

Meeting Agenda
SOUTH DAKOTA BOARD OF ACCOUNTANCY
 Conference Call
 Call in Number 1-844-833-2684 Access Code 0665978#
 March 21, 2018
 8:30 a.m. (CT)

A=Action
 D=Discussion
 I=Information

A. Call to Order.....	Pummel
B. Roll Call	Kasin
C. A-Approval of Minutes of Meeting January 8, 2018.....	1-3
D. A-Approval of Certificates & Firm Permits.....	4-5
E. A-Approval of Financial Statements through January 2018.....	6-25
F. D-Executive Director's Report.....	26

NASBA

G. D-Board of Directors Meeting Minutes October 27 & 31, 2017.....	27-36
H. D-Board of Directors Meeting Highlights January 12, 2018.....	37-38
I. D-Executive Summary and Regional Directors Focus Questions December.....	39-46
J. A-Quarterly Focus Questions.....	47

EXECUTIVE SESSION

K. Equivalent Reviews, South Dakota Review, Follow-Up and off-site Request and Consent Agreements for Board Approval.....	Spt. Pkt.
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FUTURE MEETING DATES (all times CT)

- L. Meeting Dates TBD
- M. Adjournment

Meeting Minutes
SOUTH DAKOTA BOARD OF ACCOUNTANCY
Conference Call
January 8, 2018 8:30 a.m. CST

Chair David Pummel called the meeting to order at 8:30 a.m. Nicole Kasin called the roll. A quorum was present.

Members Present: Jay Tolsma, Marty Guindon, Jeff Smith, Deidre Budahl, and David Pummel.

Others Present: Nicole Kasin, Executive Director and Julie Iverson, Sr. Secretary.

Member Not Present: Jeff Strand

Chair Pummel asked if there were any additions to the agenda. The following were added:

Addition to hearing for Jason Malsam
Addition to hearing for Susan Meidinger
Addition to hearing for Dale Norton III
Addition to Certificates
Addition to Report to Board on Request for Reinstatement of Relinquished CPA License
Report to the Board on Grades
Addition to Executive Session

Marty Guindon made a motion to approve the agenda. Deidre Budahl seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma-yea; Guindon-yea; Smith-yea; Budahl-yea; Pummel-yea)

Hearing 8:31 a.m. for Jason Malsam

Present were Board Chair David Pummel, Vice Chair Deidre Budahl, Secretary-Treasurer Jeff Smith, Board Members Jay Tolsma and Marty Guindon. Others present were staff members Nicole Kasin, Executive Director; Julie Iverson, Senior Secretary.

Executive Director Nicole Kasin provided the documentation concerning the case to the Board. The Board closed the hearing at 8:35 a.m.

A motion was made by Deidre Budahl to enter into executive session for the purpose of deliberation on the Jason Malsam case. Jeff Smith seconded the motion. **MOTION PASSED** (Tolsma-yea; Guindon-recused; Smith-yea; Budahl-yea; Pummel-yea).

The Board came out of executive session.

A motion was made by Deidre Budahl to accept Jason Malsam's admission of guilt and paying an administrative fine of \$100 due within 30 days. Jeff Smith seconded the motion. **MOTION PASSED** (Tolsma-yea; Guindon-recused; Smith-yea; Budahl-yea; Pummel-yea).

Hearing 8:43 a.m. for Susan Meidinger

Present were Board Chair David Pummel, Vice Chair Deidre Budahl, Secretary-Treasurer Jeff Smith, Board Members Jay Tolsma and Marty Guindon. Others present were staff members Nicole Kasin, Executive Director; Julie Iverson, Senior Secretary.

Executive Director Nicole Kasin provided the documentation concerning the case to the Board. The Board closed the hearing at 8:48 a.m.

A motion was made by Marty Guindon to enter into executive session for the purpose of deliberation on the Susan Meidinger case. Deidre Budahl seconded the motion. **MOTION PASSED** (Tolsma-yea; Guindon-yea; Smith-yea; Budahl-yea; Pummel-yea).

The Board came out of executive session.

A motion was made by Deidre Budahl to accept relinquishment of Susan Meidinger's license. Jay Tolsma seconded the motion. **MOTION PASSED** (Tolsma-yea; Guindon-yea; Smith-yea; Budahl-yea; Pummel-yea).

Hearing 8:50 a.m. for Dale Norton III

Present were Board Chair David Pummel, Vice Chair Deidre Budahl, Secretary-Treasurer Jeff Smith, Board Members Jay Tolsma and Marty Guindon. Others present were staff members Nicole Kasin, Executive Director; Julie Iverson, Senior Secretary.

Executive Director Nicole Kasin provided the documentation concerning the case to the Board. The Board closed the hearing at 8:53 a.m.

A motion was made by Jeff Smith to enter into executive session for the purpose of deliberation on the Dale Norton III case. Marty Guindon seconded the motion. **MOTION PASSED** (Tolsma-yea; Guindon-yea; Smith-yea; Budahl-yea; Pummel-yea).

The Board came out of executive session.

A motion was made by Marty Guindon to accept Dale Norton's admission of guilt and paying an administrative fine of \$100 due within 30 days. Jay Tolsma seconded the motion. **MOTION PASSED** (Tolsma-yea; Guindon-yea; Smith-yea; Budahl-yea; Pummel-yea).

Deidre Budahl made a motion to approve the December 5, 2017 meeting minutes. Jay Tolsma seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma -yea; Guindon-yea; Smith-yea; Budahl-yea; Pummel-yea)

Marty Guindon made a motion to approve the issuance of individual certificates and firm permits through January 5, 2018. Deidre Budahl seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma-yea; Guindon-yea; Smith-yea; Budahl-yea; Pummel-yea)

Laura Coome, Executive Director SD CPA Society, joined the meeting at 9:00 a.m.

Jay Tolsma made a motion to approve the financial statements through November 2017. Deidre Budahl seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma -yea; Guindon-yea; Smith-yea; Budahl-yea; Pummel-yea)

The Board discussed Nick Garry's request for reinstatement of his relinquished certificate.

Marty Guindon made a motion to accept his request for reinstatement of his license and Garry will not be granted CPE extensions for 3 years. Deidre Budahl seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma-yea; Guindon-yea; Smith-yea; Budahl-yea; Pummel-yea)

Laura Coome, Executive Director SD CPA Society, left the meeting at 9:10 a.m.

The Board discussed the NASBA Executive Directors Conference which will be held in Destin, FL

March 13-15, 2018, and the NASBA Legal Counsel Conference which will be held in Destin, FL, March 13-15, 2018.

Jay Tolsma made a motion to approve the travel for the Executive Director to attend the NASBA Executive Directors Conference held in Destin, FL March 13-15, 2018, and Legal Counsel to attend the NASBA Legal Counsel conference held in Destin, FL March 13-15, 2018. Deidre Budahl seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma-yea; Guindon-yea; Smith-yea; Budahl-yea; Pummel-yea)

Laura Coome, Executive Director SD CPA Society, joined the meeting at 9:22 a.m.

Executive Director Kasin discussed her report with an update on the new database, CPE audits, and the draft of the interstate compact for the temporary licensure of professionals from the Governor's office.

Laura Coome, Executive Director SD CPA Society, left the meeting at 9:26 a.m.

The Board reviewed the report on the CPA exam grades for the 55th Window.

Marty Guindon made a motion to ratify the CPA exam scores for the 55th window through December 2017. Deidre Budahl seconded the motion. A roll call vote was taken. **MOTION PASSED** (Tolsma – yea; Guindon-yea; Smith-yea; Budahl-yea; Pummel-yea)

Deidre Budahl made a motion to enter into executive session for the deliberative process for peer reviews, follow-up, extensions, and off-site requests. Jeff Smith seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma-yea; Guindon-yea; Smith-yea; Budahl-yea; Pummel-yea)

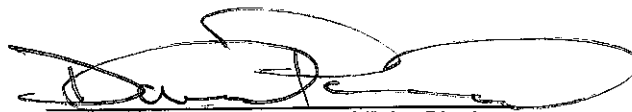
The Board came out of executive session.

Marty Guindon made a motion to accept the peer reviews, the follow-up, grant the extension and the off-site requests as discussed in executive session. Deidre Budahl seconded the motion. A roll call vote was taken. **MOTION PASSED** (Tolsma-yea; Guindon-yea; Smith-yea; Budahl-yea; Pummel-yea)


FUTURE MEETING DATES (all times CT)
March 21, 2018 – 8:30 a.m. conference call

Jeff Smith made a motion to adjourn the meeting. Deidre Budahl seconded the motion. A roll call vote was taken. **MOTION PASSED** (Tolsma-yea; Guindon-yea; Smith-yea; Budahl-yea; Pummel-yea)

All business having come before the board was concluded and Chair David Pummel adjourned the meeting at 9:43 a.m.



David Pummel, CPA, Chair

Attest: 

Nicole Kasin, Executive Director



Jeff Smith, Sec/Treasurer

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES
BOARD COPY**

Issued Through March 12, 2018

Number	Name	Date Issued	Location
3352	Seth Nelson Rombough	01/09/18	Sioux Falls, SD
3353	Sarah Joy Ridley	01/09/18	Sioux Falls, SD
3354	Heather Ranee Adkins	01/10/18	Omaha, NE
3355	Mollie Mae Blaschko	01/12/18	Sioux Falls, SD
3356	Travis Andrew Brown	01/19/18	Adrian, MN
3357	Donald Eugene Fallis	01/30/18	Sioux Falls, SD
3358	Dominic Robert Schweder	02/15/18	Sioux Falls, SD
3359	Mary Ann Hlebechuk	02/21/18	Rapid City, SD
3360	Michaela Renae Rogers	02/23/18	Aberdeen, SD
3361	Natalie Rose Gubbels	02/23/18	Yankton, SD
3362	Carly Christina Murtha	02/26/18	Sioux Falls, SD

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

**Issued Through
March 12, 2018**

Number	Name	Date Issued	Basis/Comments
1710	Mandy Morris, CPA Summerset, SD	01/12/18	New Firm
1711	NemecCPA, PC Sioux Falls, SD	01/25/18	Name Change
1712	Flugge, Determan & Julius, LLC Sioux Falls, SD	01/26/18	Name Change
1713	Compass Tax & Accounting Prof. LLC Sioux Falls, SD	02/16/18	New Firm

BA1409R1

STATE OF SOUTH DAKOTA
CASH CENTER BALANCES
AS OF: 12/31/2017

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

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	481,825.69	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			481,825.69	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			481,825.69	DR **	
BUDGET UNIT TOTAL 1031			481,825.69	DR ***	

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 12/31/2017

AGENCY	BUDGET UNIT	CENTER-5	10	1031	10310	LABOR & REGULATION	BOARD OF ACCOUNTANCY	BOARD OF ACCOUNTANCY			
COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL #	OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/CR
PROFESSIONAL & LICENSING BOARDS											
6503	103100061802	51010100	CGEX171129	12/01/2017						2,852.33	DR
6503	103100061802	51010100	CGEX171213	12/15/2017						2,759.53	DR
F-T EMP SAL & WAGES											
6503	103100061802	51010200	CGEX171129	12/01/2017						5,611.86	DR
6503	103100061802	51010200	CGEX171213	12/15/2017						1,046.85	DR
6503	103100061802	51010200	CGEX171221	12/27/2017						285.00	DR
P-T/TEMP EMP SAL & WAGES											
6503	103100061802	51010300	CGEX171129	12/01/2017						2,323.68	DR
6503	103100061802	51010300	CGEX171213	12/15/2017						180.00	DR
BOARD & COMM MBRS FEES											
6503	103100061802	51020100	CGEX171129	12/01/2017						8,415.54	DR
6503	103100061802	51020100	CGEX171213	12/15/2017						277.72	DR
6503	103100061802	51020100	CGEX171221	12/27/2017						275.87	DR
OASI-EMPLOYER'S SHARE											
6503	103100061802	51020200	CGEX171129	12/01/2017						575.39	DR
6503	103100061802	51020200	CGEX171213	12/15/2017						233.96	DR
6503	103100061802	51020200	CGEX171221	12/27/2017						225.09	DR
RETIREMENT-ER SHARE											
6503	103100061802	51020600	CGEX171129	12/01/2017						476.15	DR
6503	103100061802	51020600	CGEX171213	12/15/2017						780.92	DR
6503	103100061802	51020600	CGEX171221	12/27/2017						769.54	DR
HEALTH/LIFE INS.-ER SHARE											
6503	103100061802	51020800	CGEX171129	12/01/2017						1,550.46	DR
6503	103100061802	51020800	CGEX171213	12/15/2017						6.65	DR
6503	103100061802	51020800	CGEX171221	12/27/2017						6.37	DR
WORKER'S COMPENSATION											
6503	103100061802	51020900	CGEX171129	12/01/2017						13.50	DR
6503	103100061802	51020900	CGEX171213	12/15/2017						1.78	DR
6503	103100061802	51020900	CGEX171221	12/27/2017						1.68	DR
UNEMPLOYMENT COMPENSATION											
6503	103100061802	52031500	CGEX171205	12/06/2017						3.59	DR
6503	103100061802	52032200	CGEX171205	12/06/2017						2,619.09	DR
6503	103100061802	52032300	CGEX171205	12/06/2017						11,034.63	DR
NON-TAXABLE MEALS/IN-ST											
6503	103100061802	52032300	CGEX171205	12/06/2017						94.00	DR
6503	103100061802	52032300	CGEX171205	12/06/2017						55.44	DR
6503	103100061802	52032300	CGEX171205	12/06/2017						40.32	DR

