



**SOUTH DAKOTA
BOARD OF ACCOUNTANCY**
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Agenda
South Dakota Board of Accountancy Meeting
Conference Call
9:00 a.m. (CT)
January 28, 2013

A=Action

D=Discussion

I=Information

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A-Approval of Minutes of Meeting December 12, 2012.....	2-3
A-Approval of Certificates & Firm Permits.....	4-5
A-Financial Statements through December 2012.....	6-14
D-Executive Director's Report.....	15-34
A-Report to Board on Grades.....	35-36

NASBA

I-Nomination for VP of NASBA

Walter Davenport Vita and letters by NC, GUAM, HI, VA, ID.....	37-46
Janice Gray Vita and letter by OK, TX.....	47-51
Ted Long Vita and letters by OH, FL, TX.....	52-55
Kathy Smith Vita and letters by KS, NE.....	56-63
Kenneth Odom Vita.....	64

EXECUTIVE SESSION

Equivalent Reviews and follow ups for Board Approval.....	Spt. Pkt.
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FUTURE MEETING DATES (all times CT)

March 25 – 9:00 Conference Call



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South Dakota Board of Accountancy
Minutes of Meeting-Conference Call
December 12, 2012 - 9:00 a.m.

The Board of Accountancy held a meeting by conference call on Wednesday, December 12, 2012. Chair John Mitchell called the meeting to order at 9:09 a.m.

Roll call was taken to confirm that the following members were present: Holly Brunick, David Pummel, John Linn, Jr., Marty Guindon, John Mitchell and John Peterson. A quorum was present.

Also present were Nicole Kasin, Executive Director; Tricia Nussbaum, Secretary; and Todd Kolden, Department of Labor & Regulation.

Chair John Mitchell asked if there were any additions to the agenda. The following were added:
Financial Statements through November 2012
Additions to the Certificates and Firm Permits
Request to Board for Nomination Support
NASBA Candidate Care Report for 3Q12
Addition to Peer Review

Chair John Mitchell introduced and welcomed the new Board Member David Pummel, CPA to the Board members.

A motion was made by John Linn, Jr. and seconded by Marty Guindon to approve the October 15, 2012, meeting minutes. A roll call vote was taken. The motion unanimously carried.

A motion was made by Holly Brunick and seconded by David Pummel to approve the issuance of individual certificates and firm permits through December 6, 2012. A roll call vote was taken. The motion unanimously carried.

A motion was made by Marty Guindon and seconded by John Linn, Jr. to approve the financial statements through November 2012. A roll call vote was taken. The motion unanimously carried.

The Board discussed the NASBA Executive Directors Conference which will be held in Tucson, AZ, March 3-6, 2013, and the NASBA Legal Counsel Conference which will be held in Tucson, AZ, March 3-5, 2013.

A motion was made by Marty Guindon and seconded by Holly Brunick to approve travel for the Executive Director to attend the NASBA Executive Directors Conference held in Tucson, AZ, March 3-6, 2013 and Legal Counsel to attend the NASBA Legal Counsel Conference held in Tucson, AZ, March 3-5, 2013. A roll call vote was taken. The motion unanimously carried. The Executive Director will submit the necessary travel documents for approval.

Executive Director Kasin discussed her report. The Board was updated on the licensees CPE audits. Also, the audit of the Board for years ending June 30, 2011 and June 30, 2012, has been completed by East, Vander Woude, Grant & Co., PC and the results were no findings. The final audit report has been submitted to the Department of Legislative Audit and we are awaiting them to accept the final audit report. The Board was updated on the proposed legislation and the drafted bill was reviewed by the Legislative Task Force and approved and has now been sent to the Governor for approval. The Board was updated on NASBA mobility and given a recap regarding the NASBA Annual Conference and the NASBA International Forum.

The Board discussed AICPA's BOE October 4-5, 2012 Meeting Highlights and NASBA's Board of Director Meeting Minutes 7-27-12; Board of Director Meeting Highlights 10-26-12; Regional Directors Executive Summary and full Boards responses to Focus Questions; and the Candidate Care Report for 3Q12.

The Board completed the Regional Directors Quarterly Focus Questions.

The Board tabled the requests for nomination support till the January meeting.

A motion was made by Marty Guindon and seconded by John Linn, Jr. to enter into executive session for the deliberative process for peer reviews and follow-up. A roll call vote was taken. The motion unanimously carried.

The Board came out of executive session.

A motion was made by Holly Brunick and seconded by Marty Guindon to accept the peer reviews and follow-up as discussed in executive session. A roll call vote was taken. The motion unanimously carried.

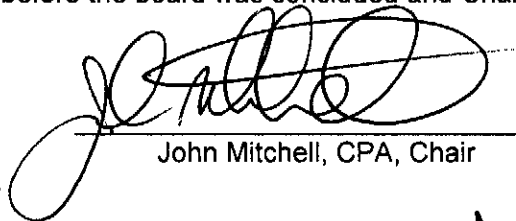
FUTURE MEETING DATES (all times CT)

January 28-9:00 –Conference Call

March 25-9:00 –Conference Call

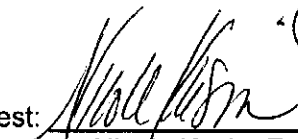
A motion was made by John Linn, Jr. and seconded by David Pummel to adjourn the meeting. A roll call vote was taken. The motion unanimously carried.

All business having come before the board was concluded and Chair John Mitchell adjourned the meeting at 10:25 a.m.

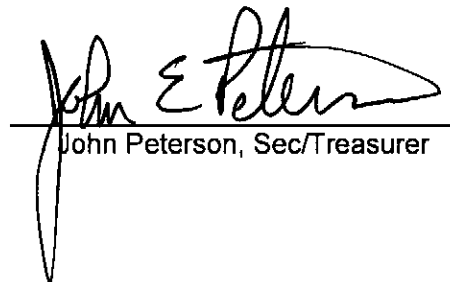


John Mitchell, CPA, Chair

Attest:



Nicole Kasin, Executive Director



John Peterson, Sec/Treasurer

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES
BOARD COPY**

Issued Through January 18, 2013

Number	Name	Date Issued	Location
3056	Madra Sue Rensberger	12/11/12	Sioux Falls, SD
3057	Stephanie Ruth Otto	12/18/12	Yankton, SD
3058	Zhenhui Huang	12/20/12	Rapid City, SD
3059	Joseph Harrison Godshall II	12/27/12	Sioux Falls, SD
3060	Marcus Kurt Engelhart	1/02/13	Waite Park, MN
3061	Justin Lee Kreber	1/11/13	Elk Point, SD
3062	Bryan James Whitesel	1/14/13	Sioux Falls, SD
3063	Jesse Roy Carlisle	1/15/13	Pierre, SD
3064	Laurie L. Hanson	1/15/13	Sioux Falls, SD

**FIRM PERMITS TO PRACTICE PUBLIC ACCOUNTANCY
BOARD COPY**

**Issued Through
January 18, 2013**

Number	Name	Date Issued	Basis/Comments
1599	Amanda Bechen, CPA Winner, SD	12/20/12	New Firm

AGENCY: 10 LABOR & REGULATION
BUDGET UNIT: 1031 BOARD OF ACCOUNTANCY

COMPANY	CENTER	ACCOUNT
6503	103100061802	1140000
COMPANY/SOURCE TOTAL 6503 618		
COMP/BUDG UNIT TOTAL 6503 1031		
BUDGET UNIT TOTAL 1031		

BALANCE	DR/CR	CENTER DESCRIPTION
358,809.21	DR	BOARD OF ACCOUNTANCY
358,809.21	DR *	
358,809.21	DR **	
358,809.21	DR ***	

[illegible]

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 12/31/2012

AGENCY BUDGET UNIT CENTER-5	10 10310	LABOR BOARD OF ACCOUNTANCY BOARD OF ACCOUNTANCY	COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
6503	103100061802	52044600			INV1208306	12/07/2012	02017977	MARCOINC	12201534			93.60	DR
OBJSUB:	5204460	EQUIPMENT RENTAL										690.60	DR *
6503	103100061802	52044900			ACCOUNTRENT2012	12/26/2012	02019635	MCGINNISRO	12074040			1,269.45	DR
OBJSUB:	5204490	RENTS-PRIVATE OWNED PROP.										1,269.45	DR *
6503	103100061802	52045300			111109001 OCT 12	12/07/2012	99918383	MIDCONTINE	12023782			100.00	DR
OBJSUB:	5204530	TELECOMMUNICATIONS SRVCS										100.00	DR *
6503	103100061802	52045400			5159417006 1112	12/12/2012	02018056	XCELENERGY	12023853			54.16	DR
OBJSUB:	5204540	ELECTRICITY										54.16	DR *
6503	103100061802	52047400			CI103A-041	12/12/2012	165749					102.76	DR
6503	103100061802	52047400			CI103A-041	12/12/2012	165749					102.76	CR
6503	103100061802	52047400			CI103A-041	12/12/2012	165749					102.76	DR
OBJSUB:	5204740	BANK FEES AND CHARGES										102.76	DR *
6503	103100061802	52049600			13460495	12/05/2012	99916808	NATLASSNST	12005047			6,903.65	DR
OBJSUB:	5204960	OTHER CONTRACTUAL SERVICE										6,903.65	DR *
OBJSUB:	5204960	OTHER CONTRACTUAL SERVICE										16,373.08	DR **
6503	103100061802	52050280			CONTRACTUAL SERVICES	12/12/2012	02018298	OFFICEMAXI	12162845			38.27	DR
OBJSUB:	5205028	OFFICE SUPPLIES										38.27	DR *
6503	103100061802	52053200			107311	12/21/2012	99923085	SOUTHDAKOT	12012500			293.95	DR
6503	103100061802	52053200			36517	12/21/2012	99923058	BUSINESSPR	12003048			496.10	DR
6503	103100061802	52053200			36607	12/21/2012	99923058	BUSINESSPR	12003048			20.70	DR
OBJSUB:	5205320	PRINTING-COMMERCIAL										810.75	DR *
6503	103100061802	52053300			10480466	12/05/2012	99916804	AICPASUBSC	12004400	04		350.00	DR
OBJSUB:	5205330	SUPP. PUBLIC & REF MAT										350.00	DR *
6503	103100061802	52053500			107311	12/21/2012	99923085	SOUTHDAKOT	12012500			518.06	DR
OBJSUB:	5205350	POSTAGE										518.06	DR *
OBJSUB:	5205350	SUPPLIES & MATERIALS										1,717.08	DR **
6503	103100061802	5228000			T103-036	12/19/2012						704.74	DR
OBJSUB:	5228000	OPER TRANS OUT -NON BUDGT										704.74	DR *
OBJSUB:	5228000	NONOP EXP/NONBGTD OF TR										704.74	DR **
OBJSUB:	5228000	NONOP EXP/NONBGTD OF TR										18,794.90	DR ***
GROUP:	52	OPERATING EXPENSES										23,478.24	DR ****
COMP:	6503											23,478.24	DR *****
CNTR:	103100061802											23,478.24	DR *****
B. UNIT:	1031											23,478.24	DR *****

South Dakota Board of Accountancy
Balance Sheet
As of December 31, 2012

	Dec 31, 12
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - US Bank	1,898.43
1140000 · Pool Cash State of SD	358,809.21
Total Checking/Savings	360,707.64
Other Current Assets	
1131000 · Interest Income Receivable	10,171.95
1213000 · Investment Income Receivable	1,234.30
Total Other Current Assets	11,406.25
Total Current Assets	372,113.89
Fixed Assets	
1670000 · Computer Software	
Original Cost	140,063.23
1770000 · Depreciation	-110,893.05
Total 1670000 · Computer Software	29,170.18
Total Fixed Assets	29,170.18
TOTAL ASSETS	401,284.07
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	13,666.99
Total Accounts Payable	13,666.99
Other Current Liabilities	
2430000 · Accrued Wages Payable	7,187.15
2810000 · Amounts Held for Others	22,320.39
Total Other Current Liabilities	29,507.54
Total Current Liabilities	43,174.53
Long Term Liabilities	
2960000 · Compensated Absences Payable	13,333.93
Total Long Term Liabilities	13,333.93
Total Liabilities	56,508.46
Equity	
3220000 · Unrestricted Net Assets	245,012.97
3300100 · Invested in Capital Assets	29,170.18
Net Income	70,592.46
Total Equity	344,775.61
TOTAL LIABILITIES & EQUITY	401,284.07

