North Carolina State Board of Certified Public Accountant Examiners

Public Session Agenda
August 17, 2026
10:00 a.m.

I. Administrative Items

A. Call to Order

1. **Conflict of Interest Disclosure**: *Under North Carolina General Statute 138A-15(e), every Board member must avoid conflicts of interest and the appearance of conflicts. Does any Board member have a known conflict of interest or appearance of conflict regarding any matter coming before the Board today? If so, please identify the conflict or appearance of conflict and abstain from participating in that matter.*

B. Welcome and Introduction of Guests

C. Approval of Agenda **(ACTION)**

D. Minutes **(ACTION)**

E. Financial/Budgetary Items

1. July 2026 Financial Statements **(ACTION)**

II. Legislative & Rulemaking Items

III. National Organization Items

A. Recommendation Memo: Private Equity and Alternative Practice Structures in the Accounting Profession **(FYI)**

B. NASBA Proposed Bylaw Changes **(FYI)**

C. NASBA 2026–2027 Board Leadership Slate **(FYI)**

D. NASBA Committee Updates **(FYI)**

IV. State & Local Organization Items

V. Committee Reports

A. Professional Standards Committee **(ACTION)**

B. Professional Education and Applications Committee **(ACTION)**

VI. Executive Staff and Legal Counsel Report

A. Operational Metrics **(FYI)**

B. Executive Staff Report **(FYI)**

VII. Recognition of NC CPA Licensure Milestones

VIII. Public Comments

IX. Closed Session

X. Adjournment

North Carolina State Board of Certified Public Accountant Examiners

PUBLIC SESSION MINUTES
July 20, 2026

BOARD MEMBERS IN ATTENDANCE: Jodi K. Kruse, CPA, President; D. Michael (Mickey) Payseur, CPA, Vice President; Ulysses Taylor, CPA, Esq., Secretary-Treasurer; James T. Ahler, CAE; Tammy F. Coley, CPA; Maria M. Lynch, Esq.; and Kecia Williams Smith, Ph.D., CPA.

BOARD STAFF IN ATTENDANCE: David R. Nance, CPA, Executive Director; S. Lynne Sanders, CPA, Deputy Director; Frank Trainor, Esq., Staff Attorney; Lisa Hearne-Bogle, Communications Officer; and Julia Mayo, Professional Standards Specialist.

OTHERS IN ATTENDANCE: Noel L. Allen, Esq. (via Webex), Board Legal Counsel; Robert Broome, NCACPA Vice President of Advocacy & Outreach; Emily Dooley, CPA, NCACPA Board Member; Carol Neill; Robert Neill, CPA; Mark Soticheck, CPA, NCACPA CEO; Adam Wilson, CPA; Amy Wilson; James Wilson, CPA; and Lt. J.A. Stokes, Raleigh Police Department.

CALL TO ORDER: Ms. Kruse called the meeting to order at 10:00 a.m. and stated that with seven Board members in attendance, a quorum was present.

CONFLICT OF INTEREST: Dr. Smith recused herself from an item on the Professional Standards Committee agenda.

APPROVAL OF AGENDA: Mr. Ahler moved to approve the agenda, and Mr. Taylor seconded the motion. The motion passed with seven votes in favor, and none opposed.

MINUTES: Mr. Taylor moved to approve the June 22, 2026, meeting minutes, and Ms. Coley seconded the motion. The motion passed with seven votes in favor, and none opposed.

FINANCIAL AND BUDGETARY ITEMS: Mr. Payseur moved to approve the June 2026 financial statements, and Mr. Ahler seconded the motion. The motion passed with seven votes in favor and none opposed.

NATIONAL ORGANIZATION ITEMS: Mr. Nance updated the Board on the recent work of the NASBA Private Equity Taskforce.

PROFESSIONAL STANDARDS COMMITTEE REPORT: The Board approved, with seven votes in favor and none opposed, the following Committee recommendation presented by Mr. Payeur:

<u>Case No. C2025092 - Frank Hemby Harper</u> - Approval of the signed Consent Order (Appendix I).

Mr. Payseur stated that the Committee provided guidance to the staff on eight items.

PROFESSIONAL EDUCATION AND APPLICATIONS COMMITTEE REPORT: The Board approved, with seven votes in favor and none opposed, the following Committee recommendations presented by Dr. Smith:

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

Jennifer Marie Anderson
Shana Marie Horn
Kwon Hee Jang
Elena Eduardovna Kimsey
Stryder Wilson Laster
Shruthi Abirami Loganathan
Connor Nicholas Myers
Hunter Wayland Phillips
Shristi Tuladhar
Quentin Edward Witherell

Application for Original CPA Certificate - Approve the following applications for original North Carolina CPA licensure:

Jennifer Marie Anderson
Christopher Luke Ash
Traci Nicole Bare
Kaitlyn Diane Baucom
Austin Stuart Bland
Victoria Ann Boon
Rebecca Faith Brown
Benjamin Caskey Buben
Macy Shaw Carp
Caroline Elizabeth Clevenger
Bryan Christopher Collins
Jessica Diane Copeland
Katherine Elizabeth Corn
James Ferdnand Croom
Chase Gregory Crump
Delaney Faith Darrow
Alida Hart Dayton
Lauren Catherine Dever
Donna Lynn Dysart Doggett
Matthew Sullivan Dubuque
Corry Whitaker Eason
Daniel Aaron Ellison
Annika Britt Erickson
Blake Anthony Fasciolo
Nicholas Michael Frazier
Rodney Carnell Gillis II
Gage Huntley Grady
Justin Terel Hamilton
John Murphy Hayes
Jacy Drew Heeter
Zachary Pierce Helms
Tyler Anderson Hobson
Ryan Dean Holden
Shana Marie Horn
Bradley Douglas Hulker
Chariti Louise Jackson
Kwon Hee Jang
Andrew Paul Johnson
Derrick Joseph Johnson
Jonathan Bradley Jones
Christopher Joseph Kellett
Elena Eduardovna Kimsey
Devan Chandler Kransteuber
Eva Mae Larson
Stryder Wilson Laster
Blair Nicole Lefler
Shruthi Abirami Loganathan
Jerrie Rievan Lombard
Kelly Parsons Melton
Kellie Bailey Monacell
Michael Edward Moul
Connor Nicholas Myers
Sarah Catherine O'Connell
Ryan Michael O'Keeffe
Zachary Pierce Oxendine
Somi Leia Pak
John William Parker
Maria Abigail Perez
Benjamin Jacob Perry
Joshua Hayden Pfister

Hunter Wayland Phillips
Ryan Joseph Pisch
Justin Parker Powell
Hayden Quinn Read
Jill Taylor Ross
Marshal Frye Roten
Ryan James Schlossberg
Shivani Rajya Laxmi Shah
William James Sharp
Cyril Sheptak
Sarah Dalaiah Siddiqui
Andrew Brent Simpson
Michael J. Sinkus
Elijah Kolbe Smith
George Murphy Canant Streetman
Madison LeeAnne Tarlton
Lyle Zac Teijen
Shristi Tuladhar
Erik Charles Tveidt
Daniel William Wallace
Alexander Colby Walsh
Cadee Jannah Warren
Logan Ian Webb
Alise Jeanne Wille
Quentin Edward Witherell
Rhiannon Salem Younger
Ricardo Zaldana

Application for Temporary Permit - Approve the following temporary permits approved by the Deputy Director:

Justin Craig Conley T15693
Derek Michael Skwiat T15694
Bennett William Rowan T15695
Alyssa Carter T15699
Theresa Hall Bell T15700
Edmund Josian Kariuki Mugo T15701
Michael Henry Thornberry T15702
Moriah Joelle Alper-Stein T15703
Kellie Suzanne Arevalo T15704
Katherine Mary Karoline Blom T15705
Tenesha Marie Hartgrove T15708
Kelly Mattox T15709
Gregory Lee Miles T15710

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

Christopher Michael Barnes
Richard Andrew Beam
Matthew James Becker
Theresa Hall Bell
Thomas Adam Bonfiglio
Wayne Gerald Brett
Jack Davis Burdett
Alyssa Carter
Ryan Thomas Cello
Justin Craig Conley
Sicheng Zhong Curtis
Brandon Andrew Davis
Allison Marie Dawson
William Bruce Dickson
Alexander Charles Drury
Enselme Fandohan
Russell Scott Fisher
Charles Brian Gaskins
Jonathan Laird Germer
Xinran Grenestedt Guo
Felicity Agyei Gyasi
Jessica Reber Hanus
Tenesha Marie Hartgrove
Jordan Robert Holt
Matthew David Horn
Chih-Ching Elizabeth Hsu
Brian Hynes
Jeffery Scott Jones
Duncan Ryan Kneeland
Eric Thomas Krisher
David Martin Lipscomb
Yichun Liu
Eleanor Lynch
Chelsea Power Manganaro

Molly Ann Margaret Marion
Kelly Mattox
Jacob Roman Miller
Edmund Josiah Kariuki Mugo
Thanh Dao Ngo
Erica Peterson
Samuel Joseph Proko
Seth MackVay Richards
Curtis Grant Robinson
Marie Christine Saunders
Isaac Benjamin Scalese
Betty Jean Sears
Thomas Ashcraft Sherrill
Derek Michael Skwiat
Lisa Jo Summerbell
Ting Sun
Michael Henry Thornberry
Timothy Michael Trampe
Brian H. Travers
Trenton Marsalis Walker
Reese Jefferson Walton
George Herbert Williamson
Kelly Jean Ford Woodley
Samantha Mckenzie Yergeau
Tara Lynn Youel
Jennifer Youtsey Zeplin

Application for Reinstatement of CPA Certificate - Approve the following applications for CPA certificate reinstatement:

Charlotte J. Bradshaw #24061
Christopher Ryan Carroll #46643
Shanna Berry Francois #36004
Emilie Houston Kosiba #43601
Joseph John Schmelzle II #42085
Kaleb Edward Tucker #40588

Application for Reissuance of CPA Certificate - Approve the following application for CPA certificate reissuance:

Richard Allen Chandler, #18210

CPE Extension Requests - Approve four requests and deny one request for an extension to complete the 2025 CPE requirement by June 30, 2026, without penalty.

CPE Letter of Warning - Approve the request from Kirti H. Shah, #37958, to rescind the previously issued Letter of Warning.

Applications for Uniform CPA Exam - Approve the following applications to sit for the Uniform CPA Exam as a North Carolina candidate:

Samantha Addeo
Lauren Adiletta
Robert Adomaites
Justin Ah Yow
Malarie Alexis
Zachary Ambrose
Mae Angus
Joshua Apple
Laken Appleby
Susan Arnold
Eric Atilano-Garcia
Phu Aung
Natalie Auwn
Jared Barkley
Lauren Becker
Brady Beddingfield
Rene Beeslaar
Maxwell Bellone
Taylor Benson
Laina Beshgetoorian
Jackson Bjork
Amanda Bodden

Ilya Boiko
Chloe Borchers
Connor Bowers
Mackenzie Bowers
Maris Bowlby
Allison Broz
Katherine Bucci
Gilleyn Bunting
Joseph Burroughs
Gregory Burrows
Benjamin Butcher
Lionel Cabrera
Aidan Campbell
Amanda Campbell
Candice Canino
Christina Canty
Beatrice Carter
Kaitlin Carter
Caroline Cates
Ryan Chen
Tyler Cherry
Xavier Chester
Kassady Cheyunski
Elliot Cho
Isabel Clark
Margaret Clark
Nathan Clark
Kara Cline
Cara Clippinger
Talia Colangelo
Kaitlin Coleman
Maili Collett
Amber Collins
Noah Combs
Jillian Connolly
Pierce Coombs
Olivia Cope
Clinton Cram
Ruth Crawford
Alexandra Davis
Amy Davis
Wyatt Decanter
Luke DeFranco
John Dieffenbacher
Meghan Doran
Olivia Dougherty
Megan Eaker
Christopher Edwards
Trenton Edwards
Carson Eldridge
Charlene Etters
Shannon Feltz
Jackson Ferrell
Rachel Foltz
Holly Forester
Forrest Forshey
Holly Forsht
Sarah Freeman
Eldar Gabidoff
Joshua Gardina
Brittany Garfi
Marylia Geertz
Frances Gehrke
Samuel Geisinger
Peter Geratz
Stephen Gilbert
Aoha Godo
Carolyn Goins
Zinayida Golovin
Libbie Gordon
Daniel Gorodisch
Myles Grady
Andrew Gray
Paul Griffin
Oscar Guerra
Adam Gutierrez
Taylor Hagaman
Anna Hamner
Madison Hanan
Kyra Hansen
Tommy Harkey
Howard Harrell
Rayquan Harris
Adam Harrison
Racheal Harwell
Moses Hawks
Joi Haywood
McKenna Hefta
Kooper Hendriks
Roberto Hernandez
Lucas Hicks
Jacob Hines

Mason Hines
Logan Hollingsworth
Emma Hughlett
Zachary Hui
Joseph Huynh
Tarila Iduma
Jamil Issa
Keno Ivri Ivri
Sachin Iyengar
Ryan James
Ashley Jensen
Carter Johnson
Edmonia Johnson
Alicia Jones
Domino Jose
Ridge Kaauwai
Mohamed Kadora
Caleb Karie
Wagid Kassim
Mia Keegan
Andrew Kelley
Anna Kemp
Hamza Khalid
Hyun Sil Kim
Daniel Knott
Samantha Kofler
Cheryl Kovic
Reilly Kungl
Jacob La Frenz
Alana Laliberte
James Lambert
Aaron Lee
Sarah Leonard
Andrew Lerro
Matthew Line
Alessia Lluka
Cole Lucas
Olivia Luks
Emily Maida
Juanitha Makamwe
McIver Mann
Gillian Manning
Jessica Mansell
Keyshla March De Jesus
Patricia Marte Rafael
Joshua Martin
Brady McElheny
Michael McKiernan
Eric McLaughlin
Jonathon McLean
Caroline McMullan
Aiden McNeill
Delaney McNew
Connor Meenan
James Miller
Natalie Mitchell
Brylee Montanari
Collin Montgomery
Molly Moore
Abrianna Morris
Alexandra Mull
Patrick Murnane
Martina Muzzolon
Emaline Myers
Frederick Nelson
David Neyland
Davis Noe
Ian Norris
William Noxon
Connor O'Brien
Manuel Ortiz
Jessica Outlaw
Hope Page
Desi Parker
Nicholas Parker
Zhanna Parker
Macy Parkhurst
Kaitlyn Parrish
Chrissie Parsons
Dristi Patel
Utsav Patel
Maliyah Paynter
Evelyn Pearce
Abigail Pierce
Mabry Platt
Jessica Plumb
Lynsey Plunkett
Blaire Powell
Jason Praefcke
Jackson Price
Brady Proffitt
Frank Raya-Viera

Westin Reeder
Vida Reese
Hanna Respess
John Ries
Matthew Ritch
Holden Rivenbark
Duncan Robertson
Sarah Rogers
Kaitlyn Roman
Hope Rosander
Anna Ross
Sylvia Ruff
Vincent Ruggiero
Gabriel Salinas
Emma Sawtell
Daniel Seekins
Trenton Seibert
Priyanka Sharma
Cassandra Shortman
Emerson Simms
Neesu Singh
Erin Singleton
Charles Smith
Talia Smith
Lukas Sobocinski
William Solomon
Joshua Speer
Mia Spencer
Rachel Spinelli
Dylan Spurlin
Michael Sredl
Gwyneth Stewart
Ross Strickland
Heidi Sturm
James Suggs
Leah Sullivan Johnson
Andrew Sutherland
Matthew Sutton
John Sykes
Lewis Tatham
Anna Teets
Bradley Tepper
John Tessmann
Jansen Thompson
Douglas Toledo
Sarah Truelove
Michael Tubbs
Michael Tucciarone
Kassia Tuura
Bryce Ulloa
Ella Underwood
Madison Upchurch
Michelle Van
Maura VandeWiele
Luis Villarreal Cantú
Lucas Votaw
Zachary Wade
Callum Walker
Sarah Wallace
Xiaoya Wang
Jace Ward
Lanett Washington
Charles Watson
James Weaver
Matthew Weber
Brianna Whelan
Christopher Wiginton
Michael Wilkins
Malique William
Ashlyn Williams
Olivia Williams
Chris Wood
Maddox Yegge
William Yount
Helen Zhang

CPA Firm Registration - Approve the following CPA firm registrations, as approved by the Executive Director:

Jonathan Ferguson, CPA, PLLC
Loomis Tax & Advisory, PLLC
TCHB, P.A.
Tracy Miliano CPA, PLLC

Miscellaneous - Approve a candidate's request for a Uniform CPA Exam score extension.

The Committee recommended that the Board disapprove a request by the Foreign Academic Credentials Service, Inc. (FACS), to be considered an additional qualified evaluator for CPA examination and licensure applicants.

The Committee deferred discussion of the Board's consideration of future CPE extension requests until the August 17 meeting.

REPORT OF THE AUDIT COMMITTEE: Dr. Smith provided an update on the results of the March 31, 2026, financial statement audit (Appendix II) performed by Bernard Robinson & Company, LLP. No audit findings were reported, and the Board received a clean opinion. The Board approved, with seven votes in favor and none against, the Committee's recommendation to accept the Board's audit report.

REPORT OF THE INVESTMENT COMMITTEE: Mr. Payseur summarized the Committee's July 17, 2026, meeting with the Board's investment advisors.

EXECUTIVE STAFF AND LEGAL COUNSEL REPORT: The Board reviewed the June 2026 operational metrics and the July 2026 Executive Staff Report.

RECOGNITION OF NC CPA LICENSURE MILESTONES: Ms. Kruse presented Certificates of Recognition to Mr. Wilson and Mr. Neill in honor of their many years of North Carolina CPA licensure. Mr. Wilson has been licensed as a North Carolina CPA for 54 years, and Mr. Neill for 52 years. Following the presentation, both gentlemen shared reflections on their careers, the evolution of the CPA profession, and its importance in serving the public interest.

Ms. Kruse directed the staff to send a Certificate of Recognition to the following individuals who have held an active North Carolina CPA license for 50 or more years as of July 2026:

John Thomas Autrey, #9434	50 yrs
Phillip Lee Bostian, #9404	50 yrs
Rebecca Shields Sawyer, #9411	50 yrs
Lorinda Bolz Spivey, #9410	50 yrs
Brewer Moody Ezzell, #7820	52 yrs
Kenneth Bruce Hawkins, #7821	52 yrs
Kenneth Barry Morgan, #7824	52 yrs
Elizabeth Daniel Palmer, #7825	52 yrs
Miltom Emmett Petty, #7826	52 yrs
Robert Lee Underwood III, #7833	52 yrs
Gary Donald Wilson, #7819	52 yrs
Jerry Lee Price, #4275	55 yrs
Fern Haywood Shubert, #4277	55 yrs
Ralph Wayne Hutchins, #3419	57 yrs
Clyde Stephen Dula, #3145	58 yrs

PUBLIC COMMENTS: Mr. Soticheck shared a summary of the NCACPA's recent and upcoming activities, and Mr. Broome provided a legislative update.

ADJOURNMENT: Mr. Taylor moved to adjourn the meeting at 10:40 a.m., and Mr. Ahler seconded the motion. The motion passed with seven votes in favor and none opposed.

Respectfully submitted:	Attested to by:
______________________________	______________________________
David R. Nance, CPA	Jodi K. Kruse, CPA
Executive Director	President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2025092

IN THE MATTER OF:
Frank Hemby Harper, CPA, #12859
Respondent

CONSENT ORDER

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

1. Frank Hemby Harper, CPA (hereinafter "Respondent"), is the holder of North Carolina certificate number #12859 as a Certified Public Accountant.

2. The Board received a complaint from an individual ("Complainant") alleging that she had hired the Respondent to prepare tax returns for three individual families, a corporation, and an LLC. The Complainant alleges that the Respondent never filed her tax returns.

3. Per the IRS, the Complainant received a CP81 letter informing her that her payment was received for federal taxes due, but they had not yet received her tax return.

4. In response, the Respondent stated that the Complainant's tax returns were rejected on March 3, 2023.

5. The Respondent further stated that no one from his office double-checked to see if the Complainant's tax returns were accepted by the IRS. He asserts that he implemented procedural changes to avoid this error moving forward.

6. Subsequently, the Respondent was subjected to an audit of his CPE because he had been issued a letter of warning for having taken some of his CPE late.

7. The Respondent has cited health issues as a reason that he has been unable to adequately respond to the CPE audit and other matters pending before the Board. After approximately 45 years as a CPA in North Carolina, the Respondent wishes to voluntarily surrender his CPA certificate.

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

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

Consent Order 2
Frank Hemby Harper, CPA

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

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

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

1. The Respondent, Frank Hemby Harper, CPA, hereby voluntarily surrenders his CPA certificate.

2. If the Respondent ever seeks to reinstate his CPA certificate, he first needs to document 80 hours of CPE and pay a $1,000 civil monetary penalty.

CONSENTED TO THIS THE 11 (Day) DAY OF July (Month), 2024 (Year).

Respondent

APPROVED BY THE BOARD THIS THE 20 (Day) DAY OF JULY (Month), 2026 (Year).

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BY: Jodi K. Krause
President

July 20, 2026

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

We have audited the financial statements of the North Carolina State Board of Certified Public Accountant Examiners (the "Board") for the year ended March 31, 2026 and have issued our report thereon dated July 20, 2026. Professional standards require we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated February 7, 2026, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Board solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you in our engagement letter.

1501 Highwoods Blvd., Ste. 300 (27410)
P.O. Box 19608
Greensboro, NC 27419

P: 336-294-4494 • F: 336-294-4495

brc.cpa

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks:

- Management override of controls – this risk is presumed to be present in every audit under professional standard, regardless of the control environment. The rationale is that even the most robust internal control system can be overridden by management.
- Improper revenue recognition – this risk refers to the intentional or unintentional misstatement of revenue in financial statements. This can include premature recognition or manipulation of cut-off procedures. It is one of the most common areas for financial reporting fraud and is therefore presumed to be a significant risk in every audit engagement.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Board is included in Note 1 to the financial statements. As described in Note 10 to the financial statements, during the year, the Board adopted Governmental Accounting Standards Board (GASB) Statement No. 105 – Subsequent Events. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. There are currently no significant estimates.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users.

The most sensitive disclosure affecting the Board's financial statements relates to:

- The fair value measurements in Note 3 of the financial statements, which requires judgment by management related to the valuation level within the fair value hierarchy.
- The implementation of a new standard in Note 10.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. No such misstatements were noted.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. No such misstatements were noted.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Board's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, dated July 17, 2026.

Management Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Board, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Board's auditors.

Other Matters

We applied certain limited procedures to the Management's Discussion & Analysis, which is required supplemental information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Budget and Actual – Revenues, Expenses, and Changes in Net Position, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriated and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This report is intended solely for the information and use of the board of directors, and management of North Carolina State Board of Certified Public Accountant Examiners and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Bernard Robinson & Company, L.L.P.

BERNARD ROBINSON & COMPANY, L.L.P.

NORTH CAROLINA STATE BOARD
OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS

FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2026 AND 2025

BOARD MEMBERS

Jodi K. Kruse, CPA, President

D. Michael (Mickey) Payseur, CPA, Vice-President

Ulysses Taylor, J.D., MBA, CPA, Secretary-Treasurer

James T. Ahler, CAE

Tammy Coley, CPA

Maria M. Lynch, Esquire

Kecia Williams Smith, Ph.D., CPA

ADMINISTRATIVE STAFF

David R. Nance, CPA, Executive Director

S. Lynne Sanders, CPA, Deputy Director

Frank X. Trainor, Esquire, Staff Attorney

OUTSIDE LEGAL COUNSEL

Allen & Pinnix, P.A.

Noel L. Allen, Esquire

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
Table of Contents

Introduction

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

Overview of the Basic Financial Statements

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

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

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

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

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

Brief Agency Highlights

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

Analysis of Financial Position and Results of Operations

The Board's net position as of March 31, 2026 and March 31, 2025, was approximately $4.77 million and $4.53 million, respectively, an increase of approximately $241,000 during the year. *(With the exception of the dollar and percentage amounts detailed in the following tables, all other dollar amounts have been rounded / approximated for presentation purposes.)*

Condensed Financial Information

The following table summarizes the Board's assets, liabilities and net position as of March 31, 2026, 2025 and 2024.

Condensed Statements of Net Position

	2026	2025	**% Change**	2025	Restated 2024	% Change
Assets:						
Current assets	**$ 2,063,072**	$ 2,417,819	**-14.67%**	$ 2,417,819	$ 2,234,430	8.21%
Noncurrent assets	**2,470,800**	1,801,977	**37.12%**	1,801,977	1,587,270	13.53%
Capital assets, net	**861,892**	983,571	**-12.37%**	983,571	1,000,734	-1.72%
Total assets	**5,395,764**	5,203,367	**3.70%**	5,203,367	4,822,434	7.90%
Liabilities:						
Current liabilities	**411,682**	424,401	**-3.00%**	424,401	465,397	-8.81%
Noncurrent liabilities	**107,924**	93,478	**15.45%**	93,478	95,939	-2.57%
Total liabilities	**519,606**	517,879	**0.33%**	517,879	561,336	-7.74%
Deferred Inflows of Resources:						
Deferred lease receipts	**109,868**	160,218	**-31.43%**	160,218	54,654	193.15%
Net Position:						
Invested in capital assets	**861,892**	861,058	**0.10%**	861,058	918,419	-6.25%
Unrestricted	**3,904,398**	3,664,212	**6.55%**	3,664,212	3,288,025	11.44%
Total net position	**$ 4,766,290**	$ 4,525,270	**5.33%**	$ 4,525,270	$ 4,206,444	7.58%

Current Assets

Current assets as of March 31, 2026, consisted primarily of cash and short-term investments - $1,969,000, prepaids - $34,000, and accounts, interest, and lease receivables - $60,000. Current assets as of March 31, 2025, consisted of cash and short-term investments - $2,339,000, prepaids - $24,000, and accounts and lease receivables - $55,000.

Current assets decreased by $355,000 during the fiscal year March 31, 2026. The decrease identifies to decreased cash and short-term investments as a result of operations and increased long-term investments.

Noncurrent and Capital Assets

Noncurrent assets as of March 31, 2026, consisted of investments totaling $2,413,000 and lease receivable of $58,000. Capital assets totaled $862,000. Noncurrent assets as of March 31, 2025, consisted of investments totaling $1,692,000 and lease receivable of $110,000. Capital assets totaled $984,000.

Noncurrent assets increased by $670,000 during the fiscal year March 31, 2026. There was an increase in the investment account by $721,000, and a decrease in the lease receivable account by $52,000. The increase in the investment account is a result of additional investments as well as improved market results for the Board's investments. The decrease in the lease receivable is the result of a completed year on the Board's lease with its tenant. The decrease in capital assets is primarily due to Board's licensing software subscription being expensed as a short term subscription versus being capitalized and amortized as a long term subscription in previous years.

Liabilities

Current liabilities as of March 31, 2026, consisted of accounts payable - $20,000, due to examination vendors - $350,000, and accrued compensated absences - $42,000. Current liabilities as of March 31, 2025, consisted of accounts payable - $25,000, due to examination vendors - $227,000, subscription software payable - $123,000, and accrued compensated absences - $48,000. The decrease of $13,000 reflects several operational changes. Accounts payable and due to examination vendors increase by $117,000, mainly related to the Board’s payable for exam costs. The Board saw a significant increase in exam activity during the year. The accrued compensated absences payable decreased by $6,000 due to the amounts due to employees for leave amounts earned. The subscription software liability of $123,000 was removed as the board licensing software is now being expensed, eliminating the need to show a subscription software liability.

Noncurrent liabilities consisted of accrued compensated absences of $108,000 as of March 31, 2026. Noncurrent liabilities consisted of accrued compensated absences of $93,000 as of March 31, 2025. The increase during the current year reflects the change in the current and long-term portion of the compensated absences balance as of March 31, 2025.

Deferred Inflows of Resources

The Deferred Inflows of Resources accounts for the Board’s lessor obligations related to an office rental. Deferred lease receipts of $110,000 and $160,000 are presented as of March 31, 2026 and 2025, respectively. The decrease of $50,000 recognizes the inflow of lease receipts during the year based on the renewed lease contract.

Net Position

The Board’s net position consists of net assets invested in capital assets and unrestricted net assets. Net assets invested in capital assets were $862,000 and $861,000 as of March 31, 2026 and 2025, respectively. Unrestricted net assets of $3.90 and $3.66 million as of March 31, 2026 and 2025, respectively, represent amounts not subject to externally imposed stipulations, but subject to internal designations for various activities and initiatives.

For the year ended March 31, 2026, there was a increase in net position of $241,000. The Board’s revenues increased by $356,000, mostly due to a increase in the volume of candidates taking the CPA exam. The increase comes as interest in the profession has increased over the past couple of years and possible candidates have become more familiar with the new exam format that was introduced in January 2024. Operating expenses increased by $428,000 during the year. Examination costs increased by $418,000 related to the increased volume of exam sittings and accounting for the majority of the increased operating expenses. Other cost category changes were expected based on anticipated cost-of-living increases.

Net position was also impacted by the Board's non-operating revenues and expenses, decreasing by $5,000 related to the Board's investment earnings during the year.

The Board has no control over the number of candidates that will sit for the exam; however, it budgeted for a similar level of exam activity as in the prior year. The actual revenue was about $395,000 more than budgeted due to increased number of examination sections taken during the year. It appears that candidates have become more familiar with the new CPA exam format and candidates continued to sit for the exam at a steady pattern throughout the year resulting in higher exam fee revenues.