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 12/31/2017

AGENCY 10 LABOR & REGULATION
BUDGET UNIT 1031 BOARD OF ACCOUNTANCY
CENTER-5 10310 BOARD OF ACCOUNTANCY

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
OBJSUB: 5203230 AUTO-PRIV. (OUT-STATE) H/R										
6503	103100061802	52032600	CSEX171205	12/06/2017	406489				95.76	DR *
6503	103100061802	52032600	CSEX171205	12/06/2017	406500				595.60	DR DR
6503	103100061802	52032600	CSEX171205	12/06/2017	406499				453.36	DR DR
6503	103100061802	52032600	CSEX171205	12/06/2017	406498				421.80	DR DR
6503	103100061802	52032600	CSEX171205	12/06/2017	406498				401.60	DR DR
6503	103100061802	52032600	CSEX171214	12/15/2017	414841				358.00	DR DR
OBJSUB: 5203260 AIR-COMM-OUT-OF-STATE										
6503	103100061802	52032800	CSEX171205	12/06/2017	406499				2,230.36	DR *
6503	103100061802	52032800	CSEX171205	12/06/2017	406500				118.89	DR DR
6503	103100061802	52032800	CSEX171205	12/06/2017	406489				114.00	DR DR
6503	103100061802	52032800	CSEX171214	12/15/2017	414841				86.12	DR DR
6503	103100061802	52032800	CSEX171214	12/15/2017	414841				105.98	DR DR
OBJSUB: 5203280 OTHER-PUBLIC-OUT-OF-STATE										
6503	103100061802	52033000	CSEX171205	12/06/2017	406499				424.99	DR *
6503	103100061802	52033000	CSEX171205	12/06/2017	406498				1,276.24	DR DR
6503	103100061802	52033000	CSEX171205	12/06/2017	406499				957.18	DR DR
6503	103100061802	52033000	CSEX171205	12/06/2017	404631				260.82	DR DR
6503	103100061802	52033000	CSEX171205	12/06/2017	406489				957.18	DR DR
6503	103100061802	52033000	CSEX171205	12/06/2017	406500				957.18	DR DR
6503	103100061802	52033000	CSEX171214	12/15/2017	414841				1,276.24	DR DR
OBJSUB: 5203300 LODGING/OUT-OF-STATE										
6503	103100061802	52033200	CSEX171205	12/06/2017	406499				5,684.84	DR *
6503	103100061802	52033200	CSEX171205	12/06/2017	406489				48.00	DR DR
6503	103100061802	52033200	CSEX171205	12/06/2017	406500				40.00	DR DR
6503	103100061802	52033200	CSEX171205	12/06/2017	406498				32.00	DR DR
6503	103100061802	52033200	CSEX171205	12/06/2017	406498				25.00	DR DR
6503	103100061802	52033200	CSEX171214	12/15/2017	414841				100.00	DR DR
OBJSUB: 5203320 INCIDENTALS-OUT-OF-STATE										
6503	103100061802	52033500	CSEX171205	12/06/2017	404631				245.00	DR *
6503	103100061802	52033500	CSEX171205	12/06/2017	406489				118.00	DR DR
6503	103100061802	52033500	CSEX171205	12/06/2017	406498				80.00	DR DR
6503	103100061802	52033500	CSEX171205	12/06/2017	406498				70.00	DR DR
6503	103100061802	52033500	CSEX171205	12/06/2017	406500				69.00	DR DR
6503	103100061802	52033500	CSEX171214	12/15/2017	414841				125.00	DR DR
OBJSUB: 5203350 NON-TAXABLE MEALS/OUT-ST										
6503	103100061802	52041800	TRAVEL	01/01/2018					462.00	DR **
6503	103100061802	52041800	DP811099	01/01/2018					9,236.95	DR **
6503	103100061802	52041800	DP811099	01/01/2018					99.30	DR **
OBJSUB: 5204180 COMPUTER SERVICES-STATE										
6503	103100061802	52042000	FM809072	12/13/2017					99.30	DR *
6503	103100061802	52042000	PL810055	12/06/2017					1,349.55	DR DR
6503	103100061802	52042000	PL811057	12/13/2017					150.82	DR DR
6503	103100061802	52042000	PL811057	12/13/2017					238.09	DR DR
OBJSUB: 5204200 CENTRAL SERVICES										
6503	103100061802	52042200	IN456848	12/22/2017	00469931	ABBUSINESS	12036980		1,738.46	DR *
6503	103100061802	52042200	IN456848	12/22/2017	00469931	ABBUSINESS	12036980		58.77	DR DR
OBJSUB: 5204220 EQUIPMENT SERV & MAINT										
6503	103100061802	52042300	18-014 JUL-JUN18	12/27/2017	00470445	SUNSETOFFI	12043890		58.77	DR *
6503	103100061802	52042300	18-014 JUL-JUN18	12/27/2017	00470445	SUNSETOFFI	12043890		134.25	DR DR

South Dakota Board of Accountancy
Balance Sheet
As of December 31, 2017

	Dec 31, 17
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - Great Western	384.53
1140000 · Pool Cash State of SD	481,825.69
Total Checking/Savings	482,210.22
Other Current Assets	
1131000 · Interest Income Receivable	4,246.81
1213000 · Investment Income Receivable	1,522.99
Total Other Current Assets	5,769.80
Total Current Assets	487,980.02
Fixed Assets	
1670000 · Computer Software	
Original Cost	140,063.23
1770000 · Depreciation	-140,063.23
1670000 · Computer Software - Other	15,301.00
Total 1670000 · Computer Software	15,301.00
Total Fixed Assets	15,301.00
TOTAL ASSETS	503,281.02
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	13,988.91
Total Accounts Payable	13,988.91
Other Current Liabilities	
2430000 · Accrued Wages Payable	9,844.91
2810000 · Amounts Held for Others	17,140.84
Total Other Current Liabilities	26,985.75
Total Current Liabilities	40,974.66
Long Term Liabilities	
2960000 · Compensated Absences Payable	19,161.66
Total Long Term Liabilities	19,161.66
Total Liabilities	60,136.32
Equity	
3220000 · Net Position	317,825.02
3900 · Retained Earnings	9,019.48
Net Income	116,300.20
Total Equity	443,144.70
TOTAL LIABILITIES & EQUITY	503,281.02

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July through December 2017

	Jul - Dec 17	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	1,200.00	2,500.00	-1,300.00	48.0%
4293551 · Certificate Renewals-Active	65,600.00	58,000.00	7,600.00	113.1%
4293552 · Certificate Renewals-Inactive	20,100.00	21,000.00	-900.00	95.7%
4293553 · Certificate Renewals-Retired	1,280.00	1,050.00	230.00	121.9%
4293554 · Initial Firm Permits	450.00	700.00	-250.00	64.3%
4293555 · Firm Permit Renewals	14,800.00	15,500.00	-700.00	95.5%
4293557 · Initial Audit	210.00	900.00	-690.00	23.3%
4293558 · Re-Exam Audit	1,080.00	2,460.00	-1,380.00	43.9%
4293560 · Late Fees-Initial Certificate	100.00	0.00	100.00	100.0%
4293561 · Late Fees-Certificate Renewals	2,700.00	3,000.00	-300.00	90.0%
4293562 · Late Fees-Firm Permits	0.00	0.00	0.00	0.0%
4293563 · Late Fees-Firm Permit Renewals	450.00	500.00	-50.00	90.0%
4293564 · Late Fees-Peer Review	450.00	1,300.00	-850.00	34.6%
4293566 · Firm Permit Owners				
5208003 · REFUNDS	-65.00			
4293566 · Firm Permit Owners - Other	114,935.00	105,000.00	9,935.00	109.5%
Total 4293566 · Firm Permit Owners	114,870.00	105,000.00	9,870.00	109.4%
4293567 · Peer Review Admin Fee	675.00	5,500.00	-4,825.00	12.3%
4293568 · Firm Permit Name Change	125.00	100.00	25.00	125.0%
4293569 · Initial FAR	600.00	1,140.00	-540.00	52.6%
4293570 · Initial REG	270.00	660.00	-390.00	40.9%
4293571 · Initial BEC	270.00	930.00	-660.00	29.0%
4293572 · Re-Exam FAR	720.00	1,860.00	-1,140.00	38.7%
4293573 · Re-Exam REG	870.00	2,310.00	-1,440.00	37.7%
4293574 · Re-Exam BEC	540.00	2,310.00	-1,770.00	23.4%
4491000 · Interest and Dividend Revenue	5,470.45	4,000.00	1,470.45	136.8%
4896021 · Legal Recovery Cost	300.00	1,000.00	-700.00	30.0%
Total Income	233,130.45	231,720.00	1,410.45	100.6%
Gross Profit	233,130.45	231,720.00	1,410.45	100.6%
Expense				
5101010 · F-T Emp Sal & Wages	31,908.21	76,588.00	-44,679.79	41.7%
5101020 · P-T/Temp Emp Sal & Wages	12,531.63	31,035.00	-18,503.37	40.4%
5101030 · Board & Comm Mbrs Fees	4,140.00	4,683.00	-543.00	88.4%
5102010 · OASI-Employer's Share	3,308.36	8,281.00	-4,972.64	40.0%
5102020 · Retirement-ER Share	2,666.55	6,495.00	-3,828.45	41.1%
5102060 · Health /Life Ins.-ER Share	9,100.41	21,183.00	-12,082.59	43.0%
5102080 · Worker's Compensation	75.44	43.00	32.44	175.4%
5102090 · Unemployment Insurance	20.01	108.00	-87.99	18.5%
5203010 · Auto--State Owned	102.37	400.00	-297.63	25.6%
5203020 · Auto-Private-Ownes Low Mileage	103.04	400.00	-296.96	25.8%
5203030 · In State-Auto- Priv. High Miles	767.76	1,500.00	-732.24	51.2%
5203100 · In State-Lodging	218.00	1,000.00	-782.00	21.8%
5203120 · In State-Incidentals to Travel	10.00	100.00	-90.00	10.0%
5203140 · InState-Tax Meals Not Overnigt	11.00	100.00	-89.00	11.0%
5203150 · InState-Non-Tax Meals OverNight	143.00	400.00	-257.00	35.8%
5203230 · OS-Auto Private High Mileage	0.00	100.00	-100.00	0.0%
5203260 · OS-Air Commercial Carrier	2,379.97	6,000.00	-3,620.03	39.7%
5203280 · OS-Other Public Carrier	424.99	500.00	-75.01	85.0%
5203300 · OS-Lodging	5,684.84	7,800.00	-2,115.16	72.9%
5203320 · OS-Incidentals to Travel	245.00	450.00	-205.00	54.4%
5203350 · OS-Non-Taxable Meals Overnight	556.00	1,000.00	-444.00	55.6%
5204010 · Subscriptions	283.83	1,000.00	-716.17	28.4%
5204020 · Dues and Membership Fees	3,200.00	3,900.00	-700.00	82.1%
5204030 · Legal Document Fees	0.00	300.00	-300.00	0.0%
5204040 · Consultant Fees-Accounting	7,200.00	7,100.00	100.00	101.4%
5204050 · Consultant Fees - Computer	0.00	15,000.00	-15,000.00	0.0%
5204080 · Consultant Fees--Legal	0.00	0.00	0.00	0.0%
5204160 · Workshop Registration Fees	3,047.06	6,000.00	-2,952.94	50.8%
5204180 · Computer Services-State	622.80	5,000.00	-4,377.20	12.5%
5204181 · Computer Development Serv-State	2,423.85	2,000.00	423.85	121.2%

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
 July through December 2017

	Jul - Dec 17	Budget	\$ Over Budget	% of Budget
5204200 · Central Services	3,891.38	9,000.00	-5,108.62	43.2%
5204220 · Equipment Service & Maintenance	16.12	300.00	-283.88	5.4%
5204230 · Janitorial/Maintenance Services	805.50	1,650.00	-844.50	48.8%
5204340 · Computer Software Maintenance	0.00	2,000.00	-2,000.00	0.0%
5204360 · Advertising-Newspapers	0.00	1,000.00	-1,000.00	0.0%
5204440 · Newsletter Publishing	0.00	100.00	-100.00	0.0%
5204460 · Equipment Rental	1,674.60	4,000.00	-2,325.40	41.9%
5204480 · Microfilm and Photography	0.00	0.00	0.00	0.0%
5204490 · Rents Privately Owned Property	7,616.70	15,734.00	-8,117.30	48.4%
5204510 · Rent-Other	0.00	500.00	-500.00	0.0%
5204530 · Telecommunications Services	2,579.40	3,500.00	-920.60	73.7%
5204540 · Electricity	322.41	865.00	-542.59	37.3%
5204560 · Water	54.70	240.00	-185.30	22.8%
5204590 · Insurance Premiums/Surety Bonds	0.00	1,710.00	-1,710.00	0.0%
5204740 · Bank Fees and Charges	4,245.27	6,500.00	-2,254.73	65.3%
5204960 · Other Contractual Services	431.10	0.00	431.10	100.0%
5205020 · Office Supplies	660.56	2,000.00	-1,339.44	33.0%
5205028 · OFFICE SUPPLIES-2	0.00	0.00	0.00	0.0%
5205310 · Printing State	132.75	250.00	-117.25	53.1%
5205320 · Printing/Duplicating/Binding Co	75.90	1,000.00	-924.10	7.6%
5205330 · Supplemental Publications	0.00	700.00	-700.00	0.0%
5205340 · Microfilm Supplies/Materials	0.00	0.00	0.00	0.0%
5205350 · Postage	7.20	2,000.00	-1,992.80	0.4%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207900 · Computer Hardware	0.00	4,800.00	-4,800.00	0.0%
5207950 · System Development	0.00	1,000.00	-1,000.00	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	3,142.54	6,000.00	-2,857.46	52.4%
Total Expense	116,830.25	274,415.00	-157,584.75	42.6%
Net Ordinary Income	116,300.20	-42,695.00	158,995.20	-272.4%
Net Income	116,300.20	-42,695.00	158,995.20	-272.4%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
December 2017

