



**SOUTH DAKOTA
BOARD OF ACCOUNTANCY**

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Sioux Falls, SD 57104
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www.accountancy.sd.gov

Agenda

South Dakota Board of Accountancy Meeting
Conference Call
9:00 a.m. (CT)
March 25, 2011

A=Action

D=Discussion

I=Information

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EXECUTIVE SESSION

Equivalent Reviews & Complaints for Board Approval.....	Spt. Pkt.
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FUTURE MEETING DATES (all times CT)

May 13, 2011 – 8:30 a.m. Pierre, Dept. of Legislative Audit



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South Dakota Board of Accountancy
Minutes of Meeting
Conference Call
9:00 a.m. (CT)
January 12, 2011

The Board of Accountancy held a meeting by conference call on Wednesday, January 12, 2011. Chair Holly Brunick called the meeting to order at 9:03 a.m.

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

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

Chair Holly Brunick asked if there were any additions to the agenda.
Additional Peer Review

A motion was made by John Linn, Jr. and seconded by Marty Guindon to approve the December 3, 2010, meeting minutes. A roll call vote was taken. The motion unanimously carried.

A motion was made by David Olson and seconded by John Peterson to approve the issuance of individual certificates and firm permits through January 5, 2011. A roll call vote was taken. The motion unanimously carried.

A motion was made by Marty Guindon and seconded by David Olson to approve the financial statements through November 30, 2010. A roll call vote was taken. The motion unanimously carried.

Executive Director Kasin explained the report on CPE Audits. It was noted that the number of failed audits has increased from last year. Executive Director Kasin requested a committee be formed to review the failed audits and write consent agreements; board chair Brunick will join with Executive Director Kasin and Legal Counsel Sherri Wald. The Board asked that Executive Director Kasin utilize the Society newsletter and the Board's newsletter to remind licensees about CPE documentation requirements.

A motion was made by Marty Guindon and seconded by John Mitchell to approve the CPA Exam scores for the 27th CPA Exam window through December 2010. A roll call vote was taken. The motion unanimously carried.

The Board briefly discussed the Stipulated Consent Agreement from Idaho on J. McKetta.

The Board discussed the Audit for Two-Years ending June 30, 2010. It has been approved by the Auditor General. There were no findings or comments.

The Board was informed of the AICPA's passing standard to the Uniform CPA Exam's upcoming changes and IRS changes in PTIN/Testing Requirements.

The Board discussed NASBA's UAA Exposure Draft on Firm Names and NASBA's CBT 3Q10 State Board Summary Report.

Todd Kolden informed the Board that the Governor was looking at the structure and efficient functionality of all of the boards. Todd noted that our Board runs very efficiently and smoothly. The Board thanked Todd for his work with our board.

A motion was made by David Olson and seconded by Marty Guindon to enter into executive session for the purpose of discussing peer reviews and complaints. A roll call vote was taken. The motion unanimously carried.

The Board came out of executive session.

A motion was made by John Mitchell and seconded by Marty Guindon to accept the peer reviews and complaints as discussed in executive session. A roll call vote was taken. The motion unanimously carried.


FUTURE MEETING DATES (all times CT)


March 25, 2011 – 9:00 a.m. Conference Call

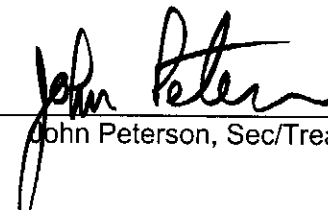
May 13, 2011 – 8:30 a.m. Pierre, Dept. of Legislative Audit

A motion was made by David Olson and seconded by John Peterson to adjourn the meeting. A roll call vote was taken. The motion carried; 5 Aye, 1 Excused (Linn, Jr.).

All business having come before the board was concluded and Chair Holly Brunick adjourned the meeting at 10:07 a.m.


Holly Brunick, CPA, Chair

Attest: 
Nicole Kasin, Executive Director


John Peterson, Sec/Treasurer

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES
BOARD COPY**

Issued Through March 21, 2011

Number	Name	Date Issued	Location
2964	Benjamin Robert Folsland	1/13/11	Rapid City, SD
2965	Christine Evelyn Olsen	1/14/11	Mobridge, SD
2966	Erin Leslie Wolff	1/18/11	Rapid City, SD
2967	Nathan James Rueckert	1/24/11	Sioux Falls, SD
2968	Lindsey Nicole Nolan	1/26/11	Rapid City, SD
2969	Timothy Mikkell Cook	1/26/11	Sioux Falls, SD
2970	Alanna Carbonneau Seljeskog	2/09/11	Rapid City, SD
2971	Brianne Michelle Sorensen	2/11/11	Spokane, WA
2972	Ginger Anne Knutsen	2/15/11	Volga, SD
2973	Stephanie Evelyn Winther	2/17/11	Denver, CO
2974	Yi Ju	2/23/11	Mobridge, SD

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

**Issued Through
March 21, 2011**

Number	Name	Date Issued	Basis/Comments
1510	Eide Bailly LLP Boulder, CO	01/31/11	Additional Location
1511	Dennis M. Nelson, CPA, P.C. Yankton, SD	02/03/11	Name Change
1512	Mayer Hoffman McCann P.C. Leawood, KS	02/15/11	Additional Location

BA1409R1

STATE OF SOUTH DAKOTA
CASH CENTER BALANCES
AS OF: 12/31/2010

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AGENCY: 10 LABOR
BUDGET UNIT: 1031 BOARD OF ACCOUNTANCY

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	348,727.06	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			348,727.06	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			348,727.06	DR **	
BUDGET UNIT TOTAL 1031			348,727.06	DR ***	

BA0205A5 01/01/2011

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 12/31/2010

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AGENCY BUDGET UNIT CENTER-5	10 1031 10310	LABOR BOARD OF ACCOUNTANCY BOARD OF ACCOUNTANCY	DOCUMENT NUMBER	POSTING DATE	JV APEVL OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
COMPANY NO	6503									
COMPANY NAME	PROFESSIONAL & LICENSING BOARDS									
6503 103100061802	51010100	CGEX101130	12/01/2010						2,729.76	DR
6503 103100061802	51010100	CGEX101214	12/17/2010						2,729.76	DR
OBJSUB: 5101010	F-T EMP SAL & WAGES									
6503 103100061802	51010200	CGEX101123	12/10/2010						5,459.52	DR *
6503 103100061802	51010200	CGEX101130	12/01/2010						120.00	DR
6503 103100061802	51010200	CGEX101214	12/17/2010						743.06	DR
OBJSUB: 5101020	P-T/TEMP EMP SAL & WAGES									
6503 103100061802	51010300	CGEX101130	12/01/2010						1,589.91	DR *
6503 103100061802	51010300	CGEX101214	12/17/2010						120.00	DR
OBJSUB: 5101030	BOARD & COMM MBRS FEES									
OBJECT: 5101	EMPLOYEE SALARIES									
6503 103100061802	51020100	CGEX101123	12/10/2010						300.00	DR *
6503 103100061802	51020100	CGEX101130	12/01/2010						7,349.43	DR **
6503 103100061802	51020100	CGEX101203	12/03/2010						259.15	DR
6503 103100061802	51020100	CGEX101214	12/17/2010						262.50	DR
OBJSUB: 5102010	OASI-EMPLOYER'S SHARE									
6503 103100061802	51020200	CGEX101123	12/10/2010						531.52	DR *
6503 103100061802	51020200	CGEX101130	12/01/2010						7.20	DR
6503 103100061802	51020200	CGEX101214	12/17/2010						208.37	DR
OBJSUB: 5102020	RETIREMENT-ER SHARE									
6503 103100061802	51020600	CGEX101130	12/01/2010						422.97	DR *
6503 103100061802	51020600	CGEX101214	12/17/2010						766.89	DR
OBJSUB: 5102060	HEALTH/LIFE INS.-ER SHARE									
6503 103100061802	51020800	CGEX101123	12/10/2010						1,533.78	DR *
6503 103100061802	51020800	CGEX101130	12/01/2010						20	DR
6503 103100061802	51020800	CGEX101214	12/17/2010						5.90	DR
OBJSUB: 5102080	WORKER'S COMPENSATION									
6503 103100061802	51020900	CGEX101123	12/10/2010						11.98	DR *
6503 103100061802	51020900	CGEX101130	12/01/2010						.10	DR
6503 103100061802	51020900	CGEX101214	12/17/2010						2.95	DR
OBJSUB: 5102090	UNEMPLOYMENT COMPENSATION									
OBJECT: 5102	EMPLOYEE BENEFITS								5.99	DR *
GROUP: 51	PERSONAL SERVICES								2,506.24	DR **
6503 103100061802	52030100	MP111051	12/31/2010						9,855.67	DR ***
OBJSUB: 5203010	AUTO-STATE OWNED-IN STATE								97.68	DR *
6503 103100061802	52031400	CGEX101203	12/03/2010						9.00	DR *

BA0205A5 01/01/2011

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 12/31/2010

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AGENCY BUDGET UNIT CENTER-5	10 1031 10310	LABOR BOARD OF ACCOUNTANCY BOARD OF ACCOUNTANCY	DOCUMENT NUMBER	POSTING DATE	JV APPL. OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
OBJSUB: 5203140	TAXABLE MEALS/IN-STATE								9.00	DR *
6503 103100061802	52032600	CGEX101203	12/03/2010	696593					619.40	DR
6503 103100061802	52032600	CGEX101203	12/03/2010	696594					408.30	DR
OBJSUB: 5203260	ATR-COMM-OUT-OF-STATE								1,027.70	DR *
6503 103100061802	52032800	CGEX101203	12/03/2010	696594					27.00	DR
6503 103100061802	52032800	CGEX101203	12/03/2010	696593					25.00	DR
OBJSUB: 5203280	OTHER-PUBLIC-OUT-OF-STATE								52.00	DR *
6503 103100061802	52033000	CGEX101203	12/03/2010	696593					732.03	DR
6503 103100061802	52033000	CGEX101203	12/03/2010	696594					732.03	DR
OBJSUB: 5203300	LODGING/OUT-OF-STATE								1,464.06	DR *
6503 103100061802	52033500	CGEX101203	12/03/2010	696593					126.00	DR
6503 103100061802	52033500	CGEX101203	12/03/2010	696594					90.00	DR
OBJSUB: 5203350	NON-TAXABLE MEALS/OUT-ST								216.00	DR *
6503 103100061802	52040200	112210	12/10/2010	99686657		FEDERATION	12012839		2,866.44	DR **
6503 103100061802	52040200	112210	12/10/2010	99686657		FEDERATION	12012839		150.00	DR
OBJSUB: 5204020	DUES & MEMBERSHIP FEES								150.00	DR *
6503 103100061802	52041800	DP111100	01/01/2011						201.00	DR
OBJSUB: 5204180	COMPUTER SERVICES-STATE								201.00	DR *
6503 103100061802	52042000	FM109065	12/08/2010						1,286.12	DR
6503 103100061802	52042000	PL111052	12/31/2010						209.19	DR
OBJSUB: 5204200	CENTRAL SERVICES								1,495.31	DR *
6503 103100061802	52042300	11SCI00012 DEC11	01/01/2011	996922668		SUNSETOFFI	12043890		119.86	DR
OBJSUB: 5204230	JANITORIAL & MAINT SERV								119.86	DR *
6503 103100061802	52043400	22463	12/24/2010	99691644		ELBOCOMPUR	12124520		580.00	DR
OBJSUB: 5204340	COMPUTER SOFTWARE MAINT								580.00	DR *
6503 103100061802	52044600	H2086050	12/22/2010	99690967		MAILFINANC	12219369		597.00	DR
OBJSUB: 5204460	EQUIPMENT RENTAL								597.00	DR *
6503 103100061802	52044900	ACCONTRENT11	12/15/2010	595779		MCGINNISRO	12074040		1,269.45	DR
OBJSUB: 5204490	RENTS-PRIVATE OWNED PROP.								1,269.45	DR *
6503 103100061802	52045300	TL110161	12/03/2010						86.75	DR
6503 103100061802	52045300	TL111161	01/01/2011						79.69	DR
6503 103100061802	52045300	111109001 NOV11	12/10/2010	99686712		MIDCONTINE	12023782		95.00	DR
OBJSUB: 5204530	TELECOMMUNICATIONS SVCS								261.44	DR *
6503 103100061802	52045400	5159417006 NOV11	12/10/2010	01943976		XCELENERGY	12023853		57.48	DR
OBJSUB: 5204540	ELECTRICITY								57.48	DR *
6503 103100061802	52047400	CI101A-057	12/08/2010	111726					31.00	DR

South Dakota Board of Accountancy
Balance Sheet
As of December 31, 2010

	Dec 31, 10
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - US Bank	384.53
1140000 · Pool Cash State of SD	350,683.11
Total Checking/Savings	351,067.64
Other Current Assets	
1131000 · Cash-Security Lending Collatera	22,975.91
1213000 · Investment Income Receivable	1,957.59
Total Other Current Assets	24,933.50
Total Current Assets	376,001.14
Fixed Assets	
1670000 · Computer Software	
Original Cost	140,063.23
1770000 · Depreciation	-86,752.25
Total 1670000 · Computer Software	53,310.98
Total Fixed Assets	53,310.98
TOTAL ASSETS	429,312.12
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	17,458.47
Total Accounts Payable	17,458.47
Other Current Liabilities	
2810000 · Amounts Held for Others	18,050.59
Total Other Current Liabilities	18,050.59
Total Current Liabilities	35,509.06
Long Term Liabilities	
2960000 · Compensated Absences Payable	11,162.26
Total Long Term Liabilities	11,162.26
Total Liabilities	46,671.32
Equity	
3220000 · Unrestricted Net Assets	203,047.76
3300100 · Invested In Capital Assets	53,310.98
3900 · Retained Earnings	40,723.55
Net Income	85,558.51
Total Equity	382,640.80
TOTAL LIABILITIES & EQUITY	429,312.12

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July through December 2010

	Jul - Dec 10	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate				
5208001 · Refunds	-25.00			
4293550 · Initial Individual Certificate - Other	1,300.00	2,500.00	-1,200.00	52.0%
Total 4293550 · Initial Individual Certificate	1,275.00	2,500.00	-1,225.00	51.0%
4293551 · Certificate Renewals-Active	54,850.00	50,000.00	4,850.00	109.7%
4293552 · Certificate Renewals-Inactive	20,100.00	23,000.00	-2,900.00	87.4%
4293553 · Certificate Renewals-Retired	650.00	600.00	50.00	108.3%
4293554 · Initial Firm Permits	800.00	1,500.00	-700.00	53.3%
4293555 · Firm Permit Renewals				
5208004 · REFUNDS	-50.00			
4293555 · Firm Permit Renewals - Other	19,950.00	18,350.00	1,600.00	108.7%
Total 4293555 · Firm Permit Renewals	19,900.00	18,350.00	1,550.00	108.4%
4293557 · Initial Audit	360.00	580.00	-220.00	62.1%
4293558 · Re-Exam Audit	1,410.00	1,660.00	-250.00	84.9%
4293561 · Late Fees-Certificate Renewals	5,950.00	3,500.00	2,450.00	170.0%
4293563 · Late Fees-Firm Permit Renewals				
5208012 · REFUNDS	-50.00			
4293563 · Late Fees-Firm Permit Renewals - Other	1,150.00	800.00	350.00	143.8%
Total 4293563 · Late Fees-Firm Permit Renewals	1,100.00	800.00	300.00	137.5%
4293564 · Late Fees-Peer Review	450.00	1,250.00	-800.00	36.0%
4293566 · Firm Permit Individual				
5208003 · REFUNDS	-235.00			
4293566 · Firm Permit Individual - Other	69,745.00	64,000.00	5,745.00	109.0%
Total 4293566 · Firm Permit Individual	69,510.00	64,000.00	5,510.00	108.6%
4293567 · Peer Review Admin Fee	825.00	5,650.00	-4,825.00	14.6%
4293568 · Firm Permit Name Change	125.00	100.00	25.00	125.0%
4293569 · Initial FAR	690.00	990.00	-300.00	69.7%
4293570 · Initial REG	210.00	530.00	-320.00	39.6%
4293571 · Initial BEC	600.00	670.00	-70.00	89.6%
4293572 · Re-Exam FAR	870.00	1,540.00	-670.00	56.5%
4293573 · Re-Exam REG	960.00	1,680.00	-720.00	57.1%
4293574 · Re-Exam BEC	1,260.00	2,020.00	-760.00	62.4%
4491000 · Interest and Dividend Revenue	16,547.72	12,000.00	4,547.72	137.9%
4896021 · Legal Recovery Cost	0.00	1,000.00	-1,000.00	0.0%
Total Income	198,442.72	193,920.00	4,522.72	102.3%
Gross Profit	198,442.72	193,920.00	4,522.72	102.3%
Expense				
5101010 · F-T Emp Sal & Wages	28,984.90	66,239.00	-37,254.10	43.8%
5101020 · P-T/Temp Emp Sal & Wages	8,023.08	19,380.00	-11,356.92	41.4%
5101030 · Board & Comm Mbrs Fees	2,178.00	4,020.00	-1,842.00	54.2%
5102010 · OASI-Employer's Share	2,843.15	6,549.00	-3,705.85	43.4%
5102020 · Retirement-ER Share	2,220.50	5,147.00	-2,926.50	43.1%
5102060 · Health /Life Ins.-ER Share	8,090.69	17,869.00	-9,778.31	45.3%
5102080 · Worker's Compensation	62.92	133.00	-70.08	47.3%
5102090 · Unemployment Insurance	31.44	55.00	-23.56	57.2%
5203010 · Auto--State Owned	97.68	1,500.00	-1,402.32	6.5%
5203020 · Auto-Private-Ownes Low Mileage	294.20	300.00	-5.80	98.1%
5203030 · In State-Auto- Priv. High Miles	398.12	2,100.00	-1,701.88	19.0%
5203100 · In State-Lodging	93.00	1,000.00	-907.00	9.3%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%
5203140 · InState-Tax Meals Not Overnigt	27.00	150.00	-123.00	18.0%
5203150 · InState-Non-Tax Meals OverNight	137.00	500.00	-363.00	27.4%
5203230 · OS-Auto Private High Mileage	0.00	100.00	-100.00	0.0%
5203260 · OS-Air Commercial Carrier	2,741.10	6,700.00	-3,958.90	40.9%
5203280 · OS-Other Public Carrier	104.00	500.00	-396.00	20.8%
5203300 · OS-Lodging	4,280.50	7,800.00	-3,519.50	54.9%
5203320 · OS-Incidentals to Travel	141.00	200.00	-59.00	70.5%
5203350 · OS-Non-Taxable Meals Overnight	592.00	1,000.00	-408.00	59.2%
5204010 · Subscriptions	424.25	1,500.00	-1,075.75	28.3%

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
 July through December 2010

	Jul - Dec 10	Budget	\$ Over Budget	% of Budget
5204020 · Dues and Membership Fees	3,350.00	3,900.00	-550.00	85.9%
5204030 · Legal Document Fees	0.00	500.00	-500.00	0.0%
5204040 · Consultant Fees-Accounting	6,200.00	6,000.00	200.00	103.3%
5204160 · Workshop Registration Fees	2,465.00	5,200.00	-2,735.00	47.4%
5204180 · Computer Services-State	342.00	600.00	-258.00	57.0%
5204181 · Computer Development Serv-State	3,096.00	4,400.00	-1,304.00	70.4%
5204200 · Central Services	3,411.37	7,500.00	-4,088.63	45.5%
5204220 · Equipment Service & Maintenance	41.98	300.00	-258.02	14.0%
5204230 · Janitorial/Maintenance Services	719.16	1,560.00	-840.84	46.1%
5204340 · Computer Software Maintenance	897.50	1,000.00	-102.50	89.8%
5204360 · Advertising-Newspapers	0.00	2,100.00	-2,100.00	0.0%
5204440 · Newsletter Publishing	486.89	1,100.00	-613.11	44.3%
5204460 · Equipment Rental	2,352.60	5,200.00	-2,847.40	45.2%
5204480 · Microfilm and Photography	0.00	700.00	-700.00	0.0%
5204490 · Rents Privately Owned Property	7,616.70	15,531.00	-7,914.30	49.0%
5204530 · Telecommunications Services	1,062.87	2,500.00	-1,437.13	42.5%
5204540 · Electricity	389.32	865.00	-475.68	45.0%
5204560 · Water	46.70	240.00	-193.30	19.5%
5204590 · Insurance Premiums/Surety Bonds	0.00	1,710.00	-1,710.00	0.0%
5204740 · Bank Fees and Charges	2,124.59	2,000.00	124.59	106.2%
5205020 · Office Supplies	360.49	1,500.00	-1,139.51	24.0%
5205310 · Printing State	0.00	500.00	-500.00	0.0%
5205320 · Printing/Duplicating/Binding Co	364.02	1,000.00	-635.98	36.4%
5205330 · Supplemental Publications	318.75	700.00	-381.25	45.5%
5205340 · Microfilm Supplies/Materials	0.00	300.00	-300.00	0.0%
5205350 · Postage	1,524.28	3,100.00	-1,575.72	49.2%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207900 · Computer Hardware	5,197.22	4,800.00	397.22	108.3%
5207950 · System Development	0.00	500.00	-500.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	0.00	500.00	-500.00	0.0%
5228000 · Operating Transfers Out-NonBudg	2,717.08	6,500.00	-3,782.92	41.8%
5228030 · Depreciation Expense	6,035.16			
Total Expense	112,884.21	225,748.00	-112,863.79	50.0%
Net Ordinary Income	85,558.51	-31,828.00	117,386.51	-268.8%
Net Income	85,558.51	-31,828.00	117,386.51	-268.8%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
December 2010

	<u>Dec 10</u>	<u>Dec 09</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	250.00	250.00	0.00	0.0%
4293551 · Certificate Renewals-Active	50.00	0.00	50.00	100.0%
4293552 · Certificate Renewals-Inactive	50.00	50.00	0.00	0.0%
4293554 · Initial Firm Permits	100.00	200.00	-100.00	-50.0%
4293557 · Initial Audit	30.00	30.00	0.00	0.0%
4293558 · Re-Exam Audit	270.00	90.00	180.00	200.0%
4293561 · Late Fees-Certificate Renewals	100.00	0.00	100.00	100.0%
4293564 · Late Fees-Peer Review	50.00	50.00	0.00	0.0%
4293566 · Firm Permit Individual	325.00	780.00	-455.00	-58.3%
4293567 · Peer Review Admin Fee	225.00	225.00	0.00	0.0%
4293568 · Firm Permit Name Change	25.00	25.00	0.00	0.0%
4293569 · Initial FAR	30.00	90.00	-60.00	-66.7%
4293570 · Initial REG	0.00	120.00	-120.00	-100.0%
4293571 · Initial BEC	0.00	90.00	-90.00	-100.0%
4293572 · Re-Exam FAR	60.00	120.00	-60.00	-50.0%
4293573 · Re-Exam REG	180.00	210.00	-30.00	-14.3%
4293574 · Re-Exam BEC	150.00	150.00	0.00	0.0%
Total Income	<u>1,895.00</u>	<u>2,480.00</u>	<u>-585.00</u>	<u>-23.6%</u>
Gross Profit	<u>1,895.00</u>	<u>2,480.00</u>	<u>-585.00</u>	<u>-23.6%</u>
Expense				
5101010 · F-T Emp Sal & Wages	5,459.52	5,459.52	0.00	0.0%
5101020 · P-T/Temp Emp Sal & Wages	1,589.91	1,604.23	-14.32	-0.9%
5101030 · Board & Comm Mbrs Fees	300.00	60.00	240.00	400.0%
5102010 · OASI-Employer's Share	531.52	514.24	17.28	3.4%
5102020 · Retirement-ER Share	422.97	423.83	-0.86	-0.2%
5102060 · Health /Life Ins.-ER Share	1,533.78	1,443.24	90.54	6.3%
5102080 · Worker's Compensation	11.98	3.55	8.43	237.5%
5102090 · Unemployment Insurance	5.99	4.60	1.39	30.2%
5203010 · Auto--State Owned	97.68	0.00	97.68	100.0%
5204010 · Subscriptions	196.50	185.15	11.35	6.1%
5204180 · Computer Services-State	57.00	45.00	12.00	26.7%
5204181 · Computer Development Serv-State	144.00	480.00	-336.00	-70.0%
5204200 · Central Services	209.19	63.59	145.60	229.0%
5204220 · Equipment Service & Maintenance	4.97	0.00	4.97	100.0%
5204230 · Janitorial/Maintenance Services	119.86	117.00	2.86	2.4%
5204340 · Computer Software Maintenance	580.00	92.50	487.50	527.0%
5204460 · Equipment Rental	93.60	11.28	82.32	729.8%
5204490 · Rents Privately Owned Property	1,269.45	1,269.45	0.00	0.0%
5204530 · Telecommunications Services	95.00	154.07	-59.07	-38.3%
5204540 · Electricity	67.66	65.09	2.57	4.0%
5204560 · Water	0.00	23.35	-23.35	-100.0%
5204740 · Bank Fees and Charges	27.00	31.00	-4.00	-12.9%
5205020 · Office Supplies	87.83	0.00	87.83	100.0%
5205320 · Printing/Duplicating/Binding Co	10.35	31.05	-20.70	-66.7%
5205350 · Postage	8.47	0.00	8.47	100.0%
5207900 · Computer Hardware	77.22	0.00	77.22	100.0%
5207960 · Computer Software Expense	0.00	199.00	-199.00	-100.0%
5228000 · Operating Transfers Out-NonBudg	566.18	288.35	277.83	96.4%
5228030 · Depreciation Expense	1,005.86	1,005.86	0.00	0.0%
Total Expense	<u>14,573.49</u>	<u>13,574.95</u>	<u>998.54</u>	<u>7.4%</u>
Net Ordinary Income	<u>-12,678.49</u>	<u>-11,094.95</u>	<u>-1,583.54</u>	<u>-14.3%</u>
Net Income	<u>-12,678.49</u>	<u>-11,094.95</u>	<u>-1,583.54</u>	<u>-14.3%</u>

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July through December 2010

	<u>Jul - Dec 10</u>	<u>Jul - Dec 09</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	1,275.00	2,400.00	-1,125.00	-46.9%
4293551 · Certificate Renewals-Active	54,850.00	54,250.00	600.00	1.1%
4293552 · Certificate Renewals-Inactive	20,100.00	19,600.00	500.00	2.6%
4293553 · Certificate Renewals-Retired	650.00	660.00	-10.00	-1.5%
4293554 · Initial Firm Permits	800.00	750.00	50.00	6.7%
4293555 · Firm Permit Renewals	19,900.00	19,600.00	300.00	1.5%
4293557 · Initial Audit	360.00	150.00	210.00	140.0%
4293558 · Re-Exam Audit	1,410.00	990.00	420.00	42.4%
4293560 · Late Fees-Initial Certificate	0.00	150.00	-150.00	-100.0%
4293561 · Late Fees-Certificate Renewals	5,950.00	5,800.00	150.00	2.6%
4293563 · Late Fees-Firm Permit Renewals	1,100.00	800.00	300.00	37.5%
4293564 · Late Fees-Peer Review	450.00	200.00	250.00	125.0%
4293566 · Firm Permit Individual	69,510.00	64,975.00	4,535.00	7.0%
4293567 · Peer Review Admin Fee	825.00	525.00	300.00	57.1%
4293568 · Firm Permit Name Change	125.00	130.00	-5.00	-3.9%
4293569 · Initial FAR	690.00	420.00	270.00	64.3%
4293570 · Initial REG	210.00	360.00	-150.00	-41.7%
4293571 · Initial BEC	600.00	390.00	210.00	53.9%
4293572 · Re-Exam FAR	870.00	840.00	30.00	3.6%
4293573 · Re-Exam REG	960.00	1,140.00	-180.00	-15.8%
4293574 · Re-Exam BEC	1,260.00	1,050.00	210.00	20.0%
4491000 · Interest and Dividend Revenue	16,547.72	16,687.62	-139.90	-0.8%
4896021 · Legal Recovery Cost	0.00	1,047.36	-1,047.36	-100.0%
Total Income	198,442.72	192,914.98	5,527.74	2.9%
Gross Profit				
	198,442.72	192,914.98	5,527.74	2.9%
Expense				
5101010 · F-T Emp Sal & Wages	28,984.90	28,550.81	434.09	1.5%
5101020 · P-T/Temp Emp Sal & Wages	8,023.08	8,293.12	-270.04	-3.3%
5101030 · Board & Comm Mbrs Fees	2,178.00	1,800.00	378.00	21.0%
5102010 · OASI-Employer's Share	2,843.15	2,794.84	48.31	1.7%
5102020 · Retirement-ER Share	2,220.50	2,210.66	9.84	0.5%
5102060 · Health /Life Ins.-ER Share	8,090.69	7,613.09	477.60	6.3%
5102080 · Worker's Compensation	62.92	30.27	32.65	107.9%
5102090 · Unemployment Insurance	31.44	23.99	7.45	31.1%
5203010 · Auto--State Owned	97.68	158.90	-61.22	-38.5%
5203020 · Auto-Private-Ownes Low Mileage	294.20	271.20	23.00	8.5%
5203030 · In State-Auto- Priv. High Miles	398.12	446.96	-48.84	-10.9%
5203100 · In State-Lodging	93.00	139.50	-46.50	-33.3%
5203140 · InState-Tax Meals Not Overnigt	27.00	9.00	18.00	200.0%
5203150 · InState-Non-Tax Meals OverNight	137.00	166.00	-29.00	-17.5%
5203260 · OS-Air Commercial Carrier	2,741.10	2,109.48	631.62	29.9%
5203280 · OS-Other Public Carrier	104.00	282.50	-178.50	-63.2%
5203300 · OS-Lodging	4,280.50	4,098.20	182.30	4.5%
5203320 · OS-Incidentals to Travel	141.00	200.00	-59.00	-29.5%
5203350 · OS-Non-Taxable Meals Overnight	592.00	455.00	137.00	30.1%
5204010 · Subscriptions	424.25	351.84	72.41	20.6%
5204020 · Dues and Membership Fees	3,350.00	3,350.00	0.00	0.0%
5204030 · Legal Document Fees	0.00	15.00	-15.00	-100.0%
5204040 · Consultant Fees-Accounting	6,200.00	0.00	6,200.00	100.0%
5204160 · Workshop Registration Fees	2,465.00	2,325.00	140.00	6.0%
5204180 · Computer Services-State	342.00	225.00	117.00	52.0%
5204181 · Computer Development Serv-State	3,096.00	1,944.00	1,152.00	59.3%
5204200 · Central Services	3,411.37	3,601.60	-190.23	-5.3%
5204220 · Equipment Service & Maintenance	41.98	37.44	4.54	12.1%
5204230 · Janitorial/Maintenance Services	719.16	702.00	17.16	2.4%
5204340 · Computer Software Maintenance	897.50	137.50	760.00	552.7%
5204440 · Newsletter Publishing	486.89	537.20	-50.31	-9.4%
5204460 · Equipment Rental	2,352.60	2,277.69	74.91	3.3%
5204480 · Microfilm and Photography	0.00	417.38	-417.38	-100.0%
5204490 · Rents Privately Owned Property	7,616.70	7,566.30	50.40	0.7%
5204530 · Telecommunications Services	1,062.87	1,102.27	-39.40	-3.6%
5204540 · Electricity	389.32	316.20	73.12	23.1%
5204560 · Water	46.70	70.05	-23.35	-33.3%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July through December 2010