Similarly, the Board’s expenditure categories were higher than budget expectations. Exam expenditures generally mirror the anticipated revenues; therefore, those costs increased by $346,000 matching the higher volumes of examination sections taken. Expenses were $213,000 higher than budgeted in total. The net increase from operations of $60,000, along with positive results from the Board's non-operating activities of $181,000 resulted in the increase in net position of $241,000.

Net Position (Continued)

The Statements of Revenues, Expenses, and Changes in Net Position present the results of the Board's operations for the report period. The following table summarizes the Board's revenues, expenses, and changes in net position for the years ended March 31, 2026, 2025, and 2024.

Condensed Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended March 31,

	2026	2025	**% Change**	2025	Restated 2024	% Change
Operating revenues:						
Exam fees	**$ 1,816,394**	$ 1,487,385	**22.12%**	$ 1,487,385	$1,547,019	-3.85%
Licensing fees	**1,531,235**	1,512,661	**1.23%**	1,512,661	1,503,885	0.58%
Miscellaneous	**22,779**	14,310	**59.18%**	14,310	17,361	-17.57%
Operating expenses	**(3,310,394)**	(2,881,831)	**14.87%**	(2,881,831)	(3,076,805)	-6.34%
Operating income (loss)	**60,014**	132,525	**-54.71%**	132,525	(8,540)	-1651.81%
Non-operating revenues	**205,845**	210,341	**-2.14%**	210,341	269,414	-21.93%
Non-operating expenses	**(24,839)**	(24,040)	**3.32%**	(24,040)	(22,237)	8.11%
	181,006	186,301	**-2.84%**	186,301	247,177	-24.63%
Increase in net position	**241,020**	318,826	**-24.40%**	318,826	238,637	33.60%
Net position beginning of year	**4,525,270**	4,206,444	**7.58%**	4,206,444	3,967,807	6.01%
Net position end of year	**$ 4,766,290**	$ 4,525,270	**5.33%**	$ 4,525,270	$ 4,206,444	7.58%

Operating Revenues

For the fiscal year ended March 31, 2026, operating revenue totaled $3.37 million, consisting primarily of exam fee revenue of $1.82 million and licensing fee revenue of $1.53 million. For the fiscal year ended March 31, 2025, operating revenue totaled $3.01 million, consisting primarily of examination fee revenue of $1.49 million and licensing fee revenue of $1.51 million. Exam fee revenue increased by $329,000 related to increased candidates sitting for the CPA exam during the year.

Non-Operating Revenues

For the fiscal year ended March 31, 2026, net non-operating revenues totaled $206,000, consisting of net interest income of $83,000, rental income of $50,000, and unrealized gains on investment of $73,000. For the fiscal year ended March 31, 2025, net non-operating revenues totaled $211,000 consisting of interest income of $99,000, rental income of $50,000, and unrealized gains on investments of $61,000. The Board's non-operating revenue activity for the current year was similar to the prior year results.

Non-Operating Revenues (Continued)

The following table summarizes the Board's expenses (operating and non-operating) for the years ended March 31, 2026, 2025, and 2024.

	Operating and Non-Operating Expenses For the Fiscal Years Ended March 31,					
	2026	2025	**% Change**	2025	Restated 2024	% Change
Operating expenses:						
Salaries and employee benefits	**$ 1,288,646**	$ 1,290,569	**-0.15%**	$ 1,290,569	$ 1,350,536	-4.44%
Examination	**1,370,685**	953,468	**43.76%**	953,468	1,050,228	-9.21%
Office related expenses	**306,418**	333,843	**-8.21%**	333,843	358,075	-6.77%
Depreciation	**190,020**	149,503	**27.10%**	149,503	173,799	-13.98%
Other expenses	**154,625**	154,448	**0.11%**	154,448	144,167	7.13%
Total operating expenses	**$ 3,310,394**	$ 2,881,831	**14.87%**	$ 2,881,831	$ 3,076,805	-6.34%
Non-operating revenue (expenses):						
Net rental income	**$ 25,511**	$ 26,775	**-4.72%**	$ 26,775	$ 25,169	6.38%
Net investment income	**155,495**	159,979	**-2.80%**	159,979	222,008	-27.94%
Loss on equipment sale	**-**	(453)	**100.00%**	(453)	-	0.00%
Total non-operating revenue (expenses)	**$ 181,006**	$ 186,301	**-2.84%**	$ 186,301	$ 247,177	-24.63%

For the fiscal year ended March 31, 2026, the Board's overall operating costs increased by $428,000, or 14.87%. Exam expenses increased by $418,000 related to the increased sittings for the CPA exam. As candidates have become more familiar with the testing routines of the new CPA exam format, the Board has seen an influx in the number of applications and sittings for examination sections. There has also been greater interest in the profession as seen through increased enrollments in the university business schools. Depreciation costs increased by $41,000 related to increased costs related to the Board's licensing software and fixed asset additions. Other expenses were limited in their fluctuations as costs tracked similarly as to the prior year.

The Board incurred slightly lower non-operating revenue; however, the Board's non-operating revenue activity for the current year was similar to the prior year results.

Economic Factors That Will Affect the Future

The main factors impacting the economic outlook for the Board are the number of candidates seeking to sit for the Uniform Certified Public Accountants Examination and the number of licensees registered with the Board. The Board saw a substantial increase in the number of examination sections taken by CPA exam candidates during the past year. The Board expects that trend to remain consistent for the near future. The number of candidates sitting for the CPA examination will be impacted by candidate pipeline issues such as a reduction in the number of students choosing to study accounting, those choosing to sit for the CPA exam, or those choosing alternate career paths than becoming a CPA. These changes bring uncertainties in the testing area and how it will impact candidate sitting patterns. The Board continues to see a steady pattern of candidates sitting for the CPA exam and licenses similar numbers of CPAs, helped by an influx of CPAs from other states applying for reciprocal licensure.

The Board derives 99% of its revenues from examination and licensing fees. Examination revenues increased during the current year and there was a slight increase in licensing fees. The Board anticipates candidate testing to stabilize during the current year as many candidates currently in the CPA exam process work to complete their requirements to become licensed as a CPA. Candidates are now familiar with the new CPA exam format that was implemented in January 2024 and have begun to test in a more consistent manner. The Board anticipates candidates will continue to work to complete their CPA testing process. At this time, the Board has not seen a significant drop in the number of candidates applying to sit for the CPA exam.

As such, the Board anticipates the number of examination sections to be taken by candidates to remain steady for the next fiscal year. Licensing fees should show a minor increase as the number of active licensees in North Carolina has increased; however, some of that increase is tempered by retirements and licensees being granted inactive status. The Certified Public Accountant credential is highly regarded in the business world, and the Board expects candidates to continue to seek licensure for the foreseeable future.

Contacting the Board's Management

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

North Carolina State Board of Certified Public Accountant Examiners
Post Office Box 12827
Raleigh, North Carolina 27605-2827

Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of the North Carolina State Board of Certified Public Accountant Examiners (the "Board"), an enterprise fund of the State of North Carolina, which comprise the statements of net position as of March 31, 2026 and 2025, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the North Carolina State Board of Certified Public Accountant Examiners as of March 31, 2026 and 2025, and its changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibility of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Emphasis of Matter

As discussed in Note 1, these financial statements are presented only for the North Carolina State Board of Certified Public Accountant Examiners and do not purport to and do not present fairly the financial position of the State of North Carolina as of March 31, 2026 and 2025, nor the changes in its financial position and its cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Report on Supplementary Information

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

Bernard Robinson & Company, L.L.P.

Greensboro, North Carolina
July 20, 2026

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
Statements of Net Position
March 31, 2026 and 2025

	2026	2025
ASSETS:		
Current assets:		
Cash	**$ 1,518,241**	$ 1,549,408
Short-term investments	**451,184**	789,180
Accounts receivable	**1,635**	832
Interest receivable	**6,356**	4,086
Prepaids	**33,775**	23,963
Lease receivable (Note 9)	**51,881**	50,350
Total current assets	**2,063,072**	2,417,819
Noncurrent assets:		
Investments	**2,412,813**	1,692,109
Lease receivable (Note 9)	**57,987**	109,868
Capital assets, non-depreciable (Note 4)	**300,000**	300,000
Capital assets, depreciable, net (Note 4)	**561,892**	683,571
Total noncurrent assets	**3,332,692**	2,785,548
Total assets	**5,395,764**	5,203,367
LIABILITIES:		
Current liabilities:		
Accounts payable	**19,606**	25,218
Due to examination vendors	**350,022**	227,429
Subscription software payable (Note 8)	**-**	122,513
Unearned revenue	**-**	780
Compensated absences - current portion (Note 5)	**42,054**	48,461
Total current liabilities	**411,682**	424,401
Noncurrent liabilities:		
Compensated absences (Note 5)	**107,924**	93,478
Total noncurrent liabilities	**107,924**	93,478
Total liabilities	**519,606**	517,879
DEFERRED INFLOWS OF RESOURCES:		
Deferred lease receipts (Note 9)	**109,868**	160,218
NET POSITION:		
Net investment in capital assets	**861,892**	861,058
Unrestricted	**3,904,398**	3,664,212
Total net position	**$ 4,766,290**	$ 4,525,270

See Notes to Financial Statements

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended March 31, 2026 and 2025

	2026	2025
Operating revenues:		
Examination fees	**$ 1,816,394**	$ 1,487,385
Licensing fees	**1,531,235**	1,512,661
Miscellaneous	**22,779**	14,310
Total operating revenues	**3,370,408**	3,014,356
Operating expenses:		
Salaries and employee benefits	**1,288,646**	1,290,569
Examination	**1,370,685**	953,468
Office expenses	**136,300**	127,611
Postage and printing	**42,355**	28,457
Travel	**84,591**	101,203
Maintenance and computer support	**43,172**	76,572
Depreciation and SBITA Amortization	**190,020**	149,503
Legal and investigative costs	**68,142**	68,284
Insurance	**25,676**	23,735
Dues and subscriptions	**17,003**	22,040
Building	**43,804**	40,389
Total operating expenses	**3,310,394**	2,881,831
Operating income	**60,014**	132,525
Non-operating revenues (expenses):		
Net investment income	**155,495**	159,979
Rental income	**50,350**	50,362
Rental building expenses	**(24,839)**	(23,587)
Loss on the sale of equipment	**-**	(453)
Total non-operating revenues	**181,006**	186,301
Changes in net position	**241,020**	318,826
Net position - beginning of year	**4,525,270**	4,206,444
Net position - end of year	**$ 4,766,290**	$ 4,525,270

See Notes to Financial Statements

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
Statements of Cash Flows
Years Ended March 31, 2026 and 2025

	2026	2025
Cash flows from operating activities:		
Cash received from fees	**$ 3,346,849**	$ 3,000,825
Cash received from other sources	**22,779**	14,310
Cash payments to employees for services	**(1,280,607)**	(1,286,685)
Cash payments to suppliers for goods and services	**(1,564,725)**	(1,375,428)
Cash payments for other expenses	**(164,437)**	(154,691)
Net cash provided by operating activities	**359,859**	198,331
Cash flows from capital and related financing activities:		
Acquisition of capital assets	**(72,517)**	(11,586)
Proceeds from rental	**50,350**	50,362
SBITA principal payments	**(122,513)**	(82,315)
SBITA interest payments	**(5,086)**	(6,930)
Net cash used in capital and related financing activities	**(149,766)**	(50,469)
Cash flows from investing activities:		
Proceeds from maturing investments	**1,250,098**	786,620
Purchases of investments	**(1,636,421)**	(1,121,387)
Other non-operating expenses	**(16,788)**	(15,990)
Investment income, net	**161,851**	164,065
Net cash used in investing activities	**(241,260)**	(186,692)
Decrease in cash	**(31,167)**	(38,830)
Cash - beginning of year	**1,549,408**	1,588,238
Cash - end of year	**$ 1,518,241**	$ 1,549,408
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	**$ 60,014**	$ 132,525
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and SBITA amortization	**190,020**	149,503
Changes in assets and liabilities:		
Accounts receivable	**(802)**	970
Interest receivable	**(2,270)**	(781)
Prepaids	**(9,812)**	(243)
Lease receivable	**(1,531)**	12
Accounts payable	**(5,612)**	(72,609)
Unearned revenue	**(780)**	780
Due to examination vendors	**122,593**	(15,711)
Compensated absences	**8,039**	3,885
Total adjustments	**299,845**	65,806
Net cash provided by operating activities	**$ 359,859**	$ 198,331

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

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

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

The Board had 23,006 and 22,743 licensees as of March 31, 2026 and 2025, respectively.

Financial Reporting Entity

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

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

Basis of Presentation

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

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

Basis of Accounting

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

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

Basis of Accounting (Continued)

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

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

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

Cash

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

Investments

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

Accounts Receivables

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

Capital Assets

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

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

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

Capital Assets (Continued)

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

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

Noncurrent Liabilities

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

Compensated Absences

The Board permits employees to accumulate vacation and sick leave. Employees are permitted to accumulate earned, but unused vacation pay benefits, and all vacation pay is accrued when incurred. The Board's sick leave policy provides for an unlimited accumulation of earned sick leave; however, the Board has no obligation to pay sick leave upon employee termination or retirement. The Board's policy provides for a maximum accumulation of unused vacation leave of 30 days for staff members and 45 days for the Executive and Deputy Director, which can be carried forward each April 1st, or for which an employee can be paid upon termination of employment. Also, any accumulated vacation leave greater than the allowed maximum accumulation as of March 31 is converted to sick leave.

A liability for compensated absences is recognized for both vacation and sick leave that is more likely than not to be used or paid out. This is determined based on historical usage patterns and the Board's policies regarding leave. The Board uses a last in, first out (LIFO) flow assumption to determine the order in which leave is used or paid out. The liability for compensated absences is measured by multiplying the total hours of accrued leave by the applicable pay rate as of the end of the reporting period.

Net Position

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

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

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

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

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

Use of Estimates

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

Reclassification

Certain amounts in the prior year comparative information were reclassified to conform with the current year presentation.

NOTE 2 - DEPOSITS AND INVESTMENTS

All funds of the Board are deposited in board-designated official depositories or brokerage firms. The Board's deposits include cash on deposit with private bank accounts, money market accounts, and investment accounts. On March 31, 2026, deposits in private financial institutions, with a carrying value of $4,536,414 and a bank balance of $4,382,238, consists of cash and investments, as shown on the Statements of Net Position.

Custodial credit risk is the risk that in the event of a bank failure, the Board's deposits may not be returned. The Board does not have a formal deposit policy for custodial credit risk. The Board's deposits with each commercial bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Also, the Board maintains funds in a Certificate of Deposit Account Registry Service (CDARS) account to help address custodial credit risk. With a CDARS account, investments are broken down and placed across a network of more than 3,000 banks and savings associations around the United States. This allows depositors to deal with a single bank that participates in CDARS but avoids having funds above the FDIC deposit insurance limits for any one bank.

The Board's deposits with investment institutions are insured by the Securities Investor Protection Corporation (SIPC), a nonprofit member corporation funded by its member securities broker-dealers. The SIPC insures against the loss or theft of securities as well as the failure or insolvency of the brokerage firm. The Board's bank deposits in excess of the FDIC and SIPC insured limits totaled $1,912,813 at March 31, 2026.

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

The Board is subject to the following risks:

Interest Rate Risk: Interest rate risk is the risk the Board may face should interest rate variances affect the fair value of investments. In accordance with its investment policy, the Board manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio. For its major investment type, certificates of deposit maturities may not exceed 24 months.

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Board manages credit risk by diversifying its investment portfolio. On March 31, 2026, the Board's money market funds were unrated and the Board's bond portfolio had the following credit ratings as rated by Moody's Investors Service:

Credit Rating	Amount
AAA	$ 43,237
AA	273,323
A	64,202
BAA	225,531
BA	70,867
B	7,041

Investments are presented at fair value based on the market prices on March 31, 2026.

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

The maturities of the Board's fixed income investments on March 31, 2026, were as follows:

	Amount
0 - 5 years	$ 219,570
6 - 10 years	110,807
11 -15 years	41,205
16 - 20 years	50,917
21 - 30 years	234,946
Over 30 years	26,756
Total	$ 684,201

NOTE 3 - FAIR VALUE INVESTMENTS

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

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

NOTE 3 - FAIR VALUE INVESTMENTS (Continued)

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

The following tables set forth by level the fair value hierarchy of the Board's financial assets accounted for at fair value on a recurring basis as of March 31, 2026 and 2025:

	Total Fair Value 2026	Level 1	Level 2	Level 3
Corporate bonds	$ 355,310	$ -	$ 355,310	$ -
Government bonds	71,376	71,376	-	-
Government backed securities	184,331	-	184,331	-
Corporate Mortgage Backed Securities	36,641	-	36,641	-
Municipal bonds	20,984	-	20,984	-
Foreign bonds	15,558	-	15,558	-
Equities	975,893	975,893	-	-
Mutual funds	707,058	-	707,058	-
US treasury notes	451,184	451,184	-	-
Total deposits and investments	$2,818,335	$1,498,453	$1,319,882	$ -

The investment balances on the Statement of Net Position include cash balances held temporarily in the investment portfolio until reinvestment and therefore are not included in the fair value hierarchy above in the amount of $45,662 as of March 31, 2026.

	Total Fair Value 2025	Level 1	Level 2	Level 3
Corporate bonds	$ 212,734	$ -	$ 212,734	$ -
Government bonds	60,148	60,148	-	-
Government backed securities	152,711	-	152,711	-
Corporate Mortgage Backed Securities	23,175	-	23,175	-
Municipal bonds	19,245	-	19,245	-
Foreign bonds	9,808	-	9,808	-
Equities	689,867	689,867	-	-
Mutual funds	491,855	-	491,855	-
US treasury notes	431,683	431,683	-	-
Negotiable certificates of deposit	354,651	-	354,651	-
Total deposits and investments	$2,445,877	$1,181,698	$1,264,179	$ -

The investment balances on the Statement of Net Position include cash balances held temporarily in the investment portfolio until reinvestment and therefore are not included in the fair value hierarchy above in the amount of $35,412 as of March 31, 2025.

NOTE 4 - CAPITAL ASSETS

A summary of changes in the capital assets for the year ended March 31, 2026, is presented as follows:

	Balance April 1, 2025	Additions	Deletions	Balance March 31, 2026
Capital assets, non-depreciable:				
Land and improvements	$ 300,000	$ -	$ -	$ 300,000
Capital assets, amortizable/depreciable:				
Building and improvements	1,149,655	-	-	1,149,655
Furniture	61,443	-	-	61,443
Equipment	133,279	5,762	(15,455)	123,586
Software	180,337	66,755	-	247,092
Subscription Software	122,513	-	(122,513)	-
Total capital assets, amortizable/depreciable:	1,647,227	72,517	(137,968)	1,581,776
Less accumulated amortization/depreciation:				
Building and improvements	(676,398)	(42,500)	-	(718,898)
Furniture	(25,332)	(7,222)	-	(32,554)
Equipment	(81,591)	(19,848)	15,455	(85,984)
Software	(180,335)	(2,113)	-	(182,448)
Subscription Software Amortization	-	(122,513)	122,513	-
	(963,656)	(194,196)	137,968	(1,019,884)
Total capital assets, amortizable/depreciable, net:	683,571	(121,679)	-	561,892
Capital assets, net	$ 983,571	$ (121,679)	$ -	$ 861,892

Depreciation charged to operations and non-operating expenses for the year ended March 31, 2026 was $63,632 and $8,051, respectively.

NOTE 4 - CAPITAL ASSETS (Continued)

A summary of changes in the capital assets for the year ended March 31, 2025, is presented as follows:

	Balance April 1, 2024	Additions	Deletions	Balance March 31, 2025
Capital assets, non-depreciable:				
Land and improvements	$ 300,000	$ -	$ -	$ 300,000
Capital assets, amortizable/depreciable:				
Building and improvements	1,149,655	-	-	1,149,655
Furniture	61,443	-	-	61,443
Equipment	139,295	11,586	(17,602)	133,279
Software	180,337	-	-	180,337
Subscription Software	279,684	122,513	(279,684)	122,513
Total capital assets, amortizable/depreciable:	1,810,414	134,099	(297,286)	1,647,227
Less accumulated amortization/depreciation:				
Building and improvements	(633,898)	(42,500)	-	(676,398)
Furniture	(18,108)	(7,224)	-	(25,332)
Equipment	(79,970)	(18,586)	16,965	(81,591)
Software	(180,335)	-	-	(180,335)
Subscription Software Amortization	(197,369)	(82,315)	279,684	-
	(1,109,680)	(150,625)	296,649	(963,656)
Total capital assets, amortizable/depreciable, net:	700,734	(16,526)	(637)	683,571
Capital assets, net	$1,000,734	$ (16,526)	$ (637)	$ 983,571

Depreciation charged to operations and non-operating expenses for the year ended March 31, 2025 was $60,259 and $8,050, respectively.

NOTE 5 - NON-CURRENT LIABILITIES

A summary of changes in non-current liabilities for the year ended March 31, 2026, is presented as follows:

	Balance April 1, 2025	Additions	Deletions	Balance March 31, 2026	Current Portion
Compensated absences	$ 141,939	$ 149,089	$ 141,050	$ 149,978	$ 42,054
Subscription liabilities	122,513	-	122,513	-	-
	$ 264,452	$ 149,089	$ 263,563	$ 149,978	$ 42,054

NOTE 5 - NON-CURRENT LIABILITIES (Continued)

A summary of changes in non-current liabilities for the year ended March 31, 2025, is presented as follows:

	Balance April 1, 2024	Additions	Deletions	Balance March 31, 2025	Current Portion
Compensated absences	$ 138,054	$ 141,089	$ 137,204	$ 141,939	$ 48,461
Subscription liabilities	82,315	122,513	82,315	122,513	122,513
	$ 220,369	$ 263,602	$ 219,519	$ 264,452	$ 170,974

NOTE 6 - EMPLOYEE PENSION PLAN

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

Board pension costs including administrative fees, totaled $64,825 and $63,233 for fiscal years 2026 and 2025, respectively. Employee contributions totaled $70,517 and $74,828 for fiscal years 2026 and 2025, respectively. Forfeitures are used to reduce employer contributions. For fiscal years 2026 and 2025, employer contributions were reduced by $0 and $0, respectively, by forfeited nonvested accounts.

NOTE 7 - RISK MANAGEMENT

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

Fire, Automobile, and Other Loss Insurance - Fire, coverage for other property losses, and vehicular liability insurance are covered by contracts with a private insurance company.

NOTE 7 - RISK MANAGEMENT (Continued)

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

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

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

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

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

NOTE 8 - SOFTWARE LICENSING AGREEMENT

The Board has a right-to-use subscription related to the Board's licensing software subscription. Per GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements* (SBITAs). A SBITA is defined as a contract that conveys control of the right to use another party's information technology software for a period of time in an exchange-like transaction. The Board is party to a SBITA with a third-party vendor for its licensing software.

The Board's subscription licensing agreements were evaluated and determined not to meet the requirements of GASB No. 96. Accordingly, subscription payments are recognized as expense as incurred over the term of the agreements.

NOTE 9 - LESSOR REVENUE

The Board accounts for its lessor activities per GASB No. 87 requirements. As such, the Board's lessor agreement with Allen & Pinnix, P.A. is recognized as a lease receivable and a deferred inflow of resources over the period of the lease.

The original lessor agreement was effective May 1, 2025. The lease agreement called for monthly payments of $4,415 to be paid in the first year with a three percent annual increase in the monthly payment amounts for the second and third years. A schedule of the remaining amounts of inflows or resources expected to be recognized under the lease agreement are as follows:

2027	$ 51,881
2028	53,460
2029	4,527
Total	$ 109,868

NOTE 10 - CHANGES IN FINANCIAL ACCOUNTING AND REPORTING

For the fiscal year ended March 31, 2026, the Board implemented the following pronouncement issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 105, Subsequent Events. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users.

This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature.

This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events.

NOTE 11 - EDUCATIONAL AWARD PROGRAMS

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

The Board awards a voucher, available to students graduating with an undergraduate degree in accounting, to each of the North Carolina colleges and universities which grant undergraduate and master's accounting degrees. Additional vouchers are awarded at each of North Carolina’s historically minority-serving institutions (HMSIs). The voucher provides candidates with a timeframe from the date of issue to sit for all four parts of the Uniform CPA Examination.

The voucher covers the student’s initial exam application fee, re-exam application fees, and the cost of sitting for each section of the Uniform CPA Examination. The current maximum value of each voucher is $1,529. The Board accounts for the voucher program by netting the costs associated with the actual redeemed voucher against its examination fee revenues. The cost of the voucher program totaled $41,957 and $36,898 for fiscal years 2026 and 2025, respectively.

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

NOTE 12 - COMMITMENTS

The Board has outstanding commitments on a software implementation project totaling $20,752 as of March 31, 2026.

NOTE 13 - SUBSEQUENT EVENTS

The management of the Board evaluated subsequent events through July 20, 2026, which is the date the financial statements were available to be issued. Management discovered no subsequent events that should be disclosed.

The audit was conducted in approximately 90 hours at a cost of $18,500.

SUPPLEMENTARY INFORMATION

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
Schedules of Budget and Actual - Revenues, Expenses, and Changes in Net Position
Years Ended March 31, 2026 and 2025

	2026			2025		
	(Unaudited) Budget	Actual	Over (under) Budget	(Unaudited) Budget	Actual	Over (under) Budget
Operating revenues:						
Examination fees	**$ 1,421,125**	**$ 1,816,394**	**$ 395,269**	$ 1,317,875	$ 1,487,385	$ 169,510
Licensing fees	**1,519,500**	**1,531,235**	**11,735**	1,523,200	1,512,661	(10,539)
Miscellaneous	**11,000**	**22,779**	**11,779**	11,000	14,310	3,310
Total operating revenues	**2,951,625**	**3,370,408**	**418,783**	2,852,075	3,014,356	162,281
Operating expenses:						
Salaries and employee benefits	**1,368,800**	**1,288,646**	**(80,154)**	1,355,200	1,290,569	(64,631)
Examination	**1,025,000**	**1,370,685**	**345,685**	925,000	953,468	28,468
Office	**132,450**	**136,300**	**3,850**	129,950	127,611	(2,339)
Postage and printing	**34,600**	**42,355**	**7,755**	45,500	28,457	(17,043)
Travel	**112,930**	**84,591**	**(28,339)**	110,955	101,203	(9,752)
Maintenance and computer support	**51,300**	**43,172**	**(8,128)**	66,000	76,572	10,572
Legal and investigative costs	**75,500**	**68,142**	**(7,358)**	77,500	68,284	(9,216)
Insurance	**27,000**	**25,676**	**(1,324)**	27,000	23,735	(3,265)
Dues and subscriptions	**23,000**	**17,003**	**(5,997)**	20,000	22,040	2,040
Building	**60,000**	**43,804**	**(16,196)**	55,200	40,389	(14,811)
Depreciation	**187,300**	**190,020**	**2,720**	165,000	149,503	(15,497)
Total operating expenses	**3,097,880**	**3,310,394**	**212,514**	2,977,305	2,881,831	(95,474)
Operating income (loss)	**(146,255)**	**60,014**	**206,269**	(125,230)	132,525	257,755
Non-operating revenues	**113,350**	**181,006**	**67,656**	119,440	186,301	66,861
Changes in net position	**(32,905)**	**241,020**	**273,925**	(5,790)	318,826	324,616
Net position - beginning of year	**4,525,270**	**4,525,270**	**-**	4,206,444	4,206,444	-
Net position - end of year	**$ 4,492,365**	**$ 4,766,290**	**$ 273,925**	$ 4,200,654	$ 4,525,270	$ 324,616

Budgetary Information

Annual budgets are adopted by the Board and prepared and reported on the accrual basis of accounting. The budgets prepared for the fiscal years ended March 31, 2026 and 2025 identify major sources of revenue and expenses. Although budgeted amounts lapse at year-end, the Board retains its unexpended net assets to fund expenses of the succeeding years.