	<u>Dec 17</u>	<u>Dec 16</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	125.00	450.00	-325.00	-72.2%
4293551 · Certificate Renewals-Active	100.00	0.00	100.00	100.0%
4293554 · Initial Firm Permits	0.00	50.00	-50.00	-100.0%
4293555 · Firm Permit Renewals	0.00	50.00	-50.00	-100.0%
4293557 · Initial Audit	0.00	30.00	-30.00	-100.0%
4293558 · Re-Exam Audit	120.00	180.00	-60.00	-33.3%
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%
4293566 · Firm Permit Owners	0.00	910.00	-910.00	-100.0%
4293567 · Peer Review Admin Fee	0.00	75.00	-75.00	-100.0%
4293569 · Initial FAR	0.00	60.00	-60.00	-100.0%
4293570 · Initial REG	30.00	60.00	-30.00	-50.0%
4293571 · Initial BEC	30.00	120.00	-90.00	-75.0%
4293572 · Re-Exam FAR	-96.05	60.00	-156.05	-260.1%
4293573 · Re-Exam REG	30.00	270.00	-240.00	-88.9%
4293574 · Re-Exam BEC	0.00	120.00	-120.00	-100.0%
4896021 · Legal Recovery Cost	200.00	0.00	200.00	100.0%
Total Income	<u>638.95</u>	<u>2,435.00</u>	<u>-1,796.05</u>	<u>-73.8%</u>
Gross Profit	638.95	2,435.00	-1,796.05	-73.8%
Expense				
5101010 · F-T Emp Sal & Wages	5,611.86	4,689.38	922.48	19.7%
5101020 · P-T/Temp Emp Sal & Wages	2,323.68	2,192.18	131.50	6.0%
5101030 · Board & Comm Mbrs Fees	480.00	300.00	180.00	60.0%
5102010 · OASI-Employer's Share	575.39	514.33	61.06	11.9%
5102020 · Retirement-ER Share	476.15	412.90	63.25	15.3%
5102060 · Health /Life Ins.-ER Share	1,550.46	1,424.95	125.51	8.8%
5102080 · Worker's Compensation	13.50	8.25	5.25	63.6%
5102090 · Unemployment Insurance	3.59	2.67	0.92	34.5%
5203010 · Auto--State Owned	102.37	0.00	102.37	100.0%
5204180 · Computer Services-State	99.30	623.55	-524.25	-84.1%
5204181 · Computer Development Serv-State	740.25	0.00	740.25	100.0%
5204200 · Central Services	238.09	177.42	60.67	34.2%
5204220 · Equipment Service & Maintenance	1.97	3.21	-1.24	-38.6%
5204230 · Janitorial/Maintenance Services	134.25	130.34	3.91	3.0%
5204460 · Equipment Rental	56.80	71.00	-14.20	-20.0%
5204490 · Rents Privately Owned Property	1,269.45	1,269.45	0.00	0.0%
5204530 · Telecommunications Services	428.78	290.40	138.38	47.7%
5204540 · Electricity	69.53	65.07	4.46	6.9%
5204740 · Bank Fees and Charges	-54.20	116.04	-170.24	-146.7%
5205020 · Office Supplies	0.00	233.02	-233.02	-100.0%
5205320 · Printing/Duplicating/Binding Co	13.80	6.90	6.90	100.0%
5228000 · Operating Transfers Out-NonBudg	1,369.00	522.39	846.61	162.1%
Total Expense	<u>15,504.02</u>	<u>13,053.45</u>	<u>2,450.57</u>	<u>18.8%</u>
Net Ordinary Income	<u>-14,865.07</u>	<u>-10,618.45</u>	<u>-4,246.62</u>	<u>-40.0%</u>
Net Income	<u><u>-14,865.07</u></u>	<u><u>-10,618.45</u></u>	<u><u>-4,246.62</u></u>	<u><u>-40.0%</u></u>

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July through December 2017

	Jul - Dec 17	Jul - Dec 16	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	1,200.00	2,000.00	-800.00	-40.0%
4293551 · Certificate Renewals-Active	65,600.00	59,400.00	6,200.00	10.4%
4293552 · Certificate Renewals-Inactive	20,100.00	19,700.00	400.00	2.0%
4293553 · Certificate Renewals-Retired	1,280.00	1,200.00	80.00	6.7%
4293554 · Initial Firm Permits	450.00	500.00	-50.00	-10.0%
4293555 · Firm Permit Renewals	14,800.00	13,500.00	1,300.00	9.6%
4293557 · Initial Audit	210.00	210.00	0.00	0.0%
4293558 · Re-Exam Audit	1,080.00	1,230.00	-150.00	-12.2%
4293560 · Late Fees-Initial Certificate	100.00	100.00	0.00	0.0%
4293561 · Late Fees-Certificate Renewals	2,700.00	2,650.00	50.00	1.9%
4293563 · Late Fees-Firm Permit Renewals	450.00	400.00	50.00	12.5%
4293564 · Late Fees-Peer Review	450.00	350.00	100.00	28.6%
4293566 · Firm Permit Owners	114,870.00	104,515.00	10,355.00	9.9%
4293567 · Peer Review Admin Fee	675.00	375.00	300.00	80.0%
4293568 · Firm Permit Name Change	125.00	150.00	-25.00	-16.7%
4293569 · Initial FAR	600.00	480.00	120.00	25.0%
4293570 · Initial REG	270.00	360.00	-90.00	-25.0%
4293571 · Initial BEC	270.00	540.00	-270.00	-50.0%
4293572 · Re-Exam FAR	720.00	990.00	-270.00	-27.3%
4293573 · Re-Exam REG	870.00	1,350.00	-480.00	-35.6%
4293574 · Re-Exam BEC	540.00	1,110.00	-570.00	-51.4%
4491000 · Interest and Dividend Revenue	5,470.45	5,466.12	4.33	0.1%
4896021 · Legal Recovery Cost	300.00	0.00	300.00	100.0%
Total Income	233,130.45	216,576.12	16,554.33	7.6%
Gross Profit	233,130.45	216,576.12	16,554.33	7.6%
Expense				
5101010 · F-T Emp Sal & Wages	31,908.21	28,701.05	3,207.16	11.2%
5101020 · P-T/Temp Emp Sal & Wages	12,531.63	11,756.14	775.49	6.6%
5101030 · Board & Comm Mbrs Fees	4,140.00	3,120.00	1,020.00	32.7%
5102010 · OASI-Employer's Share	3,308.36	2,982.41	325.95	10.9%
5102020 · Retirement-ER Share	2,666.55	2,427.42	239.13	9.9%
5102060 · Health /Life Ins.-ER Share	9,100.41	8,611.52	488.89	5.7%
5102080 · Worker's Compensation	75.44	48.48	26.96	55.6%
5102090 · Unemployment Insurance	20.01	15.68	4.33	27.6%
5203010 · Auto--State Owned	102.37	111.55	-9.18	-8.2%
5203020 · Auto-Private-Ownes Low Mileage	103.04	364.78	-261.74	-71.8%
5203030 · In State-Auto- Priv. High Miles	767.76	881.16	-113.40	-12.9%
5203100 · In State-Lodging	218.00	564.10	-346.10	-61.4%
5203120 · In State-Incidentals to Travel	10.00	25.00	-15.00	-60.0%
5203140 · InState-Tax Meals Not OverNigt	11.00	11.00	0.00	0.0%
5203150 · InState-Non-Tax Meals OverNigt	143.00	240.00	-97.00	-40.4%
5203230 · OS-Auto Private High Mileage	0.00	335.16	-335.16	-100.0%
5203260 · OS-Air Commercial Carrier	2,379.97	4,291.90	-1,911.93	-44.6%
5203280 · OS-Other Public Carrier	424.99	432.10	-7.11	-1.7%
5203300 · OS-Lodging	5,684.84	5,856.27	-171.43	-2.9%
5203320 · OS-Incidentals to Travel	245.00	329.00	-84.00	-25.5%
5203350 · OS-Non-Taxable Meals Overnight	556.00	551.00	5.00	0.9%
5204010 · Subscriptions	283.83	259.83	24.00	9.2%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204040 · Consultant Fees-Accounting	7,200.00	0.00	7,200.00	100.0%
5204160 · Workshop Registration Fees	3,047.06	2,780.00	267.06	9.6%
5204180 · Computer Services-State	622.80	2,809.80	-2,187.00	-77.8%
5204181 · Computer Development Serv-State	2,423.85	0.00	2,423.85	100.0%
5204200 · Central Services	3,891.38	3,726.93	164.45	4.4%
5204220 · Equipment Service & Maintenance	16.12	19.58	-3.46	-17.7%
5204230 · Janitorial/Maintenance Services	805.50	782.04	23.46	3.0%
5204460 · Equipment Rental	1,674.60	1,632.00	42.60	2.6%
5204490 · Rents Privately Owned Property	7,616.70	7,616.70	0.00	0.0%
5204510 · Rent-Other	0.00	318.04	-318.04	-100.0%
5204530 · Telecommunications Services	2,579.40	1,637.55	941.85	57.5%
5204540 · Electricity	322.41	316.32	6.09	1.9%
5204560 · Water	54.70	44.70	10.00	22.4%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July through December 2017

	<u>Jul - Dec 17</u>	<u>Jul - Dec 16</u>	<u>\$ Change</u>	<u>% Change</u>
5204740 · Bank Fees and Charges	4,245.27	4,489.51	-244.24	-5.4%
5204960 · Other Contractual Services	431.10	456.00	-24.90	-5.5%
5205020 · Office Supplies	660.56	512.63	147.93	28.9%
5205310 · Printing State	132.75	0.00	132.75	100.0%
5205320 · Printing/Duplicating/Binding Co	75.90	113.85	-37.95	-33.3%
5205350 · Postage	7.20	1,036.17	-1,028.97	-99.3%
5228000 · Operating Transfers Out-NonBudg	3,142.54	2,831.44	311.10	11.0%
Total Expense	<u>116,830.25</u>	<u>106,238.81</u>	<u>10,591.44</u>	<u>10.0%</u>
Net Ordinary Income	<u>116,300.20</u>	<u>110,337.31</u>	<u>5,962.89</u>	<u>5.4%</u>
Net Income	<u><u>116,300.20</u></u>	<u><u>110,337.31</u></u>	<u><u>5,962.89</u></u>	<u><u>5.4%</u></u>

BAL409R1

STATE OF SOUTH DAKOTA
CASH CENTER BALANCES
AS OF: 01/31/2018

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

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	477,187.82	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			477,187.82	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			477,187.82	DR **	
BUDGET UNIT TOTAL 1031			477,187.82	DR ***	

AGENCY	BUDGET UNIT	CENTER-5	10	10310	LABOR & REGULATION	BOARD OF ACCOUNTANCY	BOARD OF ACCOUNTANCY	COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JY APPL. #	OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/CR
6503	103100061802	5101010			CGEX171228							01/03/2018						2,416.15	DR
6503	103100061802	5101010			CGEX180111							01/17/2018						2,783.20	DR
6503	103100061802	5101010			CGEX171228							01/03/2018						5,199.35	DR *
6503	103100061802	51010200			CGEX171228							01/17/2018						919.02	DR
6503	103100061802	51010200			CGEX180111							01/17/2018						1,127.73	DR
6503	103100061802	51010300			CGEX180111							01/17/2018						2,046.75	DR *
6503	103100061802	51010300			CGEX180111							01/17/2018						240.00	DR
6503	103100061802	51020100			CGEX171228							01/03/2018						7,486.10	DR **
6503	103100061802	51020100			CGEX180111							01/17/2018						221.42	DR
6503	103100061802	51020100			CGEX180111							01/17/2018						283.40	DR
6503	103100061802	51020200			CGEX171228							01/03/2018						504.82	DR *
6503	103100061802	51020200			CGEX180111							01/17/2018						200.12	DR
6503	103100061802	51020600			CGEX171228							01/03/2018						752.39	DR
6503	103100061802	51020600			CGEX180111							01/17/2018						772.47	DR
6503	103100061802	51020800			CGEX171228							01/03/2018						1,524.86	DR *
6503	103100061802	51020800			CGEX180111							01/17/2018						6.34	DR
6503	103100061802	51020900			CGEX171228							01/03/2018						7.43	DR
6503	103100061802	51020900			CGEX180111							01/17/2018						13.77	DR *
6503	103100061802	52030100			MP811054							01/12/2018						102.37	DR
6503	103100061802	52030100			MP812053							02/02/2018						102.37	CR
6503	103100061802	52031000			CGEX180104							01/05/2018						55.00	DR *
6503	103100061802	52031500			CGEX180104							01/05/2018						32.00	DR *
6503	103100061802	52041800			DP812099							01/19/2018						32.00	DR *
6503	103100061802	52041800			DP812099							01/19/2018						87.00	DR **
6503	103100061802	52041800			DP812099							01/19/2018						99.30	DR **

