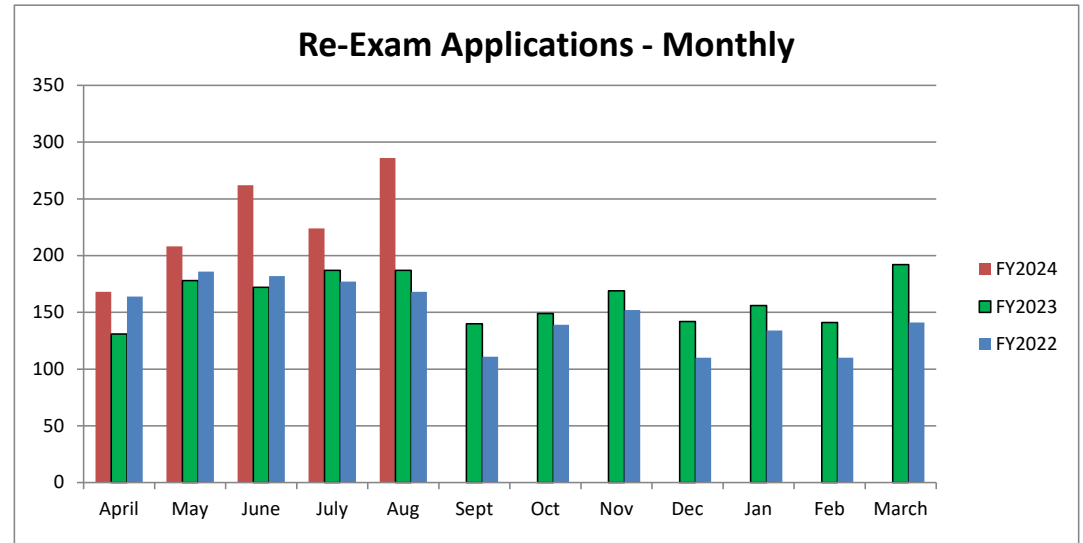
Exam Applications					
IntEx	2024	2023	2022	2021	2020
Mth	Sum	Sum	Sum	Sum	Sum
April	55	21	52	14	61
May	133	105	107	73	131
June	232	189	163	160	193
July	293	256	221	231	285
Aug	425	312	258	249	336
Sept	425	369	295	305	390
Oct	425	449	363	390	452
Nov	425	536	453	468	510
Dec	425	599	520	529	593
Jan	425	674	601	595	704
Feb	425	720	655	661	774
March	425	769	711	707	815



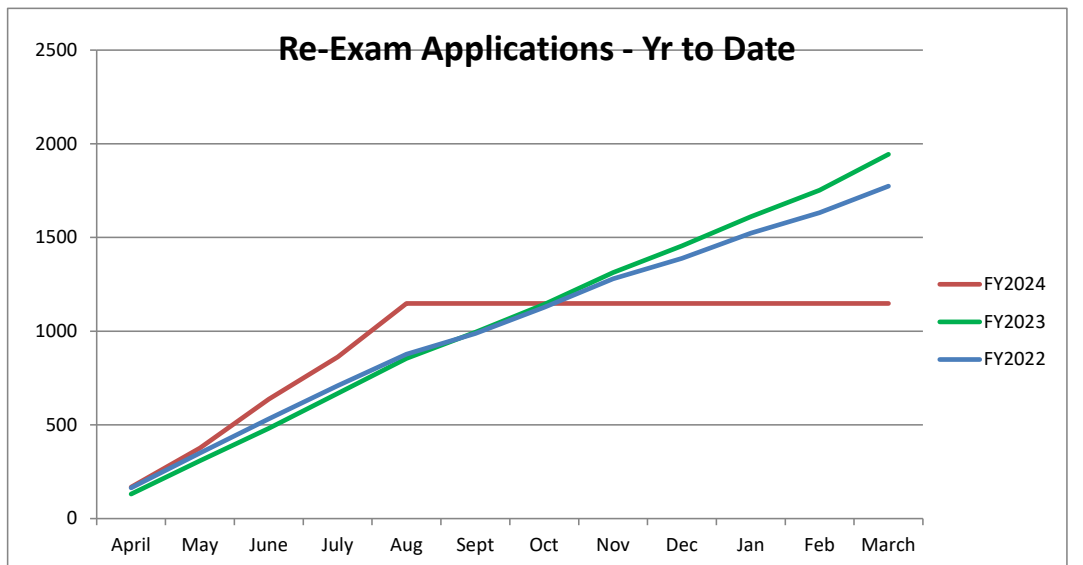
NC State Board of CPA Examiners

Monthly and Year-to-Date Operational Metrics

Exam Applications					
Re-Ex	2024	2023	2022	2021	2020
Mth	#	#	#	#	#
April	168	131	164	84	195
May	208	178	186	174	196
June	262	172	182	176	222
July	224	187	177	150	172
Aug	286	187	168	79	164
Sept	0	140	111	215	185
Oct	0	149	139	155	194
Nov	0	169	152	145	144
Dec	0	142	110	146	177
Jan	0	156	134	150	145
Feb	0	141	110	142	112
March	0	192	141	147	139
Avg	230	162	148	147	170



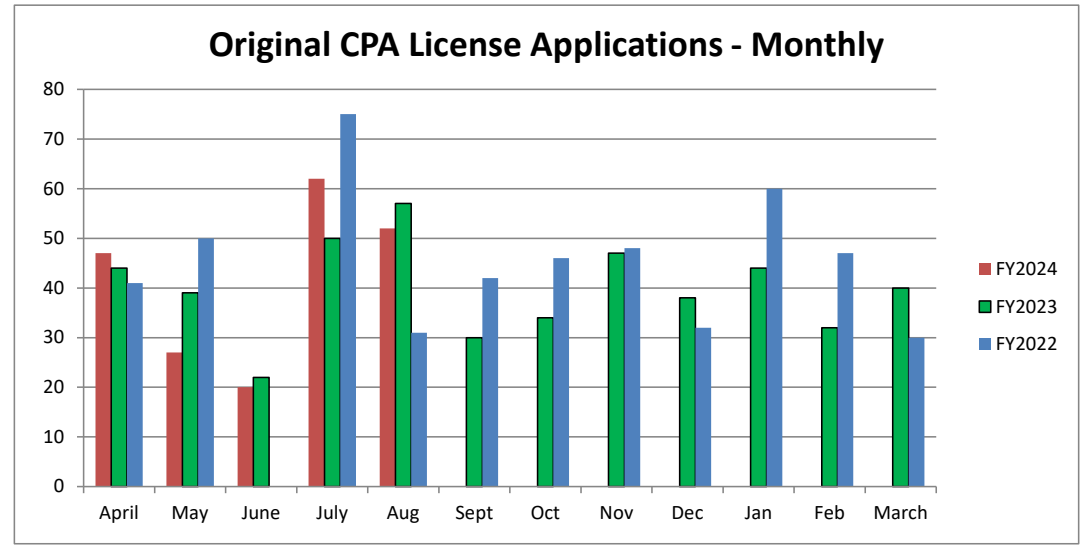
Exam Applications					
Re-Ex	2024	2023	2022	2021	2020
Mth	Sum	Sum	Sum	Sum	Sum
April	168	131	164	84	195
May	376	309	350	258	391
June	638	481	532	434	613
July	862	668	709	584	785
Aug	1148	855	877	663	949
Sept	1148	995	988	878	1134
Oct	1148	1144	1127	1033	1328
Nov	1148	1313	1279	1178	1472
Dec	1148	1455	1389	1324	1649
Jan	1148	1611	1523	1474	1794
Feb	1148	1752	1633	1616	1906
March	1148	1944	1774	1763	2045