	<u>Jul - Dec 10</u>	<u>Jul - Dec 09</u>	<u>\$ Change</u>	<u>% Change</u>
5204740 · Bank Fees and Charges	2,124.59	1,623.10	501.49	30.9%
5205020 · Office Supplies	360.49	743.33	-382.84	-51.5%
5205320 · Printing/Duplicating/Binding Co	364.02	507.81	-143.79	-28.3%
5205330 · Supplemental Publications	318.75	318.75	0.00	0.0%
5205350 · Postage	1,524.28	1,524.53	-0.25	0.0%
5207900 · Computer Hardware	5,197.22	0.00	5,197.22	100.0%
5207960 · Computer Software Expense	0.00	346.50	-346.50	-100.0%
5228000 · Operating Transfers Out-NonBudg	2,717.08	3,091.59	-374.51	-12.1%
5228030 · Depreciation Expense	6,035.16	6,035.16	0.00	0.0%
Total Expense	<u>112,884.21</u>	<u>98,820.76</u>	<u>14,063.45</u>	<u>14.2%</u>
Net Ordinary Income	<u>85,558.51</u>	<u>94,094.22</u>	<u>-8,535.71</u>	<u>-9.1%</u>
Net Income	<u><u>85,558.51</u></u>	<u><u>94,094.22</u></u>	<u><u>-8,535.71</u></u>	<u><u>-9.1%</u></u>

BA1409R1

STATE OF SOUTH DAKOTA
CASH CENTER BALANCES
AS OF: 01/31/2011

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AGENCY: 10 LABOR
BUDGET UNIT: 1031 BOARD OF ACCOUNTANCY

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	336,229.08	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			336,229.08	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			336,229.08	DR **	
BUDGET UNIT TOTAL 1031			336,229.08	DR ***	

BA0205A5 01/29/2011

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 01/31/2011

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AGENCY BUDGET UNIT CENTER-5	10 1031 10310	LABOR BOARD OF ACCOUNTANCY BOARD OF ACCOUNTANCY	COMP CENTER	6503 PROFESSIONAL & LICENSING BOARDS	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
COMPANY NO 6503													
COMPANY NAME PROFESSIONAL & LICENSING BOARDS													
6503	103100061802	51010100				CGEX101230	01/05/2011					2,729.76	DR
6503	103100061802	51010100				CGEX110113	01/14/2011					2,729.76	DR
OBJSUB: 5101010 F-T EMP SAL & WAGES													
6503	103100061802	51010200				CGEX101230	01/05/2011					5,459.52	DR *
6503	103100061802	51010200				CGEX110113	01/14/2011					753.88	DR
OBJSUB: 5101020 P-T/TEMP EMP SAL & WAGES													
OBJECT: 5101 EMPLOYEE SALARIES													
6503	103100061802	51020100				CGEX101230	01/05/2011					6,947.00	DR **
6503	103100061802	51020100				CGEX110113	01/14/2011					250.80	DR
OBJSUB: 5102010 OASI-EMPLOYER'S SHARE													
6503	103100061802	51020200				CGEX101230	01/05/2011					500.05	DR *
6503	103100061802	51020200				CGEX110113	01/14/2011					209.02	DR
OBJSUB: 5102020 RETIREMENT-ER SHARE													
6503	103100061802	51020600				CGEX101230	01/05/2011					416.83	DR *
6503	103100061802	51020600				CGEX110113	01/14/2011					766.89	DR
OBJSUB: 5102060 HEALTH/LIFE INS.-ER SHARE													
6503	103100061802	51020800				CGEX101230	01/05/2011					1,533.78	DR *
6503	103100061802	51020800				CGEX110113	01/14/2011					5.92	DR
OBJSUB: 5102080 WORKER'S COMPENSATION													
6503	103100061802	51020900				CGEX101230	01/05/2011					11.81	DR *
6503	103100061802	51020900				CGEX110113	01/14/2011					2.96	DR
OBJSUB: 5102090 UNEMPLOYMENT COMPENSATION													
OBJECT: 5102 EMPLOYEE BENEFITS													
GROUP: 51 PERSONAL SERVICES													
6503	103100061802	52040100				398383	01/07/2011					2,468.37	DR **
OBJSUB: 5204010 SUBSCRIPTIONS													
6503	103100061802	52041800				DP112312	01/31/2011					9,415.37	DR ***
OBJSUB: 5204180 COMPUTER SERVICES-STATE													
6503	103100061802	52042000				PL112052	01/26/2011					196.50	DR *
6503	103100061802	52042000				RM112004	01/26/2011					345.00	DR *
OBJSUB: 5204200 CENTRAL SERVICES													
6503	103100061802	52042200				86430	01/07/2011					155.59	DR
OBJSUB: 5204220 EQUIPMENT SERV & MAINT													
6503	103100061802	52042300				11SC100012 JAN11	01/26/2011					106.90	DR
OBJSUB: 5204230 SUNSETOFFI													
6503	103100061802	52042300				99701093	01/26/2011					262.49	DR *
OBJSUB: 5204230 SUNSETOFFI													
6503	103100061802	52042300				12043890	01/26/2011					4.97	DR *
OBJSUB: 5204230 SUNSETOFFI													
6503	103100061802	52042300				12043890	01/26/2011					4.97	DR *
OBJSUB: 5204230 SUNSETOFFI													
6503	103100061802	52042300				12043890	01/26/2011					119.86	DR *

South Dakota Board of Accountancy
Balance Sheet
As of January 31, 2011

	Jan 31, 11
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - US Bank	1,491.08
1140000 · Pool Cash State of SD	336,229.08
Total Checking/Savings	337,720.16
Other Current Assets	
1131000 · Cash-Security Lending Collatera	22,975.91
1213000 · Investment Income Receivable	1,957.59
Total Other Current Assets	24,933.50
Total Current Assets	362,653.66
Fixed Assets	
1670000 · Computer Software	
Original Cost	140,063.23
1770000 · Depreciation	-87,758.11
Total 1670000 · Computer Software	52,305.12
Total Fixed Assets	52,305.12
TOTAL ASSETS	414,958.78
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	10,451.08
Total Accounts Payable	10,451.08
Other Current Liabilities	
2810000 · Amounts Held for Others	22,894.93
Total Other Current Liabilities	22,894.93
Total Current Liabilities	33,346.01
Long Term Liabilities	
2960000 · Compensated Absences Payable	11,162.26
Total Long Term Liabilities	11,162.26
Total Liabilities	44,508.27
Equity	
3220000 · Unrestricted Net Assets	204,053.62
3300100 · Invested In Capital Assets	52,305.12
3900 · Retained Earnings	40,723.55
Net Income	73,368.22
Total Equity	370,450.51
TOTAL LIABILITIES & EQUITY	414,958.78

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
July 2010 through January 2011

	Jul '10 - Jan 11	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate				
5208001 · Refunds	-25.00			
4293550 · Initial Individual Certificate - Other	1,600.00	2,500.00	-900.00	64.0%
Total 4293550 · Initial Individual Certificate	1,575.00	2,500.00	-925.00	63.0%
4293551 · Certificate Renewals-Active	54,850.00	50,000.00	4,850.00	109.7%
4293552 · Certificate Renewals-Inactive	20,100.00	23,000.00	-2,900.00	87.4%
4293553 · Certificate Renewals-Retired	650.00	600.00	50.00	108.3%
4293554 · Initial Firm Permits	800.00	1,500.00	-700.00	53.3%
4293555 · Firm Permit Renewals				
5208004 · REFUNDS	-50.00			
4293555 · Firm Permit Renewals - Other	20,000.00	18,350.00	1,650.00	109.0%
Total 4293555 · Firm Permit Renewals	19,950.00	18,350.00	1,600.00	108.7%
4293557 · Initial Audit	510.00	580.00	-70.00	87.9%
4293558 · Re-Exam Audit	1,620.00	1,660.00	-40.00	97.6%
4293561 · Late Fees-Certificate Renewals	5,950.00	3,500.00	2,450.00	170.0%
4293563 · Late Fees-Firm Permit Renewals				
5208012 · REFUNDS	-50.00			
4293563 · Late Fees-Firm Permit Renewals - Other	1,150.00	800.00	350.00	143.8%
Total 4293563 · Late Fees-Firm Permit Renewals	1,100.00	800.00	300.00	137.5%
4293564 · Late Fees-Peer Review	450.00	1,250.00	-800.00	36.0%
4293566 · Firm Permit Individual				
5208003 · REFUNDS	-235.00			
4293566 · Firm Permit Individual - Other	70,135.00	64,000.00	6,135.00	109.6%
Total 4293566 · Firm Permit Individual	69,900.00	64,000.00	5,900.00	109.2%
4293567 · Peer Review Admin Fee	1,350.00	5,650.00	-4,300.00	23.9%
4293568 · Firm Permit Name Change	125.00	100.00	25.00	125.0%
4293569 · Initial FAR	870.00	990.00	-120.00	87.9%
4293570 · Initial REG	360.00	530.00	-170.00	67.9%
4293571 · Initial BEC	810.00	670.00	140.00	120.9%
4293572 · Re-Exam FAR	960.00	1,540.00	-580.00	62.3%
4293573 · Re-Exam REG	1,260.00	1,680.00	-420.00	75.0%
4293574 · Re-Exam BEC	1,470.00	2,020.00	-550.00	72.8%
4491000 · Interest and Dividend Revenue	16,547.72	12,000.00	4,547.72	137.9%
4896021 · Legal Recovery Cost	0.00	1,000.00	-1,000.00	0.0%
Total Income	201,207.72	193,920.00	7,287.72	103.8%
Gross Profit	201,207.72	193,920.00	7,287.72	103.8%
Expense				
5101010 · F-T Emp Sal & Wages	34,444.42	66,239.00	-31,794.58	52.0%
5101020 · P-T/Temp Emp Sal & Wages	9,510.56	19,380.00	-9,869.44	49.1%
5101030 · Board & Comm Mbrs Fees	2,178.00	4,020.00	-1,842.00	54.2%
5102010 · OASI-Employer's Share	3,343.20	6,549.00	-3,205.80	51.0%
5102020 · Retirement-ER Share	2,637.33	5,147.00	-2,509.67	51.2%
5102060 · Health /Life Ins.-ER Share	9,624.47	17,869.00	-8,244.53	53.9%
5102080 · Worker's Compensation	74.73	133.00	-58.27	56.2%
5102090 · Unemployment Insurance	37.34	55.00	-17.66	67.9%
5203010 · Auto--State Owned	97.68	1,500.00	-1,402.32	6.5%
5203020 · Auto-Private-Ownes Low Mileage	294.20	300.00	-5.80	98.1%
5203030 · In State-Auto- Priv. High Miles	398.12	2,100.00	-1,701.88	19.0%
5203100 · In State-Lodging	93.00	1,000.00	-907.00	9.3%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%
5203140 · InState-Tax Meals Not Overnigt	27.00	150.00	-123.00	18.0%
5203150 · InState-Non-Tax Meals OverNight	137.00	500.00	-363.00	27.4%
5203230 · OS-Auto Private High Mileage	0.00	100.00	-100.00	0.0%
5203260 · OS-Air Commercial Carrier	2,741.10	6,700.00	-3,958.90	40.9%
5203280 · OS-Other Public Carrier	104.00	500.00	-396.00	20.8%
5203300 · OS-Lodging	4,280.50	7,800.00	-3,519.50	54.9%
5203320 · OS-Incidentals to Travel	141.00	200.00	-59.00	70.5%
5203350 · OS-Non-Taxable Meals Overnigt	592.00	1,000.00	-408.00	59.2%
5204010 · Subscriptions	424.25	1,500.00	-1,075.75	28.3%

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
July 2010 through January 2011

	Jul '10 - Jan 11	Budget	\$ Over Budget	% of Budget
5204020 · Dues and Membership Fees	3,350.00	3,900.00	-550.00	85.9%
5204030 · Legal Document Fees	0.00	500.00	-500.00	0.0%
5204040 · Consultant Fees-Accounting	6,200.00	6,000.00	200.00	103.3%
5204160 · Workshop Registration Fees	3,855.00	5,200.00	-1,345.00	74.1%
5204180 · Computer Services-State	399.00	600.00	-201.00	66.5%
5204181 · Computer Development Serv-State	3,384.00	4,400.00	-1,016.00	76.9%
5204200 · Central Services	3,695.17	7,500.00	-3,804.83	49.3%
5204220 · Equipment Service & Maintenance	44.53	300.00	-255.47	14.8%
5204230 · Janitorial/Maintenance Services	839.02	1,560.00	-720.98	53.8%
5204340 · Computer Software Maintenance	897.50	1,000.00	-102.50	89.8%
5204360 · Advertising-Newspapers	0.00	2,100.00	-2,100.00	0.0%
5204440 · Newsletter Publishing	486.89	1,100.00	-613.11	44.3%
5204460 · Equipment Rental	2,446.20	5,200.00	-2,753.80	47.0%
5204480 · Microfilm and Photography	0.00	700.00	-700.00	0.0%
5204490 · Rents Privately Owned Property	8,886.15	15,531.00	-6,644.85	57.2%
5204530 · Telecommunications Services	1,315.56	2,500.00	-1,184.44	52.6%
5204540 · Electricity	454.50	865.00	-410.50	52.5%
5204560 · Water	70.05	240.00	-169.95	29.2%
5204590 · Insurance Premiums/Surety Bonds	0.00	1,710.00	-1,710.00	0.0%
5204740 · Bank Fees and Charges	2,155.59	2,000.00	155.59	107.8%
5205020 · Office Supplies	455.12	1,500.00	-1,044.88	30.3%
5205310 · Printing State	0.00	500.00	-500.00	0.0%
5205320 · Printing/Duplicating/Binding Co	384.72	1,000.00	-615.28	38.5%
5205330 · Supplemental Publications	318.75	700.00	-381.25	45.5%
5205340 · Microfilm Supplies/Materials	0.00	300.00	-300.00	0.0%
5205350 · Postage	1,532.35	3,100.00	-1,567.65	49.4%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207900 · Computer Hardware	5,197.22	4,800.00	397.22	108.3%
5207950 · System Development	0.00	500.00	-500.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	0.00	500.00	-500.00	0.0%
5228000 · Operating Transfers Out-NonBudg	3,251.26	6,500.00	-3,248.74	50.0%
5228030 · Depreciation Expense	7,041.02			
Total Expense	127,839.50	225,748.00	-97,908.50	56.6%
Net Ordinary Income	73,368.22	-31,828.00	105,196.22	-230.5%
Net Income	73,368.22	-31,828.00	105,196.22	-230.5%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
January 2011

	<u>Jan 11</u>	<u>Jan 10</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	300.00	400.00	-100.00	-25.0%
4293551 · Certificate Renewals-Active	0.00	50.00	-50.00	-100.0%
4293554 · Initial Firm Permits	0.00	50.00	-50.00	-100.0%
4293555 · Firm Permit Renewals	50.00	0.00	50.00	100.0%
4293557 · Initial Audit	150.00	0.00	150.00	100.0%
4293558 · Re-Exam Audit	210.00	180.00	30.00	16.7%
4293560 · Late Fees-Initial Certificate	0.00	50.00	-50.00	-100.0%
4293564 · Late Fees-Peer Review	0.00	50.00	-50.00	-100.0%
4293566 · Firm Permit Individual	390.00	780.00	-390.00	-50.0%
4293567 · Peer Review Admin Fee	525.00	300.00	225.00	75.0%
4293569 · Initial FAR	180.00	90.00	90.00	100.0%
4293570 · Initial REG	150.00	30.00	120.00	400.0%
4293571 · Initial BEC	210.00	30.00	180.00	600.0%
4293572 · Re-Exam FAR	90.00	30.00	60.00	200.0%
4293573 · Re-Exam REG	300.00	90.00	210.00	233.3%
4293574 · Re-Exam BEC	210.00	210.00	0.00	0.0%
Total Income	<u>2,765.00</u>	<u>2,340.00</u>	<u>425.00</u>	<u>18.2%</u>
Gross Profit	2,765.00	2,340.00	425.00	18.2%
Expense				
5101010 · F-T Emp Sal & Wages	5,459.52	5,707.68	-248.16	-4.4%
5101020 · P-T/Temp Emp Sal & Wages	1,487.48	1,575.30	-87.82	-5.6%
5101030 · Board & Comm Mbrs Fees	0.00	300.00	-300.00	-100.0%
5102010 · OASI-Employer's Share	500.05	550.08	-50.03	-9.1%
5102020 · Retirement-ER Share	416.83	436.98	-20.15	-4.6%
5102060 · Health /Life Ins.-ER Share	1,533.78	1,443.24	90.54	6.3%
5102080 · Worker's Compensation	11.81	3.65	8.16	223.6%
5102090 · Unemployment Insurance	5.90	4.74	1.16	24.5%
5204160 · Workshop Registration Fees	1,390.00	0.00	1,390.00	100.0%
5204180 · Computer Services-State	57.00	45.00	12.00	26.7%
5204181 · Computer Development Serv-State	288.00	1,104.00	-816.00	-73.9%
5204200 · Central Services	283.80	172.95	110.85	64.1%
5204220 · Equipment Service & Maintenance	2.55	4.71	-2.16	-45.9%
5204230 · Janitorial/Maintenance Services	119.86	117.00	2.86	2.4%
5204460 · Equipment Rental	93.60	595.83	-502.23	-84.3%
5204490 · Rents Privately Owned Property	1,269.45	1,269.45	0.00	0.0%
5204530 · Telecommunications Services	252.69	181.26	71.43	39.4%
5204540 · Electricity	65.18	65.19	-0.01	0.0%
5204560 · Water	23.35	0.00	23.35	100.0%
5204740 · Bank Fees and Charges	31.00	31.00	0.00	0.0%
5205020 · Office Supplies	94.63	0.00	94.63	100.0%
5205320 · Printing/Duplicating/Binding Co	20.70	24.15	-3.45	-14.3%
5205350 · Postage	8.07	0.00	8.07	100.0%
5228000 · Operating Transfers Out-NonBudg	534.18	593.62	-59.44	-10.0%
5228030 · Depreciation Expense	1,005.86	1,005.86	0.00	0.0%
Total Expense	<u>14,955.29</u>	<u>15,231.69</u>	<u>-276.40</u>	<u>-1.8%</u>
Net Ordinary Income	<u>-12,190.29</u>	<u>-12,891.69</u>	<u>701.40</u>	<u>5.4%</u>
Net Income	<u>-12,190.29</u>	<u>-12,891.69</u>	<u>701.40</u>	<u>5.4%</u>

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July 2010 through January 2011

	Jul '10 - Jan 11	Jul '09 - Jan 10	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	1,575.00	2,800.00	-1,225.00	-43.8%
4293551 · Certificate Renewals-Active	54,850.00	54,300.00	550.00	1.0%
4293552 · Certificate Renewals-Inactive	20,100.00	19,600.00	500.00	2.6%
4293553 · Certificate Renewals-Retired	650.00	660.00	-10.00	-1.5%
4293554 · Initial Firm Permits	800.00	800.00	0.00	0.0%
4293555 · Firm Permit Renewals	19,950.00	19,600.00	350.00	1.8%
4293557 · Initial Audit	510.00	150.00	360.00	240.0%
4293558 · Re-Exam Audit	1,620.00	1,170.00	450.00	38.5%
4293560 · Late Fees-Initial Certificate	0.00	200.00	-200.00	-100.0%
4293561 · Late Fees-Certificate Renewals	5,950.00	5,800.00	150.00	2.6%
4293563 · Late Fees-Firm Permit Renewals	1,100.00	800.00	300.00	37.5%
4293564 · Late Fees-Peer Review	450.00	250.00	200.00	80.0%
4293566 · Firm Permit Individual	69,900.00	65,755.00	4,145.00	6.3%
4293567 · Peer Review Admin Fee	1,350.00	825.00	525.00	63.6%
4293568 · Firm Permit Name Change	125.00	130.00	-5.00	-3.9%
4293569 · Initial FAR	870.00	510.00	360.00	70.6%
4293570 · Initial REG	360.00	390.00	-30.00	-7.7%
4293571 · Initial BEC	810.00	420.00	390.00	92.9%
4293572 · Re-Exam FAR	960.00	870.00	90.00	10.3%
4293573 · Re-Exam REG	1,260.00	1,230.00	30.00	2.4%
4293574 · Re-Exam BEC	1,470.00	1,260.00	210.00	16.7%
4491000 · Interest and Dividend Revenue	16,547.72	16,687.62	-139.90	-0.8%
4896021 · Legal Recovery Cost	0.00	1,047.36	-1,047.36	-100.0%
Total Income	201,207.72	195,254.98	5,952.74	3.1%
Gross Profit	201,207.72	195,254.98	5,952.74	3.1%
Expense				
5101010 · F-T Emp Sal & Wages	34,444.42	34,258.49	185.93	0.5%
5101020 · P-T/Temp Emp Sal & Wages	9,510.56	9,868.42	-357.86	-3.6%
5101030 · Board & Comm Mbrs Fees	2,178.00	2,100.00	78.00	3.7%
5102010 · OASI-Employer's Share	3,343.20	3,344.92	-1.72	-0.1%
5102020 · Retirement-ER Share	2,637.33	2,647.64	-10.31	-0.4%
5102060 · Health /Life Ins.-ER Share	9,624.47	9,056.33	568.14	6.3%
5102080 · Worker's Compensation	74.73	33.92	40.81	120.3%
5102090 · Unemployment Insurance	37.34	28.73	8.61	30.0%
5203010 · Auto--State Owned	97.68	158.90	-61.22	-38.5%
5203020 · Auto-Private-Ownes Low Mileage	294.20	271.20	23.00	8.5%
5203030 · In State-Auto- Priv. High Miles	398.12	446.96	-48.84	-10.9%
5203100 · In State-Lodging	93.00	139.50	-46.50	-33.3%
5203140 · InState-Tax Meals Not Overnigt	27.00	9.00	18.00	200.0%
5203150 · InState-Non-Tax Meals OverNight	137.00	166.00	-29.00	-17.5%
5203260 · OS-Air Commercial Carrier	2,741.10	2,109.48	631.62	29.9%
5203280 · OS-Other Public Carrier	104.00	282.50	-178.50	-63.2%
5203300 · OS-Lodging	4,280.50	4,098.20	182.30	4.5%
5203320 · OS-Incidentals to Travel	141.00	200.00	-59.00	-29.5%
5203350 · OS-Non-Taxable Meals Overnight	592.00	455.00	137.00	30.1%
5204010 · Subscriptions	424.25	351.84	72.41	20.6%
5204020 · Dues and Membership Fees	3,350.00	3,350.00	0.00	0.0%
5204030 · Legal Document Fees	0.00	15.00	-15.00	-100.0%
5204040 · Consultant Fees-Accounting	6,200.00	0.00	6,200.00	100.0%
5204160 · Workshop Registration Fees	3,855.00	2,325.00	1,530.00	65.8%
5204180 · Computer Services-State	399.00	270.00	129.00	47.8%
5204181 · Computer Development Serv-State	3,384.00	3,048.00	336.00	11.0%
5204200 · Central Services	3,695.17	3,774.55	-79.38	-2.1%
5204220 · Equipment Service & Maintenance	44.53	42.15	2.38	5.7%
5204230 · Janitorial/Maintenance Services	839.02	819.00	20.02	2.4%
5204340 · Computer Software Maintenance	897.50	137.50	760.00	552.7%
5204440 · Newsletter Publishing	486.89	537.20	-50.31	-9.4%
5204460 · Equipment Rental	2,446.20	2,873.52	-427.32	-14.9%
5204480 · Microfilm and Photography	0.00	417.38	-417.38	-100.0%
5204490 · Rents Privately Owned Property	8,886.15	8,835.75	50.40	0.6%
5204530 · Telecommunications Services	1,315.56	1,283.53	32.03	2.5%
5204540 · Electricity	454.50	381.39	73.11	19.2%
5204560 · Water	70.05	70.05	0.00	0.0%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July 2010 through January 2011

	Jul '10 - Jan 11	Jul '09 - Jan 10	\$ Change	% Change
5204740 · Bank Fees and Charges	2,155.59	1,654.10	501.49	30.3%
5205020 · Office Supplies	455.12	743.33	-288.21	-38.8%
5205320 · Printing/Duplicating/Binding Co	384.72	531.96	-147.24	-27.7%
5205330 · Supplemental Publications	318.75	318.75	0.00	0.0%
5205350 · Postage	1,532.35	1,524.53	7.82	0.5%
5207900 · Computer Hardware	5,197.22	0.00	5,197.22	100.0%
5207960 · Computer Software Expense	0.00	346.50	-346.50	-100.0%
5228000 · Operating Transfers Out-NonBudg	3,251.26	3,685.21	-433.95	-11.8%
5228030 · Depreciation Expense	7,041.02	7,041.02	0.00	0.0%
Total Expense	127,839.50	114,052.45	13,787.05	12.1%
Net Ordinary Income	73,368.22	81,202.53	-7,834.31	-9.7%
Net Income	73,368.22	81,202.53	-7,834.31	-9.7%

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STATE OF SOUTH DAKOTA
CASH CENTER BALANCES
AS OF: 02/28/2011

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AGENCY: 10 LABOR
BUDGET UNIT: 1031 BOARD OF ACCOUNTANCY

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	1031000061802	1140000	316,976.28	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			316,976.28	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			316,976.28	DR **	
BUDGET UNIT TOTAL 1031			316,976.28	DR ***	

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STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
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AGENCY BUDGET CENTER-5	UNIT 1031 10310	LABOR BOARD OF ACCOUNTANCY BOARD OF ACCOUNTANCY	COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV OR	APPLY PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
COMPANY NO 6503														
COMPANY NAME PROFESSIONAL & LICENSING BOARDS														
6503	103100061802	51010100				CGEX110127	02/02/2011						2,481.60	DR
6503	103100061802	51010100				CGEX110212	02/16/2011						2,977.92	DR
OBJSUB: 5101010 F-T EMP SAL & WAGES														
6503	103100061802	51010200				CGEX110127	02/02/2011						5,459.52	DR *
6503	103100061802	51010200				CGEX110212	02/16/2011						668.77	DR
OBJSUB: 5101020 P-T/TEMP EMP SAL & WAGES														
6503	103100061802	51010300				CGEX110127	02/02/2011						1,469.93	DR *
6503	103100061802	51010300				CGEX110212	02/16/2011						240.00	DR
OBJSUB: 5101030 BOARD & COMM MERS FEES														
6503	103100061802	51020100				CGEX110127	02/02/2011						360.00	DR *
6503	103100061802	51020100				CGEX110212	02/16/2011						7,289.45	DR **
OBJSUB: 5102010 OASI-EMPLOYER'S SHARE														
6503	103100061802	51020200				CGEX110127	02/02/2011						189.03	DR
6503	103100061802	51020200				CGEX110212	02/16/2011						226.74	DR
OBJSUB: 5102020 RETIREMENT-ER SHARE														
6503	103100061802	51020600				CGEX110127	02/02/2011						415.77	DR *
6503	103100061802	51020600				CGEX110212	02/16/2011						766.89	DR
OBJSUB: 5102060 HEALTH/LIFE INS.-ER SHARE														
6503	103100061802	51020800				CGEX110127	02/02/2011						1,533.78	DR *
6503	103100061802	51020800				CGEX110212	02/16/2011						5.36	DR
OBJSUB: 5102080 WORKER'S COMPENSATION														
6503	103100061802	51020900				CGEX110127	02/02/2011						11.79	DR *
6503	103100061802	51020900				CGEX110212	02/16/2011						2.68	DR **
OBJSUB: 5102090 UNEMPLOYMENT COMPENSATION														
6503	103100061802	52032600				DC101008	02/28/2011						9,782.93	DR ***
OBJSUB: 5203260 AIR-COMM-OUT-OF-STATE														
6503	103100061802	52041600				29995316	02/11/2011		99707344	NATLASSNST	12005047		426.40	DR *
OBJSUB: 5204160 WORKSHOP REGISTRATION FEE														
6503	103100061802	52041800				DP101098	02/28/2011						1,390.00	DR **
OBJSUB: 5204180 COMPUTER SERVICES-STATE														
6503	103100061802	52042000				FM12063	02/23/2011						57.00	DR *
OBJSUB: 5204200 FM12063														
902.51														

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STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
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AGENCY	10	LABOR
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
6503	103100061802	52042000	FMI12065	02/18/2011					969.54	DR
6503	103100061802	52042000	FMI12065	02/18/2011					969.54	CR
6503	103100061802	52042000	PLI01053	02/23/2011					84.87	DR
6503	103100061802	52042000	PLI01054	02/18/2011					183.87	DR
6503	103100061802	52042000	PLI01054	02/18/2011					183.87	CR
6503	103100061802	52042000	PFI12038	02/28/2011					21.31	DR
6503	103100061802	52042000	PFI12040	02/16/2011					37.57	DR
OBSUB:	5204200	CENTRAL SERVICES								
6503	103100061802	52042200	90914	02/02/2011	01949187	BESTBUSINE	12031022		1,046.26	DR *
									2.55	DR
OBSUB:	5204220	EQUIPMENT SERV & MAINT								
6503	103100061802	52044600	90914	02/02/2011	01949187	BESTBUSINE	12031022		2.55	DR *
									93.60	DR
OBSUB:	5204460	EQUIPMENT RENTAL								
6503	103100061802	52044900	ACCOUNTRNT11	02/16/2011	595779	MCGINNISRO	12074040		93.60	DR *
									1,269.45	DR
OBSUB:	5204490	RENTS-PRIVATE OWNED PROP.								
6503	103100061802	52045300	TLI01161	02/28/2011					1,269.45	DR *
6503	103100061802	52045300	TLI01161	02/28/2011					170.28	CR
6503	103100061802	52045300	TLI01161	02/28/2011					85.14	DR
OBSUB:	5204530	TELECOMMUNICATIONS SRVCS								
6503	103100061802	52045400	5159417006 JAN11	02/09/2011	01949676	XCELENERGY	12023853		85.14	DR *
		ELECTRICITY							65.18	DR
OBSUB:	5204540									
6503	103100061802	52045600	79001	02/09/2011	99706536	ECOWATER	12035896		23.35	DR *
		WATER							23.35	DR *
OBSUB:	5204560									
6503	103100061802	52047400	C1I01A-071	02/09/2011	116524				31.00	DR
6503	103100061802	52047400	C1O1A-071	02/09/2011					31.00	DR
6503	103100061802	52047400	C1O1A-071	02/09/2011					31.00	CR
OBSUB:	5204740	BANK FEES AND CHARGES								
6503	103100061802	52049600	13342499	02/09/2011	99706148	NATLIASSNST	12005047		31.00	DR *
6503	103100061802	52049600	13348634	02/18/2011	99709589	NATLIASSNST	12005047		3,809.61	DR
									4,873.71	DR
OBSUB:	5204960	OTHER CONTRACTUAL SERVICE								
OBJECT:	5204	CONTRACTUAL SERVICES							8,683.32	DR *
6503	103100061802	52050200	CS101043	02/16/2011					12,746.85	DR **
6503	103100061802	52050200	1469023-0 & 26-0	02/02/2011	99704141	BROWNSAENG	12028533		19.88	DR
6503	103100061802	52050200	1473874-0	02/16/2011	01950416	BROWNSAENG	12028533		25.90	DR
6503	103100061802	52050200							11.28	DR
OBSUB:	5205020	OFFICE SUPPLIES							57.06	DR *
OBJECT:	5205	SUPPLIES & MATERIALS							57.06	DR **
6503	103100061802	5228000	T101-062	02/09/2011					510.31	DR
OBSUB:	5228000	OPER TRANS OUT -NON BUDGT							510.31	DR *
OBJECT:	52									

