



October 16, 2025

Members of the Board
North Carolina Board of Barber and Electrolysis Examiners
Raleigh, North Carolina

We have audited the financial statements of the North Carolina Board of Barber and Electrolysis Examiners (the “Board”) for the year ended June 30, 2025 and have issued our report thereon dated October 16, 2025. 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 May 13, 2025, our responsibility, as described by professional standards, is to form and express an opinion(s) 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.

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.

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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 North Carolina Board of Barber and Electrolysis Examiners is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions, and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

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.

The most sensitive estimates affecting the financial statements were:

- Management's estimate of the allowance for doubtful accounts is based on a specific review of past due accounts receivable deemed potentially uncollectible.
- Management's estimate of unearned revenue is based on the revenue received during the current fiscal year as follows: January through June receipts for registered certificates, May and June receipts for permits, apprentice and instructor certificates, and June receipts for exams.

We evaluated the key factors and assumptions used to develop these estimates in determining they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent and clear.

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, a summary of all material misstatements detected as a result of audit procedures and corrected by management are included in this letter.

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 October 16, 2025.

Management's 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.

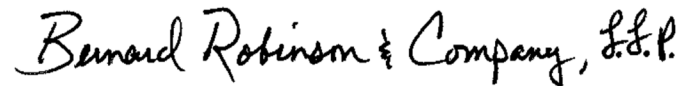
Other Matters

We applied certain limited procedures to the Management's Discussion & Analysis, and the Schedules for Proportionate Share of Net Pension Liability and Schedule of Board Contributions Teachers' and State Employees' Retirement System, Proportionate Share of Net OPEB Liability and Schedule of Board Contributions – Retiree Health Benefit Fund and Disability Income Plan of North Carolina, and Schedule of Changes in the Total OPEB Liability and Related Ratios which are required supplementary 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.

North Carolina Board of Barber and Electrolysis Examiners
October 16, 2025
Page 4

This report is intended solely for the information and use of the those charged with governance, and management of North Carolina Board of Barber and Electrolysis Examiners and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Bernard Robinson & Company, L.L.P." The script is cursive and fluid, with the company name and its legal structure clearly legible.

BERNARD ROBINSON & COMPANY, L.L.P.

Client: 4205.0 - North Carolina Board of Barber and Electrolysis Examiners
Engagement: 2025 - North Carolina Board of Barber and Electrolysis Examiners
Period Ending: 6/30/2025
Trial Balance: TB
Workpaper: 1320 - Adjusting Journal Entries Report - 2

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To adjust CY deferred revenue			
45100060	INDIVIDUAL LICENSE	425.00	
45100062	BUS/SHOP/SALON PERMIT	283.00	
45100063	STUDENT PERMIT	275.00	
45300016	INSTRUCTORS EXAM FEES	330.00	
45300017	REGISTERED EXAM FEES	3,570.00	
45300018	APPRENTICE EXAM FEES	4,420.00	
45400000	INSPECTION/EXAM FEES	1,500.00	
21811000	UNEARNED REVENUE		7,562.00
45100061	SCHOOL PERMIT		
45300019	APPRENTICE CERTIFICATES		3,101.00
45300020	INSTRUCTORS CERTIFICATE		140.00
Total		10,803.00	10,803.00

Adjusting Journal Entries JE # 2

To roll equity

127101	RTU-BUILDINGS	115,714.00	
127320	EQUIPMENT	148,619.00	
21110000	ACCOUNTS PAYABLE	8,315.00	
22410000	LEASE LIABILITY-NONCURRENT	49,871.00	
11323100	NSF RECEIVABLE		24,747.00
127936	ACCUM DEPREC-EQUIPMENT		115,666.00
127971	ACCUM DEPREC RTU-BLDG		86,786.00
21410000	LEASE LIABILITY-CURRENT		3,081.00
21811000	UNEARNED REVENUE		14,785.00
22192000	ACCRUED COMPENSATED ABSENCES		2,800.00
22916000	NET OPEB LIAB - NONCUR		353.00
32000000	FUND BALANCE		74,205.00
53110000	GENERAL OFFICE SUPPLIES		96.00
Total		322,519.00	322,519.00