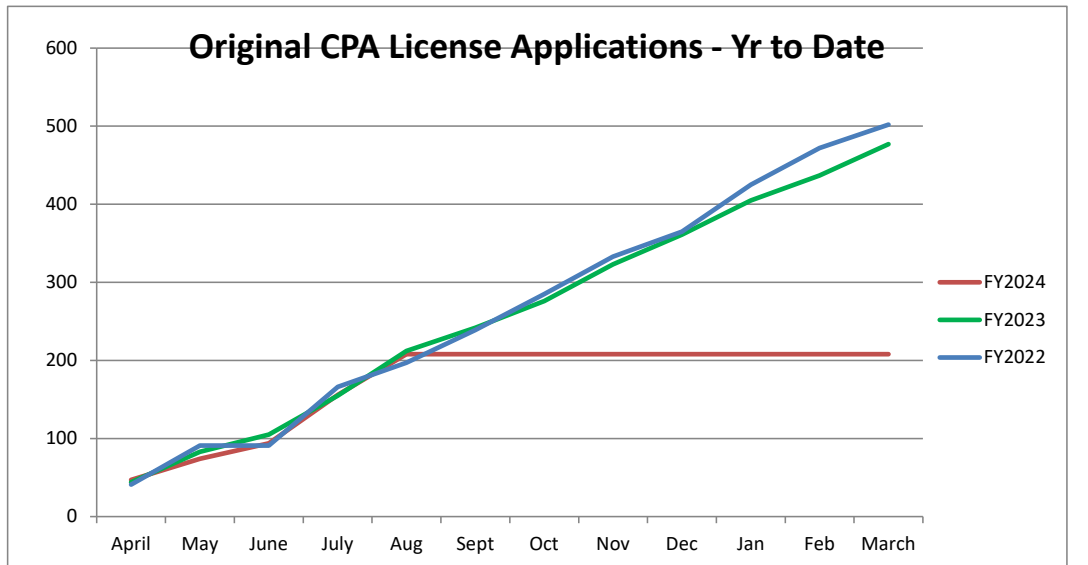
NC State Board of CPA Examiners

Monthly and Year-to-Date Operational Metrics

License Applications					
OrgL	2024	2023	2022	2021	2020
Mth	#	#	#	#	#
April	47	44	41	14	42
May	27	39	50	0	37
June	20	22	0	0	0
July	62	50	75	48	62
Aug	52	57	31	32	49
Sept	0	30	42	43	84
Oct	0	34	46	47	36
Nov	0	47	48	56	62
Dec	0	38	32	46	1
Jan	0	44	60	72	112
Feb	0	32	47	78	50
March	0	40	30	31	44
Avg	42	40	42	39	48

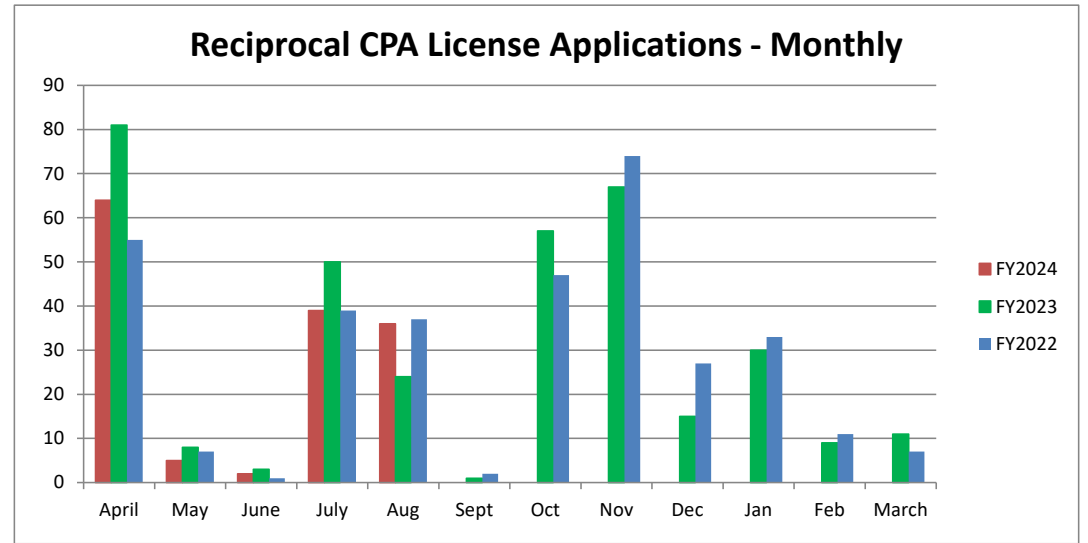


License Applications					
OrgL	2024	2023	2022	2021	2020
Mth	Sum	Sum	Sum	Sum	Sum
April	47	44	41	14	42
May	74	83	91	14	79
June	94	105	91	14	79
July	156	155	166	62	141
Aug	208	212	197	94	190
Sept	208	242	239	137	274
Oct	208	276	285	184	310
Nov	208	323	333	240	372
Dec	208	361	365	286	373
Jan	208	405	425	358	485
Feb	208	437	472	436	535
March	208	477	502	467	579

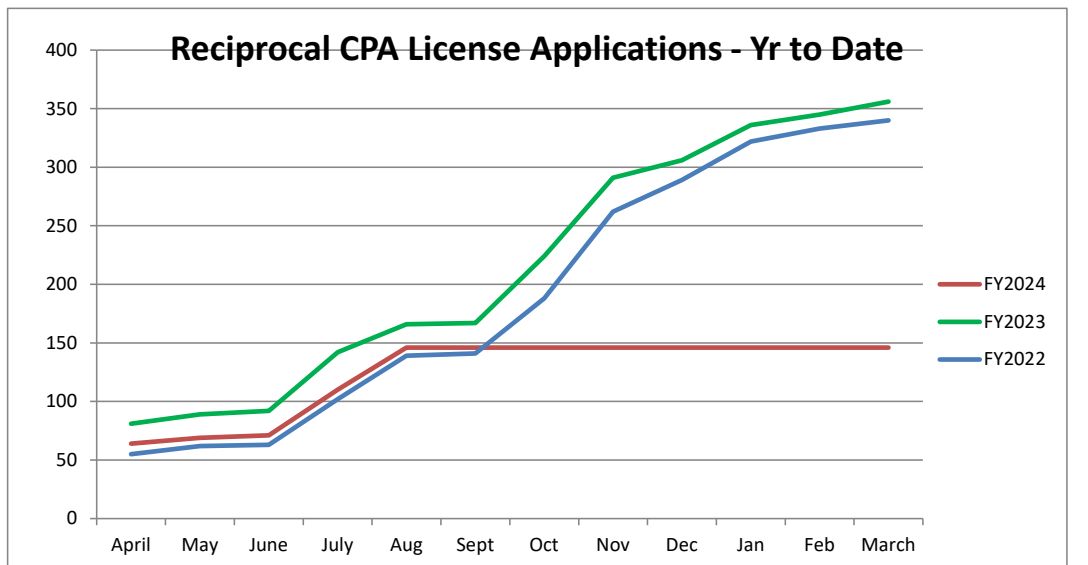


NC State Board of CPA Examiners Monthly and Year-to-Date Operational Metrics

License Applications					
Recp	2024	2023	2022	2021	2020
Mth	#	#	#	#	#
April	64	81	55	57	70
May	5	8	7	7	9
June	2	3	1	0	2
July	39	50	39	31	37
Aug	36	24	37	27	44
Sept	0	1	2	3	2
Oct	0	57	47	44	56
Nov	0	67	74	61	69
Dec	0	15	27	10	26
Jan	0	30	33	22	17
Feb	0	9	11	4	10
March	0	11	7	0	8
Avg	29	30	28	22	29



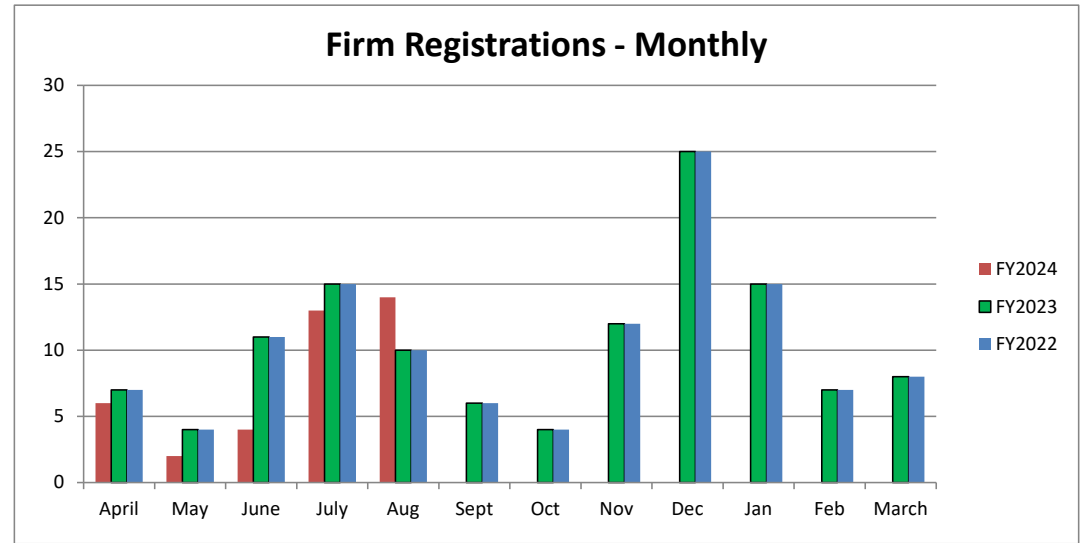
License Applications					
Recp	2024	2023	2022	2021	2020
Mth	Sum	Sum	Sum	Sum	Sum
April	64	81	55	57	70
May	69	89	62	64	79
June	71	92	63	64	81
July	110	142	102	95	118
Aug	146	166	139	122	162
Sept	146	167	141	125	164
Oct	146	224	188	169	220
Nov	146	291	262	230	289
Dec	146	306	289	240	315
Jan	146	336	322	262	332
Feb	146	345	333	266	342
March	146	356	340	266	350