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STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
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AGENCY	10	LABOR	DOCUMENT	POSTING	JV APEVL	SHORT	VENDOR	VENDOR	AMOUNT	DR/
BUDGET UNIT	1031	BOARD OF ACCOUNTANCY	NUMBER	DATE	#	NAME	NUMBER	GROUP		CR
CENTER-5	10310	BOARD OF ACCOUNTANCY								
COMP	CENTER	ACCOUNT								
GROUP:	52	OPERATING EXPENSES							13,740.62	DR ***
COMP:	6503								23,523.55	DR ***
CNTR:	103100061802								23,523.55	DR ***
B. UNIT:	1031								23,523.55	DR *****

South Dakota Board of Accountancy
Balance Sheet
As of February 28, 2011

	Feb 28, 11
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - US Bank	1,001.78
1140000 · Pool Cash State of SD	316,976.28
Total Checking/Savings	317,978.06
Other Current Assets	
1131000 · Cash-Security Lending Collatera	22,975.91
1213000 · Investment Income Receivable	1,957.59
Total Other Current Assets	24,933.50
Total Current Assets	342,911.56
Fixed Assets	
1670000 · Computer Software	
Original Cost	140,063.23
1770000 · Depreciation	-88,763.97
Total 1670000 · Computer Software	51,299.26
Total Fixed Assets	51,299.26
TOTAL ASSETS	394,210.82
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	7,727.16
Total Accounts Payable	7,727.16
Other Current Liabilities	
2810000 · Amounts Held for Others	19,466.24
Total Other Current Liabilities	19,466.24
Total Current Liabilities	27,193.40
Long Term Liabilities	
2960000 · Compensated Absences Payable	11,162.26
Total Long Term Liabilities	11,162.26
Total Liabilities	38,355.66
Equity	
3220000 · Unrestricted Net Assets	205,059.48
3300100 · Invested In Capital Assets	51,299.26
3900 · Retained Earnings	40,723.55
Net Income	58,772.87
Total Equity	355,855.16
TOTAL LIABILITIES & EQUITY	394,210.82

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July 2010 through February 2011

	Jul '10 - Feb 11	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate				
5208001 · Refunds	-25.00			
4293550 · Initial Individual Certificate - Other	1,675.00	2,500.00	-825.00	67.0%
Total 4293550 · Initial Individual Certificate	1,650.00	2,500.00	-850.00	66.0%
4293551 · Certificate Renewals-Active	54,850.00	50,000.00	4,850.00	109.7%
4293552 · Certificate Renewals-Inactive	20,100.00	23,000.00	-2,900.00	87.4%
4293553 · Certificate Renewals-Retired	650.00	600.00	50.00	108.3%
4293554 · Initial Firm Permits	900.00	1,500.00	-600.00	60.0%
4293555 · Firm Permit Renewals				
5208004 · REFUNDS	-50.00			
4293555 · Firm Permit Renewals - Other	20,000.00	18,350.00	1,650.00	109.0%
Total 4293555 · Firm Permit Renewals	19,950.00	18,350.00	1,600.00	108.7%
4293557 · Initial Audit	510.00	580.00	-70.00	87.9%
4293558 · Re-Exam Audit	1,740.00	1,660.00	80.00	104.8%
4293561 · Late Fees-Certificate Renewals	5,950.00	3,500.00	2,450.00	170.0%
4293563 · Late Fees-Firm Permit Renewals				
5208012 · REFUNDS	-50.00			
4293563 · Late Fees-Firm Permit Renewals - Other	1,150.00	800.00	350.00	143.8%
Total 4293563 · Late Fees-Firm Permit Renewals	1,100.00	800.00	300.00	137.5%
4293564 · Late Fees-Peer Review	600.00	1,250.00	-650.00	48.0%
4293566 · Firm Permit Individual				
5208003 · REFUNDS	-235.00			
4293566 · Firm Permit Individual - Other	70,590.00	64,000.00	6,590.00	110.3%
Total 4293566 · Firm Permit Individual	70,355.00	64,000.00	6,355.00	109.9%
4293567 · Peer Review Admin Fee	1,575.00	5,650.00	-4,075.00	27.9%
4293568 · Firm Permit Name Change	150.00	100.00	50.00	150.0%
4293569 · Initial FAR	900.00	990.00	-90.00	90.9%
4293570 · Initial REG	390.00	530.00	-140.00	73.6%
4293571 · Initial BEC	810.00	670.00	140.00	120.9%
4293572 · Re-Exam FAR	1,050.00	1,540.00	-490.00	68.2%
4293573 · Re-Exam REG	1,290.00	1,680.00	-390.00	76.8%
4293574 · Re-Exam BEC	1,530.00	2,020.00	-490.00	75.7%
4491000 · Interest and Dividend Revenue	16,547.72	12,000.00	4,547.72	137.9%
4896021 · Legal Recovery Cost	0.00	1,000.00	-1,000.00	0.0%
Total Income	202,597.72	193,920.00	8,677.72	104.5%
Gross Profit	202,597.72	193,920.00	8,677.72	104.5%
Expense				
5101010 · F-T Emp Sal & Wages	39,903.94	66,239.00	-26,335.06	60.2%
5101020 · P-T/Temp Emp Sal & Wages	10,980.49	19,380.00	-8,399.51	56.7%
5101030 · Board & Comm Mbrs Fees	2,538.00	4,020.00	-1,482.00	63.1%
5102010 · OASI-Employer's Share	3,869.45	6,549.00	-2,679.55	59.1%
5102020 · Retirement-ER Share	3,053.10	5,147.00	-2,093.90	59.3%
5102060 · Health /Life Ins.-ER Share	11,158.25	17,869.00	-6,710.75	62.4%
5102080 · Worker's Compensation	86.52	133.00	-46.48	65.1%
5102090 · Unemployment Insurance	43.23	55.00	-11.77	78.6%
5203010 · Auto--State Owned	97.68	1,500.00	-1,402.32	6.5%
5203020 · Auto-Private-Ownes Low Mileage	294.20	300.00	-5.80	98.1%
5203030 · In State-Auto- Priv. High Miles	398.12	2,100.00	-1,701.88	19.0%
5203100 · In State-Lodging	93.00	1,000.00	-907.00	9.3%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%
5203140 · InState-Tax Meals Not Overnigt	27.00	150.00	-123.00	18.0%
5203150 · InState-Non-Tax Meals OverNight	137.00	500.00	-363.00	27.4%
5203230 · OS-Auto Private High Mileage	0.00	100.00	-100.00	0.0%
5203260 · OS-Air Commercial Carrier	3,167.50	6,700.00	-3,532.50	47.3%
5203280 · OS-Other Public Carrier	104.00	500.00	-396.00	20.8%
5203300 · OS-Lodging	4,280.50	7,800.00	-3,519.50	54.9%
5203320 · OS-Incidentals to Travel	141.00	200.00	-59.00	70.5%
5203350 · OS-Non-Taxable Meals Overnight	592.00	1,000.00	-408.00	59.2%
5204010 · Subscriptions	424.25	1,500.00	-1,075.75	28.3%

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
July 2010 through February 2011

	<u>Jul '10 - Feb 11</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
5204020 · Dues and Membership Fees	3,350.00	3,900.00	-550.00	85.9%
5204030 · Legal Document Fees	0.00	500.00	-500.00	0.0%
5204040 · Consultant Fees-Accounting	6,200.00	6,000.00	200.00	103.3%
5204160 · Workshop Registration Fees	3,855.00	5,200.00	-1,345.00	74.1%
5204180 · Computer Services-State	456.00	600.00	-144.00	76.0%
5204181 · Computer Development Serv-State	3,384.00	4,400.00	-1,016.00	76.9%
5204200 · Central Services	4,682.55	7,500.00	-2,817.45	62.4%
5204220 · Equipment Service & Maintenance	46.21	300.00	-253.79	15.4%
5204230 · Janitorial/Maintenance Services	958.88	1,560.00	-601.12	61.5%
5204340 · Computer Software Maintenance	897.50	1,000.00	-102.50	89.8%
5204360 · Advertising-Newspapers	0.00	2,100.00	-2,100.00	0.0%
5204440 · Newsletter Publishing	486.89	1,100.00	-613.11	44.3%
5204460 · Equipment Rental	3,136.80	5,200.00	-2,063.20	60.3%
5204480 · Microfilm and Photography	0.00	700.00	-700.00	0.0%
5204490 · Rents Privately Owned Property	10,155.60	15,531.00	-5,375.40	65.4%
5204530 · Telecommunications Services	1,513.20	2,500.00	-986.80	60.5%
5204540 · Electricity	518.76	865.00	-346.24	60.0%
5204560 · Water	70.05	240.00	-169.95	29.2%
5204590 · Insurance Premiums/Surety Bonds	0.00	1,710.00	-1,710.00	0.0%
5204740 · Bank Fees and Charges	2,201.59	2,000.00	201.59	110.1%
5205020 · Office Supplies	1,001.10	1,500.00	-498.90	66.7%
5205310 · Printing State	0.00	500.00	-500.00	0.0%
5205320 · Printing/Duplicating/Binding Co	384.72	1,000.00	-615.28	38.5%
5205330 · Supplemental Publications	598.75	700.00	-101.25	85.5%
5205340 · Microfilm Supplies/Materials	0.00	300.00	-300.00	0.0%
5205350 · Postage	1,532.35	3,100.00	-1,567.65	49.4%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207900 · Computer Hardware	5,197.22	4,800.00	397.22	108.3%
5207950 · System Development	0.00	500.00	-500.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	0.00	500.00	-500.00	0.0%
5228000 · Operating Transfers Out-NonBudg	3,761.57	6,500.00	-2,738.43	57.9%
5228030 · Depreciation Expense	8,046.88			
Total Expense	143,824.85	225,748.00	-81,923.15	63.7%
Net Ordinary Income	58,772.87	-31,828.00	90,600.87	-184.7%
Net Income	58,772.87	-31,828.00	90,600.87	-184.7%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
January 31 through February 28, 2011

	Jan 31 - Feb 28, 11	Jan 31 - Feb 28, 10	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	75.00	25.00	50.00	200.0%
4293551 · Certificate Renewals-Active	0.00	50.00	-50.00	-100.0%
4293552 · Certificate Renewals-Inactive	0.00	50.00	-50.00	-100.0%
4293554 · Initial Firm Permits	100.00	0.00	100.00	100.0%
4293557 · Initial Audit	0.00	30.00	-30.00	-100.0%
4293558 · Re-Exam Audit	120.00	150.00	-30.00	-20.0%
4293564 · Late Fees-Peer Review	150.00	50.00	100.00	200.0%
4293566 · Firm Permit Individual	455.00	390.00	65.00	16.7%
4293567 · Peer Review Admin Fee	225.00	150.00	75.00	50.0%
4293568 · Firm Permit Name Change	25.00	0.00	25.00	100.0%
4293569 · Initial FAR	30.00	60.00	-30.00	-50.0%
4293570 · Initial REG	30.00	60.00	-30.00	-50.0%
4293571 · Initial BEC	0.00	120.00	-120.00	-100.0%
4293572 · Re-Exam FAR	90.00	30.00	60.00	200.0%
4293573 · Re-Exam REG	30.00	30.00	0.00	0.0%
4293574 · Re-Exam BEC	60.00	150.00	-90.00	-60.0%
Total Income	1,390.00	1,345.00	45.00	3.4%
Gross Profit	1,390.00	1,345.00	45.00	3.4%
Expense				
5101010 · F-T Emp Sal & Wages	5,459.52	5,211.36	248.16	4.8%
5101020 · P-T/Temp Emp Sal & Wages	1,469.93	1,432.11	37.82	2.6%
5101030 · Board & Comm Mbrs Fees	360.00	300.00	60.00	20.0%
5102010 · OASI-Employer's Share	526.25	501.34	24.91	5.0%
5102020 · Retirement-ER Share	415.77	398.62	17.15	4.3%
5102060 · Health /Life Ins.-ER Share	1,533.78	1,443.24	90.54	6.3%
5102080 · Worker's Compensation	11.79	3.33	8.46	254.1%
5102090 · Unemployment Insurance	5.89	4.32	1.57	36.3%
5203020 · Auto-Private-Owne Low Mileage	0.00	90.40	-90.40	-100.0%
5203100 · In State-Lodging	0.00	50.46	-50.46	-100.0%
5203150 · InState-Non-Tax Meals OverNight	0.00	26.00	-26.00	-100.0%
5203260 · OS-Air Commercial Carrier	426.40	768.40	-342.00	-44.5%
5204160 · Workshop Registration Fees	1,390.00	1,300.00	90.00	6.9%
5204180 · Computer Services-State	57.00	45.00	12.00	26.7%
5204181 · Computer Development Serv-State	0.00	2,112.00	-2,112.00	-100.0%
5204200 · Central Services	987.38	954.58	32.80	3.4%
5204220 · Equipment Service & Maintenance	1.68	3.68	-2.00	-54.4%
5204230 · Janitorial/Maintenance Services	119.86	117.00	2.86	2.4%
5204340 · Computer Software Maintenance	0.00	47.50	-47.50	-100.0%
5204440 · Newsletter Publishing	0.00	495.10	-495.10	-100.0%
5204460 · Equipment Rental	690.60	93.60	597.00	637.8%
5204490 · Rents Privately Owned Property	1,269.45	1,269.45	0.00	0.0%
5204530 · Telecommunications Services	197.64	179.89	17.75	9.9%
5204540 · Electricity	64.26	67.24	-2.98	-4.4%
5204560 · Water	0.00	23.35	-23.35	-100.0%
5204590 · Insurance Premiums/Surety Bonds	0.00	1,530.00	-1,530.00	-100.0%
5204740 · Bank Fees and Charges	46.00	31.00	15.00	48.4%
5205020 · Office Supplies	577.14	70.95	506.19	713.5%
5205330 · Supplemental Publications	280.00	0.00	280.00	100.0%
5205350 · Postage	0.00	5.96	-5.96	-100.0%
5228000 · Operating Transfers Out-NonBudg	510.31	625.35	-115.04	-18.4%
5228030 · Depreciation Expense	2,011.72	2,011.72	0.00	0.0%
Total Expense	18,412.37	21,212.95	-2,800.58	-13.2%
Net Ordinary Income	-17,022.37	-19,867.95	2,845.58	14.3%
Net Income	-17,022.37	-19,867.95	2,845.58	14.3%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July 2010 through February 2011

	Jul '10 - Feb 11	Jul '09 - Feb 10	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	1,650.00	2,825.00	-1,175.00	-41.6%
4293551 · Certificate Renewals-Active	54,850.00	54,350.00	500.00	0.9%
4293552 · Certificate Renewals-Inactive	20,100.00	19,650.00	450.00	2.3%
4293553 · Certificate Renewals-Retired	650.00	660.00	-10.00	-1.5%
4293554 · Initial Firm Permits	900.00	800.00	100.00	12.5%
4293555 · Firm Permit Renewals	19,950.00	19,600.00	350.00	1.8%
4293557 · Initial Audit	510.00	180.00	330.00	183.3%
4293558 · Re-Exam Audit	1,740.00	1,320.00	420.00	31.8%
4293560 · Late Fees-Initial Certificate	0.00	200.00	-200.00	-100.0%
4293561 · Late Fees-Certificate Renewals	5,950.00	5,800.00	150.00	2.6%
4293563 · Late Fees-Firm Permit Renewals	1,100.00	800.00	300.00	37.5%
4293564 · Late Fees-Peer Review	600.00	300.00	300.00	100.0%
4293566 · Firm Permit Individual	70,355.00	66,145.00	4,210.00	6.4%
4293567 · Peer Review Admin Fee	1,575.00	975.00	600.00	61.5%
4293568 · Firm Permit Name Change	150.00	130.00	20.00	15.4%
4293569 · Initial FAR	900.00	570.00	330.00	57.9%
4293570 · Initial REG	390.00	450.00	-60.00	-13.3%
4293571 · Initial BEC	810.00	540.00	270.00	50.0%
4293572 · Re-Exam FAR	1,050.00	900.00	150.00	16.7%
4293573 · Re-Exam REG	1,290.00	1,260.00	30.00	2.4%
4293574 · Re-Exam BEC	1,530.00	1,410.00	120.00	8.5%
4491000 · Interest and Dividend Revenue	16,547.72	16,687.62	-139.90	-0.8%
4896021 · Legal Recovery Cost	0.00	1,047.36	-1,047.36	-100.0%
Total Income	202,597.72	196,599.98	5,997.74	3.1%
Gross Profit	202,597.72	196,599.98	5,997.74	3.1%
Expense				
5101010 · F-T Emp Sal & Wages	39,903.94	39,469.85	434.09	1.1%
5101020 · P-T/Temp Emp Sal & Wages	10,980.49	11,300.53	-320.04	-2.8%
5101030 · Board & Comm Mbrs Fees	2,538.00	2,400.00	138.00	5.8%
5102010 · OASI-Employer's Share	3,869.45	3,846.26	23.19	0.6%
5102020 · Retirement-ER Share	3,053.10	3,046.26	6.84	0.2%
5102060 · Health /Life Ins.-ER Share	11,158.25	10,499.57	658.68	6.3%
5102080 · Worker's Compensation	86.52	37.25	49.27	132.3%
5102090 · Unemployment Insurance	43.23	33.05	10.18	30.8%
5203010 · Auto-State Owned	97.68	158.90	-61.22	-38.5%
5203020 · Auto-Private-Ownes Low Mileage	294.20	361.60	-67.40	-18.6%
5203030 · In State-Auto- Priv. High Miles	398.12	446.96	-48.84	-10.9%
5203100 · In State-Lodging	93.00	189.96	-96.96	-51.0%
5203140 · InState-Tax Meals Not OverNigt	27.00	9.00	18.00	200.0%
5203150 · InState-Non-Tax Meals OverNigt	137.00	192.00	-55.00	-28.7%
5203260 · OS-Air Commercial Carrier	3,167.50	2,877.88	289.62	10.1%
5203280 · OS-Other Public Carrier	104.00	282.50	-178.50	-63.2%
5203300 · OS-Lodging	4,280.50	4,098.20	182.30	4.5%
5203320 · OS-Incidentals to Travel	141.00	200.00	-59.00	-29.5%
5203350 · OS-Non-Taxable Meals Overnight	592.00	455.00	137.00	30.1%
5204010 · Subscriptions	424.25	351.84	72.41	20.6%
5204020 · Dues and Membership Fees	3,350.00	3,350.00	0.00	0.0%
5204030 · Legal Document Fees	0.00	15.00	-15.00	-100.0%
5204040 · Consultant Fees-Accounting	6,200.00	0.00	6,200.00	100.0%
5204160 · Workshop Registration Fees	3,855.00	3,625.00	230.00	6.3%
5204180 · Computer Services-State	456.00	315.00	141.00	44.8%
5204181 · Computer Development Serv-State	3,384.00	5,160.00	-1,776.00	-34.4%
5204200 · Central Services	4,682.55	4,729.13	-46.58	-1.0%
5204220 · Equipment Service & Maintenance	46.21	45.83	0.38	0.8%
5204230 · Janitorial/Maintenance Services	958.88	936.00	22.88	2.4%
5204340 · Computer Software Maintenance	897.50	185.00	712.50	385.1%
5204440 · Newsletter Publishing	486.89	1,032.30	-545.41	-52.8%
5204460 · Equipment Rental	3,136.80	2,967.12	169.68	5.7%
5204480 · Microfilm and Photography	0.00	417.38	-417.38	-100.0%
5204490 · Rents Privately Owned Property	10,155.60	10,105.20	50.40	0.5%
5204530 · Telecommunications Services	1,513.20	1,463.42	49.78	3.4%
5204540 · Electricity	518.76	448.63	70.13	15.6%
5204560 · Water	70.05	93.40	-23.35	-25.0%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July 2010 through February 2011

	<u>Jul '10 - Feb 11</u>	<u>Jul '09 - Feb 10</u>	<u>\$ Change</u>	<u>% Change</u>
5204590 · Insurance Premiums/Surety Bonds	0.00	1,530.00	-1,530.00	-100.0%
5204740 · Bank Fees and Charges	2,201.59	1,685.10	516.49	30.7%
5205020 · Office Supplies	1,001.10	814.28	186.82	22.9%
5205320 · Printing/Duplicating/Binding Co	384.72	531.96	-147.24	-27.7%
5205330 · Supplemental Publications	598.75	318.75	280.00	87.8%
5205350 · Postage	1,532.35	1,530.49	1.86	0.1%
5207900 · Computer Hardware	5,197.22	0.00	5,197.22	100.0%
5207960 · Computer Software Expense	0.00	346.50	-346.50	-100.0%
5228000 · Operating Transfers Out-NonBudg	3,761.57	4,310.56	-548.99	-12.7%
5228030 · Depreciation Expense	8,046.88	8,046.88	0.00	0.0%
Total Expense	<u>143,824.85</u>	<u>134,259.54</u>	<u>9,565.31</u>	<u>7.1%</u>
Net Ordinary Income	<u>58,772.87</u>	<u>62,340.44</u>	<u>-3,567.57</u>	<u>-5.7%</u>
Net Income	<u><u>58,772.87</u></u>	<u><u>62,340.44</u></u>	<u><u>-3,567.57</u></u>	<u><u>-5.7%</u></u>

REPORT TO BOARD ON NASBA REGIONAL CONFERENCE

Nicole Kasin 3-20-11

The NASBA Western Regional Conference will be held in Omaha, NE, June 8-10, 2011.

The tentative agenda follows.

The Board had discussed in the past to recommend sending all board members to the regional conference, due to the close proximity of the conference.

This is a request for the Board to approve travel for the Executive Director and Board members that will be attending.



National Association of State Boards of Accountancy

2011 Regional Meeting Tentative Agenda

June 8 - 10, Omaha, NE

June 22 - 24, Point Clear, AL

Wednesday

- 8:00 – 9:00 a.m. New Accountancy Board Member Breakfast
- 9:00 a.m. – 3:00 p.m. New Accountancy Board Member Orientation Program
- 4:00 – 5:00 p.m. Regional Meeting Registration
- 6:00 – 8:00 p.m. Welcome Reception

Thursday

- 7:15 – 8:30 a.m. Board Communications Officers Breakfast Meeting
- 7:15 – 8:30 a.m. Breakfast (All Welcome)
- 8:30 – 8:50 a.m. Welcome from Regional Directors (All Regions)
- 8:50 – 9:00 a.m. Welcome
- 9:00 – 9:45 a.m. Update from Leadership on NASBA Activities
- 9:45 – 10:15 a.m. Emerging Ethics Issues
 - Clearing Up Ethics Confusion: The Codification Project
 - International Ethics Too?
 - Other Puzzles
- 10:15 – 10:30 a.m. Questions and Answers
- 10:30 – 11:00 a.m. Break
- 11:00 – 11:30 a.m. Overview from Legal Counsel
 - Precedent Setting Regulatory Cases
 - Working with Other Regulators

- 11:30 – 11:45 a.m. What’s Happening With Private Company Standards?
- 11:45 – Noon Uniform Accountancy Act Committee Status Report
- New Temporary “Attest” Model Rule
 - Proposals Under Consideration
- Noon – 1:30 p.m. Lunch (Meeting Attendees Only)
- 1:30 – 2:15 p.m. Examination Topics
- 1:30 – 1:45 p.m. CPA Examination Review Board’s Annual Report to Boards
 - 1:45 – 2:00 p.m. Board of Examiners’ Report to the Boards
 - 2:00 – 2:15 p.m. Addressing FAQ About International Delivery of the Examination
Security, Discipline, Enforcement
- 2:15 – 2:30 p.m. Break
- 2:30 – 4:30 p.m. Meet with Your Region
(Participation limited to State Board members, staff and former State Board members. Each Region will meet in a separate room with Regional Director leading the discussion. Election of Nominating Committee Representatives in Great Lakes, Mountain, Northeast and Southwest Regions.)
- 4:30– 4:45 p.m. Raffle – Part I

Friday

- 7:30 – 8:50 a.m. State Board Chairs’ and Presidents’ Breakfast Meeting
- 7:30 – 8:50 a.m. State Board Executive Directors’ Breakfast Meeting
- 8:00 – 9:00 a.m. Breakfast (All Welcome)
- 9:00 – 9:15 a.m. Report from Regional Breakouts (A summation of Thursday’s sessions)
- 9:15 – 10:00 a.m. Panel: A Peek At PEEC
- Network Firms in Practice
 - CPA Firm Name Issues
 - On the Drawing Board
- 10:00 – 10:15 a.m. What Does “The Public Interest” Mean?
- 10:15 – 10:45 a.m. Break
- 10:45 – Noon Breakout Sessions (Select one)
- 1 - Communicating with Licensees and the Public
 - 2 - Becoming and Maintaining a Semi-Independent Board
 - 3 - The IRS PTIN Program: What Does it Mean to a Regulator?
 - 4 - Addressing CPA Firm Names and Other New UAA Issues

Noon – 1:00 p.m.	Lunch (Meeting Attendees Only)
1:00 – 2:15 p.m.	Breakout Sessions <i>(Select one from breakouts listed for morning. Participants asked to select different session from one attended earlier.)</i>
2:15 – 2:30 p.m.	Break
2:30 – 3:30 p.m.	What's Happening in the States <ul style="list-style-type: none"> • Technology Implementation and ALD • Boards Under Scrutiny • Report from Executive Directors
3:30 – 3:50 p.m.	Questions and Answers for NASBA
3:50 – 4:00 p.m.	Raffle Drawing – Part II
6:30 p.m.	Gala

3.15.11

Report to Board on CPE Audit Review Committee

Nicole Kasin

As stated in the meeting minutes from January, Chair Brunick and I formed as a committee to review the failed CPE audits.

Pursuant to SDCL 1-27-1.18, Any final recommendations, findings, or reports that result from a meeting of a committee, subcommittee, task force, or other working group which does not meet the definition of a political subdivision or public body pursuant to § 1-25-1, but was appointed by the governing body, shall be reported in open meeting to the governing body which appointed the committee, subcommittee, task force, or other working group. The governing body shall delay taking any official action on the recommendations, findings, or reports until the next meeting of the governing body.

The following shall be considered as recommendations from our committee in regards to individuals that failed their CPE Audits. Proposed Negotiated Consent Agreements will be made with these terms.

1. Licensees that failed their CPE audit shall make up the required hours within 90 days of the signed consent agreement.
2. If a licensee has to roll hours back from prior years to fulfill CPE requirements, a CPE extension will be placed on their file.
3. Proof of documentation of completed CPE courses granted through the extensions must be filed with the board.
4. CPA will be required to undergo CPE audit for the next three renewal periods.
5. CPA will not be eligible to be granted an extension to complete CPE for the next three renewal periods.
6. CPA is required to file next three renewals before or on deadline of August 1.
7. CPA will have a public reprimand.
8. CPA will be fined (as described in agreement) and must pay fine within 30 days of signed consent agreement.

Proposed Fines for failure of CPE Audits:

Failed Level	Status	Fine Amount
1 category	Responsive to Requests	\$50
1 categories	Nonresponsive to Requests	\$75
2 categories	Responsive to Requests	\$75
2 categories	Nonresponsive to Requests	\$100
3 categories	Responsive to Requests	\$100
3 categories	Nonresponsive to Requests	\$150
4 categories	Responsive to Requests	\$150
4 categories	Nonresponsive to Requests	\$200
5 categories	Responsive to Requests	\$200
5 categories	Nonresponsive to Requests	\$250
6 categories	Responsive to Requests	\$250
6 categories	Nonresponsive to Requests	\$300
Any category	Deception	\$300

In a CPE audit there are 6 areas to pass. 1 in each of 3 years maintaining the 20 minimum CPE hours; and maintaining the minimum of 120 CPE hours for each 3 year period.

If an individual does not want to enter into a consent agreement with the Board, then the procedures for a notice of hearing will be followed.

EXECUTIVE DIRECTOR'S REPORT

Nicole Kasin

AICPA BOE Update –

Call update on February 7 from the January 27-29, 2011, board meeting. As we have discussed in prior conference calls the length of time for score releases for the first 3 windows in 2011. It was clarified that the scores will be held until the end of the window to verify the process. The test had record numbers of individuals sitting in the 4Q10. In the 4Q11, it is planned to have test scores released to individuals within 3-4 weeks from the date they sat for the exam.

NASBA ALD –

The ALD is creating a public site, CPA Verify. South Dakota does participate in the private ALD and has been asked to participate in the public ALD. The data they would like to use is name, address, license type, license number, license status, issue date and expiration date. This information is currently available on our searchable database.

Does the board have any objections to making this information public on a second site?

NASBA Committee Assignments –

An email was sent out March 18, 2011, to all board members from NASBA requesting submission of documentation for participation on committees. If you did not receive the email please let me know. If you have any questions about any committees I can gather the information and send it to you upon request.

State Record Retention –

The updates to our record retention were approved in December by the Record Retention Board. The main change was to keep the peer review files in our office for up to 11 years and no longer microfilm the documents.

Rules Updates –

Updates to the rules are being reviewed and a hearing will be held in either May or June. Any updates from the board should be sent to me by March 31.

Peer Review Oversight –

I have been in contact with the ED from Oklahoma and their board has a peer review oversight committee with the Oklahoma Society. The committee just completed their review and I will be receiving their report. We may utilize this report or expand our board participation into the oversight since the SD CPA Society does outsource their review on peer review to OK.

Risk Analysis Summary –

Per request in a prior meeting, a risk analysis was done with certain board records. If an event were to destroy the board office, current paper files in various year categories would be compromised.

Current paper records are stored as follows:

Active licensees and firms are on file for 3 years with no microfilm backup.

Inactive and Retired licensees are on file for 2 years with no microfilm backup.

Complaints for the prior 3 years are on file with no microfilm backup.

Candidate files are on file for 2-4 years with no microfilm backup.

QuickBooks and daily reports are on file for 4 years with no microfilm backup.