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July through December 2012

	Jul - Dec 12	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	1,500.00	3,000.00	-1,500.00	50.0%
4293551 · Certificate Renewals-Active				
5208002 · Refunds	-50.00			
4293551 · Certificate Renewals-Active - Other	55,000.00	46,000.00	9,000.00	119.6%
Total 4293551 · Certificate Renewals-Active	54,950.00	46,000.00	8,950.00	119.5%
4293552 · Certificate Renewals-Inactive	19,950.00	18,000.00	1,950.00	110.8%
4293553 · Certificate Renewals-Retired	710.00	700.00	10.00	101.4%
4293554 · Initial Firm Permits	650.00	1,250.00	-600.00	52.0%
4293555 · Firm Permit Renewals	19,850.00	17,000.00	2,850.00	116.8%
4293557 · Initial Audit	210.00	750.00	-540.00	28.0%
4293558 · Re-Exam Audit	1,290.00	2,340.00	-1,050.00	55.1%
4293560 · Late Fees-Initial Certificate	100.00			
4293561 · Late Fees-Certificate Renewals	2,050.00	4,000.00	-1,950.00	51.3%
4293563 · Late Fees-Firm Permit Renewals	500.00	800.00	-300.00	62.5%
4293564 · Late Fees-Peer Review	250.00	1,100.00	-850.00	22.7%
4293566 · Firm Permit Individual				
5208003 · REFUNDS	-20.00			
4293566 · Firm Permit Individual - Other	71,845.00	64,000.00	7,845.00	112.3%
Total 4293566 · Firm Permit Individual	71,825.00	64,000.00	7,825.00	112.2%
4293567 · Peer Review Admin Fee	150.00	5,650.00	-5,500.00	2.7%
4293568 · Firm Permit Name Change	0.00	100.00	-100.00	0.0%
4293569 · Initial FAR	570.00	1,140.00	-570.00	50.0%
4293570 · Initial REG	210.00	660.00	-450.00	31.8%
4293571 · Initial BEC	210.00	930.00	-720.00	22.6%
4293572 · Re-Exam FAR	1,320.00	1,710.00	-390.00	77.2%
4293573 · Re-Exam REG				
REFUNDS	0.00			
4293573 · Re-Exam REG - Other	1,110.00	1,800.00	-690.00	61.7%
Total 4293573 · Re-Exam REG	1,110.00	1,800.00	-690.00	61.7%
4293574 · Re-Exam BEC				
5208009 · REFUNDS	0.00			
4293574 · Re-Exam BEC - Other	1,020.00	1,980.00	-960.00	51.5%
Total 4293574 · Re-Exam BEC	1,020.00	1,980.00	-960.00	51.5%
4491000 · Interest and Dividend Revenue	8,344.35	9,000.00	-655.65	92.7%
4896021 · Legal Recovery Cost	550.00	1,000.00	-450.00	55.0%
Total Income	187,319.35	182,910.00	4,409.35	102.4%
Gross Profit	187,319.35	182,910.00	4,409.35	102.4%
Expense				
5101010 · F-T Emp Sal & Wages	34,160.03	68,843.00	-34,682.97	49.6%
5101020 · P-T/Temp Emp Sal & Wages	9,130.97	17,769.00	-8,638.03	51.4%
5101030 · Board & Comm Mbrs Fees	1,200.00	4,138.00	-2,938.00	29.0%
5102010 · OASI-Employer's Share	3,247.63	6,918.00	-3,670.37	46.9%
5102020 · Retirement-ER Share	2,597.45	5,445.00	-2,847.55	47.7%
5102060 · Health /Life Ins.-ER Share	9,502.56	19,005.00	-9,502.44	50.0%
5102080 · Worker's Compensation	69.24	254.00	-184.76	27.3%
5102090 · Unemployment Insurance	32.48	91.00	-58.52	35.7%
5203010 · Auto--State Owned	381.42	600.00	-218.58	63.6%
5203020 · Auto-Private-Ownes Low Mileage	0.00	400.00	-400.00	0.0%
5203030 · In State-Auto- Priv. High Miles	446.96	1,500.00	-1,053.04	29.8%
5203100 · In State-Lodging	286.00	1,000.00	-714.00	28.6%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%
5203140 · InState-Tax Meals Not Overnigt	23.00	100.00	-77.00	23.0%
5203150 · InState-Non-Tax Meals OverNight	168.00	400.00	-232.00	42.0%
5203220 · OS-Auto Private Low Mileage	90.40			
5203230 · OS-Auto Private High Mileage	0.00	100.00	-100.00	0.0%
5203260 · OS-Air Commercial Carrier	2,900.33	5,700.00	-2,799.67	50.9%
5203280 · OS-Other Public Carrier	131.00	500.00	-369.00	26.2%

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July through December 2012

	Jul - Dec 12	Budget	\$ Over Budget	% of Budget
5203300 · OS-Lodging	4,177.50	7,800.00	-3,622.50	53.6%
5203320 · OS-Incidentals to Travel	340.00	350.00	-10.00	97.1%
5203350 · OS-Non-Taxable Meals Overnight	550.00	1,200.00	-650.00	45.8%
5204010 · Subscriptions	328.66	1,500.00	-1,171.34	21.9%
5204020 · Dues and Membership Fees	3,200.00	3,900.00	-700.00	82.1%
5204030 · Legal Document Fees	0.00	500.00	-500.00	0.0%
5204040 · Consultant Fees-Accounting	6,700.00	6,700.00	0.00	100.0%
5204160 · Workshop Registration Fees	872.00	6,000.00	-5,128.00	14.5%
5204180 · Computer Services-State	363.00	600.00	-237.00	60.5%
5204181 · Computer Development Serv-State	316.85	10,400.00	-10,083.15	3.0%
5204200 · Central Services	3,605.39	7,000.00	-3,394.61	51.5%
5204220 · Equipment Service & Maintenance	44.41	300.00	-255.59	14.8%
5204230 · Janitorial/Maintenance Services	737.16	1,560.00	-822.84	47.3%
5204340 · Computer Software Maintenance	1,236.25	1,000.00	236.25	123.6%
5204360 · Advertising-Newspapers	195.00	1,500.00	-1,305.00	13.0%
5204440 · Newsletter Publishing	496.10	1,100.00	-603.90	45.1%
5204460 · Equipment Rental	1,719.00	4,500.00	-2,781.00	38.2%
5204480 · Microfilm and Photography	0.00	700.00	-700.00	0.0%
5204490 · Rents Privately Owned Property	7,616.70	15,531.00	-7,914.30	49.0%
5204510 · Rent-Other	255.17			
5204530 · Telecommunications Services	1,223.12	2,500.00	-1,276.88	48.9%
5204540 · Electricity	295.17	865.00	-569.83	34.1%
5204560 · Water	89.40	240.00	-150.60	37.3%
5204590 · Insurance Premiums/Surety Bonds	0.00	1,710.00	-1,710.00	0.0%
5204740 · Bank Fees and Charges	2,868.15	3,200.00	-331.85	89.6%
5205020 · Office Supplies	1,201.37	2,000.00	-798.63	60.1%
5205310 · Printing State	295.88	500.00	-204.12	59.2%
5205320 · Printing/Duplicating/Binding Co	389.95	1,000.00	-610.05	39.0%
5205330 · Supplemental Publications	350.00	700.00	-350.00	50.0%
5205340 · Microfilm Supplies/Materials	0.00	300.00	-300.00	0.0%
5205350 · Postage	1,564.71	3,100.00	-1,535.29	50.5%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207900 · Computer Hardware	2,325.17	4,800.00	-2,474.83	48.4%
5207950 · System Development	0.00	500.00	-500.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	0.00	500.00	-500.00	0.0%
5228000 · Operating Transfers Out-NonBudg	2,968.15	7,400.00	-4,431.85	40.1%
5228030 · Depreciation Expense	6,035.16	12,070.40	-6,035.24	50.0%
Total Expense	116,726.89	246,989.40	-130,262.51	47.3%
Net Ordinary Income	70,592.46	-64,079.40	134,671.86	-110.2%
Net Income	70,592.46	-64,079.40	134,671.86	-110.2%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
December 2012

	<u>Dec 12</u>	<u>Dec 11</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	350.00	200.00	150.00	75.0%
4293551 · Certificate Renewals-Active	50.00	0.00	50.00	100.0%
4293554 · Initial Firm Permits	100.00	150.00	-50.00	-33.3%
4293557 · Initial Audit	30.00	60.00	-30.00	-50.0%
4293558 · Re-Exam Audit	270.00	240.00	30.00	12.5%
4293560 · Late Fees-Initial Certificate	50.00	0.00	50.00	100.0%
4293561 · Late Fees-Certificate Renewals	50.00	0.00	50.00	100.0%
4293564 · Late Fees-Peer Review	100.00	100.00	0.00	0.0%
4293566 · Firm Permit Individual	910.00	650.00	260.00	40.0%
4293567 · Peer Review Admin Fee	75.00	300.00	-225.00	-75.0%
4293569 · Initial FAR	90.00	0.00	90.00	100.0%
4293570 · Initial REG	60.00	0.00	60.00	100.0%
4293571 · Initial BEC	60.00	30.00	30.00	100.0%
4293572 · Re-Exam FAR	240.00	120.00	120.00	100.0%
4293573 · Re-Exam REG	180.00	150.00	30.00	20.0%
4293574 · Re-Exam BEC	120.00	180.00	-60.00	-33.3%
Total Income	2,735.00	2,180.00	555.00	25.5%
Gross Profit	2,735.00	2,180.00	555.00	25.5%
Expense				
5101010 · F-T Emp Sal & Wages	2,620.01	5,459.52	-2,839.51	-52.0%
5101020 · P-T/Temp Emp Sal & Wages	808.16	1,578.30	-770.14	-48.8%
5101030 · Board & Comm Mbrs Fees	0.00	300.00	-300.00	-100.0%
5102010 · OASI-Employer's Share	249.54	521.18	-271.64	-52.1%
5102020 · Retirement-ER Share	205.69	422.28	-216.59	-51.3%
5102060 · Health /Life Ins.-ER Share	791.88	1,533.78	-741.90	-48.4%
5102080 · Worker's Compensation	5.48	19.71	-14.23	-72.2%
5102090 · Unemployment Insurance	2.58	7.03	-4.45	-63.3%
5204180 · Computer Services-State	0.00	60.00	-60.00	-100.0%
5204181 · Computer Development Serv-State	0.00	23.00	-23.00	-100.0%
5204200 · Central Services	206.41	1,532.03	-1,325.62	-86.5%
5204220 · Equipment Service & Maintenance	5.72	3.36	2.36	70.2%
5204230 · Janitorial/Maintenance Services	122.86	119.86	3.00	2.5%
5204340 · Computer Software Maintenance	160.00	0.00	160.00	100.0%
5204440 · Newsletter Publishing	496.10	0.00	496.10	100.0%
5204460 · Equipment Rental	57.00	93.60	-36.60	-39.1%
5204490 · Rents Privately Owned Property	1,269.45	1,269.45	0.00	0.0%
5204530 · Telecommunications Services	199.72	273.91	-74.19	-27.1%
5204540 · Electricity	57.70	62.53	-4.83	-7.7%
5204560 · Water	22.35	22.35	0.00	0.0%
5204740 · Bank Fees and Charges	102.76	31.00	71.76	231.5%
5205020 · Office Supplies	64.24	15.00	49.24	328.3%
5205320 · Printing/Duplicating/Binding Co	20.70	17.25	3.45	20.0%
5207900 · Computer Hardware	1,100.17	0.00	1,100.17	100.0%
5228000 · Operating Transfers Out-NonBudg	704.74	502.06	202.68	40.4%
5228030 · Depreciation Expense	1,005.86	1,005.86	0.00	0.0%
Total Expense	10,279.12	14,873.06	-4,593.94	-30.9%
Net Ordinary Income	-7,544.12	-12,693.06	5,148.94	40.6%
Net Income	-7,544.12	-12,693.06	5,148.94	40.6%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
July through December 2012