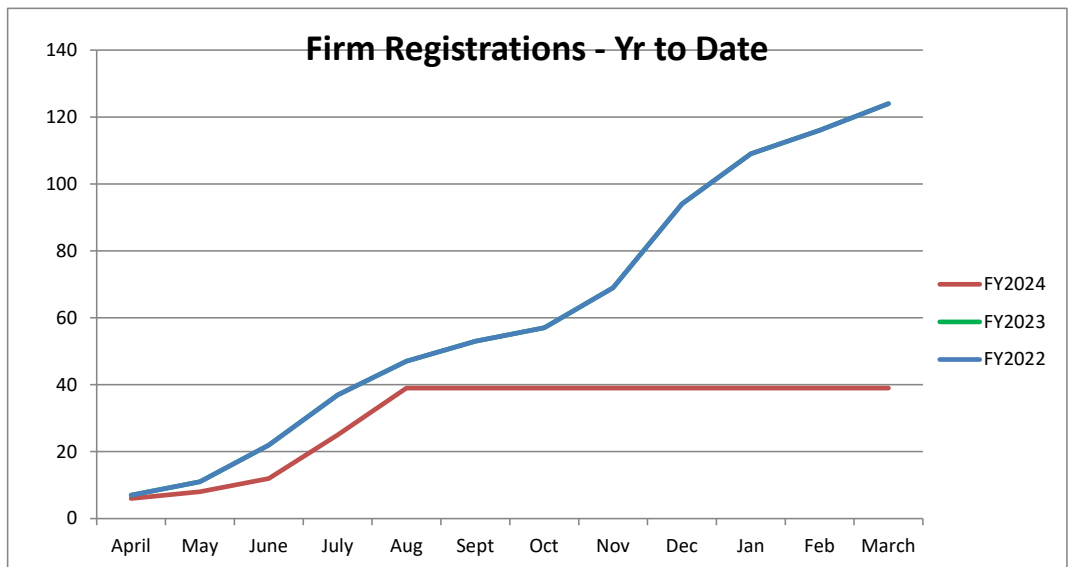
NC State Board of CPA Examiners

Monthly and Year-to-Date Operational Metrics

Firm Registration					
Firm	2024	2023	2022	2021	2020
Mth	#	#	#	#	#
April	6	7	7	3	7
May	2	4	4	12	14
June	4	11	11	10	25
July	13	15	15	10	11
Aug	14	10	10	14	6
Sept	0	6	6	11	5
Oct	0	4	4	7	11
Nov	0	12	12	6	12
Dec	0	25	25	9	16
Jan	0	15	15	20	26
Feb	0	7	7	8	11
March	0	8	8	16	5
Avg	8	10	10	11	12



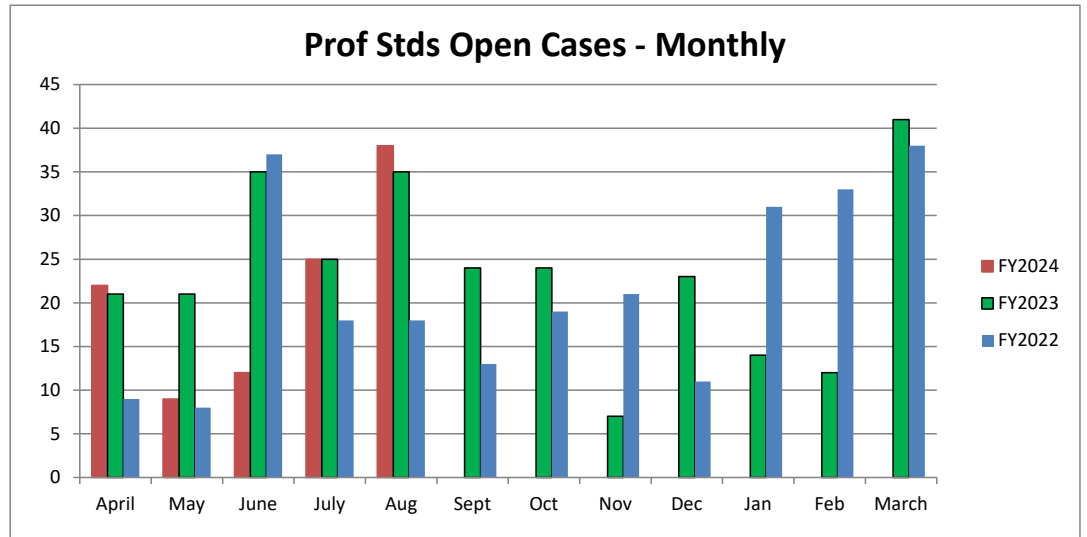
Firm Registration					
Firm	2024	2023	2022	2021	2020
Mth	Sum	Sum	Sum	Sum	Sum
April	6	7	7	3	7
May	8	11	11	15	21
June	12	22	22	25	46
July	25	37	37	35	57
Aug	39	47	47	49	63
Sept	39	53	53	60	68
Oct	39	57	57	67	79
Nov	39	69	69	73	91
Dec	39	94	94	82	107
Jan	39	109	109	102	133
Feb	39	116	116	110	144
March	39	124	124	126	149



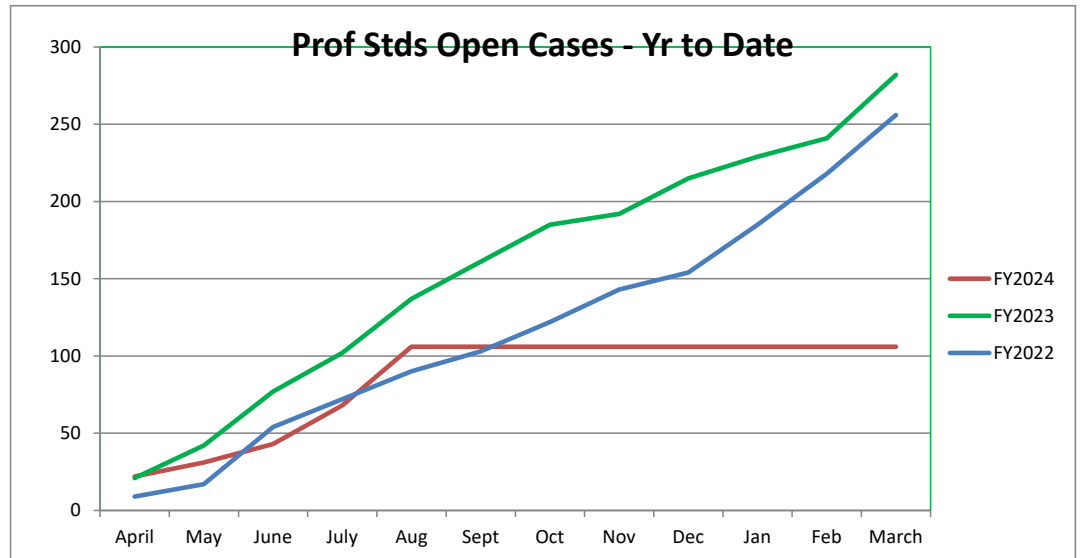
NC State Board of CPA Examiners Monthly and Year-to-Date Operational Metrics

Prf Stds Cases					
Open	2024	2023	2022	2021	2020
Mth	#	#	#	#	#
April	22	21	9	7	28
May	9	21	8	9	18
June	12	35	37	12	25
July	25	25	18	30	37
Aug	38	35	18	27	67
Sept	0	24	13	13	14
Oct	0	24	19	17	14
Nov	0	7	21	10	11
Dec	0	23	11	13	31
Jan	0	14	31	21	33
Feb	0	12	33	12	16
March	0	41	38	29	18