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 01/31/2018

AGENCY 10 LABOR & REGULATION
BUDGET UNIT 1031 BOARD OF ACCOUNTANCY
CENTER-5 10310 BOARD OF ACCOUNTANCY

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL #	OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/CR
OBJSUB:	5204180	COMPUTER SERVICES-STATE									
6503	103100061802	52041810	DP812099	01/19/2018						99.30	DR *
OBJSUB:	5204181	BIT DEVELOPMENT COSTS									
6503	103100061802	52042000	PL812056	01/12/2018						740.25	DR *
6503	103100061802	52042000	RM812048	01/12/2018						280.46	DR *
OBJSUB:	5204200	CENTRAL SERVICES									
6503	103100061802	52042200	IN465647	01/24/2018	00476363		ABBUSINESS	12036980		354.38	DR *
OBJSUB:	5204220	EQUIPMENT SERV & MAINT									
6503	103100061802	52042300	18-014 JUL-JUN18	01/31/2018	00477286		SUNSETOFFI	12043890		60.26	DR *
OBJSUB:	5204230	JANITORIAL & MAINT SERV									
6503	103100061802	52044900	ACCOUNTRENT2018	01/26/2018	02235258		MCGINNISRO	12074040		134.25	DR *
OBJSUB:	5204490	RENTS-PRIVATE OWNED PROP.									
6503	103100061802	52045300	TL812151	01/19/2018	00476155		MIDCONTINE	12023782		1,269.45	DR *
6503	103100061802	52045300	1111090019137	01/24/2018	00000709		ATMOMOBILT	12279233		124.48	DR *
6503	103100061802	52045300	8381416X12242017	02/02/2018						255.00	DR *
OBJSUB:	5204530	TELECOMMUNICATIONS SVCS									
6503	103100061802	52045400	5159417006 1217	01/31/2018	02236404		XCELENERGY	12023853		49.30	DR *
OBJSUB:	5204540	ELECTRICITY									
6503	103100061802	52047400	CI108A-017	01/12/2018	315140					428.78	DR *
6503	103100061802	52047400	CI108A-017	01/12/2018	315140					69.53	DR *
6503	103100061802	52047400	CI108A-017	01/12/2018	315140					108.81	DR *
6503	103100061802	52047400	CI108A-017	01/12/2018	315140					108.81	DR *
6503	103100061802	52047400	CI108A-017	01/12/2018	315140					108.81	DR *
6503	103100061802	52047400	CI108A-017	01/12/2018	315140					108.81	DR *
6503	103100061802	52047400	R108-059	01/24/2018	JV18412					108.40	DR *
6503	103100061802	52047400	R108-059	01/24/2018	JV18412					108.40	DR *
6503	103100061802	52047400	R108-059	01/24/2018	JV18412					108.40	DR *
OBJSUB:	5204740	BANK FEES AND CHARGES									
6503	103100061802	52049600	N298-063	01/03/2018	00472672		NATLASSNST	12005047		312.00	DR *
6503	103100061802	52049600	13807764	01/10/2018						4,999.50	DR *
OBJSUB:	5204960	OTHER CONTRACTUAL SERVICE									
6503	103100061802	52053200	22590	01/12/2018	00474129		PREFERRED	12308425		5,311.50	DR *
OBJSUB:	5205320	PRINTING-COMMERCIAL									
6503	103100061802	52280000	T108-068	01/10/2018						8,467.29	DR **
OBJSUB:	5228000	OPER TRANS OUT -NON BUDGT									
6503	103100061802	52280000								13.80	DR **
OBJSUB:	5228000	NONOP EXP/NONBUDG OP TR									
6503	103100061802	52280000								13.80	DR **
OBJSUB:	5228000	OPERATING EXPENSES									
6503	103100061802	52280000								545.11	DR **
OBJSUB:	5228000	OPERATING EXPENSES									
6503	103100061802	52280000								545.11	DR **
OBJSUB:	5228000	OPERATING EXPENSES									
6503	103100061802	52280000								9,113.20	DR ***

BA0205A5 02/03/2018

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 01/31/2018

PAGE 177

AGENCY	UNIT	1031	LABOR & REGULATION	DOCUMENT	POSTING	JV APPLY #	SHORT	VENDOR	VENDOR	AMOUNT	DR/
BUDGET	CENTER-5	10310	BOARD OF ACCOUNTANCY	NUMBER	DATE	OR PAYMENT #	NAME	NUMBER	GROUP		CR
COMP:	CENTER	6503	ACCOUNT							19,080.77	DR *****
CNTR:		103100061802								19,080.77	DR *****
B. UNIT:		1031								19,080.77	DR *****

South Dakota Board of Accountancy
Balance Sheet
As of January 31, 2018

	Jan 31, 18
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - Great Western	1,657.93
1140000 · Pool Cash State of SD	477,187.82
Total Checking/Savings	478,845.75
Other Current Assets	
1131000 · Interest Income Receivable	4,246.81
1213000 · Investment Income Receivable	1,522.99
Total Other Current Assets	5,769.80
Total Current Assets	484,615.55
Fixed Assets	
1670000 · Computer Software	
Original Cost	140,063.23
1770000 · Depreciation	-140,063.23
1670000 · Computer Software - Other	15,301.00
Total 1670000 · Computer Software	15,301.00
Total Fixed Assets	15,301.00
TOTAL ASSETS	499,916.55
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	7,740.28
Total Accounts Payable	7,740.28
Other Current Liabilities	
2430000 · Accrued Wages Payable	9,844.91
2810000 · Amounts Held for Others	28,602.84
Total Other Current Liabilities	38,447.75
Total Current Liabilities	46,188.03
Long Term Liabilities	
2960000 · Compensated Absences Payable	19,161.66
Total Long Term Liabilities	19,161.66
Total Liabilities	65,349.69
Equity	
3220000 · Net Position	317,825.02
3900 · Retained Earnings	9,019.48
Net Income	107,722.36
Total Equity	434,566.86
TOTAL LIABILITIES & EQUITY	499,916.55

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July 2017 through January 2018

	Jul '17 - Jan 18	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	1,550.00	2,500.00	-950.00	62.0%
4293551 · Certificate Renewals-Active	65,650.00	58,000.00	7,650.00	113.2%
4293552 · Certificate Renewals-Inactive	20,400.00	21,000.00	-600.00	97.1%
4293553 · Certificate Renewals-Retired	1,280.00	1,050.00	230.00	121.9%
4293554 · Initial Firm Permits	550.00	700.00	-150.00	78.6%
4293555 · Firm Permit Renewals	14,850.00	15,500.00	-650.00	95.8%
4293557 · Initial Audit	330.00	900.00	-570.00	36.7%
4293558 · Re-Exam Audit	1,440.00	2,460.00	-1,020.00	58.5%
4293560 · Late Fees-Initial Certificate	100.00	0.00	100.00	100.0%
4293561 · Late Fees-Certificate Renewals	3,050.00	3,000.00	50.00	101.7%
4293562 · Late Fees-Firm Permits	0.00	0.00	0.00	0.0%
4293563 · Late Fees-Firm Permit Renewals	450.00	500.00	-50.00	90.0%
4293564 · Late Fees-Peer Review	550.00	1,300.00	-750.00	42.3%
4293566 · Firm Permit Owners				
5208003 · REFUNDS	-65.00			
4293566 · Firm Permit Owners - Other	115,390.00	105,000.00	10,390.00	109.9%
Total 4293566 · Firm Permit Owners	115,325.00	105,000.00	10,325.00	109.8%
4293567 · Peer Review Admin Fee	1,200.00	5,500.00	-4,300.00	21.8%
4293568 · Firm Permit Name Change	200.00	100.00	100.00	200.0%
4293569 · Initial FAR	810.00	1,140.00	-330.00	71.1%
4293570 · Initial REG	390.00	660.00	-270.00	59.1%
4293571 · Initial BEC	420.00	930.00	-510.00	45.2%
4293572 · Re-Exam FAR	960.00	1,860.00	-900.00	51.6%
4293573 · Re-Exam REG	1,230.00	2,310.00	-1,080.00	53.2%
4293574 · Re-Exam BEC	630.00	2,310.00	-1,680.00	27.3%
4491000 · Interest and Dividend Revenue	5,470.45	4,000.00	1,470.45	136.8%
4896021 · Legal Recovery Cost	500.00	1,000.00	-500.00	50.0%
Total Income	237,335.45	231,720.00	5,615.45	102.4%
Gross Profit	237,335.45	231,720.00	5,615.45	102.4%
Expense				
5101010 · F-T Emp Sal & Wages	37,107.56	76,588.00	-39,480.44	48.5%
5101020 · P-T/Temp Emp Sal & Wages	14,578.38	31,035.00	-16,456.62	47.0%
5101030 · Board & Comm Mbrs Fees	4,380.00	4,683.00	-303.00	93.5%
5102010 · OASI-Employer's Share	3,813.18	8,281.00	-4,467.82	46.0%
5102020 · Retirement-ER Share	3,101.31	6,495.00	-3,393.69	47.7%
5102060 · Health /Life Ins.-ER Share	10,625.27	21,183.00	-10,557.73	50.2%
5102080 · Worker's Compensation	89.21	43.00	46.21	207.5%
5102090 · Unemployment Insurance	23.27	108.00	-84.73	21.5%
5203010 · Auto--State Owned	0.00	400.00	-400.00	0.0%
5203020 · Auto-Private-Owne Low Mileage	103.04	400.00	-296.96	25.8%
5203030 · In State-Auto- Priv. High Miles	767.76	1,500.00	-732.24	51.2%
5203100 · In State-Lodging	218.00	1,000.00	-782.00	21.8%
5203120 · In State-Incidentals to Travel	10.00	100.00	-90.00	10.0%
5203140 · InState-Tax Meals Not Overnigt	11.00	100.00	-89.00	11.0%
5203150 · InState-Non-Tax Meals OverNight	143.00	400.00	-257.00	35.8%
5203230 · OS-Auto Private High Mileage	0.00	100.00	-100.00	0.0%
5203260 · OS-Air Commercial Carrier	2,379.97	6,000.00	-3,620.03	39.7%
5203280 · OS-Other Public Carrier	424.99	500.00	-75.01	85.0%
5203300 · OS-Lodging	5,684.84	7,800.00	-2,115.16	72.9%
5203320 · OS-Incidentals to Travel	245.00	450.00	-205.00	54.4%
5203350 · OS-Non-Taxable Meals Overnigt	556.00	1,000.00	-444.00	55.6%
5204010 · Subscriptions	283.83	1,000.00	-716.17	28.4%
5204020 · Dues and Membership Fees	3,200.00	3,900.00	-700.00	82.1%
5204030 · Legal Document Fees	0.00	300.00	-300.00	0.0%
5204040 · Consultant Fees-Accounting	7,200.00	7,100.00	100.00	101.4%
5204050 · Consultant Fees - Computer	0.00	15,000.00	-15,000.00	0.0%
5204080 · Consultant Fees--Legal	0.00	0.00	0.00	0.0%
5204160 · Workshop Registration Fees	3,047.06	6,000.00	-2,952.94	50.8%
5204180 · Computer Services-State	622.80	5,000.00	-4,377.20	12.5%
5204181 · Computer Development Serv-State	2,423.85	2,000.00	423.85	121.2%

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
July 2017 through January 2018

	Jul '17 - Jan 18	Budget	\$ Over Budget	% of Budget
5204200 · Central Services	4,245.76	9,000.00	-4,754.24	47.2%
5204220 · Equipment Service & Maintenance	19.58	300.00	-280.42	6.5%
5204230 · Janitorial/Maintenance Services	939.75	1,650.00	-710.25	57.0%
5204340 · Computer Software Maintenance	192.00	2,000.00	-1,808.00	9.6%
5204360 · Advertising-Newspapers	0.00	1,000.00	-1,000.00	0.0%
5204440 · Newsletter Publishing	0.00	100.00	-100.00	0.0%
5204460 · Equipment Rental	1,731.40	4,000.00	-2,268.60	43.3%
5204480 · Microfilm and Photography	0.00	0.00	0.00	0.0%
5204490 · Rents Privately Owned Property	8,886.15	15,734.00	-6,847.85	56.5%
5204510 · Rent-Other	0.00	500.00	-500.00	0.0%
5204530 · Telecommunications Services	2,839.40	3,500.00	-660.60	81.1%
5204540 · Electricity	402.66	865.00	-462.34	46.6%
5204560 · Water	77.05	240.00	-162.95	32.1%
5204590 · Insurance Premiums/Surety Bonds	0.00	1,710.00	-1,710.00	0.0%
5204740 · Bank Fees and Charges	4,244.86	6,500.00	-2,255.14	65.3%
5204960 · Other Contractual Services	431.10	0.00	431.10	100.0%
5205020 · Office Supplies	660.56	2,000.00	-1,339.44	33.0%
5205028 · OFFICE SUPPLIES-2	0.00	0.00	0.00	0.0%
5205310 · Printing State	132.75	250.00	-117.25	53.1%
5205320 · Printing/Duplicating/Binding Co	75.90	1,000.00	-924.10	7.6%
5205330 · Supplemental Publications	0.00	700.00	-700.00	0.0%
5205340 · Microfilm Supplies/Materials	0.00	0.00	0.00	0.0%
5205350 · Postage	7.20	2,000.00	-1,992.80	0.4%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207900 · Computer Hardware	0.00	4,800.00	-4,800.00	0.0%
5207950 · System Development	0.00	1,000.00	-1,000.00	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	3,687.65	6,000.00	-2,312.35	61.5%
Total Expense	129,613.09	274,415.00	-144,801.91	47.2%
Net Ordinary Income	107,722.36	-42,695.00	150,417.36	-252.3%
Net Income	107,722.36	-42,695.00	150,417.36	-252.3%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
January 2018