Financial Highlights

For the Four Month Period Ended July 31, 2026
Compared to the Four Month Period Ended July 31, 2025

	Budget Var.	Jul-26	Jul-25	Inc. (Dec.)
Total Revenue	$ 151,388.85	$ 2,134,215.49	$ 2,105,289.87	$ 28,925.62
■Total Operating Revenue	$ 153,426.36	$ 2,091,459.68	$ 2,058,697.04	$ 32,762.64
❖Total Net Non Operating Revenue	$ (2,037.51)	$ 42,755.81	$ 46,592.83	$ (3,837.02)
❍Total Expenses	$ (50,072.53)	$ 1,116,313.15	$ 1,185,589.98	$ (69,276.83)
Increase(Dec.) Net Assets for Period		$ 1,017,902.34	$ 919,699.89	$ 98,202.45
Total Checking and Savings		$ 2,318,610.99	$ 2,339,477.71	$ (20,866.72)
Total Assets		$ 6,408,484.91	$ 6,258,624.23	$ 149,860.68
Full-Time/Part-time Employees		11/0	11/0	

Budget:

■ **Operating revenue was $153,000 over budget. Certificate fee revenue increased (+$5k) along with an increase of (+$143k) related to exam fee revenue.**

❖ **Non-Operating revenue was $2,000 under budget related to interest earnings. Interest income was down by (-$5k) due to change in investment mix offset by (+$2.5k) in credit card revenue (used to offset regional expenses).**

❍ **Expenses were over budget by $50,000. Office expense was over by (+$24k) related to credit card fees; offset by exam costs by (-$28k), reduced legal expenses (-$9k - timing) and payroll costs (-$25k).**

Actual:

■ **Total operating revenue increased from prior year by $33,000. Certificate fees up by (+$13k) and exam fee revenue is up by (+$15k)**

❖ **Total net non-operating revenue decreased this period compared to prior by $4,000. Interest earnings are down by (-$9k) offset by increased credit card revenue (+$5k).**

❍ **Total expenses decreased by $69,000. Building expenses are up by (+$14k) due to landscaping expenses; exam expenses are down by (-$124k); office expenses are up by (+$24k) for audit fees and salary expenses are up by (+$15k).**

North Carolina State Board of CPA Examiners

Statement of Revenues and Expenses - Year-To-Date Comparison

April - July, 2026

	TOTAL	
	APR - JUL, 2026	APR - JUL, 2025 (PY)
Income		
Certificate Fees		
4110 Certificates - Initial	18,900.00	15,025.00
4120 Certificates - Reciprocal	9,800.00	8,200.00
4140 Certificates - Renewal Fees	1,348,860.00	1,341,420.00
4150 Certificates - Reinst/Revoked	200.00	200.00
4151 Certificates - Reinst/Surr	1,400.00	1,600.00
Total Certificate Fees	**1,379,160.00**	**1,366,445.00**
Exam Fee Revenue		
4001 Initial Adm Fees	85,560.00	77,050.00
4002 Re-Exam Adm Fees	82,684.43	80,250.00
4004 Exam Fees Revenue	548,437.77	547,102.64
4071 Exam Review Fees	-495.57	
4072 Exam Scholarship Coupon	-11,542.10	-14,305.60
Total Exam Fee Revenue	**704,644.53**	**690,097.04**
Misc		
4970 Duplicate Certificates	500.00	250.00
4990 Miscellaneous	4,505.15	450.00
Total Misc	**5,005.15**	**700.00**
Professional Corporation Fees		
4250 PC Registration Fees	2,600.00	1,350.00
4251 PC Renewal Fees		75.00
4252 PC Renewal Fees W/Penalties	50.00	30.00
Total Professional Corporation Fees	**2,650.00**	**1,455.00**
Total Income	**$2,091,459.68**	**$2,058,697.04**
Expenses		
5920 Funded Depreciation	24,000.00	21,600.00
6690 Over & Short		44.82
Board Travel		
5120 Board Travel - Board Meetings	2,755.43	6,307.11
5123 Board Travel - NASBA Regional	12,642.03	12,400.12
5129 Miscellaneous Board Costs		257.52
5131 Board Travel - Outside Legal	795.00	869.61
Total Board Travel	**16,192.46**	**19,834.36**
Building Expenses		
5800 Building Maintenance	2,098.71	-4,965.85
5801 Electricity	3,171.78	3,143.92
5802 Grounds Maintenance	13,324.27	8,785.44
5803 Heat & Air Maintenance	826.25	1,064.50

North Carolina State Board of CPA Examiners

Statement of Revenues and Expenses - Year-To-Date Comparison

April - July, 2026

	TOTAL	
	APR - JUL, 2026	APR - JUL, 2025 (PY)
5807 Janitorial Maintenance	5,250.00	1,710.00
5808 Pest Control Service	150.00	150.00
5809 Security & Fire Alarm		2,548.07
5810 Trash Collection	1,268.33	-362.00
5811 Water & Sewer	452.71	401.73
Total Building Expenses	**26,542.05**	**12,475.81**
Continuing Education -Staff		
5050 Continuing Education - Staff	436.00	496.00
Total Continuing Education -Staff	**436.00**	**496.00**
Exam Postage		
5531 Exam Postage	240.00	240.00
Total Exam Postage	**240.00**	**240.00**
Exam Sitting and Grading		
5538 Exam Vendor Expense	385,285.21	509,757.04
5539 Exam Vendor Accommodations	3,102.00	2,211.00
Total Exam Sitting and Grading	**388,387.21**	**511,968.04**
Fringe Benefits		
5031 Retirement - NCLB Contribution	20,078.69	19,353.53
5033 Retirement - NCLB Administr	-34.01	830.65
5035 Health Ins. Premiums	51,061.46	44,978.38
5036 Medical Reim Plan	9,036.36	8,141.47
Total Fringe Benefits	**80,142.50**	**73,304.03**
Investigation & Hearing Costs		
5222 Investigation Materials	1,167.00	1,104.00
5230 Hearing Costs	0.00	270.00
5260 Civil Penalties Assessed	-1,500.00	-3,500.00
5261 Civil Penalties Remitted	868.20	1,811.20
Total Investigation & Hearing Costs	**535.20**	**-314.80**
Legal Expense		
5140 Legal Counsel - Administrative	16,835.07	16,440.51
Total Legal Expense	**16,835.07**	**16,440.51**
Misc Personnel		
5092 Misc. Personnel Costs	203.45	317.88
Total Misc Personnel	**203.45**	**317.88**
Office Expense		
5320 Payroll Service	680.36	647.15
5360 Telephone	1,362.21	1,718.51
5361 Internet & Website	1,306.80	1,306.80
5400 Computer Prog/Assistance	150.00	150.00
5405 Computer Software Maintenance	83,278.82	79,575.93

North Carolina State Board of CPA Examiners

Statement of Revenues and Expenses - Year-To-Date Comparison

April - July, 2026

	TOTAL	
	APR - JUL, 2026	APR - JUL, 2025 (PY)
5410 Dues	1,780.00	1,265.00
5420 Insurance	8,730.00	9,012.00
5430 Audit Fees	18,500.00	
5440 Misc Office Expense	546.00	405.00
5445 Banking Fees	723.63	643.06
5450 Credit Card Fees	51,717.34	50,149.37
Total Office Expense	**168,775.16**	**144,872.82**
Per Diem - Board		
5110 Per Diem - Board Meetings	3,400.00	3,900.00
5113 Per Diem - NASBA Regional	1,000.00	1,700.00
5114 Per Diem - NASBA Committees		400.00
Total Per Diem - Board	**4,400.00**	**6,000.00**
Postage		
5340 Postage - Other	1,100.00	1,365.23
5342 Postage - Business Reply	670.00	650.00
5343 Postage - Renewal	360.00	360.00
5345 Postage - UPS	7,500.00	9,500.00
Total Postage	**9,630.00**	**11,875.23**
Printing		
5330 Printing - Other	377.18	1,595.74
5332 Printing - Certificates	385.00	637.00
Total Printing	**762.18**	**2,232.74**
Repairs & Maintenance		
5381 Maintenance - Copiers	1,013.68	1,359.10
5383 Maintenance - Postage	2,092.31	1,969.31
Total Repairs & Maintenance	**3,105.99**	**3,328.41**
Salaries & Payroll Taxes		
5010 Staff Salaries	334,647.79	322,560.92
5030 FICA Taxes	25,600.49	24,675.80
5040 State Unemployment Tax	2,567.00	
Total Salaries & Payroll Taxes	**362,815.28**	**347,236.72**
Staff Travel		
5060 Staff Travel - Local		100.00
5061 Staff Travel - Prof Mtgs	476.71	358.40
5071 Staff Travel - NASBA Regional	8,292.93	7,588.65
5072 Staff Travel - NASBA ED/Legal	0.00	106.00
Total Staff Travel	**8,769.64**	**8,153.05**
Subscriptions/References		
5370 Subscriptions/References	2,371.61	2,187.27
Total Subscriptions/References	**2,371.61**	**2,187.27**

North Carolina State Board of CPA Examiners

Statement of Revenues and Expenses - Year-To-Date Comparison

April - July, 2026

	TOTAL	
	APR - JUL, 2026	APR - JUL, 2025 (PY)
Supplies		
5350 Supplies - Office	1,591.27	2,311.33
5352 Supplies - Computer	578.08	980.00
5353 Supplies - Special Projects		5.76
Total Supplies	**2,169.35**	**3,297.09**
Total Expenses	**$1,116,313.15**	**$1,185,589.98**
NET ORDINARY INCOME	**$975,146.53**	**$873,107.06**
Other Income		
8200 Rental Income	18,058.58	17,532.60
8250 Gift Card Revenue	10,000.00	5,100.00
Interest Income		
8500 Interest Income - MMAs	14,587.48	14,052.99
8510 Interest Income - CDs	109.75	9,907.24
Total Interest Income	**14,697.23**	**23,960.23**
Total Other Income	**$42,755.81**	**$46,592.83**
NET OTHER INCOME	**$42,755.81**	**$46,592.83**
CHANGE IN NET ASSETS	**$1,017,902.34**	**$919,699.89**

North Carolina State Board of CPA Examiners

Statement of Revenues & Expenses - Budget vs Actuals

April - July, 2026

	TOTAL		
	ACTUAL	BUDGET	OVER BUDGET
Income			
Certificate Fees			
4110 Certificates - Initial	18,900.00	17,500.00	1,400.00
4120 Certificates - Reciprocal	9,800.00	10,666.68	-866.68
4140 Certificates - Renewal Fees	1,348,860.00	1,344,000.00	4,860.00
4150 Certificates - Reinst/Revoked	200.00	583.32	-383.32
4151 Certificates - Reinst/Surr	1,400.00	1,416.68	-16.68
Total Certificate Fees	**1,379,160.00**	**1,374,166.68**	**4,993.32**
Exam Fee Revenue			
4001 Initial Adm Fees	85,560.00	72,833.32	12,726.68
4002 Re-Exam Adm Fees	82,684.43	62,500.00	20,184.43
4004 Exam Fees Revenue	548,437.77	441,666.68	106,771.09
4071 Exam Review Fees	-495.57	0.00	-495.57
4072 Exam Scholarship Coupon	-11,542.10	-15,300.00	3,757.90
Total Exam Fee Revenue	**704,644.53**	**561,700.00**	**142,944.53**
Misc			
4970 Duplicate Certificates	500.00	0.00	500.00
4990 Miscellaneous	4,505.15	333.32	4,171.83
Total Misc	**5,005.15**	**333.32**	**4,671.83**
Professional Corporation Fees			
4250 PC Registration Fees	2,600.00	1,833.32	766.68
4252 PC Renewal Fees W/Penalties	50.00	0.00	50.00
Total Professional Corporation Fees	**2,650.00**	**1,833.32**	**816.68**
Total Income	**$2,091,459.68**	**$1,938,033.32**	**$153,426.36**
Expenses			
5920 Funded Depreciation	24,000.00	21,600.00	2,400.00
Board Travel			
5120 Board Travel - Board Meetings	2,755.43	3,880.00	-1,124.57
5123 Board Travel - NASBA Regional	12,642.03	10,800.00	1,842.03
5125 Board Travel - AICPA Council		850.00	-850.00
5131 Board Travel - Outside Legal	795.00	1,333.33	-538.33
Total Board Travel	**16,192.46**	**16,863.33**	**-670.87**
Building Expenses			
5800 Building Maintenance	2,098.71	8,000.00	-5,901.29
5801 Electricity	3,171.78	4,666.68	-1,494.90
5802 Grounds Maintenance	13,324.27	6,000.00	7,324.27
5803 Heat & Air Maintenance	826.25	1,125.00	-298.75
5805 Insurance		4,000.00	-4,000.00
5807 Janitorial Maintenance	5,250.00	4,666.68	583.32
5808 Pest Control Service	150.00	0.00	150.00
5809 Security & Fire Alarm		866.68	-866.68

North Carolina State Board of CPA Examiners

Statement of Revenues & Expenses - Budget vs Actuals

April - July, 2026

	TOTAL		
	ACTUAL	BUDGET	OVER BUDGET
5810 Trash Collection	1,268.33	833.32	435.01
5811 Water & Sewer	452.71	600.00	-147.29
Total Building Expenses	**26,542.05**	**30,758.36**	**-4,216.31**
Continuing Education -Staff			
5050 Continuing Education - Staff	436.00	833.32	-397.32
Total Continuing Education -Staff	**436.00**	**833.32**	**-397.32**
Exam Postage			
5531 Exam Postage	240.00	333.32	-93.32
Total Exam Postage	**240.00**	**333.32**	**-93.32**
Exam Sitting and Grading			
5538 Exam Vendor Expense	385,285.21	416,666.68	-31,381.47
5539 Exam Vendor Accommodations	3,102.00	0.00	3,102.00
Total Exam Sitting and Grading	**388,387.21**	**416,666.68**	**-28,279.47**
Fringe Benefits			
5031 Retirement - NCLB Contribution	20,078.69	21,600.59	-1,521.90
5033 Retirement - NCLB Administr	-34.01	2,850.00	-2,884.01
5035 Health Ins. Premiums	51,061.46	47,333.32	3,728.14
5036 Medical Reim Plan	9,036.36	11,000.00	-1,963.64
Total Fringe Benefits	**80,142.50**	**82,783.91**	**-2,641.41**
Investigation & Hearing Costs			
5222 Investigation Materials	1,167.00	1,500.00	-333.00
5230 Hearing Costs	0.00	1,666.68	-1,666.68
5250 Administrative Cost Assessed		-833.32	833.32
5260 Civil Penalties Assessed	-1,500.00	-2,500.00	1,000.00
5261 Civil Penalties Remitted	868.20	0.00	868.20
Total Investigation & Hearing Costs	**535.20**	**-166.64**	**701.84**
Legal Expense			
5140 Legal Counsel - Administrative	16,835.07	22,450.00	-5,614.93
5211 Legal Counsel - Litigation		3,333.32	-3,333.32
Total Legal Expense	**16,835.07**	**25,783.32**	**-8,948.25**
Misc Personnel			
5092 Misc. Personnel Costs	203.45	1,666.68	-1,463.23
Total Misc Personnel	**203.45**	**1,666.68**	**-1,463.23**
Office Expense			
5301 Equipment Rent		50.00	-50.00
5320 Payroll Service	680.36	700.00	-19.64
5360 Telephone	1,362.21	1,666.68	-304.47
5361 Internet & Website	1,306.80	1,333.32	-26.52
5400 Computer Prog/Assistance	150.00	333.32	-183.32
5405 Computer Software Maintenance	83,278.82	78,991.05	4,287.77
5410 Dues	1,780.00	3,750.00	-1,970.00
5420 Insurance	8,730.00	7,000.00	1,730.00

North Carolina State Board of CPA Examiners

Statement of Revenues & Expenses - Budget vs Actuals

April - July, 2026

	TOTAL		
	ACTUAL	BUDGET	OVER BUDGET
5430 Audit Fees	18,500.00	18,500.00	0.00
5440 Misc Office Expense	546.00	333.32	212.68
5445 Banking Fees	723.63	1,000.00	-276.37
5448 Interest Expense - GL Software		1,266.68	-1,266.68
5450 Credit Card Fees	51,717.34	30,000.00	21,717.34
Total Office Expense	**168,775.16**	**144,924.37**	**23,850.79**
Per Diem - Board			
5110 Per Diem - Board Meetings	3,400.00	4,250.00	-850.00
5111 Per Diem - Prof Meetings		1,166.68	-1,166.68
5113 Per Diem - NASBA Regional	1,000.00	0.00	1,000.00
5116 Per Diem - NCACPA Annual		950.00	-950.00
5117 Per Diem - NCACPA/Board		233.34	-233.34
5119 Per Diem - Miscellaneous		233.34	-233.34
Total Per Diem - Board	**4,400.00**	**6,833.36**	**-2,433.36**
Postage			
5340 Postage - Other	1,100.00	1,000.00	100.00
5342 Postage - Business Reply	670.00	533.32	136.68
5343 Postage - Renewal	360.00	333.32	26.68
5345 Postage - UPS	7,500.00	9,333.32	-1,833.32
Total Postage	**9,630.00**	**11,199.96**	**-1,569.96**
Printing			
5330 Printing - Other	377.18	1,500.00	-1,122.82
5332 Printing - Certificates	385.00	1,166.68	-781.68
Total Printing	**762.18**	**2,666.68**	**-1,904.50**
Repairs & Maintenance			
5381 Maintenance - Copiers	1,013.68	1,000.00	13.68
5383 Maintenance - Postage	2,092.31	1,000.00	1,092.31
Total Repairs & Maintenance	**3,105.99**	**2,000.00**	**1,105.99**
Salaries & Payroll Taxes			
5010 Staff Salaries	334,647.79	360,101.56	-25,453.77
5030 FICA Taxes	25,600.49	27,537.41	-1,936.92
5040 State Unemployment Tax	2,567.00	0.00	2,567.00
Total Salaries & Payroll Taxes	**362,815.28**	**387,638.97**	**-24,823.69**
Staff Travel			
5061 Staff Travel - Prof Mtgs	476.71	0.00	476.71
5071 Staff Travel - NASBA Regional	8,292.93	5,400.00	2,892.93
5075 Staff Travel - NCACPA Meetings		333.34	-333.34
Total Staff Travel	**8,769.64**	**5,733.34**	**3,036.30**
Subscriptions/References			
5370 Subscriptions/References	2,371.61	3,600.00	-1,228.39
Total Subscriptions/References	**2,371.61**	**3,600.00**	**-1,228.39**
Supplies			

North Carolina State Board of CPA Examiners

Statement of Revenues & Expenses - Budget vs Actuals

April - July, 2026

	TOTAL		
	ACTUAL	BUDGET	OVER BUDGET
5350 Supplies - Office	1,591.27	2,366.68	-775.41
5351 Supplies - Copier		316.68	-316.68
5352 Supplies - Computer	578.08	316.68	261.40
5355 Expendable Equipment		1,666.68	-1,666.68
Total Supplies	**2,169.35**	**4,666.72**	**-2,497.37**
Total Expenses	**$1,116,313.15**	**$1,166,385.68**	**$ -50,072.53**
NET OPERATING INCOME	**$975,146.53**	**$771,647.64**	**$203,498.89**
Other Income			
8200 Rental Income	18,058.58	17,293.32	765.26
8250 Gift Card Revenue	10,000.00	7,500.00	2,500.00
Interest Income			
8500 Interest Income - MMAs	14,587.48	20,000.00	-5,412.52
8510 Interest Income - CDs	109.75	0.00	109.75
Total Interest Income	**14,697.23**	**20,000.00**	**-5,302.77**
Total Other Income	**$42,755.81**	**$44,793.32**	**$ -2,037.51**
NET OTHER INCOME	**$42,755.81**	**$44,793.32**	**$ -2,037.51**
CHANGE IN NET ASSETS	**$1,017,902.34**	**$816,440.96**	**$201,461.38**

North Carolina State Board of CPA Examiners

Statement of Net Position

As of July 31, 2026

	TOTAL	
	AS OF JUL 31, 2026	AS OF JUL 31, 2025 (PY)
ASSETS		
Current Assets		
Checking/Savings		
1020 Truist Checking Acct	83,214.45	299,910.82
1021 Truist Savings Account	5,081.24	5,080.76
1023 Truist Disciplnary Clearng Acct	500.00	400.00
1030 Truist Payroll Acct	248.11	100.00
1076 Pinnacle - MMA	1,798,428.15	1,614,339.53
1078 Pinnacle - ICS	431,139.04	419,646.60
Total Checking/Savings	**$2,318,610.99**	**$2,339,477.71**
Other Current Assets		
1050 CD Investments - Current	250,000.00	354,651.00
1110 Accrued CD Interest	109.59	5,180.60
1130 Lease Receivable - Current	51,881.00	50,350.00
Total Other Current Assets	**$301,990.59**	**$410,181.60**
Total Current Assets	**$2,620,601.58**	**$2,749,659.31**
Fixed Assets		
1300 Building	985,976.03	985,976.03
1305 Land	300,000.00	300,000.00
1310 Furniture	61,443.00	61,443.00
1320 Equipment	123,268.77	138,723.38
1325 Data Base Software	267,843.86	180,336.18
1330 Capital Improvements	163,679.96	163,679.96
1335 GL Software Subscription	0.00	122,513.00
1390 Accumulated Depreciation	-1,043,567.29	-984,938.63
Total Fixed Assets	**$858,644.33**	**$967,732.92**
Other Assets		
1080 Wells Fargo Advisors Investment	2,412,813.00	1,992,109.00
1081 Raymond James Investment	458,439.00	439,255.00
1180 Lease Receivable - LT	57,987.00	109,868.00
Total Other Assets	**$2,929,239.00**	**$2,541,232.00**
TOTAL ASSETS	**$6,408,484.91**	**$6,258,624.23**

North Carolina State Board of CPA Examiners

Statement of Net Position

As of July 31, 2026

	TOTAL	
	AS OF JUL 31, 2026	AS OF JUL 31, 2025 (PY)
LIABILITIES & NET ASSETS		
Liabilities		
Current Liabilities		
Other Current Liabilities		
2005 Due to Exam Vendors	359,379.29	386,484.41
2011 Accounts Payable Other	2,500.00	2,500.00
2013 GL Software SubscriptionPayable	0.00	122,513.00
2015 Compensated Absences - Current	42,054.17	48,461.17
2230 State Tax W/H	2,567.00	0.00
Total Other Current Liabilities	**$406,500.46**	**$559,958.58**
Total Current Liabilities	**$406,500.46**	**$559,958.58**
Long-Term Liabilities		
2020 Compensated Absences - LT	107,924.27	93,478.27
2310 Deferred Inflow of Resources	109,868.00	160,218.00
Total Long-Term Liabilities	**$217,792.27**	**$253,696.27**
Total Liabilities	**$624,292.73**	**$813,654.85**
Net Assets		
3010 Net Assets Invest in Cap Assets	858,644.33	967,732.92
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	2,507,645.51	2,157,536.57
Change in Net Assets	1,017,902.34	919,699.89
Total Net Assets	**$5,784,192.18**	**$5,444,969.38**
TOTAL LIABILITIES & NET ASSETS	**$6,408,484.91**	**$6,258,624.23**

Legislative and Rulemaking Items

None

RECOMMENDATION MEMORANDUM

Private Equity and Alternative Practice Structures in the Accounting Profession

Recommendations for State Boards of Accountancy

National Association of State Boards of Accountancy
Private Equity Task Force

August 2026

Introduction

Private equity (PE) participation in the accounting profession often involves Certified Public Accountant (CPA) firms operating within complex, multiparty alternative practice structure (APS),[1] and receiving support from non-CPA firms that may have PE investments. This type of PE investment in the accounting profession has accelerated in recent years, bringing capital, technology investment, and consolidation, along with complex governance, economic, and independence risks. Given the rising deal volumes, diversified financing mechanisms, and operational pathways through which investment and shared services arrangements can influence CPA firms, regulators and the accounting profession have recently begun to examine whether possible changes to the regulatory framework are needed.

With any review of a state board of accountancy's (SBOA) regulatory framework, it is important to consider a pragmatic approach. This approach should recognize the potential benefits associated with PE investment while maintaining appropriate regulatory oversight and public protection.

State governments and SBOAs facing complex, PE-backed APSs will weigh multiple considerations in determining their regulatory responses. Their next steps should reflect the specific laws, rules, and needs of their jurisdictions. These steps may include legislation, rulemaking, policy development, and practical measures to address licensure, renewal, and enforcement practices considering the evolving PE landscape. Most importantly, SBOAs should evaluate whether their existing statutory and regulatory frameworks adequately support the considerations and potential approaches outlined in this memorandum.

Following a deliberate review process that included feedback from SBOAs and other key stakeholders, the NASBA PE Task Force developed this memorandum. It provides a menu of policy options, examples, and implementation considerations that SBOAs can evaluate based on their jurisdictional authority, risk profile, and specific needs. The NASBA PE Task Force's recommendations, set forth in this memorandum, are intended to ensure:

1. Adherence to independence and professional standards;

[1] Under the AICPA Code of Professional Conduct Independence Rule ET §1.220.020: an "APS is a form of organization in which a firm that provides attest services is closely aligned with another public or private organization that performs other professional services."

2. Adequate disclosure to ensure public understanding and protection; and
3. An effective framework for SBOA regulatory oversight and enforcement.

This recommendation memorandum, and the future work of NASBA and the PE Task Force on this topic, seeks to provide a framework for addressing public protection within CPA firms that enter APS arrangements with outside investments. It should be noted, however, that individual jurisdiction's and SBOA's needs and requirements will vary. Consistent with NASBA's mission of supporting SBOAs, this recommendation memorandum is intended to be a resource, while not directing any particular action by an SBOA. Further, SBOA jurisdiction is limited to regulating the practice of public accountancy and licensed CPAs and CPA firms. Therefore, this recommendation memorandum focuses primarily on regulations, policies, or procedures that address CPA and CPA firm conduct, rather than the conduct of third parties.

NASBA will periodically revisit these recommendations to keep the memorandum current as rules, and standards evolve.

Background and Work of the NASBA Private Equity Task ForceIn May 2025, Immediate-Past NASBA Chair Maria Caldwell, CPA, appointed the NASBA Private Equity Task Force (PE Task Force) to evaluate the implications of PE investment in the accounting profession and identify ways to support SBOAs in their oversight responsibilities. The PE Task Force was also charged with exploring how PE ownership may impact the public interest, CPA firm independence, governance structures, and audit quality.

The members of the PE Task Force are:

- Dan Vuckovich, CPA, Chair—NASBA Board of Directors' Member; NASBA Mountain Regional Director; Member, Montana Board of Public Accountants
- Barry Berkowitz, CPA—NASBA Board of Directors' Directors-at-Large Member
- Boyd Busby, CPA—Executive Director, Alabama State Board of Public Accountancy
- Dominic Franzella—Executive Officer, California Board of Accountancy
- Dale Mullen, Esq.—Member, Virginia Board of Accountancy
- David Nance, CPA—Executive Director, North Carolina Board of CPA Examiners
- Steve Platau, CPA—Member, Florida Board of Accountancy
- Melissa Ruff, CPA—NASBA Board of Directors' Member; NASBA Central Regional Director; Chair, Nebraska Board of Public Accountancy

On October 24, 2025, the PE Task Force released a white paper titled *Alternative Practice Structures & Private Equity: Considerations and Questions for Boards of Accountancy*

(White Paper). The purpose of the White Paper was to educate SBOAs and policymakers about both the benefits and challenges of PE investment and raise key questions about how best to protect investors and the public interest.

The White Paper included a background on SBOA regulation of CPAs and CPA firms and an introduction to CPA firms operating in APS models that have PE investment.[2] It also raised 15 questions on SBOA needs and considerations around regulating PE investment in the accounting profession, divided between three main areas:

1. **Independence and Professional Standards**
2. **Disclosure and Public Understanding**
3. **Regulatory Oversight and Enforcement**

While posing these questions to SBOAs and other stakeholders, the White Paper did not intend to provide guidance on how SBOAs should modify their oversight practices or statutory frameworks. Instead, the White Paper produced thorough and thoughtful responses from SBOAs and other stakeholders. These responses are discussed below, along with content intended to guide future steps by NASBA, the PE Task Force, and the SBOAs.

Synopsis of the NASBA PE Task Force's findings

In response to its release of the White Paper, the PE Task Force received responses from 18 SBOAs.[3] Additionally, the AICPA, state societies,[4] and 12 individuals or CPA firms responded.[5] The PE Task Force reviewed all responses in developing this memorandum. Because the memorandum is intended primarily for SBOAs, the task force focused their actions on steps boards could take within their regulatory authority.

Across the 15 questions, several consistent themes emerged regarding SBOA and state society responses. SBOAs primarily focused on preserving independence, audit quality,

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[2] This memorandum uses the terms "CPA firm" and "non-CPA firm" throughout. This wording captures the two sides of a PE-backed APS: the licensed CPA firm, which performs audit and attest work, and any associated non-CPA firm entities. APSs often involve complex relationships between numerous CPA firms and non-CPA firm entities. Additionally, it should be noted that the focus of this memorandum is PE-backed APSs, but there are also numerous examples of non-PE funded APSs with CPA firm and non-CPA firm components, and this content may be relevant to those situations as well. For further details on the relationships and ownership structures, please see *Alternative Practice Structures & Private Equity: Considerations and Questions for Boards of Accountancy*.
[3] AZ, CA, DE, HI, ID, LA, MS, NC, NE, NH, NV, OH, OR, OK, PA, TN, TX, and VA.
[4] CA, IN, IL, NC, OK, PA, TX, and VA.
[5] Including the chairs of the MD and NH boards, responding in their individual capacity.

and clear regulatory authority in the face of increasingly complex APSs. SBOAs and other respondents emphasized the following priorities for SBOAs and other stakeholders in response to questions posed on the above-listed three main topics.

1. **Independence and Professional Standards:**
   - Implement guardrails regarding the relationships between CPA firms and non-CPA firms operating within an APS. For example:
     - Require a degree of financial independence by CPA firms operating in an APS.
     - Require documented assurances of CPA firm control over attest-related decisions.
     - Ensure adequate quality control by CPAs at CPA firms within APSs.
     - Ensure adequate independence safeguards regarding services provided by CPA firms to portfolio companies within a CPA firm's investment structure.
     - Require confidentiality obligations to apply both to CPA firms and non-CPA firms within an APS, both during the terms of their joint operations, but also if the APS's non-CPA firm exits its relationship with the CPA firm.
     - Require immediate disclosure to clients, and corrective action, in the event of an unauthorized disclosure of client information.

2. **Disclosure and Public Understanding:**
   - Ensure legislative clarity regarding permitted use of the CPA title by CPAs operating outside of CPA firms.
   - Require clarity in CPA firm advertising regarding relationships between CPA firms and non-CPA firms within an APS.
   - Enhance CPA firm disclosure requirements and CPA firm licensure and renewal requirements.
   - Encourage NASBA, AICPA, SBOAs, and/or state societies to facilitate:
     - Outreach to state legislatures and other key stakeholders to emphasize the importance of this issue and necessary regulations;
     - Public education via press releases, newsletter articles, and providing consumer guides explaining PE investment and APSs.

3. **Regulatory Oversight and Enforcement:**

- Ensure legal and regulatory requirements adequately address non-CPA firms within an APS, while not seeking to extend board jurisdiction over these entities beyond the limits of state laws and rules and professional standards.
- Require CPA firms to affirm that they, and non-CPA firm counterparts within their APS, have clear obligations to cooperate with regulators and peer reviewers.
- Strengthen peer review practices as a primary oversight tool.

The following sections address these three areas and presents recommendations that SBOAs can implement to address.