Avg	21	24	21	17	26
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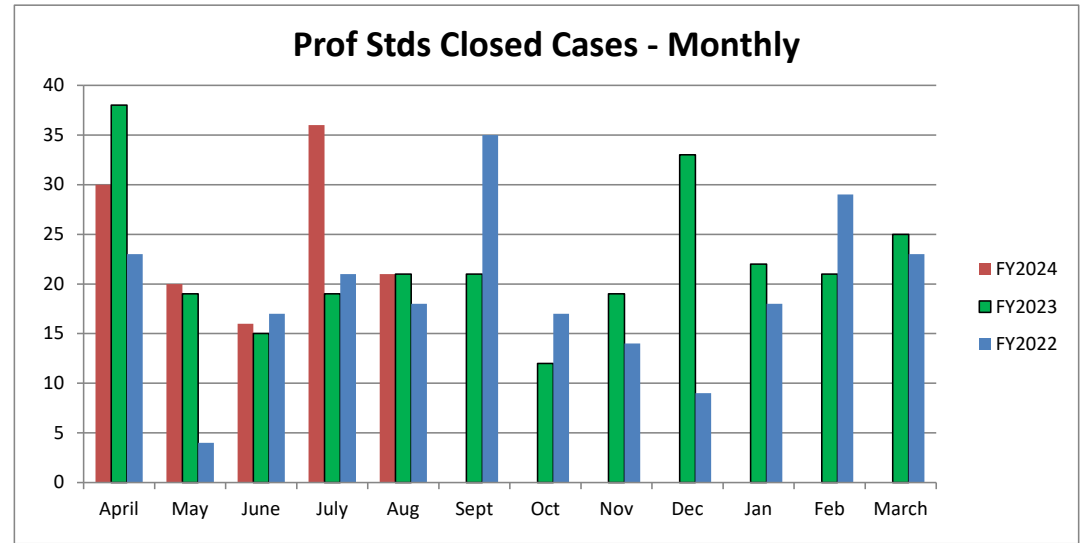


Prf Stds Cases					
Open	2024	2023	2022	2021	2020
Mth	Sum	Sum	Sum	Sum	Sum
April	22	21	9	7	28
May	31	42	17	16	46
June	43	77	54	28	71
July	68	102	72	58	108
Aug	106	137	90	85	175
Sept	106	161	103	98	189
Oct	106	185	122	115	203
Nov	106	192	143	125	214
Dec	106	215	154	138	245
Jan	106	229	185	159	278
Feb	106	241	218	171	294
March	106	282	256	200	312

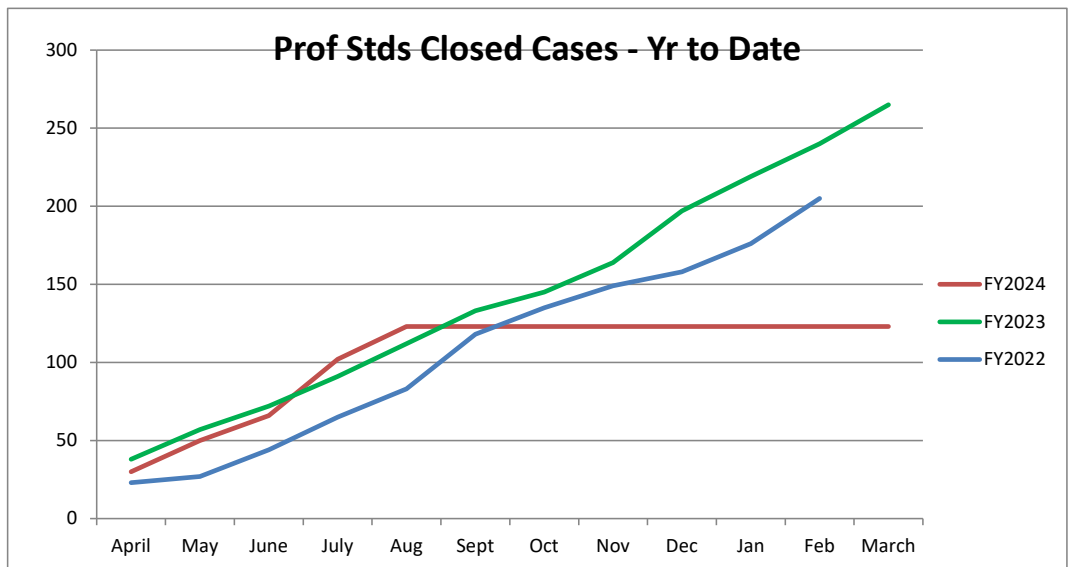


NC State Board of CPA Examiners Monthly and Year-to-Date Operational Metrics

Prf Stds Cases					
Closed	2024	2023	2022	2021	2020
Mth	#	#	#	#	#
April	30	38	23	17	30
May	20	19	4	23	25
June	16	15	17	23	26
July	36	19	21	23	21
Aug	21	21	18	16	49
Sept	0	21	35	17	26
Oct	0	12	17	12	39
Nov	0	19	14	24	23
Dec	0	33	9	12	25
Jan	0	22	18	19	25
Feb	0	21	29	27	23
March	0	25	23	17	19
Avg	25	22	19	19	28



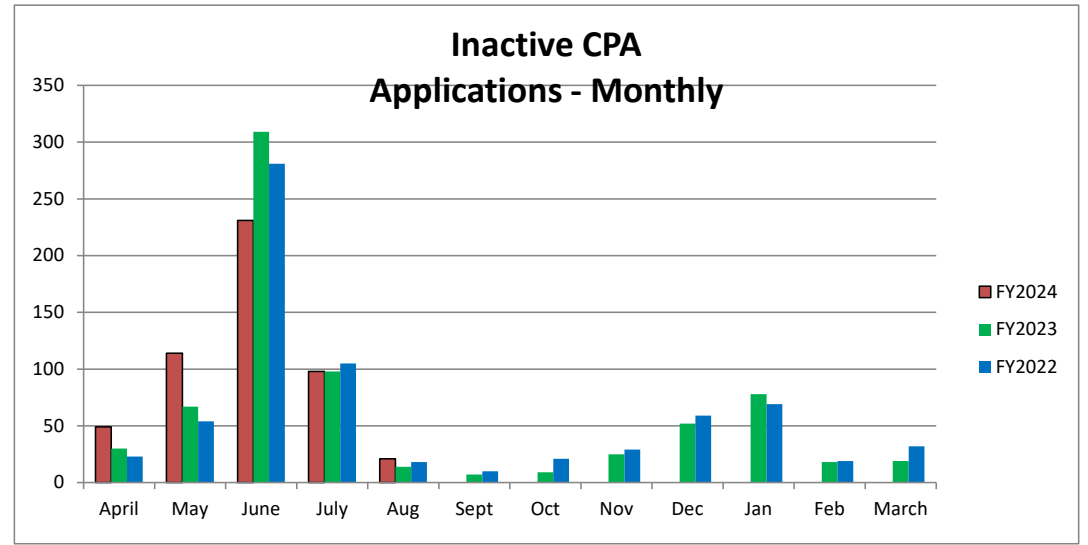
Prf Stds Cases					
Closed	2024	2023	2022	2021	2020
Mth	Sum	Sum	Sum	Sum	Sum
April	30	38	23	17	30
May	50	57	27	40	55
June	66	72	44	63	81
July	102	91	65	86	102
Aug	123	112	83	102	151
Sept	123	133	118	119	177
Oct	123	145	135	131	216
Nov	123	164	149	155	239
Dec	123	197	158	167	264
Jan	123	219	176	186	289
Feb	123	240	205	213	312
March	123	265	228	230	331



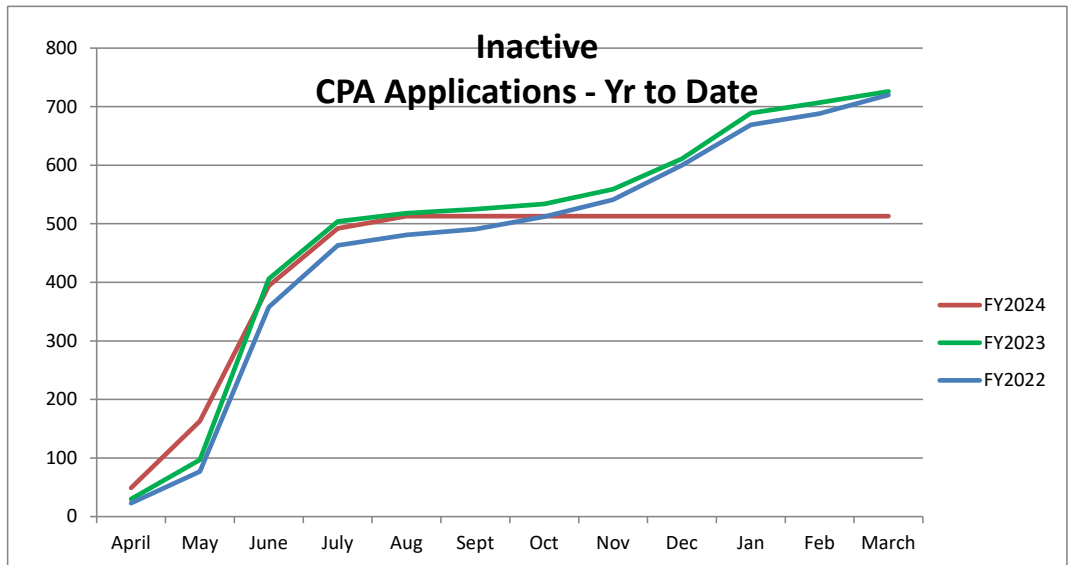
NC State Board of CPA Examiners

Monthly and Year-to-Date Operational Metrics

Inactive Applications					
InAct	2024	2023	2022	2021	2020
Mth	#	#	#	#	#
April	49	30	23	17	30
May	114	67	54	88	58
June	231	309	281	234	221
July	98	98	105	116	123
Aug	21	14	18	7	9
Sept	0	7	10	6	11
Oct	0	9	21	13	20
Nov	0	25	29	21	26
Dec	0	52	59	55	73
Jan	0	78	69	53	32
Feb	0	18	19	9	15
March	0	19	32	21	6
Avg	103	61	60	53	52