	<u>Jul - Dec 12</u>	<u>Jul - Dec 11</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	1,500.00	1,300.00	200.00	15.4%
4293551 · Certificate Renewals-Active	54,950.00	54,040.00	910.00	1.7%
4293552 · Certificate Renewals-Inactive	19,950.00	20,300.00	-350.00	-1.7%
4293553 · Certificate Renewals-Retired	710.00	670.00	40.00	6.0%
4293554 · Initial Firm Permits	650.00	850.00	-200.00	-23.5%
4293555 · Firm Permit Renewals	19,850.00	19,700.00	150.00	0.8%
4293557 · Initial Audit	210.00	510.00	-300.00	-58.8%
4293558 · Re-Exam Audit	1,290.00	1,380.00	-90.00	-6.5%
4293560 · Late Fees-Initial Certificate	100.00	50.00	50.00	100.0%
4293561 · Late Fees-Certificate Renewals	2,050.00	2,750.00	-700.00	-25.5%
4293563 · Late Fees-Firm Permit Renewals	500.00	550.00	-50.00	-9.1%
4293564 · Late Fees-Peer Review	250.00	600.00	-350.00	-58.3%
4293566 · Firm Permit Individual	71,825.00	70,590.00	1,235.00	1.8%
4293567 · Peer Review Admin Fee	150.00	750.00	-600.00	-80.0%
4293568 · Firm Permit Name Change	0.00	105.00	-105.00	-100.0%
4293569 · Initial FAR	570.00	360.00	210.00	58.3%
4293570 · Initial REG	210.00	360.00	-150.00	-41.7%
4293571 · Initial BEC	210.00	420.00	-210.00	-50.0%
4293572 · Re-Exam FAR	1,320.00	870.00	450.00	51.7%
4293573 · Re-Exam REG	1,110.00	1,050.00	60.00	5.7%
4293574 · Re-Exam BEC	1,020.00	1,230.00	-210.00	-17.1%
4491000 · Interest and Dividend Revenue	8,344.35	11,505.78	-3,161.43	-27.5%
4896021 · Legal Recovery Cost	550.00	1,630.00	-1,080.00	-66.3%
Total Income	187,319.35	191,570.78	-4,251.43	-2.2%
Gross Profit	187,319.35	191,570.78	-4,251.43	-2.2%
Expense				
5101010 · F-T Emp Sal & Wages	34,160.03	32,912.68	1,247.35	3.8%
5101020 · P-T/Temp Emp Sal & Wages	9,130.97	8,955.00	175.97	2.0%
5101030 · Board & Comm Mbrs Fees	1,200.00	2,520.00	-1,320.00	-52.4%
5102010 · OASI-Employer's Share	3,247.63	3,156.41	91.22	2.9%
5102020 · Retirement-ER Share	2,597.45	2,512.10	85.35	3.4%
5102060 · Health /Life Ins.-ER Share	9,502.56	9,202.68	299.88	3.3%
5102080 · Worker's Compensation	69.24	117.25	-48.01	-41.0%
5102090 · Unemployment Insurance	32.48	41.89	-9.41	-22.5%
5203010 · Auto--State Owned	381.42	135.43	245.99	181.6%
5203020 · Auto-Private-Ownes Low Mileage	0.00	452.00	-452.00	-100.0%
5203030 · In State-Auto- Priv. High Miles	446.96	893.92	-446.96	-50.0%
5203100 · In State-Lodging	286.00	640.04	-354.04	-55.3%
5203140 · InState-Tax Meals Not OverNigt	23.00	18.00	5.00	27.8%
5203150 · InState-Non-Tax Meals OverNight	168.00	260.00	-92.00	-35.4%
5203220 · OS-Auto Private Low Mileage	90.40	0.00	90.40	100.0%
5203260 · OS-Air Commercial Carrier	2,900.33	1,343.20	1,557.13	115.9%
5203280 · OS-Other Public Carrier	131.00	149.35	-18.35	-12.3%
5203300 · OS-Lodging	4,177.50	2,709.59	1,467.91	54.2%
5203320 · OS-Incidentals to Travel	340.00	164.01	175.99	107.3%
5203350 · OS-Non-Taxable Meals Overnight	550.00	342.00	208.00	60.8%
5204010 · Subscriptions	328.66	207.50	121.16	58.4%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204040 · Consultant Fees-Accounting	6,700.00	0.00	6,700.00	100.0%
5204160 · Workshop Registration Fees	872.00	2,409.00	-1,537.00	-63.8%
5204180 · Computer Services-State	363.00	357.00	6.00	1.7%
5204181 · Computer Development Serv-State	316.85	1,418.20	-1,101.35	-77.7%
5204200 · Central Services	3,605.39	3,354.55	250.84	7.5%
5204220 · Equipment Service & Maintenance	44.41	38.09	6.32	16.6%
5204230 · Janitorial/Maintenance Services	737.16	719.16	18.00	2.5%
5204340 · Computer Software Maintenance	1,236.25	265.00	971.25	366.5%
5204360 · Advertising-Newspapers	195.00	0.00	195.00	100.0%
5204440 · Newsletter Publishing	496.10	0.00	496.10	100.0%
5204460 · Equipment Rental	1,719.00	1,755.60	-36.60	-2.1%
5204480 · Microfilm and Photography	0.00	502.66	-502.66	-100.0%
5204490 · Rents Privately Owned Property	7,616.70	7,616.70	0.00	0.0%
5204510 · Rent-Other	255.17	167.70	87.47	52.2%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
July through December 2012

	<u>Jul - Dec 12</u>	<u>Jul - Dec 11</u>	<u>\$ Change</u>	<u>% Change</u>
5204530 · Telecommunications Services	1,223.12	1,109.26	113.86	10.3%
5204540 · Electricity	295.17	352.30	-57.13	-16.2%
5204560 · Water	89.40	89.40	0.00	0.0%
5204740 · Bank Fees and Charges	2,868.15	2,630.65	237.50	9.0%
5205020 · Office Supplies	1,201.37	289.89	911.48	314.4%
5205310 · Printing State	295.88	0.00	295.88	100.0%
5205320 · Printing/Duplicating/Binding Co	389.95	94.65	295.30	312.0%
5205330 · Supplemental Publications	350.00	350.00	0.00	0.0%
5205350 · Postage	1,564.71	5.85	1,558.86	26,647.2%
5207900 · Computer Hardware	2,325.17	0.00	2,325.17	100.0%
5228000 · Operating Transfers Out-NonBudg	2,968.15	2,851.13	117.02	4.1%
5228030 · Depreciation Expense	6,035.16	6,035.16	0.00	0.0%
Total Expense	<u>116,726.89</u>	<u>102,345.00</u>	<u>14,381.89</u>	<u>14.1%</u>
Net Ordinary Income	<u>70,592.46</u>	<u>89,225.78</u>	<u>-18,633.32</u>	<u>-20.9%</u>
Net Income	<u><u>70,592.46</u></u>	<u><u>89,225.78</u></u>	<u><u>-18,633.32</u></u>	<u><u>-20.9%</u></u>

EXECUTIVE DIRECTOR'S REPORT

Nicole Kasin

CPE Audits

The list of licensees has been selected for CPE audits and letters were sent out to those selected on September 11. The documentation was due in our office no later than October 31, 2012. The following chart shows the status of the audits as of January 17, 2013.

	Selected	Complied	Not Complied	Granted Extension	Approved CPE Audit	Failed CPE Audit
CPA (Active)	54	54	0	0	51	0
CPA (Active in Firm)	63	63	0	1	60	0

Board Audit

The audit of the Board for years ending June 30, 2011 and June 30, 2012, has been completed by East, Vander Woude, Grant & Co., PC and the results were no findings. The final audit report has been approved by the Department of Legislative Audit and the audit follows this report.

Future Calendar

At the board meeting on June 12, the Board approved my appointment to serve as the Executive Director's Committee Chair and the Executive Director Liaison to the NASBA Board of Directors. To keep the Board informed of days I will be out of the office I plan to utilize a future outlook in between our meetings.

On February 11-13, 2013 I will attend the NASBA/AICPA Summit meeting in Ft. Lauderdale, FL.

On March 1-7, 2013, I will attend the NASBA Executive Directors Conference in Tucson, AZ.

Legislation – Senate Bill 63

The Boards bill was approved and is Senate Bill 63. The bill has been heard in Senate Commerce and Energy and was approved on a 7-0 vote and placed on the consent calendar. SB63 was passed in the Senate on January 16 with a 35-0 vote. The bill was first read in the House on January 17, 2013 and was assigned to House Judiciary. It has not been scheduled for a hearing yet.

CPA Exam

In this past window of testing an error was found in the coding of 2 task based simulations in the FAR and REG exam. The AICPA went back to Q1 of 2011 to find candidates affected by this coding error. The results were found that a total of 99 candidates went from fail to pass from 33 jurisdictions. There were no candidates from South Dakota affected by this. Those that were affected have been contacted and informed of the issue and the logistics of reimbursement have been worked out with them and NASBA.

Consent Agreements

The following question has arose in regards to signed consent agreements. In the consent agreements, a term is that the CPA be required to renew by August 1. If a CPA does not renew by August 1, what action does the Board want to take in regards to this matter? Do you prefer to hold another hearing? Do you have a policy you would like followed? The board has various options that Aaron will discuss.

**STATE OF SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION
SOUTH DAKOTA BOARD OF ACCOUNTANCY
BASIC FINANCIAL STATEMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2012**

**STATE OF SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION
SOUTH DAKOTA BOARD OF ACCOUNTANCY**

BOARD MEMBERS

John Mitchell, CPA	Chair
John Linn, Jr., CPA	Vice-Chair
John Peterson	Lay Member, Secretary-Treasurer
Martin Guindon, CPA	Ex Officio Member
Holly Brunick, CPA	Member
David Olson, CPA	Member

**STATE OF SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION
SOUTH DAKOTA BOARD OF ACCOUNTANCY**

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EAST, VANDER WOUDE, GRANT & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

The Honorable Dennis Daugaard
Governor of South Dakota
and
South Dakota Department of Labor and Regulation
700 Governors Drive
Pierre, South Dakota
and
South Dakota Board of Accountancy
301 East 14th Street, Suite 200
Sioux Falls, South Dakota

We have audited the financial statements of the business-type activities of the South Dakota Board of Accountancy, an enterprise fund of South Dakota state government, as of and for the fiscal years ended June 30, 2012 and 2011, which collectively comprise the Board's basic financial statements and have issued our report thereon dated October 22, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the South Dakota Board of Accountancy is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of control deficiencies, in internal control, such that there is a reasonable possibility

that a material misstatement of the Board's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an object of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the South Dakota Legislature, state granting agencies, and governing board and management of the South Dakota Board of Accountancy, Sioux Falls, South Dakota and is not intended to be and should not be used by anyone other than these specified parties. However, as required by South Dakota Codified Law 4-11-11 this report is matter of public record and its distribution is not limited.

East, Vander Woude, Grant & Co., P.C.

East, Vander Woude, Grant & Co., P.C.

October 22, 2012

STATE OF SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION
SOUTH DAKOTA BOARD OF ACCOUNTANCY
BASIC FINANCIAL STATEMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2012

STATUS OF PRIOR AUDIT FINDINGS

There were no findings in the prior audit.

STATE OF SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION
SOUTH DAKOTA BOARD OF ACCOUNTANCY
BASIC FINANCIAL STATEMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2012

CURRENT AUDIT FINDING AND RECOMMENDATION

There are no findings in the current audit.

EAST, VANDER WOUDE, GRANT & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Rose M. Grant, CPA, MST

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Independent Auditor's Report

The Honorable Dennis Daugaard
Governor of South Dakota
and
South Dakota Department of Labor and Regulation
700 Governors Drive
Pierre, South Dakota
and
South Dakota Board of Accountancy
301 East 14th Street, Suite 200
Sioux Falls, South Dakota

We have audited the accompanying financial statements of the South Dakota Board of Accountancy, an enterprise fund of South Dakota state government, as of and for the fiscal years ended June 30, 2012 and 2011, as listed in the table of contents. These financial statements are the responsibility of the management of the South Dakota Board of Accountancy. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 of the effectiveness of the Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As discussed in Note 1, these financial statements present only the financial position and changes in financial position and cash flows of the South Dakota Board of Accountancy. They do not purport to, and do not, present fairly the financial position of the State of South Dakota as of June 30, 2012 and 2011, and the changes in its financial position and its cash flows where applicable, for the fiscal years then ended in conformity with accounting principles generally

accepted in the United States of America. Because the financial statements present only an enterprise fund and not the State of South Dakota, management has chosen not to present a Management's Discussion and Analysis for the enterprise fund that accounting principles generally accepted in the United States of America require to supplement, although not be a part of, the basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, of South Dakota Board of Accountancy as of June 30, 2012 and 2011, and the respective changes in financial position and cash flows thereof for the fiscal years then ended in conformity with generally accepted accounting principles in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2012 on our consideration of the South Dakota Board of Accountancy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

East, Vander Woude, Grant & Co., P.C.