Firm Peer Review files are on file for 11 years with no microfilm backup.

The in house server does complete a nightly back up on QuickBooks and daily reports. The prior night backup tape is taken home by office staff. Equipment would need to be purchased to restore the data. Candidate information is stored on the Gateway and files (less official transcripts) could be recreated with NASBAs assistance.

The office is able to view current candidate, licensee, and firm data in the database housed on the state server; CPE hours are stored, but CPE line item records are not stored in the database.

The office would not have proper documentation to conduct CPE Audits.

If licensees or firms completed their renewals online in the prior two years, the board with assistance from state BIT could recreate those paper files. This accounts for less than 50% of the files at this time. Files older than 3 years old and microfilmed in accordance with the record retention policy are located in Pierre and could be collected to recreate overall board files.

Legal Counsel Representation/Transition

As you were made aware of after the January board meeting, the DOL will now require the board to utilize a staff attorney (Aaron Arnold) in regards to board legal matters. Mr. Arnold did attend the NASBA Legal Counsel Conference in March representing our board. During the transition period, Sherri Wald will assist with questions.

NASBA Executive Director's Conference Recap

Nicole Kasin 3-18-11

Roll Call of States

- Numerous states are adjusting their licensing fees due to loss of income with mobility.
- Various states are having budget constraints due to sweeping of funds, proposed consolidation or freezing of funds. Boards are beginning to look at various ways to become semi-autonomous or autonomous.
- Updates for rules and statutes to increase transparency with the Peer Review Program in various states.
- Technology is being updated from online services to more interactive websites to enhance the board's public awareness.

Table Topics

I was the speaker for Social Media and Marketing so I was not able to attend the other table topic issues.

- Credential Process for International Candidates
- Social Media and Marketing
- Emerging Issues
- Technology

Proposed Modification to UAA and SAS 70

- I am working with Noel Allen in regards to the possible implications of SAS 70 and our boards' statutes and rules.

State Board Relevance and Effectiveness Strategies

- How to retain and increase the number of independent/semi independent boards.
- Educate and inform legislators, public, state societies
- Promote CPA services
- Assist boards with toolkits, speakers, NASBA staff

Relationships with Federal Agencies

- Created a subcommittee with Linda Biek and 3 EDs to address issues on various standard setters
- Mobility Issues
- Ethics CPE requirements

AICPA Codification Project

- Create a more user friendly code that is arranged by guidance on topic.
- Authoritative Rules will remain unchanged
- Looking to have adoption in 2012, giving boards time to make any and all updates to rules or statutes prior to implementation

Peer Review Effectiveness

- Explained process and timeline for AICPA peer review program
- Encouraged use of Facilitated State Board Access Program
- Recommended boards that are able to view peer review reports to have a peer review oversight committee

Enforcement Practices

- Enforcement manual will be placed on ED website for guidance or reference. The manual is not to be adopted by a board.
- Manual will be “ever-green” with continuous input from various boards.

ALD

- Creating public site CPA Verify – no cost to use site
- Encouraging states to submit data to private ALD so all 55 jurisdictions are available

CPA Exam Update

- International exam starting in August 2011. Exam will only be offered 1 month during the window.
- Update on score release for the first 3 windows in 2011.
-

16th Annual Legal Counsel Conference Recap

Aaron Arnold 3-17-11

- Roll Call of the States:
 - Entering Executive Session to discuss obtaining legal advice on disciplinary actions – Texas has a case on appeal where a Judge ruled that the Texas Board wasn't allowed to use executive session for that purpose, the Board has appealed.
 - Discussion of Felony convictions and its relationship to licensing and disciplinary actions – Some states rules say there must be a nexus between the felony and the practice of accountancy to matter, other states, such as SD, say that any felony is reason for disciplinary action.
 - Disciplining the Unlicensed Practice of Accountancy – many states issue a cease and desist order and if the person ignores that, the Boards use the courts or the prosecutors to go after the person. SD can use an injunction to attempt to prevent people from practicing without a license.
- AICPA Codification Project:
 - Discussed the codification project of the AICPA Ethics rules
 - Supposed to make the ethics rules easier to read
 - Discussed what would have to be done with laws and rules to correctly adopt the new ethics rule. In SD, administrative rules would have to be changed to adopt the AICPA ethics rules as published on a certain date.
 - One concern is they mentioned monthly updates to the code, which our rules wouldn't adopt until we passed yet another rule to adopt the AICPA rules as published and edited on a new date. Makes things more difficult for us to keep our rules up to date with the monthly AICPA updates.
- Class Action Fairness Act 2005 (CAFA):
 - Discussed what CAFA is and the requirements of a CAFA notice, forewarning us that we will see a lot more CAFA notices in the near future.
 - Must file a notice of a proposed settlement in a class action law suit to all regulatory bodies in the states where any member of the class is located. This makes it difficult to be selective because its almost impossible to determine where every member of a class is. Therefore, most firms are providing CAFA notices to all regulatory bodies in all states. So, if a huge accountancy firm is being sued in a class action lawsuit, and there is a proposed settlement, our Board will receive a CAFA notice.
 - Questions to ask before dismissing the notice – where was the audit performed? Is the licensee licensed in SD? Are there any identifiable class members located in SD? Were those class members negatively affected by the bad audit?
- Case Law Update:
 - Nothing of real consequence discussed. A couple of cases that were discussed were about the use of "CPA" by unlicensed individuals. The courts ruled that the Board had the authority to limit the use of "CPA" and the laws and rules regarding this issue didn't violate the Constitution.
 - One legal discussion that occurred at some point in the day was what the FTC was doing with regards to Boards. The FTC has been filing some Anti-Trust lawsuits against some Boards out East for "conspiracy". The FTC views any Board that has a majority of its

members as licensees is per se in a conspiracy and in violation of Anti-Trust laws. More to come on this as these cases make their way through the court systems.

- Best Practice Manual:
 - NASBA is developing an enforcement manual to assist Executive Directors and legal counsel on effective ways to deal with complaints, from the very beginning of the complaint, through the investigation, and into the disciplinary process.
 - The hope is for this manual to become a tool for Boards to assist in the enforcement of current laws and rules, and show some Boards that their current enforcement techniques may need to be updated.
- Firm Names:
 - There has been a big push to make sure firm names are not being deceptive, i.e. if there is only one CPA in the firm, the name can't use the word Associates.
 - A brief discussion was had on this topic along with the topic of network firm names
 - AICPA is looking to modify its rules of independence when it comes to network firm names so that each firm in the network is independent of others, and decisions on independence in one network firm will not be based on a judgment of how a decision will affect a second firm in the network. They included in my packet of information some proposed changes to Section 3 and Article 14 of the UAA .
- Mobility:
 - Discussed mobility and how it has been progressing. Showed us a slideshow of the website they hope to have up and running to assist accountants who wish to practice through mobility in figuring if they can practice a certain service in a certain jurisdiction. The website will be a great tool in assisting accountants practicing through mobility.
 - NASBA and AICPA are now giving accountants who contact them the green light to practice through mobility and to give up reciprocal licenses. So far, there haven't been too many complaints about accountants practicing through mobility.
- Investigations:
 - We walked through a complaint process for a violation in Tennessee. Every state seems to be different, so it was good to see what different states do to give you some idea of what is going on around the country. It may give you ideas on how you may want to update any complaint processes in your own jurisdiction.

BLUE-RIBBON PANEL (BRP) ON STANDARD SETTING FOR PRIVATE COMPANIES

I. EXECUTIVE SUMMARY

In December 2009, the American Institute of Certified Public Accountants (AICPA), the Financial Accounting Foundation (FAF), the parent organization of the Financial Accounting Standards Board (FASB), and the National Association of State Boards of Accountancy (NASBA) established a “blue-ribbon” panel (the Panel or BRP) to address how accounting standards can best meet the needs of users of U.S. private company financial statements.¹ The Panel was charged with providing recommendations on the future of standard setting for private companies to the FAF Board of Trustees (the Trustees). (See Appendices A and B for additional information about the Panel and the conduct of its work.) This report represents the culmination of the Panel’s work and includes its members’ recommendations to the Trustees.²

The Panel has concluded that there are urgent and growing systemic issues that need to be addressed in the current system of U.S. accounting standard setting. The Panel members believe that the system has not done a sufficient job of (a) understanding the information that users of private company financial statements consider decision-useful and how those information needs differ from those of users of public company financial statements and of (b) weighing the costs and benefits of GAAP for use in private company financial reporting. These issues have caused a lack of relevance of a number of accounting standards for many users of private company financial statements and an overall level of complexity in U.S. GAAP that continues to concern preparers of private company financial statements and their CPA practitioners. Some members believe that GAAP is overly complex for public companies, too. Many Panel members believe that within the U.S. marketplace, significant, unnecessary cost is being incurred for GAAP financial statement preparation and audit, review, or compilation services. Thus, change is urgently needed.

This report proposes major and other enhancements aimed at fostering an accounting standard-setting system that would seek to maintain a high degree of financial reporting comparability for business entities, regardless of capital structure, but also significantly increase the chances of effecting potential differences, where warranted, in measurement, recognition, and presentation, and not just disclosure. The Panel believes that, at least in the near term, the system should focus on making exceptions and modifications to U.S. GAAP for private companies that better respond to the needs of the private company sector rather than move toward a separate, self-contained GAAP for private companies or a wholesale reorganization of GAAP.

¹While some stakeholders had suggested that the Panel’s work include private-sector not-for-profit entities (NPEs) as well, the Panel has limited its work to private for-profit companies. The Panel acknowledges that many NPEs have a much broader and somewhat different set of users of their GAAP financial statements, either directly or indirectly (through the IRS’s Form 990), than do many private companies.

²As noted in Appendix A, the Panel or BRP comprises 18 members (including 1 nonvoting member) but also benefited from input from several nonvoting participating observers. References in this report to Panel conclusions and recommendations should be interpreted as those of its voting members rather than its participating observers. The BRP acknowledges that on January 14, 2011, the FAF announced the appointment of Daryl Buck to the FASB for a term beginning February 28, 2011. In light of this announcement, Mr. Buck resigned as a member of the BRP on January 17, 2011, and did not participate in the final vote.

One major enhancement, supported by a supermajority of Panel members, is to establish, under the FAF's oversight, a separate private company standards board to help ensure that appropriate and sufficient exceptions and modifications are made, for both new and existing standards. That new board would work closely with the FASB to achieve a coordinated and efficient standard-setting process but would have final authority over such exceptions and modifications. A comprehensive review of the new board would be conducted in three-to-five years to evaluate its effectiveness and determine whether to maintain it as is, make additional process improvements, or sunset it.

Another major enhancement, supported by all Panel members, is to create a differential framework (set of decision criteria) to facilitate a standard setter's ability to make appropriate, justifiable exceptions and modifications.

The Panel is also recommending certain short-term and transitional actions by the FAF and the FASB to provide near-term relief for private companies and help ensure a smooth transition to a new board.

These recommendations were developed after examining a full range of options that included everything from maintaining the status quo to developing an entire new set of standards for private companies. In making the recommendation for a new board, the Panel has considered the actions currently under way by the FASB to help improve the standard-setting process for private companies (including those described in Appendix F), along with the recommended short-term and transitional actions. A supermajority of the Panel believes that these actions do not remove the need or the urgency for a new standards board for private companies.

Section II of this report contains the Panel's principal recommendations of a U.S. GAAP model with exceptions and modifications for private companies and a separate private company accounting standards board to set those exceptions and modifications. Section III describes the problems that the Panel has identified in the current standard-setting system. Section IV describes why the Panel believes its recommendations will best address the problems identified. Section V contains the recommendations that the Panel believes are important in helping transition to and otherwise achieving the recommended model and structure. Section VI captures alternative views held by a small minority of the Panel members.

We urge the Trustees of the FAF to consider carefully and act upon each of the recommendations of the BRP, and we thank the FAF, the AICPA, and the NASBA for requesting us to consider this important issue.

EXPOSURE DRAFT

PROPOSED REVISIONS TO THE AICPA STANDARDS FOR PERFORMING AND REPORTING ON PEER REVIEWS

PERFORMING AND REPORTING ON PEER REVIEWS OF COMPILATIONS PERFORMED UNDER SSARS 19

January 31, 2011

Comments are requested by April 29, 2011

**Prepared by the AICPA Peer Review Board for comment from persons interested
in the AICPA Peer Review Program.**

**Comments should be received by April 29, 2011 and addressed to
Rachelle Drummond, Technical Manager
AICPA Peer Review Program
American Institute of Certified Public Accountants
220 Leigh Farm Road, Durham, NC 27707-8110
or PR_expdraft@aicpa.org**

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Exposure Draft

Proposed Revisions to the AICPA Standards for Performing and Reporting on Peer Reviews of Compilations Performed Under SSARS 19	8
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January 31, 2011

This exposure draft has been approved for issuance by the AICPA Peer Review Board, and contains proposals for review and comment by the AICPA's membership and other interested parties regarding revisions to the *Standards for Performing and Reporting on Peer Reviews* ("Standards").

Written comments or suggestions on any aspect of this exposure draft will be appreciated. To facilitate the Board's consideration, comments or suggestions should refer to the specific paragraphs and include supporting reasons for each comment or suggestion. Please limit your comments to those items presented in the exposure draft. Comments and responses should be sent to Rachelie Drummond, Technical Manager, AICPA Peer Review Program, AICPA, 220 Leigh Farm Road, Durham, NC 27707-8110 and must be received by April 29, 2011. Electronic submissions of comments or suggestions in Microsoft Word should be sent to PR_expdraft@aicpa.org by April 29, 2011.

Written comments on the exposure draft will become part of the public record of the AICPA Peer Review Program and will be available for public inspection at the offices of the AICPA after April 29, 2011 for a period of one year.

The exposure draft includes an explanatory memorandum of the proposed revisions to the current *Standards*, explanations, background and other pertinent information, as well as marked excerpts from the current *Standards* to allow the reader to see all changes (i.e. items that are being deleted from the *Standards* are struck through, and new items are underlined).

A copy of this exposure draft and the current *Standards* (effective for peer reviews commencing on or after January 1, 2009) are also available on the AICPA Peer Review website at <http://www.aicpa.org/InterestAreas/PeerReview/Pages/PeerReviewHome.aspx>.

Sincerely,

Daniel J. Hevia

Daniel J. Hevia
Chair
AICPA Peer Review Board

AICPA Peer Review Board 2010-2011

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Rachelle Drummond
Technical Manager
AICPA Peer Review Program

Explanatory Memorandum

Introduction

This memorandum provides background to the proposed revisions to the AICPA *Standards for Performing and Reporting on Peer Reviews* ("Standards"). The proposed revisions are for paragraphs 102, 107, and 108 of the Standards.

Background

In December 2009, the AICPA's Accounting and Review Services Committee (ARSC) issued Statement on Standards for Accounting and Review Services (SSARS) No. 19, *Compilation and Review Engagements*. SSARS 19 is effective for compilations and reviews of financial statements for periods ending on or after December 15, 2010. The purpose of SSARS No. 19 was to provide a conceptual underpinning that clarifies performance and reporting standards for compilation and review engagements. Among other items, SSARS No. 19 established enhanced documentation requirements for compilation and review engagements.

Prior to the issuance of SSARS 19, SSARS were silent as to the documentation requirements for compilation engagements. With its issuance, however, accountants are now required to include the following documentation for all compilation engagements:

- The written communication with management establishing an understanding regarding the services to be performed or justification for the lack of written communication and how alternative procedures performed were sufficient.
- Any findings or issues that, in the accountant's judgment, are significant; for example, the results of compilation procedures that indicate that the financial statements could be materially misstated, including actions taken to address such findings, and, to the extent the accountant had any questions or concerns as a result of his or her compilation procedures, how those issues were resolved.
- Communications, whether oral or written, to the appropriate level of management regarding fraud or illegal acts that come to the accountant's attention.

With the issuance of SSARS No. 19, the ARSC recodified AR Section 100, *Compilation and Review of Financial Statements*, into separate AR sections for compilation and review engagements. In addition, SSARS No. 19 superseded AR section 20, *Defining Professional Requirements in Statements on Standards for Accounting and Review Services* and AR section 50, *Standards for Accounting and Review Services*. In place of AR sections 20, 50, and 100, the requirements and guidance were separated into the following sections:

- AR Section 60 - Framework for Performing and Reporting on Compilation and Review Engagements
- AR Section 80 - Compilation of Financial Statements
- AR Section 90 - Review of Financial Statements

Effective Date

The proposed revisions would be effective for peer reviews commencing on or after July 1, 2011.

Changes From Existing Standards

Under current Standards for an Engagement Review, documentation is not reviewed for compilation engagements performed under SSARS. However, paragraph 108d does state that a review captain may request to review all other documentation on compilation engagements performed under SSARS if the firm has represented that the documentation is appropriate but the review captain has cause to believe that the documentation may not have been prepared in

accordance with applicable professional standards, or to support presentation or measurement issues relating to the financial statements or information, if necessary.

The proposed revisions will revise the Standards such that applicable documentation required by professional standards for compilation engagements performed under SSARS, should be reviewed.

Guide for Respondents

Written comments or suggestions on any aspect of this exposure draft will be appreciated. To facilitate the Board's consideration, comments or suggestions should refer to the specific paragraphs and include supporting reasons for each comment or suggestion. Please limit your comments to those items presented in the exposure draft. When a respondent agrees with proposals in the exposure draft, it will be helpful for the PRB to be made aware of this view.

Comments and responses should be sent to Rachelle Drummond, Technical Manager, AICPA Peer Review Program, AICPA, 220 Leigh Farm Road, Durham, NC 27707-8110 and must be received by April 29, 2011. Electronic submissions of comments or suggestions in Microsoft Word should be sent to PR_expdraft@aicpa.org by April 29, 2011.

Written comments on the exposure draft will become part of the public record of the AICPA Peer Review Program and will be available for public inspection at the offices of the AICPA after April 29, 2011 for a period of one year.

Comment Period

The comment period for this exposure draft ends on April 29, 2011.

Exposure Draft

Proposed Revisions to the AICPA Standards for Performing and Reporting on Peer Reviews of Compilations Performed Under SSARS 19

.102 The objective of an Engagement Review is to evaluate whether engagements submitted for review are performed and reported on in conformity with applicable professional standards in all material respects. An Engagement Review consists of reading the financial statements or information submitted by the reviewed firm and the accountant's report thereon, together with certain background information and representations and, ~~except for compilation engagements performed under SSARS,~~ the applicable documentation required by professional standards.

.107 For each engagement selected for review, the reviewed firm should submit the appropriate financial statements or information and the accountant's report, masking client identity if it desires, along with specified background information, representations about each engagement and, ~~except for compilation engagements performed under SSARS,~~ the firm's documentation required by applicable professional standards for each of these engagements. There is a presumption that all engagements otherwise subject to the peer review will be included in the scope of the review. However, in the rare situations when exclusions or other limitations on the scope of the review are being contemplated, a reviewer should carefully consider the implications of such exclusion. This includes communicating with the firm and the administering entity the effect on the review and on the ability of the reviewer to issue a peer review report.

.108 The evaluation of each engagement submitted for review includes:

- a. Consideration of the financial statements or information and the related accountant's report on the compilation and review engagements performed under SSARS and engagements performed under SSAEs.
- b. Consideration of the documentation on the engagements performed via reviewing background and engagement profile information, representations made by the firm, and inquiries.
- c. ~~For engagements other than compilation engagements performed under SSARS, review~~ Review of all other documentation required by applicable professional standards on the engagements.
- d. ~~The review captain may request to review all other documentation on compilation engagements performed under SSARS if the firm has represented that the documentation is appropriate but the review captain has cause to believe that the documentation may not have been prepared in accordance with applicable professional standards, or to support presentation or measurement issues relating to the financial statements or information, if necessary.~~

EXPOSURE DRAFT
PROPOSED REVISIONS TO
AICPA/NASBA UNIFORM ACCOUNTANCY ACT and
NASBA UNIFORM ACCOUNTANCY ACT RULES
SECTION 3 and Article 14

December 2010

2009 – 2010 AICPA UAA Committee

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Gary Bolinger
Conrad Davis, CPA
Sharon Jensen, CPA
Richard Jones, CPA
Stephen McConnel, CPA
Kevin McCoy, CPA
Gary McIntosh, CPA
Kevin Mitchell, CPA
W.G. Spoor, CPA
Melanie Thompson, CPA
Nancy Wolven-Juron, CPA

2009-2010 NASBA UAA Committee

Laurie Tish, CPA - Chair
Sharron Cirillo, PA
Donald Driftmier, CPA
Andrew DuBoff, CPA
J. Dwight Hadley, CPA
Robert Hyde, CPA
Thomas Mulligan, CPA
Ronald Nielsen, CPA
Robert Pearson, CPA
Lisa Mays Stickel, CPA
James F. Thielen, CPA

Please submit comments by March 4, 2011 to:

Aaron Castelo – acastelo@aicpa.org
or
Louise Dratler Haberman – lhhaberman@nasba.org

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INTRODUCTION

December 7, 2010

The AICPA/NASBA Uniform Accountancy Act (UAA) Committee has worked over the past year to consider guidelines as to what are and what are not misleading CPA firm names. The proposed changes to the Uniform Accountancy Act (UAA) and Uniform Accountancy Act Model Rules (Model Rules) in this exposure draft are the result of these efforts.

AICPA and NASBA began considering these firm name issues in August 2008 when the leadership of the two organizations called for the formation of a joint group to study CPA firm names. This study group was formed because of the lack of uniformity at the state level and the inconsistent guidance and practice surrounding the definition and use of permissible CPA firm names. The study group published a White Paper on CPA Firm Names in August 2009. In the conclusion, the White Paper urged the AICPA/NASBA UAA Committee to use the discussion and conclusions to help make appropriate conforming revisions to the UAA Statute and Model Rules.

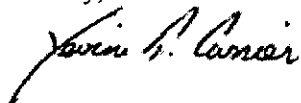
During deliberations, the UAA Committee sought guidance from AICPA's Professional Ethics Executive Committee (PEEC), and carefully considered definitions and concepts from PEEC's Interpretation 101-17 under Rule 101. This Interpretation was finalized in 2010 by the Professional Ethics Executive Committee and is effective for engagements after July 1, 2011. The Interpretation addresses when firms and entities in associations that share certain characteristics are considered to be a Network and therefore must be independent of certain attest clients of the other Network firms. Additionally, the UAA Committee also considered concepts in the AICPA Code of Professional Conduct Rule 505 "Form of Organization and Name," and PEEC's Ethics Ruling 179 "Practice of Public Accounting Under Name of Association or Group."

The discussion and conclusions noted in the White Paper on CPA Firm Names and the PEEC's Interpretations and Rules form the foundation of the proposed revisions to the UAA and the Model Rules. These proposed revisions are intended to provide the statutory and regulatory framework to CPA Firms and the State Boards of Accountancy who regulate them on acceptable CPA firm names configurations, Network or otherwise, and to provide public protections from CPA firm names which may be considered misleading.

If you need additional assistance or have questions, please contact Aaron Castelo at AICPA at 202-434-9261 or Louise Haberman at NASBA at 212-644-6469.

Thank you for your continued support and assistance.

Sincerely,



Kevin E. Currier, CPA
AICPA UAA Committee Chair -2010



Laurie J. Tish, CPA
NASBA UAA Committee Chair - 2010

SUMMARY OF PROPOSED REVISIONS

The proposed changes add a definition of “Network” and “Network Firm” to the Uniform Accountancy Act.

A new Rule 14-1 is being proposed to provide guidance to State Boards and firms on CPA Firm names. The new rule provides specific criteria on which names should be considered misleading and which are permissible, and sets guidelines for the usage of Network Firm names.

New language is being recommended to the commentary of Rule 14-1 of the Uniform Accountancy Act Model Rules to recognize implications to mobility when considering CPA Firm names.

TEXT OF PROPOSED STATUTE REVISIONS BY SECTION

Note: The material set out below is the proposed statutory text and commentary of the relevant UAA provisions. The proposed language to be added is underlined, and proposed deleted language is stricken-through.

SECTION 3 DEFINITIONS

3 (n) “Network” means an association of two or more entities that includes at least one CPA firm that:

- (1) Cooperates pursuant to an agreement for the purpose of enhancing the firms’ capabilities to provide professional services, and;
- (2) Shares one or more of the following characteristics:
 - (a) The use of a common brand name, including common initials, as part of the firm name;
 - (b) Common control, as defined by generally accepted accounting principles in the United States, among the firms through ownership, management, or other means;
 - (c) Profits or costs, excluding costs of operating the association, costs of developing audit methodologies, manuals and training courses, and other costs that are immaterial to the firm;
 - (d) Common business strategy that involves ongoing collaboration amongst the firms whereby the firms are responsible for implementing the association’s strategy and are held accountable for performance pursuant to that strategy;
 - (e) Significant part of professional resources;
 - (f) Common quality control policies and procedures that participating firms are required to implement and that are monitored by the association.

A Network may comprise a subset of entities within an association if only that subset of entities cooperates and shares one or more of the characteristics set forth in the previous list.

3 (o) "Network Firm" means a CPA Firm, as defined in Section 3 (g), that is part of a Network, as defined in Section 3(n).

COMMENT: For the purposes of subsection (2)(f), "monitored" means the process comprising an ongoing consideration and evaluation of the firm's system of quality control, the objective of which is to enable the association to obtain reasonable assurance that the firm's system of quality control is designed appropriately and operating effectively.

TEXT OF PROPOSED RULES REVISIONS BY ARTICLE

Note: The material set out below is the proposed rules text and commentary of the relevant UAA provisions. The proposed language to be added is underlined, and proposed deleted language is stricken-through.

ARTICLE 14

UNLAWFUL ACTS

Rule 14-1 - Misleading CPA Firm names.

~~A CPA firm name is misleading within the meaning of Section 14(i) of the Act if, among other things:~~

- ~~(a) The CPA firm name implies the existence of a corporation when the firm is not a corporation;~~
- ~~(b) The CPA firm name implies existence of a partnership when there is not a partnership (as in "Smith & Jones, C.P.A.s");~~
- ~~(c) The CPA firm name includes the name of a person who is neither a present nor a past partner, member or shareholder of the firm; or~~
- ~~(d) The CPA firm name includes the name of a person who is not a CPA if the title "CPAs" is included in the firm name.~~

(a) A misleading CPA Firm name is one which:

- (1) Contains any representation that would be likely to cause a reasonable person to misunderstand or be confused about the legal form of the firm, or about who are the owners or members of the firm, such as a reference to a type of organization or an abbreviation thereof which does not accurately reflect the form under which the firm is organized, for example:**

- (A) Implies the existence of a corporation when the firm is not a corporation such as through the use of the words "corporation,"**

“incorporated”, “Ltd.”, “professional corporation”, or an abbreviation thereof as part of the firm name if the firm is not incorporated or is not a professional corporation;

(B) Implies the existence of a partnership when there is not a partnership such as by use of the term “partnership” or “limited liability partnership” or the abbreviation “L.L.P.” if the firm is not such an entity;

(C) Includes the name of an individual who is not a CPA if the title “CPAs” is included in the firm name;

(D) Includes information about or indicates an association with persons who are not members of the firm, except as permitted pursuant to Section 3(n) and 3(o) of the Act; or

(E) Includes the terms “& Company,” “& Associate,” or “Group,” but the firm does not include, in addition to the named partner, shareholder, owner, or member, at least one other unnamed partner, shareholder, owner, member, or staff employee.

(2) Contains any representation that would be likely to cause a reasonable person to have a false or unjustified expectation of favorable results or capabilities, through the use of a false or unjustified statement of fact as to any material matter;

(3) Claims or implies the ability to influence a regulatory body or official;

(4) Includes the name of an owner whose license has been revoked for disciplinary reasons by the Board, whereby the licensee has been prohibited from practicing public accountancy or prohibited from using the title CPA or holding himself out as a Certified Public Accountant.

(b) The following types of CPA Firm names are not in and of themselves misleading and are permissible so long as they do not violate the provisions of Rule 14-1(a):

(1) A firm name that includes the names of one or more former or

present owners;

- (2) A firm name that excludes the names of one or more former or present owners;
- (3) A firm name that uses the CPA title as part of the firm name when all named individuals are owners of the firm who hold such title or are former owners who held such title at the time they ceased to be owners of the firm;
- (4) A firm name that includes the name of a non-CPA owner if the CPA title is not a part of the firm name;

(c) The following types of Network Firm names are not in and of themselves misleading and are permissible so long as they do not violate the provisions of Rule 14-1(a), and when offering or rendering services that require independence under AICPA standards, a firm that is part of a Network and a Network Firm, as defined in Section 3(o) of the Act, shall be required to comply with AICPA independence standards applicable to Network Firms:

- (1) A firm name that uses a common brand name, or shares common initials, as part of the firm name, provided the firm is a Network Firm as defined in Section 3(o) of the Act;
- (2) A Network Firm, as defined in Section 3(o) of the Act, may use the Network name as the firm name, provided it also shares one or more of the characteristics described in Section 3(n)(2) (b) through 3(n)(2)(f) of the Act.

COMMENT: With regard to practice in this State under Section 7(a)(1)(c), 7(a)(2) or 7(a)(3) of the Act, in determining whether a CPA Firm name is misleading, the Board recognizes that it is the policy of this State to promote interstate mobility for CPAs and CPA firms which employ them, and shall also consider the basis for approval of the same CPA Firm name by another state's board of accountancy.

~~Rule 14-2 - Fictitious firm names.~~

~~A fictitious CPA firm name (that is, one not consisting of the names or initials of one or more present or former partners, members or shareholders) may not be used by a CPA firm unless such name has been registered with and approved by the Board as not being false or misleading.~~

Note: Current UAA Rules 14-3 Safe Harbor Language will be re-numbered to Rule 14-2.



Jeremiah W. (Jay) Nixon
Governor
State of Missouri

Jane A. Rackers, Division Director
DIVISION OF PROFESSIONAL REGISTRATION

Department of Insurance
Financial Institutions
and Professional Registration
John M. Huff, Director

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Pamela Ives Hill, CPA
Executive Director

Laurie Tish, CPA, Chair
Uniform Accountancy Act Committee
National Association of State Boards of Accountancy
150 4th Avenue North Suite 700
Nashville TN 37219

Dear Ms. Tish,

Thank you for providing the Missouri State Board of Accountancy ("Board") with the opportunity to comment on the December 2010 Exposure Draft of the Uniform Accountancy Act ("UAA").

The Board has six comments it wishes to convey regarding the proposed revisions to the UAA in regards to firm names and network names. Missouri statute §326.289.6 provides that firm names may not be misleading. The exposure draft carves out an exception for firm names which belong to a network. The Board has several concerns in this area:

1. *All CPA firms should have uniform regulations regardless of the name.*

Independence standards should be consistent whether or not the firms are in a network. The proposed language creates confusion as to when the independence standard is applicable. Additionally, network firms lack the appearance of independence when performing services for other member firms. Although the language points to the AICPA standard, ET § 101.-17 creates a subjective standard in applying the rule of independence.