Some of these recommendations are tied directly to laws, rules, and standards that will be found in all or most jurisdictions. Other recommendations included in this memorandum, however, may not be based on existing laws, rules, or standards. In these cases, the fundamental first step for SBOAs would be to ensure an adequate statutory basis for their action.

Independence and Professional Standards

PE-backed APSs can introduce financial or operational pressures that affect CPA firm decisions, necessitating well-defined CPA firm control requirements. Additionally, ensuring that CPA firms maintain clear legal and operational separation from non-CPA firms within their APS helps preserve CPAs' professional judgment and safeguards the integrity of the attest function. Thus, to fulfill their regulatory mandates, SBOAs should be able to determine that CPA firms maintain exclusive authority over professional decisions, including independence, governance, engagement acceptance, staffing, and quality management processes.

This regulatory mandate could be fulfilled by requiring affirmative statements by CPA firms upon licensure and renewal, with these CPA firms noting that specific minimum independence requirements have been met within the APS context.[6] By placing these affirmative requirements on CPA firms, rather than necessitating SBOA investigation and oversight of PE-backed structures, SBOAs can fulfill their regulatory obligations without generating an unmanageable workload or routinely delving into confidential CPA firm operating details.

[6] Please see appendix 2 for example language on this issue.

Recommendations for SBOAs:

1. Review all relevant laws and rules to ensure that adequate subpoena and investigatory power exist to obtain necessary documents and other information from CPA firms within an APS.
2. Require that CPA firms' governing bodies retain final authority over all licensed functions, to ensure compliance with all relevant standards, laws, and rules.
3. Require CPA control of CPA firm management. Ensure that engagement acceptance/continuance, quality management, staffing, and fee setting for work performed by CPA firms shall be controlled exclusively by CPA firms' CPA leadership.
4. Review relevant laws and rules to ensure adequate language protecting clients and client records during a non-CPA firm's exit from an APS.
5. If SBOA concerns are not adequately addressed by AICPA's Professional Ethics Executive Committee (PEEC)'s forthcoming changes to the AICPA Code of Professional Conduct, consider rulemaking and legislative changes to address gaps.[7]

Disclosure and Public Understanding

APSs introduce complex ownership, governance, and shared services arrangements that can obscure where actual control resides and how professional decisions are made. This lack of transparency may result in lapses in public protection. Because APS models often share branding, technology systems, and service pipelines, the public may mistakenly believe that a non-CPA firm within the APS is licensed and subject to SBOA independence and regulatory requirements. Public clarification of which entity is licensed, and disclosure of how CPA firms maintain independence and quality, is essential for maintaining public trust and enabling informed decision-making.

Thus, for SBOAs to protect the public effectively, they require clear, enforceable standards that illuminate the economic and operational relationships within APS-backed structures.

Recommendations for SBOAs:

[7] At the time of release of this recommendation memo, PEEC's work was not yet concluded. Uniform Accountancy Act, Model Rules, and state law and rule changes may be considered depending on the outcome of PEEC's ongoing revisions.

1. Require CPA firms to report to SBOAs if they operate in an APS, and report whether the APS receives PE investment.
2. Require conspicuous disclosures by CPA firms operating in an APS. For example:
   - The CPA firm's engagement letter, website, advertising, and marketing should include plain language disclosures regarding the relationship between the CPA firm and non-CPA firm within an APS.
   - SBOAs may require a disclaimer to accompany all marketing and advertising material referring to a CPA's designation and his or her association with an unlicensed entity in the client practice of public accountancy. The following sample disclaimer language may be helpful to SBOAs and state legislatures as they consider this issue:

     Our organization operates within an Alternative Practice Structure (APS) that includes two legally distinct entities. [Licensed CPA Firm Name] is the entity licensed by the State Board of Accountancy and is solely responsible for performing attest services in accordance with applicable professional standards. [Non-Attest Affiliate Name] is a separate entity that provides tax, advisory, and other non-attest services and is not licensed by the State Board of Accountancy. Although the entities may share a common brand and certain support resources, the licensed CPA firm maintains exclusive authority over all attest services and the related independence and quality safeguards.

3. The PE Task Force also recommends that the Uniform Accountancy Act Committee consider Uniform Accountancy Act changes to clarify that CPAs operating outside of CPA firms may use their CPA title, to ensure public understanding of whether an activity is performed by a licensed CPA and potentially subject to SBOA oversight.

Regulatory Oversight and Enforcement

The PE Task Force recommends ensuring that regulators have unimpeded access to the information, personnel, and documentation needed to oversee the licensed entity effectively. Because APS and PE models often involve multiple affiliates, shared IT systems, and layered governance, regulators need full transparency into how decisions are made and how independence safeguards operate in practice. Cooperation obligations also require timely notice of governance, ownership, or operational changes that could affect the licensed CPA firm's control over its core functions. These requirements are essential mechanisms that uphold accountability, enable early risk detection, and ensure regulators can intervene when necessary to protect the public interest.

Recommendations for SBOAs:

1. SBOAs should evaluate whether additional monitoring and oversight of peer review is needed for CPA firms operating in APSs:
    - To facilitate peer review, SBOAs and stakeholders will ensure that laws and rules require full compliance with peer review standards and full participation in peer review programs, including requiring that CPA firms provide peer reviewers with immediate, unredacted access to engagement documentation, QC/QM materials, independence records, monitoring documentation, and relevant CPA firm policies.
2. Require CPA firms to affirm upon licensure and annual licensure renewal that in the event of an SBOA investigation or enforcement action they will:
    - Provide unredacted access to workpapers, quality control and management documentation, independence records, and partner/principal compensation policies without delay upon SBOA request.
    - Ensure access to partners, managers, and compliance leadership for SBOA interviews and testimony, as authorized by law.
    - Produce requested operational documents, including shared services agreements, policies, and procedures regarding CPA firm independence, and designate a compliance liaison with authority to coordinate responses and facilitate SBOA examinations.[8]

Conclusion

Based on input from SBOAs and other stakeholders, the PE Task Force developed a range of potential regulatory and other responses to the challenges posed by PE-backed APSs. This content is focused on SBOAs' roles as regulators of CPAs and CPA firms, without seeking to extend the scope or control of SBOAs to non-CPA firms.

The material is intended to serve as a resource for SBOAs, regulators, and other stakeholders, with the needs and priorities of individual states determining their paths forward. NASBA will be available to assist SBOAs with research and drafting as they

[8] See appendix 2 for additional details, including a sample checklist containing more detailed affirmations for CPA firms.

consider legislative or regulatory changes. NASBA may also help coordinate information sharing among boards l to issues that arise regarding CPA firms operating in PE-backed APSs.

Finally, the PE Task Force recognizes that while regulatory work on this topic may be guided by the PE Task Force's findings, SBOAs and NASBA will also need to monitor the ever-evolving APS landscape, to be able to respond as needed to new issues and needs.

Appendices

The following appendices set forth additional areas for consideration and use by SBOAs and other stakeholders in addressing the regulation of PE-backed APSs.

Appendix 1: Additional Comments and Suggestions

The following is a list of additional potential regulatory steps noted by White Paper respondents. These suggestions are not discussed in detail in the body of the memorandum because they may not align with existing laws, rules, or professional standards; may fall outside the authority of SBOAs; or may be difficult to operationalize. Instead, these suggestions are included here in the interest of providing a thorough review of White Paper responses, and to provide a range of ideas for stakeholder consideration.

Independence and Professional Standards

1. Upon licensure and renewal, SBOAs could require CPA firms to affirm their clear separation from non-CPA firms within their APS.

Disclosure and Public Understanding

1. State laws and rules could require that:
    - CPA firms' letterhead includes plain language disclosures regarding the relationship between the CPA firm and non-CPA firm within an APS.
    - CPA firms and non-CPA firms within an APS have different names and logos.
    - CPA firms bill their clients separately from non-CPA firms within an APS.

Regulatory Oversight and Enforcement

1. With regards to peer review, suggestions for AICPA and other stakeholders included:
    - The development of specific training modules for peer reviewers, technical reviewers, and peer review committees addressing peer review of CPA firms within complex APSs;
    - Enhanced guidance and checklists for evaluating independence of CPA firms within APSs;
    - The creation of consultation resources for SBOAs to aid in overseeing peer review for CPA firms within complex APSs;

    - The inclusion of APS-related experience and training codes in PRIMA to facilitate appropriate peer reviewer scheduling;
    - Law, rule, or standards requirements that CPA firms provide peer reviewers with immediate, unredacted access to engagement documentation, QC/QM materials, independence records, monitoring documentation, and relevant CPA firm policies.
2. CPA firms operating within APSs should be asked to affirm that:
    - Their CPA firm's shared services and vendor agreements include pass-through rights enabling SBOA access.
    - These agreements are arm's length, and include language addressing financial independence, confidentiality, independence firewalls, access controls, and data protections.

Appendix 2: Practical procedure and checklist content for SBOAs

The following list contains commitments that SBOAs could choose to require CPA firms to make upon initial licensure and then annually thereafter. This list could appear as a checklist or otherwise be displayed during the initial application and renewal process. These requirements are written to address concerns specific to CPA firms within APS structures, but SBOAs may find that they are relevant to all CPA firms.

Requiring these affirmations puts the onus on CPA firms, rather than regulators, to perform the checks needed to comply with relevant laws, rules, and standards. The PE Task Force recommends that SBOAs review laws, rules, and standards to ensure that they have adequate regulatory authority to require any new affirmations or processes. For example, state laws and rules may need to define, or reference AICPA definitions for, key terms such as "alternative practice structure" and "private equity."

Potential affirmations upon initial CPA firm licensure, with confirmation at annual CPA firm license renewal:

- **Does your CPA firm currently operate within an APS? If so:**
  - **Designate a licensed CPA as your compliance liaison to supervise your CPA firm's communications with the SBOA. The designated individual should be aligned with any state laws and rules.**
  - **Affirm the following commitments in the event of SBOA investigation/enforcement**:
    - In the event of an SBOA investigation or enforcement action, the CPA firm will disclose the names of the other entities within the APS.
    - Upon SBOA request, your CPA firm will provide the SBOA with your CPA firm's:
      - Relevant work papers;
      - Quality control policies, procedures, and agreements;
      - Management policies, procedures, and agreements, including partner/principal compensation policies.

- **During the peer review process, your firm will:**

  - Provide peer reviewers with QC/QM materials, independence records, monitoring documentation, and relevant CPA firm policies.

- **Affirm that the necessary documents are in place to ensure your CPA firm's independence:**

  - Your CPA firm's governing body retains final authority over all licensed functions.
  - CPAs maintain control over your CPA firm's management functions, including over engagement acceptance/continuance, quality management, staffing, and fee setting.

- **Affirm that laws, regulations, and standards regarding disclosures, advertising, and marketing are followed.**

  - This includes having relevant policies and procedures in place.

- **Affirm that your CPA firm adequately addresses all relevant laws, rules, and standards regarding a potential change to the APS structure, including the exit of your CPA firm.**

  - Ensure protections in place to protect your CPA firm clients' interests, and their records.

Appendix 3: Fact Sheets

Fact Sheet for State Legislatures

The following is a brief overview of the key issues arising from private equity investment in CPA firms. It is written for an audience of state legislators, who may be considering enacting laws that will impact SBOAs' ability to regulate on this issue.

Private Equity Investment in CPA Firms: What State Legislators Should Know to Protect the Public Interest

Why This Issue Matters

State Boards of Accountancy are charged by legislatures with protecting the public by regulating Certified Public Accountants (CPAs) and CPA firms. Audits and other attest services performed by CPA firms help investors, lenders, businesses, and taxpayers rely on accurate financial information.

Private equity (PE) investment in the accounting profession through alternative practice structures (APSs) is a growing trend in the accounting profession.

What is Private Equity?

PE is investment capital provided by private investment firms that buy or invest in businesses with the goal of improving their value and generating a financial return over time.

What Is an Alternative Practice Structure?

An APS is a form of organization in which a CPA firm that provides attest services is closely aligned with another public or private organization that performs other professional services. The CPA firm must remain majority-owned and controlled by licensed CPAs under state law. Thus, the separate but affiliated non-CPA firm organization (not licensed nor regulated by the State Board of Accountancy) may provide operational support services to the CPA firm, with the two entities often sharing staff, and operating under similar logos and branding. Private equity investors typically invest in this affiliated non-CPA firm rather than directly in the CPA firm.

There are a number of potential benefits to PE investment in the accounting profession, including cost savings and access to better resources for CPA firms. However, the close relationships that accompany this investment can also raise public protection considerations.

Why Are CPA Firms Using APSs?

CPA firms may participate in APS structures and thus take advantage of private equity investment to access capital to support their operations, staffing, and technology needs. CPA firms of all sizes have adopted the APS model, with small firms relying on APSs for succession planning and increased resources, and larger firms taking advantage of cost savings.

Key Public Protection Considerations

The following are topics that regulators may address through lawmaking, and through support for State Board of Accountancy regulation.

1. Auditor Independence

Independence is the foundation of public trust in financial audits. Regulators may need to consider whether PE-backed structures could create pressure to prioritize profitability, growth, or investor returns over audit quality and professional judgment.

2. Public Transparency

APSs can blur the distinction between regulated CPA firms and non-CPA firms. Consumers and businesses may not fully understand which entity is regulated by a State Board of Accountancy, subject to independence standards, and what individual or entity controls parts of the CPA firm.

Regulators may consider whether additional disclosure and transparency requirements are needed for websites, advertising, and client communications.

3. Regulatory Oversight

Many PE-backed structures operate in the accounting profession across multiple states through complex ownership arrangements. Boards of Accountancy may face challenges monitoring and regulating PE-backed structures operating across multiple states. Regulators may need to keep these challenges in mind when drafting laws that address CPA firms within APSs. Given the importance of preserving CPA mobility across states, regulators may also seek to support interstate regulatory coordination and support adequate oversight authority for Boards of Accountancy.

Bottom Line

PE investment in the accounting profession presents both opportunities and risks. Policymakers play an important role in ensuring that innovation and access to capital do not compromise auditor independence, audit quality, or public trust in the CPA profession.

Strong oversight and clear safeguards will help maintain confidence in the financial reporting system that businesses, investors, lenders, and taxpayers depend upon every day.

Fact Sheet for Board Websites

The following is a fact sheet on PE investment in the accounting profession, written to be shared on an SBOA webpage. The aim is to educate the public on this subject and introduce some of the complexities that may not be readily apparent.

What the Public Should Know About Private Equity Investment in the Accounting Profession

Understanding Alternative Practice Structures

Why Does This Issue Matter?

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How Is the State Board of Accountancy Responding to This Issue?

Auditor independence is essential to public trust. When a CPA firm performs an audit, the public depends on that CPA firm to provide independent, objective, and unbiased professional judgment. The CPA firm must also follow all relevant laws, rules, and professional standards. State Boards of Accountancy and regulators ensure that these protections remain intact for CPA firms operating within the added layers of complexity produced by an APS and the presence of PE investment.

Key public concerns addressed by the State Board of Accountancy include:

- Whether financial or business pressures could influence audit decisions;
- Whether consumers clearly understand which entities are regulated CPA firms; and
- How regulators oversee CPA firms operating across multiple states and within complex business entities.

State Boards of Accountancy regulate CPAs and CPA firms to protect the public interest. They must continuously evaluate how existing laws, rules, professional standards, and oversight processes apply to APS structures and private equity investment.

Bottom Line

Private equity investment in the accounting profession may create opportunities for innovation, growth, and modernization. At the same time, regulators and policymakers are working to ensure these changes do not compromise audit quality, professional independence, or public trust in the CPA profession.

State Boards of Accountancy remain committed to protecting consumers and maintaining confidence in the integrity of financial reporting.

NASBA

BYLAWS

~~October 28, 2025~~Date

CONTENTS

NASBA Bylaws

(As Amended at the ~~2024~~ 2026 NASBA Annual Business Meeting)

ARTICLE I – Name

The name of this organization shall be the National Association of State Boards of Accountancy, Inc. (hereinafter, the "Association"). The location of the Association's principal office shall be within the continental United States as the Board of Directors shall determine.

ARTICLE II – Purpose

The purpose of the Association shall be to provide an organization to protect, promote, foster and advance the common interests and welfare of boards of accountancy of the various states of the United States, its territories and the District of Columbia. The Association shall provide a forum for the exchange of information and obtaining assistance in discharging such boards' responsibilities for the administration of public accountancy laws and for the protection of the public interest as it is affected by the practice of public accountancy. The Association shall also promote the general welfare of its members for the accomplishment of the objectives herein above set forth. The Association shall not be organized for profit or organized to engage in a regular business of a kind ordinarily carried on for profit or carry on any activities which are inconsistent with the exempt status of organizations described in Section 501(c)(6) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any successor law.

ARTICLE III – Membership

3.1 Member Boards.

3.1.1 The members of the Association shall be the boards, departments or instrumentalities confirmed by the Board of Directors as legally constituted by their respective countries, states, provinces, territories, and the District of Columbia ~~of the United States of America~~ to pass on the qualifications of, or to examine applicants for certification or licensure as, certified public accountants or similar licensed categories, or to regulate the practice of public accountancy within their jurisdiction.

3.1.2 A legally constituted entity located outside the United States, its territories, and the District of Columbia, which passes on the qualifications of, or examines applicants for certification or licensure as certified public accountants or similar licensed categories, or regulates the practice of public accountancy within their jurisdiction, may be by recognized by the Board of Directors as either a Member Board or an International Affiliate Organization.

3.1.3 Acceptance or removal of a Member Board or International Affiliate Organization shall be by majority vote of the Board of Directors.

3.1.4 Subject to the requirements of Section 3.1.3, The Board of Directors will determine the procedure for acceptance or removal of a Member Board or International Affiliate Organization. International Affiliate Organizations are entitled to representation at all NASBA meetings and the other rights and privileges as determined by the Board of Directors.

3.2 Delegates.

All duly appointed or elected individuals who are members of the Member Boards as determined by the respective Member Board's laws shall be Delegates of the Association. Delegates shall have the privilege of the floor and may propose motions, resolutions, or other actions at all meetings of the Association and shall be eligible for service as Officers, Directors, and members of committees of the Association.

3.3 Associates.

All former Delegates or persons who have been members of Member Boards shall be deemed Associates of the Association provided that their dues, established in accordance with these bylaws, have been paid in full for the current fiscal year. Associate Dues will not be assessed for past NASBA Chairs and currently serving members of the Board of Directors. Associates shall have the privilege of the floor and may propose motions, resolutions or other actions at all meetings of the Association and shall be eligible for service as Officers, Directors and members of committees within the limitations established by these bylaws.

ARTICLE IV - Board of Directors and Officers

4.1 Board of Directors.

The business and affairs of the Association shall be under the direction of a Board of Directors.

4.2 Composition of Board of Directors.

The Board of Directors shall be composed of a Chair, Vice Chair, Past Chair, nine Directors-at-Large and a Regional Director from each Region established in accordance with the provisions of Article V of these bylaws. The Board of Directors shall also include the President of the Association and Chair of the Executive Directors Committee as *ex officio* non-voting members as provided in Sections 4.4 and 8.8, respectively.

4.3 Officers and Duties.

The Officers of the Board of Directors shall be a Chair, Vice Chair, Past Chair, Secretary and Treasurer. The Officers of the Board of Directors shall have the duties set forth herein. The duties of Directors shall be such as usually are attached to such offices and such other duties consistent with the provisions of these bylaws, resolutions or actions of the Member Boards at the Annual Meeting or any special meeting, or as may be determined from time to time by the Board of Directors. All members of the Board of Directors must meet the fiduciary duties of careful and prudent judgment, adherence to organizational purpose and rules, and avoidance of conflicts of interest. Neither Officers of the Board of Directors nor Directors shall receive compensation for their services to the Association.

4.3.1 Chair.

The Chair, when present, shall preside at all meetings, interpret these bylaws, appoint all committees that will be active during his or her tenure as Chair, and serve as an *ex officio* non-voting member of all committees except the Nominating Committee. ~~The Chair may also designate the Vice Chair to serve as an *ex officio* non-voting member of any standing or non-standing committee other than the Nominating Committee or the CPA Examination Review Committee.~~

4.3.2 Vice Chair.

The Vice Chair shall, in the absence of the Chair, exercise the duties of and possess all the powers of the Chair. The Vice Chair shall also serve as a member of the Administration and Finance Committee. The Vice Chair may also be designated by the Chair as an *ex officio* non-voting member of any other standing and non-standing Committee other than the Nominating Committee or the CPA Examination Review Committee.

4.3.3 Secretary.

The Secretary shall be elected by the Board of Directors from the Directors-at-Large as soon as practicable following the installation of the new Board of Directors at the Annual Meeting. The Secretary shall perform the duties usual and incidental to the office that are required to be performed by law and shall be responsible for the minutes of the Board of Directors. The Secretary may delegate to the President and other staff the actual performance of any or all of the office's appropriate duties and authorize the President or staff to sign under their respective titles the correspondence conducted by them.

4.3.4 Treasurer.

The Treasurer shall be elected by the Board of Directors from the Directors-at-Large as soon as practicable following the installation of the new Board of Directors at the Annual Meeting. The Treasurer shall be responsible for the activities of the Administration and Finance Committee and shall serve as its chair.

4.3.5 Regional Directors.

Regional Directors shall be elected as provided in Article VII and shall be responsible for communications with the ~~Boards of Accountancy~~Member Boards and International Affiliate Organizations in the Regions which they represent and for presiding over Regional Meetings.

4.3.6 Past Chair.

The Past Chair shall serve as chair of the Nominating Committee in accordance with Article VII of these bylaws.

4.4 President.

A President shall be appointed by the Board of Directors and shall serve as the Chief Executive Officer of the Association. The President shall manage the affairs of the Association and have such duties and responsibilities as the Board of Directors shall determine. The President shall be salaried and shall report directly to the Chair who, with the consent and approval of the Executive Committee of the Board of Directors, will assign duties and powers in his or her areas of responsibility. The President shall employ and terminate staff, enter into routine contracts, and obtain legal consultation. The President shall also serve without additional compensation, in such other capacity relating to the business of the Association to which he or she may be elected or appointed by the Executive Committee of the Board of Directors. The President may be removed with or without cause by a resolution of the Board of Directors. The President shall serve as an *ex officio* non-voting member of the Board of Directors and shall not be counted in determining the total number of authorized Directors. The President shall be granted the privilege of the floor at all meetings of the Association and the Board ofDirectors.

4.4.1 Selection Advisory Committee Guidelines.

If the Board of Directors determines there is a need for a Committee to search for a new President of the Association, then the current Chair shall establish a Selection Advisory Committee. The total number of Selection Advisory Committee members and operational guidelines for the Committee shall be determined by the Chair and approved by the Board of Directors. The Selection Advisory Committee members shall be appointed by the Chair, approved by the Board of Directors and should, at a minimum, consist of a representative from each Region of the Association (not currently serving on the Board of Directors), one Executive Director and one past chair. In the event a committee member is unable to serve, the Chair shall recommend an alternate for Board approval.

4.4.2 Interim President.

In the event of a vacancy in the office of the President, the Board of Directors may appoint an individual to serve as interim President and Chief Executive Officer of the Association with responsibility for oversight of the daily operating activities of the Association until a new President is selected pursuant to Section 4.4.1.

4.5 Qualification, Terms and Limitations of Office.

4.5.1 The Vice Chair and Directors shall be elected in accordance with these bylaws during the Business Session at the Annual Meeting of the Association. The Vice Chair shall serve as such from the adjournment of the Business Session at the Annual Meeting at which he or she is so elected until the adjournment of the Business Session at the next following Annual Meeting, at which time he or she shall become Chair and shall serve as such until the adjournment of the Business Session at the next following Business Session at the Annual Meeting, at which time he or she shall become Past Chair and shall serve as a Director of the Association in accordance with the provisions of Section 4.2 of these bylaws.

4.5.2 No incumbent shall be elected to succeed himself or herself in the offices of Chair or Vice Chair.

4.5.3 No Past Chair shall be eligible to be re-elected as an Officer or Director.

4.5.4 Directors-at-Large shall be elected for three-year terms and may serve a maximum of two complete terms.

4.5.5 Regional Directors shall be elected for one-year terms and may serve a maximum of three complete terms.

4.5.6 A person who has succeeded, acceded to, or been appointed to fill a vacancy (serve an unexpired term) shall not have that service counted in the limitation of terms that can be served, provided that in no event shall an individual be eligible for election or appointment to fill an unexpired term if the individual has already served two complete terms as a Director–at-Large. No individual shall be eligible for appointment to the Board of Directors to fill more than one unexpired term.

4.5.7 All members of the Board of Directors shall be Delegates or Associates. A simple majority of all members of the Board of Directors shall be Delegates at the time of or within six months of the Annual Business Meeting at which they are elected to their current office on the Board. For purposes of this section, the Immediate Past Chair shall be a delegate or associate but shall not be included in calculation of a majority.

4.5.8 All Regional Directors shall be Delegates at the time of or within six months prior to their election or appointment.

4.5.9 To be eligible to serve as Vice Chair, an individual must have served as a Director-at-Large or Regional Director for a minimum of two years but need not be a current member of the Board of Directors at the time of his or her election.

4.6 Board of Directors Vacancies.

4.6.1 A vacancy in the Chair position shall be filled by the Vice Chair.

4.6.2 A vacancy in the Vice Chair position shall be filled pursuant to Section 7.2.3. If necessary, the Chair shall continue to serve until this process is complete.

4.6.3 A vacancy in the Past Chair position shall not be filled until after the end of the current Chair's term.

4.6.4 All other vacancies on the Board of Directors shall be filled by the Board of Directors, and all such appointees shall serve the unexpired term of their predecessors in office.

4.7 Regular Meetings of the Board of Directors.

Regular meetings of the Board of Directors shall be held prior to the Annual Meeting of the Association and at such other times as the Board of Directors may designate.

4.8 Special Meetings of the Board of Directors.

The Chair may call special meetings of the Board of Directors at such time and place as he or she shall determine. Alternatively, the Chair shall call such special meetings at such time and place as may be designated in a written request of five or more members of the Board of Directors.

4.9 Notice and Waiver.

4.9.1 Notice of any regular or special meeting of the Board of Directors shall be sent by mail, e-mail, telephone or shall be delivered personally or by other appropriate means to each Member Board and to each member of the Board of Directors, at his or her mailing address, as shown in the official records of the Association, at least 21 days before such meeting if notified by mail, or five days if notified by other methods. Such notice, as far as practicable, shall contain a statement of the agenda for such meeting.

4.9.2 Meetings held and actions taken without notice as provided in these bylaws shall be valid if each member of the Board of Directors entitled to notice: (1) attends the meeting without protesting lack of notice either before or when such meeting convenes; or (2) signs a written waiver of notice or a written consent to holding the meeting or an approval of the minutes of the meeting, either before or after the meeting; and (3) such written consents or approvals are filed with the records of the meeting.

4.10 Quorum.

A majority of the Board of Directors shall constitute a quorum for the transaction of business at any regular or special meeting of the Board of Directors. If a majority of Directors are not present at any meeting of the Board of Directors, the majority of the Directors present may adjourn the meeting to a stated time and place without further notice. The vote of a majority of Directors present and voting at any meeting at which there is a quorum shall be an act of the Board of Directors.

4.11 Teleconference Meetings.

The Board of Directors meetings, annual meetings, regional meetings, special meetings~~, and~~ any NASBA committee meetings may be conducted by means of teleconference, provided that all persons participating in the meeting can communicate with one another, and participation in such a meeting shall constitute physical presence or attendance in person at such meeting. When used in these bylaws, the term "teleconference" shall be understood to also mean telephone call or similar audio or visual communication. When used in these bylaws, the term "place" shall be understood to include a virtual meeting, via teleconference. When used in Sections 5 and 7 of these bylaws, the term “in person” can mean via teleconference when all persons are participating by teleconference using both audio and video communication, or just audio communication when video communication is not available.

4.12 Ballot Submission.

The Chair may submit any action to the Board of Directors for vote by mail, e-mail, or other appropriate means, provided the subject matter has been previously reviewed and discussed by the Board of Directors. Only ballots returned in the prescribed time will be counted. Any action approved by a majority of the Board of Directors shall be an act of the Board of Directors and shall be recorded in the minutes of the Board of Directors.

4.13 Resignation or Removal.

4.13.1 Resignation. Any Officer or Director may resign at any time by giving written notice to the Chair, the Secretary, or the full Board of Directors. Such resignation shall take effect at the time specified therein or, if no time is specified, at the time of acceptance by the Chair, Secretary or Board of Directors.

4.13.2 Removal for Failure to Attend. As a condition for election and service, any Officer or Director who shall fail to attend two consecutive regular meetings of the Board of Directors shall be automatically removed from the Board of Directors. The Board of Directors may waive such automatic removal if it shall by majority vote determine that such failure to attend was caused by sufficient circumstances to excuse such absence. The position of Officer or Director removed under this provision shall be filled in accordance with Section 4.6 of this Article.

4.13.3 Removal for Other Cause. Any Officer or Director may be removed for any cause deemed sufficient as provided under Delaware law.

ARTICLE V - Regions

5.1 Purpose and Composition.

In order to establish closer communications between the Board of Directors, ~~and~~ the Member Boards, and International Affiliate Organizations; as well as between Member Boards and International Affiliate Organizations within geographical areas, and to assist the Association in achieving its stated purpose, all of the ~~states, territories and the District of Columbia~~Member Boards and International Affiliate Organizations shall be divided into at least five, but not more than nine, geographical Regions. The names, number, and composition of Regions shall be determined from time to time by the Board of Directors.