East, Vander Woude, Grant & Co., P.C.
October 22, 2012

STATE OF SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION
SOUTH DAKOTA BOARD OF ACCOUNTANCY - ENTERPRISE FUND
STATEMENT OF NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2011 AND JUNE 30, 2012

	<u>2012</u>	<u>2011</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 313,885	\$ 310,640
Investment income receivable	<u>1,234</u>	<u>1,807</u>
Total current assets	<u>315,119</u>	<u>312,447</u>
Noncurrent assets:		
Capital assets:		
Software development costs	140,063	140,063
Less accumulated depreciation	<u>(104,858)</u>	<u>(92,787)</u>
Total noncurrent assets	<u>35,205</u>	<u>47,276</u>
Total assets	<u>\$ 350,324</u>	<u>\$ 359,723</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 5,202	\$ 4,929
Amounts held for others	30,778	29,665
Accrued wages and benefits payable	7,187	7,602
Deferred revenues	19,640	18,595
Compensated absences, current portion	<u>7,107</u>	<u>6,526</u>
Total current liabilities	<u>69,914</u>	<u>67,317</u>
Noncurrent liabilities		
Compensated absences, long-term portion	<u>6,227</u>	<u>5,812</u>
Total noncurrent liabilities	<u>6,227</u>	<u>5,812</u>
Total liabilities	<u>76,141</u>	<u>73,129</u>
Net Assets		
Invested in capital assets	35,205	47,276
Unrestricted	<u>238,978</u>	<u>239,318</u>
Total net assets	<u>274,183</u>	<u>286,594</u>
Total liabilities and net assets	<u>\$ 350,324</u>	<u>\$ 359,723</u>

See accompanying notes to the financial statements.

STATE OF SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION
SOUTH DAKOTA BOARD OF ACCOUNTANCY - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2011 AND JUNE 30, 2012

	<u>2012</u>	<u>2011</u>
Operating revenues:		
Licenses, permits and fees:		
Business and occupational licensing:		
Initial permits and renewals	\$ 175,170	\$ 178,845
Examination fees	12,720	12,570
Total licenses, permits and fees	<u>187,890</u>	<u>191,415</u>
Charges for sales and services:		
Quality review	7,175	7,450
Recovery of costs of proceedings	2,355	707
Total charges for sales and services	<u>9,530</u>	<u>8,157</u>
Total operating revenues	<u>197,420</u>	<u>199,572</u>
Operating expenses:		
Personal services	92,657	88,570
Employee benefits	31,424	29,941
Travel	11,668	14,855
Contractual services	65,409	61,035
Supplies and materials	2,750	11,968
Depreciation	12,070	12,070
Total operating expenses	<u>215,978</u>	<u>218,439</u>
Operating Income (Loss)	<u>(18,558)</u>	<u>(18,867)</u>
Non-operating revenues:		
Interest income	6,147	8,379
Total non-operating revenues	<u>6,147</u>	<u>8,379</u>
Change in net assets	(12,411)	(10,488)
Net assets beginning of year	<u>286,594</u>	<u>297,082</u>
Net assets end of year	<u>\$ 274,183</u>	<u>\$ 286,594</u>

See accompanying notes to the financial statements.

STATE OF SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION
SOUTH DAKOTA BOARD OF ACCOUNTANCY - ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2011 AND JUNE 30, 2012

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Receipts from customers	\$ 278,101	\$ 275,947
Payments to customers	(4,728)	(3,110)
Payments to suppliers	(153,349)	(160,263)
Payments to employees	(123,501)	(117,285)
Net cash provided (used) by operating activities	<u>(3,477)</u>	<u>(4,711)</u>
Cash flows from investing activities:		
Interest on investments	<u>6,722</u>	<u>8,531</u>
Net cash provided (used) by investing activities	<u>6,722</u>	<u>8,531</u>
Net increase in cash and cash equivalents	3,245	3,820
Cash and cash equivalents beginning of year	<u>310,640</u>	<u>306,820</u>
Cash and cash equivalents end of year	<u>\$ 313,885</u>	<u>\$ 310,640</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ (18,558)	\$ (18,867)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	12,070	12,070
Increase (decrease) in accounts payable	273	589
Increase (decrease) amounts held for others	1,113	6,686
Increase (decrease) in deferred revenue	1,045	(6,415)
Increase (decrease) in accrued salaries payable	(415)	50
Increase in compensated absences	995	1,176
Net cash provided by operating activities	<u>\$ (3,477)</u>	<u>\$ (4,711)</u>

See accompanying notes to the financial statements.

STATE OF SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION
SOUTH DAKOTA BOARD OF ACCOUNTANCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Reporting Entity

The fund included in this report is controlled by or dependent upon the South Dakota Board of Accountancy. The South Dakota Board of Accountancy is an enterprise fund of the State of South Dakota government within the Department of Labor and Regulation. Consequently, the financial statements do not purport to, and do not, present fairly the financial position, changes in financial position, and cash flows of the State of South Dakota government in accordance with accounting principles generally accepted in the United States of America. The purpose of the Board is to administer and enforce the rules and regulations regarding the practice of public accounting.

The South Dakota Board of Accountancy follows all GASB pronouncements and those Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins that were issued on or before November 30, 1989, except those that conflict with GASB pronouncements.

b. Basis of Presentation

The Board is an enterprise fund of the State of South Dakota government. A fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenses.

An enterprise fund is used to account for business-like activities provided to the general public. These activities are primarily financed by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the Board are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues and related assets are recorded when earned (usually when the right to receive cash vests); and, expenses and related liabilities are recorded when an obligation is incurred (usually when the obligation to pay cash in the future vests).

The Board funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from fees providing occupational licensing and examinations. Principal expenses are the costs of providing these services and include administrative expenses and depreciation of capital assets. Revenues and expenses not meeting this definition, such as investment earnings are reported as nonoperating.

d. Cash and Investments

For the purpose of the Statement of Net Assets, cash includes the local checking account of the Board as well as the Board's interest in the pooled cash fund of the State of South Dakota government. Since the Board pools its cash resources for depositing and investing purposes, all reported deposit and investment balances are considered to be cash equivalents for the purpose of the Statement of Cash Flows.

STATE OF SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION
SOUTH DAKOTA BOARD OF ACCOUNTANCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

e. Capital Assets

The Board's policy is to capitalize all assets with an acquisition cost of \$5,000 or more and a useful life of more than one year. All assets are valued at historical cost or estimated cost if actual cost is not available, except for donated assets which are recorded at their estimated fair value at the date of donation. All of the reported capital assets have been valued at actual cost as of June 30, 2012.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Revenues, Expenses, and Changes in Fund Net Assets, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful life of software development costs has been estimated to be six years.

f. Compensated Absences

All full-time and permanent part-time employees earn annual leave and sick leave. Employees earn fifteen days annual leave per year that can be accumulated to thirty days, except for employees with more than fifteen years of employment, who earn twenty days annual leave per year that can be accumulated to forty days. Upon termination, employees receive payment for their accumulated annual leave. Employees earn fourteen days sick leave per year. Unless dismissed for cause, employees who terminate after seven years of continuous employment, receive payment for one-fourth of their accumulated sick leave balance, not to exceed four hundred eighty hours.

A liability has been recorded in the financial statements for compensated absences in accordance with GASB statements. The current portion of this liability is estimated based on historical trends.

g. Equity

Equity is classified as net assets and displayed in three components:

1. Invested in capital assets, net of related debt – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net assets – consists of net assets with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation.
3. Unrestricted net assets – all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

STATE OF SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION
SOUTH DAKOTA BOARD OF ACCOUNTANCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

2. DEPOSITS AND INVESTMENTS

Deposits – The Board’s deposits are made in qualified public depositories as defined by SDCL 4-6A-1 and with the South Dakota State Treasurer. Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 100 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA.

Deposits are reported at cost, plus interest, if the account is of the add-on type.

The bank balance of the local checking account at June 30, 2012 was as follows:

	Bank <u>Balance</u>
Insured (FDIC/NCUA)	<u>\$ 7,305.23</u>
Total Deposits	<u>\$ 7,305.23</u>

The carrying amount of deposits at June 30, 2012 was \$6,045.23. They were all adequately insured as of June 30, 2012.

The Board’s cash includes a participating interest in the State’s internal investment pool held by the State Treasurer. The remaining reported cash of \$296,407.55 consists of \$296,407.55 held in the State’s internal investment pool. Management of the State’s internal investment pool is the statutory responsibility of the South Dakota Investment Council (SDIC). The investment policy and required risk disclosures for the State’s internal investment pool are presented in the SDIC’s audit report which can be obtained by contacting the Department of Legislative Audit, 427 South Chapelle, c/o 500 East Capitol, Pierre, South Dakota 57501.

3. CAPITAL ASSETS

A summary of changes in capital assets for the two fiscal years ended June 30, 2012, is as follows:

	Balance @ 6/30/11	Additions	Deletions	Balance @ 6/30/12
Computer software	\$ 140,063.23	\$ -	\$ -	\$ 140,063.23
Accum. depreciation	(92,787.49)	(12,070.40)	-	(104,857.89)
Capital Assets, Net	<u>\$ 47,275.74</u>	<u>\$ (12,070.40)</u>	<u>\$ -</u>	<u>\$ 35,205.34</u>

	Balance @ 6/30/10	Additions	Deletions	Balance @ 6/30/11
Computer software	\$ 140,063.23	\$ -	\$ -	\$ 140,063.23
Accum. depreciation	(80,717.09)	(12,070.40)	-	(92,787.49)
Capital Assets, Net	<u>\$ 59,346.14</u>	<u>\$ (12,070.40)</u>	<u>\$ -</u>	<u>\$ 47,275.74</u>

STATE OF SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION
SOUTH DAKOTA BOARD OF ACCOUNTANCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

4. LONG- TERM DEBT

As of June 30, 2012, the following liabilities existed for accumulated unpaid leave balances calculated at the employees' June 30, 2012 pay rates including the employer's share of employee benefits:

Vacation pay	\$ 7,107
Sick pay	6,227
Total	<u>\$ 13,334</u>

A summary of the changes in long-term debt follows:

	Compensated Absences
Debt payable, July 1, 2010	\$ 11,162
Additions to compensated absences	14,549
Deductions from compensated absences	<u>(12,377)</u>
Debt payable, June 30, 2012	<u>\$ 13,334</u>

See Note 1f for additional information relating to compensated absences.

5. LEASES

Operating Leases:

The South Dakota Board of Accountancy leases office space pursuant to an operating lease which expires September 2012. Rents paid pursuant to this lease totaled \$15,233 and \$15,233 for the fiscal years ended June 30, 2011 and 2012, respectively.

The South Dakota Board of Accountancy leases a copier pursuant to operating leases which expires December 2012. Rents paid pursuant to these leases totaled \$3,029 and \$3,029 for the fiscal years ended June 30, 2011 and 2012, respectively.

The South Dakota Board of Accountancy leases a postage meter/scale pursuant to operating leases which expires September 2015. Rents paid pursuant to these leases totaled \$2,388 and \$2,388 for the fiscal years ended June 30, 2011 and 2012, respectively.

The following are the minimum payments on the existing operating leases:

Year Ending	Amount
6/30/13	\$ 7,711
6/30/14	2,388
6/30/15	2,388
6/30/16	597
6/30/17	-
Totals	<u>\$ 13,084</u>

STATE OF SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION
SOUTH DAKOTA BOARD OF ACCOUNTANCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

6. RETIREMENT PLAN

The Board participates in the South Dakota Retirement System (SDRS), a cost-sharing, multiple employer defined benefit plan established to provide retirement, disability, and survivor benefits for employees of the State of South Dakota and its political subdivisions. Authority for establishing, administering and amending plan provisions are found in South Dakota Codified Law 3-12. The SDRS issues a publicly available financial report that includes financial statements, footnote disclosures, and required supplementary information. That report may be obtained by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501 or by calling (605) 773-3731.

Employees are required by state statute to contribute 6% of their salary to the plan. State statute also requires the employer to contribute an amount equal to the employee's contribution. The right to receive retirement benefits vests after three years of credited service. The Board's contributions to the SDRS for the fiscal years ended June 30, 2010, 2011 and 2012 were \$5,009.95, \$4,997.78 and \$6,079.69 respectively.

7. RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The South Dakota Board of Accountancy is an enterprise fund of the State of South Dakota government and the Board employees are considered employees of the State of South Dakota. The State of South Dakota is self-insured for workers' compensation benefits, unemployment insurance, health insurance, and life insurance. The State of South Dakota covers risks associated with automobile liability and general tort liability (including public officials' errors and omissions liability, medical malpractice liability, law enforcement liability, and products liability) through a Public Entity Pool Liability (PEPL). The State of South Dakota is insured for boiler insurance, aircraft, and performance bonds through outside insurance companies. The State of South Dakota is uninsured for property losses, with the exception of bonded and revenue-producing buildings that are covered through outside insurance companies.

The Board is charged "premiums" by the State of South Dakota for coverage provided.