2. *There is no standard for what a network entity may be called.*

CPA firms are currently subject to clear standards for their firm names, such as use of a former owner, etc. The proposed language permits networks to use brand names or initials, but does not prohibit the names which may be misconstrued with other individuals, other entities, or other CPAs. Thus, network firms are not held to the same name standards as non-network firms.

3. *Legal liability for network firms remains unclear.*

The *Parmalat* decision brought to the surface the issue of legal liability for the actions of a network firm. Network firms attempt to resolve this issue with extensive disclaimers in their engagement letters. The use of disclaimers creates confusion as to who will be ultimately responsible for the work-product. The disclaimers also act as a legal shield for CPA firms who benefit from the use of a network name, but then disclaim liability.

4. *Regulatory liability for network firms remains unclear.*

Similar to the issue of legal liability, the professional licensing liability remains uncertain. If a network is designed to have control over the member firms, what will be the regulatory liability of the individual firms in the event of a violation of professional standards. If an individual member is disciplined, when may another member firm be disciplined? Likewise, if a member firm acts as a subcontractor for another member, which or both may be liable for professional violations?

5. *The Board lacks sufficient safeguards to ensure that network firms actually operate as a network with control.*

One of the stated goals of the exposure draft is to ensure that a network firm truly operates as a network with control. However, the Board must rely upon the representations of the firm that it meets the criteria during the application process. If a network name is approved, the Board lacks the ability and resources to ensure that network firms continue to operate within the guidelines of the proposed UAA provisions.

6. *The proposed commentary language restricts the Board's ability to make independent decisions.*

The commentary language requires the Board to consider other states prior approvals as a factor in approving a network name. This diminishes the

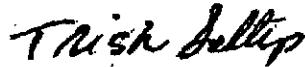
Ms. Laurie Tish
Page 3
February 24, 2011

Board's independent authority. The commentary language also encourages forum shopping by network firms for the state of least resistance.

The Board has grave reservations on the proposed revision to the UAA and trusts the committee appreciates our concerns and will reconsider the matter.

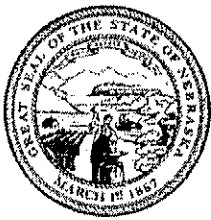
The Board is grateful for the opportunity allowing us to express our concerns regarding the December 2010 Exposure Draft of the Uniform Accountancy Act.

Sincerely,

A handwritten signature in black ink, appearing to read "Patricia A. Soltys".

Patricia A. Soltys, CPA
President

PIH/rrf



Dave Heineman
Governor

STATE OF NEBRASKA

BOARD OF PUBLIC ACCOUNTANCY

P.O.Box 94725, Lincoln, NE 68509
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Home Page: www.nbpa.ne.gov

February 1, 2011

Ms. Laurie J. Tish, CPA
NASBA UAA Committee Chair

Mr. Kevin E. Currier, CPA
AICPA UAA Committee Chair

Re: Exposure Draft- Section 3 and Article 14

Dear Ms. Tish & Mr. Currier,

The Nebraska State Board of Public Accountancy would like to comment on the Exposure Draft released by your committee regarding recommended changes to Section 3 of the Uniform Accountancy Act and Article 14 of the UAA Rules.

First of all, the Board acknowledges the work of those involved within the original CPA Firm Name Study Group, the AICPA PEEC, and your current committee. We wrestled with the firm name issue several years ago and understand the complications and many of the issues you identified. We believe this exercise was timely and will assist State Boards currently involved in firm structure/name issues. Many will look to the UAA and UAA Rules to begin the process of policy review and to understand the current issues involved in the structure and naming of CPA Firms.

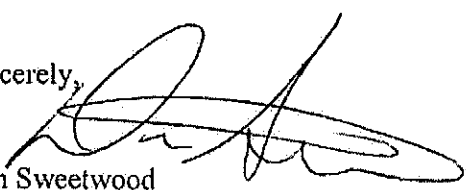
The creation and inclusion of a definition of "Network" and "Network Firms" is helpful to our Board. We will look to include these definitions within future Board policy and/or rules to assist in clarifying how Network firms operate and hold out in Nebraska. Other specific identified areas that might mislead will also be reviewed and incorporated to future policy and/or rules.

Again, this exposure is helpful to State Boards. However, it only lends itself for consideration as each Board makes decisions that are best for the citizens of the state they represent. Although a more uniform policy on firm names and structure might be desirable as indicated, each State Board will still on a case by case basis make decisions relative to firm names. They will base this on current law, regulations, and policy including the "subjective" nature of what is *misleading*. This could include the beliefs and thoughts of current Board members intensifying the "subjective" nature of the decision.

Based on the above, we believe the comment after Article 14-1c (2) should be deleted. State Boards understand the importance of Mobility as most adopted the provisions to allow for it. However, the issue of firm names should not be intertwined with Mobility. Simply, State Boards will continue to make decisions relative to firm names based on what is perceived as misleading in their state to protect the public and not based on Mobility. The comment suggests State Boards should *not* make decisions independently but rather "*shall*" consider the decisions of another State Board. We suggest this is bad precedent for the overall relevance of the UAA to State Boards.

If you have any questions and/or concerns regarding our comment, please do not hesitate to contact me at (402) 471-3595 or at Dan.Sweetwood@Nebraska.gov.

Sincerely,



Dan Sweetwood
Executive Director

cc. Mr. Douglas Skiles, CPA- Chair



North Carolina State Board of Certified Public Accountant Examiners

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February 21, 2011

Laurie Tish, CPA, Chair
Uniform Accountancy Act Committee
National Association of State Boards of Accountancy
150 4th Avenue North Suite 700
Nashville TN 37219

Dear Ms. Tish:

Thank you for providing the North Carolina State Board of CPA Examiners (the Board) with the opportunity to comment on the December 2010 Exposure Draft of the Uniform Accountancy Act (UAA). The Board appreciates the work that you and your committee did in preparing the Exposure Draft for the boards of accountancy.

In reviewing the proposed revisions to Section 3 (Definitions) and Article 14 (Unlawful Acts) of the UAA, many of these rules, such as 14-1 (a)(1)(A)(B)(C) and (b)(1)(2)(3), are already in the Board's rules. The proposed rules that would allow the use of a 'network,' 'association,' 'common brand,' 'common initials,' and 'non-CPA name' in a CPA firm name are currently prohibited in North Carolina and have been found to have the capacity or tendency to deceive by the Board in two matters (*see attached Declaratory Rulings*). The Board successfully defended an appeal of the McGladrey & Pullen LLP ruling to the U.S. Supreme Court (*see attached NC Court of Appeals Ruling*). The other ruling was never appealed. Both rulings were based upon evidence of the public being deceived, confused, and misled.

The Board prohibits the use of "& Company," "& Associates," "Group," or "Firm" in a CPA firm name if there is only one partner, shareholder, owner, or member even if the CPA firm has staff employees who are CPAs. The use of a "non-CPA name" in the CPA firm name is not permitted even if "CPA" is not used in the CPA firm name as registered with the Board.

The prime responsibility of the Board is the protection of the public. The use of "network," "association," "common brand," "common initials," or "non-CPA name" in CPA firm names could have the capacity or tendency to deceive the public, clients, and even employees. The Board cannot support the proposed revisions to the UAA as

currently written. However, the Board wishes to remain open-minded regarding the issues addressed in the Exposure Draft. To allow the Board to make a more informed decision on the matter, the Board asks that the UAA Committee consider extending the comment period and to provide clarity on the definitions of, and differences between, "association" and "network."

Again, thank you for allowing the North Carolina State Board of CPA Examiners to comment on the December 2010 Exposure Draft of the Uniform Accountancy Act.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael C. Jordan". The signature is fluid and cursive, with a large, stylized "J" at the end.

Michael C. Jordan, CPA
President

RNB/lrh
Enclosures



STATE OF TENNESSEE
TENNESSEE STATE BOARD OF ACCOUNTANCY
DEPARTMENT OF COMMERCE AND INSURANCE
500 JAMES ROBERTSON PARKWAY
DAVY CROCKETT TOWER
NASHVILLE, TENNESSEE 37243
615-741-2550

01 March 2011

Laurie Tish, CPA, Chair
Uniform Accountancy Act Committee
National Association of State Boards of Accountancy
150 4th Avenue North
Suite 700
Nashville, Tennessee 37219

Dear Ms. Tish:

The Tennessee State Board of Accountancy ("Board") appreciates the opportunity to comment on the December 2010 Exposure Draft of the Uniform Accountancy Act ("UAA").

In response to the UAA Committee's proposed guidelines for uniform rules concerning misleading firm names, the Board has determined that numerals and symbols are not appropriate for use in the name of an accounting firm. At their meeting on 28 January 2011, the Board voted unanimously to exclude numerals and symbols in the name of any firm licensed by this Board.

We appreciate the need for uniformity concerning firm names in various jurisdictions, and do give consideration to names that have already received approval by other boards. However, even though a firm may have received approval from another jurisdiction to use a name that includes numerals or symbols, that firm will not be issued a license to practice public accountancy in the State of Tennessee under that firm name.

The Board is of the opinion that the use of numerals and symbols in a firm name should be given consideration by the UAA Committee and trusts that the Committee will draft an appropriate revision to address this issue.

Best regards,

Mark H. Crocker, CPA
Executive Director
Tennessee State Board of Accountancy



Call for NASBA Board of Directors and Nominating Committee

To State Board Chairs/Presidents; Executive Directors; Delegates and Associates:

On behalf of the NASBA Nominating Committee, we are asking boards to submit their recommendations for next year's Nominating Committee Members, Directors-at-Large and Regional Directors. If you are interested in one of these positions, please contact your state board's Chair or Executive Director, as all recommendations must come from the board.

NOMINATING COMMITTEE RECOMMENDATIONS:

At the 2011 Regional Meetings, designated voting representatives of states in the Mountain, Southwest, Great Lakes and Northeast Regions will select an elected member and an alternate member (in the event the elected member cannot serve) to serve on the Nominating Committee from 2011 to 2013. The terms of the Nominating Committee members shall be staggered so that half of the Regions hold elections each year.

As provided in the NASBA Bylaws, Nominating Committee members may serve two complete terms in succession plus any unexpired term. The term begins immediately following the Business Session of the Annual Meeting.

Additionally, please note that every state board and its regions are responsible for electing their Nominating Committee representative. If a Region cannot successfully elect a nominee, the Region will not have representation on the NASBA Nominating Committee. Therefore, we urge you to give this matter high priority.

BOARD OF DIRECTORS RECOMMENDATIONS:

The Board of Directors is composed of a Chair, Vice Chair, Past Chair, nine Directors-at-Large and a Regional Director from each of the eight Regions. Directors-at-Large are elected for a three-year term and may serve a maximum of two terms, plus any unexpired terms. Thus, three of the nine Directors-at-Large will be elected at the 2011 Annual Meeting.

Regional Directors are elected for one-year terms and may serve a maximum of three terms. All Regional Directors must be Delegates (current board members) of their state board of accountancy at the time of or within six months prior to their election or appointment. Thus, all of the Regional Directors will be elected at the 2011 Annual Meeting.

The deadline for receiving these nominations is Friday, May 27, 2011. Please send your letter of recommendation(s) AND the individual's biographical information to Billy M. Atkinson, Nominating Committee Chair, via mail to NASBA, 150 Fourth Avenue North, Suite 700, Nashville, TN 37219 via fax to 615-880-4291 or via e-mail to: aholt@nasba.org.

Sincerely yours,

Billy M. Atkinson, CPA
Chair, NASBA Nominating Committee

National Association of State Boards of Accountancy, Inc.

Meeting of the Board of Directors October 22, 2010 – Hyatt Regency, San Antonio, TX

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 Billy Atkinson at 9:06 a.m. on Friday, October 22, 2010 at the Hyatt Regency in San Antonio, Texas.

2. Report of Attendance

President David Costello reported the following were present:

Officers

Billy M. Atkinson, CPA (TX), Chair
Michael T. Daggett, CPA (AZ), Vice Chair
Thomas J. Sadler, CPA (WA), Past Chair
Leonard R. Sanchez, CPA (NM), Treasurer, Director-at-Large
Gaylen R. Hansen, CPA (CO), Secretary, Director-at-Large

Directors-at-Large

Walter C. Davenport, CPA (NC)
Sally Flowers (CA)
Mark P. Harris, CPA (LA)
Richard Isserman, CPA (NY)
Carlos E. Johnson, CPA (OK)
Theodore W. Long, Jr., CPA (OH)
Kathleen J. Smith, CPA, Esq. (NE) – Via conference call

Regional Directors

Donald H. Burkett, CPA (SC), Middle Atlantic
David D. Duree, CPA (TX), Southwest
Claireen L. Herting, CPA, Esq. (IL), Great Lakes
Telford A. Lodden, CPA (IA), Central
Kenneth R. Odom, CPA (AL), Southeast
Harry O. Parsons, CPA (NV), Mountain
Laurie J. Tish, CPA (WA), Pacific
Michael Weinshel, CPA (CT), Northeast

Executive Directors' Liaison

Daniel Sweetwood (NE)

Guests

Jefferson Chickering, CPA (NH), Northeast Regional Director Nominee
Janice L. Gray, CPA (OK), Southwest Regional Director Nominee
Richard C. Sweeney, CPA (WA), Executive Directors Liaison 2010-11
Kim Tredinnick, CPA (WI), Great Lakes Regional Director Nominee
Karen Foster Turner, CPA (CO), Mountain Regional Director Nominee

Staff

David A. Costello, CPA, President and Chief Executive Officer
Joseph T. Cote, CPA, Executive Vice President
Ken L. Bishop, Senior Vice President and Chief Operating Officer
Michael R. Bryant, CPA, Chief Financial Officer
Denise Hanley, President Professional Credential Services
Louise Dratler Haberman, Director - Information and Research
Anita Holt, Assistant to the President
Thomas G. Kenny, Director – Communications
Noel L. Allen, Esq., Legal Counsel

Chair Atkinson introduced the incoming Board members and thanked those who will be retiring from the Board for their service. These include Mr. Duree, Ms. Flowers, Ms. Herting, Mr. Sanchez, Mr. Sweetwood and Mr. Weinshel.

3. Approval of Minutes

NASBA Secretary Hansen presented the minutes of the July 23, 2010 meeting. On a motion by Mr. Lodden, seconded by Mr. Duree, the minutes of the July NASBA Board of Directors' meeting were approved as corrected.

4. Report of the Chair

Chair Atkinson reported NASBA's Third Forum for International Accounting Regulators, held in Madrid, Spain, September 30 – October 1, 2010, was a high quality program that participants said they would like to continue. About 50 people attended, including Global Strategies Committee Chair Samuel Cotterell, Director of International Relations Linda Biek, Chair Atkinson, Vice Chair Daggett, President Costello and Legal Counsel Noel Allen. Mr. Atkinson said it is an incremental process for NASBA to become identified with the international standard setters and for them to be identified by NASBA. Vice Chair Daggett said the international participants appreciated the forum and NASBA will continue to hold the event.

The question of whether the Global Strategies Committee should manage future international conferences was raised by Chair Atkinson. Mr. Hansen said the international forum does not seem different from the Annual Legal Counsel or Biannual Continuing Professional Education Conferences, which the NASBA Board controls through NASBA's budget. President

Costello agreed that the forum was similar to other NASBA conferences and the Board should be kept informed on how the meeting is progressing, but should not manage it.

NASBA and Canadian Institute of Chartered Accountants leaders met on August 31 in Toronto, Chair Atkinson reported. During their summit meeting they discussed: how the Canadians have transitioned to IFRS and what the U.S. is debating; audit standards; global standards common to the U.S. and Canada; the CICA credential pathways strategies; IQAB ; mobility issues; the Canadian accountancy oversight body CPAB; and collaboration on items of mutual interest. It was agreed that the CICA and NASBA will meet on a regular basis. Brian Hunt, CEO of Canada's National Inspection Agency was interested in getting a copy of the Ethics Committee's paper about loss audits, Mr. Atkinson said.

NASBA and AICPA leaders met in New York City on August 13, Chair Atkinson reported. There currently are no areas of disagreement with the Institute other than what has been said at the Blue Ribbon Panel meetings, Mr. Atkinson observed. In the area of CPA firm names, it was decided that a collaborative approach should be used to facilitate mobility and at the same time respect the laws and rules of states and jurisdictions. The leaders expect there will need to be more focus on implementation of mobility.

Mr. Hansen said the European Commission is thinking about setting up its own oversight for auditors in the EU. Like the U.S. Treasury Department's ACAP study, the EC Green Paper is looking at consulting fees, firm rotation, auditor independence, etc., and development of a regulatory structure for auditors throughout Europe.

Chair Atkinson reviewed the many meetings he had attended and conversations he held with representatives over the last few months, including: Financial Accounting Standards Board, Financial Accounting Foundation, Blue Ribbon Panel, American Accounting Association, AICPA, CICA, University of Alabama, Missouri Board of Accountancy, Professional Credential Services Board of Directors, NASBA International Forum.

Thomas Sadler was nominated by Chair Atkinson to serve as a member of the five-person PCS Board. On a motion by Mr. Weinshel, seconded by Mr. Hansen, all approved Mr. Sadler being placed on the Board.

The progress of the Blue Ribbon Panel on Standard Setting for Private Companies was reviewed by Mr. Atkinson. He has reviewed the materials distributed to him by the BRP with members of NASBA's Regulator Response Committee and Ethics Committee, which he said helped him know he has been expressing the right position for the State Boards. The BRP is now contemplating two models: 2A , which would maintain one FASB with more formal work streams to assure there is a voice for private companies when standards are being developed , and Model 2B , which the majority of the BRP favors, that would create a new separate board that would still report to FAF but could set standards separately. NASBA's position is we need to fix what we have, rather than create more differences, Chair Atkinson stated. Give the new FAF an opportunity to fix the problems. The AICPA favors creating another system and then in five years looking back to see if it is effective. This would create more opportunities for

differences. The BRP's report will probably include both a majority and minority view, Chair Atkinson stated.

5. President's Report

President Costello explained that "Momentum" is the theme for this year's Annual Meeting. Momentum is action and excitement. Momentum is NASBA.

He announced a student Center for the Public Trust chapter had been launched at Birmingham Southern College and another is planned for Baruch College of the City University of New York. Talks are also going on with several schools in Colorado for student centers.

Executive Vice President Cote described the usability of NASBA's new Learning Market Web site. CPE sponsors can apply to the NASBA CPE Sponsor Registry and renew their membership on line, and CPE rules are on the site as well. Mr. Cote reported NASBA agreed to set up a joint task force with the AICPA to consider the CPE Standards. Mr. Lodden is chairing the standards task force and AICPA Vice President Craig Mills is going to be a member of that group, which will approve the standards and then bring them to the Boards of Directors of NASBA and the AICPA. The NASBA committee will vet the problems and then the joint task force will approve the standards. Mr. Cote said the issue had been raised that there might be a conflict of interest with AICPA being both the standard setter and a CPE sponsor. The AICPA said there would be a Chinese wall to prevent any conflict.

The largest states are now on the Accountancy Licensee Database, Mr. Cote stated. There are now 31 states on it, a larger number than any other regulatory boards have gathered, he said. The ALD is not available to the public yet, but it will be, and it will also be connected to the international delivery of the examination. Mr. Cote said other nations are interested in NASBA helping them with similar projects. He added that the agreement on the international administration of the examination had been signed and is on track for the first such administration to take place during the second quarter of 2011.

President Costello said the Examination Review Board's restructuring is moving along well. The three staff positions associated with the ERB's restructuring have been filled.

Mr. Costello congratulated Mr. Atkinson for his representation of the State Boards on the BRP. It is significant that the State Boards have a voice on the panel, he observed. He also said that NASBA is becoming visible on the international scene. He reviewed the time being devoted to NASBA staff training, including a staff directors' retreat, a managers' off-site meeting, and a company-wide contest to foster healthy living.

NASBA will have \$17.3 million net assets this year, President Costello stated. He believes, if NASBA can get to \$25 million, then it can focus on education, State Boards' critical needs, and other similar objectives. Mr. Cote pointed out that 1997, the year when NASBA moved to Nashville from New York, was the last time NASBA had reported a loss for the year.

6. Report from the Vice Chair

Mr. Daggett reported he had placed over 200 volunteers on NASBA's 22 committees. For the coming year, he is combining the committees associated with the Uniform CPA Examination. He said he tried to assign people to the committees who will help the chairs achieve their charges and he has also tried to take the volunteers' priorities into consideration. One of Mr. Daggett's priorities was to place a NASBA board member as chair of each of those committees, in order to keep the Board of Directors up-to-date on what each committee is doing. The committees need to implement the programs developed this past year and promote them.

Mr. Daggett encouraged the Board members to meet AICPA Chair Paul Stahlin at the NASBA Annual Meeting. He thanked Chair Atkinson for sharing his knowledge with him.

7. Report of the A&F Committee

Treasurer Sanchez reported the Administration and Finance Committee met in person three times in fiscal 2011, in January, April and July. Then on September 23 the Committee held a conference call to review a final draft of the audited financial statements which would be subject to the Audit Committee's final approval on their meeting the following day.

Chief Financial Officer Bryant and Treasurer Sanchez jointly presented fiscal year 2010 financial information to the NASBA Board. CFO Bryant stated it was NASBA's second best year financially in terms of increasing unrestricted net assets. Treasurer Sanchez said the A&F Investment Committee, in addition to the regular meetings held during the year had also joined management in their monthly phone conferences with the investment adviser. Additional long-term fund investments had recently been used to build out the portfolio's alternative strategy's target allocation.

The A&F Committee has, during several meetings, discussed NASBA's funding of the Center for the Public Trust, Treasurer Sanchez reported. Mr. Bryant said that the A&F Committee has proposed that, at the annual budget meeting, there should be a review of the amount of funding commitment from NASBA to the CPT, and that such amount should be reflected in the budgets of both organizations. The CPT board would be responsible for approving their own budget within the parameters of the amount of NASBA's support for its accounting profession ethics activities.

President Costello said he is convinced that in three years the CPT will be operating through its own funding activities. He added that the CPT represents NASBA's ethics outreach programs, and he estimated NASBA would be spending at least \$100,000 on ethics issues if it did not have the CPT.

Treasurer Sanchez suggested that NASBA commit to a one-year \$150,000 contribution to the CPT. Mr. Cote said he is chairing a new development committee for the CPT that is looking

for new ways to generate money. Mr. Sanchez made a motion that a contribution of \$150,000 be made to the CPT. Mr. Daggett seconded. All approved.

8. Report of the Audit Committee

Audit Committee Chair Duree made a motion that the financial statements be accepted by the Board. Mr. Johnson seconded and all voted in favor of accepting the statements.

The Audit Committee did bring a recommendation for partner rotation to Lattimore Black Morgan & Cain, PC, and that was accepted for the primary piece of the audit. However, for the Puerto Rico portion, the Audit Committee allowed the predecessor audit partner to stay one more year. Mr. Duree made a motion that the firm be retained for the next year. Mr. Burkett seconded. Mr. Johnson said the Audit Committee had carefully looked at LBM&C and found it to be a very strong firm for not-for-profits. Mr. Duree said this year the Audit Committee had updated the work of the earlier Audit Committee and agreed that the firm was strong. The motion to retain LBM&C was carried.

Mr. Duree reported the Audit Committee had discussed the NASBA Trust and Integrity Channel (“whistleblower”) policy that management had created and agreed it was satisfactory. They also reviewed their charter and determined some minor changes were desirable, as shown in the draft distributed to the Board. He moved that the recommended changes to the charge be made. Mr. Weinshel seconded. Mr. Hansen suggested that the word “could” be added to “of all matters that could impair.” Mr. Isserman asked if legal counsel had reviewed the changes and he was told that had not taken place. The Board voted to approve the proposed changes with the addition of “could.” The amended section will state: “The Committee will be informed in a timely fashion of all matters that could impair the conduct of the audit; however, where feasible, such matters will first be brought to the attention of the Chief Executive Officer and/or Chief Financial Officer before communicating to the Committee.”

Mr. Duree reported the Committee discussed at length the issue of the Audit Committee’s independence. Mr. Duree stated the Audit Committee had requested that the Board offer its thoughts on deleting “if approved by the Executive Committee” from the following statement in the Audit Committee charter: “The Committee shall be empowered to conduct or authorize investigations into any matters within the Committee’s scope or responsibilities, including the retention of independent counsel and other professionals to assist in the conduct of an investigation, if approved by the Executive Committee of the Board.”

President Costello said that would undercut the authority of the Executive Committee and the Board and would allow non-Board approved funding of investigations. Mr. Allen said there have been cases where audit committees have gone out on a limb in conducting unnecessary investigations. President Costello emphasized that the readily available access the Audit Committee has to the entire NASBA membership (i.e., the State Boards) provides the committee an avenue to pursue such matters should the Executive Committee or full Board not support their

perceived need for an investigation. Mr. Costello stated that having the Executive Committee and the full Board aware of such investigations serves as a good control practice from both a governance and financial standpoint.

Mr. Johnson asked if there was a management letter indicating any problems or adjustments encountered during the audit. Mr. Duree said there was not as the audit found no adjustments needed nor control deficiencies.

9. Report of the UAA Committee

Uniform Accountancy Act Committee Chair Tish presented proposed changes to the UAA and the Model Rules to cover guidance on misleading CPA firm names. She explained that the recommended changes were in line with last year's white paper prepared by the AICPA/NASBA task force on firm names and with the Professional Ethics Executive Committee's interpretation 101-17 on network firms, released in the spring of 2010. The changes proposed to the Act primarily deal with definitions of what is a "network" and the insertion in Section 14(i) of the statement: "In determining whether a CPA Firm name is misleading, the Board recognizes that it is the policy of this State to promote interstate mobility for CPAs and CPA firms which employ them, and shall also consider the basis for approval of the same CPA Firm name by another state's board of accountancy." Ms. Tish said she thought that statement would result in comments from the states' attorneys general, but the UAA Committee had agreed to include it in the exposure draft as requested by the AICPA and NASBA leadership at their summit meeting. Mr. Sweetwood said he did not see the attorneys general allowing this comment to be put into a law. The proposed Rules discuss what are misleading firm names and what are not. They include examples. The Committee had not found those to be controversial. The proposed language deletes reference to "fictitious" firm names.

Ms. Tish made a motion that the Board accept the exposure draft and Mr. Hansen seconded. Following discussion of the placement of the statement proposed for Section 14(i), Ms. Tish amended her motion to have the Board accept the exposure draft with the proposed statement being removed from the Act and moved into the commentary of the Rules. Mr. Hansen seconded. The motion was approved as amended.

10. Executive Session

The Board went into Executive Session at 11:50 a.m. to hear a report from Selection Advisory Committee Chair John Peace on the group's progress in reviewing applicants for the NASBA President and CEO position, to be vacant following President Costello's retirement at the end of 2011. The Board came out of Executive Session at 12:10 p.m.

11. Report of the State Board Relevance and Effectiveness Committee

Committee Chair Carlos Johnson presented two reports from the Relevance and Effectiveness Committee for their approval . Since the 2010 Regional Meetings, there had been extensive deliberative discussion of the document giving the rationale for a semi-independent State Board of Accountancy and of the document laying out a template for the legislation to create such a board. Mr. Johnson presented the Committee's final version of these documents for posting on the NASBA Website. He thanked Ellis Dunkum for shepherding the creation of the rationale document and Raymond Johnson for doing the same for the template document. The semi-independent board would still be a state agency, Chair Johnson underscored, but this legislation would make sure the state government could not drain the board's resources. Mr. Johnson moved that the Board approve the two documents as presented. Mr. Lodden seconded.

NASBA Chair Atkinson reported the AICPA had agreed to help promote this effort. He called the papers a great tool for the immediate defensive needs of some State Boards. Ms. Herting said the Illinois Board had discussed the documents and will be seeking the State Society's support in pursuing this effort. Chair Johnson said he had met with the Missouri Board and will meet with the Iowa Board in November. The Tennessee Board has also asked him to come and discuss the papers with them. Mr. Sweetwood observed that from the executive director's perspective these papers are a comforting tool to act in defense of State Boards.

The motion to approve and post the documents was passed unanimously.

Chair Johnson added that a template is being created that will allow the State Boards to plug their own numbers in and see what their model budget would be, including their contribution to the state's general fund. The Committee's sample budgetary task force was chaired by Barbara Porter. The Committee is also continuing to post documents to its Web page to assist the State Boards' executive directors. Mr. Johnson thanked Rick Sweeney and Ronald Rotaru for the material their states contributed to the Web page.

12. Report on the International Administration of the CPA Examination

Senior Vice President Bishop reported the contract for the domestic administration of the examination was signed with the AICPA and Prometric on March 4, 2010. On August 13, 2010 NASBA and AICPA signed a contract providing for the international administration of the examination. A contract was signed in October with Prometric for a two-year pilot administration of the Uniform CPA Examination in Japan, Kuwait, Bahrain, Lebanon and the United Arab Emirates. Mr. Bishop said other sites are in the pipeline. Applications from candidates who want to take the examination outside of the U.S. will begin to be taken during the second quarter of 2011. Then in the third quarter of 2011 actual testing will begin outside the U.S.

Mr. Bishop said the NASBA team successfully negotiated to get the contracts to include all of the terms that the NASBA Board of Directors had agreed to.

13. Report of the Ethics and Strategic Professional Issues Committee

Committee Chair Hansen reported his committee had two primary activities this year: arriving at a uniform definition of independence and at a statement on loss audits. The documents they produced were presented at both Regional Meetings and changes were made as a result of the comments received. Mr. Hansen said he had distributed the draft to PEEC and IFAC representatives for their comments. The papers being presented to the Board for their approval are to stimulate thought, and should not be identified as authoritative documents on NASBA's Web site, Mr. Hansen stated. They are for the standard setters to consider. Mr. Burkett moved to approve the documents for distribution and Mr. Parsons seconded. All approved.

Mr. Hansen suggested that NASBA consider if it could support a Brooks Act, which is a federal law that applies to architects and engineers and states: "Sec.902. The Congress hereby declares it to be the policy of the Federal Government to publicly announce all requirements for architectural and engineering services, and to negotiate contracts for architectural and engineering services on the basis of demonstrated competence and qualification for the type of professional services required and at fair and reasonable prices." The PCAOB is discussing this as fee slashing has been taking place, Mr. Hansen reported. Mr. Allen said that some states have adopted a "mini-Brooks Act" affecting public works. Mr. Hansen added that the Ethics Committee is talking about defining the "public interest."

Chair Atkinson praised the Ethics Committee's two documents as being outstanding and thanked Ray Johnson and Kent Bailey for their contribution to their production.

Mr. Daggett noted that Mr. Parsons will be coming off the AICPA's Professional Ethics Executive Committee, where he has served as the Boards' representative with Mr. Hansen. John F. Dailey from the New Jersey Board will be taking his seat. Mr. Parsons said he felt that he and Mr. Hansen had brought the Boards' views to PEEC's discussions. Ms. Gray said the public member on the Oklahoma Board is going on PEEC. Mr. Sweetwood said he and Mississippi Board Executive Director Susan Harris have been serving on the State Board committee to PEEC.