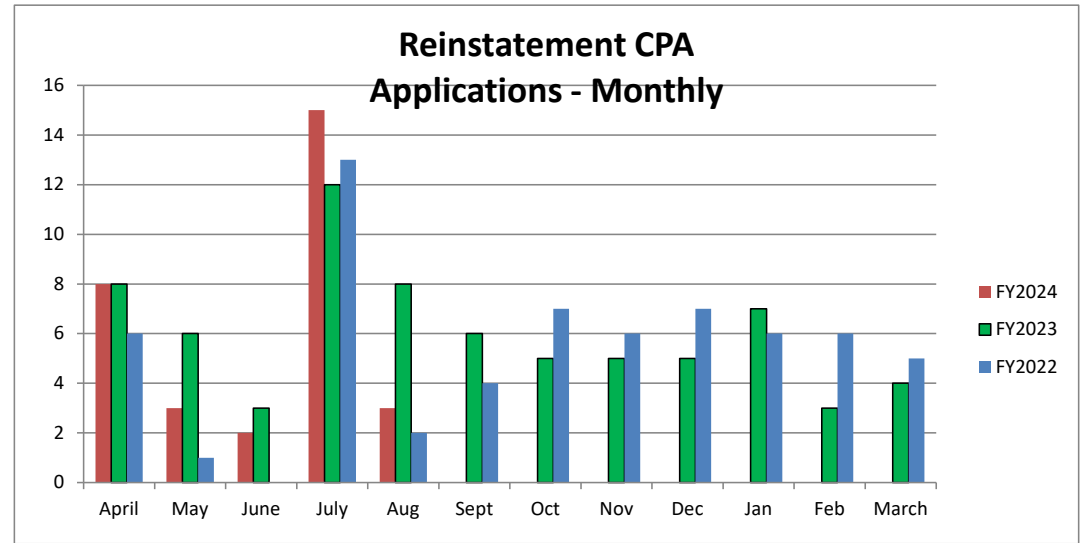
Inactive Applications					
InAct	2024	2023	2022	2021	2020
Mth	Sum	Sum	Sum	Sum	Sum
April	49	30	23	17	30
May	163	97	77	105	88
June	394	406	358	339	309
July	492	504	463	455	432
Aug	513	518	481	462	441
Sept	513	525	491	468	452
Oct	513	534	512	481	472
Nov	513	559	541	502	498
Dec	513	611	600	557	571
Jan	513	689	669	610	603
Feb	513	707	688	619	618
March	513	726	720	640	624



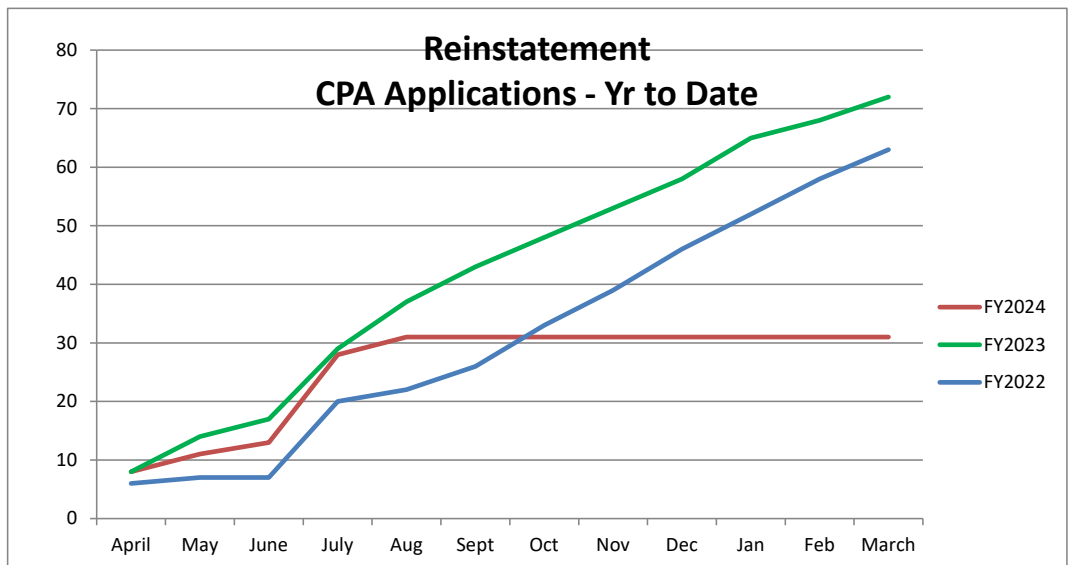
NC State Board of CPA Examiners

Monthly and Year-to-Date Operational Metrics

Reinstatement Applications					
Re-Inst	2024	2023	2022	2021	2020
Mth	#	#	#	#	#
April	8	8	6	1	3
May	3	6	1	4	9
June	2	3	0	4	2
July	15	12	13	11	8
Aug	3	8	2	5	9
Sept	0	6	4	5	8
Oct	0	5	7	4	4
Nov	0	5	6	6	5
Dec	0	5	7	5	6
Jan	0	7	6	7	10
Feb	0	3	6	14	12
March	0	4	5	6	6
Avg	8	6	5	6	7

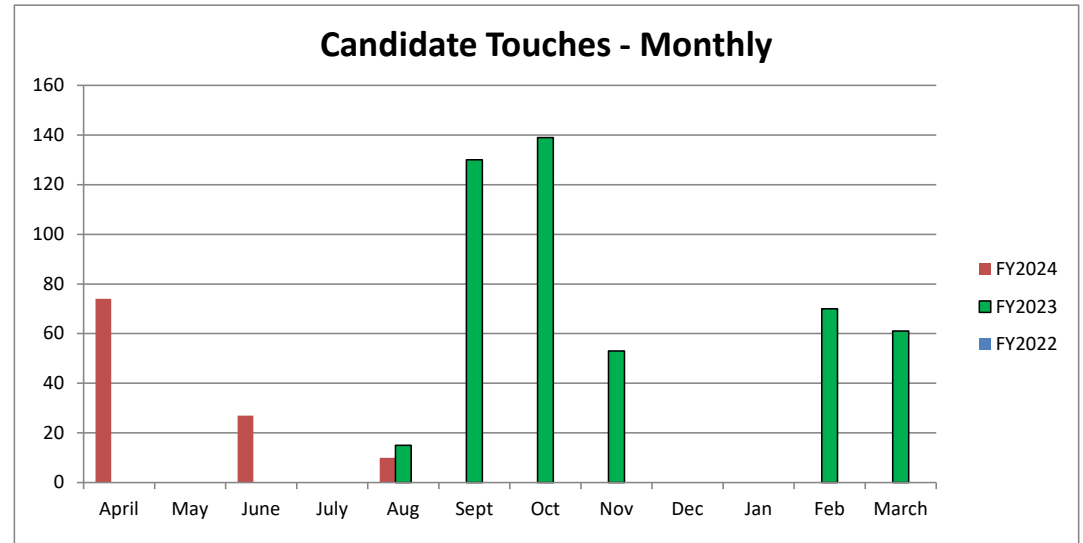


Reinstatement Applications					
Re-Inst	2024	2023	2022	2021	2020
Mth	Sum	Sum	Sum	Sum	Sum
April	8	8	6	1	3
May	11	14	7	5	12
June	13	17	7	9	14
July	28	29	20	20	22
Aug	31	37	22	25	31
Sept	31	43	26	30	39
Oct	31	48	33	34	43
Nov	31	53	39	40	48
Dec	31	58	46	45	54
Jan	31	65	52	52	64
Feb	31	68	58	66	76
March	31	72	63	72	82