The State of South Dakota issues a publicly available financial report that includes additional disclosures related to risk management.

8. EXAMINATION FEE REVENUE/AMOUNTS HELD FOR OTHERS

Subsequent to the November 2003 Uniform Certified Public Accountant Examination, a significant portion of the responsibility for administering the examination has been contractually transferred to the National Association of State Boards of Accountancy (NASBA). Beginning with the April-May 2004 exam window, the Board collects the total exam fee from the participants but reports as revenue only the portion of the fee that belongs to the South Dakota Board of Accountancy as established by administrative rule. The portion of the exam fee that will be remitted to NASBA and others is reported as a current liability account titled "Amounts Held For Others."

STATE OF SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION
SOUTH DAKOTA BOARD OF ACCOUNTANCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

9. SUBSEQUENT EVENTS

Subsequent events were evaluated through October 22, 2012, which is the date the financial statements were available to be issued. As of October 22, 2012, South Dakota Board of Accountancy signed a new operating lease for the office space. This new lease will expire in December 2018. The monthly rent will remain the same as the previous operating lease. The following are the minimum payments on the October 2012 operating lease:

<u>Year Ending</u>	<u>Amount</u>
6/30/13	\$ 11,425
6/30/14	15,233
6/30/15	15,233
6/30/16	15,233
6/30/17	15,233
Thereafter	<u>22,850</u>
Totals	<u>\$ 95,207</u>

REPORT TO BOARD ON GRADES

Nicole Kasin

The grades were posted for review for the 35th window. These grades are through December 2012. I have included the average scores per school since CBT started along with the number of students that have sat for their school respectively. The last chart shows the averages for the past 8 windows.

Overall Average Window 1-35

Window	(All)
--------	-------

Average of Score	Section				
School	AUD	BEC	FAR	REG	Grand Total
Augie	74	71	72	73	72
BHSU	68	69	70	70	69
COTech	63	70	66	75	68
DSU	72	69	62	70	68
DWU	68	65	64	75	68
Mt. Marty	67	68	73	67	68
NAU	60	54	60	65	60
NSU	72	69	72	70	71
OS	73	72	70	73	72
SDSU	75	73	76	75	75
USD	77	75	74	75	75
USF	73	74	74	78	74
Grand Total	73	72	72	73	72

Students per section per school since CBT Began (3 or more parts)

Window	(All)
--------	-------

Count of Score	Section				
School	AUD	BEC	FAR	REG	Grand Total
Augie	57	65	53	61	236
BHSU	66	69	53	57	245
COTech	14	11	6	10	41
DSU	12	14	14	9	49
DWU	9	8	7	7	31
Mt. Marty	17	21	6	15	59
NAU	5	8	10	10	33
NSU	68	86	51	65	270
OS	184	185	169	163	701
SDSU	22	28	16	19	85
USD	162	182	173	159	676
USF	45	54	49	35	183
Grand Total	661	731	607	610	2609

There have been a total of 2610 parts.

Average for past 8 windows (3 or more parts)

Window	(Multiple Items)
--------	------------------

Average of Score	Section				
School	AUD	BEC	FAR	REG	Grand Total
Augie	80	70	64	75	72
BHSU	66	66	66	68	67
COTech	63	66		75	67
DWU	78		70	74	75
Mt. Marty	71	73	70	68	70
NAU			69	67	68
NSU	73	75	74	73	74
OS	73	72	66	71	71
SDSU	73	71	68	72	71
USD	74	74	76	73	74
USF	74	70	73	79	74
Grand Total	73	72	71	72	72

The Board needs to Approve the 2012-4 (35th Window) grades.

VITA
Walter Conaway Davenport

VITA

Walter Conaway Davenport, CPA
4929 Harbour Towne Drive
Raleigh, North Carolina 27604

Home #: 919-255-1489
Cell #: 919-417-3075
Email: wcdavenport@nc.rr.com

Family: Divorced
Sons – Walter Conaway Davenport, Jr. – 37 years old
Winston Christopher Davenport – 32 years old

Education:
1970 Morehouse College, Atlanta, GA
(BA – cum laude – in Business Administration)

Present Occupation:
(2008 – Present) Walter C. Davenport, CPA
Raleigh, NC
Consultant / Corporate Director

Past Occupations:
(1998 - 2008) Partner (retired 2008)
Cherry, Bekaert & Holland, L.L.P.
Certified Public Accountants and Consultants
Raleigh, NC
(Firm-wide Director of Not-For-Profit Industry Group with annual revenues of \$12 - \$15 million)
(1988 – 1997) President/CEO/Director/Shareholder
Garrett & Davenport, P.C.
Certified Public Accountants
Raleigh, NC
(Largest and oldest minority-owned CPA firm in North Carolina. Merged into Cherry Bekaert & Holland, L.L.P. effective January 1, 1998)
(1986 – 1988) President and Senior Vice President/Director/Shareholder
Garrett, Sullivan, Davenport, Bowie & Grant
Certified Public Accountants, P.A.
Director-In-Charge, Raleigh, NC

(1975 – 1986) Senior Vice President/Director/Shareholder
Garrett, Sullivan & Company
Certified Public Accountants, P.A.
Director-In-Charge, Raleigh, NC

(1974 – 1975) Nathan T. Garrett
Certified Public Accountant
Durham, NC

(1970 – 1974) Arthur Andersen and Company
Certified Public Accountants
Atlanta, GA

Professional, Civic and Social Organizations:

Professional:

- American Institute of Certified Public Accountants (AICPA)
- North Carolina Association of Certified Public Accountants (NCACPA)
- Triangle Chapter of the North Carolina Association of CPAs
- AICPA – Minority Recruitment and Equal Opportunity Committee (Past)
- NCACPA – Minority Issues Committee (past)
- National Association of Black Accountants (NABA)
- National Association of State Boards of Accountancy (NASBA)
- AICPA – Board of Examiners (1999 – 2003) (2004 -- 2005)
- National Association of Corporate Directors (NACD)

Professional Licensing Board:

(1994 – 2003) - North Carolina State Board of Certified Public Accountant Examiners
President (1995 – 1997) (1998 – 1999)
Vice President (1997 – 1998)
Secretary/Treasurer (2002 – 2003)

Civic/ Boards / Committees
(Past)

- Board of Visitors, St. Augustine's College
- Board of Directors, Raleigh Little Theatre
- Sanderson High School Board Advisory Council (Wake County Board of Education)
- Board of Directors, Wake County Education Foundation (Treasurer)
- Raleigh Convention and Civic Center Task Force
- Wake County Blue Ribbon Revenue Committee
- Board of Directors, Downtown Raleigh Development Corporation
- City of Raleigh Housing Advisory Group
- Board of Directors, Raleigh Chamber of Commerce
- Board of Directors, United Way of Wake County (Treasurer)
- Southeast Raleigh Improvement Commission
- Board of Directors – Shepard's Table Soup Kitchen

(Past – continued)

- Indigent and Uninsured Commission (Wake County)
- Board of Directors – Easter Seal Society of NC (Chairman)
- Rotary Club of Raleigh
- Finance Committee – Triangle United Way
- Board of Directors – The Hospital Alliance for Community Health
- Board of Trustees – Elizabeth City State University (Board Chairman)
- Board of Trustees -- Duke Raleigh Hospital
- Advisory Council – NC State University -- College of Management –
Department of Accounting
- Board of Directors – National Association of State Boards of Accountancy

Civic / Boards
(Present)

- Raleigh City – Bank Advisory Board – BB&T
- Board of Governors -- The University of North Carolina system
- Board of Directors –United Way of the Greater Triangle (Board Chair)
- Board of Trustees – Blue Cross Blue Shield of North Carolina
- Board of Directors – IntraHealth International, Inc
- Board of Directors – N.C. Center for Nonprofits
- Duke University Health System – Patient Advisory Council

Social:

- Alpha Phi Alpha Fraternity
- Sigma Pi Phi Fraternity
- National Association of Guardsmen – North Carolina Chapter

Honors and Awards

- | | |
|--------|---|
| (1978) | Sigma Gamma Rho Sorority
Awards and Achievements Hall of Fame Recipient
Category – Pioneer Fields |
| (1979) | Outstanding Young Man of America |
| (1998) | North Carolina Hospital Association
Trustee Service Award |

Other Information

- Certificate of Director Education (National Association of Corporate Directors)
- One of three (3) incorporators of Garrett, Sullivan & Company, CPAs, P.A.
- One of five (5) incorporators of Garrett, Sullivan, Davenport, Bowie & Grant
CPAs, P.A.

- Licensed CPA in North Carolina
- Member of First Baptist Church (Wilmington Street)
 - Church Treasurer (Past)
 - Board of Trustees (Chair)
- Current Political Campaign Treasurer For:
 - (1984 –) Citizens for Dan Blue, N.C. House of Representatives / Senate
 - (1999 –) Citizens to Elect James West (City Council District C)
(Wake County Commissioner)
 - (2002) Dan Blue Senate Committee (U.S. Senate)
 - (2004 –) Jack Nichols for N.C. Senate
 - (2009 –) Committee to Elect Harold H. Webb County Commissioner
 - (2010 –) Nichols for County Commissioner (Wake County)
 - (2011 –) The Judge Wanda Bryant Committee (NC Court of Appeals)
- Past Political Campaign Treasurer for 20 local, state and national campaigns



North Carolina State Board of Certified Public Accountant Examiners

1101 Oberlin Road, Suite 104 • P.O. Box 12827 • Raleigh NC 27605 • (919) 733-4222 • Fax (919) 733-4209 • www.nccpaboard.gov

November 26, 2012

Mark P. Harris, CPA
National Association of State Boards of Accountancy
150 Fourth Avenue North, Suite 700
Nashville, TN 37219-2417

Dear Mr. Harris:

The North Carolina State Board of CPA Examiners (the Board) is pleased to recommend Walter C. Davenport, CPA, for the position of Vice Chair of NASBA 2013-2014. As you are aware, Mr. Davenport's involvement with NASBA began during his three terms on our Board. While serving as a member of our Board, Mr. Davenport began attending NASBA's regional and annual meetings and quickly became an invaluable member of committees such as the Meeting & Events Committee, the Licensing Requirement Committee, the Administration & Finance Committee, the Examinations Committee, the Audit Committee, the Nominating Committee, the Strategic Initiatives Committee, the Compliance Assurance Committee, the CPE Advisory Committee, the CPA Licensing Examinations Committee, and the CPA Examination & Administration Committee. Mr. Davenport has served or is serving as Chair of several of these committees. In addition, Mr. Davenport has served as a Middle Atlantic Regional Director and has been a member of the Board of Directors since 2003.

Licensed as a North Carolina CPA for 37 years, Mr. Davenport is an active member of various professional organizations such as the North Carolina Association of CPAs (NCACPA), the National Association of Black Accountants (NABA), the National Association of Corporate Directors, and the American Institute of CPAs (AICPA). He was a member of the AICPA Board of Examiners from 1999 through 2005.

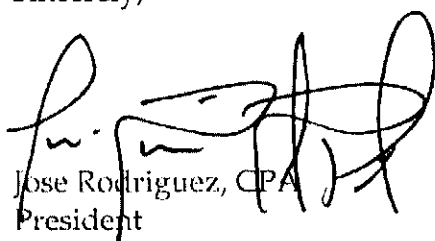
His participation in civic organizations is diverse and plentiful—he has served as everything from the treasurer of an elementary school parent-teacher organization to a member of the St. Augustine's College Board of Visitors. Mr. Davenport has been a member of the board of directors for non-profit organizations such as the United Way, the Easter Seal Society, and the Shepherd's Table Soup Kitchen; he has been a member of the Raleigh Convention & Civic Center Task Force, the Wake County Indigent & Uninsured Commission, the Board of Directors of Raleigh Little Theater, Elizabeth City

State University Board of Trustees, the Southeast Raleigh Improvement Commission, the Board of Trustees for Duke Raleigh Hospital, and the Raleigh Chamber of Commerce. Mr. Davenport is currently serves on the BB&T Advisory Board, the Triangle United Way Board of Directors, the Blue Cross Blue Shield of North Carolina Board of Trustees, the NC Center for Non-Profits Board of Directors, the Duke University Health System Patient Advisory Council, the IntraHealth International, Inc., Board of Directors, and the University of North Carolina Board of Governors.

Mr. Davenport is also active in local and national politics; he has served as campaign treasurer or finance manager for more than 20 candidates for local and/or national office.