14. Report of the Enforcement Assessment and Best Practices Committee

Committee Chair Weinshel reported the Committee had spent a year and a half accumulating material and three months writing the enforcement manual he brought to the Board for their approval. The preface is taken from the State Board Relevance and Effectiveness Committee's semi-independent board paper. The "Introduction" is meant to give the reader, or new Board member, an idea of how the enforcement system works. Mr. Weinshel reported the manual describes what a Board should be striving for in a uniform enforcement program, what should be its objectives and then includes a section on how to use the manual. The manual documents nine components of enforcement. A final section includes various states' manuals.

Mr. Weinshel said the enforcement manual is not intended to be a public document, but is to be placed on the NASBA Web site with limited access in a password protected area. Mr. Allen is to write a preface to the manual indicating that no complainant against the State Board can use this.

Mr. Daggett asked if input from the NASBA investigator panel had been obtained. Mr. Bishop said the panel will offer comments.

Chair Atkinson thanked the committee for creating a resource for the State Boards. Mr. Weinshel commended his committee for their work. Mr. Daggett gave special thanks to Viki Windfeldt for her contributions to the project.

A motion to approve the manual was made by Mr. Sanchez and seconded by Mr. Parsons. All approved.

15. Report of the Executive Directors Committee

Committee Chair Sweetwood said the Executive Directors will have a breakfast meeting during the NASBA Annual Meeting. Pamela Hill has been selected as the committee's vice chair, to serve with incoming Chair Richard Sweeney. Mr. Sweeney said he will be working with the executive directors to have a more dynamic exchange of information among them throughout the year, rather than just sporadically at meetings.

16. Report of the Education Committee

Education Committee Chair Harris presented for the Board's approval an Education Research Grant Program that would offer up to three grants for empirical research on topics consistent with the mission of the State Boards and NASBA, with the program's total reaching a maximum of \$25,000. He presented a few sample ideas for possible research topics. Should the Board approve this proposal, the call for suggested research would go out within the next 30 days and by March 15, 2011 the grant recipients would be selected. An update on the projects would be presented at next year's Regional Meetings, Mr. Harris explained. Mr. Alexander said a check for half the amount of the grant might be awarded at the time of selection and the rest at the end. Mr. Odom made a motion to approve the proposed grant program and Mr. Parsons seconded. Mr. Harris said the goal would be to have the research published in a juried publication. The motion was approved.

17. Report on International Activities

Mr. Hansen reported the PCAOB's Standing Advisory Group had met on October 13 and were told that many non-US auditing firms are registered with the PCAOB that they cannot inspect. In particular, China is not cooperating with the PCAOB's inspection requests. The PCAOB has recommended that Congress change the Sarbanes-Oxley Act to make the PCAOB's disciplinary proceeding more open to the public.

As NASBA's representative on the Consultative Advisory Groups (CAG) to IFAC's Auditing Standards Board and Ethics Standards Board, Mr. Hansen attended the Auditing Standards Board's CAG last meeting in London. The topics discussed including assurance and limited assurance financial statements. The Ethics Standards Board has a fraud project going on addressing what are the auditor's responsibilities to the company and the public if fraud comes to the auditor's attention. They are also considering how to cure inadvertent violations: Does the auditor have to withdraw when an inadvertent violation comes up? He said the CAGs provide an excellent way to bring NASBA's concerns to the standard setters.

Mr. Hansen said there is a good article in the October 2010 *Journal of Accountancy*, "Comparing the Ethics Codes: AICPA and IFAC," by Catherine Allen. There are structural differences between the codes, he observed. For example, the world does not consider compilation to be an attest engagement. Internationally, the ethics body tells the auditing standards board if independence is needed, but in the U.S. the ARSC decides.

18. Report of the CPE Advisory Committee

CPE Advisory Committee Chair Long reported a task force is working on reviewing the CPE standards. An agreement has been made with the AICPA to create an additional joint task force, but Mr. Long did not think that would impact the timetable for the review process.

19. Report of the Bylaws Committee

Bylaws Committee Chair Herting reported the Bylaws amendments had been discussed at the Regional Meetings and notice of the proposed changes were sent out 60 days in advance of the Annual Business Meeting, as required in the Bylaws. The proposed amendments will be brought to the Annual Business Meeting for a vote, she stated.

20. Report of the Compliance Assurance Committee

Committee Chair Odom reported the Compliance Assurance Committee and the AICPA Peer Review Board had a joint meeting in August. A written report is to be given to the Compliance Assurance Committee by April. AICPA has said they will work with NASBA to present a Peer Review Oversight Committee conference in May in Nashville. Mr. Odom said he thinks the NASBA committee has made good progress and is in good hands as Janice Gray becomes its new chair.

21. Report of the Enforcement Resource Committee

Committee Chair Parsons reported the Committee has been successful in holding meetings with representatives of the IRS, SEC and PCAOB. The SEC is looking at "pump and

dump” schemes, and Director Linda Biek is trying to work with them on that. Larry Gray (MO) is working with the IRS. In August, the Committee met with Senior Vice President Ken Bishop and he told them about the investigation program that NASBA is working on.

Mr. Parsons said the Committee is going to continue to try to work with the Accountants Coalition on “piling on” of state cases. He thought the solution might be the creation of a class action suit that all states could have a piece of. Mr. Sadler thought there could possibly be a form sent to State Boards to see if they have an interest in a case with class action disclosure information coming to all Boards. It would be a triage approach, Mr. Sadler commented. Mr. Parsons said he would work with Mr. Allen to see if something can be achieved. Ms. Tish said the piling on issue had come up at the September UAA Committee meeting when a Coalition representative mentioned that under the Class Action Fairness Act of 2005 (CAFA), State Boards have to be notified if a firm enters into a legal settlement. Ms. Tish categorized this item as a “heads up” for the UAA Committee at this time and recommended the TAC representative contact the NASBA Enforcement Resources Committee. Mr. Sadler said it had been suggested that the reporting process be improved, perhaps enhancing disclosure so that Boards could determine if their licensees were involved.

22. Report of the Communications Committee

Communications Committee Chair Flowers reported they had worked on three projects: (1) the Communications Committee’s Website and the password to use it, (2) NASBA Past Chair Sandra Suran have requested assistance in communication of the findings of the State Board Relevance and Effectiveness Committee and (3) social media use by the Boards. The Committee sent out a Quick Poll and learned only five Boards at this point are using social media; However, the majority of the Boards replied that they are developing a plan for using social media or are interested in learning more about how to do it.

Ms. Flowers reported there will be a breakfast meeting of the Boards’ communications officers on October 25, at which time more information about social media will be presented. During that meeting North Carolina Board Executive Director Robert Brooks will demonstrate how he tweets. Fifty-two people have registered to attend that meeting. Mr. Chickering will be chairing the Committee next year.

23. Report of the Relations with Member Boards Committee

Committee Chair Burkett reported the Regional Directors had reviewed the responses to the most recent Focus Questions and had a good discussion of the comments. The Committee developed questions to be included in the following quarter’s Focus Questions and also identified topics to be covered during the October 26 Regional Breakfast Meeting sessions.

24. Report of the Regulatory Response Committee

Committee Chair Isserman reported the latest response developed by the Committee was sent to the IRS. The letter was included in the Board's agenda pack.

Mr. Isserman said he had attended the latest BRP public meeting. He observed that BRP Chair Rick Anderson was pushing the issues and what is anticipated is an overwhelming majority report. Mr. Isserman noted that some assertions went unchallenged and, overall, he concluded the process is being railroaded.

Chair Atkinson recommended NASBA start drafting the minority viewpoint and create a template with which the State Boards can develop their responses.

25. Report of the Accountancy Licensee Database Committee

ALD Committee Chair Sweetwood reported 31 states are now on the database, but the Committee still has a lot of work to do. They need to fine tune information as they get ready to release information to the public site. Mr. Sweetwood said they have added a couple of State Board members to the Committee. He acknowledged Executive Vice President Cote's great leadership of the ALD project.

President Costello said the states that are not on the ALD in many cases want to be on the ALD, but they have not figured out the mechanics. Only a couple of states have said they are not interested in being in the ALD. He predicted those states will come along when the others do.

Mr. Cote said Mr. Sweetwood has been a wonderful chair of this working group. He also recognized the committee members for their hard work.

26. Report of the CPA Licensing Examination Committee

CLEC Chair Davenport reported his committee, the CPA Administration Committee and the International Delivery of the CPA Examination Committee are being combined. On November 10-11 CLEC will meet with the AICPA Board of Examiners' Standards Setting Committee. Mr. Davenport said he is looking at the way the new committee will function with input from Vice Chair Daggett and BOE Chair Doug Warren.

There are a significant number of State Board members on the BOE now. Mr. Davenport said he is looking at a strategy to have the new NASBA committee and the BOE members from the State Boards meet to discuss concerns prior to the full BOE meeting. They will try to schedule a conference call 3-7 days before the BOE meeting to discuss issues on the BOE's agenda.

Vice Chair Daggett explained that similar NASBA meetings prior to joint meetings would be held for the Compliance Assurance Committee, the PEEC, or others where NASBA leadership is aware that issues could come up. He said Mr. Davenport and Daniel Dustin will be co-chairing the new combined committee.

Mr. Hansen asked if questions about IFRS are going to be part of the Uniform CPA Examination beginning in January. President Costello said they will be, but that does not mean that they have to be scored.

27. Report of the Nominating Committee

Nominating Committee Chair Sadler reported the Committee completed its work on June 25. He pointed out the Board of Directors will need to elect a replacement for Mark Harris as Director-at-Large, as Mr. Harris has been nominated for Vice Chair. The Board members will meet on Tuesday, October 26, in the Live Oak Room following the Annual Business Meeting to vote for one person. He distributed a list of names the people who were under consideration by the Nominating Committee.

28. Future Meetings

Chair Atkinson announced future NASBA Board meetings will be held: January 13-14 in San Juan, PR; April 28-29 in New Orleans, LA; July 28-29 in Coeur d'Alene, ID; and October 20-21 in Nashville, TN. The Executive Directors Conference will be held March 7-9 in San Diego. The Western Regional Meeting will be held June 8-10 in Omaha, NE, and the Eastern Regional Meeting will be held June 22-24 in Point Clear, AL.

29. Recognition of Outgoing Board Members

Chair Atkinson thanked Past Chair Sadler for his guidance. Mr. Sadler thanked the Board members for their help in doing what he was able to accomplish.

Vice Chair Daggett thanked Chair Atkinson for his outstanding leadership.

30. Adjournment

The meeting was adjourned at 3:37 p.m.

31. Special Meeting

Following the NASBA Annual Business Meeting on October 26, 2010 in San Antonio, the newly elected members of the NASBA Board of Directors held a special meeting to fill the

remaining two years of Mr. Harris' three-year term as Director-at-Large. E. Kent Smoll (KS) was elected by the Board to fill Mr. Harris' unexpired term.

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

Highlights of the Board of Directors Meeting

January 14, 2011 – Puerto Rico

At a duly called meeting of the Board of Directors of the National Association of State Boards of Accountancy, Inc., held on Friday, January 14, 2011 at the El San Juan Hotel in Isla Verde, Puerto Rico, the Board took the following actions:

- Unanimously approved the recommendation of the Executive Committee and the Selection Advisory Committee and selected NASBA Executive Vice President and Chief Operating Officer Ken L. Bishop to become NASBA President and Chief Executive Officer upon the retirement of David A. Costello, at the end of 2011.
- Elected Theodore W. Long, Jr., (OH) to serve as NASBA Treasurer and Gaylen R. Hansen (CO) to serve a third term as Secretary of the NASBA Board.
- Heard from Mr. Long, as chair of the Administration and Finance Committee, that revenue from examination services increased in the final quarter of 2010 as candidates acted to take the Uniform CPA Examination prior to the launch of CBT-e. Overall, revenue and expenses for the fiscal year were projected to yield operating results at budgeted levels. Year-to-date investment returns are, however, greatly in excess of budgeted amounts.
- Approved temporary Model Rule 3-1 (c) proposed by the Uniform Accountancy Act Committee to ensure the Boards continue to protect the public by avoiding an unintended change in the longstanding definition of “attest.” UAA Committee Chair Carlos E. Johnson (OK) reported that the Auditing Standards Board has moved standards regarding audit-related services from SAS 70 to SSAE 16 effective June 15, 2011. The temporary rule, along with commentary, will be sent shortly to those states that need to consider its prompt adoption. At least 18 states probably will not need the rule, but will receive it for informational purposes.
- Await the State Boards' comments on the exposure draft on CPA firm names, which was sent out by the Uniform Accountancy Act Committee in December. Mr. Johnson said comments are due by March 4, 2011.
- Heard from Education Committee Chair Karen F. Turner (CO) that proposals for the NASBA Education Research Grant Program have been publicly requested with an April 4, 2011 deadline. NASBA Vice Chair Mark Harris (LA) reported the American Accounting Association's leaders have voiced their support of the program.
- Learned from Ethics and Strategic Professional Issues Committee Chair Gaylen Hansen (CO) that the committee is developing a definition of “public interest” to assist regulators. They are studying the framework developed by the International Federation of Accountants on this issue.

□ Heard a report from President Costello and Executive Vice President Bishop on the progress of NASBA's projects, including: 32 jurisdictions are now on the Accountancy Licensee Database and no Boards are encountering political opposition to their participation; the Center for the Public Trust raised a significant amount of money at the "silent auction" held in conjunction with the 2010 Annual Meeting and a new membership drive is planned to begin in May; Calibrate is being revised to track in-firm continuing education requirements for major firms; the CPE Registry has implemented new programs resulting in faster processing of sponsors' forms; a NASBA staff Healthy 4 Life contest is in progress and may be marketed to outside organizations; and NASBA/AICPA staff are meeting frequently to launch the international administration of the Uniform CPA Examination in June 2011.

□ Received the tentative agendas for: (a) the 29th Annual Conference for Executive Directors, March 6-9, 2011, (b) the 2011 CPE Conference: Capitalizing on Momentum to Create Change, March 7-9, 2011, and (c) the 16th Annual State Board Legal Counsel Conference, March 6-8, 2011. All will be held in San Diego.

□ Heard an update from CPE Committee Chair Telford Lodden (IA) on the revision of the CPE Standards. He presented a summary of the Standards' proposed additions and clarifications as compiled by the NASBA CPE Standards Task Force. A draft of those standards will be discussed at the CPE Conference, prior to the standards' being finalized by the Boards of NASBA and the AICPA.

□ Heard from Regulatory Response Committee Chair Richard Isserman (NY) that the AICPA/FAF/NASBA Blue Ribbon Panel on Standard Setting for Private Companies is expected to present its final report to the Financial Accounting Foundation's trustees this month. Once the report is released to the public, NASBA will encourage the State Boards to send their comments to the FAF and will also directly send a comment from NASBA to the trustees.

The next meeting of the NASBA Board of Directors will be held on April 29, 2011 in New Orleans, Louisiana.

Distribution:

State Board Chairs/Presidents and Executive Directors
NASBA Committee Chairs
NASBA Board of Directors

**Executive Summary of
November 4, 2010 – December 23, 2010
Regional Directors Focus Questions Responses**

(Respondents - 38 Jurisdictions)

1. Has your Board had to deal with any discipline cases stemming from a licensee's performance of an audit at a loss? (As described in the NASBA Ethics Committee's paper on "Audit Fees and Engagement Profitability.") Please explain.
No: 37 Yes: 1 – pending cases at the Board are confidential.
2. Does your Board have any concerns/questions about how the international administration of the Uniform CPA Examination will impact your state? Please detail.
No: 27 Yes: 11
Concerns: security; competition between states; increase in foreign applicants where education requirements are lower; regulation; mobility and its effect on compliance.
3. Does your Board consider itself to be semi-autonomous? If not, what steps is your Board taking to have more control of its resources to fulfill its responsibilities?
No: 14 Yes: 24
Steps taken for more control: legislation for more authority; develop strategy to pursue
4. (a) Please describe any peer review transparency problems your Board has encountered.
None: 23 Problems: 14, including obtaining documents; timing; unable to see if issues that continue to arise are being addressed; board not permitted to see peer review in any manner.
(b) Has your Board established a Peer Review Oversight Committee?
No: 21 Yes: 16
5. Has your Board encountered any problems with which NASBA's Enforcement Committee could assist?
Some responses: shortage of qualified CPAs for investigations; resources to manage enforcement issues; need for national database of experts; enforcement manual distribution.
6. Is there an issue your Board believes NASBA should give special attention?
Some responses: 120 vs.150; competition for license renewal; funding assistance; specialty certifications; Colorado's substantial equivalency; Pathways Commission involvement.
7. What is happening in your jurisdiction that is important for other State Boards and NASBA to know about?
NJ – Audit of all licensees to ensure compliance with ethics requirement
CA – Mandatory peer review
MO - Virchow Krause filed complaint with the Missouri Administrative Hearing Commission regarding Missouri State Board of Accountancy's denial of firm name change to Baker Tilley Virchow Krause, LLP.
NV – Increase in disciplinary actions
TX – Revisions to education rules

See Regional Directors' Focus Questions Report for details.

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 4, 2010 and December 23, 2010. Responses which indicated nothing to report have not been included in this summary.

Respectfully submitted,

*Kenneth R. Odom (AL) – Chair, Committee on Relations with Member Boards,
Southeast Regional Director*

Jefferson Chickering (NH) – Northeast Regional Director

Miley ("Bucky") W. Glover (NC) – Middle Atlantic Regional Director

Janice L. Gray (OK) – Southwest Regional Director

Telford A. Lodden (IA) – Central Regional Director

Laurie J. Tish (WA) – Pacific Regional Director

Kim Tredinnick (WI) – Great Lakes Regional Director

Karen F. Turner (CO) – Mountain Regional Director

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- 1. Has your Board had to deal with any discipline cases stemming from a licensee's performance of an audit at a loss? (As described in the NASBA Ethics Committee's paper on "Audit Fees and Engagement Profitability.") Please explain.**

No: AL, AR, AZ, CA, CT, DC, GA, ID, IN, KY, LA, MA, ME, MN, MO, MS, NC, ND, NE, NV, NH, NJ, NM, NY, OH, OK, PR, RI, SD, TN, TX, VI, VT, WA, WI, WY

Yes: CO

Maybe: IA

California – The California Board of Accountancy has not disciplined a licensee where the underlying issue stemmed from the licensee performing an audit at a loss. The California Board of Accountancy Enforcement Division reviews audits to determine compliance with standards. Audit fees and other fees are not addressed in the California Accountancy Act or California Board of Accountancy Regulations.

Colorado – Yes. When the cases are pending in the Board office, they are confidential.

Iowa – Might be an issue with certain types of governmental audits leading to a quality issue.

Mississippi – No, Mississippi has not had any cases related to performance at a loss, even though the Board does have a rule wherein independence is presumed to be impaired if a CPA or firm holder performs audit services (other than for charitable organizations) for a fee that is less than the direct labor costs reasonably expected at the time the engagement was accepted.

Nevada – No, the Nevada State Board of Accountancy has never had a complaint related to performance of an audit at a loss.

New Hampshire – No. We are still trying to assess the propriety of NASBA's focus in this area.

North Dakota - Not directly, although audit quality issues could relate to insufficient procedures and pricing.

Ohio – No. With respect to the Ohio accountancy law, the issue would be whether the audit was not in accordance with professional standards and not how much the CPA firm billed the client for the audit.

Texas – Although the Board's rules address an audit at a loss, it is not an issue that has resulted in the Board taking disciplinary action. Board Members have had recent discussions and are seeing fees that they feel are below cost in the market and are concerned.

Washington – Nothing in the context of an audit has come to our attention. However, our experience with review and full disclosure compilation engagements through the Board's Quality Assurance Program suggests that many practitioners do unacceptably perform these engagements at a loss.

2. Does your Board have any concerns/questions about how the international administration of the Uniform CPA Examination will impact your state? Please detail.

No: AL, AR, CT, DC, GA, ID, IN, KY, MA, ME, MN, MO, NC, ND, NE, NJ, NM, NV, NY, OH, OK, PR, RI, SD, TX, WI, WY

Yes: AZ, CA, CO, IA, LA, MS, NH, TN, VI, VT, WA

Arizona – If international candidates are required to become certified in one of the 55 jurisdictions within a certain time period, then the question remains how can those persons truly be regulated if they don't reside in the United States. Mobility and how it affects compliance and an adequate enforcement program remains untested, and certification outside the 55 jurisdictions where there can be collaboration has not been addressed by NASBA.

California – The California Board will be deliberating international administration of the Uniform CPA Examination, as well as the attendant proposed overseas issuance of CPA licenses during the coming year. Following consideration of these issues, the California Board will provide comments, concerns and questions to NASBA regarding the expansion of testing and licensure of CPAs.

Colorado – Not specifically, but there may be an impact due to lower education requirements in Colorado and, therefore, we would see an increase in the foreign applicants who wish to take the exam in their country.

District of Columbia - The issue has not been discussed.

Georgia – No. We believe globalization is key to retaining our global strength.

Idaho – No. Idaho has a residency requirement for the CPA Examination, so we don't anticipate a significant change to how we deal with exam candidates.

Indiana – None that are significant. We know the proper due diligence will be taken to ensure it is done with similar standards as if done in the U.S.

Iowa – It may have a small impact on new licenses as we have had more international students applying.

Kentucky – No since international candidates will not be allowed to sit for the exam as a Kentucky candidate. If they do pass the exam as a candidate from another state and later attempt to become licensed here they will likely fail to meet the requirements we have in place for them to receive a license.

Louisiana – It is reasonable to consider that broadening the administration of the exam raises the risk of irregularities and security breaches. We would like to know what auditing procedures the ERB will add with respect to testing exam security controls at foreign test centers.

Mississippi – The Mississippi Board has not discussed this topic in detail; however, with any location which administers the CPA examination security is an issue (with the data bank and the processes). Mississippi has a residency requirement for its candidates, so at the present time it will not have any international candidates. However, if the international locations are open to candidates from all jurisdictions this could be a concern.

Missouri – We do not believe it will impact our state at this time.

Nebraska – Since our Board does have a residence requirement to sit for the examination, it appears our Board will not see much impact.

Nevada – No, the information provided during the various NASBA meetings has clearly communicated the process for the international examination. The Board does not believe there will be an impact to Nevada based on this change.

New Hampshire – Some, however, as we are a non-resident state and deal with a lot of international candidates we have had most of our concerns already answered.

New Mexico – No – expect the impact to be minimal.

North Carolina – Beginning February 1, 2011, the Board will no longer accept foreign degrees from candidates to sit the Uniform CPA Examination. Therefore the international administration of the Uniform CPA Examination should not have any impact on the Board.

North Dakota – Not really. It may mean an increase in application activity, but we should be able to handle some increase without a problem. I personally have a concern about security issues – selling of questions, proxy writing, technologies we aren't yet aware of, etc. I would

suggest that NASBA and AICPA provide lots of detail about security provisions and monitoring, to help give the boards comfort about overseas security and the impact on domestic costs.

Ohio – No, at least with respect to administration of the exam if proper security provisions are in place.

Oklahoma – The Oklahoma Accountancy Board does not have any questions at the present time regarding the international examination.

Rhode Island – No concerns at the present time.

Tennessee – Our primary concern is how to pursue enforcement actions against candidates who take the exam internationally and then are licensed in a jurisdiction recognized as substantially equivalent. That CPA could then practice in Tennessee under the Mobility provisions and we would find it difficult if not impossible to pursue a disciplinary action against a CPA who resides in another country.

Texas – We believe it will have a favorable impact for states in general. Globalization is not only inevitable, it is clearly happening. The CPA credential is the one the states are most familiar with and therefore the most comfortable with.

Vermont – Concern only in the sense of wondering what impact it will have on the number of license applications.

Virgin Islands – The board does. As a U.S. Caribbean island, we welcome the international administration, and would like to see such administration occur in the Caribbean.

Washington – Washington State only charges a \$10 exam fee so any revenue impact is negligible. The Executive Director does believe that the requirement to be licensed by one of the 55 jurisdictions within the 3 year window could result in more competition among states for licensing revenue. This could put a different light on the 120 vs 150 education debate as well as a jurisdiction's other licensing qualifications.

3. Does your Board consider itself to be semi-autonomous? If not, what steps is your Board taking to have more control of its resources to fulfill its responsibilities?

No: AR, GA, IA, MA, NC, NJ, NM, NY, PR, RI, TN, VI, VT, WI

Yes: AL, AZ, CA, CT, DC, ID, IN, KY, LA, ME, MN, MO, MS, ND, NE, NH, NV, OH, OK, SD, TX, WA, WY

Arizona – Arizona is an independent state agency but is subject to legislative appropriation and oversight which is the one area of operations where the Board is not truly independent. The Board has not pursued any specific action in this regard and in Arizona's current political climate any effort to pursue a non-appropriated status would most likely fail.

Arkansas – No, our board is gathering information and waiting for the time to be right to pursue this.

California – The California Board of Accountancy is a semi-autonomous board, with dedicated staff and funding, located within the California Department of Consumer Affairs (DCA).

Colorado – Yes and no. There may be advantages and disadvantages to both models. The Colorado Board of Accountancy is a type 1 Board and it makes decisions about the profession independent of the Department.

Idaho – Yes. Our Board is considered “self-governing” which gives us significant control over our resources and decisions.

Georgia – No. The Secretary of State told us a few months ago when we approached him that he would fight any change for budget reasons. We have contacted our State Society for assistance in the process. We have been stripped of all financial resources as they are going to the state’s general fund due to the recession.

Iowa – No, Iowa is under an umbrella agency and receives an annual appropriation.

Louisiana – Yes (and we consider ourselves as “semi-independent” -- the other term that is sometimes used describing a Board that has a high degree of autonomy in financial and operational matters).

Massachusetts – No. We are part of a Division of 35 Boards with only one budget and central administration. We have no statutory authority to “have more control” of our resources.

Mississippi – Yes, the Mississippi Board retains its own funds and is not under an umbrella control agency. The Board’s budget is required to be approved by the State Legislature, but the Legislature finally provided the Board a lump sum budget for the fiscal year, 2011, (except for salaries). The Legislature still has control over the salaries budget, which presents a serious problem for all agencies.

Missouri – Yes, we do consider ourselves to be semi-autonomous; however, it is not working as well as we would like.

Nebraska – The Nebraska Board currently is considered a “Non-Code” Agency within state government. The key is the Board appoints the executive director and not the Governor as “Code” Agencies. Thus, the Board’s Legislative authority is carried out by the Board and not through the executive branch. The Board’s authority to spend money from its cash fund does require appropriation through the budgetary process as all state agencies.

The Board has discussed possibly discussing further exploration of becoming more independent in the future but not until the end of the current budget crisis in state government.

Nevada – Yes, the Board is absolutely semi-autonomous. The Board is only required to provide a copy of their annual audited financial statements to the Legislative Counsel Bureau. In

addition, license volume and disciplinary actions are also reported. Otherwise the Board remains independent from the general fund.

New Hampshire – Our Board is semi-autonomous. Currently our Board is, suddenly (again), under serious threat from our State Governor to be consolidated as part of a bigger licensing agency and we would lose several of our resources, including possible staff reductions and would lose the “autonomy” of being one Agency responsible for licensing and protecting the Public in one specific area (the CPA profession).

New Jersey – No. The Board is not semi-autonomous nor has there been any discussion relative to autonomy as of this time.

New Mexico – By statute, the New Mexico Board is administratively attached to the Regulation and Licensing Department, which is an umbrella licensing agency. The Board has its own budget, but all administration of the budget is under the control of the agency. The Board had its sunset review hearing in September 2010, and the legislative committee voted to retain the Board (the Legislature must pass the legislation in early spring). With the recent election of a new governor, it is anticipated that five of the seven seated Board members will not be serving after January 1, 2010, and trying to introduce legislation to remove the Board from the umbrella agency in the absence of a seated board is not prudent.

New York – No, the State Board is advisory to the Board of Regents which is charged with the licensing and regulation of 48 professions.

North Carolina – The North Carolina Board is completely independent in all respects including financial independence.

North Dakota – The North Dakota Board is very autonomous – controlling its funds, determining its budget / compensation / purchase / etc., with no funds reverting to the State (as dictated by law).

Oklahoma – Yes, the Oklahoma Accountancy Board does consider itself to be a semi-autonomous state agency.

Puerto Rico – No. We are part of the Department of State and we cannot be allowed to control the Board resources.

Rhode Island – No. The Rhode Island Board is autonomous.

Tennessee – No, this Board does not consider itself semi-autonomous. At a Board retreat held in early December, 2010, the Board met with Carlos Johnson to discuss strategies to pursue in order to secure semi-autonomous status. The Board has devised a strategy to pursue with the new Governor who will take office in January 2011.

Texas – The Texas Board is Self-Directed, Semi-Independent (SDSI).

Virgin Islands – The Board is currently not semi-autonomous. The current revenues are collected and deposited into a Government account. However, the funds are identifiable through a separate fund that records the activities. The Board prepares an annual budget, but all travel related expenses must be approved by the Governor. The Board is currently not taking any steps to ensure increased controls of funds.

Washington – Agency operating functions (including hiring of personnel and budget control) and implementation of the Public Accountancy Act and Board rules (including directing investigations) is vested in an Executive Director appointed by the Governor.

The nine Board members are also separately appointed by the Governor for a 3-year term with a maximum of two successive 3-year term appointments. The Board members serve as the policy and disciplinary body.

The agency and Board have a dedicated revenue/expenditure fund.

Fee modifications are currently subject to a 2/3 favorable vote by the legislature as a result of a voter approved initiative.

However, for the FYE June 30, 2011, the Governor has proposed a modification to the dedicated revenue fund for the agency to allow the legislature to transfer “the excess fund balance on June 30, 2011 to the State’s General Fund” and has pegged that amount at \$1,000,000. That transfer is subject to legislative approval in the legislative session beginning January 11, 2011.**(Continued at end of this report on page 16.)*

Wisconsin – Not semi-autonomous. It would require a legislative change to become semi-autonomous.

Wyoming – The Wyoming Board of CPAs is autonomous to the extent that we have a separate board appointed by the Governor and our finances are accounted for separately from the State’s general fund.

4. (a) Please describe any peer review transparency problems your Board has encountered. (b) Has your Board established a Peer Review Oversight Committee?

Peer Review Oversight Committee: AZ, CA, ID, IN, LA, MA, MN, MO, MS, NH, OH, OK, TN, TX, WA, WY

Alabama – (a) Timing of information availability has been erratic at times. (b) No.

Arizona – (b) Arizona does have a Peer Review Oversight Committee.

Arkansas – Our board does not have full access to Peer Review reports/problems. We attempted to have one of our board members serve on a Peer Review Oversight Committee, but were told by the AICPA that it would be a conflict of interest for him to serve in that capacity.