Adjusting Journal Entries JE # 3

To record depreciation expense

535901	Depreciation	6,757.00	
127936	ACCUM DEPREC-EQUIPMENT		6,757.00
Total		6,757.00	6,757.00

Adjusting Journal Entries JE # 4

To record lease expense and new lease liability

127101	RTU-BUILDINGS	80,720.00	
21410000	LEASE LIABILITY-CURRENT	19,112.00	
22410000	LEASE LIABILITY-NONCURRENT	6,612.00	
535323	Interest Expense - Leases	673.00	

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Workpaper: **1320 - Adjusting Journal Entries Report - 2**

Account	Description	Debit	Credit
535430	Depreciation & Amortization - Leases	23,143.00	
127971	ACCUM DEPREC RTU-BLDG		23,143.00
21410000	LEASE LIABILITY-CURRENT		19,016.00
22410000	LEASE LIABILITY-NONCURRENT		61,704.00
52512000	RENT/LEASE-BLDINGS/OFFICE		26,397.00
Total		130,260.00	130,260.00

Adjusting Journal Entries JE # 5

To adjust for end of year AR and allowance

21110000	ACCOUNTS PAYABLE	82.00	
45500000	FINES PENAL ASSESS FEE	320.00	
700000-BRC	Change in Allowance for Doubtful Accounts - Bad Debt	2,000.00	
11323100	NSF RECEIVABLE		402.00
11330000	ALLOW FOR DOUBTFUL ACCTS		2,000.00
Total		2,402.00	2,402.00

Adjusting Journal Entries JE # 6

To record change to accrued vacation

22192000	ACCRUED COMPENSATED ABSENCES	8,000.00	
51110000	EPA-REG SALARIES		8,000.00
Total		8,000.00	8,000.00

Adjusting Journal Entries JE # 7

To reverse PY AP

21110000	ACCOUNTS PAYABLE	21,815.00	
47990000	OTHER MISC REV-PROGRAM		10,760.00
51651000	COMPENSATION TO BOARD MEM		100.00
52110000	LEGAL SERVICES		849.00
52184000	JANITORIAL SER AGREEMENT		350.00
52199000	MISC CONTRACTUAL SERVICES		1,199.00
52430000	MAINT AGREEMENT-EQUIP		199.00
52714000	TRANSP-GRND - IN STATE		3,628.00
52811000	TELEPHONE SERVICE		75.00
52814000	CELLULAR PHONE SERVICES		514.00
52815000	EMAIL AND CALENDARING		10.00
52822000	MANAGED LAN SVC CHARGE		253.00
52825000	MANAGED WAN SVCS		1,243.00
52826000	SOFTWARE SUBSCRIPTIONS		1,833.00
52828000	MANAGED DESKTOP SVCS		369.00
52840000	POSTAGE FREIGHT & DELIV		46.00
55900000	OTHER EXPENSES		387.00
Total		21,815.00	21,815.00

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Workpaper: **1320 - Adjusting Journal Entries Report - 2**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 8			
To accrue AP for CY			
52110000	LEGAL SERVICES	500.00	
52199000	MISC CONTRACTUAL SERVICES	31.00	
52199000	MISC CONTRACTUAL SERVICES	3,369.00	
52430000	MAINT AGREEMENT-EQUIP	953.00	
52714000	TRANSP-GRND - IN STATE	4,178.00	
52721000	LODGING - IN STATE	1,575.00	
52724000	MEALS - IN STATE	1,455.00	
52826000	SOFTWARE SUBSCRIPTIONS	161.00	
52840000	POSTAGE FREIGHT & DELIV	29.00	
53110000	GENERAL OFFICE SUPPLIES	269.00	
55830000	MEMBERSHIP DUES&SUBSCRIPT	135.00	
21110000	ACCOUNTS PAYABLE		12,655.00
Total		12,655.00	12,655.00