Mr. Davenport is an intelligent, conscientious, hardworking professional whose knowledge, skills, and insightful leadership allow him to serve, with excellence, the accounting profession at the local, state, national, and international levels. Whether he is serving on a committee or providing guidance to a client or fellow practitioner, Mr. Davenport demonstrates an incredible desire to serve the public and the accounting profession to the best of his ability. Mr. Davenport is a forward-thinking leader who will help lead NASBA and state boards of accountancy through the complex issues facing the accounting profession. It is with great pride and confidence that the North Carolina State Board of CPA Examiners recommends Walter C. Davenport, CPA, for the position of Vice Chair of NASBA for 2013-2014.

Sincerely,



Jose Rodriguez, CPA
President

Enclosure



tel. 671.647.0813 • fax. 671.647.0816
email. guamboa@guamboa.org • www.guamboa.org
Suite 101, 335 South Marine Corps Drive, Tamuning, GU 96913

December 12, 2012

Mr. Mark P. Harris, CPA
National Association of State Boards of Accountancy
150 Fourth Ave. N., Suite 700
Nashville, TN 37219-2417

Re: Nomination of Walter C. Davenport, CPA, for NASBA Vice-Chair

Dear Mr. Harris:

The Guam Board of Accountancy unanimously supports Walter C. Davenport's nomination for the position of NASBA Vice-Chair for 2013-2014.

Mr. Davenport has served NASBA well as a Director and through the licensing requirements, examinations, strategic initiatives, compliance assurance and other various committees, during his more than 18 years of service to NASBA. Given his continued extensive involvement in myriad NASBA efforts and his professional and civic experiences, the Guam Board believes that Mr. Davenport possesses an exceptional combination of NASBA experience, leadership and technical skills. Walter has fully demonstrated the capacity and the necessary dedication to serve that will surely benefit NASBA in facing the complex challenges ahead, if he is named Vice Chair for 2013-2014.

Very truly yours,

A handwritten signature in black ink, appearing to read "John Onedera", is written over a horizontal line.

John Onedera
Chair
Guam Board of Accountancy

NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LT. GOVERNOR



KEALI'I S. LOPEZ
DIRECTOR

CELIA C. SUZUKI
LICENSING ADMINISTRATOR

BOARD OF PUBLIC ACCOUNTANCY

STATE OF HAWAII
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
P.O. BOX 3469
HONOLULU, HAWAII 96801
www.hawaii.gov/dcca/pvl

December 12, 2012

Mark P. Harris, CPA, Chair
Nominating Committee
National Association of State Boards of Accountancy
150 Fourth Avenue North, Suite 700
Nashville, TN 37219-2417

Re: Support for Nomination of Walter C. Davenport, CPA,
for NASBA Vice-Chair 2013-2014

Dear Mr. Harris and Members of the Nominating Committee:

At its December 7, 2012 meeting, the Hawaii Board of Public Accountancy voted unanimously to support the nomination of Walter C. Davenport, CPA, for Vice-Chair of NASBA's Board of Directors for 2013-2014.

Mr. Davenport has demonstrated the leadership qualities and consensus-building skills critical for this leadership position in NASBA. The depth and diversity of his career-spanning involvement in professional, regulatory, and community endeavors and initiatives speak to these qualities.

The Hawaii Board believes that Mr. Davenport's comprehensive background, professional experience, and commitment to the enhancement of the public accounting profession in concert with public protection distinctly qualify him for this leadership position.

Thank you for the opportunity to provide our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Kent K. Tsukamoto".

Kent K. Tsukamoto, CPA
Chairperson

cc: Walter C. Davenport, CPA
State Boards of Accountancy



COMMONWEALTH OF VIRGINIA
BOARD OF ACCOUNTANCY

9960 Mayland Drive, Suite 402

Henrico, Virginia 23233

TELEPHONE: (804) 367-8505

FACSIMILE: (804) 527-4409

WEBSITE: www.boa.virginia.gov

E-MAIL: boa@boa.virginia.gov

Tyrone E. Dickerson, CPA
Chairman

Andrea M. Kilmer, CPA, CFF, CGMA
Vice Chair

W. Barclay Bradshaw, CPA
Board Member

Regina P. Brayboy, MPA, MBA
Board (Public) Member

Robert J. Cochran, Ph.D., CPA
Board (Educator) Member

Marc B. Moyers, CPA
Board Member

Stephanie S. Saunders, CPA
Board Member

Wade A. Jewell
Executive Director

January 8, 2013

Mark Harris, Chair
NASBA Nominating Committee
150 4th Avenue North, Suite 700
Nashville, TN 37219-2417

Dear Chairman Harris,

The Virginia Board of Accountancy (VBOA) is pleased to support the nomination of Walter C. Davenport, CPA, for the position of NASBA Vice Chair.

Numerous current and/or former Board members from Virginia have worked with Walter, and through these contacts we believe that his experiences, knowledge, skills, leadership ability and service to NASBA and the profession are well suited to represent the interests of state boards of accountancies as NASBA's Vice Chair.

The VBOA reaffirms comments made from other Boards that support Walter's nomination. We look forward to our continued relationship with NASBA!

Sincerely,

A handwritten signature in black ink that reads "Tyrone E. Dickerson, CPA".

Tyrone E. Dickerson, CPA, Chairman
Virginia Board of Accountancy

cc: State Boards of Accountancy
Walter C. Davenport, CPA



Idaho State Board of Accountancy
PO Box 83720
Boise, Idaho 83720-0002
Phone: 208-334-2490
Fax: 208-334-2615

December 13, 2012
Via email

Mark Harris, CPA, Chair
Nominating Committee
National Association of State Boards of Accountancy
150 Fourth Avenue North Suite 1300
Nashville, TN 37219-2417

Re: Nomination of Mr. Walter C. Davenport, CPA for NASBA Vice-Chair 2013-2014

Dear Mr. Harris and Members of the Nominating Committee:

The Idaho State Board of Accountancy wishes to voice their support for the recommendations of Mr. Walter Davenport, CPA as NASBA Vice-Chair for 2013-2014.

Mr. Davenport has done an excellent job on the North Carolina State Board of Accountancy and for NASBA. His enthusiasm and commitment to the profession make him an excellent candidate for the position of Vice-Chair.

Thank you for the opportunity to provide our comments.

Sincerely, On Behalf of the Board,

Dean Condie

Dean Condie, CPA
Chair Idaho State Board of Accountancy

Cc: Members, Idaho State Board of Accountancy
State Boards of Accountancy

Janice L. Gray, CPA, CVA, CFF
Norman, Oklahoma 73069

Janice is currently the managing member of Gray, Blodgett & Company, PLLC, a local firm in Norman, Oklahoma, where she has been employed since 1981. Ms. Gray also holds the CVA certification from the National Association of Certified Valuation Analysts and the AICPA designation of Certified Financial Forensics.

Education

High School Diploma – 1967 – Eufaula, Oklahoma

Bachelor of Science – 1977 East Central University, Ada, Oklahoma

Professional Experience

1981–Present - Managing Partner, Gray, Blodgett & Company, PLLC, Norman, OK

1978–1981 - Chief Financial Officer, Pre-paid Legal Services, a Public Company, Ada, OK

1978 - - Staff Accountant, Horne & Co., Certified Public Accountants, Ada, OK

National Association of State Boards of Accountancy Experience

Participation in NASBA has included attending regional and annual meetings during the past nine years. Janice was elected to serve as the Southwest Regional Director for the past two years and for the current year.

Committee service has included serving on the Compliance Assurance Committee and serving as chair for the current and previous two years. Current committee service also includes the Relations with Member Boards Committee. Previous committee services include NASBA's Education Committee and the Regulatory Response Committee.

Serving as chairman of the Compliance Assurance Committee Janice has led in the continuing development of Peer Review Oversight Committees for NASBA members. Included in committee responsibilities has been traveling to several jurisdictions to make presentations of information regarding the peer review process and why PROC's are important to educate members of accountancy boards.

Janice served a three year term as the regulator representative on the AICPA Peer Review Board and served a two year term as an inaugural member of the Board of Examiners State Board Committee. Recently Janice was appointed to

serve as the NASBA representative on the Accounting and Review Services Committee of the AICPA.

Oklahoma Accountancy Board Service

Appointed by the Governor in 2003 and 2008, Janice has held all of the leadership positions on the Board and has served on all of the committees of the Board in her 9 1/2 year tenure. She served two terms as the chairman.

During her last term as chair, she led the Board through the process of replacing its long term executive director.

She has been very active in the legislative and rules process during her service on the board. Janice was very involved in the process of writing rules on Peer Review requirements, legislation on mobility, and changes in CPE rules.

Oklahoma Society of CPAs

Janice served on the Board of Directors of the Oklahoma Society of Certified Public Accountant's (OSCPA). She served as a member of the Peer Review Committee for eleven years and served as chair of one of the three report acceptance committees for five years; chair of the Technology Committee for two years; a member of the Nominating Committee, the OSCPAs Strategic Planning Committee, and the Accounting and Auditing committee.

Janice also served a term on the OSCPAs PAC.

Lectures on issues related to Peer Review.

American Institute of CPAs

Janice is currently serving on two task forces with the AICPA Peer Review Board – the Communications Task force and the Quality Control Materials Task Force.

She previously served on the AICPA Board of Examiners State Board Committee, two three-year terms on the AICPA Peer Review Board (one term as the regulator representative) and on the AICPA Private Companies Practice Section Technical Issues Committee which provides direct input to the Financial Accounting Standards Board and Governmental Accounting Standards Board on behalf of local and regional accounting practices.

Community Service

Several local non-profit organizations have benefited from her experience both as a member and officer. She serves on the local Chamber of Commerce Economic Development Sooner Centurions Committee. Janice has also served as a member of the budget and finance committee for her church.

Awards

Ms. Gray was the 2000 and 2006 Distinguished CPA for the Norman Chapter of the OSCP.

In 2003 the Oklahoma Society of CPAs inducted Janice into the Oklahoma Accounting Hall of Fame.

In 2010 she was nominated for the Athena Award in Norman Oklahoma.

Personal

Married since 1978 to Rodney Gray (who is also a CPA and in the OSCP Oklahoma Accounting Hall of Fame as of 2011), they have three children, eight grandchildren and one very special great grandchild.



**STATE OF OKLAHOMA
OKLAHOMA ACCOUNTANCY BOARD**

December 18, 2012

Via email

Mr. Mark P. Harris, CPA, Chair
Nominating Committee
National Association of State Boards of Accountancy
150 Fourth Avenue North, Suite 1300
Nashville TN 37219-2417

Re: Oklahoma Accountancy Board Nomination of Janice L. Gray, CPA, for NASBA
Vice Chair for 2013-2014

Dear Mr. Harris and Members of the Nominating Committee:

At its meeting on December 14, 2012, the Oklahoma Accountancy Board voted unanimously to support Ms. Janice L. Gray, CPA, for the position of NASBA Vice Chair for 2013-2014.

Ms. Gray has proven her leadership qualities as well as her dedication to the accounting profession with her service as an outstanding Southwest Regional Director, Chairman of the Compliance Assurance Committee, NASBA representative to the Accounting and Review Services Committee of the AICPA as well as serving on a variety of other NASBA committees, and as a member and past Chair of the Oklahoma State Board.

Please accept this letter as the Oklahoma Accountancy Board's nomination of Janice L. Gray, CPA, for the position of NASBA Vice Chair for 2013-2014. We appreciate the opportunity to provide this recommendation and respectfully submit it for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Randall A. Ross".

Executive Director

cc: NASBA Nominating Committee
Oklahoma Accountancy Board, Board Members
State Boards of Accountancy



Texas State Board of Public Accountancy

333 Guadalupe, Tower 3 Suite 900, Austin, Texas 78701-3900

William Treacy, Executive Director

January 18, 2013

Mark P. Harris, CPA
National Association of State Board of Accountancy
150 Fourth Ave., Suite 700
Nashville, TN 37210-2417

RE: Nomination of Janice L. Gray, CPA,
as NASBA Vice Chair

Dear Mr. Harris:

The Texas State Board of Public Accountancy is pleased to support the candidacy of **Janice L. Gray, CPA, CVA, CFF**, of Oklahoma, for vice chair of NASBA. Ms. Gray, audit partner of Gray, Blodgett, & Co., PLLC, in Norman, has been in public accounting for nearly 35 years. In both 2000 and 2006, she was honored as a Distinguished CPA by the Norman chapter of OSCP, of which she is a past president, and in 2001 she was inducted into the Oklahoma Accounting Hall of Fame.

Now in her second term as a member of the Oklahoma Accountancy Board, Ms. Gray served as chair during 2006-07 and 2010-11. She has been a member of OSCP's board of directors and served on the Peer Review Committee for 11 years, chairing one of the three report acceptance committees for five years. She also served two years as chair of the Technology Committee and been a member of the Nominating, Strategic Planning, and Accounting and Auditing committees.