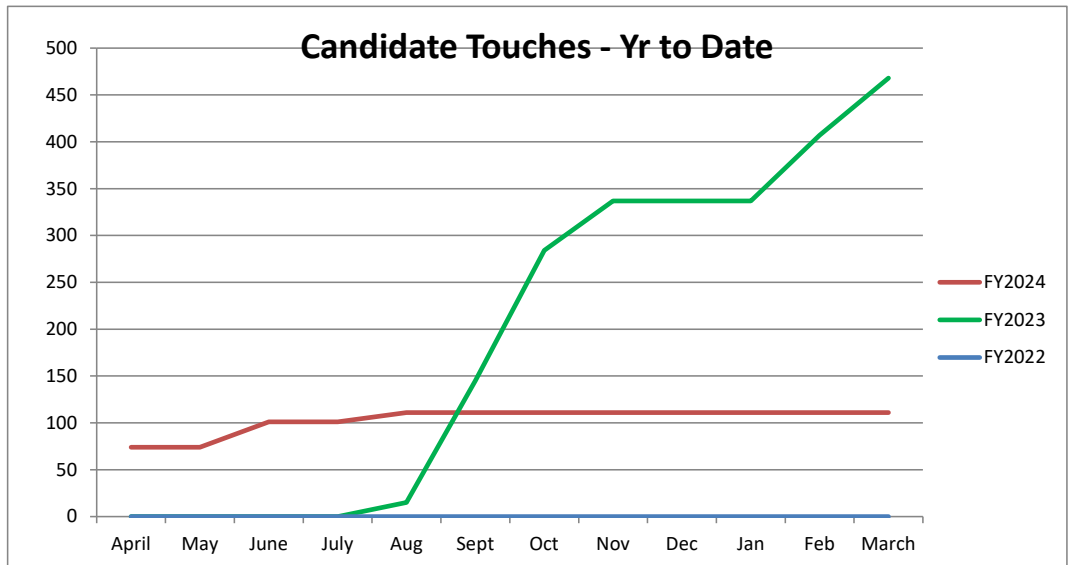
NC State Board of CPA Examiners Monthly and Year-to-Date Operational Metrics

Candidate Touches*					
Count	2024	2023	2022	2021	2020
Mth	#	#	#	#	#
April	74	0	0	0	0
May	0	0	0	0	0
June	27	0	0	0	0
July	0	0	0	0	0
Aug	10	15	0	0	0
Sept	0	130	0	0	0
Oct	0	139	0	0	0
Nov	0	53	0	0	0
Dec	0	0	0	0	0
Jan	0	0	0	0	0
Feb	0	70	0	0	0
March	0	61	0	0	0
Avg	22	39	0	0	0



* Candidate Presentations as scheduled in concert with needs of various campuses, not including instructors and staff
Started tracking 8/22

Candidate Touches					
Count	2024	2023	2022	2021	2020
Mth	Sum	Sum	Sum	Sum	Sum
April	74	0	0	0	0
May	74	0	0	0	0
June	101	0	0	0	0
July	101	0	0	0	0
Aug	111	15	0	0	0
Sept	111	145	0	0	0
Oct	111	284	0	0	0
Nov	111	337	0	0	0
Dec	111	337	0	0	0
Jan	111	337	0	0	0
Feb	111	407	0	0	0
March	111	468	0	0	0



Exam Applications			Certificate Applications			CPA Firm Registrations		Professional Stds Cases					Inactive		Reinstatement		Candidate Touches	
Month	Initial	Re-Exam	Month	Original	Reciprocal	Month	Total	Month	Begin Bal	Open	Closed	End Bal	Month	Total	Month	Total	Month	Total
Jan-15	107	130	Jan-15	96	51	Jan-15	18	Jan-15	202	66	54	214	Jan-15	47	Jan-15	13	Jan-15	0
Feb-15	62	110	Feb-15	64	16	Feb-15	20	Feb-15	214	22	40	196	Feb-15	13	Feb-15	11	Feb-15	0
Mar-15	82	227	Mar-15	48	4	Mar-15	12	Mar-15	196	40	38	198	Mar-15	18	Mar-15	5	Mar-15	0
Apr-15	97	180	Apr-15	48	61	Apr-15	18	Apr-15	198	7	38	167	Apr-15	29	Apr-15	12	Apr-15	0
May-15	78	151	May-15	40	11	May-15	11	May-15	167	26	18	175	May-15	73	May-15	5	May-15	0
Jun-15	77	312	Jun-15	0	4	Jun-15	17	Jun-15	175	6	21	160	Jun-15	126	Jun-15	0	Jun-15	0
Jul-15	66	178	Jul-15	60	54	Jul-15	13	Jul-15	160	10	32	138	Jul-15	90	Jul-15	9	Jul-15	0
Aug-15	52	155	Aug-15	100	21	Aug-15	11	Aug-15	138	31	27	142	Aug-15	6	Aug-15	15	Aug-15	0
Sep-15	51	296	Sep-15	44	5	Sep-15	25	Sep-15	142	27	33	136	Sep-15	7	Sep-15	3	Sep-15	0
Oct-15	64	154	Oct-15	74	70	Oct-15	13	Oct-15	136	53	32	157	Oct-15	21	Oct-15	8	Oct-15	0
Nov-15	62	151	Nov-15	45	27	Nov-15	14	Nov-15	157	26	25	158	Nov-15	25	Nov-15	10	Nov-15	0
Dec-15	139	276	Dec-15	0	2	Dec-15	22	Dec-15	158	9	24	143	Dec-15	35	Dec-15	5	Dec-15	0
Jan-16	121	139	Jan-16	133	36	Jan-16	28	Jan-16	143	12	17	138	Jan-16	42	Jan-16	22	Jan-16	0
Feb-16	101	141	Feb-16	68	12	Feb-16	16	Feb-16	138	17	21	134	Feb-16	17	Feb-16	9	Feb-16	0
Mar-16	92	305	Mar-16	43	3	Mar-16	17	Mar-16	134	34	19	149	Mar-16	19	Mar-16	9	Mar-16	0
Apr-16	97	191	Apr-16	60	69	Apr-16	3	Apr-16	149	27	31	145	Apr-16	38	Apr-16	12	Apr-16	0
May-16	85	203	May-16	42	18	May-16	14	May-16	145	16	23	138	May-16	63	May-16	12	May-16	0
Jun-16	110	266	Jun-16	0	2	Jun-16	8	Jun-16	138	33	20	151	Jun-16	150	Jun-16	0	Jun-16	0
Jul-16	74	204	Jul-16	96	53	Jul-16	6	Jul-16	151	17	42	126	Jul-16	60	Jul-16	17	Jul-16	0
Aug-16	85	237	Aug-16	36	8	Aug-16	14	Aug-16	126	68	27	167	Aug-16	14	Aug-16	6	Aug-16	0
Sep-16	83	297	Sep-16	42	4	Sep-16	8	Sep-16	167	65	27	205	Sep-16	6	Sep-16	6	Sep-16	0
Oct-16	60	177	Oct-16	56	82	Oct-16	9	Oct-16	205	53	53	205	Oct-16	12	Oct-16	16	Oct-16	0
Nov-16	104	183	Nov-16	72	32	Nov-16	14	Nov-16	205	22	72	155	Nov-16	27	Nov-16	8	Nov-16	0
Dec-16	115	276	Dec-16	0	4	Dec-16	30	Dec-16	155	7	26	136	Dec-16	59	Dec-16	4	Dec-16	0
Jan-17	129	189	Jan-17	108	34	Jan-17	24	Jan-17	136	35	49	122	Jan-17	34	Jan-17	11	Jan-17	0
Feb-17	58	130	Feb-17	66	17	Feb-17	18	Feb-17	122	17	30	109	Feb-17	16	Feb-17	5	Feb-17	0
Mar-17	67	276	Mar-17	70	12	Mar-17	19	Mar-17	109	16	22	103	Mar-17	24	Mar-17	13	Mar-17	0
Apr-17	55	178	Apr-17	32	68	Apr-17	7	Apr-17	103	30	25	108	Apr-17	50	Apr-17	5	Apr-17	0
May-17	58	182	May-17	51	9	May-17	12	May-17	108	24	16	116	May-17	89	May-17	11	May-17	0
Jun-17	57	159	Jun-17	0	1	Jun-17	16	Jun-17	116	5	18	103	Jun-17	169	Jun-17	0	Jun-17	0
Jul-17	38	146	Jul-17	68	58	Jul-17	19	Jul-17	103	36	16	123	Jul-17	90	Jul-17	18	Jul-17	0
Aug-17	50	187	Aug-17	39	4	Aug-17	22	Aug-17	123	65	29	159	Aug-17	6	Aug-17	11	Aug-17	0
Sep-17	59	267	Sep-17	42	2	Sep-17	14	Sep-17	159	29	42	146	Sep-17	10	Sep-17	10	Sep-17	0
Oct-17	47	196	Oct-17	62	93	Oct-17	23	Oct-17	146	24	17	153	Oct-17	24	Oct-17	4	Oct-17	0
Nov-17	79	126	Nov-17	46	25	Nov-17	15	Nov-17	153	7	18	142	Nov-17	26	Nov-17	2	Nov-17	0
Dec-17	79	154	Dec-17	0	24	Dec-17	15	Dec-17	142	6	23	125	Dec-17	40	Dec-17	10	Dec-17	0
Jan-18	131	178	Jan-18	117	12	Jan-18	30	Jan-18	125	18	15	128	Jan-18	47	Jan-18	4	Jan-18	0
Feb-18	39	107	Feb-18	73	20	Feb-18	18	Feb-18	128	16	11	133	Feb-18	14	Feb-18	14	Feb-18	0
Mar-18	66	236	Mar-18	36	5	Mar-18	10	Mar-18	133	14	14	133	Mar-18	8	Mar-18	6	Mar-18	0
Apr-18	70	211	Apr-18	32	52	Apr-18	12	Apr-18	133	27	16	144	Apr-18	50	Apr-18	7	Apr-18	0
May-18	77	136	May-18	61	13	May-18	13	May-18	144	95	44	195	May-18	73	May-18	7	May-18	0
Jun-18	61	149	Jun-18	0	0	Jun-18	7	Jun-18	195	61	68	188	Jun-18	194	Jun-18	0	Jun-18	0
Jul-18	66	235	Jul-18	57	59	Jul-18	3	Jul-18	188	62	54	196	Jul-18	67	Jul-18	8	Jul-18	0
Aug-18	62	136	Aug-18	41	4	Aug-18	23	Aug-18	196	58	63	191	Aug-18	17	Aug-18	8	Aug-18	0
Sep-18	48	218	Sep-18	44	3	Sep-18	7	Sep-18	191	34	49	176	Sep-18	3	Sep-18	7	Sep-18	0
Oct-18	84	175	Oct-18	77	113	Oct-18	10	Oct-18	176	12	45	143	Oct-18	13	Oct-18	11	Oct-18	0
Nov-18	82	116	Nov-18	70	42	Nov-18	9	Nov-18	143	5	42	106	Nov-18	15	Nov-18	11	Nov-18	0
Dec-18	81	133	Dec-18	2	35	Dec-18	11	Dec-18	106	6	15	97	Dec-18	38	Dec-18	6	Dec-18	0
Jan-19	91	145	Jan-19	108	33	Jan-19	21	Jan-19	97	33	20	110	Jan-19	52	Jan-19	10	Jan-19	0
Feb-19	74	124	Feb-19	57	10	Feb-19	22	Feb-19	110	43	22	131	Feb-19	15	Feb-19	8	Feb-19	0
Mar-19	45	190	Mar-19	35	7	Mar-19	12	Mar-19	131	18	21	128	Mar-19	16	Mar-19	7	Mar-19	0
Apr-19	61	195	Apr-19	42	70	Apr-19	7	Apr-19	128	28	30	126	Apr-19	30	Apr-19	3	Apr-19	0
May-19	70	196	May-19	37	9	May-19	14	May-19	126	18	25	119	May-19	58	May-19	9	May-19	0
Jun-19	62	222	Jun-19	0	2	Jun-19	25	Jun-19	119	25	26	118	Jun-19	221	Jun-19	2	Jun-19	0
Jul-19	92	172	Jul-19	62	37	Jul-19	11	Jul-19	118	37	21	134	Jul-19	123	Jul-19	8	Jul-19	0