5.2 Representation.

A Regional Director shall be nominated and elected in accordance with Article VII of these bylaws to serve terms as provided in Section 4.5.5 to represent the Board of Directors within each Region and to perform such other duties as may be designated by the Board of Directors. Each Region shall, in accordance with Article VII, elect one Delegate or Associate as a member of the Nominating Committee to represent in person their Region on the Nominating Committee and one Delegate or Associate as an alternate to participate in person in the event that the member cannot attend the meeting.

5.3 Regional Meetings.

Annually, each Region shall hold a Regional Meeting not less than 60 days prior to the Association's Annual Meeting. Pursuant to section 4.11, such meeting may be held by teleconference. The purposes of the Regional Meetings are to facilitate communications, elect the members and alternates of the Nominating Committee pursuant to Article VII and to transact other business. Pursuant to Section 4.3.5, the Regional Director shall preside over a Regional Meeting. Unless the Regional Director is the Designated Voting Representative of a Member Board as described in Section 6.6.1 and 6.6.2, the Regional Director shall not have a vote at the Regional Meeting. In the event the Regional Director is unable to preside, the Association Chair shall designate a Delegate or Associate to preside.

ARTICLE VI - Meetings of the Association and Voting

6.1 Annual Meeting.

The Association shall hold an Annual Meeting in the last quarter of the calendar year. The purposes of the Annual Meeting are to facilitate communications and hold a Business Session to elect the Vice Chair and Directors and to transact other business.

6.2 Special Meetings.

The Chair shall call special meetings of the Association when requested to do so by the Board of Directors or by at least one-third of the Member Boards on written application to the Chair, signed by the individual designated as the Presiding Officer of each of the said one-third of the Member Boards. Special meetings of the Association shall be held at such times and places as shall be designated by the Board of Directors.

6.3 Notice and Waiver.

6.3.1 Notice of each meeting of the Association or Regions shall be sent to each Member Board, and to each Delegate and Associate at the mailing address shown in the official records of the Association at least 60 days before such meeting. Such notice, as far as practicable, shall contain a statement of the general business to be transacted. Notice of the Annual Meeting shall contain the report of the Nominating Committee as provided in Section 7.3.1.

6.3.2 Meetings held and actions taken without notice as provided in these bylaws shall be valid if each Member Board entitled to notice: (1) attends the meeting without protesting lack of notice either before or when such meeting convenes; or (2) signs a written waiver of notice or a written consent to holding the meeting or an approval of the minutes of the meeting, either before or after the meeting; and (3) such written consents or approvals are filed with the records of the meeting.

6.4 Quorum.

A quorum for the transaction of business at any meeting of the Association shall be one or more Designated Voting Representatives from a majority of Member Boards. A quorum for the transaction of business at any meeting of a Region shall be one or more Designated Voting Representatives from a majority of the Member Boards of such Region. In the absence of a quorum at an Annual Meeting, Regional Meeting or a special meeting, the majority of the Member Boards represented at such meeting may adjourn the meeting to a stated time and place without further notice.

6.5 Advisory Vote on Matters Related to Member Boards' Regulatory Responsibilities.

Any issue being deliberated by the Board of Directors or any committee, that is determined by the Board of Directors to have a material impact on the regulatory responsibilities of the Member Boards, shall be submitted to the Member Boards for their advisory vote. Such advisory vote should ordinarily be taken at an Annual Meeting. However, if the timing of an issue will not allow the advisory vote to be conducted at an Annual Meeting, the Chair may call a special meeting.

6.6 Voting.

6.6.1 Each Member Board shall be entitled to only one vote on any matter brought before the Association, and each Member Board in the Region shall be entitled to only one vote on any matter brought before any Regional Meeting, which vote shall be cast on behalf of such Member Board by its Designated Voting Representative.

6.6.2 The Presiding Officer of a Member Board, if present, shall be presumed to be the Designated Voting Representative. If the Presiding Officer is unable or unwilling to serve, the Member Board may authorize another Delegate, Associate or Executive Director from that State to serve as its Voting Representative. The Member Board may authorize successive alternate Voting Representatives to ensure that the Member Board's one vote may be cast. The authorization shall be in writing (including email) and may be issued by the Member Board's Presiding Officer or the next highest ranking Board Member available prior to or upon registration for the relevant meeting.

6.6.3 Unless a greater vote is required by these bylaws for any action, a majority vote of all Member Boards shall be required to pass any motion or resolution of the Association.

6.7 Ballot Voting.

6.7.1 The Board of Directors, or a majority of the Member Boards of the Association present at any duly called meeting of the Association at which a quorum is present, may direct that the Chair of the Association submit any action to all Member Boards for their consent by mail, e-mail, or other appropriate means, except that the election of the Vice Chair, Directors and members and alternates of the Nominating Committee may not be done by written consent, except in filling an interim vacancy of the Vice Chair.

6.7.2 The Member Boards will have 45 days to return their ballots.

6.7.3 Any action taken or approved in such a ballot by two-thirds of the Member Boards voting shall be a resolution of the Member Boards of the Association provided that the number of Member Boards approving such action shall constitute a majority of the Member Boards of the Association.

6.8 Rules of Order.

The rules of parliamentary procedure contained in the latest edition of *Robert's Rules of Order, Newly Revised*, shall govern the Business Session of the Annual Meeting.

Article VII - Nominations and Elections

7.1 Nominating Committee Composition and Election.

The membership of the Nominating Committee shall consist of the Past Chair, who shall serve as Chair of the Nominating Committee, and one member from each Region elected as provided herein.

7.1.1 A Delegate or Associate is eligible for election to the Nominating Committee.

7.1.2 With the exception of the Past Chair, no member of the Nominating Committee may serve concurrently as a member of the Board of Directors and the Nominating Committee, and no member may be eligible for election to the Board of Directors through the entirety of his or her elected term on the Nominating Committee and through the adjournment of the next following Annual Meeting (the one-year cooling off period). For purposes of this subsection, an alternate of the Nominating Committee is considered a member of the Committee.

7.1.3 If the Past Chair cannot serve, or declines to serve, as Chair of the Nominating Committee, the Board of

Directors shall appoint another Delegate or Associate to serve as Nominating Committee Chair so long as the person is ineligible to serve on the Board of Directors for the year following his or her service on the Nominating Committee.

7.1.4 Nominating Committee members and alternates shall be elected for two-year terms and may serve two complete terms in succession plus any unexpired terms. The term begins immediately following the Business Session of the Annual Meeting. If an alternate never participates in a Nominating Committee meeting during his/her term, the alternate shall not be subject to the one-year cooling off period set forth in sub-section 7.1.2. However, if a Nominating Committee member or alternate resigns during his/her elected term, then the one-year cooling off provision is applicable and begins through the adjournment of the next Annual Meeting. The terms of the Nominating Committee members shall be staggered so that half of the Regions hold elections each year.

7.1.5 The election of members and alternates of the Nominating Committee shall require a majority vote of the Member Boards in the Region represented at the Regional Meeting, provided a quorum is met.

7.1.6 At the Regional Meeting, each Region whose Nominating Committee member's term is expiring at the current year's Annual Meeting shall elect a member and an alternate of the Nominating Committee to represent its Region. The Association shall send notices to the membership about the Nominating Committee selection process in those Regions whose Nominating Committee member's term is expiring at the current year's Annual Meeting no less than 60 and 30 days prior to the Regional Meeting. Those interested in representing their region on the Nominating Committee shall have his/her name submitted to the President of the Association within 14-days prior to the start of the Regional Meeting. Regions that have no candidate submit a name 14-days prior to the start of the Regional Meeting or have no qualified candidates at the time of election of member or alternate, may consider qualified candidates from the floor. Each member and alternate must have (i) served at least two years on a ~~state board of accountancy~~Member Board, (ii) attended~~, in person,~~ at least one NASBA Regional Meeting, (iii) attended~~, in person,~~ at least one NASBA Annual Meeting and (iv) served on a NASBA or NASBA-appointed committee, task force, working group, advisory group, or board (such as the Exam Review Board or International Qualifications Appraisal Board). The term "board" as used in this subsection does not refer to the Board of Directors.

7.1.7 If a Region's member and alternate are both unable to serve and the Nominating Committee will hold a meeting for the purpose of making nominations prior to that Region's next NASBA Regional Meeting, then an ad hoc committee consisting of one ~~state board member~~ Delegate from each Member Board in that Region shall meet to elect a member and alternate to serve for the unexpired terms of the former member and former alternate, who may be elected and serve up to two additional complete terms for the Region pursuant to Section 7.1.4.~~.~~

7.1.8 If a Region fails to elect a member or an alternate as provided in Section 7.1.~~1~~6 or 7.1.7~~ above~~, the Board of Directors shall appoint a member or an alternate to represent that Region on the Nominating Committee. If necessary, the Board of Directors may appoint a member or an alternate that does not meet all of the Section 7.1.6(i), (ii),~~ and~~ (iii), and (iv) criteria, or may appoint a member or an alternate whose service on a state board of accountancy was for a different Region's Member Board. In the event that a member or an alternate is selected by the Board of Directors pursuant to Section 7.1.8, that member or alternate will not stand for election for any subsequent terms if a member or alternate who meets the criteria of Section 7.1.6 is elected pursuant to Section 7.1.6.

7.1.9 In the event of a deadlocked vote in a Region's election of its member or alternate on the Nominating Committee, the Regional Director shall convene an ad hoc meeting pursuant to Section 7.1.7 to elect the Region's member or alternate on the Nominating Committee. If the election pursuant to Section 7.1.7 has not been completed within thirty (30) days after the conclusion of the respective Regional Meeting, the Region's Nominating Committee member and/or alternate shall be appointed by the Board of Directors pursuant to

Section 7.1.8.

7.2 Responsibilities of Nominating Committee.

7.2.1 Obligation to Attend Nominating Committee Meetings in Person.

7.2.1.1 In view of the importance of each Region being represented in person at meetings of the Nominating Committee when the Committee is meeting for the purpose of deliberating upon or voting for nominees, the member or alternate must be in attendance at such meetings in order to participate and vote. The alternate shall reserve the Nominating Committee meeting dates so he or she can attend a meeting on short notice if the member cannot attend. In the event the member cannot attend the meeting, it shall be the responsibility of the member to notify the Nominating Committee Chair and the Region's alternate as soon as possible so the alternate can attend the meeting.

7.2.1.2 Members of the Nominating Committee who miss more than one meeting (for the purpose of deliberating upon or voting for nominees) during their term may not stand for re-election.

7.2.1.3 The responsibility of the alternate is to serve in person in the event the member cannot attend the meeting or is no longer a Delegate or Associate.

7.2.2 Annual Nominations.

The Nominating Committee shall nominate annually one qualified candidate for Vice Chair, three candidates for Directors-at-Large for those whose terms are expiring at the Annual Meeting, and one candidate for Regional Director from each Region. Each year, the Nominating Committee will establish and communicate to the Member Boards, a nominating schedule including any deadlines for the submission of names of candidates seeking to be nominated for any of the offices to be elected at the Annual Meeting. The Nominating Committee may waive the deadlines by a majority vote. The Nominating Committee will consider the submitted names of interested candidates when considering nominees and may also consider other qualified candidates when deemed appropriate by the Nominating Committee. If the Vice Chair is unable to serve as Chair, then the Nominating Committee also shall nominate a candidate for Chair. The report of the Nominating Committee shall be submitted to the Chair and presented in accordance with the provisions of these bylaws.

7.2.3 Filling a Vice Chair Vacancy.

In the event of a vacancy in the Vice Chair position, the Nominating Committee Chair shall promptly call a meeting of the Nominating Committee to nominate a candidate for Vice Chair. If administratively possible, the Vice Chair nominee will be presented for consideration with the other nominees for the Board of Directors by the Nominating Committee at the next Annual Meeting. If the timing is such that a vote cannot occur at the Annual Meeting, written ballots containing the name of the proposed candidate shall be sent promptly to the Presiding Officers of all Member Boards for voting as set forth in Section 6.7.

7.2.4 Rescinding a Nomination - Amendment of the Nominating Committee Report.

The Nominating Committee in its sole discretion may reconsider and rescind said nomination with or without cause and nominate a different candidate. If said action would occur after the Nominating Committee's Report issued pursuant to Section 7.3.1 has been distributed with the notice of Annual Meeting as required in Section 7.3.2, then the Chair of the Nominating Committee may convene an emergency meeting of the Nominating Committee for the sole purpose of reconsidering, rescinding, and replacing a Nominee. Notice of this meeting will state that the meeting is being called to consider rescission of one or more nominations. Notwithstanding Section 7.2.1, for purposes of that meeting and that meeting only, one or more members or alternates of the

Nominating Committee can participate via teleconference pursuant to section 4.11. If the Nominating Committee votes to amend its Report, the Amended Nominating Committee Report shall be distributed to the Member Boards as soon as practicable. If the distribution of the Amended Nominating Committee Report cannot occur more than 30 days prior to the annual meeting, then upon the written request of 5 or more Member Boards or upon the recommendation of the Nominating Committee, the election regarding any new nominee may be conducted in the same manner as provided in Section 7.2.3. The new nominee(s) will be presented for consideration with the other nominees for the Board of Directors by the Nominating Committee at~~s~~ the Annual Meeting, if administratively feasible. If the timing is such that a vote cannot occur at the Annual Meeting, written ballots containing the name of the proposed candidate shall be sent promptly to the Presiding Officers of all Member Boards for voting as set forth in Section 6.7.

7.2.5 Withdrawal by a Nominee - Amendment of the Nominating Committee Report.

In the event a nominee selected by the Nominating Committee for election at the Annual Meeting withdraws from the process, the Nominating Committee Chair shall promptly call a meeting of the Nominating Committee to nominate a replacement nominee. If said action would occur after the Nominating Committee's Report issued pursuant to Section 7.3.1 has been distributed with the notice of Annual Meeting as required in Section 7.3.2, then the Chair of the Nominating Committee may convene an emergency meeting of the Nominating Committee for the sole purpose of replacing the nominee. Notice of this meeting will state that the meeting is being called to consider the replacement of a nomination. Notwithstanding Section 7.2.1, for purposes of that meeting and that meeting only, one or more members or alternates of the Nominating Committee can participate via teleconference pursuant to section 4.11. If the Nominating Committee votes to amend its report, the Amended Nominating Committee Report shall be distributed to the Member Boards as soon as practicable. If the distribution of the Amended Nominating Committee Report cannot occur more than 30 days prior to the Annual Meeting, then upon the written request of 5 or more Member Boards or upon the recommendation of the Nominating Committee, the new nominee(s) will be presented for consideration with the other nominees for the Board of Directors by the Nominating Committee at the Annual Meeting, if administratively feasible. If the timing is such that a vote cannot occur at the Annual Meeting, written ballots containing the name of the proposed candidate shall be sent promptly to the Presiding Officers of all Member Boards for voting as set forth in Section 6.7.

7.3 Nominations and Election Process.

7.3.1 At least 60 days preceding the date of the Annual Meeting of the Association, the Nominating Committee shall deliver to the Chair a report which shall include its Annual Nominations as described in Section 7.2.2.

7.3.2. The report shall be included with the notice of the Annual Meeting as described in Section 6.3, and shall be presented by the Nominating Committee during the Business Session at the Annual Meeting.

7.3.3 Nominations for any elected position, including a vacancy in the office of Vice Chair, may also be made by at least five Member Boards, if filed with the Chair at least 30 days prior to the Annual Meeting (or the due date set pursuant to Section 7.2.3 and Section 6.7 for the mail ballots for Vice Chair in the event of a vacancy).

7.3.4 No nominations from the floor or otherwise will be recognized.

7.3.5 A majority vote of the Member Boards represented during the Business Session at the Annual Meeting (or by mail ballots for Vice Chair) shall constitute an election, provided a quorum is met.

ARTICLE VIII – Committees, Task Forces and Boards

8.1 Standing Committees.

The standing committees of the Association shall include the Executive Committee, the Nominating Committee, the Administration and Finance Committee, the Audit Committee, the CPA Examination Review Board and the Executive Directors Committee. Unless otherwise provided in these bylaws, the members and chairs of the standing and other committees or task forces are appointed by the Chair.

8.2 Executive Committee.

There shall be an Executive Committee composed of the Past Chair, the Chair, the Vice Chair, the Secretary, and the Treasurer. The President shall serve as an *ex officio* non-voting member of the Executive Committee. The Executive Committee shall act for the Board of Directors between meetings of the Board. The Executive Committee (without the President) shall constitute the Compensation Committee. The Compensation Committee shall annually evaluate the performance and the compensation of the President. All actions taken by the Executive Committee and the Compensation Committee shall be presented to the Board of Directors for ratification at its next meeting.

8.3 Nominating Committee.

The election and duties of the Nominating Committee are described in Article VII. The Nominating Committee is not a committee of the Board of Directors.

8.4 Administration and Finance Committee.

The Administration and Finance Committee shall oversee and monitor the fiscal operations of the Association. The Treasurer shall serve as Chair of the Administration and Finance Committee.

8.5 Audit Committee.

The Audit Committee shall oversee the Association's annual financial statement audit and internal controls and shall recommend to the Board of Directors the firm to perform the audit. The Audit Committee shall receive the annual audited financial statements and the auditor's report thereon, consider the items of internal accounting control that arise from the audit process, and make a recommendation regarding the annual audited financial statements and the auditor's report thereon, to the Board of Directors.

8.6 CPA Examination Review Board.

8.6.1 The CPA Examination Review Board ("ERB") shall: evaluate and report on significant adherence with the policies and procedures utilized in the preparation, grading and administration of the Uniform CPA Examination and the International Qualifications Examination used by boards of accountancy for the licensing of certified public accountants; to include observation, inquiry and inspection of pertinent records; and report annually on the ongoing reliability of such examinations for the licensing of certified public accountants. Member Boards and International Affiliate Organization representatives are eligible for service on the ERB if their jurisdiction utilizes the Uniform CPA Examination as the qualifying examination for licensed auditors.

8.7 Other Committees and Task Forces.

The Chair or the Board of Directors may appoint such other Committees and Task Forces as they deem desirable. Membership on such Committees and Task Forces may include, in addition to Delegates and Associates, executive directors and other persons with special expertise, including those from International Affiliate Organizations. ~~.~~ Task Forces within a Committee **may** be appointed by the Committee Chair, provided the Task Force members have already been appointed by the NASBA Chair to the Committee**.**

8.8 Executive Directors Committee.

There shall be an Executive Directors Committee. Its members shall be appointed by the NASBA Chair from the executive directors (or the highest-ranking staff member if another title is used by a ~~State Board~~Member Board or International Affiliate Organization). The Executive Directors Committee shall operate pursuant to a Mission Statement developed by the Committee and approved by the Board of Directors. The Chair of the Executive Directors Committee shall serve as liaison to and as an *ex officio* non-voting member of the Board of Directors.

ARTICLE IX - Finances

9.1 Fiscal Year.

The fiscal year of the Association shall be from August 1 of one year to July 31 of the next succeeding year.

9.2 Dues.

The dues for each Member Board and each Associate shall be determined by the Board of Directors and approved by the Member Boards at a regular Annual Meeting of the Association. The Board of Directors may waive, alter, or amend unpaid dues of Member Boards or International Affiliate Organizations. The dues of each Member Board shall be based on the number of persons regulated by that Member Board.

9.3 Other Fees.

The Board of Directors may establish such other fees for publications, programs and services as it shall deem appropriate, provided that no such fees or special assessments shall be levied if such fees or assessments impair the status of the Association under Section 501(c) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any successor law.

9.4 Audit.

The Board of Directors shall, for each fiscal year, appoint a licensed independent public accountant or licensed independent public accountants to express an opinion on the financial statements of the Association. The financial statements of the Association and the report of the auditor or auditors for each fiscal year shall be published for the information of the membership.

9.5 Contracts.

The Board of Directors may authorize the President, any Officer or Officers, agent or agents of the Association, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Association and such authority may be general or confined to specific instances.

9.6 Checks, Drafts, etc.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such Officer or Officers, agent or agents of the Association and in such manner as shall from time to time be determined by the Board of Directors.

9.7 Indemnification.

The Association shall, to the fullest extent permitted under Delaware law, defend and/or indemnify any and all of its Directors or Officers or former Directors or Officers against expenses actually and reasonably incurred by them in connection with the defense of any action, suit or proceeding in which they or any of them are made parties, or a party, by reason of being or having been a Director or Officer of the Association.

9.8 Insurance.

The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was an Officer, Director, President, committee member, or is serving at the request of the Association, against any liability incurred by such person in any such capacity, or arising out of that person's status as such, whether or not the Association would have the power to indemnify that person against such liability under this Article.

9.9 Dissolution.

The Association shall use its funds only to accomplish the purposes specified in these bylaws and no part of said funds shall inure, or be distributed, to the Member Boards or International Affiliate Organizations of the Association. On dissolution of the Association, any funds remaining shall be distributed to one or more regularly organized and qualified charitable, education, scientific or philanthropic organizations to be selected by the Board of Directors.

ARTICLE X – Amendments

Any of these bylaws may be altered, amended, or repealed, and new bylaws may be adopted by a two-thirds vote of Member Boards represented at any regular or special meeting by one or more Designated Voting Representatives, provided a quorum is present, and provided that the Member Boards approving such an amendment constitute a majority of the Member Boards of the Association. Proposed amendments to these Bylaws must be presented in writing to the Chair at least 60 days before the meeting at which they are to be voted upon; however, this requirement may be waived by the Chair or by a three-fourths vote of Member Boards represented at any regular or special meeting. Any amendments to these bylaws shall become effective on the first day following the Annual Business Meeting unless another day is specified.

NASBA

FOR IMMEDIATE RELEASE

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NASBA Announces Updated 2026–2027 Leadership Slate

Katrina L. Salazar Named Chair Nominee; J. Andy Bonner, Jr. Named Vice Chair Nominee

NASHVILLE, TENN. (Aug. 3, 2026) – The National Association of State Boards of Accountancy (NASBA) today announced changes to its 2026–2027 Board leadership slate following the resignation of Vice Chair J. Coalter Baker, CPA, who has stepped down to focus on his health. NASBA's Board of Directors and staff are deeply grateful for Coalter's leadership and many contributions to the organization. We extend our heartfelt support to him and his family and wish him strength and a full recovery.

Acting in accordance with NASBA's Bylaws, the NASBA Nominating Committee approved Katrina L. Salazar, CPA, CGMA, as chair nominee and J. Andy Bonner, Jr., CPA, as vice chair nominee.

Following Baker's resignation, the Nominating Committee reconvened to amend its previously approved slate of officers, ensuring continuity in NASBA's volunteer leadership. Salazar was previously named the Committee's vice chair nominee and now becomes its chair nominee. Under NASBA's Bylaws, vacancies in the leadership slate are filled through action by the Nominating Committee before consideration by the member boards at the Annual Business Meeting.

"Coalter has been a thoughtful and dedicated leader, and we are grateful for his service to NASBA," said Daniel J. Dustin, CPA, NASBA President and CEO. "While we are sorry to see him step away from this role, we fully support his decision and wish him the very best. Katrina and Andy have each devoted years of service to NASBA and the accounting profession. Their experience, collaborative leadership and commitment to NASBA's member boards make them exceptionally well prepared for these important roles."

Salazar has served NASBA in a variety of leadership roles throughout more than a decade of volunteer service. She currently serves as director-at-large and chair of NASBA's Legislative Support Committee and previously served as secretary and Pacific regional director on the NASBA Board of Directors. She has also chaired several NASBA committees supporting legislative, regulatory and professional initiatives.

Outside of NASBA, Salazar served on the California Board of Accountancy from 2012 to 2024, holding leadership positions including secretary, treasurer, vice president and board president. She also served six years on the American Institute of CPAs (AICPA) Board of Examiners, including two years as chair, and previously chaired the AICPA State Board Committee. Professionally, Salazar serves as chief financial officer of the California Correctional Peace Officers Association and brings more than two decades of financial leadership, governance and regulatory experience to NASBA.

Bonner currently serves as treasurer and chair of NASBA's Administration and Finance Committee. He first joined the NASBA Board of Directors as Southeast regional director (2018–2021) and currently serves as director-at-large. Throughout his tenure, he has chaired multiple committees and played a key role in advancing NASBA's financial stewardship and legislative priorities.

A certified public accountant and longtime financial executive, Bonner serves as chief financial officer of Homesteader LLC following executive leadership roles in public accounting and community banking. He also serves on the Tennessee State Board of Accountancy, where he previously served as chair, and has held numerous leadership positions with the Tennessee Society of CPAs and the AICPA. His more than four decades of professional experience reflect a longstanding commitment to public service, financial leadership and the accounting profession.

The updated leadership slate will be presented for consideration by NASBA's member boards during the Annual Business Meeting in October.

About NASBA

Since 1908, the National Association of State Boards of Accountancy (NASBA) has served as a forum for the nation's Boards of Accountancy, which administer the Uniform CPA Examination, license approximately 653,000 certified public accountants and regulate the practice of public accountancy in the United States.

NASBA's mission is to enhance the effectiveness and advance the common interests of the Boards of Accountancy in meeting their regulatory responsibilities. The Association promotes the exchange of information among accountancy boards, serving the needs of the 55 U.S. jurisdictions.

NASBA is headquartered in Nashville, TN, with operations in San Juan, PR. To learn more about NASBA, visit www.nasba.org.

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NASBA Committee Updates

Discussion - No Materials

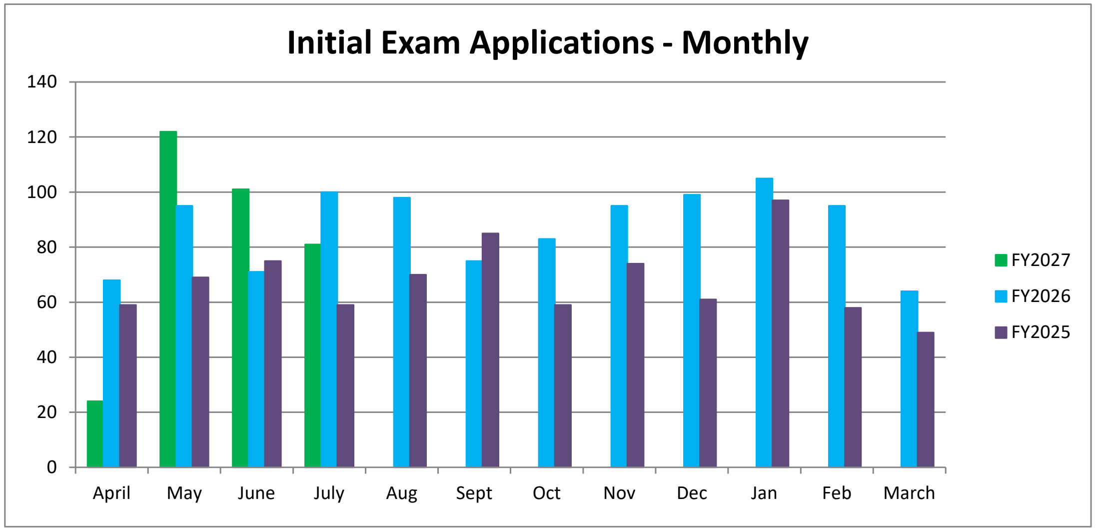
State and Local Organization Items

None

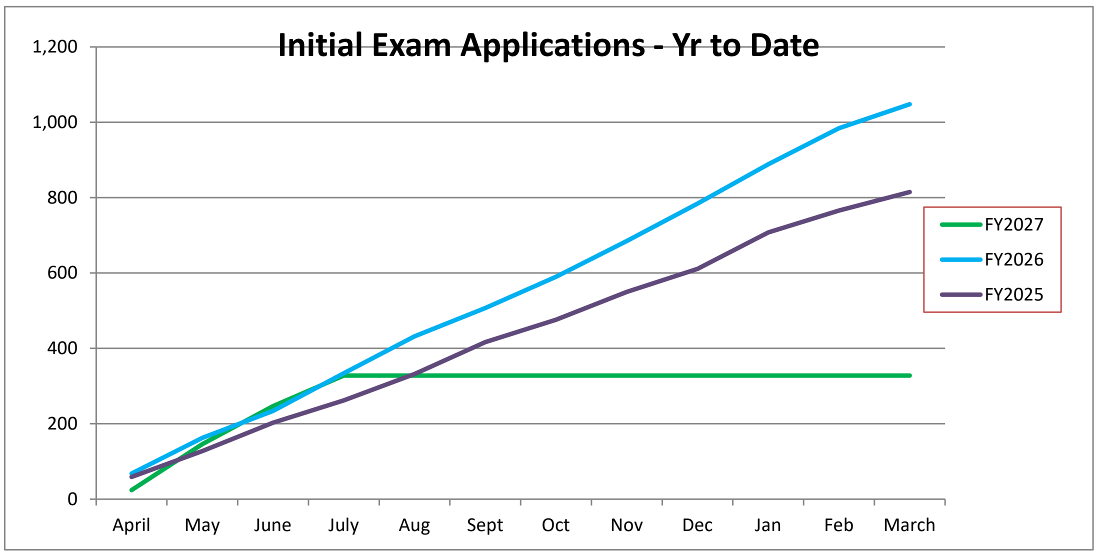
NC State Board of CPA Examiners
Monthly and Year-to-Date Operational Metrics

Exam Applications					
IntEx	2027	2026	2025	2024	2023
Mth	#	#	#	#	#
April	24	68	59	55	21
May	122	95	69	78	84
June	101	71	75	99	84
July	81	100	59	61	67
Aug	0	98	70	132	56
Sept	0	75	85	128	57
Oct	0	83	59	98	80
Nov	0	95	74	38	87
Dec	0	99	61	29	63
Jan	0	105	97	74	75
Feb	0	95	58	56	46
March	0	64	49	33	49
Avg	82	87	68	73	64