	Jan 18	Jan 17	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	350.00	225.00	125.00	55.6%
4293551 · Certificate Renewals-Active	50.00	40.00	10.00	25.0%
4293552 · Certificate Renewals-Inactive	300.00	0.00	300.00	100.0%
4293554 · Initial Firm Permits	100.00	50.00	50.00	100.0%
4293555 · Firm Permit Renewals	50.00	0.00	50.00	100.0%
4293557 · Initial Audit	120.00	120.00	0.00	0.0%
4293558 · Re-Exam Audit	360.00	150.00	210.00	140.0%
4293561 · Late Fees-Certificate Renewals	350.00	0.00	350.00	100.0%
4293564 · Late Fees-Peer Review	100.00	300.00	-200.00	-66.7%
4293566 · Firm Permit Owners	455.00	65.00	390.00	600.0%
4293567 · Peer Review Admin Fee	525.00	600.00	-75.00	-12.5%
4293568 · Firm Permit Name Change	75.00	50.00	25.00	50.0%
4293569 · Initial FAR	210.00	180.00	30.00	16.7%
4293570 · Initial REG	120.00	150.00	-30.00	-20.0%
4293571 · Initial BEC	150.00	210.00	-60.00	-28.6%
4293572 · Re-Exam FAR	240.00	60.00	180.00	300.0%
4293573 · Re-Exam REG	360.00	180.00	180.00	100.0%
4293574 · Re-Exam BEC	90.00	120.00	-30.00	-25.0%
4896021 · Legal Recovery Cost	200.00	0.00	200.00	100.0%
Total Income	<u>4,205.00</u>	<u>2,500.00</u>	<u>1,705.00</u>	<u>68.2%</u>
Gross Profit	4,205.00	2,500.00	1,705.00	68.2%
Expense				
5101010 · F-T Emp Sal & Wages	5,199.35	4,547.59	651.76	14.3%
5101020 · P-T/Temp Emp Sal & Wages	2,046.75	1,865.55	181.20	9.7%
5101030 · Board & Comm Mbrs Fees	240.00	0.00	240.00	100.0%
5102010 · OASI-Employer's Share	504.82	423.57	81.25	19.2%
5102020 · Retirement-ER Share	434.76	384.79	49.97	13.0%
5102060 · Health /Life Ins.-ER Share	1,524.86	1,433.02	91.84	6.4%
5102080 · Worker's Compensation	13.77	7.65	6.12	80.0%
5102090 · Unemployment Insurance	3.26	2.49	0.77	30.9%
5203010 · Auto--State Owned	-102.37	0.00	-102.37	-100.0%
5204180 · Computer Services-State	0.00	106.05	-106.05	-100.0%
5204200 · Central Services	354.38	274.13	80.25	29.3%
5204220 · Equipment Service & Maintenance	3.46	3.98	-0.52	-13.1%
5204230 · Janitorial/Maintenance Services	134.25	130.34	3.91	3.0%
5204340 · Computer Software Maintenance	192.00	0.00	192.00	100.0%
5204460 · Equipment Rental	56.80	71.00	-14.20	-20.0%
5204490 · Rents Privately Owned Property	1,269.45	1,269.45	0.00	0.0%
5204530 · Telecommunications Services	260.00	271.99	-11.99	-4.4%
5204540 · Electricity	80.25	68.94	11.31	16.4%
5204560 · Water	22.35	22.35	0.00	0.0%
5204740 · Bank Fees and Charges	-0.41	84.39	-84.80	-100.5%
5205020 · Office Supplies	0.00	115.76	-115.76	-100.0%
5205320 · Printing/Duplicating/Binding Co	0.00	37.95	-37.95	-100.0%
5207960 · Computer Software Expense	0.00	224.13	-224.13	-100.0%
5228000 · Operating Transfers Out-NonBudg	545.11	498.23	46.88	9.4%
Total Expense	<u>12,782.84</u>	<u>11,843.35</u>	<u>939.49</u>	<u>7.9%</u>
Net Ordinary Income	<u>-8,577.84</u>	<u>-9,343.35</u>	<u>765.51</u>	<u>8.2%</u>
Net Income	<u><u>-8,577.84</u></u>	<u><u>-9,343.35</u></u>	<u><u>765.51</u></u>	<u><u>8.2%</u></u>

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July 2017 through January 2018

	Jul '17 - Jan 18	Jul '16 - Jan 17	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	1,550.00	2,225.00	-675.00	-30.3%
4293551 · Certificate Renewals-Active	65,650.00	59,440.00	6,210.00	10.5%
4293552 · Certificate Renewals-Inactive	20,400.00	19,700.00	700.00	3.6%
4293553 · Certificate Renewals-Retired	1,280.00	1,200.00	80.00	6.7%
4293554 · Initial Firm Permits	550.00	550.00	0.00	0.0%
4293555 · Firm Permit Renewals	14,850.00	13,500.00	1,350.00	10.0%
4293557 · Initial Audit	330.00	330.00	0.00	0.0%
4293558 · Re-Exam Audit	1,440.00	1,380.00	60.00	4.4%
4293560 · Late Fees-Initial Certificate	100.00	100.00	0.00	0.0%
4293561 · Late Fees-Certificate Renewals	3,050.00	2,650.00	400.00	15.1%
4293563 · Late Fees-Firm Permit Renewals	450.00	400.00	50.00	12.5%
4293564 · Late Fees-Peer Review	550.00	650.00	-100.00	-15.4%
4293566 · Firm Permit Owners	115,325.00	104,580.00	10,745.00	10.3%
4293567 · Peer Review Admin Fee	1,200.00	975.00	225.00	23.1%
4293568 · Firm Permit Name Change	200.00	200.00	0.00	0.0%
4293569 · Initial FAR	810.00	660.00	150.00	22.7%
4293570 · Initial REG	390.00	510.00	-120.00	-23.5%
4293571 · Inital BEC	420.00	750.00	-330.00	-44.0%
4293572 · Re-Exam FAR	960.00	1,050.00	-90.00	-8.6%
4293573 · Re-Exam REG	1,230.00	1,530.00	-300.00	-19.6%
4293574 · Re-Exam BEC	630.00	1,230.00	-600.00	-48.8%
4491000 · Interest and Dividend Revenue	5,470.45	5,466.12	4.33	0.1%
4896021 · Legal Recovery Cost	500.00	0.00	500.00	100.0%
Total Income	237,335.45	219,076.12	18,259.33	8.3%
Gross Profit	237,335.45	219,076.12	18,259.33	8.3%
Expense				
5101010 · F-T Emp Sal & Wages	37,107.56	33,248.64	3,858.92	11.6%
5101020 · P-T/Temp Emp Sal & Wages	14,578.38	13,621.69	956.69	7.0%
5101030 · Board & Comm Mbrs Fees	4,380.00	3,120.00	1,260.00	40.4%
5102010 · OASI-Employer's Share	3,813.18	3,405.98	407.20	12.0%
5102020 · Retirement-ER Share	3,101.31	2,812.21	289.10	10.3%
5102060 · Health /Life Ins.-ER Share	10,625.27	10,044.54	580.73	5.8%
5102080 · Worker's Compensation	89.21	56.13	33.08	58.9%
5102090 · Unemployment Insurance	23.27	18.17	5.10	28.1%
5203010 · Auto--State Owned	0.00	111.55	-111.55	-100.0%
5203020 · Auto-Private-Owne Low Mileage	103.04	364.78	-261.74	-71.8%
5203030 · In State-Auto- Priv. High Miles	767.76	881.16	-113.40	-12.9%
5203100 · In State-Lodging	218.00	564.10	-346.10	-61.4%
5203120 · In State-Incidentals to Travel	10.00	25.00	-15.00	-60.0%
5203140 · InState-Tax Meals Not OverNigt	11.00	11.00	0.00	0.0%
5203150 · InState-Non-Tax Meals OverNight	143.00	240.00	-97.00	-40.4%
5203230 · OS-Auto Private High Mileage	0.00	335.16	-335.16	-100.0%
5203260 · OS-Air Commercial Carrier	2,379.97	4,291.90	-1,911.93	-44.6%
5203280 · OS-Other Public Carrier	424.99	432.10	-7.11	-1.7%
5203300 · OS-Lodging	5,684.84	5,856.27	-171.43	-2.9%
5203320 · OS-Incidentals to Travel	245.00	329.00	-84.00	-25.5%
5203350 · OS-Non-Taxable Meals Overnight	556.00	551.00	5.00	0.9%
5204010 · Subscriptions	283.83	259.83	24.00	9.2%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204040 · Consultant Fees-Accounting	7,200.00	0.00	7,200.00	100.0%
5204160 · Workshop Registration Fees	3,047.06	2,780.00	267.06	9.6%
5204180 · Computer Services-State	622.80	2,915.85	-2,293.05	-78.6%
5204181 · Computer Development Serv-State	2,423.85	0.00	2,423.85	100.0%
5204200 · Central Services	4,245.76	4,001.06	244.70	6.1%
5204220 · Equipment Service & Maintenance	19.58	23.56	-3.98	-16.9%
5204230 · Janitorial/Maintenance Services	939.75	912.38	27.37	3.0%
5204340 · Computer Software Maintenance	192.00	0.00	192.00	100.0%
5204460 · Equipment Rental	1,731.40	1,703.00	28.40	1.7%
5204490 · Rents Privately Owned Property	8,886.15	8,886.15	0.00	0.0%
5204510 · Rent-Other	0.00	318.04	-318.04	-100.0%
5204530 · Telecommunications Services	2,839.40	1,909.54	929.86	48.7%
5204540 · Electricity	402.66	385.26	17.40	4.5%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July 2017 through January 2018

	<u>Jul '17 - Jan 18</u>	<u>Jul '16 - Jan 17</u>	<u>\$ Change</u>	<u>% Change</u>
5204560 · Water	77.05	67.05	10.00	14.9%
5204740 · Bank Fees and Charges	4,244.86	4,573.90	-329.04	-7.2%
5204960 · Other Contractual Services	431.10	456.00	-24.90	-5.5%
5205020 · Office Supplies	660.56	628.39	32.17	5.1%
5205310 · Printing State	132.75	0.00	132.75	100.0%
5205320 · Printing/Duplicating/Binding Co	75.90	151.80	-75.90	-50.0%
5205350 · Postage	7.20	1,036.17	-1,028.97	-99.3%
5207960 · Computer Software Expense	0.00	224.13	-224.13	-100.0%
5228000 · Operating Transfers Out-NonBudg	3,687.65	3,329.67	357.98	10.8%
Total Expense	<u>129,613.09</u>	<u>118,082.16</u>	<u>11,530.93</u>	<u>9.8%</u>
Net Ordinary Income	<u>107,722.36</u>	<u>100,993.96</u>	<u>6,728.40</u>	<u>6.7%</u>
Net Income	<u><u>107,722.36</u></u>	<u><u>100,993.96</u></u>	<u><u>6,728.40</u></u>	<u><u>6.7%</u></u>

EXECUTIVE DIRECTOR'S REPORT

Nicole Kasin

Database update

The board staff is working with GL Solutions to create the database. We have completed the design process and just finished the conversion process. Testing the database starts March 19 and will last through the beginning of May. We are working with a tentative Go Live date in mid to late May pending results from the testing session.

CPE Audits

The list of licensees has been selected for CPE audits and letters were sent out to those selected on September 16, 2017. The documentation was due in our office no later than October 31, 2017. The following is the current status of the audits as of March 12, 2018:

	Selected	Complied	Not Complied	Granted Extension	Approved CPE Audit	Failed CPE Audit
CPA (Active)	52	52	0	0	50	2
CPA (Active in Firm)	57	57	0	0	56	1

NASBA

Committee Interest

An email was sent on March 7, 2018 in regards to NASBA committees and the interest form if you are willing to volunteer time to serve on a committee. Please complete the interest form and return it to NASBA by April 24, 2018.

Board Discussion

- Any New Business/topics?

National Association of State Boards of Accountancy, Inc.

Meeting of the Board of Directors

October 27, 2017 – Marriott Marquis, New York City

1. Call to Order

A duly scheduled meeting of the Board of Directors of the National Association of State Boards of Accountancy was called to order by Chair Telford A. Lodden at 9:06 a.m. on Friday, October 21, 2017 at the Marriott Marquis in New York City. Chair Lodden welcomed all and asked Jack Emmons, Casey Stuart and Randy Ross, who would be joining the 2017-18 Board, to introduce themselves.

2. Report of Attendance

President and CEO Ken L. Bishop reported the following were present:

Officers

Telford A. Lodden, CPA (IA), Chair
Theodore W. Long, Jr., CPA (OH), Vice Chair
Donald H. Burkett, CPA (SC), Past Chair
A. Carlos Barrera, CPA (TX), Treasurer
Janice L. Gray, CPA (OK), Secretary

Directors-at-Large

John F. Dailey, Jr., CPA (NJ)
Tyrone E. Dickerson, CPA (VA)
Raymond N. Johnson, CPA (OR)
Richard N. Reisig, CPA (MT)
E. Kent Smoll, CPA (KS)
Laurie J. Tish, CPA (WA)

Regional Directors

Catherine R. Allen, CPA (NY), Northeast Regional Director
J. Coalter Baker, CPA (TX), Southwest Regional Director
Maria Caldwell, CPA (FL), Southeast Regional Director
Sheldon P. Holzman, CPA (IL), Great Lakes Regional Director
Stephanie S. Saunders, CPA (VA), Middle Atlantic Regional Director
Sharon A. Jensen, CPA (MN), Central Regional Director
Edwin G. Jolicoeur, CPA (WA), Pacific Regional Director
Nicola Neilon, CPA (NV), Mountain Regional Director

Member Absent

Jimmy E. Burkes, CPA (MS), Director at Large

Executive Directors' Liaison

Wade A. Jewell (VA) – Executive Directors Committee Chair

Guests

C. Jack Emmons, CPA (NM), Southwest Regional Director Nominee
W. Michael Fritz, CPA (OH), Regulatory Response Committee Chair
Casey Stuart, CPA (TN), Southeast Regional Director Nominee
Randall Ross, CPA (OK), Executive Directors' Liaison 2017-18

Staff

Ken L. Bishop, President and Chief Executive Officer
Colleen K. Conrad, CPA, Executive Vice President and Chief Operating Officer
Michael R. Bryant, CPA, Senior Vice President and Chief Financial Officer
Louise Dratler Haberman, Vice President - Information and Research
Thomas G. Kenny, Director – Communications
Noel L. Allen, Esq., Outside Legal Counsel

3. Approval of Minutes

Secretary Janice L. Gray presented the minutes of the July 21, 2017 meeting of the Board of Directors. Tyrone Dickerson moved the minutes be approved as presented, which was seconded by Richard Reisig, and approved by all.