California – The California Board of Accountancy has not encountered any peer review transparency problems. The California Board of Accountancy’s peer review program went into effect January 1, 2010 and a Peer Review Oversight Committee was also established in January 2010.

Colorado – (a) The requirement of peer review has not been implemented yet. The effective date is after 2014 and it is currently in the rule. (b) The Board’s rules leave this option available should the Board decide to move in that direction.

Connecticut – (a) No problems. Connecticut still requires the report and an acceptance letter by the Oversight Committee. (b) Yes, delegated to the Peer Review Committee of the Connecticut Society of CPAs.

District of Columbia – (a) The Board approved a draft of peer review regulations at their July 2010 monthly meeting. (b) The Board has not established a Peer Review Oversight Committee.

Georgia – (a) None come to mind. (b) No, the Board acts as a whole.

Idaho – (a) The Board has not encountered problems. The AICPA website that makes Peer Review results available to State Boards has worked well for us. Not many firms have “opted out” of it. (b) Yes, Idaho has had a Peer Review Oversight Committee since 1996.

Indiana – (a) Our Board and our Peer Review administrator are currently proposing legislation to allow them to share with the Board any firm who has a Peer Review result of “fail” so that the Board can be aware of the issues and take appropriate action. Although there are few “fails”, the deficiencies need to be addressed and, without seeing the Peer Review, the Board is unable to see if the issues that continue to arise are being addressed or not. (b) The Indiana Peer Review Oversight Committee will be established in early 2011.

Iowa – (a) No transparency; (b) No Peer Review Committee; Iowa Society of CPA’s handles the Peer Review process. AICPA has oversight of ISCPA.

Kentucky – (a) The biggest problem we have with the program is that we still have to obtain copies of documents or information about where a CPA is in the program from the CPA as opposed to the Society which is the peer review provider. When we call CPAs to tell them they need to send in their documents or where they are in the process since we cannot obtain it from the Kentucky Society they always ask, “Why not?” (b) No, the Board has not established an oversight committee.

Louisiana – (a) To date, we have not had any peer review transparency problems. (b) We have had a Peer Review Oversight Committee since the 1980s at the onset of peer review in Louisiana.

Massachusetts – (a) No. (b) Yes.

Maine – (a) None. (b) No.

Minnesota – (a) None. (b) Yes.

Mississippi – (a) No. The Mississippi Board has not experienced any problems with peer review transparency. The Board has an agreement with the State Society in addition to participation in

the AICPA on-line peer review transparency program. (b) Yes, Mississippi has a PROC (established 1997) which is working quite well.

Missouri – (a) The Board is not permitted to see the peer review in any manner. (b) However, we have established a Peer Review Oversight Board that is able to review Peer Review and report on the status of the program to the Missouri State Board of Accountancy.

Nebraska – The Board’s Quality Review Program (QEP) is currently under review by an appointed Task Force. It is anticipated recommendations will include the requirement of a Peer Review for firms completing attest work and the establishment of an Oversight Committee.

Nevada – (a) The Board has not encountered any transparency problems with Peer Review. The Board believes this is primarily based on the requirement for the licensee to directly report their peer review information to the Board. In addition, the Board has a good working relationship with the Society and has shared information between the two agencies to gain compliance with the peer review program. (b) The Board has not found a need for a Peer Review Oversight Committee at this time.

New Hampshire – (a) None noted. (b) Yes, we have a Peer Review Oversight Committee.

New Jersey – (a) No transparency problems have been encountered. (b) Yes, the Board has established a Peer Review Oversight Committee. In fact, the New Jersey Board has recently adopted new regulations which bring peer review into total compliance with AICPA Standards.

New Mexico – The only transparency issues have been in relation to the Facilitated State Board Access system. The administering entity for New Mexico has encountered great difficulty in posting the documents, and it seems that the administering entities for other states have encountered similar difficulties. The New Mexico Board voted not to establish a peer review oversight committee.

New York – N/A – Mandatory quality review is effective January 1, 2012 in New York.

North Carolina – (a) The Board has not encountered any peer review transparency problems. (b) The Board has not seen a need to establish a Peer Review Oversight Committee.

North Dakota – We are changing back to the “collecting paperwork” approach next Spring. This will help ensure that no firms slip by un-reviewed.

Ohio – (a) We have had no peer review transparency problems. (b) Yes.

Oklahoma – (a) The Oklahoma Accountancy Board has had no issues regarding transparency of peer reviews. Peer reviews are not public information, however with the establishment of the State Facilitated Access website, communication between the registrants and the Oklahoma Accountancy Board is easier than ever. Furthermore, the new terminology within the Standards has made it easier for lay individuals to understand the meaning of peer review results. (b) In addition, the Oklahoma Accountancy Board has established a Peer Review Oversight Committee

for the purposes of providing reasonable assurance that peer reviews are being conducted and report on in accordance with minimum standards.

Puerto Rico – Peer reviews are performed by the Puerto Rico Association of CPAs which also conducts Oversight Reviews.

Rhode Island – (a) To date, we have not had any peer review transparency problems. (b) We have had a Peer Review Oversight Committee since the 1980s at the onset of peer review in Louisiana.

South Dakota – (a) With the change and removal of the letter of comments, our Board is reviewing more peer reviews as pass; in comparison to prior reviews being unmodified with a letter of comments. The reviews with MFCs/FFCs are not consistent when similar comments are made or being given the rating of pass with deficiency. (b) The SD Society outsources the peer review process, so we do not have a peer review oversight committee reviewing the work of the other state society. The Board is looking into the process to begin this communication.

Tennessee – (a) There is no transparency in Tennessee. Peer Review results are completely confidential. (b) We do have a Peer Review Oversight Committee, although we have had significant trouble filling those positions.

Texas – (a) The Board has not experienced any transparency problems with peer review. (b) The Board does have a Peer Review Oversight Committee.

Vermont – (a) We are still figuring out how to monitor peer review results. (b) We do not have a Peer Review Oversight Committee.

Virgin Islands – (a) No, transparency problems encountered, and (b) the Board does not have a Peer Review Oversight Committee.

Washington – (a) No problems noted; (b) Yes. The Board has a three member Peer Review Oversight Committee.

Wisconsin – (a) No problems because due to statutes we cannot get access to peer review reports. (b) No oversight committee.

Wyoming – The Wyoming Board of CPAs does have a Peer Review Oversight Committee which has noted no problems or issues with respect to peer review transparency problems.

5. Has your Board encountered any problems with which NASBA's Enforcement Committee could assist?

No: AL, AZ, AR, CA, CT, DC, GA, IA, ID, IN, KY, LA, MA, ME, MN, MO, MS, NC, ND, NE, NJ, NM, NV, NY, OH, OK, PR, RI, SD, TX, VT, VI, WA, WI, WY

Yes: NH, TN

Arizona – No. To date, we have been fortunate to have adequate resources to address our enforcement needs, however, we do have a need to expand our pool of investigators for business continuity purposes.

Arkansas – No, other than the peer review transparency issues discussed in question 4.

California – The California Board has not encountered any problems that required NASBA Enforcement Committee assistance. The DCA has developed an Enforcement Academy with a similar purpose as NASBA's Enforcement Committee.

Colorado – The Board would like to know what kind of assistance is available.

Georgia – No. We are limited with what we can do.

Mississippi – No, not at this time. However, the Enforcement Practices Committee might consider establishing guidelines and best practices for disciplinary cases related to violations concerning licensees under mobility when the "home" jurisdiction does not act.

Missouri – Not at this time.

Nebraska – The recently completed enforcement manual will be of assistance. It might be a good idea to start a national listing of experts who provide professional opinions in matters for State Boards. Each Board probably has a listing of experts they have utilized that provided competent assistance in administrative hearings including former Board members and others who provide these services in their state.

New Hampshire – Yes. We definitely have a shortage of qualified CPAs that we could use for investigations. Additionally, our budget to hire independent investigators is quite small.

North Carolina – We have not encountered any problems that would require the assistance of NASBA's Enforcement Committee.

Ohio – No, but we are glad NASBA is there to help.

Oklahoma – No, the Oklahoma Accountancy Board has not encountered any problems with which NASBA's Enforcement Committee could assist. However, given the Oklahoma Accountancy Board does receive enforcement referrals from entities such as the SEC, the Oklahoma Accountancy Board would accept assistance from NASBA's Enforcement Committee in the future should it be necessary.

South Dakota – No. The Board would like a full copy of the drafted enforcement manual that was discussed at the annual meeting.

Tennessee – The only difficulty has been the timeframe in which the AICPA refers cases to this Board. A delay of 3 – 5 years makes it almost impossible for us to pursue a disciplinary action against a licensee who has been disciplined by the AICPA.

Texas – The Texas Board has the resources to manage enforcement issues due to its SDSI status.

Washington – Not at this time. However, I suggest that some guidelines be developed for compliance with the new Health Care Act provisions and (a) registration with HHS and (b) when, how, and what to report to HHS if an alleged violation of that federal legislation occurs by a CPA working within the medical field as an employee, CPAs working as contractors to prepare financial statements or other reports for health care facilities, and auditors of public or private health care facilities.

Wyoming – The Board has not been met with any enforcement issues that could not be addressed by current resources.

6. Is there an issue your Board believes NASBA should give special attention?

No: AL, AZ, CA, CT, DC, IA, ID, IN, KY, MA, ME, ND, NE, NJ, NM, NV, NY, PR, VI, VT

Yes: AR, CO, GA, MN, MS, NC, NH, OH, OK, RI, SD, TN, TX, WA, WI, WY

Arkansas – We are curious if other boards have held board meetings outside of the board offices, such as on college campuses. The board is also awaiting the decision by NASBA on the next CEO and still strongly believes that NASBA's next leader should be a licensed CPA.

Colorado – The Board requests confirmation on whether Colorado is deemed substantially equivalent.

The Board discussed several other issues such as board member training at regional meetings, the Blue Ribbon Panel and expressed the desire to receive information on its work as well as having an opportunity to participate in the discussion.

Georgia – Funding assistance.

Minnesota – Yes. Pathways Commission involvement.

Mississippi – Continued study and evaluation of the situation of 120 versus 150 hours education requirement considering substantial equivalency and the Uniform Accountancy Act and Rules.

New Hampshire – Help with potential consolidation; preserve the employment of our valuable Executive Director and certain other key staff people. Investigations – need some assistance with cases and are looking forward to seeing more of the Enforcement Practices white paper and how NASBA can help us.

North Carolina – NASBA should take time to completely expose all the issues that will have an effect on the proposed CPA firm names revisions released for exposure in December 2010.

Ohio – Since NASBA's mission is to enhance the effectiveness of the accountancy boards, any work NASBA does to help the boards is of great value. Some examples are the ALD, CPAES, and the various informative surveys (like the 120/150). These are the "issues" that assist the

regulatory agencies and any issue a particular board would like NASBA to address related to that board's activities would be welcome.

Oklahoma – Additionally, due to the recent request sent to state boards by the American College of Forensic Examiners and the response letters received from other jurisdictions, the Oklahoma Accountancy Board is looking at the issue of specialty certifications. NASBA may also wish to appoint a task force to examine the use of specialty certifications.

Rhode Island – The CPE tracking/ Calibrate program. Several licensees do not “submit to the Board” and we have to contact the licensee to request that they follow this procedure so that this office can access the CPE credits.

South Dakota – The Board would prefer the appropriate committee to communicate the experience of the new grading process after the release of the grades in the first window of 2011, and if we are to expect the score releases to be delayed in the second or third quarter as it has been discussed prior.

Tennessee – NASBA should give special attention to the issues raised by various state boards regarding the qualifications for NASBA's next CEO.

Texas – NASBA is giving special attention to the #1 issue facing state boards; i.e. lack of funding, lack of resources. State Boards should be autonomous to function more efficiently.

Washington – Nothing additional to the matters of “competition for licensing revenue”, HHS Registration and reporting”, and advising Board members and Executive Directors to anticipate possible merger, fund balance transfers, etc., in these times so that appropriate advance ground level efforts can be made by appropriate NASBA and committee personnel.

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

Alabama – A licensee disciplined by the Alabama Board for failure to complete his Peer Review appealed the Board's decision to the Circuit Court of Montgomery County, Alabama. The Board's decision in the matter was affirmed by the Court. At the Board's request and sincere appreciation, NASBA, AICPA, and the Alabama Society of CPAs provided legal assistance that was crucial to a positive outcome in the matter.

Arizona – We are working to complete our on-line renewal project to advance modernization efforts and improve customer service.

California – Per SB 819 of 2009, the Accounting Education Committee and the Ethics Curriculum Committee have scheduled meetings to define the 30 semester hours needed above the 120 hours required for a Bachelor's degree to reach the 150-semester hours' requirement for California licensees beginning January 1, 2014.

The California Board of Accountancy's mandatory peer review requirement is being implemented and a peer review reporting form is available online. Additionally, the Peer Review Oversight Committee has been appointed and held its first meeting November 9, 2010.

Colorado – The Board completely updated its rules regarding experience, education, reinstatement, reactivation, etc.

The goal during the first quarter of 2011 will be to make slight modifications to the existing rules and update its rules of professional conduct.

District of Columbia – As stated above, the Board approved a draft of peer review regulations at their July 2010 monthly meeting. The drafted regulations were based on AICPA's, Kentucky's and some of Virginia's regulations.

Georgia – Our Board is appointed by the Governor. The last two CPA appointments were recommended by an association which is comprised mostly of non-CPA members.

Indiana – Indiana is currently going to be focusing on enforcement and investigation of CPAs in Indiana. Within the past year, the first time in our history, we now have funds to enforce our laws and rules as a result of an additional license fee of \$10 per year per license for the investigative fund. At our last meeting we passed a budget and will be hiring a Compliance Officer to start at the beginning of 2011. This will kick off action in Indiana to enhance compliance with our law/rules.

Iowa – Iowa's [issues] are similar to those of surrounding states.

Massachusetts – Mobility has been an issue in that the law in other most states is not uniform and when we implemented our law, we require equal opportunity in all aspects of the practice of public accountancy for our CPAs in other states in order to give it to CPAs from these states when they come into Massachusetts for temporary practice. States that require firm registration for certain type of attest practice are not considered substantially equivalent here until we adopt a permit for these firms from these other states to register here for this certain type of practice. What was the reasoning for the UAA inclusion of any restriction of practice in their negotiations of Substantial Equivalency? If it was peer review requirements in these SE states, why is there not an exemption for states like Massachusetts, which requires peer review for any report issued in Massachusetts? New Hampshire has a permit for such practice and charges \$20, yet Connecticut charges \$150 for the same registration. Rhode Island has no such restriction and they and Minnesota seem to be the only states where Massachusetts can allow their CPAs full SE practice. If NASBA wanted true mobility, why did it separate attest practices where SEC and other government regulators require peer review of these reports? Please send this to your UAA and others for comment.

Minnesota – New Officers: Chair - Michael M. Vekich, CPA; Vice Chair – Kate Mooney, CPA; Secretary/Treasurer – Rob Saunders, CPA

Missouri – Virchow Krause has filed a complaint with the Missouri Administrative Hearing Commission regarding the Missouri State Board of Accountancy's denial of the firm name change to Baker Tilley Virchow Krause, LLP.

Nebraska – The financial team from ConAgra Corporation made a presentation to the Board in November requesting the Board consider amending the current Public Accountancy Act that requires two years of experience within a CPA firm under a CPA. They would like to see private and/or other forms of experience to count. The Board has created an Experience Work Group to discuss the request in 2011 and make recommendations to the Board.

Nevada – The Board has received an increase in the amount of disciplinary actions against the licensees. The discipline is somewhat more complicated and involves violations relating to independence, fraud and Board compliance.

New Hampshire – See three and seven above.

New Jersey – (1) Our new Peer Review Regulations. (2) Our audit of all licensees in order to ensure compliance with our minimum of four credit hours in New Jersey Ethics.

New Mexico – It is anticipated that by about February or March 2010, several (as many as five) of the Board members who have been serving since 2003 will be replaced. This will obviously lead to a time of transition as newly-appointed Board members begin to work together to determine the direction that the Board will take.

New York – Continue to work on finalizing regulations that will implement mandatory quality review and the board is initiating a review of the Rules of the Board of Regents to update for recent revisions to the accountancy law.

North Carolina – We are completing a year-long process of rule-making involving over 45 rules that will be completed on February 1, 2011.

Ohio – We believe that the accountancy boards with an interest in how we do things in Ohio are already aware of Ohio's activities, but we are glad to help any accountancy board that wants to know any details concerning our regulatory functions.

Puerto Rico – We have presented Legislation in order to move Puerto Rico to "Substantial Equivalency," and eventually we will consider mobility.

Rhode Island – Minimum financial resources due to budget limitations.

Tennessee – A new administration will take office in January 2011. We are anticipating some changes in the relationship between the Board and the Executive Branch.

Texas – Major revisions to our education rules to include new accreditation standards and course definitions. Investigation of foreign auditors doing business in Texas.

Vermont – Getting close to ALD implementation. We are proposing a fee increase for 2011.

Washington – (1) The legality of “sweeping a dedicated fund” when the sources of the revenue are strictly registration fees from the private sector. (2) Washington State’s continual efforts to avoid “merger” (disappearance into an umbrella vacuum).

Wisconsin – (1) Wisconsin is working with NASBA to proceed with participation in ALD (National Database). (2) Wisconsin is the only state that does not have mandatory CPE – topic will be discussed further at a future meeting.

Wyoming – Still waiting to see the full impact that mobility legislation has on the Board’s revenues. Revenues dropped sharply a year ago and continue to decline as more licensees avail themselves of practice privileges.

8. 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: NH, ME**
- ☐ **Input only from Executive Director: AZ, KY, MO, ND, NE, NM, TN**
- ☐ **Input only from Board Chair and Executive Director: AL, IN, LA, TX**
- ☐ **Input from all Board Members and Executive Director: CA, CO, IA, ID, MN, MS, NV, NY, OK, PR, SD, VI, WWI, WY**
- ☐ **Input from some Board Members and Executive Director: AR, CT, NC, NJ, WA**
- ☐ **Input from some Board Members:**
- ☐ **Input from all Board Members: RI, VT**
- ☐ **Input from one Board Member: DC, GA, MA**

Other (please explain):

Executive Director, Assistant Director and Board Members: OH

****Washington’s response to Question 3, continued:***

Agency expenditures are appropriated (initially based upon a budget request prepared by the agency’s Executive Director and submitted to the Governor’s Office for approval prior to submission to the legislature for action).

Proposals and actions to place the agency and the Board in the Department of Licensing:

During the legislative sessions in 2008, 2009, and 2010 legislation was introduced to merge the agency and the Board into an “umbrella Agency”, the State’s Department of Licensing. In each of those years, during the regular sessions, the legislation did not make it out of committee. However, the legislation was re-introduced in the 2010 Special Session called by the Governor to address the State’s economic situation.

Throughout this period (2008-2010), the Executive Director and Board members have worked closely with the Washington Society of CPAs (WSCPAs) to develop an understanding of each organizations perspective, met with policy members of the Governor’s staff, and testified before legislative committees in 2010.

Additionally the Board members were successful in obtaining an exemption from the economic freeze on Personal Service Contracts to permit an independent out-of-state law firm

and an individual CPA to perform a Performance Review on agency policies, practices, and procedures.

The report included no issues unknown to the Board members.

Subsequently, that contract was modified due to a budget proviso introduced in the 2010 Special Session to require the same contractual group to evaluate “the efficacy, economy, and accountability of merging the board into the Department of Licensing” and report their findings and conclusions to the “appropriate legislative committees.”

That report was delivered to the Governor, the appropriate Governor’s policy and budget personnel, and the appropriate legislative committee chairs and members on November 30, 2010.

That contractor’s report was not favorable of a merger.

Because the merger legislation was originally proposed by the Governor, the Executive Director (as a Governor appointee) could not publicly or legislatively take a formal position on the matter.

Executive Director’s actions:

Notwithstanding the status of an appointee, the Executive Director did unilaterally revise the legislative draft prepared by the leadership of the Department of Licensing in 2008 for further consideration by the Governor and her staff. After reviewing that draft with WSCPA and Board member officers, I submitted the revisions to the legislative policy staff at the Governor’s Office and was pleased that the majority of the modifications were incorporated in the legislative proposal.

In 2010, the Executive Director has done the following:

- Appeared before two committees of the WSCPA to answer questions related to agency operations and strategies as part of the Society’s assessment of the “efficacy, economy, and accountability” impacts, if any of the proposed merger legislation;
- Taken an assertive position with senior personnel of the State Auditor’s Office (SAO) on *the Field Work and Draft Performance Audit Report* related to the performance of the Business and Professions division of the Department of Licensing (DOL). That is the division of DOL to which agency human and other resources including agency personnel except the Executive Director, the agency’s budget responsibilities, and other agency administrative functions would be transferred under the proposed merger legislation.

The *initial field work* referred to the Board of Accountancy as a likely candidate for utilizing the services of the one-stop registration portal for businesses in the state called the Multiple Listing Service (MLS) because of a *CPA firm licensing revenue source* of +- \$1, 800,000. Early in the audit process, I clarified that (a) the DOL portal is designed to license small businesses and (b) that our maximum annual new firm licensing activity is 70 with revenue of +- \$27,000.

The *draft report* ultimately classified the “business licensing processes” of the Board as follows:

- Low complexity due to (a) *the absence of* extensive collaboration with the applicant and (b) *lack of* potential impacts on the qualifications of the applicant due to complaints or inspection results; and
- *Lack of* a well established technology solution for “licensing”.

As a result of these inputs to the appropriate SAO personnel, the final reports concluded:

-
- “Officials at Accountancy ... said their agencies’ approval processes for new business licenses and renewals require extensive collaboration with the licensee. Also conditions attached to some licenses may change during the license period because of complaints or inspection results.” Therefore, the Level of Complexity was changed to “High”; and
 - “... Accountancy’s system allows CPA firms to obtain business licenses entirely online, from application to payment to printing.”

1.18.11

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. We encourage you to place the following questions early on the agenda of your next board meeting to allow for sufficient time for discussion. Please send your Board's responses to your Regional Director by April 12, 2011. Use additional sheets for your responses if needed.

JURISDICTION _____ **DATE** _____
NAME OF PERSON SUBMITTING FORM _____

- 1. (a) If your state allows licensing of foreign-based firms (located outside the United States), please describe any challenges you have in monitoring and disciplining those firms. (b) If your state does not allow licensing of foreign-based firms, do you contemplate changing your statute or rules in the future?**

- 2. Section 209 of the Sarbanes-Oxley Act says that State regulators supervising CPA firms which are not registered with the PCAOB "should make an independent determination of the proper standards applicable, particularly taking into consideration the size and nature of the business of the accounting firms they supervise and the size and nature of the business of the clients of those firms." Has your Board considered its responsibility under Section 209, particularly in light of the recent Dodd-Frank Act that gives the PCAOB inspection authority over broker-dealers (which are mostly private companies)?**

- 3. What is your Board doing to inform the citizens of your state of the responsibility, capability and availability of your Board to address complaints against CPAs?**

JURISDICTION _____

4. Has your Board discussed the UAA Exposure Draft on CPA firm names and do you anticipate it will lead to modifications of your state's current rules?

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

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):

1/20/11

Carlos E. Johnson, Ed.D., CPA

3124 Lamp Post Ln.
Oklahoma City, OK 73120
(c) 405.642.6235
(o) 405.755 8818

SUMMARY

Dr. Johnson serves(d) the public of the State of Oklahoma and the profession of Accountancy as a board member (5 years) of the National Association of Boards of Accountancy (NASBA), immediate past member of the Oklahoma Board of Accountancy ("OAB") (two terms of 5 years each and chairman for 3 years), current chairman of the legislative committee (20 plus years) and the Federal Key Person Coordinator (FKPC) (30 plus years) of the Oklahoma Society of Certified Public Accountants (OSCPA), an immediate past member of the AICPA Council for six years, as Chairman of the Oklahoma Internet Application Review Board (10 plus years) and a member of the Oklahoma Building Bonds Commission.

As a member of the board of NASBA, with Michael Weatherwax, lead the implementation effort of Substantial Equivalency by meeting with various state boards and attorneys general to discuss the need of the profession for Substantial Equivalency and the changes necessary in said statutes. As chairman of the Audit Committee, initiated the development of an audit committee charter, lead the committee in the adoption of the best practices for audit committees of not for profit organizations and a review of the qualifications of the external auditing firm. As chairman of the State Board Relevance and Effectiveness Committee in cooperation with its members, led the effort to develop a Rational document document re why boards of accountancy should be self directed and semi-independent (SD-SI). Also, led the development of a template for the modification of a state statute and the development of a budgetary template to assist state boards with a convenient tool to create "what if" budgets to support a SD-SI board. With Rick Sweeney and Ron Rotaru and members of the Legislative Support Committee developed and populated a web site to provide documents, articles, testimony etc. to provide Boards with immediate resources to respond to various inquiries.

Dr. Johnson has held all of the leadership positions of the OAB and is the immediate past chairman (three years). Subsequent to taking his position as a member of the OAB, Dr. Johnson lead the OAB transformation to the world of technology through the development of an online registration system for firms and individuals, licensee search system and implementation of a modernized web site for use by the public. He also lead the development of the uniform enforcement system. As noted on the following pages, Dr. Johnson has served five governors and leaders of the Oklahoma state legislature on reform and re-engineering task forces and committees.

Dr. Johnson has held all of the leadership positions of the OSCP and is a member of its Hall of Fame. Soon after becoming a member of the OSCP, Dr. Johnson through his leadership as chairman of the OSCP CPE committee created the infrastructure to involve the Oklahoma Academic Community in the activities of the OSCP. In addition, the curriculum offerings available to members were increased to provide a diversity of offerings to all segments of the membership (industry, financial services and management consulting). As chairman of the OSCP Legislative Committee (LC), he worked with five governors and the leadership of the respective legislative sessions to appoint a member of the OSCP to membership on each major state board and commission to bring increased accountability and transparency to Oklahoma state government. Also, as chairman of the LC was the stimulus for the OSCP to form a PAC to support legislators who would promote economic development and create an enlightened

regulatory environment for all licensed professionals. In addition, he led the development of an annual monograph of federal and state tax statutes, rules and regulations for congressional and Oklahoma legislative members. As the FKPC, lead the OSCPA initiative for members to develop relationship with members of the congressional delegation and developed the original grass roots legislative system. The system has been the engine for creating a positive awareness of OSCPA membership by congressional and Oklahoma legislative members.

Dr. Johnson served as Chairman of the Uniform Accounting Act Committee of the AICPA (five years) and was a member for a prior three term, was a Member of the original AICPA 150 Hour Committee, the original committee to promote the concept of Substantial Equivalency and the original Leadership Committee of 100. He made many presentations to various professional groups supporting the 150 Hour educational requirement to enter the profession and the concept of Substantial Equivalency and why each is in the best interest of the public. Working with the staff of the AICPA developed the workbook "Implementation of the 150 Hour Requirement". Also, he served as a member of the Awards Committee for three years. He has instructed training seminars for various professional associations at both the national and state levels for a multipal years.

Dr. Johnson has more than 40 years of experience specializing in the practice of financial institutions, higher education, government, not-for-profit and retail accounting. He was the partner-in-charge of the KPMG Southwest Higher Education, and Oklahoma Not for Profit and Government practices. In addition, Dr. Johnson was a partner with the firm of Lisle, Compton, Cole and Almen in Oklahoma City, which merged into the firm of BKD, and Horne & Company of Ada, Oklahoma. In summary, Dr. Johnson earned partnership responsibilities in two well known local firms in Oklahoma and is a retired partner of KPMG.

Dr. Johnson is currently of counsel to Eide Bailly CPAs, LLP and is self employed as a management consultant.

PROFESSIONAL EXPERIENCE

2011 - present Of counsel to Eide Bailly CPAs, LLP

2010 – present Management Consultant, self employed

2001 – 2010 Senior Investment Banker, BOSC, Inc.