Exam Applications			Certificate Applications			CPA Firm Registrations		Professional Stds Cases					Inactive		Reinstatement		Candidate Touches	
Month	Initial	Re-Exam	Month	Original	Reciprocal	Month	Total	Month	Begin Bal	Open	Closed	End Bal	Month	Total	Month	Total	Month	Total
Aug-19	51	164	Aug-19	49	44	Aug-19	6	Aug-19	134	67	49	152	Aug-19	9	Aug-19	9	Aug-19	0
Sep-19	54	185	Sep-19	84	2	Sep-19	5	Sep-19	152	14	26	140	Sep-19	11	Sep-19	8	Sep-19	0
Oct-19	62	194	Oct-19	36	56	Oct-19	11	Oct-19	140	14	39	115	Oct-19	20	Oct-19	4	Oct-19	0
Nov-19	58	144	Nov-19	62	69	Nov-19	12	Nov-19	115	11	23	103	Nov-19	26	Nov-19	5	Nov-19	0
Dec-19	83	177	Dec-19	1	26	Dec-19	16	Dec-19	103	31	25	109	Dec-19	73	Dec-19	6	Dec-19	0
Jan-20	111	145	Jan-20	112	17	Jan-20	26	Jan-20	109	33	25	117	Jan-20	32	Jan-20	10	Jan-20	0
Feb-20	70	112	Feb-20	50	10	Feb-20	11	Feb-20	117	16	23	110	Feb-20	15	Feb-20	12	Feb-20	0
Mar-20	41	139	Mar-20	44	8	Mar-20	5	Mar-20	110	18	19	109	Mar-20	6	Mar-20	6	Mar-20	0
Apr-20	14	84	Apr-20	14	57	Apr-20	3	Apr-20	109	7	17	99	Apr-20	17	Apr-20	1	Apr-20	0
May-20	59	174	May-20	0	7	May-20	12	May-20	99	9	23	85	May-20	88	May-20	4	May-20	0
Jun-20	87	176	Jun-20	0	0	Jun-20	10	Jun-20	85	12	23	74	Jun-20	234	Jun-20	4	Jun-20	0
Jul-20	71	150	Jul-20	48	31	Jul-20	10	Jul-20	74	30	23	81	Jul-20	116	Jul-20	11	Jul-20	0
Aug-20	18	79	Aug-20	32	27	Aug-20	14	Aug-20	81	27	16	92	Aug-20	7	Aug-20	5	Aug-20	0
Sep-20	56	215	Sep-20	43	3	Sep-20	11	Sep-20	92	13	17	88	Sep-20	6	Sep-20	5	Sep-20	0
Oct-20	85	155	Oct-20	47	44	Oct-20	7	Oct-20	88	17	12	93	Oct-20	13	Oct-20	4	Oct-20	0
Nov-20	78	145	Nov-20	56	61	Nov-20	6	Nov-20	93	10	24	79	Nov-20	21	Nov-20	6	Nov-20	0
Dec-20	61	146	Dec-20	46	10	Dec-20	9	Dec-20	79	13	12	80	Dec-20	55	Dec-20	5	Dec-20	0
Jan-21	66	150	Jan-21	72	22	Jan-21	20	Jan-21	80	21	19	82	Jan-21	53	Jan-21	7	Jan-21	0
Feb-21	66	142	Feb-21	78	4	Feb-21	8	Feb-21	82	12	27	67	Feb-21	9	Feb-21	14	Feb-21	0
Mar-21	46	147	Mar-21	31	0	Mar-21	16	Mar-21	67	29	17	79	Mar-21	21	Mar-21	6	Mar-21	0
Apr-21	52	164	Apr-21	41	55	Apr-21	7	Apr-21	79	9	23	65	Apr-21	23	Apr-21	6	Apr-21	0
May-21	55	186	May-21	50	7	May-21	4	May-21	65	8	4	69	May-21	54	May-21	1	May-21	0
Jun-21	56	182	Jun-21	0	1	Jun-21	11	Jun-21	69	37	17	89	Jun-21	281	Jun-21	0	Jun-21	0
Jul-21	58	177	Jul-21	75	39	Jul-21	15	Jul-21	89	18	21	86	Jul-21	105	Jul-21	13	Jul-21	0
Aug-21	37	168	Aug-21	31	37	Aug-21	10	Aug-21	86	18	18	86	Aug-21	18	Aug-21	2	Aug-21	0
Sep-21	37	111	Sep-21	42	2	Sep-21	6	Sep-21	86	13	35	64	Sep-21	10	Sep-21	4	Sep-21	0
Oct-21	68	139	Oct-21	46	47	Oct-21	4	Oct-21	64	19	17	66	Oct-21	21	Oct-21	7	Oct-21	0
Nov-21	90	152	Nov-21	48	74	Nov-21	12	Nov-21	66	21	14	73	Nov-21	29	Nov-21	6	Nov-21	0
Dec-21	67	110	Dec-21	32	27	Dec-21	25	Dec-21	73	11	9	75	Dec-21	59	Dec-21	7	Dec-21	0
Jan-22	81	134	Jan-22	60	33	Jan-22	15	Jan-22	75	31	18	88	Jan-22	69	Jan-22	6	Jan-22	0
Feb-22	54	110	Feb-22	47	11	Feb-22	7	Feb-22	88	33	29	92	Feb-22	19	Feb-22	6	Feb-22	0
Mar-22	56	141	Mar-22	30	7	Mar-22	8	Mar-22	92	38	23	107	Mar-22	32	Mar-22	5	Mar-22	0
Apr-22	21	131	Apr-22	44	81	Apr-22	2	Apr-22	107	21	38	90	Apr-22	30	Apr-22	8	Apr-22	0
May-22	84	178	May-22	39	8	May-22	6	May-22	90	21	19	92	May-22	67	May-22	6	May-22	0
Jun-22	84	172	Jun-22	22	3	Jun-22	8	Jun-22	92	35	15	112	Jun-22	309	Jun-22	3	Jun-22	0
Jul-22	67	187	Jul-22	50	50	Jul-22	12	Jul-22	112	25	19	118	Jul-22	98	Jul-22	12	Jul-22	0
Aug-22	56	187	Aug-22	57	24	Aug-22	5	Aug-22	118	35	21	132	Aug-22	14	Aug-22	8	Aug-22	15
Sep-22	57	140	Sep-22	30	1	Sep-22	6	Sep-22	132	24	21	135	Sep-22	7	Sep-22	6	Sep-22	130
Oct-22	80	149	Oct-22	34	57	Oct-22	8	Oct-22	135	24	12	147	Oct-22	9	Oct-22	5	Oct-22	139
Nov-22	87	169	Nov-22	47	67	Nov-22	14	Nov-22	147	7	19	135	Nov-22	25	Nov-22	5	Nov-22	53
Dec-22	63	142	Dec-22	38	15	Dec-22	10	Dec-22	135	23	33	125	Dec-22	52	Dec-22	5	Dec-22	0
Jan-23	75	156	Jan-23	44	30	Jan-23	23	Jan-23	125	14	22	117	Jan-23	78	Jan-23	7	Jan-23	0
Feb-23	46	141	Feb-23	32	9	Feb-23	9	Feb-23	117	12	21	108	Feb-23	18	Feb-23	3	Feb-23	70
Mar-23	49	192	Mar-23	40	11	Mar-23	3	Mar-23	108	41	25	124	Mar-23	19	Mar-23	4	Mar-23	61
Apr-23	55	168	Apr-23	47	64	Apr-23	6	Apr-23	124	22	30	116	Apr-23	49	Apr-23	8	Apr-23	74
May-23	78	208	May-23	27	5	May-23	2	May-23	116	9	20	105	May-23	114	May-23	3	May-23	0
Jun-23	99	262	Jun-23	20	2	Jun-23	4	Jun-23	105	12	16	101	Jun-23	231	Jun-23	2	Jun-23	27
Jul-23	61	224	Jul-23	62	39	Jul-23	13	Jul-23	101	25	36	90	Jul-23	98	Jul-23	15	Jul-23	0
Aug-23	132	286	Aug-23	52	36	Aug-23	14	Aug-23	90	38	21	107	Aug-23	21	Aug-23	3	Aug-23	10
Sep-23	0	0	Sep-23	0	0	Sep-23	0	Sep-23	107	0	0	107	Sep-23	0	Sep-23	0	Sep-23	0
Oct-23	0	0	Oct-23	0	0	Oct-23	0	Oct-23	107	0	0	107	Oct-23	0	Oct-23	0	Oct-23	0
Nov-23	0	0	Nov-23	0	0	Nov-23	0	Nov-23	107	0	0	107	Nov-23	0	Nov-23	0	Nov-23	0
Dec-23	0	0	Dec-23	0	0	Dec-23	0	Dec-23	107	0	0	107	Dec-23	0	Dec-23	0	Dec-23	0
Jan-23	0	0	Jan-23	0	0	Jan-23	0	Jan-23	107	0	0	107	Jan-23	0	Jan-23	0	Jan-23	0
Feb-23	0	0	Feb-23	0	0	Feb-23	0	Feb-23	107	0	0	107	Feb-23	0	Feb-23	0	Feb-23	0