4. Report of Chair

Chair Lodden reported:

- He had appointed the new Reorganization Impact Task Force focused on the reorganization of the American Institute of CPAs, in response to the many questions raised by State Boards about possible statute requirements and contracts being impacted. The task force will study the issues and develop a white paper to arrive at answers for the State Boards on how the reorganization relates to each Board and how the reorganized body operates. John Dailey (NJ) has been appointed chair of the group, which includes: Janet Booker-Davis (TN), Wayne Geher (NH), David Miller (MS), Nicola Neilon (NV), Randall Ross (OK) and Wade Jewell (VA) with support from Alfonzo Alexander and Brie Allen. Their initial face-to-face meeting will be held on December 4.

- The Uniform Accountancy Act Committee's recent exposure draft, on the proposed amendment to the UAA to permit the use of management accounting titles, resulted in 37 State Boards weighing in with a "resounding no," Chair Lodden said. He saw it as an overwhelming response to share with the AICPA.

- A study group discussing a possible expanded pathway to become a CPA is being assembled.

- Progress has been made with the international recognition agreements, and NASBA is on track with where it thought it would be, Chair Lodden observed.

- Chair Lodden made a presentation to the October AICPA Council Meeting, in which he asked the Council: "What if we could live our life with expectancy instead of expectation?" Chair Lodden said he had spoken to AICPA President Barry Melancon to inform him about the new reorganization impact task force.

- Nominations and appointments to outside committees are under consideration.

5. President's Report

President and CEO Ken Bishop and Executive Vice President and COO Colleen Conrad reported the following:

- The NASBA staff enjoyed a family summer outing and also participated in a local dragon boat team competition as the "Hot Chickens." Staff donations were made to a Virgin Islands charity and Americares, to acknowledge storm-related challenges faced in Florida, Texas, Puerto Rico, and the U.S. Virgin Islands.

- Nashville staff are praising the collaborative workspace environment created on the office's 6th, 7th and 8th floors. The new conference space being created on the expanded 8th floor is already taking reservations for group meetings.

- NASBA's test center and call center is moving into a new office location in Guam. The NASBA New York City office is also expected to move to a different floor in its current building sometime in 2018.

- Ms. Conrad, W. Michael Fritz (OH), Catherine Allen (NY) and NASBA Technical Director Nigyar Mamedova have been meeting with CPA firms, universities and others to determine how the profession is utilizing data analytics, artificial intelligence and blockchain. How NASBA might work with these parties in the future is under discussion. President Bishop said the State Boards need to be prepared for the new technology coming into public accounting practice. He also pointed out that by meeting with these groups, just as other organizations have, NASBA is bringing them the regulator's viewpoint.

- A mutual recognition agreement (MRA) with the Institute of Chartered Accountants of Scotland, having been attempted for over 20 years, now is close at hand. President Bishop recognized the special assistance of ICAS CEO Anton Colella, who helped to move this agreement forward, and will be retiring in April 2018.

- The renewal of the MRA with Chartered Accountants Ireland was signed in a ceremony in Dublin, in the same room that the Irish constitution was signed. President Bishop and Chair Lodden were present at the signing in August. The Irish institute's recently retired Chief Executive Pat Costello had championed the agreement.

- The test centers in Puerto Rico remain closed due to lack of power. No damage was sustained. For some time, one of the NASBA employees from the Puerto Rico office was working from the Nashville office.

- The National CPE Registry Summit was held in Nashville this year. Speakers discussed changes in education methods among other topics.

- Webinars are being used in an outreach effort for new CPA candidates. These are being produced in New York, but it is planned that the NASBA cutting-edge video studio being built in Nashville will be producing those webinars and other videos in the future. President Bishop noted the 2017 NASBA Annual Report had been printed in-house in Nashville this year.

- Over 2,000 bills have been tracked by Legislative and Governmental Affairs Director John Johnson this year. Firm mobility has been adopted in 23 jurisdictions, seven of those within 2017 and there is active firm mobility legislation in New Jersey and Massachusetts. President Bishop underscored that NASBA will defend each Board's position, whether they support or are opposed to firm mobility. NASBA will drop in with assistance for legislation when a state requests help.

- The concept of considering a new pathway to CPA will be rolled out at the Annual Meeting, President Bishop reported. As a lower percentage of accounting graduates are entering the CPA track, and the big CPA firms are hiring more technology-type people, should the technology people be regulated by the Boards of Accountancy and should they be CPAs?

- Based on the Boards' responses, many State Boards' position against amending the UAA to allow the use of management accountant titles will prevail, President Bishop said, but he believes the threat of when and how Boards will enforce their existing statutes still remains. He congratulated the Regional Directors for encouraging the State Boards to respond to the proposal and he said he thought the Boards' responses sent an important signal to the AICPA.

- Over \$10,000,000 is budgeted for mission spending this year by NASBA, up from \$9,600,000 budgeted last year. NASBA is well funded, but continues to look for new sources of revenue, President Bishop stated.

- The Center for the Public Trust continues to expand its efforts with ethical leadership training, having now established 39 student chapters on campuses across the country. CPT President Alfonzo Alexander has spoken to Boards about using the CPT's ethics certification program for enforcement purposes. Some states have asked NASBA to create an ethics course, and the concept is under consideration.

- The Gateway system's rewrite's completion is anticipated in the first quarter of 2018. The CPE Audit Tool has now been switched to the vendor that is being used for the Gateway. That project is now in a new design phase.

- The 2018 NASBA meetings will be held: Executive Directors and State Board Legal Counsel Meetings – March 13-15 in Sandestin, FL; Eastern Regional Meeting – June 5-7 in Orlando, FL; Western Regional Meeting – June 27-29 in Olympic Valley, CA (Lake Tahoe area); Board of Directors Meetings – January 11-12 in Scottsdale, AZ, April 26-27 in Charleston, SC, July 19-20 in Coronado, CA, and October 25-26 in Scottsdale, AZ: Annual Meeting – October 28-31 in Scottsdale, AZ.

6. Report of the Vice Chair

Vice Chair Long reported the 2017-18 NASBA committee chairs had received letters outlining their assignments. In making committee member appointments, Mr. Long said he reduced the period of time a member could serve on one committee to three years, with rare exceptions for special circumstances. Some committees were reduced in size. There will be 19 committees, with 12 chairs changed and those who were not changed were kept in their positions because they were in the midst of projects. Out of 194 applications received for committee membership, all sitting State Board members were assigned. Applicants who were not assigned will be considered for task force service during the year, as opportunities arise. Mr. Long urged the committee chairs to begin their committee work now.

7. Report of the Administration and Finance Committee

Treasurer Carlos Barrera reported on the Investment Committee's meeting on the prior day. He informed the Board of the performance of the advisers over the past quarter. In addition, Mr. Barrera informed the Board of an investment opportunity related to the equity investee. After a presentation by CFO and Senior Vice President Michael Bryant, and questions from the Board, the Board approved the following on a motion by Coalter Baker, seconded by Tyrone Dickerson:

To authorize President/CEO Bishop to take all necessary actions to exercise NASBA's preemptive equity investment rights under the PCS Holding Company, LLC (now "Acuity") Securityholders' Agreement with regards to an acquisition in progress by its equity investee when current negotiations are complete.

Mr. Barrera discussed the financial results for Fiscal 2017. Mr. Bryant updated the Board on NASBA's financial results for the first two months of Fiscal 2018. In addition, Mr. Bryant gave an update on the Nashville office's eighth floor buildout and the relocation of the Guam Test and Call Center.

8. Report of the Audit Committee

Mr. Bryant reported on behalf of Jimmy Burkes, Audit Committee Chair, who was unable to attend the meeting due to family responsibilities. Mr. Bryant directed the Board to the Annual Report which contained the Audit Committee's letter and the audited financial statements. In the materials provided, the Audit Committee's Report sets out in detail what was accomplished during the year and that the committee's charge had been fully discharged. Mr. Bryant noted that one of the requirements of the Audit Committee's charter is to review the charge annually. This year's review resulted in proposed changes which were included in the report to the Board.

At the end of Mr. Bryant's presentation, the following motions were made by Treasurer Barrera:

- 1) Motion to ratify Executive Committee's approval of the Consolidated Audited Financial Statements for Fiscal 2017, seconded by Janice Gary and approved by all;

- 2) Motion to ratify Executive Committee's approval of the Audit Committee's recommendation of the selection of LBMC as NASBA's auditors for Fiscal 2018, seconded by Tyrone Dickerson and approved by all;
- 3) Motion to accept the changes to the Audit Committee Charter as presented. Seconded by John Dailey and approved by all.

In addition, Mr. Bryant stated that the NASBA Form 990 had been made available to all the NASBA Board members prior to the meeting. He stated that this occurred after a review by the Audit Committee and a tax partner of the audit firm. Similarly, the CPT Form 990 had gone through the same review process and had been made available to members of the CPT Board of Directors.

9. Executive Directors Committee Report

Executive Directors Committee Chair Wade Jewell reported they had met in June and drafted a tentative agenda for the annual executive director's conference to be held in March 2018. State Society executives have been invited to attend again, for the third year in a row. The entire first morning of the executive directors' conference will be held jointly with the legal counsel conference's participants. Topics likely to be covered include: monitoring education, continuing fallout from the North Carolina Dental Board case, consolidation of Boards, Federal legislation and the RITF expected report.

Mr. Jewell reported he had attended the NASBA/AICPA leadership summit in New York City in July. He had been concerned that State Boards were being told after the fact that their AE had been changed. Mr. Jewell had been assured that now State Boards are supposed to be consulted as part of the AICPA's checkoff procedure for the appointment of the new AE.

Six State Board staff members attended NASBA U this year, Mr. Jewell reported.

A meeting has been scheduled at 1:00 p.m. on November 1, 2017 at the AICPA's New York City office for a new AICPA task force, the State Board of Accountancy Executive Directors Peer Review Advisory Group, which Mr. Jewell will be attending.

10. Report of the Compliance Assurance Committee

Compliance Assurance Committee (CAC) Chair John Dailey reported the AICPA had released its plan for the administration of the Peer Review Program on August 31. The CAC concluded that the plan changed significantly from what it was originally, and the CAC believes that was thanks in part to the input the AICPA received from the State Boards.

The CAC had been asked to develop best practices for a peer review oversight committee (PROC), and the resulting report was distributed to the NASBA Board members. CAC concluded that NASBA should request a CAC member be placed on the Peer Review Board's Oversight Task Force and that NASBA launch a PROC service that could be made available to all Boards. The service could serve the needs of underserved Boards and bring uniformity to the way peer review oversight is performed.

Mr. Dailey said the CAC is ready to once again begin considering changes to the Uniform Accountancy Act and the Model Rules covering peer review.

11. Report of the Uniform Accountancy Act Committee

A recommendation to approve the proposed UAA Model Rules for Articles 3 and 6, covering continuing professional education, was brought to the Board by UAA Committee Chair Coalter Baker. He reported the NASBA UAA Committee had carefully reviewed the comments received during the exposure period, which ended on June 30. A joint NASBA/AICPA UAA Committee task force discussed each comment letter during a face-to-face meeting September 6 in Nashville. Some clarifications were added and Rule 6-4(b), which drew significant comment, was edited to recognize as qualifying CPE program sponsors “persons, firms, associations, corporations or other groups that are approved by the Board.” On October 16 the UAA Committee held a conference call and voted that the Model Rules be brought to the Board for their approval. Mr. Dailey moved that the Rules be approved as presented and Dr. Johnson seconded. All approved.

The second matter discussed by the joint UAA Committee was the proposed amendment to the UAA that would allow the use of management accountant titles. Mr. Baker thanked the Regional Directors for encouraging the Boards to share their views on this exposure draft. The comment period had ended on September 30. During the October 16 call, the joint UAA Committee, having seen all the responses received from the Boards, CPA Societies and other interested parties, determined no action would be taken on the proposed amendment.

President Bishop explained that NASBA has not changed its mission: State Boards should support their law and NASBA will support the State Boards. Some states are possibly interested in using the proposed language. Whatever the Board decides, President Bishop underscored the importance of having them enforce their law.

Chair Lodden thanked Mr. Baker and the Regional Directors for enabling the issue to be vetted and discussed. President Bishop said this was a very positive experience in drawing the participation of the State Boards.

12. Report of the CBT Administrations Committee

CBT Administration Committee Chair Rick Reisig reported the Committee had met the end of September. No real glitches had been encountered in the launch of the Uniform CPA Examination. The Committee continues to explore ways to communicate appropriate candidate conduct at the testing sites. The Committee also plans to update the Testing Policies and Procedures Handbook.

The Committee has been notified that some delays in score reporting should be expected in 2018. NASBA continues to work with AICPA and Prometric to consider ways that scores can be released more quickly.

13. International Qualifications Appraisal Board

IQAB Chair Sharon Jensen described the signing ceremonies scheduled to take place at the Annual Meeting: (1) The renewal of the mutual recognition agreement (MRA) with CPA Canada and the Instituto Mexicano de Contadores Públicos will be signed by representatives of those organizations, COMPIC (the Mexican regulatory body), AICPA, NASBA and IQAB; (2) There will be recognition of the August signing of the renewal of the MRA with the Chartered Accountants of Ireland, with their representatives present; (3) In recognition of the efforts to finalize a mutual recognition agreement by January 2018, a memorandum of understanding with the Institute of Chartered Accountants of Scotland will be signed by ICAS, AICPA, NASBA and IQAB representatives. Ms. Jensen explained there are a few points that remain to be ironed out with the ICAS. As the ICAS is still bound by the European Union's directives, she doubts that changes in required experience in the EU can be made in the MRA under consideration; however, the agreement does include expectations that steps are undertaken to make changes when the agreement is renewed in five years. It is anticipated the ICAS MRA will be brought to the January Board meeting for approval.

Progress is being made on an agreement with CPA Australia, which had a lapsed MRA. Also work is progressing on the renewal of the agreement with Chartered Accountants Australia/New Zealand, Ms. Jensen reported. Both of these renewals are expected to be completed by the beginning of 2018. Following the finalization of the ICAS agreement, IQAB is going to work on an agreement with the Institute of Chartered Accountants in England and Wales. Ms. Jensen reported that Thomas Fine of the US Trade Representative's office had told IQAB that mutual recognition of auditors is among the top eight issues that the UK trade representatives meeting with USTR say they want to see completed. Other agreements that IQAB will be considering in upcoming months will involve Hong Kong, South Africa and India.