In addition to her service as NASBA's Southwest Regional Director, Ms. Gray chairs the Compliance Assurance Committee and is a former member of the Regulatory Response and Education committees. She has been the regulator representative to AICPA's Peer Review Board and a member of AICPA's Board of Examiners State Board Committee and the Private Companies Practice Section Technical Issues Committee, which provides direct input to the Financial Accounting Standards and Governmental Accounting Standards boards. In Norman, Ms. Gray has provided leadership to the United Way, Crossroads Youth & Family Shelter, her church, and the local chamber of commerce.

Janice Gray has proved herself an insightful and effective leader in the profession through her service at the local, state, and national levels. The Texas Board endorses her candidacy wholeheartedly.

Sincerely yours,

TEXAS STATE BOARD OF
PUBLIC ACCOUNTANCY

William Treacy
Executive Director

cc: Janice L. Gray, CPA

Administration/
Accounting
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Automated
Information
(512) 305-7870

CPE
(512) 305-7844

Enforcement
(512) 305-7866

Licensing
(512) 305-7853

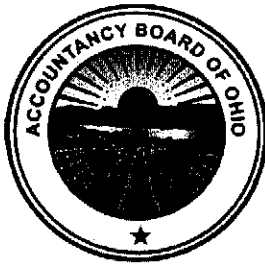
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Review
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FAX
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(512) 305-7854

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ACCOUNTANCY BOARD OF OHIO

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RONALD J. ROTARU, EXECUTIVE DIRECTOR

November 9, 2012

Mr. Mark P. Harris, CPA
Chair, Nominating Committee
National Association of State Boards of Accountancy
150 Fourth Avenue North, Suite 700
Nashville, TN 37219-2417

Dear Mr. Harris,

The Accountancy Board of Ohio unanimously supports the nomination of Theodore W. Long Jr, ("Ted") for the Board of Directors position of Vice Chair of the National Association of State Boards of Accountancy ("NASBA").

National Association of State Boards of Accountancy Experience

He has served as a Director at Large on the NASBA Board of Directors for four years and currently Chairs the Global Strategies Committee. He also served as the Great Lakes Regional Director for three term's.

During his tenure on the Board, he had significant accomplishments. In his role as Chair of the Administration and Finance Committee and as Treasurer of the Board, he changed the investment policy from a tactical to a strategic focus by expanding the role and responsibility of the investment advisor. As Chair of the CPE Advisory Committee for three terms; he created a taskforce to analyze and implement changes to the CPE Provider Standards. He also Chaired the Relations with Member Boards Committee and developed an executive summary for focus questions and created a structured visitation program.

He also has served as a member of various other Board committees including: the Strategic Planning Task Force, CEO Selection Advisory, Executive, CBT Examination Communication, CPA Mobility Task Force, International Delivery of the CPA Exam, Bylaws and Audit committee.

Accountancy Board of Ohio and Professional and Civic Experience

He is a former member of the Accountancy Board of Ohio where he served for eleven years. He served as Chair for three years and as Chair of the Board's Disciplinary Advisory, Peer Review, Licensing, Nominating, Education Assistance and Office Oversight Committees.

He is a retired partner of Ernst & Young LLP, with over thirty years of experience, primarily in the area of attest and advisory services. He has served on the Ohio CPA Society's Board of Directors, as well as being a member of various nonprofit boards of directors.

In conclusion, The Accountancy Board of Ohio believes that his leadership and extensive board and regulatory experience eminently qualify him for the Board of Directors position of Vice Chair of the National Association of State Boards of Accountancy.

We appreciate your consideration.

Very Truly Yours,

A handwritten signature in dark ink, appearing to read "R. Rotaru", is written over a horizontal line.

Margaret Houston,
Chair





FLORIDA BOARD OF ACCOUNTANCY

240 Northwest 76 Drive Suite A
Gainesville Florida 32607-1111
(352)333-2505 – Fax 352(333-2508)

December 13, 2012

Mr. Mark P. Harris, CPA
NASBA Nominating Committee
150 Fourth Avenue North, Suite 700
Nashville Tennessee 37219-2417

Dear Mr. Harris:

At their November 16, 2012 meeting, the Florida Board of Accountancy voted to endorse Theodore W. Long, Jr., CPA of Ohio for the position of NASBA Vice-Chair, and submits this letter endorsing Mr. Long's candidacy.

Mr. Long has been associated with NASBA for over 20 years. In addition to serving as the Great Lakes Regional Director for three years, Mr. Long has served as a Director at Large on the NASBA Board of Directors for four years. He has also served as Treasurer of the Board, and has chaired the Administration and Finance Committee, CPE Advisory Committee, the Relations with Member Boards Committee, and is the current chair of Global Strategies Committee. Mr. Long's extensive service also includes serving on various NASBA committees and eleven years as a member of the Accountancy Board of Ohio. Mr. Long's service to the Accountancy Board of Ohio includes three years as chair.

He is a retired partner of Ernst & Young, LLP with over thirty years of experience and has served on the Ohio CPA Society's Board of Directors.

The Florida Board requests that the Nominating Committee accept and support our endorsement of Theodore W. Long Jr., CPA for the position of NASBA Vice-Chair.

Respectfully,

Cynthia Borders-Byrd

Cynthia Borders-Byrd, CPA
Chair

Maria E. Caldwell, CPA
Cynthia Borders-Byrd, CPA, Chair
William Durkin, CPA, Vice-Chair
Stephen C. Riggs, CPA
Dr. Martin Fennema, CPA

Eric Robinson, CPA
David L. Dennis, CPA
Teresa Borcheck, Consumer Member
H. Steven Vogel, Consumer Member

Veloria A. Kelly, Executive Director
Mary Ellen Clark, Esq., Legal Counsel



Texas State Board of Public Accountancy

333 Guadalupe, Tower 3 Suite 900, Austin, Texas 78701-3900

William Treacy, Executive Director

January 18, 2013

Mark P. Harris, CPA, Chair
NASBA Nominating Committee
150 Fourth Ave., Suite 700
Nashville, TN 37210-2417

RE: Nomination of Theodore W. (Ted) Long Jr.
As Vice Chair of NASBA, 2013-2014

Dear Mr. Harris:

It is with great pleasure that the Texas State Board of Public Accountancy supports the candidacy of **Ted Long, CPA**, of Ohio as Vice Chair of NASBA for 2013-2014. He retired as a partner of Ernst & Young LLP with over 30 years of experience.

Mr. Long has been a director-at-large of NASBA for four years and was the Great Lakes Regional Director for three. He has served on numerous NASBA committees that run the gamut of concerns facing the profession, and he currently chairs the Global Strategies Committee.

As a Board member, he has made several significant contributions to how NASBA operates:

- As Board treasurer and chair of the Administration & Finance Committee, he changed the investment policy from a tactical to a strategic focus;
- As chair of the CPE Advisory Committee, he created a task force to improve CPE provider standards; and
- As chair of the Relations with Member Boards Committee, he developed an executive summary for focus questions and created a structured visitation program.

His 11 years on the Accountancy Board of Ohio included 3 as chair and service on several committees: Disciplinary Advisory, Peer Review, Licensing, Nominating, Education Assistance, and Office Oversight. He has also served on the Ohio CPA Society's Board of Directors, and in his community, on the boards of various nonprofits.

There is no issue facing the profession today on which Ted Long is not well-versed. He will make an excellent NASBA Vice Chair and we strongly endorse his candidacy.

Sincerely yours,

TEXAS STATE BOARD OF
PUBLIC ACCOUNTANCY

William Treacy
Executive Director

cc: Ted Long, CPA

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CURRICULUM VITAE

Kathleen J. Smith
Department of Accounting & Finance
University of Nebraska at Kearney
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Kearney, NE 68849-1220
Telephone: (308)865-8008
Fax: (308) 865-8310
E-mail: smithk@unk.edu

Home: 6715 West Highway 30
Kearney, NE 68845
Telephone: (308) 627-7887
E-mail: kjsmith2@msn.com

Academic Degrees

LL.M. in Taxation: University of the Pacific, McGeorge School of Law, Sacramento, California, 1989.

Master of Professional Accountancy: University of South Dakota, Graduate School of Business, Vermillion, S.D., 1982.

Juris Doctorate: University of South Dakota, School of Law, Vermillion, S.D., 1979.

Bachelor of Science in Business Administration (Accounting): University of South Dakota, School of Business, Vermillion, S.D., 1976.

Professional Experience

2000-Present:	Professor, UNK (Individual Income Tax, Advanced Income Tax, Tax Seminar, and Business Law)
2004-2006:	Interim Vice Chancellor for University Relations, UNK
2001-2004:	Dean, College of Business and Technology, UNK
1992-2001:	Chair, Department of Accounting and Finance, UNK
1989-2000:	Associate Professor, UNK (tenure granted in 1995 and graduate faculty status in 1999)
1982-1988:	Assistant Professor, School of Business, University of South Dakota, Vermillion, S.D.
1980-1981:	Deputy State's Attorney, Minnehaha County, Sioux Falls, S.D.
1979-1980:	Attorney, Weisensee and Smith, Sioux Falls, S.D.
1980-Present:	Business/Tax Consultant

Current Professional and Academic Association Memberships

Certified Public Accountant, South Dakota (#1185: Inactive)
South Dakota Bar Association
Midwest Business Administration Association
United States Tax Court
The American Association of Attorney-Certified Public Accountants
National Association of State Boards of Accountancy

American Accounting Association
American Institute of Certified Public Accountants
Nebraska Society of Certified Public Accountants
Phi Delta Phi International Legal and Honor Fraternity
Delta Sigma Pi Business Fraternity
Sigma Beta Delta Business Honorary Society
Beta Gamma Sigma Business Honorary Society
Phi Kappa Phi Honorary Society

Awards

Phi Kappa Phi (2002)
Nebraska "Outstanding Accounting Educator" (1999), Nebraska Society of CPAs
Alpha Kappa Upsilon Iota (1999)
UNK "Profiles in Excellence" Faculty (1997)
Mortar Board Chapter Faculty Citation (1998)
"Who's Who in America in Finance and Industry" (1996)
"Outstanding Teacher of the Year" (1987-1988), University of South Dakota
Outstanding Young Women of America (1982)

Service Activities

National:

National Association of State Boards of Accountancy (1994-present):

Board of Directors---Director-at-Large (2003-2011);
Central Regional Director (2001-2003)
International Qualifications Appraisal Board (2010-present)
Bylaws Committee, Chair (2010-2011), Member (2011-present)
Awards Committee, Chair (2009-2010), Member (2001-2002)
CPA Licensing Examination Committee (2007-2009)
Committee on National Examination Preparedness (2006-2009)
Legal Affairs Committee, Chair (2005-2007)
PCAOB Response Special Task Force (2005-2007)
Education Committee, Chair (2004-2005)
150 Hour Task Force (2004-2005)
Uniform Accountancy Act Committee, Chair (2002-2004)
Committee on Relations with Member Boards (2001-2003)
Strategic Initiatives Committee (1998-2001)
Committee Resource Pool (1994-1998)

American Institute of Certified Public Accountants:

CPA Examination Content Committee (2002-2005)
Business Environment and Concepts Examination Preparation
Committee, Chair (2002-2005)
Regulation and Business Item Review Examination Committee
(2001-2002)

ACT and Professional Examination Service (PES):

Reviewer of CPA Examination Questions (2005-present)

State-Wide:

Nebraska State Board of Public Accountancy (1994-2003):

Chair (1998-1999); Vice Chair (1995-1998)
Educational Advisory Committee (1994-present)
Legislative Committee (1995-2003)
Enforcement of Professional Conduct Committee, Chair: (1999-2003), Member (1994-1995, 1998-2003)
Continuing Education Committee, Chair (1996-1998), Member (1994-1995, 1996-1998)
Quality Enhancement Committee, Chair (1995-1996)
Examination and Licensing Committee (1995-1996, 1998-2000)
Proctor for Certified Public Accountant Examination (1994-2003)

Nebraska Society of Certified Public Accountants:

Accounting Careers Committee (1995-1999)
Taxation Committee (1994-1995)

University-Wide (last six years):

University-wide Fringe Benefits Committee (2006-present)
UNK Strategic Planning Committee (2004-present)
UNK Ambassadors Advisory Board (1992-present)
Chancellor's Special Task Force on Title IX Compliance (2008)
UNK Faculty Senate (2007-2010, 1999-2001, 1998, 1990-1992)
UNK Women in Higher Education Leadership (2002-2006)
Chancellor's Gender Equity Committee (2006-present, 1992-1997)
Chair (1994-1997)
Chancellor's Executive Vice Chancellors Council (2004-2006)
Chancellor's Administrative Council (2001-2006)

Community:

Chamber of Commerce (1994-present)
University Relations Committee (2004-present)
Kearney Area Business and Professional Women (1992-2000)
Treasurer (1996-1999)
Woman of the Year Chair (1994-1996)
University of Nebraska Foundation Annual Campaign Volunteer
Buffalo County American Heart Association Telethon Volunteer
United Way Campaign Team Captain

Publications

"The 150-Hour Requirement---Past, Present, and Future," with Bruce Elder, *Economics and Business Journal: Inquiries and Perspectives* (Refereed), forthcoming, 2012.