Began Tracking

Exam Applications			Certificate Applications			CPA Firm Registrations		Professional Stds Cases					Inactive		Reinstatement		Candidate Touches	
Month	Initial	Re-Exam	Month	Original	Reciprocal	Month	Total	Month	Begin Bal	Open	Closed	End Bal	Month	Total	Month	Total	Month	Total
Mar-23	0	0	Mar-23	0	0	Mar-23	0	Mar-23	107	0	0	107	Mar-23	0	Mar-23	0	Mar-23	0
Apr-23	0	0	Apr-23	0	0	Apr-23	0	Apr-23	107	0	0	107	Apr-23	0	Apr-23	0	Apr-23	0
May-23	0	0	May-23	0	0	May-23	0	May-23	107	0	0	107	May-23	0	May-23	0	May-23	0
Jun-23	0	0	Jun-23	0	0	Jun-23	0	Jun-23	107	0	0	107	Jun-23	0	Jun-23	0	Jun-23	0
Jul-23	0	0	Jul-23	0	0	Jul-23	0	Jul-23	107	0	0	107	Jul-23	0	Jul-23	0	Jul-23	0
Aug-23	0	0	Aug-23	0	0	Aug-23	0	Aug-23	107	0	0	107	Aug-23	0	Aug-23	0	Aug-23	0
Sep-23	0	0	Sep-23	0	0	Sep-23	0	Sep-23	107	0	0	107	Sep-23	0	Sep-23	0	Sep-23	0
Oct-23	0	0	Oct-23	0	0	Oct-23	0	Oct-23	107	0	0	107	Oct-23	0	Oct-23	0	Oct-23	0
Nov-23	0	0	Nov-23	0	0	Nov-23	0	Nov-23	107	0	0	107	Nov-23	0	Nov-23	0	Nov-23	0
Dec-23	0	0	Dec-23	0	0	Dec-23	0	Dec-23	107	0	0	107	Dec-23	0	Dec-23	0	Dec-23	0



North Carolina State Board of Certified Public Accountant Examiners

Executive Staff Report

NASBA

The 116th NASBA Annual Meeting will be held at the New York Marriott Marquis in New York City from October 29 through November 1, 2023. The Executive Staff made meeting registration and hotel accommodations for each attending Board member. As a reminder, Board members will make their own flight reservations.

Education and Awareness Initiatives

The following student engagements are planned for Fall 2023:

- September 27, 2023 - UNC-Wilmington, Beta Alpha Psi
- October 4, 2023 - Campbell University, Accounting Industry Day
- October 11, 2023 - East Carolina University, One Classroom Presentation
- October 16, 2023 - NC Central University, Two Classroom Presentations
- October 16, 2023 (evening) - High Point University, Accounting Club
- October 18, 2023 - UNC Pembroke, Student Night Event
- October 25, 2023 - Meredith College, One Classroom Presentation
- October 25, 2023 - NC Central University, Two Classroom Presentations
- November 3, 2023 - Two-Year Bridge Symposium, Charlotte

The event is sponsored by the Deloitte Foundation, the Center for Audit Quality, and the Teachers of Accounting at Two Year Colleges. The purpose of the Symposium is to provide accounting content, community, and professional resources for two-year college students who identify as racially and ethnically diverse as they contemplate their education pathways and potential careers in the accounting profession.

NC CPA Exam Candidate Bulletin

The Board will distribute Volume 3 of the CPA Exam Candidate Bulletin on September 28. Important Exam dates, Board policies, and information regarding the deadline for applying for BEC will be communicated to candidates. The Bulletin will be updated and distributed monthly, at least through the end of the year.

GL Solutions

The first week in September, Board staff sent information to CPA firm supervisors to create accounts in the Board's new online portal. The online portal will facilitate firm renewals as well as individual renewals that will take place next spring. Board staff continues to work with GL Solutions (the GL Suite vendor) to modernize the Board's technological capabilities.

Staff Spotlight

Two staff members celebrated work anniversaries on September 1. Communications Officer, Lisa Hearne-Bogle celebrated 27 years, and Professional Standards Specialist Jeffrey Tankard celebrated two years with the Board. Both are invaluable to the work of the Board, and we are fortunate to have them on our team.



North Carolina State Board of Certified Public Accountant Examiners

2024 Board Meetings

Day of Week	Date	Time	Event	Location
Monday	January 22	10 a.m.	Board Meeting	Raleigh
Monday	February 19	TBD	Board Meeting	UNCW
Wednesday	March 13	3 p.m.	Board Meeting	Raleigh
Monday	April 22	10 a.m.	Board Meeting	Raleigh
Monday	May 20	10 a.m.	Board Meeting	Raleigh
Monday	June 24	10 a.m.	Board Meeting	Raleigh
Monday	July 22	10 a.m.	Board Meeting	Raleigh
Monday	August 19	10 a.m.	Board Meeting	Raleigh
Monday	September 23	TBD	Campus	TBD
Monday	October 21	10 a.m.	Board Meeting	Raleigh
Monday	November 18	10 a.m.	Board Meeting	Raleigh
Monday	December 16	10 a.m.	Board Meeting	Raleigh

09/05/2023