Ms. Allen questioned why after 20 years of IQAB considering MRAs with the UK institutes there has been progress now. Mr. Burkett, who is a member of IQAB, pointed to the huge impact Brexit has had. He reported that the Executive Director of ICAS had received a call from the Prime Minister to get the MRA done.

14. Reorganization Impact Task Force

RITF Chair John Dailey reported the task force held their first call on October 20. They hope to have a report to give to NASBA leadership in January. Mr. Dailey said the AICPA is aware of the task force, and that the Boards have issues and concerns.

15. Expanded Pathway to CPA

Increasingly, non-CPAs with expertise in analytics and IT controls have become integral to the performance of CPA services, especially those in the areas of audit and attest, President Bishop observed. NASBA leadership has started to ask the question: "How could we evolve the pathways to the profession to include these professionals in our regulatory framework?" President Bishop would introduce this topic during the Annual Business Meeting.

16. Thanks

Chair Lodden thanked for their service the Board members who would be leaving the Board, including: Mr. Barrera, Mr. Burkett, Mr. Jewell, Mr. Jolicoeur, Mr. Reisig, and Ms. Tish.

Ms. Saunders, on behalf of the Board, thanked Chair Lodden for his leadership throughout the year.

17. Adjournment

The meeting was adjourned at 3:30 p.m.

National Association of State Boards of Accountancy, Inc.

Meeting of the Board of Directors

October 31, 2017- Marriott Marquis, New York City, NY

1. Call to Order

A meeting of the Board of Directors of the National Association of State Boards of Accountancy was called to order by Chair Theodore Long (OH) at 11:50 a.m. on Tuesday, October 31, 2017 at the Marriott Marquis in New York City, NY.

2. Report of Attendance

President and CEO Ken L. Bishop reported the following were present:

Officers

Theodore W. Long, Jr., CPA (OH), Chair
Janice L. Gray, CPA (OK) Vice Chair
Telford A. Lodden, CPA (IA), Past Chair

Directors-at-Large

J. Coalter Baker, CPA (TX)
Jimmy E. Burkes, CPA (MS)
Maria E. Caldwell, CPA (FL)
John F. Dailey, Jr., CPA (NJ)
Tyrone E. Dickerson, CPA (VA)
W. Michael Fritz, CPA (OH)
E. Kent Smoll, CPA (KS)

Regional Directors

Catherine R. Allen (NY), Northeast Regional Director
C. Jack Emmons, CPA (NM), Southwest Regional Director
Sheldon P. Holzman, CPA (IL), Great Lakes Regional Director
Sharon A. Jensen, CPA (MN), Central Regional Director
Nicola Neilon, CPA (NV), Mountain Regional Director
Stephanie M. Saunders, CPA (VA), Middle Atlantic Regional Director
Casey Stuart, CPA(TN), Southeast Regional Director

Randall Ross, CPA (OK) – Executive Directors Committee Liaison

Members Absent

Raymond N. Johnson, CPA (OR), Director-at-Large
James R. Ladd, CPA (WA), Pacific Regional Director

Staff

Ken L. Bishop, President and Chief Executive Officer
Colleen K. Conrad, CPA, Executive Vice President and Chief Operating Officer
Michael R. Bryant, CPA, Senior Vice President and Chief Financial Officer
Louise Dratler Haberman, Vice President - Information and Research
Noel L. Allen, Esq., Outside Legal Counsel

3. Election of Officers

Following an explanation of the election process by NASBA Chair Theodore Long, the 2017-18 NASBA Board of Directors took the following actions:

The Board unanimously elected Jimmy E. Burkes (MS) as NASBA Treasurer.

The Board unanimously elected W. Michael Fritz (OH) as NASBA Secretary.

The Board unanimously elected Richard N. Reisig (MT) to fill two years of the unexpired Director-at-Large position held by Janice L. Gray prior to her election as Vice Chair.

4. Adjournment

The meeting was adjourned at Noon by Chair Long.

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

Highlights of the Board of Directors Meeting

January 12, 2018 – Scottsdale, AZ

At a duly called meeting of the Board of Directors of the National Association of State Boards of Accountancy, Inc., held on Friday, January 12, 2018 at the Hyatt Regency in Scottsdale, Arizona, the Board took the following actions:

- Approved the mutual recognition agreement with the Institute of Chartered Accountants of Scotland, as presented by NASBA/AICPA International Qualifications Appraisal Board Chair Sharon Jensen (MN).
- Accepted the resignation of Pacific Regional Director R. James Ladd (WA) and elected Katrina Salazar (CA) Pacific Regional pending the approval of the State of California of her acceptance of this office.
- Approved the consolidated NASBA financial statements for the period ending November 30, 2017 as recommended by the Administration and Finance Committee and presented by Treasurer Jim Burkes (MS).
- Received a summary report from Chair Theodore Long (OH) of the issues being discussed by the Executive Committee. He, Vice Chair Janice Gray and President and CEO Ken Bishop will be attending the North American leadership summit with representatives from the Instituto Mexicano de Contadores Públicos, AICPA and CPA Canada in Mexico in January, and they will also be participating in the AICPA/NASBA leadership summit in February in Florida.
- Learned from President and CEO Ken Bishop that the suggestion of a pathway to the CPA be designed for data technologists, as he mentioned at the Annual Meeting, had been well received. A small NASBA/AICPA task force is working out how this might be accomplished and is expected to bring their ideas forward to the June Regional Meetings for further discussion.
- Congratulated Director-at-Large Raymond N. Johnson (OR) on his being selected to be chair of the Consultative Advisory Group to the International Accounting Education Standards Board.
- Heard from NASBA Executive Vice President and COO Colleen K. Conrad that the Gateway System is in the final stage of its development and is expected to be launched in March. State Board staff will be alerted to the launch and trained on the new system's use. Extensive communication to Examination candidates is also planned.
- Learned from Examination Review Board Director Sheena Murphy that while Prometric had operational changes in 2017, there were no major changes to the policies and procedures

affecting the Uniform CPA Examination. Ms. Murphy described some of the “secret shopper” activities that the ERB does to spot check the examination sites across the country.

- Received a report from Reorganization Impact Task Force Chair John F. Dailey, Jr. (NJ) summarizing the questions raised by the State Boards about the AICPA’s reorganization as the Association of International Certified Professional Accountants. These will be taken to AICPA leadership by NASBA leadership.
- Heard from Executive Directors Committee Chair Randall Ross (OK) on the plans for the 2018 Executive Directors and Board Staff Conference, to be held March 13-15 in Destin, FL.
- Learned from Relations with Member Boards Committee Chair Stephanie S. Saunders (VA) that program planning has started for the June 2018 Regional Meetings, to be held June 5-7 in Orlando, FL, and June 27-29 in Lake Tahoe, CA. Topics to be discussed will range from the impact on regulation of advances in technology to sexual harassment cases.
- Were briefed by NASBA/AICPA International Qualifications Appraisal Board Chair Sharon A. Jensen (MN) on the ongoing discussions about unilateral recognition of professionals.
- Received a report from NASBA Senior Vice President and Chief Financial Officer Michael Bryant on the relocation of the Guam testing center. Construction will be completed in late January 2018 and staff will move into the new location in mid-to-late March 2018.
- Learned from Compliance Assurance Committee Chair John F. Dailey, Jr., that the new benchmarks for peer review administering entities had been released by the AICPA and were reviewed by the NASBA CAC. Overall, Mr. Dailey said the CAC thought the benchmarks were good and that the AICPA was appreciative of the CAC’s review.

The next meeting of the NASBA Board of Directors will be held on April 27, 2018 in Charleston, South Carolina.

Distribution: State Board Chairs/Presidents, Members and Executive Directors; NASBA Board of Directors and Committee Chairs; NASBA Staff Directors

Executive Summary
November 8 – December 18, 2017
Regional Directors' Focus Question Responses
35 Boards Responding

(AK, AL, AZ, AR, CA, CT, GA, GU, HI, ID, IL BOE, IL DFPR, IN, KS, KY, LA, ME, MD, MI, NE, NV, NH, NM, NC, OH, OK, PA, SC, SD, TN, TX, VT, VA, WI, WY)

- 1.(a) **Will your state be considering the new CPE Rules?**
- **Yes:** AK, AL, AR, AZ, CT, GA, HI, ID, IL DFPR, KS, MD, ME, MI, NH, NM, OH, PA, TN, TX, VA, WI, WY
 - **No:** KY, NV
- (b) **Do you accept Nano Learning?**
- **Already accept:** GU, HI, ID, OH, MD, NV, TN, TX, VA
 - **Will discuss:** AK, AL, AR, AZ, CT, GA, IL DFPR, KS, ME, MI, NH, NM, PA, VA, WI, WY
 - **Neither:** KY
- (c) **Credit for participating in a technical committee?**
- **Already accept:** IL DFPR, ME, TN, TX
 - **Will discuss:** AK, AL, AZ, CT, HI, ID, MD, MI, NH, NM, OH, PA, VA, WI, WY
 - **Neither:** AR, GA, KS, KY, NV
- (d) **All programs offered by your State CPA Society?**
- **Already accept:** AK, AR, CT, GA, HI, ID, IL DFPR, KS, KY, MD, ME, MI, NM, NH, NV, OH, PA, TN, TX, WI, WY
 - **Will discuss:** AL, AZ, VA
- (e) **Blended Learning?**
- **Always accept:** CT, HI, ID, MD, ME, NH, NM, NV, OH, TN, TX, VA
 - **Will discuss:** AK, AL, AZ, HI, ID, IL DFPR, KS, MD, ME, MI, NH, OH, PA
 - **Neither:** KY
- (f) **Require 50 percent of CPE be in technical subjects?**
- **Already accept:** AR, CT, IL DFPR, TN, TX, WI
 - **Will discuss:** AK, AL, AZ, HI, ID, KS, MD, ME, MI, NH, OH, PA, VA
 - **Neither:** GA, KY, NM, NV, WY
- 2.(a) **Would your board be interested in NASBA providing education and training on data analytics, artificial intelligence, blockchain, and other advanced technologies?**
- **Yes:** AR, CT, GA, HI, ID, IL BOE, MD, ME, NH, NM, NV, OH, PA, TN, TX, VA, WY
 - **No:** KY
 - **Undecided:** AK, AL, AZ, IL DFPR – Topics haven't come up yet, KS, MI, WI
- (b) **If "yes" which persons would have the greatest need for such training (choose all that apply)?**
- **Administrators/Executive Directors:** AL, AR, CT, GA, HI, ID, MD, NH, NM, OH, PA, TN, TX, VA, WY
 - **Board Members:** AL, AR, CT, GA, HI, IL BOE, MD, ME, NH, NM, PA, TN, VA, WY
 - **Investigators:** AR, CT, GA, HI, NH, NM, NV¹, OH, PA, TN, VA, WY
 - **Legal Counsel:** AR, CT, HI, MD, NH, NM, PA, TN, TX, VA, WY
3. **What is happening in your jurisdiction that is important for other State Boards and NASBA to know about?** Some responses: AZ – Effective 1.1.18, non-disclosure compilations will be subject to peer review. Also, Board rules have incorporated the AICPA Code of Conduct and Professional Standards. VA – Signed a contract with MicroPact, Inc., for a licensing/enforcement database system.
4. **Can NASBA be of any assistance to your Board at this time?** Some responses: IL BOE – Need to know if artificial intelligence and blockchain and bit coin need to be covered in CPA Exam. ME – Keep us updated on status of NASBA PROC for New England Peer Review, if you move forward.

For details, see Regional Directors' Focus Question Report.

¹ Only needed if technical expertise is required to investigate a complaint that covers this type of issue.

NASBA REGIONAL DIRECTORS REPORT

The following is a summary of the written responses to focus questions gathered from the member Boards by NASBA's Regional Directors between November 8, 2017 and December 18, 2017. Responses which indicated nothing to report have not been included in this summary.

Respectfully submitted,

*Stephanie S. Saunders (VA) – Chair, Committee on Relations with Member Boards
– Middle Atlantic Regional Director*

Catherine R. Allen (NY) – Northeast Regional Director

Jack Emmons (NM) – Southwest Regional Director

Sheldon P. Holzman (IL) – Great Lakes Regional Director

Sharon A. Jensen (MN) – Central Regional Director

James R. Ladd (WA) – Pacific Regional Director

Nicola Neilon (NV) – Mountain Regional Director

Casey Stuart (TN) – Southeast Regional Director

BOARDS RESPONDING - 35

Alabama	Indiana	Ohio
Alaska	Kansas	Oklahoma
Arizona	Kentucky	Pennsylvania
Arkansas	Louisiana	South Carolina
California	Maine	South Dakota
Connecticut	Maryland	Tennessee
Georgia	Michigan	Texas
Guam	Nebraska	Vermont
Hawaii	Nevada	Virginia
Idaho	New Hampshire	Wisconsin
Illinois BOE	New Mexico	Wyoming
Illinois DFPR	North Carolina	

1. (a) Will your state be considering the new CPE Rules?

- **Yes:** AK, AL, AR, AZ, CA, CT, GA, HI, ID, IL DFPR, GU, IN, KS, LA, MD, ME, MI, NC, NE, NH, NM, OH, PA, SC, SD, TN, TX, VA, VT, WI, WY
- **No:** KY, NV, OK

(b) Do you accept Nano Learning?

- **Already accept:** GU, HI, ID, OH, MD, NE, NV, TN, TX, VA, VT

- **Will discuss:** AK, AL, AR, AZ, CA, CT, GA, IL BOE, IL DFPR, IN, KS, ME, MI, NC, NH, NM, OK, PA, SC, SD, WI, WY
- **Neither:** KY, LA

(c) Credit for participating in a technical committee?