"A Critical Review of the 'Good Moral Character' Licensing Requirement for Certified Public Accountants", with Laurie Swinney and Bruce Elder, *Journal of*

Accounting and Finance Research (Refereed), Volume 11, Number 5, Winter, 2003.

"A Critical Review of the 'Good Moral Character' Licensing Requirement for Certified Public Accountants," with Laurie Swinney and Bruce Elder, *American Academy of Accounting and Finance Annual Meeting Proceedings* (Refereed), New Orleans, Louisiana, December, 2002.

"Provisions Predicting Support for the Uniform Accountancy Act," with Laurie Swinney, *American Society of Business and Behavioral Sciences Annual Conference Proceedings* (Refereed), Las Vegas, Nevada, February, 2001.

"The Uniform Accountancy Act: Applauded or Opposed by State Boards of Public Accountancy and State Societies of Certified Public Accountants," with Laurie Swinney, *American Accounting Association Midwest Regional Meeting Proceedings* (Refereed), April, 2000.

"Modifying Retiree Healthcare Benefits: An Overview of Recent Court Decisions and Their Implications for Employers and Employees," with Cynthia Sneed and Larry Carstenson, *Journal of Accounting and Finance Research* (Refereed), Volume 6, Number 2, Spring, 1999.

"Examining the Determinants of State Borrowing Costs: Controlling for Different Terms to Maturity," with Cynthia Sneed and John Sneed, *Management Research News* (Refereed), Volume 20, Number 10, Fall, 1997.

"Are Municipal Taxpayers Aware of the Cost of Services?: A Test of the Debt Illusion Hypothesis," with Cynthia Sneed, *Journal of Accounting and Finance Research* (Refereed), Volume 4, Number 4, Winter, 1997.

"Assessing the Obligation for State Retiree Healthcare Benefits: How Large is the Liability?," with Cynthia Sneed and John Sneed, *Municipal Finance Journal* (Refereed), Volume 17, Number 3, Fall, 1996.

"The Americans with Disabilities Act: Tax Implications for Business," with Karl Borden and Bruce Elder, *Midwest Business Administration Association Conference Proceedings* (Refereed), Chicago, Illinois, March, 1993.

"A Comparison of Female and Male Student Perceptions, Preferences and Performance in an Undergraduate Tax Class," with Thomas Davies and David Moen, *Decision Sciences Institute Conference Proceedings* (Refereed), San Francisco, California, November, 1992.

"Keeping the Tax Class Current: A Study of Practitioners' Views and Professors' Practices," with Thomas Davies and David Moen, *Decision Sciences Institute Conference Proceedings* (Refereed), Miami Beach, Florida, November, 1991.

"Perceptions, Practices, and Problems: The Alternative Minimum Tax and Depreciation Methods After the Tax Reform Act of 1986," with Thomas Davies and David Moen, *Decision Sciences Institute Conference Proceedings* (Refereed), Las Vegas, Nevada, October, 1988.

"Depreciation and the Alternative Minimum Tax After the Tax Reform Act of 1986: Who Knows What and What Should They Know," with Thomas Davies and David Moen, *Southwest Business Symposium Proceedings* (Refereed), Edmund, Oklahoma, April, 1988.

"South Dakota Financial Institutions Tax Study," South Dakota Bankers Association, 1983.



Susan L. Somers, Executive Director

Board of Accountancy

Sam Brownback, Governor

December 15, 2012

Mr. Mark P. Harris, CPA, Chair
Nominating Committee/NASBA
150 4th Avenue North, Ste. 700
Nashville, TN 37219-2417

Re: Nomination of Kathleen J. Smith for NASBA Vice-Chair

Dear Mark:

The Kansas Board of Accountancy recommends Kathleen J. Smith for Vice-Chair of NASBA's Board of Directors.

Ms. Smith has a long history of being involved in NASBA activities, where she has recently completed ten years on NASBA's Board of Directors. Her NASBA experience includes serving as NASBA Director at Large; NASBA Central Region Director; Chair of NASBA's Education, Bylaws, Legal Affairs and Awards Committees; member of the AICPA Content Committee; Chair of the Business Environment and Concepts (BEC) Exam Subcommittee; and member of the Uniform Accountancy Act Committee; and she currently serves on the International Qualifications Appraisal Board.

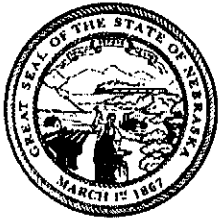
We believe that Ms. Smith's educational experience and her vast knowledge of the CPA Exam, coupled with her past experience of serving on the Nebraska Board of Public Accountancy, makes her an extraordinary candidate. I have personally served on the International Qualifications Appraisal Board with Ms. Smith and can attest to her high standards of commitment to the profession.

We respectfully and whole-heartedly nominate Ms. Smith for the position of NASBA Vice-Chair. If you need any additional information, please do not hesitate to contact us.

Sincerely,

Jeffrey A. Leiserowitz, CPA, Chair
Kansas Board of Accountancy

cc: State Boards of Accountancy



Dave Heineman
Governor

STATE OF NEBRASKA

BOARD OF PUBLIC ACCOUNTANCY

P.O. Box 94725, Lincoln NE 68509

(402) 471-3595 or (800) 564-6111

Fax (402) 471-4484

Home Page: www.nbpa.ne.gov

December 12, 2012

Mr. Mark P. Harris, CPA, Chair
Nominating Committee/ NASBA
150 4th Avenue North, Ste 700
Nashville, TN 37219-2417

Re: Nomination of Kathleen J. Smith for NASBA Vice-Chair

Dear Mr. Harris:

The Nebraska State Board of Public Accountancy hereby submits the name of Kathleen J. Smith for Vice-Chair of the NASBA Board of Directors.

Ms. Smith has been very active within NASBA, recently completing ten years on the NASBA Board of Directors. She served eight years as a Director at Large and two years as the Central Region Director. Ms. Smith has presided as Chair of the NASBA Education, Bylaws, Legal Affairs, Awards, and Uniform Accountancy Act Committees. She currently serves on the International Qualifications Appraisal Board. In the past, she has served on the NASBA CPA Licensing Examination, Strategic Initiatives, and Relations with Member Boards Committees, as well as, the Committee on National Examination Preparedness, PCAOB Response Task Force, and the 150 Hour Task Force.

Ms. Smith especially has a wealth of knowledge and experience in regard to the Uniform Certified Public Accountants Examination. In the past, she served as a member of the AICPA Content Committee and chaired the Business Environment and Concepts (BEC) Exam Subcommittee. We believe her knowledge is invaluable regarding NASBA's relationship with the AICPA and the CPA exam.

Ms. Smith served over eight years on the Nebraska State Board of Public Accountancy, including serving as Chair of the Board. She also participated in and chaired various committees of the Board including Enforcement, CPE, and Quality Enhancement. She was active, and continues to be active, in our Educational Advisory Committee.

Page 2

Mr. Mark P. Harris

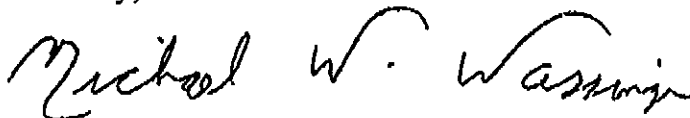
Ms. Smith is currently a Professor of Accounting and Business Law at the University of Nebraska at Kearney (UNK), after serving as Dean of the College of Business and Technology and Vice Chancellor of University Relations. She is a graduate of the University of South Dakota with a B.S. in Business Administration (Accounting), a Master of Professional Accountancy and Juris Doctor, as well as, an L.L.M. in Taxation from the University of the Pacific, McGeorge School of Law. Ms. Smith brings a wide range of experiences that include being a deputy state's attorney, a practicing attorney, a business and tax consultant, a professor, and an educational administrator.

Ms. Smith's current professional and academic memberships include the Nebraska Society of CPAs, American Accounting Association, United States Tax Court, the American Association of Attorney-Certified Public Accountants, and the National Education Association. She holds her Certified Public Accountant certificate through the state of South Dakota and is a licensed attorney. Ms. Smith has made numerous professional presentations and has authored many publications involving taxation and accounting.

The members of the Nebraska State Board of Public Accountancy are confident Ms. Smith has prepared herself well for the position of Vice Chair of the NASBA Board of Directors. Her experience, knowledge, and personal skills make her an excellent candidate.

If you or your committee requires further information, do not hesitate to contact us. We would be pleased to provide further information if needed. The members of the Nebraska State Board of Public Accountancy are pleased to nominate and support Ms. Smith for the position of NASBA Vice-Chair.

Sincerely,

A handwritten signature in black ink that reads "Michael W. Wassinger". The signature is fluid and cursive, with the first name "Michael" being the most prominent.

Michael W. Wassinger, CPA- Chair
Nebraska State Board of Public Accountancy

cc. Nebraska State Board of Accountancy/ Members
State Boards of Accountancy

KENNETH R. ODOM, CPA, CGFM, CGMA

Mr. Odom, is a licensed Certified Public Accountant in both Alabama and Florida, and is the Compliance Assurance Partner with the firm of Rabren, Odom, Pierce & Hayes, P.C. in Andalusia, Alabama. He graduated Summa Cum Laude from Troy University in 1976 and has been involved in public accounting for the past 37 years. He has also earned the Certified Government Financial Managers designation from the Professional Certification Board of the Association of Government Accountants.

Mr. Odom is currently serving his Second year as one of the nine National Association of State Boards of Accountancy's at Large Director's and is the current Chair of the Uniform Accountancy Act (UAA) Committee. He has served as Chair of the Relations with Member Boards Committee, Chair of the Compliance Assurance Committee, Co- Chair of the Enforcement Practice's Committee. He has also served as a member of the Regulatory Response Committee, the State Board Relevance and Effectiveness Committee, the Accountancy Licensing Database (ALD) Committee, the Mobility Task Force and is the Secretary of the NASBA Board of Directors. In addition he has represented NASBA as a member on the American Institute of Certified Public Accountants (AICPA) Auditing Standards Board as is a current member of the American Institute of Certified Public Accountant's task force on establishing a Financial Reporting Framework for Small and Medium Size Entities (An Other Comprehensive Basis of Accounting).

On the state level Mr. Odom is currently in the second year of his second four year term on the Alabama State Board of Public Accountancy. His past service to the Alabama State Board of Public Accountancy includes Vice-Chairman (2008-2009) and as its Chairman (2009-2010). He chaired a joint Mobility Task Force with the Alabama Board and the Alabama Society of CPAs and served on another joint Task Force reviewing the education requirement in Alabama for becoming a CPA and when a candidate can sit for the CPA examination.

Mr. Odom is a member of the American Institute of Certified Public Accountants, the Alabama Society of Certified Public Accountants, the Florida Institute of Certified Public Accountants, the Association of Government Accountants, and the Government Finance Officers Association. He has served on the Alabama Society of Certified Public Accountants (ASCPA) Committee on Governmental Accounting and Auditing for nine years and as its chairman for three years. He also served on the ASCPA Peer Review Committee for nine years and as its chairman for three years as well as serving as chairman of the Ethics Committee for three years. Mr. Odom has also represented the Alabama Society of Certified Public Accountants as a member of the Southeastern Intergovernmental Audit Form for 10 years.

Mr. Odom has served as a speaker at the annual meeting of the Alabama Society of Certified Public Accountants addressing his peers on matters relating to Accounting and Auditing. He has also served the state society as a discussion leader for continuing education courses in the area of Governmental Accounting and Auditing, and Non-Profit Accounting and Auditing. Mr. Odom is a past factuality member of the AICPA continuing professional education program and also has written and presented courses on Governmental Accounting and Auditing for the ASCPA. In 2004 the Alabama Society of CPAs awarded him the *Thomas A. Ratcliffe Outstanding Discussion Leader Award* as the outstanding discussion leader for the year. Mr. Odom has also been inducted into the Troy University Accounting Hall of Fame in recognition of his professional success and long term support of accounting education at Troy University.