April 2026 Agency Transformation

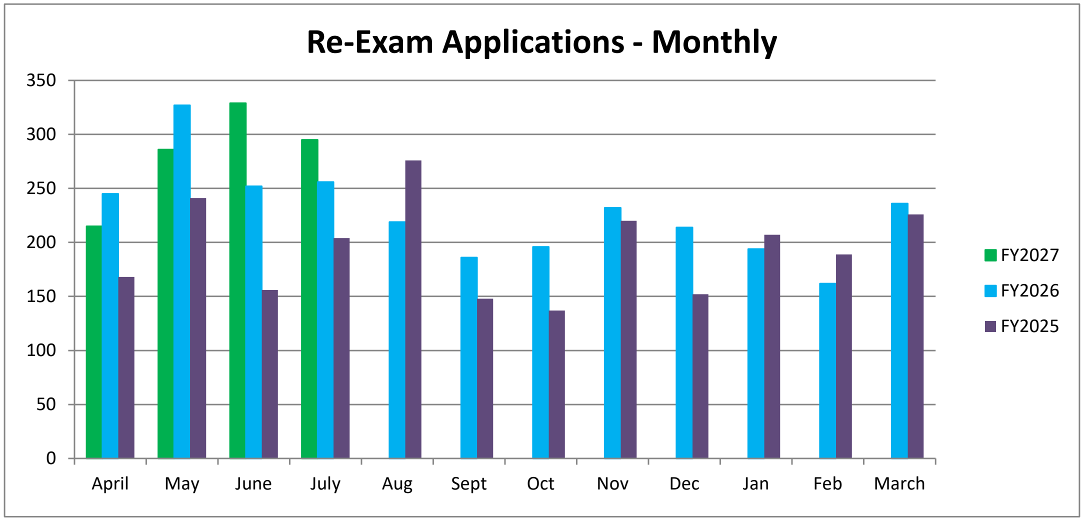


Exam Applications					
IntEx	2027	2026	2025	2024	2023
Mth	Sum	Sum	Sum	Sum	Sum
April	24	68	59	55	21
May	146	163	128	133	105
June	247	234	203	232	189
July	328	334	262	293	256
Aug	328	432	332	425	312
Sept	328	507	417	553	369
Oct	328	590	476	651	449
Nov	328	685	550	689	536
Dec	328	784	611	718	599
Jan	328	889	708	792	674
Feb	328	984	766	848	720
March	328	1048	815	881	769

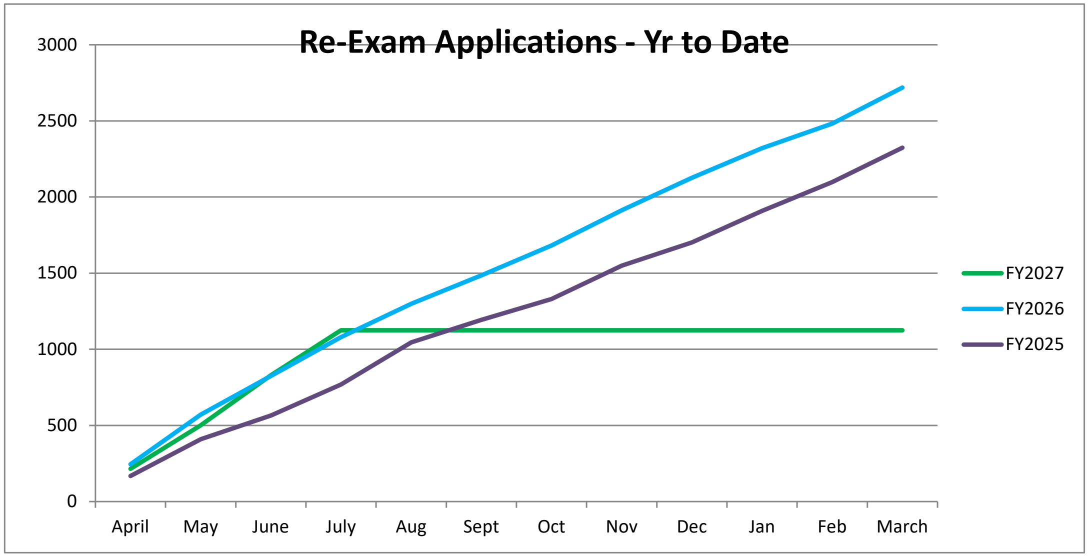


NC State Board of CPA Examiners
Monthly and Year-to-Date Operational Metrics

Exam Applications					
Re-Ex	2027	2026	2025	2024	2023
Mth	#	#	#	#	#
April	215	245	168	168	131
May	286	327	241	208	178
June	329	252	156	262	172
July	295	256	204	222	187
Aug	0	219	276	285	187
Sept	0	186	148	242	140
Oct	0	196	137	269	149
Nov	0	232	220	147	169
Dec	0	214	152	119	142
Jan	0	194	207	227	156
Feb	0	162	189	154	141
March	0	236	226	111	192
Avg	281	227	194	201	162

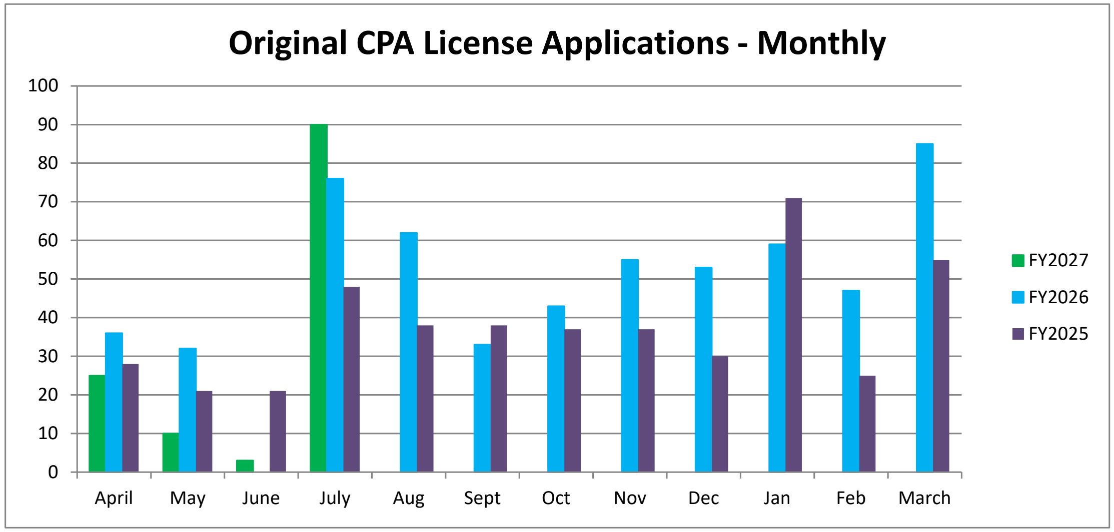


Exam Applications					
Re-Ex	2027	2026	2025	2024	2023
Mth	Sum	Sum	Sum	Sum	Sum
April	215	245	168	168	131
May	501	572	409	376	309
June	830	824	565	638	481
July	1125	1080	769	860	668
Aug	1125	1299	1045	1145	855
Sept	1125	1485	1193	1387	995
Oct	1125	1681	1330	1656	1144
Nov	1125	1913	1550	1803	1313
Dec	1125	2127	1702	1922	1455
Jan	1125	2321	1909	2149	1611
Feb	1125	2483	2098	2303	1752
March	1125	2719	2324	2414	1944

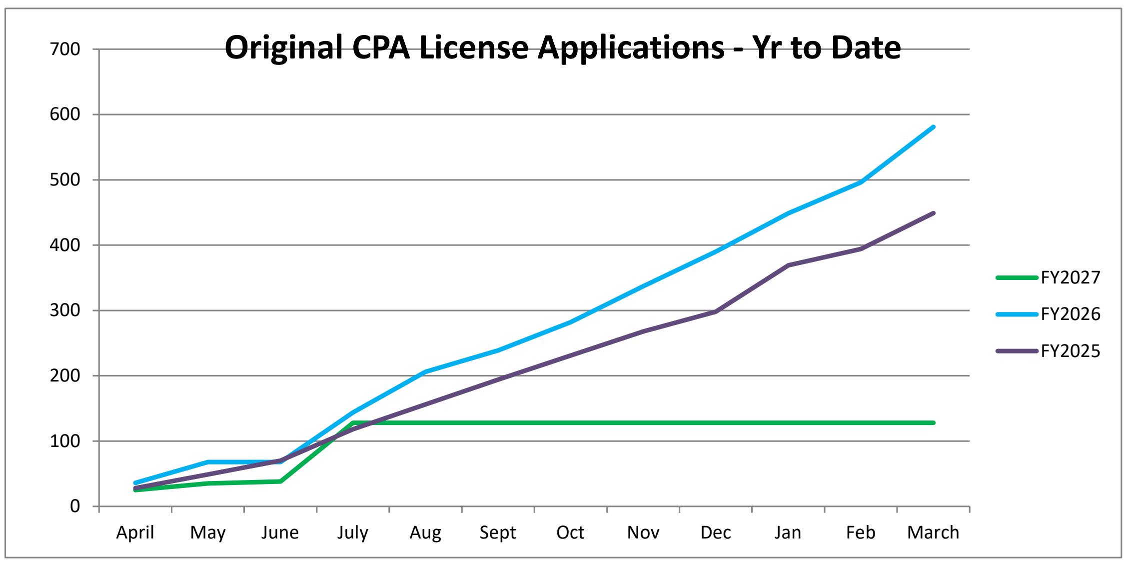


NC State Board of CPA Examiners
Monthly and Year-to-Date Operational Metrics

License Applications					
OrgL	**2027**	**2026**	**2025**	**2024**	**2023**
Mth	#	#	#	#	#
April	25	36	28	47	44
May	10	32	21	27	39
June	3	0	21	20	22
July	90	76	48	62	50
Aug	0	62	38	52	57
Sept	0	33	38	33	30
Oct	0	43	37	61	34
Nov	0	55	37	62	47
Dec	0	53	30	41	38
Jan	0	59	71	43	44
Feb	0	47	25	64	32
March	0	85	55	28	40
Avg	32	48	37	45	40

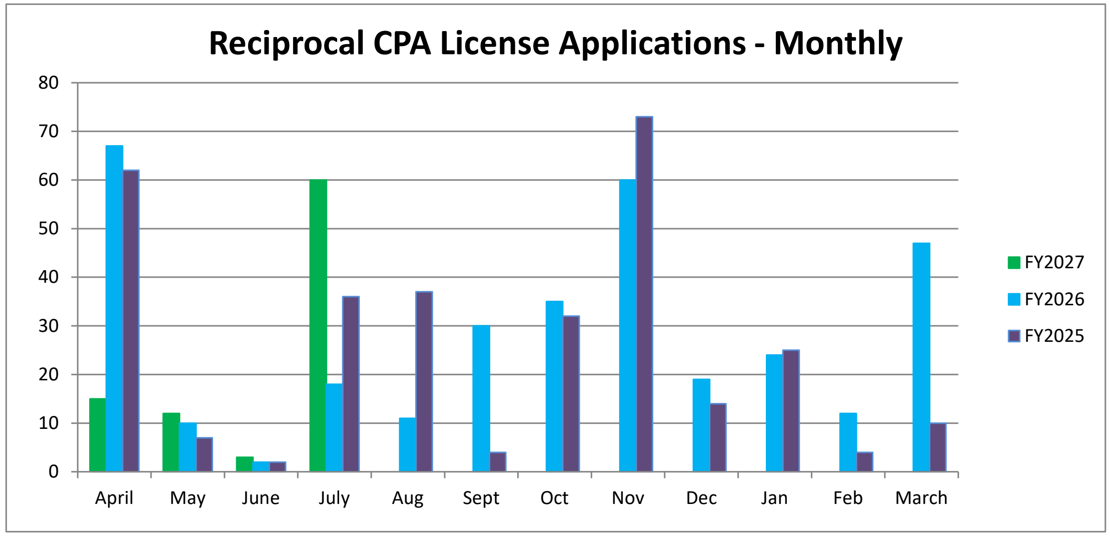


License Applications					
OrgL	**2027**	**2026**	**2025**	**2024**	**2023**
Mth	Sum	Sum	Sum	Sum	Sum
April	25	36	28	47	44
May	35	68	49	74	83
June	38	68	70	94	105
July	128	144	118	156	155
Aug	128	206	156	208	212
Sept	128	239	194	241	242
Oct	128	282	231	302	276
Nov	128	337	268	364	323
Dec	128	390	298	405	361
Jan	128	449	369	448	405
Feb	128	496	394	512	437
March	128	581	449	540	477

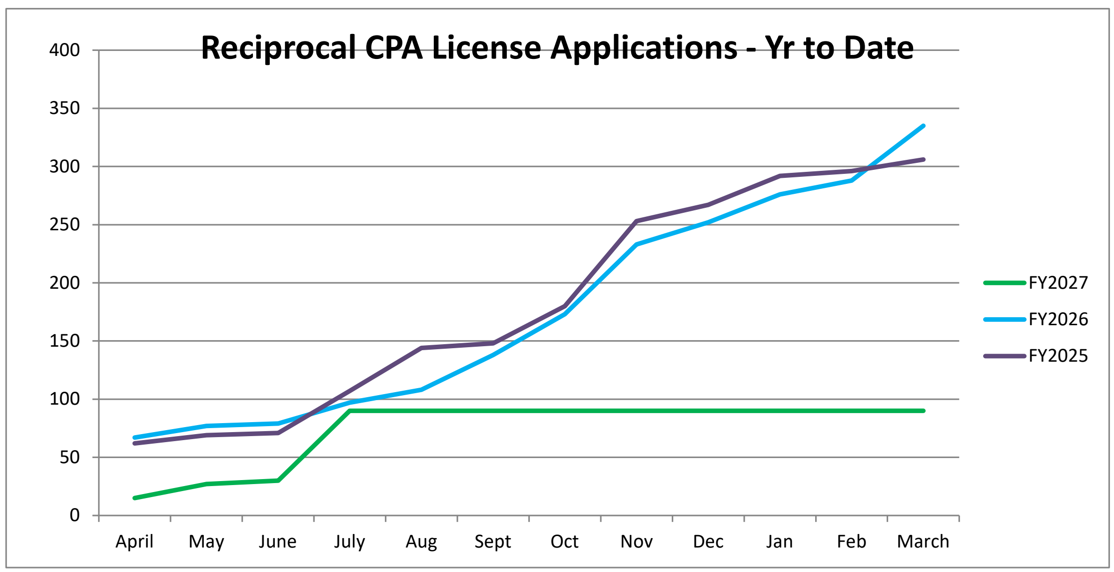


NC State Board of CPA Examiners
Monthly and Year-to-Date Operational Metrics

License Applications					
Recp	2027	2026	2025	2024	2023
Mth	#	#	#	#	#
April	15	67	62	64	81
May	12	10	7	5	8
June	3	2	2	2	3
July	60	18	36	39	50
Aug	0	11	37	36	24
Sept	0	30	4	2	1
Oct	0	35	32	32	57
Nov	0	60	73	55	67
Dec	0	19	14	21	15
Jan	0	24	25	22	30
Feb	0	12	4	12	9
March	0	47	10	4	11
Avg	23	28	26	25	30

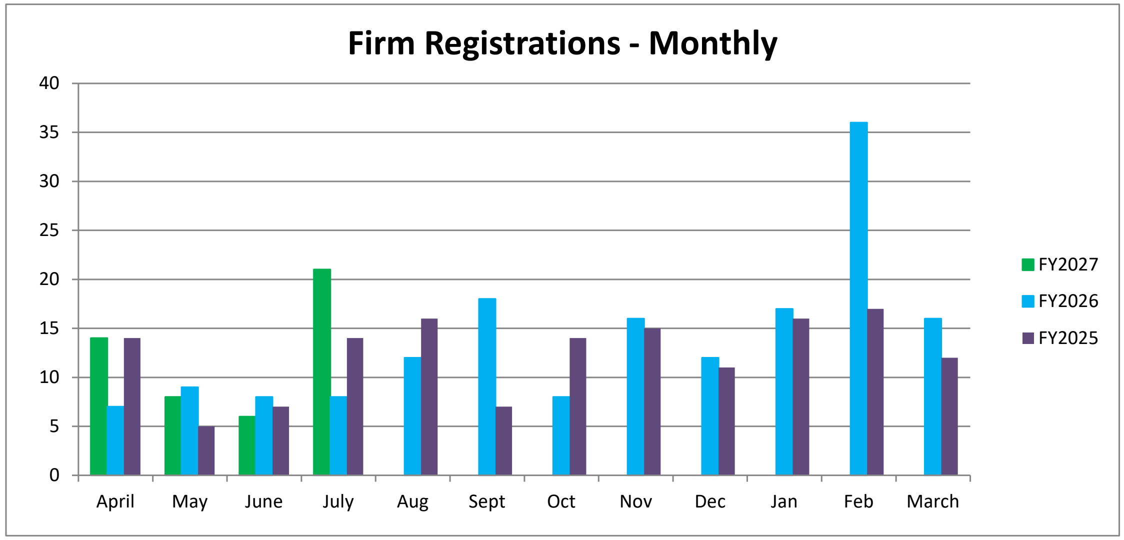


License Applications					
Recp	2027	2026	2025	2024	2023
Mth	Sum	Sum	Sum	Sum	Sum
April	15	67	62	64	81
May	27	77	69	69	89
June	30	79	71	71	92
July	90	97	107	110	142
Aug	90	108	144	146	166
Sept	90	138	148	148	167
Oct	90	173	180	180	224
Nov	90	233	253	235	291
Dec	90	252	267	256	306
Jan	90	276	292	278	336
Feb	90	288	296	290	345
March	90	335	306	294	356

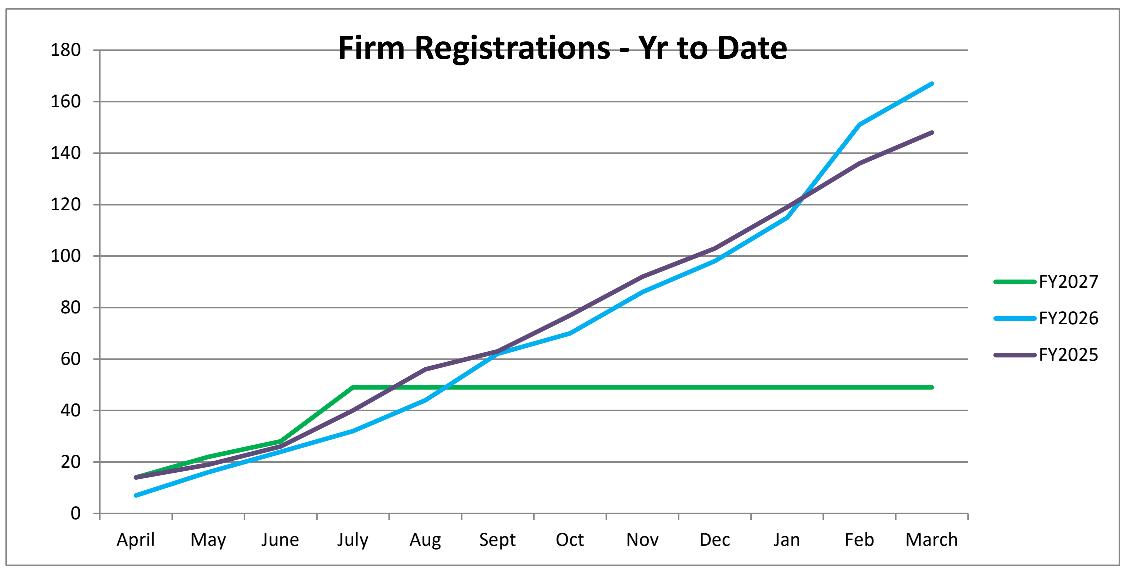


NC State Board of CPA Examiners
Monthly and Year-to-Date Operational Metrics

Firm Registration					
Firm	2027	2026	2025	2024	2023
Mth	#	#	#	#	#
April	14	7	14	6	7
May	8	9	5	2	4
June	6	8	7	4	11
July	21	8	14	13	15
Aug	0	12	16	14	10
Sept	0	18	7	5	6
Oct	0	8	14	11	4
Nov	0	16	15	5	12
Dec	0	12	11	18	25
Jan	0	17	16	5	15
Feb	0	36	17	22	7
March	0	16	12	5	8
Avg	12	14	12	9	10

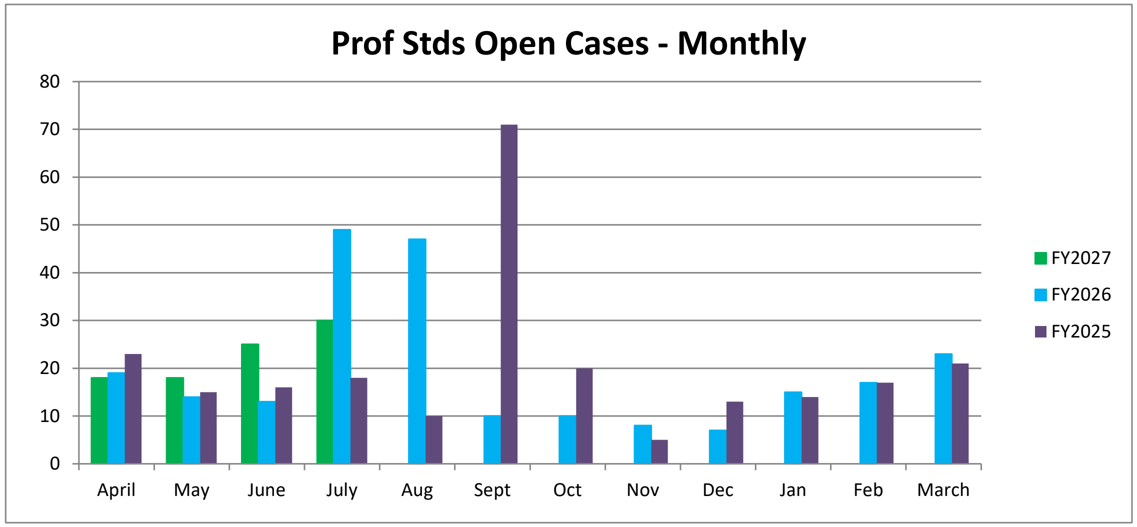


Firm Registration					
Firm	2027	2026	2025	2024	2023
Mth	Sum	Sum	Sum	Sum	Sum
April	14	7	14	6	7
May	22	16	19	8	11
June	28	24	26	12	22
July	49	32	40	25	37
Aug	49	44	56	39	47
Sept	49	62	63	44	53
Oct	49	70	77	55	57
Nov	49	86	92	60	69
Dec	49	98	103	78	94
Jan	49	115	119	83	109
Feb	49	151	136	105	116
March	49	167	148	110	124

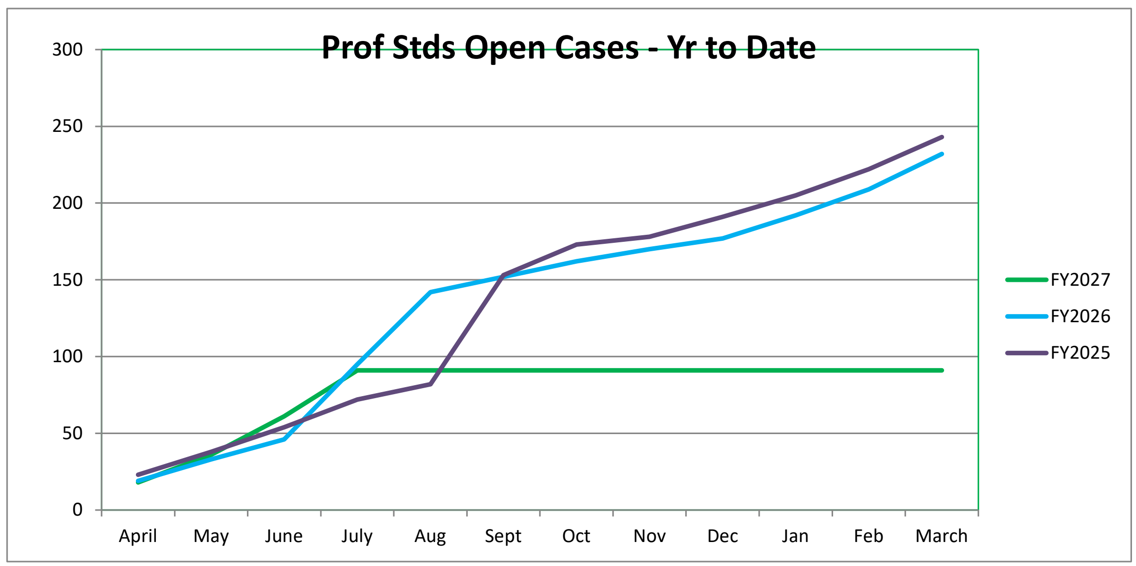


NC State Board of CPA Examiners
Monthly and Year-to-Date Operational Metrics

	Prf Stds Cases				
Open	2027	2026	2025	2024	2023
Mth	#	#	#	#	#
April	18	19	23	22	21
May	18	14	15	9	21
June	25	13	16	12	35
July	30	49	18	25	25
Aug	0	47	10	38	35
Sept	0	10	71	11	24
Oct	0	10	20	9	24
Nov	0	8	5	18	7
Dec	0	7	13	15	23
Jan	0	15	14	11	14
Feb	0	17	17	19	12
March	0	23	21	17	41
Avg	23	19	20	17	24

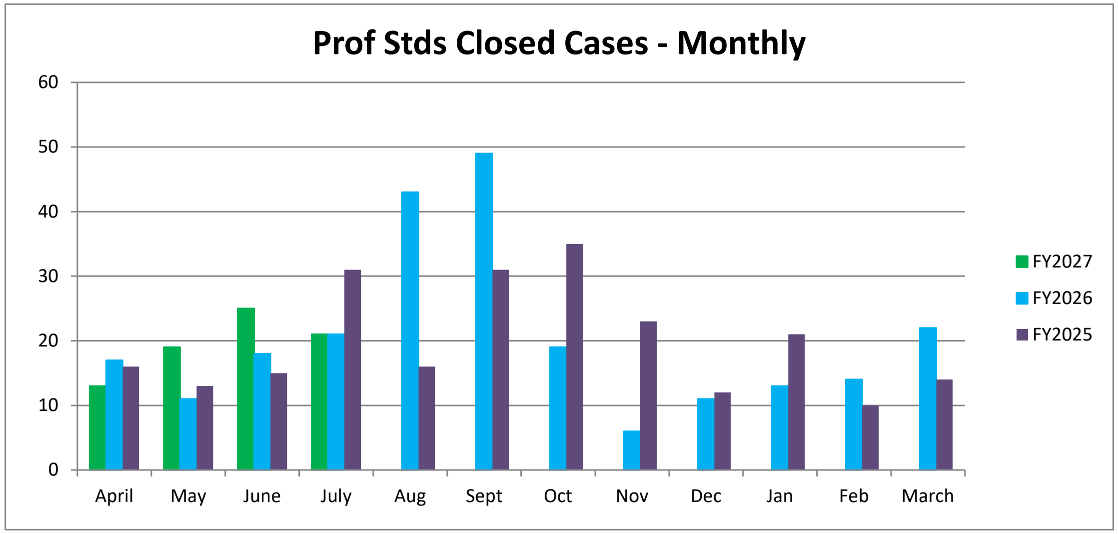


	Prf Stds Cases				
Open	2027	2026	2025	2024	2023
Mth	Sum	Sum	Sum	Sum	Sum
April	18	19	23	22	21
May	36	33	38	31	42
June	61	46	54	43	77
July	91	95	72	68	102
Aug	91	142	82	106	137
Sept	91	152	153	117	161
Oct	91	162	173	126	185
Nov	91	170	178	144	192
Dec	91	177	191	159	215
Jan	91	192	205	170	229
Feb	91	209	222	189	241
March	91	232	243	206	282

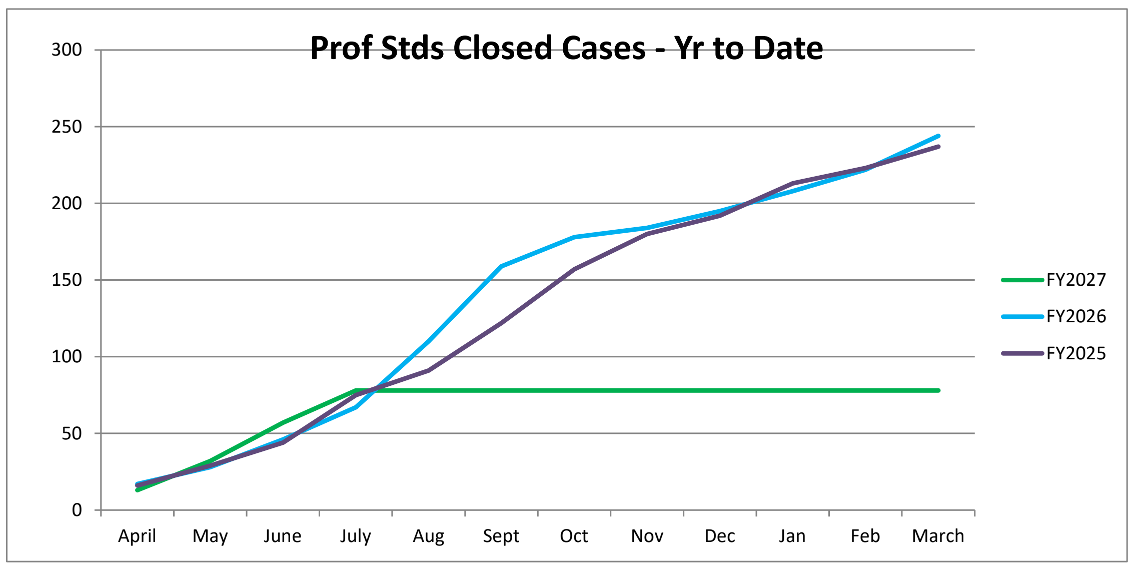


NC State Board of CPA Examiners
Monthly and Year-to-Date Operational Metrics

Prf Stds Cases					
Closed	2027	2026	2025	2024	2023
Mth	#	#	#	#	#
April	13	17	16	30	38
May	19	11	13	20	19
June	25	18	15	16	15
July	21	21	31	36	19
Aug	0	43	16	21	21
Sept	0	49	31	20	21
Oct	0	19	35	25	12
Nov	0	6	23	13	19
Dec	0	11	12	15	33
Jan	0	13	21	15	22
Feb	0	14	10	22	21
March	0	22	14	9	25
Avg	20	20	20	20	22