- **Already accept:** GU, IL DFPR, LA, ME, NC, NE, SC, TN, TX, VT
- **Will discuss:** AK, AL, AZ, CT, HI, ID, MD, MI, NH, NM, OH, PA, SD, VA, WI, WY
- **Neither:** AR, CA, GA, IL BOE, IN, KS, KY, NV, OK

(d) All programs offered by your State CPA Society?

- **Already accept:** AK, AR, CT, GA, GU, HI, ID, IL BOE, IL DFPR, IN, KS, KY, LA, MD, ME, MI, NC, NE, NH, NM, NV, OH, OK, PA, SC, SD, TN, TX, VT, WI, WY
- **Will discuss:** AL, AZ, VA
- **Neither:** CA

(e) Blended learning?

- **Already accept:** CT, GU, HI, ID, MD, ME, NH, NM, NV, OH, OK, TN, TX, VA, VT
- **Will discuss:** AK, AL, AR, AZ, CA, GA, IL DFPR, KS, IN, MI, NC, NE, NH, PA, SC, SD, WY
- **Neither:** IL BOE, KY, LA

(f) Require 50 percent of CPE be in technical subjects?

- **Already accept:** AR, CA, CT, GU, IL DFPR, TN, TX, WI
- **Will discuss:** AK, AL, AZ, HI, ID, IN, KS, MD, ME, MI, NC, NH, OH, PA, SC, VA, VT
- **Neither:** GA, KY, LA, NE, NM, NV, OK, SD, WY

2. (a) Would your board be interested in NASBA providing education and training on data analytics, artificial intelligence, blockchain, and other advanced technologies?

- **Yes:** AR, CT, GA, GU¹, HI, ID, IL BOE, MD, ME, NC, NE, NH, NM, NV, OH, OK, PA, SC, TN, TX, VA, WY
- **No:** KY

¹ Interested, but fear many will not fully understand the nature of these technologies and the requirements necessary to effectively audit such, e.g., how to audit a private blockchain with proprietary “worm-like” agents?

- **Undecided:** AK, AL, AZ, CA, IL BOE. **Please provide more information** about what this training would include; IL DFPR, IN, KS, LA, MI, SD, VT, WI

(b) If “yes” which persons would have the greatest need for such training (choose all that apply)?

- **Administrators/Executive Directors:** AL, AR, CT, GA, GU, HI, ID, MD, NC, NE, NH, NM, OH, OK, PA, SC, TN, TX, VA, WY
- **Board Members:** AL, AR, CT, GA, GU, HI, IL BOE, MD, ME, NC, NH, NM, OK, PA, SC, TN, VA, WY
- **Investigators:** AR, CT, GA, HI, NH, NM, NV², OH, PA, SC, TN, VA, WY
- **Legal Counsel:** AR, CT, HI, MD, NC, NH, NM, PA, SC, TN, TX, VA, WY

(c) If not interested, please briefly state why:

- **IL DFPR** – The topics haven’t come up in relation to the Board.
- **KY** – Executive director believes it is too early at this time for the members to receive more training or education on this matter except for when it occurs during a NASBA meeting.
- **VT** – We are undecided on Questions 2(a) and 2(b) because we are not sure of the time commitment and what would be involved. We would like to know what the training involves.

3. What is happening in your jurisdiction that is important for other State Boards and NASBA to know about?

- **AK** – Board is continuing to work on HB147 (amended version). The Board also continues to experience problems with travel restrictions.
- **AL** – Possible Statute changes, Bill being introduced to (1) remove the requirement that one Board member be a PA and replace that Board position with a CPA, (2) to mandate that the Executive Director be a CPA, (3) define “Preparation of Financial Statements,” (4) add definition of “retired,” and (5) shorten the time the Board can take action against late filers from one year to six months.
- **AZ** – Effective January 1, 2018, non-disclosure compilations will be subject to peer review. Also, Board rules have incorporated the AICPA Code of Conduct and Professional Standards by reference except for CPE Standards.
- **CA** - CPAs who perform preparation engagements as their highest level of service are subject to a new continuing education (CE) requirement. Effective October 1, 2017, if preparation engagements are the highest level of service performed, as part of the required 80 hours of CE, the licensee must complete eight hours of preparation engagement or accounting and auditing

² Only needed if technical expertise is required to investigate a complaint that covers this type of issue.

CE and four hours of CE specifically related to the prevention, detection, and/or reporting of fraud affecting financial statements. Additionally, a licensee whose highest level of service performed is preparation engagements is not subject to undergo a peer review.

In November 2017, the California Board of Accountancy approved its statutorily required report to the California State Legislature and California Department of Consumer Affairs regarding its no-notice, no-fee practice privilege program. This program is currently scheduled to expire on January 1, 2019, unless legislation is approved by the legislature and signed into law by the Governor.

Also in November 2017, the California Board of Accountancy elected new leadership for the next 12 months: President: Michael M. Savoy, CPA; Vice President: George Famalett, CPA; and Secretary/Treasurer: Mark J. Silverman, Esq.

Last year, legislature was introduced (Senate Bill 795 – Galgiani) to make program permanent. This bill may be considered by the legislature in January 2018.

- **CT** – We are in the process of a long-overdue update of statutes and regulations. Over time, contradictions appeared between statutes and regulations and some frankly were not well worded, which is the cause of some of the “will consider” answers above as we use the opportunity to update as well as clarify.
- **GA** – License Renewals for individuals expiring 12/31/2017.
- **GU** – We are recruiting for visiting professors and lecturers for the University of Guam, sponsored via our Guam Accountancy Endowment Fund; any interested parties please contact our Board executive director.
- **HI** – The Hawaii Board continues to strive to implement its mandatory peer review program.
- **IL BOE** – We recently amended a rule to allow a student 150 days from sitting for the first section to submit final transcripts. We allow students to sit for the exam in their final semester and the previous rule required the transcripts within 120 days of sitting for the first part.
- **ID** – A couple of items: We are continuing to work on a review of our licensing requirements as part of the Lt. Governor’s Executive Order called the Licensing Freedom Act. We must submit a report showing our findings of our review along with stakeholder comments by May 2018. Also, we are monitoring an interim legislative committee that is looking at the topic of Administrative Hearing Officers and how contested cases work in Idaho. As it appears now, it’s basically a rewrite of the Idaho Administrative Procedures Act or IDAPA. Board staff and legal counsel will be following along with one of our newest board members who is a former state representative.
- **IN** – Competency-based learning.
- **KY** – We will file legislation in 2018 to allow full firm mobility, establish a PROC, require complete access to FSBA and other issues. We will undergo a reorganization in 2018. Pension

legislation and budget issues will also be addressed in 2018 both of which could have an impact on the Board.

- **LA** – We will eventually be considering changes to our CPE rules including Nano Learning, but not likely in the next year. We are currently in year 2 of significant CPE changes in reporting requirements and believe a majority of our CPAs are still adjusting to those changes, so it would not be beneficial to add more changes at this time.
- **ME** – CPE rulemaking based on UAA Model Rules.
- **MI** – Updating rules re: CE.
- **NE** – A Task Force of the Board is researching required 150-hour subject area requirements to see if any updates should be recommended.
- **NH** – As with most states, the legislature is watching closely any regulatory laws. Additionally, our Governor has specifically requested all state agencies submit a list of any laws/rules which can be repealed. Additionally, the Board is closely monitoring the future of Peer Review administration.
- **NM** – We have recently gone entirely electric for license renewals. We seem to be having issues such as non-valid emails, CPAs who do not utilize emails, and what constitutes “mail.”
- **OH** – Ohio is implementing a new state-wide digital portal, which will enhance security and allow licensees to access and update their license information, communicate with the Board, and access state agencies from one platform.
- **OK** – Budget crisis worsens and talks of consolidation and sweeping Board funds increase.
- **TX** – Five new Board Members effective 9/29/17.
- **VA** – We recently signed a contract with MicroPact, Inc., for a new licensing/enforcement database system. Our project kickoff occurred the week of November 27. We currently have an anticipated go live date of December 1, 2018.
- **VT** – We are awaiting final legislative approval of the revisions we proposed to our rules which align with the UAA. We hope this approval is granted before the end of 2017 or early 2018.
- **WI** – The Wisconsin Legislature and Governor just signed Wisconsin Act 88 which gives the Wisconsin Accounting Examining Board the authority to promulgate rules for CPE to renew licenses. Rules will be promulgated in 2018 to take effect with the license renewal beginning December 15, 2019.
- **WY** – Ongoing effort toward development of a new licensing management system. Several Legislative interim committees’ activities are being monitored and a group has been formed to

work on changes to the Board's practice act with the hope that proposed legislation could be introduced during the 2019 legislative session.

4. Can NASBA be of any assistance to your Board at this time?

- **No:** AL, CT, ID, IN, GA, IL DFPR, KS, MD, MI, NC, NV, OK, SD, TX, WY
- **Yes:** AK, CA, GU, IL BOE, HI, KY, LA, ME, NE, NH, NM, OH, PA, SC, SD, TN, VA, VT, WI

If Yes, please explain:

- **AK** – The Board will continue to request scholarship assistance to be able to participate at NASBA meetings/conferences.
- **CA** – NASBA can inform other state boards of our new CE requirement by referring them to our website. To view the new regulation and action taken by the California Board of Accountancy, please visit the California Board of Accountancy website at <http://www.dca.ca.gov/cba/about-cba/ce-prep.pdf>. If you have any questions regarding the preparation engagement CE requirement, please contact the License Renewal and Continuing Competency Unit by telephone at (916) 561-1702 or by email at renewalinfo@cba.ca.gov.
- **GU** – Please advise us of the “Testing in China” project status so we may timely budget for the closing of the Guam Computer Testing Center and our corresponding loss of revenues now supporting the Board!
- **IL BOE** – A continuation of the services already provided by NASBA.
- **HI** – NASBA can assist the Hawaii Board with continuing to advocate for public protection and providing applicable training opportunities. As always, the Hawaii Board is very appreciative of the financial support that NASBA provides to it and to all Boards of Accountancy.
- **KY** – Yes. NASBA has helped with the proposed reorganization issue. We may have to call upon NASBA again to help us with this issue.
- **LA** – Yes. We are waiting for NASBA's new CPE Tracking module. Our CPAs are asking for an electronic means to capture and report CPE and we are very hopeful using this product will result in significant improvement in reporting, review time, and compliance.
- **ME** – Keep us updated on status of NASBA PROC for New England Peer Review, if you move forward.
- **NE** – Review of the current structure of the AICPA/Association (whatever they are?) to give Boards a clear picture so decisions can be made going forward on current regulations/law referencing the AICPA.

- **NH** – NASBA recently came and spoke with the Board regarding international Experience Verification, which we have now implemented. If need be, we will certainly reach out to NASBA for assistance. Thank you.
- **NM** – Continue to develop the CPE software and assist in the layout of our quarterly newsletter.
- **OH** – We have been seeking information regarding how licensees who are located outside of the US are treated by their licensing state.
- **PA** – We have been discussing NASBA taking a greater role in some of our back office operations to allow the staff more time for other duties to create efficiency. There is pushback from the State to make sure we do not do anything that may create a reduction in revenue to the state.
- **SC** – Yes. We would like additional information on the Ethics courses developed by CPT, which some states are already using as part of correction action plans for licensees.
- **TN** – An ALD improvement – State very clearly if the individual is able to practice public accountancy. In some cases, it can be difficult to ascertain for staff who are not used to a two-tier state (IL is an example).
- **VA** – Continued video production.
- **VT** – Just in the areas stated in 2(c).
- **WI** – NASBA already has been of assistance – thanks.

5. NASBA’s Board of Directors would appreciate as much input on the above questions as possible. How were the responses shown above compiled? Please check all that apply.

- **Input only from Board Chair:** IL DFPR, MD, ME, MI, PA
- **Input only from Executive Director:** AL, AR, AZ, CA, GA, KY, LA, NE, TX
- **Input only from Board Chair and Executive Director:** AK, CT, ID, KS, NH, NM, TN
- **Input from all Board Members and Executive Director:** GU, NV, OH, OK, SC, VA, WY
- **Input from some Board Members and Executive Director:** IL BOE, HI
- **Input from some Board Members:** IN
- **Other (please explain):**
 - **Input from Board Chair and some Board Members:** WI
 - **All board members, administrative assistant and legal counsel:** VT

REGIONAL DIRECTORS' FOCUS QUESTIONS

The input received from our focus questions is reviewed by all members of NASBA's Board of Directors, committee chairs and executive staff and used to guide their actions. Please send your Board's responses to NASBA and your Regional Director by April 11, 2018.

JURISDICTION _____ DATE _____

NAME OF PERSON SUBMITTING FORM _____

1. Does your Board have statutory authority to waive penalties, or do they automatically kick in, if the CPE certificate is dated after the deadline but the licensee maintains the course was completed before the deadline?

_____ Automatically kicks in _____ Grace period _____ Must appeal to Board _____ Other (Please explain)

2. Does your Board take actions against licensees who are in default of their student loans and/or child support?

_____ No _____ Yes. Please explain.

3. Do Board members and/or staff receive training on sexual harassment in the workplace?

_____ Yes both staff and Board members _____ Yes staff only _____ No

4. What is happening in your jurisdiction that is important for other State Boards and NASBA to know about?

5. Can NASBA be of any assistance to your Board at this time?

a. No. _____

b. Yes. Please explain. _____

6. NASBA's Board of Directors would appreciate as much input on the above questions as possible. How were the responses shown above compiled? Please check all that apply.

- Input only from Board Chair
 Input only from Executive Director
 Input only from Board Chair and Executive Director
 Input from all Board Members and Executive Director
 Input from some Board Members and Executive Director
 Input from all Board Members
 Input from some Board Members
 Other (please explain):