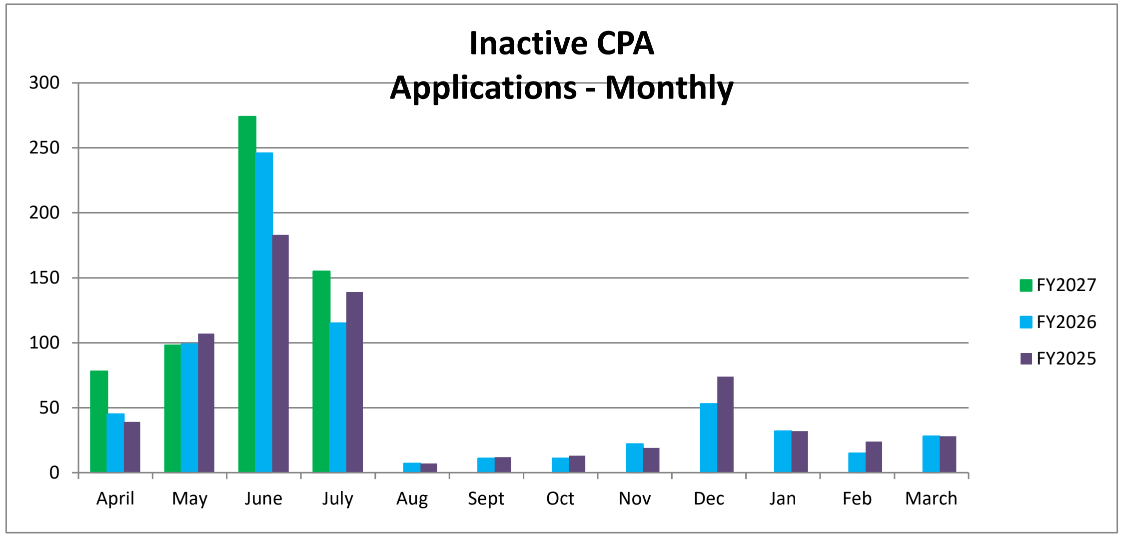


Prf Stds Cases					
Closed	2027	2026	2025	2024	2023
Mth	Sum	Sum	Sum	Sum	Sum
April	13	17	16	30	38
May	32	28	29	50	57
June	57	46	44	66	72
July	78	67	75	102	91
Aug	78	110	91	123	112
Sept	78	159	122	143	133
Oct	78	178	157	168	145
Nov	78	184	180	181	164
Dec	78	195	192	196	197
Jan	78	208	213	211	219
Feb	78	222	223	233	240
March	78	244	237	242	265

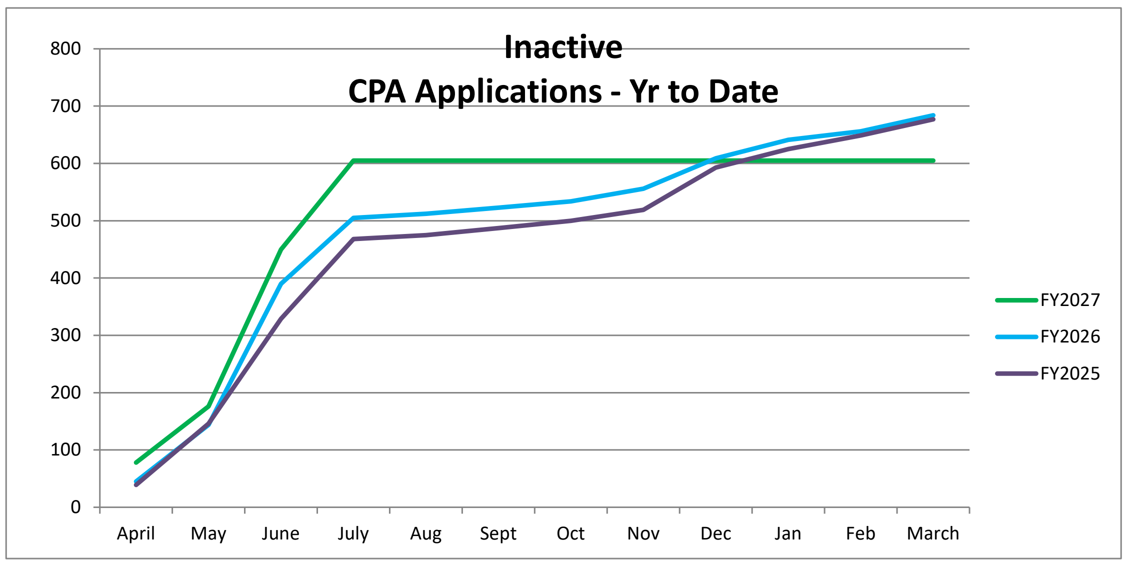


NC State Board of CPA Examiners
Monthly and Year-to-Date Operational Metrics

Inactive Applications					
InAct	2027	2026	2025	2024	2023
Mth	#	#	#	#	#
April	78	45	39	49	30
May	98	99	107	114	67
June	274	246	183	227	309
July	155	115	139	98	98
Aug	0	7	7	21	14
Sept	0	11	12	9	7
Oct	0	11	13	19	9
Nov	0	22	19	15	25
Dec	0	53	74	45	52
Jan	0	32	32	45	78
Feb	0	15	24	15	18
March	0	28	28	18	19
Avg	151	57	56	56	61

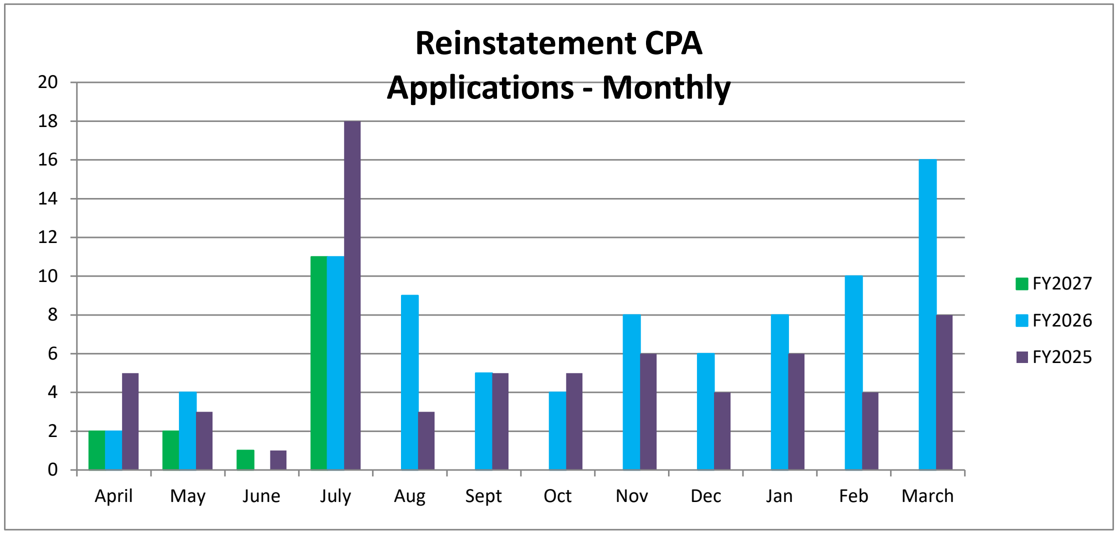


Inactive Applications					
InAct	2027	2026	2025	2024	2023
Mth	Sum	Sum	Sum	Sum	Sum
April	78	45	39	49	30
May	176	144	146	163	97
June	450	390	329	390	406
July	605	505	468	488	504
Aug	605	512	475	509	518
Sept	605	523	487	518	525
Oct	605	534	500	537	534
Nov	605	556	519	552	559
Dec	605	609	593	597	611
Jan	605	641	625	642	689
Feb	605	656	649	657	707
March	605	684	677	675	726

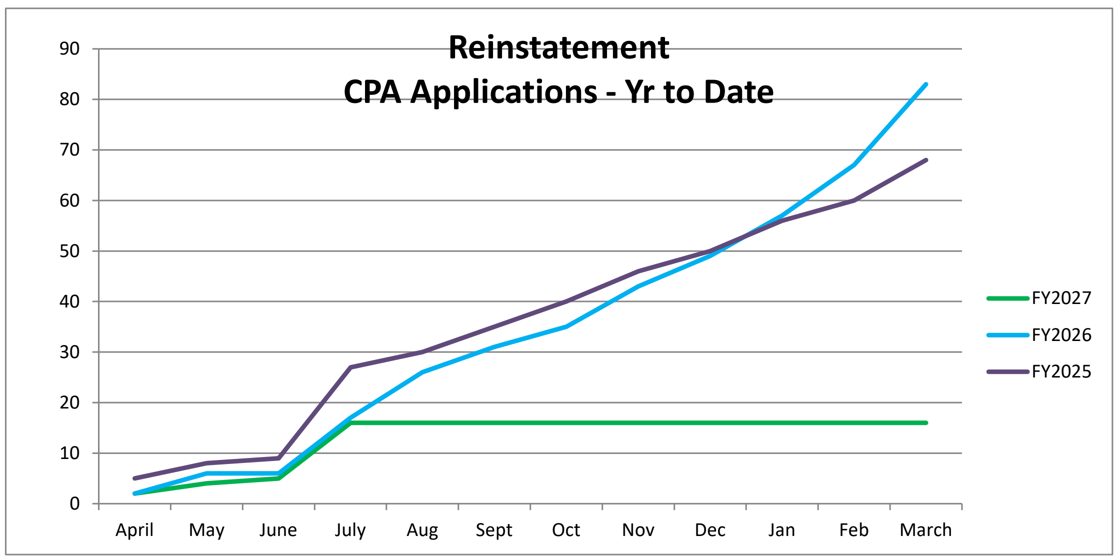


NC State Board of CPA Examiners
Monthly and Year-to-Date Operational Metrics

Reinstatement Applications					
Re-Inst	2027	2026	2025	2024	2023
Mth	#	#	#	#	#
April	2	2	5	8	8
May	2	4	3	3	6
June	1	0	1	2	3
July	11	11	18	15	12
Aug	0	9	3	3	8
Sept	0	5	5	2	6
Oct	0	4	5	8	5
Nov	0	8	6	3	5
Dec	0	6	4	4	5
Jan	0	8	6	14	7
Feb	0	10	4	7	3
March	0	16	8	5	4
Avg	4	7	6	6	6

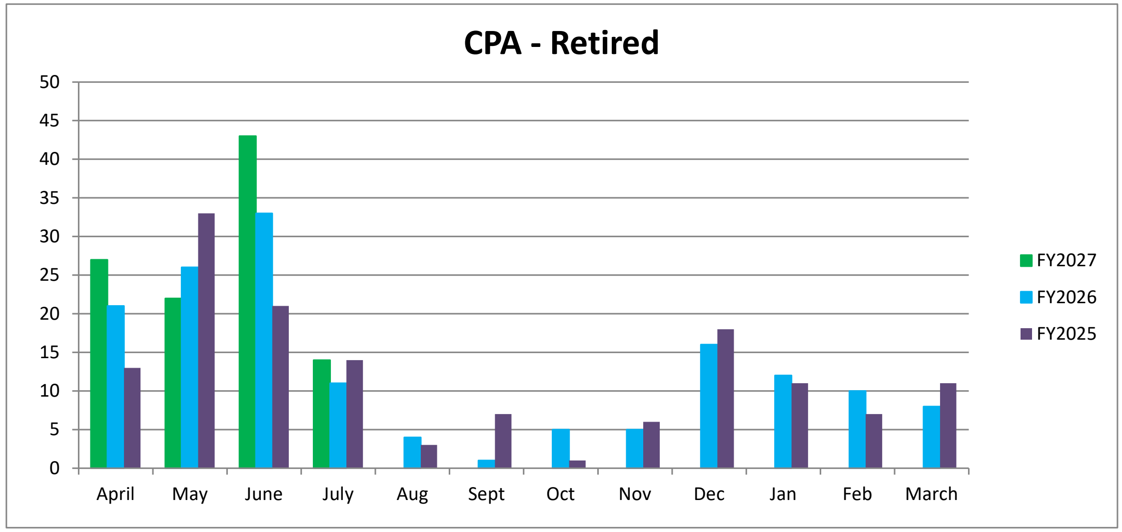


Reinstatement Applications					
Re-Inst	2027	2026	2025	2024	2023
Mth	Sum	Sum	Sum	Sum	Sum
April	2	2	5	8	8
May	4	6	8	11	14
June	5	6	9	13	17
July	16	17	27	28	29
Aug	16	26	30	31	37
Sept	16	31	35	33	43
Oct	16	35	40	41	48
Nov	16	43	46	44	53
Dec	16	49	50	48	58
Jan	16	57	56	62	65
Feb	16	67	60	69	68
March	16	83	68	74	72



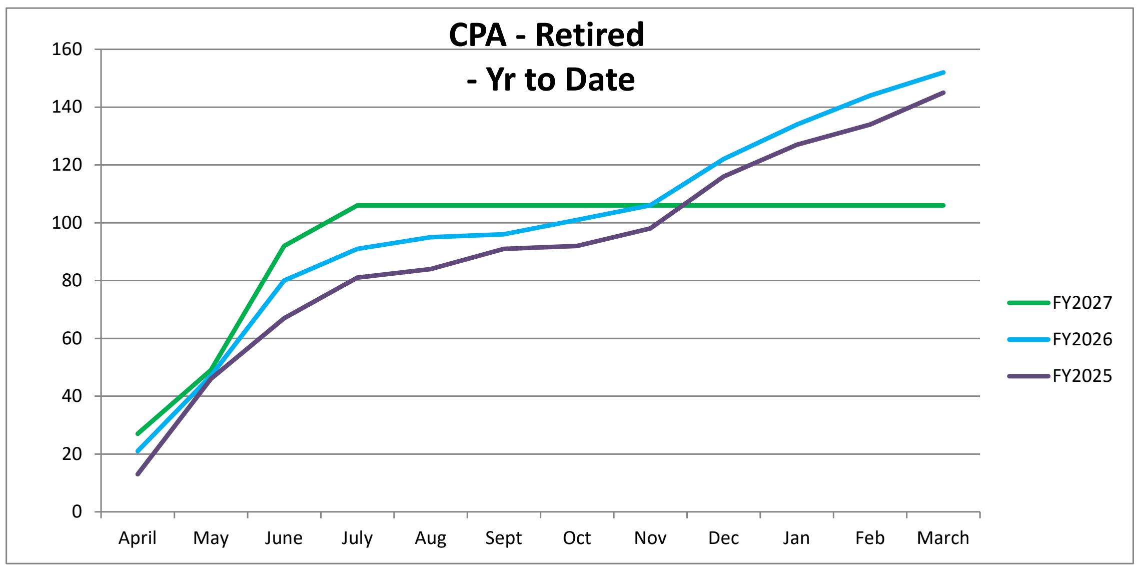
NC State Board of CPA Examiners
Monthly and Year-to-Date Operational Metrics

CPA-Retired					
Count	2027	2026	2025	2024	2023
Mth	#	#	#	#	#
April	27	21	13	0	0
May	22	26	33	0	0
June	43	33	21	0	0
July	14	11	14	0	0
Aug	0	4	3	0	0
Sept	0	1	7	1	0
Oct	0	5	1	16	0
Nov	0	5	6	18	0
Dec	0	16	18	27	0
Jan	0	12	11	23	0
Feb	0	10	7	15	0
March	0	8	11	9	0
Avg	27	13	21	9	0



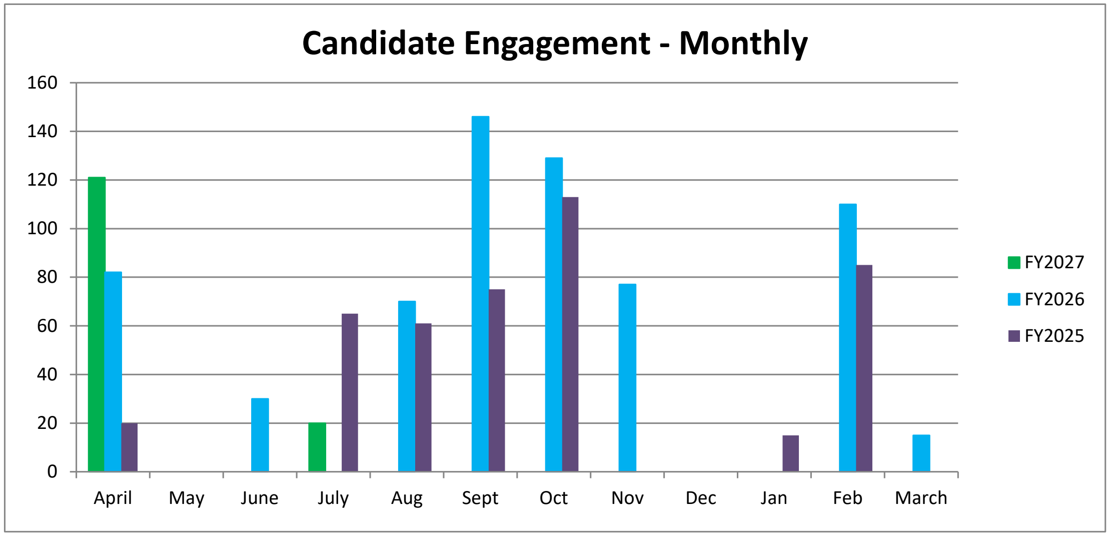
Began Sept 2023

CPA Retired					
Count	2027	2026	2025	2024	2023
Mth	Sum	Sum	Sum	Sum	Sum
April	27	21	13	0	0
May	49	47	46	0	0
June	92	80	67	0	0
July	106	91	81	0	0
Aug	106	95	84	0	0
Sept	106	96	91	1	0
Oct	106	101	92	17	0
Nov	106	106	98	35	0
Dec	106	122	116	62	0
Jan	106	134	127	85	0
Feb	106	144	134	100	0
March	106	152	145	109	0



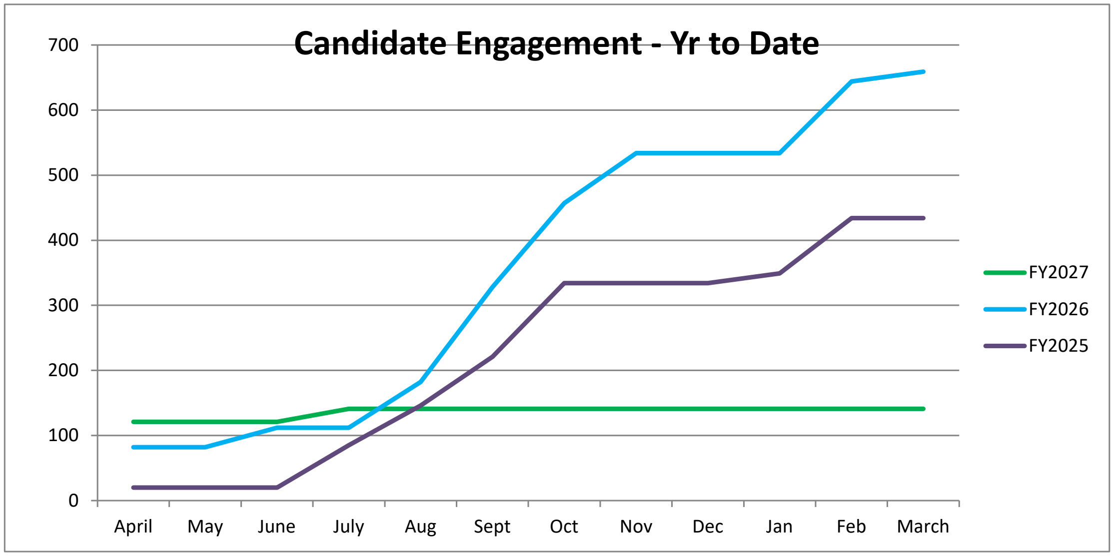
NC State Board of CPA Examiners
Monthly and Year-to-Date Operational Metrics

Candidate Engagement*					
Count	2027	2026	2025	2024	2023
Mth	#	#	#	#	#
April	121	82	20	74	0
May	0	0	0	0	0
June	0	30	0	27	0
July	20	0	65	0	0
Aug	0	70	61	10	15
Sept	0	146	75	67	130
Oct	0	129	113	281	139
Nov	0	77	0	37	53
Dec	0	0	0	0	0
Jan	0	0	15	46	0
Feb	0	110	85	77	70
March	0	15	0	0	61
Avg	35	55	36	77	39



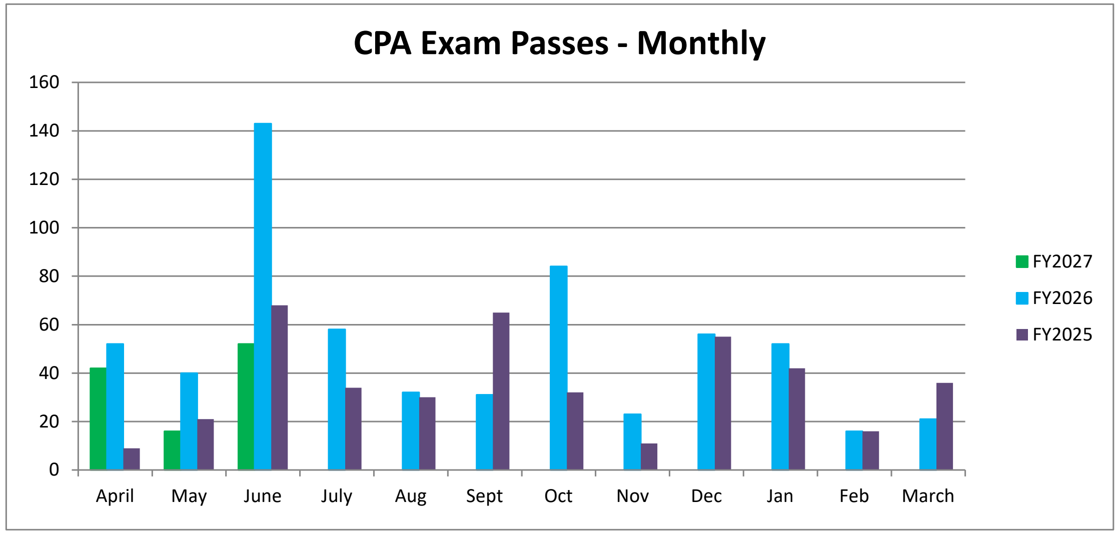
* Candidate Presentations as scheduled in concert with needs of various campuses, not including instructors and staff
Started tracking 8/22

Candidate Engagement					
Count	2027	2026	2025	2024	2023
Mth	Sum	Sum	Sum	Sum	Sum
April	121	82	20	74	0
May	121	82	20	74	0
June	121	112	20	101	0
July	141	112	85	101	0
Aug	141	182	146	111	15
Sept	141	328	221	178	145
Oct	141	457	334	459	284
Nov	141	534	334	496	337
Dec	141	534	334	496	337
Jan	141	534	349	542	337
Feb	141	644	434	619	407
March	141	659	434	619	468



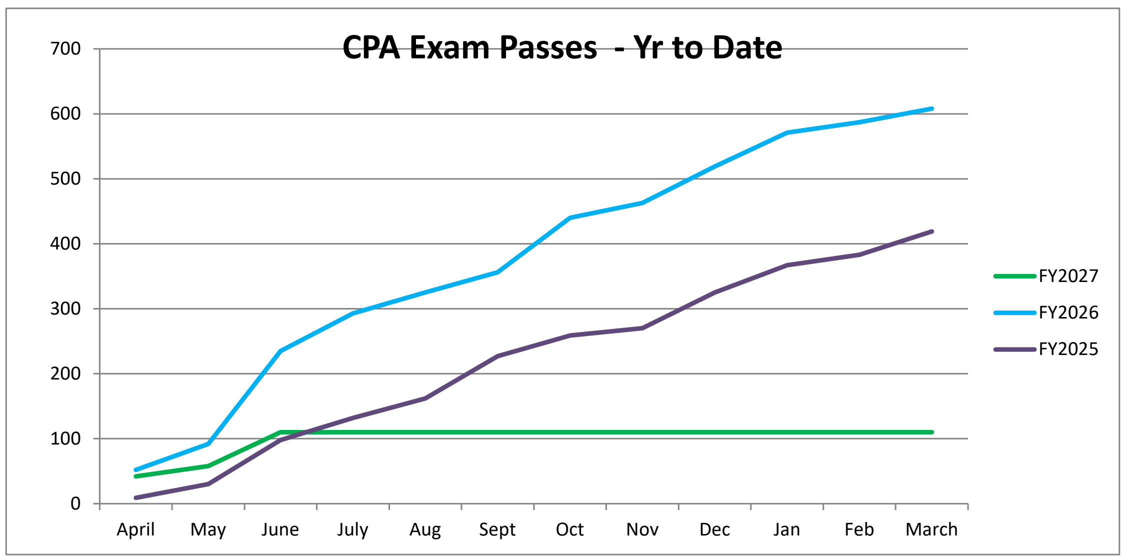
NC State Board of CPA Examiners
Monthly and Year-to-Date Operational Metrics

	Exam Passes				
Count	2027	2026	2025	2024	2023
Mth	#	#	#	#	#
April	42	52	9	13	12
May	16	40	21	31	26
June	52	143	68	68	46
July	0	58	34	43	29
Aug	0	32	30	49	51
Sept	0	31	65	72	51
Oct	0	84	32	41	30
Nov	0	23	11	35	36
Dec	0	56	55	86	48
Jan	0	52	42	8	35
Feb	0	16	16	18	21
March	0	21	36	30	32
Avg	28	51	35	41	35



These results run approximately 2 months in arrears due to timing of score releases

	Exam Passes				
Count	2027	2026	2025	2024	2023
Mth	Sum	Sum	Sum	Sum	Sum
April	42	52	9	13	12
May	58	92	30	44	38
June	110	235	98	112	84
July	110	293	132	155	113
Aug	110	325	162	204	164
Sept	110	356	227	276	215
Oct	110	440	259	317	245
Nov	110	463	270	352	281
Dec	110	519	325	438	329
Jan	110	571	367	446	364
Feb	110	587	383	464	385
March	110	608	419	494	417



Exam Applications		
Month	Initial	Re-Exam
Jan-15	107	130
Feb-15	62	110
Mar-15	82	227
Apr-15	97	180
May-15	78	151
Jun-15	77	312
Jul-15	66	178
Aug-15	52	155
Sep-15	51	296
Oct-15	64	154
Nov-15	62	151
Dec-15	139	276
Jan-16	121	139
Feb-16	101	141
Mar-16	92	305
Apr-16	97	191
May-16	85	203
Jun-16	110	266
Jul-16	74	204
Aug-16	85	237
Sep-16	83	297
Oct-16	60	177
Nov-16	104	183
Dec-16	115	276
Jan-17	129	189
Feb-17	58	130
Mar-17	67	276
Apr-17	55	178
May-17	58	182
Jun-17	57	159
Jul-17	38	146
Aug-17	50	187
Sep-17	59	267
Oct-17	47	196
Nov-17	79	126
Dec-17	79	154
Jan-18	131	178
Feb-18	39	107
Mar-18	66	236
Apr-18	70	211
May-18	77	136
Jun-18	61	149
Jul-18	66	235
Aug-18	62	136
Sep-18	48	218
Oct-18	84	175
Nov-18	82	116
Dec-18	81	133
Jan-19	91	145
Feb-19	74	124
Mar-19	45	190
Apr-19	61	195
May-19	70	196
Jun-19	62	222
Jul-19	92	172
Aug-19	51	164
Sep-19	54	185
Oct-19	62	194
Nov-19	58	144
Dec-19	83	177
Jan-20	111	145
Feb-20	70	112
Mar-20	41	139
Apr-20	14	84
May-20	59	174
Jun-20	87	176
Jul-20	71	150
Aug-20	18	79
Sep-20	56	215

Certificate Applications		
Month	Original	Reciprocal
Jan-15	96	51
Feb-15	64	16
Mar-15	48	4
Apr-15	48	61
May-15	40	11
Jun-15	0	4
Jul-15	60	54
Aug-15	100	21
Sep-15	44	5
Oct-15	74	70
Nov-15	45	27
Dec-15	0	2
Jan-16	133	36
Feb-16	68	12
Mar-16	43	3
Apr-16	60	69
May-16	42	18
Jun-16	0	2
Jul-16	96	53
Aug-16	36	8
Sep-16	42	4
Oct-16	56	82
Nov-16	72	32
Dec-16	0	4
Jan-17	108	34
Feb-17	66	17
Mar-17	70	12
Apr-17	32	68
May-17	51	9
Jun-17	0	1
Jul-17	68	58
Aug-17	39	4
Sep-17	42	2
Oct-17	62	93
Nov-17	46	25
Dec-17	0	24
Jan-18	117	12
Feb-18	73	20
Mar-18	36	5
Apr-18	32	52
May-18	61	13
Jun-18	0	0
Jul-18	57	59
Aug-18	41	4
Sep-18	44	3
Oct-18	77	113
Nov-18	70	42
Dec-18	2	35
Jan-19	108	33
Feb-19	57	10
Mar-19	35	7
Apr-19	42	70
May-19	37	9
Jun-19	0	2
Jul-19	62	37
Aug-19	49	44
Sep-19	84	2
Oct-19	36	56
Nov-19	62	69
Dec-19	1	26
Jan-20	112	17
Feb-20	50	10
Mar-20	44	8
Apr-20	14	57
May-20	0	7
Jun-20	0	0
Jul-20	48	31
Aug-20	32	27
Sep-20	43	3

CPA Firm Registrations	
Month	Total
Jan-15	18
Feb-15	20
Mar-15	12
Apr-15	18
May-15	11
Jun-15	17
Jul-15	13
Aug-15	11
Sep-15	25
Oct-15	13
Nov-15	14
Dec-15	22
Jan-16	28
Feb-16	16
Mar-16	17
Apr-16	3
May-16	14
Jun-16	8
Jul-16	6
Aug-16	14
Sep-16	8
Oct-16	9
Nov-16	14
Dec-16	30
Jan-17	24
Feb-17	18
Mar-17	19
Apr-17	7
May-17	12
Jun-17	16
Jul-17	19
Aug-17	22
Sep-17	14
Oct-17	23
Nov-17	15
Dec-17	15
Jan-18	30
Feb-18	18
Mar-18	10
Apr-18	12
May-18	13
Jun-18	7
Jul-18	3
Aug-18	23
Sep-18	7
Oct-18	10
Nov-18	9
Dec-18	11
Jan-19	21
Feb-19	22
Mar-19	12
Apr-19	7
May-19	14
Jun-19	25
Jul-19	11
Aug-19	6
Sep-19	5
Oct-19	11
Nov-19	12
Dec-19	16
Jan-20	26
Feb-20	11
Mar-20	5
Apr-20	3
May-20	12
Jun-20	10
Jul-20	10
Aug-20	14
Sep-20	11

Professional Stds Cases				
Month	Begin Bal	Open	Closed	End Bal
Jan-15	202	66	54	214
Feb-15	214	22	40	196
Mar-15	196	40	38	198
Apr-15	198	7	38	167
May-15	167	26	18	175
Jun-15	175	6	21	160
Jul-15	160	10	32	138
Aug-15	138	31	27	142
Sep-15	142	27	33	136
Oct-15	136	53	32	157
Nov-15	157	26	25	158
Dec-15	158	9	24	143
Jan-16	143	12	17	138
Feb-16	138	17	21	134
Mar-16	134	34	19	149
Apr-16	149	27	31	145
May-16	145	16	23	138
Jun-16	138	33	20	151
Jul-16	151	17	42	126
Aug-16	126	68	27	167
Sep-16	167	65	27	205
Oct-16	205	53	53	205
Nov-16	205	22	72	155
Dec-16	155	7	26	136
Jan-17	136	35	49	122
Feb-17	122	17	30	109
Mar-17	109	16	22	103
Apr-17	103	30	25	108
May-17	108	24	16	116
Jun-17	116	5	18	103
Jul-17	103	36	16	123
Aug-17	123	65	29	159
Sep-17	159	29	42	146
Oct-17	146	24	17	153
Nov-17	153	7	18	142
Dec-17	142	6	23	125
Jan-18	125	18	15	128
Feb-18	128	16	11	133
Mar-18	133	14	14	133
Apr-18	133	27	16	144
May-18	144	95	44	195
Jun-18	195	61	68	188
Jul-18	188	62	54	196
Aug-18	196	58	63	191
Sep-18	191	34	49	176
Oct-18	176	12	45	143
Nov-18	143	5	42	106
Dec-18	106	6	15	97
Jan-19	97	33	20	110
Feb-19	110	43	22	131
Mar-19	131	18	21	128
Apr-19	128	28	30	126
May-19	126	18	25	119
Jun-19	119	25	26	118
Jul-19	118	37	21	134
Aug-19	134	67	49	152
Sep-19	152	14	26	140
Oct-19	140	14	39	115
Nov-19	115	11	23	103
Dec-19	103	31	25	109
Jan-20	109	33	25	117
Feb-20	117	16	23	110
Mar-20	110	18	19	109
Apr-20	109	7	17	99
May-20	99	9	23	85
Jun-20	85	12	23	74
Jul-20	74	30	23	81
Aug-20	81	27	16	92
Sep-20	92	13	17	88

Inactive	
Month	Total
Jan-15	47
Feb-15	13
Mar-15	18
Apr-15	29
May-15	73
Jun-15	126
Jul-15	90
Aug-15	6
Sep-15	7
Oct-15	21
Nov-15	25
Dec-15	35
Jan-16	42
Feb-16	17
Mar-16	19
Apr-16	38
May-16	63
Jun-16	150
Jul-16	60
Aug-16	14
Sep-16	6
Oct-16	12
Nov-16	27
Dec-16	59
Jan-17	34
Feb-17	16
Mar-17	24
Apr-17	50
May-17	89
Jun-17	169
Jul-17	90
Aug-17	6
Sep-17	10
Oct-17	24
Nov-17	26
Dec-17	40
Jan-18	47
Feb-18	14
Mar-18	8
Apr-18	50
May-18	73
Jun-18	194
Jul-18	67
Aug-18	17
Sep-18	3
Oct-18	13
Nov-18	15
Dec-18	38
Jan-19	52
Feb-19	15
Mar-19	16
Apr-19	30
May-19	58
Jun-19	221
Jul-19	123
Aug-19	9
Sep-19	11
Oct-19	20
Nov-19	26
Dec-19	73
Jan-20	32
Feb-20	15
Mar-20	6
Apr-20	17
May-20	88
Jun-20	234
Jul-20	116
Aug-20	7
Sep-20	6

Reinstatement	
Month	Total
Jan-15	13
Feb-15	11
Mar-15	5
Apr-15	12
May-15	5
Jun-15	0
Jul-15	9
Aug-15	15
Sep-15	3
Oct-15	8
Nov-15	10
Dec-15	5
Jan-16	22
Feb-16	9
Mar-16	9
Apr-16	12
May-16	12
Jun-16	0
Jul-16	17
Aug-16	6
Sep-16	6
Oct-16	16
Nov-16	8
Dec-16	4
Jan-17	11
Feb-17	5
Mar-17	13
Apr-17	5
May-17	11
Jun-17	0
Jul-17	18
Aug-17	11
Sep-17	10
Oct-17	4
Nov-17	2
Dec-17	10
Jan-18	4
Feb-18	14
Mar-18	6
Apr-18	7
May-18	7
Jun-18	0
Jul-18	8
Aug-18	8
Sep-18	7
Oct-18	11
Nov-18	11
Dec-18	6
Jan-19	10
Feb-19	8
Mar-19	7
Apr-19	3
May-19	9
Jun-19	2
Jul-19	8
Aug-19	9
Sep-19	8
Oct-19	4
Nov-19	5
Dec-19	6
Jan-20	10
Feb-20	12
Mar-20	6
Apr-20	1
May-20	4
Jun-20	4
Jul-20	11
Aug-20	5
Sep-20	5

CPA - Retired		Candidate Eng		Exam Passes	
Month	Total	Month	Total	Month	Total
Jan-15	0	Jan-15	0	Jan-15	0
Feb-15	0	Feb-15	0	Feb-15	0
Mar-15	0	Mar-15	0	Mar-15	0
Apr-15	0	Apr-15	0	Apr-15	0
May-15	0	May-15	0	May-15	0
Jun-15	0	Jun-15	0	Jun-15	0
Jul-15	0	Jul-15	0	Jul-15	0
Aug-15	0	Aug-15	0	Aug-15	0
Sep-15	0	Sep-15	0	Sep-15	0
Oct-15	0	Oct-15	0	Oct-15	0
Nov-15	0	Nov-15	0	Nov-15	0
Dec-15	0	Dec-15	0	Dec-15	0
Jan-16	0	Jan-16	0	Jan-16	0
Feb-16	0	Feb-16	0	Feb-16	0
Mar-16	0	Mar-16	0	Mar-16	0
Apr-16	0	Apr-16	0	Apr-16	0
May-16	0	May-16	0	May-16	0
Jun-16	0	Jun-16	0	Jun-16	0
Jul-16	0	Jul-16	0	Jul-16	0
Aug-16	0	Aug-16	0	Aug-16	0
Sep-16	0	Sep-16	0	Sep-16	0
Oct-16	0	Oct-16	0	Oct-16	0
Nov-16	0	Nov-16	0	Nov-16	0
Dec-16	0	Dec-16	0	Dec-16	0
Jan-17	0	Jan-17	0	Jan-17	0
Feb-17	0	Feb-17	0	Feb-17	0
Mar-17	0	Mar-17	0	Mar-17	0
Apr-17	0	Apr-17	0	Apr-17	0
May-17	0	May-17	0	May-17	0
Jun-17	0	Jun-17	0	Jun-17	0
Jul-17	0	Jul-17	0	Jul-17	0
Aug-17	0	Aug-17	0	Aug-17	0
Sep-17	0	Sep-17	0	Sep-17	0
Oct-17	0	Oct-17	0	Oct-17	0
Nov-17	0	Nov-17	0	Nov-17	0
Dec-17	0	Dec-17	0	Dec-17	0
Jan-18	0	Jan-18	0	Jan-18	0
Feb-18	0	Feb-18	0	Feb-18	0
Mar-18	0	Mar-18	0	Mar-18	0
Apr-18	0	Apr-18	0	Apr-18	0
May-18	0	May-18	0	May-18	0
Jun-18	0	Jun-18	0	Jun-18	0
Jul-18	0	Jul-18	0	Jul-18	0
Aug-18	0	Aug-18	0	Aug-18	0
Sep-18	0	Sep-18	0	Sep-18	0
Oct-18	0	Oct-18	0	Oct-18	0
Nov-18	0	Nov-18	0	Nov-18	0
Dec-18	0	Dec-18	0	Dec-18	0
Jan-19	0	Jan-19	0	Jan-19	0
Feb-19	0	Feb-19	0	Feb-19	0
Mar-19	0	Mar-19	0	Mar-19	0
Apr-19	0	Apr-19	0	Apr-19	0
May-19	0	May-19	0	May-19	0
Jun-19	0	Jun-19	0	Jun-19	0
Jul-19	0	Jul-19	0	Jul-19	0
Aug-19	0	Aug-19	0	Aug-19	0
Sep-19	0	Sep-19	0	Sep-19	0
Oct-19	0	Oct-19	0	Oct-19	0
Nov-19	0	Nov-19	0	Nov-19	0
Dec-19	0	Dec-19	0	Dec-19	0
Jan-20	0	Jan-20	0	Jan-20	0
Feb-20	0	Feb-20	0	Feb-20	0
Mar-20	0	Mar-20	0	Mar-20	0
Apr-20	0	Apr-20	0	Apr-20	0
May-20	0	May-20	0	May-20	40
Jun-20	0	Jun-20	0	Jun-20	35
Jul-20	0	Jul-20	0	Jul-20	43
Aug-20	0	Aug-20	0	Aug-20	58
Sep-20	0	Sep-20	0	Sep-20	71

Exam Applications		
Month	Initial	Re-Exam
Oct-20	85	155
Nov-20	78	145
Dec-20	61	146
Jan-21	66	150
Feb-21	66	142
Mar-21	46	147
Apr-21	52	164
May-21	55	186
Jun-21	56	182
Jul-21	58	177
Aug-21	37	168
Sep-21	37	111
Oct-21	68	139
Nov-21	90	152
Dec-21	67	110
Jan-22	81	134
Feb-22	54	110
Mar-22	56	141
Apr-22	21	131
May-22	84	178
Jun-22	84	172
Jul-22	67	187
Aug-22	56	187
Sep-22	57	140
Oct-22	80	149
Nov-22	87	169
Dec-22	63	142
Jan-23	75	156
Feb-23	46	141
Mar-23	49	192
Apr-23	55	168
May-23	78	208
Jun-23	99	262
Jul-23	61	222
Aug-23	132	285
Sep-23	128	242
Oct-23	98	269
Nov-23	38	147
Dec-23	29	119
Jan-24	74	227
Feb-24	56	154
Mar-24	33	111
Apr-24	59	168
May-24	69	241
Jun-24	75	156
Jul-24	59	204
Aug-24	70	276
Sep-24	85	148
Oct-24	59	137
Nov-24	74	220
Dec-24	61	152
Jan-25	97	207
Feb-25	58	189
Mar-25	49	226
Apr-25	68	245
May-25	95	327
Jun-25	71	252
Jul-25	100	256
Aug-25	98	219
Sep-25	75	186
Oct-25	83	196
Nov-25	95	232
Dec-25	99	214
Jan-26	105	194
Feb-26	95	162
Mar-26	64	236
Apr-26	24	215
May-26	122	286
Jun-26	101	329

Certificate Applications		
Month	Original	Reciprocal
Oct-20	47	44
Nov-20	56	61
Dec-20	46	10
Jan-21	72	22
Feb-21	78	4
Mar-21	31	0
Apr-21	41	55
May-21	50	7
Jun-21	0	1
Jul-21	75	39
Aug-21	31	37
Sep-21	42	2
Oct-21	46	47
Nov-21	48	74
Dec-21	32	27
Jan-22	60	33
Feb-22	47	11
Mar-22	30	7
Apr-22	44	81
May-22	39	8
Jun-22	22	3
Jul-22	50	50
Aug-22	57	24
Sep-22	30	1
Oct-22	34	57
Nov-22	47	67
Dec-22	38	15
Jan-23	44	30
Feb-23	32	9
Mar-23	40	11
Apr-23	47	64
May-23	27	5
Jun-23	20	2
Jul-23	62	39
Aug-23	52	36
Sep-23	33	2
Oct-23	61	32
Nov-23	62	55
Dec-23	41	21
Jan-24	43	22
Feb-24	64	12
Mar-24	28	4
Apr-24	28	62
May-24	21	7
Jun-24	21	2
Jul-24	48	36
Aug-24	38	37
Sep-24	38	4
Oct-24	37	32
Nov-24	37	73
Dec-24	30	14
Jan-25	71	25
Feb-25	25	4
Mar-25	55	10
Apr-25	36	67
May-25	32	10
Jun-25	0	2
Jul-25	76	18
Aug-25	62	11
Sep-25	33	30
Oct-25	43	35
Nov-25	55	60
Dec-25	53	19
Jan-26	59	24
Feb-26	47	12
Mar-26	85	47
Apr-26	25	15
May-26	10	12
Jun-26	3	3

CPA Firm Registrations	
Month	Total
Oct-20	7
Nov-20	6
Dec-20	9
Jan-21	20
Feb-21	8
Mar-21	16
Apr-21	7
May-21	4
Jun-21	11
Jul-21	15
Aug-21	10
Sep-21	6
Oct-21	4
Nov-21	12
Dec-21	25
Jan-22	15
Feb-22	7
Mar-22	8
Apr-22	2
May-22	6
Jun-22	8
Jul-22	12
Aug-22	5
Sep-22	6
Oct-22	8
Nov-22	14
Dec-22	10
Jan-23	23
Feb-23	9
Mar-23	3
Apr-23	6
May-23	2
Jun-23	4
Jul-23	13
Aug-23	14
Sep-23	5
Oct-23	11
Nov-23	5
Dec-23	18
Jan-24	5
Feb-24	22
Mar-24	5
Apr-24	14
May-24	5
Jun-24	7
Jul-24	14
Aug-24	16
Sep-24	7
Oct-24	14
Nov-24	15
Dec-24	11
Jan-25	16
Feb-25	17
Mar-25	12
Apr-25	7
May-25	9
Jun-25	8
Jul-25	8
Aug-25	12
Sep-25	18
Oct-25	8
Nov-25	16
Dec-25	12
Jan-26	17
Feb-26	36
Mar-26	16
Apr-26	14
May-26	8
Jun-26	6

Professional Stds Cases				
Month	Begin Bal	Open	Closed	End Bal
Oct-20	88	17	12	93
Nov-20	93	10	24	79
Dec-20	79	13	12	80
Jan-21	80	21	19	82
Feb-21	82	12	27	67
Mar-21	67	29	17	79
Apr-21	79	9	23	65
May-21	65	8	4	69
Jun-21	69	37	17	89
Jul-21	89	18	21	86
Aug-21	86	18	18	86
Sep-21	86	13	35	64
Oct-21	64	19	17	66
Nov-21	66	21	14	73
Dec-21	73	11	9	75
Jan-22	75	31	18	88
Feb-22	88	33	29	92
Mar-22	92	38	23	107
Apr-22	107	21	38	90
May-22	90	21	19	92
Jun-22	92	35	15	112
Jul-22	112	25	19	118
Aug-22	118	35	21	132
Sep-22	132	24	21	135
Oct-22	135	24	12	147
Nov-22	147	7	19	135
Dec-22	135	23	33	125
Jan-23	125	14	22	117
Feb-23	117	12	21	108
Mar-23	108	41	25	124
Apr-23	124	22	30	116
May-23	116	9	20	105
Jun-23	105	12	16	101
Jul-23	101	25	36	90
Aug-23	90	38	21	107
Sep-23	107	11	20	98
Oct-23	98	9	25	82
Nov-23	82	18	13	87
Dec-23	87	15	15	87
Jan-24	87	11	15	83
Feb-24	83	19	22	80
Mar-24	80	17	9	88
Apr-24	88	23	16	95
May-24	95	15	13	97
Jun-24	97	16	15	98
Jul-24	98	18	31	85
Aug-24	85	10	16	79
Sep-24	79	71	31	119
Oct-24	119	20	35	104
Nov-24	104	5	23	86
Dec-24	86	13	12	87
Jan-25	87	14	21	80
Feb-25	80	17	10	87
Mar-25	87	21	14	94
Apr-25	94	19	17	96
May-25	96	14	11	99
Jun-25	99	13	18	94
Jul-25	94	49	21	122
Aug-25	122	47	43	126
Sep-25	126	10	49	87
Oct-25	87	10	19	78
Nov-25	78	8	6	80
Dec-25	80	7	11	76
Jan-26	76	15	13	78
Feb-26	78	17	14	81
Mar-26	81	23	22	82
Apr-26	82	18	13	87
May-26	87	18	19	86
Jun-26	86	25	25	86

Inactive	
Month	Total
Oct-20	13
Nov-20	21
Dec-20	55
Jan-21	53
Feb-21	9
Mar-21	21
Apr-21	23
May-21	54
Jun-21	281
Jul-21	105
Aug-21	18
Sep-21	10
Oct-21	21
Nov-21	29
Dec-21	59
Jan-22	69
Feb-22	19
Mar-22	32
Apr-22	30
May-22	67
Jun-22	309
Jul-22	98
Aug-22	14
Sep-22	7
Oct-22	9
Nov-22	25
Dec-22	52
Jan-23	78
Feb-23	18
Mar-23	19
Apr-23	49
May-23	114
Jun-23	227
Jul-23	98
Aug-23	21
Sep-23	9
Oct-23	19
Nov-23	15
Dec-23	45
Jan-24	45
Feb-24	15
Mar-24	18
Apr-24	39
May-24	107
Jun-24	183
Jul-24	139
Aug-24	7
Sep-24	12
Oct-24	13
Nov-24	19
Dec-24	74
Jan-25	32
Feb-25	24
Mar-25	28
Apr-25	45
May-25	99
Jun-25	246
Jul-25	115
Aug-25	7
Sep-25	11
Oct-25	11
Nov-25	22
Dec-25	53
Jan-26	32
Feb-26	15
Mar-26	28
Apr-26	78
May-26	98
Jun-26	274

Reinstatement	
Month	Total
Oct-20	4
Nov-20	6
Dec-20	5
Jan-21	7
Feb-21	14
Mar-21	6
Apr-21	6
May-21	1
Jun-21	0
Jul-21	13
Aug-21	2
Sep-21	4
Oct-21	7
Nov-21	6
Dec-21	7
Jan-22	6
Feb-22	6
Mar-22	5
Apr-22	8
May-22	6
Jun-22	3
Jul-22	12
Aug-22	8
Sep-22	6
Oct-22	5
Nov-22	5
Dec-22	5
Jan-23	7
Feb-23	3
Mar-23	4
Apr-23	8
May-23	3
Jun-23	2
Jul-23	15
Aug-23	3
Sep-23	2
Oct-23	8
Nov-23	3
Dec-23	4
Jan-24	14
Feb-24	7
Mar-24	5
Apr-24	5
May-24	3
Jun-24	1
Jul-24	18
Aug-24	3
Sep-24	5
Oct-24	5
Nov-24	6
Dec-24	4
Jan-25	6
Feb-25	4
Mar-25	8
Apr-25	2
May-25	4
Jun-25	0
Jul-25	11
Aug-25	9
Sep-25	5
Oct-25	4
Nov-25	8
Dec-25	6
Jan-26	8
Feb-26	10
Mar-26	16
Apr-26	2
May-26	2
Jun-26	1

CPA - Retired	
Month	Total
Oct-20	0
Nov-20	0
Dec-20	0
Jan-21	0
Feb-21	0
Mar-21	0
Apr-21	0
May-21	0
Jun-21	0
Jul-21	0
Aug-21	0
Sep-21	0
Oct-21	0
Nov-21	0
Dec-21	0
Jan-22	0
Feb-22	0
Mar-22	0
Apr-22	0
May-22	0
Jun-22	0
Jul-22	0
Aug-22	0
Sep-22	0
Oct-22	0
Nov-22	0
Dec-22	0
Jan-23	0
Feb-23	0
Mar-23	0
Apr-23	0
May-23	0
Jun-23	0
Jul-23	0
Aug-23	0
Sep-23	1
Oct-23	16
Nov-23	18
Dec-23	27
Jan-24	23
Feb-24	15
Mar-24	9
Apr-24	13
May-24	33
Jun-24	21
Jul-24	14
Aug-24	3
Sep-24	7
Oct-24	1
Nov-24	6
Dec-24	18
Jan-25	11
Feb-25	7
Mar-25	11
Apr-25	21
May-25	26
Jun-25	33
Jul-25	11
Aug-25	4
Sep-25	1
Oct-25	5
Nov-25	5
Dec-25	16
Jan-26	12
Feb-26	10
Mar-26	8
Apr-26	27
May-26	22
Jun-26	43

Candidate Eng	
Month	Total
Oct-20	0
Nov-20	0
Dec-20	0
Jan-21	0
Feb-21	0
Mar-21	0
Apr-21	0
May-21	0
Jun-21	0
Jul-21	0
Aug-21	0
Sep-21	0
Oct-21	0
Nov-21	0
Dec-21	0
Jan-22	0
Feb-22	0
Mar-22	0
Apr-22	0
May-22	0
Jun-22	0
Jul-22	0
Aug-22	15
Sep-22	130
Oct-22	139
Nov-22	53
Dec-22	0
Jan-23	0
Feb-23	70
Mar-23	61
Apr-23	74
May-23	0
Jun-23	27
Jul-23	0
Aug-23	10
Sep-23	67
Oct-23	281
Nov-23	37
Dec-23	0
Jan-24	46
Feb-24	77
Mar-24	0
Apr-24	20
May-24	0
Jun-24	0
Jul-24	65
Aug-24	61
Sep-24	75
Oct-24	113
Nov-24	0
Dec-24	0
Jan-25	15
Feb-25	85
Mar-25	0
Apr-25	82
May-25	0
Jun-25	30
Jul-25	0
Aug-25	70
Sep-25	146
Oct-25	129
Nov-25	77
Dec-25	0
Jan-26	0
Feb-26	110
Mar-26	15
Apr-26	121
May-26	0
Jun-26	0

Exam Passes		
Month	Total	
Oct-20	40	
Nov-20	53	
Dec-20	89	
Jan-21	29	
Feb-21	18	
Mar-21	32	
Apr-21	15	
May-21	32	
Jun-21	48	
Jul-21	49	
Aug-21	35	
Sep-21	55	
Oct-21	32	
Nov-21	39	
Dec-21	52	
Jan-22	19	
Feb-22	19	
Mar-22	25	
Apr-22	12	
May-22	26	
Jun-22	46	
Jul-22	29	
Aug-22	51	Began Tracking
Sep-22	51	
Oct-22	30	
Nov-22	36	
Dec-22	48	
Jan-23	35	
Feb-23	21	
Mar-23	32	
Apr-23	13	
May-23	31	
Jun-23	68	
Jul-23	43	
Aug-23	49	
Sep-23	72	
Oct-23	41	
Nov-23	35	
Dec-23	86	
Jan-24	8	
Feb-24	18	
Mar-24	30	
Apr-24	9	
May-24	21	
Jun-24	68	
Jul-24	34	
Aug-24	30	
Sep-24	65	
Oct-24	32	
Nov-24	11	
Dec-24	55	
Jan-25	42	
Feb-25	16	
Mar-25	36	
Apr-25	52	
May-25	40	
Jun-25	143	
Jul-25	58	
Aug-25	32	
Sep-25	31	
Oct-25	84	
Nov-25	23	
Dec-25	56	
Jan-26	52	
Feb-26	16	
Mar-26	21	
Apr-26	42	
May-26	16	
Jun-26	52	

Exam Applications		
Month	Initial	Re-Exam
Jul-26	81	295
Aug-26	0	0
Sep-26	0	0
Oct-26	0	0
Nov-26	0	0
Dec-26	0	0

Certificate Applications		
Month	Original	Reciprocal
Jul-26	90	60
Aug-26	0	0
Sep-26	0	0
Oct-26	0	0
Nov-26	0	0
Dec-26	0	0

CPA Firm Registrations	
Month	Total
Jul-26	21
Aug-26	0
Sep-26	0
Oct-26	0
Nov-26	0
Dec-26	0

Professional Stds Cases				
Month	Begin Bal	Open	Closed	End Bal
Jul-26	86	30	21	95
Aug-26	95	0	0	95
Sep-26	95	0	0	95
Oct-26	95	0	0	95
Nov-26	95	0	0	95
Dec-26	95	0	0	95

Inactive	
Month	Total
Jul-26	155
Aug-26	0
Sep-26	0
Oct-26	0
Nov-26	0
Dec-26	0

Reinstatement	
Month	Total
Jul-26	11
Aug-26	0
Sep-26	0
Oct-26	0
Nov-26	0
Dec-26	0

CPA - Retired	
Month	Total
Jul-26	14
Aug-26	0
Sep-26	0
Oct-26	0
Nov-26	0
Dec-26	0

Candidate Eng	
Month	Total
Jul-26	20
Aug-26	0
Sep-26	0
Oct-26	0
Nov-26	0
Dec-26	0

Exam Passes	
Month	Total
Jul-26	0
Aug-26	0
Sep-26	0
Oct-26	0
Nov-26	0
Dec-26	0

North Carolina State Board of Certified Public Accountant Examiners

Executive Staff Report

NASBA Events

2026 NASBA Annual Meeting – October 25-28, 2026, Litchfield Park, AZ

Technology Updates

Board staff, CPA Exam candidates, and licensees continue to become more comfortable with our recent technology upgrades. We are pleased to see a continued increase in the use of online applications compared with traditional paper submissions. Although we are up and running, we remain in the stabilization period, during which issues arise that we need to address. Overall, our experience with GL Solutions has been favorable, and we look forward to working on new projects in the near future.

Annual Renewal – It's A Wrap

The 2026–2027 license renewal period is officially closed! Despite the transition to our new system, which requires all CPAs to create new accounts, the renewal process was a success. As of July 31, 2026, only 56 licenses were forfeited due to nonrenewal. While we never like to see a license forfeited, 56 represents a relatively small number compared to our overall licensee population, especially considering the significant system changes introduced during this renewal cycle.

Happy 14 Years, David Nance!

August 1 marked the 14th anniversary of our fearless leader, David Nance.

David is a beach-music-loving, sand-between-his-toes, relatively easygoing kind of guy. Around the office, you might catch him whistling down the hall, making sure the leaves stay clear of the front door, or keeping staff on their toes with one of his practical jokes.

Behind the fun, however, David is a leader deeply dedicated to the Board's mission. He is a steadfast supporter of CPA Exam candidates, licensees, and the CPA profession, and his commitment to serving North Carolina's accounting community is evident in everything he does.

We're fortunate to have David and are grateful for the leadership, humor, and enthusiasm he brings to our office.

Cheers to 14 years, David—here's to many more!

North Carolina State Board of Certified Public Accountant Examiners

Recognition of NC CPA Licensure Milestones

NAME	YEARS OF NC CPA LICENSURE	LICENSE ISSUED
Larry Dwight Eaker, #3498	57	08-1969
Paul Kirby Hamlin Jr., #4331	55	08-1971
Philip Johnson, #4334	55	08-1971
Stephen Michael Miller, #4342	55	08-1971
Ira Durell Morris Jr., #4343	55	08-1971
Harold Graham Myers, #4344	55	08-1971
Bobby Hiram Perry, #4347	55	08-1971
Charles Stephen Smith, #7384	53	08-1973
Benjamin Boykin II, #7963	52	08-1974
Thomas Ray Howell, #7961	52	08-1974
James McNeely Barham, #9452	50	08-1976
Dale Kenneth Cline, #9445	50	08-1976
Joseph Colby Daughtry Jr., #9441	50	08-1976
Charles Kenneth Edwards, #9484	50	08-1976
Marvin Robert Farris, #9460	50	08-1976
Scott Warren Foster, #9449	50	08-1976
Thomas Dwight Franks, #9461	50	08-1976
Clarence Linwood James Jr., #9489	50	08-1976
Linwood Cleveland Jones Jr., #9466	50	08-1976
Ralph Steve Mast, #9467	50	08-1976
Paul Lee Nunn Jr., #9469	50	08-1976
Johnny Lawrence Peterson, #9492	50	08-1976
Charles Johnson Sheffield Jr., #9473	50	08-1976
Gerald Alan Townsend, #9443	50	08-1976
Ralph Edward Ward, #9479	50	08-1976