2001 – 2006 Partner, Lisle Compton Cole & Almen LLP (firm merged with BKD)

2001 – 2002 Visiting Professor, School of Accounting, University of Oklahoma

1977 – 2001 Partner, KPMG LLP, Certified Public Accountants (Retired)

1973 – 1977 Partner, Horne & Co., Certified Public Accountants, Ada, Oklahoma

1966 – 1973 Chairman, Department of Business Administration, East Central University

1964 – 1966 Accountant, Controller's staff, Oklahoma State University

EDUCATION AND TRAINING

High School Diploma - 1959

Wilson High School, Wilson, Oklahoma

Bachelor of Science degree - 1964

East Central State University, Ada, Oklahoma

Master of Science degree and Doctorate (Ed.D.) – 1966/1977

Oklahoma State University, Stillwater, Oklahoma

ACADEMIC HONORS

Beta Gamma Sigma (College of Business academic honor)

Alpha Chi (Small College academic honor)

2003 Distinguished Accounting Alumnus: Oklahoma State University School of Accounting
Chi Chapter of Beta Alpha Psi

PROFESSIONAL AFFILIATIONS

National Association of State Boards of Accountancy

- Member of the Board, at large member (2009-2012)
- Chairman, Uniform Accountancy Act Committee (2010-2011)
- Member of the Board as Southwest Regional Director (2006-2009)
- Chairman, Board Relevance Committee (2009-2010)
- Chairman, State Legislative Support Committee (2007-2009)

- Chairman, Special Task Force – Implementation of Substantial Equivalency
- Member, Regulatory Structures Committee
- Chairman, Audit Committee and member for six years

Oklahoma Society of Certified Public Accountants

- Current:
 - Congressional Key Person Coordinator, 1990-present
 - Chairman, Governmental Relations Committee, 1985-present
- Previous:
 - President
 - Chairman, Continuing Professional Education Committee
 - Accounting Hall of Fame

American Institute of Certified Public Accountants

Current

- Member, Awards Committee, 2005-2008
- Chairman, Uniform Accountancy Act Committee (five years)
- Chairman, State Legislative Committee, 1997 – 1999
- Charter Member, Committee of One Hundred (advisory committee to the AICPA Chairman and President)
- Member, Area IV Legislative Committee
- Member, Committee on State Regulation
- Member, National Steering Committee, Uniformity of Regulation
- Member, State Legislative Committee, 1993 - 1996
- Member, Uniform Accountancy Act Committee (six years)
- Charter Member, 150 hour Committee

STATE OF OKLAHOMA ACTIVITIES

- Chairman, Governmental Technology Review Board, formerly Oklahoma Internet Application Review Board (2000-Present)
- Member, Building Bonds Commission
- Member and Past Chairman, Oklahoma Board of Accountancy
- Member, Governor's Reform Commission for Governor Mary Fallin, 2011

- Member, Governor's Commission on Government Performance for Governor Keating
- Vice-Chairman, Oversight Committee to Review State Treasurer's Office for Governor Bellmon
- Member, Committee on Fiscal Reform for Governor Bellmon
- Member, Committee on Governmental Reform for Governor Nigh
- Member, Committee for Restructuring Executive Branch for Governor Nigh
- Member, Committee for Restructuring Oklahoma Tax Commission for Speaker Barker

COMMUNITY AND CIVIC AFFILIATIONS

- Current:
 - Director, Oklahoma Zoological Society, Executive Committee and Life Director (2000-present)
 - Center for Not for Profits- Board Development Committee and Audit Committee
 - Member, Oklahoma State Chamber of Commerce Board of Directors, 1998 – present, and various committees
 - Chairman, Oklahoma State University, School of Accounting Advisory Board (2008-2010)
 - Member of Board of Governors, Oklahoma State University Foundation
 - Member, Audit Committee of CASA
 - Economic Club of Oklahoma, Secretary and Member of the Board
- Previous:
 - Treasurer and/or Director , Oklahoma Zoological Society, 15 years
 - Trustee, Finance Committee, Oklahoma City Zoological Trust
 - Trustee, Oklahoma City Zoological Trust
 - Treasurer, Oklahoma State Chamber of Commerce Board of Directors, 2003
 - President, East Central University Foundation, 1990/91 & 2006/07
 - President, The Economic Club of Oklahoma and member of the board 2002-2007
 - Member, Leadership Oklahoma Class IX
 - Director and President, Higher Education Alumni Council, 1985-1986 and 2001-2005
 - Member, Oklahoma City Philharmonic Board of Trustees
 - Member, Omniplex Board of Directors
 - Member, The Men's Dinner Club Executive Committee
 - Boy Scouts of America/Last Frontier Council (various committees)
 - President, East Central University Alumni Association
 - President, Community Chest, Ada
 - Director, Chamber of Commerce, Ada
 - President, Delta Pi Epsilon, Oklahoma State University Chapter

OTHER EXPERIENCES

- Distinguished Professional, School of Accounting, Oklahoma State University
- Distinguished Lecturer for the Year 2003, Don W. Sands Endowed Lecturer - Southeastern Oklahoma State University School of Business
- Distinguished Graduate - East Central State University, Ada, Oklahoma
- Scouting:
 - Eagle Scout (1955) – Troop 122, Midland, TX
 - Explorer Post Advisor – First Methodist Church of Ada, Oklahoma
 - High Adventure Experiences
 - Philmont Scout Ranch
 - Charles Sommers Canoe Base (2 trips)
 - Alaska, 31 days by Church Bus



DEPARTMENT OF CONSUMER AFFAIRS
CALIFORNIA BOARD OF ACCOUNTANCY
2000 EVERGREEN STREET, SUITE 250
SACRAMENTO, CA 95815-3832
TELEPHONE: (916) 263-3880
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March 3, 2011

Billy Atkinson, Past Chair
National Association of State Boards of Accountancy
150 Fourth Avenue North, Suite 1300
Nashville, TN 37219-2417

Dear Mr. Atkinson,

The California Board of Accountancy (CBA) wishes to recommend Carlos Johnson, Ed.D., CPA, for Vice Chair of NASBA for the 2011-2012 year. Given Mr. Johnson's extensive experience with NASBA, his membership and past chairmanship of the Oklahoma Board of Accountancy, his experience as a practitioner, both with a local and an international firm and as an educator, and his experience with the Oklahoma Society of CPA's, the CBA believes that Mr. Johnson possesses the required knowledge and commitment to serve in the position of Vice Chair for 2011-2012.

The CBA is pleased to have the opportunity to support the nomination of Carlos Johnson for NASBA's Vice Chair position.

Sincerely,

Sally Anderson
President

c: CBA Members
Carlos Johnson, Ed.D., CPA



**STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANTS
OF LOUISIANA**

601 Poydras Street, Suite 1770
New Orleans, LA 70130

Phone: (504) 566-1244
Fax: (504) 566-1252
www.cpaboard.state.la.us

February 9, 2011

Billy M. Atkinson, CPA, Chair
NASBA Nominating Committee
150 Fourth Ave. N., Suite 700
Nashville, TN 37219-2417

RE: Vice Chair nomination

Dear Billy:

The Louisiana Board is pleased to add its endorsement and support of Carlos Johnson for the office of Vice Chair. A number of state boards have recently issued letters of support describing Dr. Johnson's broad experience and accomplishments that clearly show that he is well qualified to serve the member boards.

The Louisiana Board has direct experience with Carlos' wide range of abilities, in meetings with our Board members when he served as our Regional Director, and more recently in his role as Chair of the successful State Board Relevance and Effectiveness Committee. Carlos steered this Committee in its initial year in developing very comprehensive position papers on the rationale and benefits of "semi-independent" status that justify the need for boards' financial and operational independence. This work will be of great value to our member boards for many years to come.

Carlos is always well-prepared and very thorough on matters of interest to state boards, and he strikes the right balance of leadership by having vision and confidence, by listening to all concerns, by knowing how to develop consensus on mutual objectives, and then encouraging and monitoring progress.

We believe Carlos Johnson's sound judgment and proven record will be of great benefit to NASBA.

Very truly yours,


Michael A. Henderson, CPA
Executive Director

c: Boards of Accountancy



New Mexico Regulation and Licensing Department

BOARDS AND COMMISSIONS DIVISION

New Mexico Public Accountancy Board

5200 Oakland Avenue, NE • Suite D • Albuquerque, New Mexico 87113
(505) 222-9850 • Fax (505) 222-9855 • www.rld.state.nm.us/accountancy

February 8, 2011

Billy Atkinson, CPA
Past Chair
NASA
150 Fourth Avenue North, Suite 700
Nashville, TN 37219

RE: Nomination of Carlos Johnson, Ed.D., CPA, for NASBA Vice Chair
for 2011-2012

Dear Mr. Atkinson and Members of the Nominating Committee:

The New Mexico Public Accountancy Board wishes to express its support of Carlos Johnson, Ed.D, CPA, for the position of NASBA Vice Chair for 2011-2012.

Dr. Johnson has a distinguished career in the field of public accountancy, holding leadership positions on the Oklahoma Board of Accountancy as well as within NASBA and in the American Institute of Certified Public Accountants. He currently serves NASBA as a Director-at-Large and as the Chairman of the Uniform Accountancy Act Committee. He is the Past Chairman of the State Board Relevance and Effectiveness Committee, the Past Chairman of the Legislative Support Committee, the Past Chairman of the Special Task Force to Implement Substantial Equivalency, and the Past Chairman of the Audit Committee. He has also served as a member of the Regulatory Structures Committee and as the Southwest Regional Director. Dr. Johnson has demonstrated strong leadership and integrity in these positions, and he draws on more than 40 years of experience in specialized areas of accounting as well as 20 years of experience in leading the Legislative Committee of the Oklahoma Society of Certified Public Accountants.

The New Mexico Public Accountancy Board supports the nomination of Dr. Johnson for the position of NASBA Vice Chair and recommends him for this office without reservation.

Sincerely, on behalf of the Board,

A handwritten signature in cursive script that reads "Patricia Soukup".

Patricia Soukup
Executive Director
New Mexico Public Accountancy Board

:ps

cc: Dr. Carlos Johnson
State Boards of Accountancy



STATE OF TENNESSEE
TENNESSEE STATE BOARD OF ACCOUNTANCY
DEPARTMENT OF COMMERCE AND INSURANCE
500 JAMES ROBERTSON PARKWAY
DAVY CROCKETT TOWER
NASHVILLE, TENNESSEE 37243
615-741-2550

January 28, 2011

Billy M. Atkinson, Chair
NASBA Nominating Committee
150 Fourth Ave. North, Suite 700
Nashville TN 37219-2417

Dear Mr. Atkinson,

The Tennessee State Board of Accountancy today voted unanimously to endorse Carlos Johnson, Ed.D., CPA for NASBA Vice Chair. Dr. Johnson's background of accountancy endeavors covering financial institutions, education, retail, not-for-profit and government arenas makes it possible for him to understand the broad spectrum of practitioners.

At the national level, he has worked with AICPA and his work with NASBA as Regional Director, Board Member-as-Large, Audit Committee, Mobility Task Force, member of the Regulatory Structures Committee and chair of the legislative committee place him in a unique position to provide leadership and regulatory guidance. In his home state of Oklahoma he has served on gubernatorial appointments to task forces, commissions and committees and participated in community and civic enterprises.

The Tennessee State Board of Accountancy is pleased to have the opportunity to endorse Carlos Johnson as NASBA Vice Chair.

Sincerely,

Mark H. Crocker, CPA
Executive Director



Texas State Board of Public Accountancy

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

William Treacy, Executive Director

January 24, 2011

Billy M. Atkinson, Chair
NASBA Nominating Committee
150 Fourth Ave. North, Suite 700
Nashville, TN 37219-2417

RE: Nomination of Carlos Johnson
as NASBA Vice Chair

Dear Mr. Atkinson:

The Texas State Board of Public Accountancy takes great pleasure in endorsing the candidacy of Carlos Johnson, EdD, CPA, of Oklahoma for NASBA Vice Chair. For more than 40 years Dr. Johnson has practiced accountancy in a number of different settings—financial institutions, higher education, government, retail, and not-for-profit associations—and served the profession tirelessly.

A graduate of Oklahoma State University, from which he holds a master's and a doctorate, Dr. Johnson is currently of counsel to Eide Bailly CPAs, LLP, and is self-employed as a management consultant. In 2001, he retired after 24 years from KPMG, where he had served as partner-in-charge of the Southwest Higher Education and Oklahoma Not for Profit and Government Practices. During his long career, Dr. Johnson was a partner in two prominent Oklahoma firms: Lisle, Compton, Cole & Aimen, Oklahoma City, which merged into the firm of BKD, and Horne & Company, Ada. He had also been a senior investment banker with BOSC Inc., taught accounting at the University of Oklahoma, and conducted training seminars for AICPA and other professional associations.

Dr. Johnson has brought a wealth of expertise and insight to his NASBA positions: Southwest Regional Director and Board Member-at-Large; chair of the Legislative Support Committee, Audit Committee, and Mobility Task Force; and member of the Regulatory Structures Committee. He chaired AICPA's Uniform Accounting Act Committee and was a member of AICPA's original 150 Hour Committee and Leadership Committee of 100. In his home state, he has chaired the Oklahoma Internet Application Review Board and served in every leadership position on the Oklahoma Board of Accountancy and many in the Oklahoma Society of CPAs. In addition, Dr. Johnson has held several gubernatorial appointments to task forces, commissions, and committees and worked in countless community and civic endeavors.

The Texas Board wholeheartedly endorses Carlos Johnson as NASBA Vice Chair.

Yours very truly,

TEXAS STATE BOARD OF
PUBLIC ACCOUNTANCY

GREGORY L. BAILES
Chair

TEXAS STATE BOARD OF
PUBLIC ACCOUNTANCY

WILLIAM TREACY
Executive Director

cc: Carlos E. Johnson, EdD, CPA

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(512) 305-7800

General
Information
(512) 305-7870

CPE
(512) 305-7844

Enforcement
(512) 305-7866

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Walter Conaway Davenport

VITA

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

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

Family: Divorced
Sons – Walter Conaway Davenport, Jr. – 34 years old
Winston Christopher Davenport – 29 years old

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

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

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

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

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

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

Professional, Civic and Social Organizations:

Professional:

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

Professional Licensing Board:

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

Civic/ Boards / Committees
(Past)

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

(Past – continued)

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

Civic / Boards
(Present)

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

Social:

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

Honors and Awards

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

Other Information

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

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

Walter Davenport's Involvement in NASBA

- Regular attendee at Regional and Annual meetings since 1994
- Member of Meeting and Events Committee (1995 – 1996)
- Member of Licensing Requirement Committee (1996 – 1997)
- Member of Examinations Committee (1997 – 1998)
- Member of Administration and Finance Committee (1997 – 2002) (2006 – 2008)
(Chairman 2006 – 2008)
- Member of Nominating Committee (2000 – 2002)
- Member of Strategic Initiatives Committee (2002 – 2004)
(Chairman 2003 – 2004)
- Member of Compliance Assurance Committee (2004 – 2005)
- Member of CPE Advisory Committee (2004 – 2006)
(Chairman 2004 – 2006)
- * Member of Audit Committee (2008 -- 2009)
(Chairman 2008 --- 2009)
- * Member of CPA Licensing Examinations Committee (CLEC) (2009 -- 2010)
(Chairman 2009 -- 2010)
- Member of CPA Examination & Administration Committee (2010--)
(Co-Chairman 2010 --)
- NASBA Regional Director – Middle Atlantic (2003 – 2004)
- NASBA Board of Directors (2003 – Present)
(Serving unexpired term of Diane Rubin (2004 – 2006)
(First full term 2006 – 2009)
(Second full term 2009 -)



February 18, 2011

Mr. Billy Atkinson, CPA, Chair
NASBA Nominating Committee
150 Fourth Ave. N., Suite 700
Nashville, TN 37219-2417

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

Dear Mr. Atkinson and Members of the Nominating Committee:

The Guam Board of Accountancy unanimously supports Walter C. Davenport's nomination for the position of NASBA Vice-Chair for 2011-2012.

Mr. Davenport has served NASBA well as a Director and through the licensing requirements, examinations, strategic initiatives, compliance assurance and other various committees, during his more than 15 years of service to NASBA. Given his continued extensive involvement in myriad NASBA efforts and his professional and civic experiences, the Guam Board believes that Mr. Davenport possesses an exceptional combination of NASBA experience, leadership and technical skills. Walter has fully demonstrated the capacity and the necessary dedication to serve that will surely benefit NASBA in facing the complex challenges ahead, if he is named Vice Chair for 2011-2012.

Very truly yours,

John Onedera
Chair
Guam Board of Accountancy

900 SW Jackson, Ste. 555
Topeka, KS 66612-1238
www.kasba.org



phone: 785-296-2162
fax: 785-291-3501
info@ksboa.ks.gov

Susan L. Somers, Executive Director

Board of Accountancy

Sam Brownback, Governor

February 28, 2011

Billy Atkinson
c/o NASBA
150 4th Avenue North, Ste. 1300
Nashville, TN 37219-2417

Dear Mr. Atkinson:

The Kansas Board of Accountancy is desirous of recommending Walter C. Davenport, CPA, for Vice Chair of NASBA for the 2011-2012 year.

We find Mr. Davenport to be dedicated, receptive, and proves to be a good leader, which will enable him to carry out the various duties and responsibilities as Vice Chair of NASBA. Mr. Davenport has extensive experience with NASBA, having served in many capacities and on many committees over the years.

We are pleased to support Walter C. Davenport, CPA, for Vice Chair of NASBA.

Thank you for your consideration.

Sincerely,

Virginia A. Powell, CPA
Chair

cc: State Boards of Accountancy
Walter Davenport



State Board of Accountancy

332 W. Broadway, Suite 310
Louisville, KY 40202
Phone: (502) 595-3037
Fax: (502) 595-4500
cpa.ky.gov

Richard C. Carroll
Executive Director

February 22, 2011

Billy M. Atkinson, CPA, Past Chair
National Assoc of State Boards of Accountancy
150 Fourth Ave. North, Suite 700
Nashville, TN 37219-2417

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

Dear Mr. Atkinson:

During its February 18, 2011 meeting the members of the Kentucky State Board of Accountancy voted unanimously to support Walter C. Davenport's nomination for the position of NASBA Vice-Chair for 2011-2012. For more than 15 years Mr. Davenport has exhibited his desire and willingness to assist NASBA by serving on a variety of committees. Through this service Mr. Davenport has developed a great deal of knowledge and experience regarding the issues that are impacting the public accounting profession today. In addition Mr. Davenport has also assisted his local community and the State of North Carolina through his participation with various groups and organizations.

Through his service to NASBA and experience over the years in public practice as a CPA Mr. Davenport has developed an appreciation for the practice of public accounting from the point of view of the smallest to the largest firms. This experience will assist him in deciding what position NASBA should take to benefit the broadest spectrum possible of CPAs that are impacted by decisions made at NASBA.

Therefore it is with great respect that the Kentucky State Board of Accountancy recommends Walter Davenport to serve as the next Vice-Chair for NASBA.

Sincerely,

Kevin Doyle, CPA

Kevin Doyle, CPA
President, Kentucky State Board of Accountancy



Governor Brian Schweitzer

Montana

Department of Labor and Industry

Business Standards Division

Board of Public Accountants

January 31, 2011

Billy Atkinson
Past Chair at NASBA
150 4th Avenue North, Suite 1300
Nashville, TN 37219-2417

Dear Mr. Atkinson:

The Montana Board of Public Accountants wishes to recommend Walter C. Davenport, CPA, for Vice Chair of NASBA for the 2011-2012 year.

Members of our Board have had the fortune of interacting with Mr. Davenport on various NASBA projects over the years, and have always found him to be very open to all ideas and opinions; firm in his convictions, yet fair in judgment; all attributes needed by NASBA in its leadership positions.

We are confident in Mr. Davenport's vast knowledge of the profession's pressing issues, and his ability to lead the diverse members of the various state boards in dealing with those issues. Mr. Davenport has a wealth of experience working with NASBA. He has been and/or currently is a member of the Meeting and Events Committee, the Licensing Requirement Committee, the Examinations Committee, the Administration and Finance Committee, the Nominating Committee, the Strategic Initiatives Committee, the Compliance Assurance Committee, the CPE Advisory Committee, the Audit Committee, the CPA Licensing Examinations Committee and the CPA Examination and Administration Committee. Mr. Davenport has also been a NASBA Regional Director (for the Middle Atlantic Region) and has served on the NASBA Board of Directors since 2003.

The members of the Montana Board of Public Accountants are pleased to support Walter C. Davenport, CPA, for Vice Chair of NASBA.

Sincerely,

A handwritten signature in cursive script, reading "Rick Reisig".

Rick Reisig, CPA
Chairman, Montana Board of Public Accountants

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

P.O. BOX 200513 • 301 SOUTH PARK • HELENA MT 59620-0513 • LICENSING/APPLICATIONS (406) 841-2383 •
OTHER INQUIRES (406) 841-2389

FAX (406) 841-2323 • TTD (406) 444-0532

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North Carolina State Board of Certified Public Accountant Examiners

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

January 24, 2011

Billy Atkinson
National Association of State Boards of Accountancy
150 Fourth Avenue North, Suite 700
Nashville, TN 37219-2417

Dear Mr. Atkinson:

As the United States' economy continues to struggle, it is more important than ever that the National Association of State Boards of Accountancy have leaders who are able to guide the state boards of accountancy through this tumultuous time for the accounting profession.

The North Carolina State Board of CPA Examiners (the Board) believes that Walter C. Davenport, CPA, has the knowledge, skills, and experience to successfully help lead NASBA into the future. Licensed as a North Carolina CPA for more than 30 years, Mr. Davenport's involvement with NASBA began during his three terms on our Board. While serving as a member of our Board, Mr. Davenport began attending NASBA's regional and annual meetings and quickly became an invaluable member of committees such as the Meeting & Events Committee, the Licensing Requirement Committee, the Administration & Finance Committee, the Examinations Committee, the Audit Committee, the Nominating Committee, the Strategic Initiatives Committee, the Compliance Assurance Committee, the CPE Advisory Committee, the CPA Licensing Examinations Committee, and the CPA Examination & Administration Committee. Mr. Davenport has served or is serving as Chair of several of these committees. In addition, Mr. Davenport has served as a Middle Atlantic Regional Director and has been a member of the Board of Directors since 2003.

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

Billy Atkinson
Page 2 of 2
January 24, 2011

His participation in civic organizations is diverse and plentiful—he has served as everything from the treasurer of an elementary school parent-teacher organization to a member of the St. Augustine's College Board of Visitors. Mr. Davenport has been a member of the board of directors for non-profit organizations such as the United Way, the Easter Seal Society, and the Shepherd's Table Soup Kitchen; he has been a member of the Raleigh Convention & Civic Center Task Force, the Wake County Indigent & Uninsured Commission, the Board of Directors of Raleigh Little Theater, Elizabeth City State University Board of Trustees, the Southeast Raleigh Improvement Commission, the Board of Trustees for Duke Raleigh Hospital, and the Raleigh Chamber of Commerce. Mr. Davenport is currently serves on the BB&T Advisory Board, the Triangle United Way Board of Directors, the Blue Cross Blue Shield of North Carolina Board of Trustees, the NC Center for Non-Profits Board of Directors, the Duke University Health System Patient Advisory Council, the IntraHealth International, Inc., Board of Directors, and the University of North Carolina Board of Governors.

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

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

Sincerely,

A handwritten signature in black ink that reads "Michael C. Jordan, CPA". The signature is written in a cursive, flowing style.

Michael C. Jordan, CPA
President

lrh
Enclosure



Nikki Haley
Governor

Catharine B. Templeton
Director

South Carolina
Department of Labor, Licensing and Regulation

Board of Accountancy

January 31, 2011



119 Centerville Drive
Post Office Box 11329
Columbia, SC 29211-1329
Phone: (803) 896-4770
FAX: (803) 896-4554
www.llronline.com

MR. BILLY ATKINSON
NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY
150 FOURTH AVENUE NORTH STE 700
NASHVILLE TN 37219-2417

Dear Mr. Atkinson:

The South Carolina Board of Accountancy would like to recommend with confidence Mr. Walter C. Davenport, CPA for the position of Vice Chairman of NASBA.

The Vice Chairman of NASBA should be an experienced and competent CPA who possesses the qualities needed to help the organization meet or exceed its mission and goals. Mr. Davenport has been a licensed CPA in the state of North Carolina for more than 30 years while staying actively involved in his community and beyond in a multitude of capacities including numerous boards, civic organizations and committees.

Mr. Davenport's involvement in NASBA has also not gone unnoticed. He has been a regular attendee at Regional and Annual meetings since 1994 and has served as a board member for the past 7+ years, where he is currently serving his second full term. He has also lead important roles in numerous committees including the Licensing Requirement, Meeting and Events, Examinations, Administration and Finance (where he was Chairman 2006-2008), Nominating, Strategic Initiatives (where he served as Chairman 2003-2004), Compliance Assurance, CPE Advisory (where he was Chairman 2004-2006), Audit (served as Chairman 2008-2009), CPA Licensing Examinations (served as Chairman 2009-2010) and CPA Examination and Administration (he is currently serving as Co-Chairman). He also served as a NASBA Middle Atlantic Regional Director from 2003-2004.

Mr. Davenport is highly qualified for this position for a host of reasons, including his past involvement in many notable Professional, Civic and Social Organizations, including (but not limited to) AICPA Board of Examiners (1999-2003 and 2004-2005), North Carolina State Board of CPA Examiners (President 1995-1997 & 1998-1999, VP 97-98, Secretary/Treasurer 02-03), National Association of Black Accountants, numerous local Board of Visitors, Board of Directors, Board of Governors, Advisory Boards and Finance Committees. He has been an asset to all of these organizations because of his conscientious leadership and professionalism.

It is for these reasons that I offer high recommendations for Mr. Davenport without reservation. His intelligence, drive and abilities will truly be an asset to NASBA and encourage growth and stability to the organization in its future endeavors.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Mark T. Hobbs', with a stylized flourish at the end.

Mark T. Hobbs, CPA CFF
South Carolina Board of Accountancy, Vice Chair



COMMONWEALTH OF VIRGINIA
BOARD OF ACCOUNTANCY

9960 Mayland Drive, Suite 402

Perimeter Center

Henrico, Virginia 23233

TELEPHONE: (804) 367-8505

FACSIMILE: (804) 527-4409

WEBSITE: www.boa.virginia.gov

E-MAIL: boa@boa.virginia.gov

March 4, 2011

Tyrone E. Dickerson, CPA
Chairman

Lawrence D. Samuel, CPA
Vice Chairman

O. Whitfield Broome, Ph.D., CPA
Immediate Past Chairman

Regina P. Brayboy, MPA, MBA
Board Member

Dian T. Calderone, MTX, CPA
Board Member

Stephen D. Holton, CPA
Board Member

Andrea M. Kilmer, CPA, CFF
Board Member

Wade A. Jewell
Executive Director

Billy Atkinson
Immediate Past Chair, NASBA
150 4th Avenue North, Suite 1300
Nashville, TN 37219-2417

Dear Chairman Atkinson,

The Virginia Board of Accountancy (VBOA) is pleased to support the nomination of Walter C. Davenport, CPA, for the position of NASBA Vice Chair for the 2011-2012 year.

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

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

Sincerely,

Tyrone E. Dickerson, CPA

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

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

GAYLEN R. HANSEN

Audit Partner and Director of Quality Assurance at Ehrhardt Keefe Steiner & Hottman. EKS&H is the 2nd largest of Colorado's "Big-5" public accounting firms and the 6th largest firm based in the western U.S. Responsible for formulating the Firm's accounting and audit technical policy standards, including regulatory liaison, inspections and peer review, ethics and independence.

Former member and president of the Colorado State Board of Accountancy. Director-at large of the National Association of State Boards of Accountancy (NASBA) and service on numerous NASBA advisory committees, currently including *Regulatory Response*, *Global Strategies* and chairs *Ethics & Strategic Professional Issues*. In 2009, chaired a joint NASBA / AICPA *Firm Name Study Group* that resulted in an AICPA White Paper recommending changes to the UAA Rules on firm names.

Serves as one of two NASBA representatives on the Professional Ethics Executive Committee (PEEC), a senior technical body charged with promulgating ethics and independence rules and interpretations in the U.S., and related enforcement of members of the AICPA and various state societies. Recent PEEC task force service includes *Codification of the AICPA Code of Professional Conduct*, *Establishing or Maintaining Internal Control*, *Conflicts of Interest*, *Network Firm*, *Conceptual Framework for Independence*, and *Enhanced Enforcement*. Serves on several other PEEC task forces dealing with convergence with and monitoring ethics standards of the International Federation of Accountants (IFAC).

Appointed in 2010 to represent NASBA on IFAC's Consultative Advisory Group of both IFAC ethics and auditing standards boards; represents NASBA on IFAC's National Standard Setters committee on ethics.

Beginning in 2006 has represented NASBA on the PCAOB Standing Advisory Group (SAG). The SAG advises the PCAOB on auditing and related professional practice standards.

Appointed to the U.S. Treasury's Advisory Committee on the Auditing Profession (ACAP) by Secretary Henry M. Paulson, Jr. and represented NASBA in that capacity. Served on ACAP's *Sub-Committee on Firm Finances and Regulation* and drafted all of its recommendations dealing with state regulatory matters, including practice mobility, independence of State Boards, and national regulatory roundtables.

GAYLEN R. HANSEN

EDUCATION

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Bachelor of Business Administration, Cum Laude, 1975

CALIFORNIA STATE UNIVERSITY, FULLERTON

Master of Business Administration (International Business), 1978

CERTIFICATIONS

CERTIFIED PUBLIC ACCOUNTANT

California, 1977, Certificate 86188

Colorado, 1979, Certificate 5385

New York, 2005, Certificate 5367576

AICPA

Accredited in Business Valuation (ABV), 1998

Certificate 215

NACVA

Certified Valuation Analyst (CVA), 1997

Certificate 970344

PROFESSIONAL EXPERIENCE

EHRHARDT KEEFE STEINER & HOTTMAN PC

Audit Partner – Director of Quality Assurance

2006 – Present

SOLE – PROPRIETOR / GORDON, HUGHES & BANKS

Partner – Audit, Valuation & Litigation Services

1987 – 2006

PRICE WATERHOUSE

Senior Manager – SEC Practice, Small Business Services

1983 – 1987

CELESTIAL SEASONINGS, INC.

Assistant Controller

1983

ARTHUR ANDERSEN & CO.

Staff – Manager, SEC Practice and Audit Services

1975 – 1983

QUALIFIED AS AN EXPERT

COLORADO DISTRICT COURTS

- ADAMS COUNTY
- ARAPAHO COUNTY
- DENVER COUNTY
- DOUGLAS COUNTY
- ELBERT COUNTY
- GRAND COUNTY
- JEFFERSON COUNTY
- MONTROSE COUNTY
- LOGAN COUNTY
- ROUTT COUNTY
- SUMMIT COUNTY
- WELD COUNTY

Areas of Expertise: Business Valuation, Damages, Civil Claims, Dissenting & Minority Financial Reporting, Shareholder Disputes, Lost Profits, Mergers & Acquisitions, Arbitration.

GAYLEN R. HANSEN

PROFESSIONAL AFFILIATIONS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
COLORADO SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
NATIONAL ASSOCIATION OF CERTIFIED VALUATION ANALYSTS
NATIONAL ASSOCIATION OF CORPORATE DIRECTORS

PUBLIC SERVICE

U.S. TREASURY DEPARTMENT

Advisory Committee on the Auditing Profession, October 2007 – December 2008

Appointed by Treasury Secretary Henry M. Paulson, Jr.

PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD

Standing Advisory Group, 2006 – 2011

Appointed by Douglas R. Carmichael, Chief Auditor

Re-appointed to 2nd term by Thomas Ray, Chief Auditor and Director of Professional Standards

Re-appointed to 3rd term by Martin F. Baumann, Chief Auditor and Director of Professional Standards

STATE OF COLORADO

Board of Accountancy

First Term 2002 – 2006

Second Term 2007 – 2010

President, 2005 – 2006

Securities Board

Board Member, 1995 – 2001

Chairman, 2000 – 2001

NASBA

Board of Directors, 2005 – Present

Director-at Large, 2008 – Present

Mountain Region Director, 2005 – 2007

Corporate Secretary, 2009 – Present

Ethics and Strategic Professional Issues Committee; Chair 2010 – present

Strategic Initiatives Committee, 2005 – 2009; Chair 2006 – 2009

Global Strategies Committee, 2008 – present

Regulatory Response Committee, 2007 - present

GAYLEN R. HANSEN

PUBLIC SERVICE (Continued)

AICPA

Professional Ethics Executive Committee, 2006 – 2008; reappointed 2008 – 2009; reappointed 2009 – 2010

Codification of the Code of Professional Conduct Task Force

Establishing and Maintaining Internal Control Task Force (Joint NASBA/AICPA Committee)

Independence Framework Task Force

Network Firm Task Force (ET 101-17)

Threats & Safeguards Task Force

Significant Public Interest Entity Task Force

Guide for Complying with Rules 102 – 505 (Conceptual Framework) Task Force

Enhanced Enforcement Task Force

International Auditing Standards Task Force

JOINT NASBA / AICPA

Firm Name Study Group, Chair 2008 – 2009

INTERNATIONAL FEDERATION OF ACCOUNTANTS

Consultative Advisory Group – International Ethics Standards Board for Accountants, 2010 – present

Consultative Advisory Group – International Auditing and Assurance Standards Board, 2010 – present

COLORADO SOCIETY OF CPAs

SEC Conference Committee, 2003 – Present, Chair 2004, Speaker 2007 and 2008

Public Company Practice Forum

OTHER

ARTICLES

Convergence – Who is Calling the Shots and Why State Boards Should Care – NASBA Regional Meetings, 2007

A Constitution for Standard-Setting – NASBA Annual Meeting, 2005

SPEECHES AND PRESENTATIONS

NASBA Annual Meeting – 2007, 2009, 2010

NASBA Regional Meetings – 2004 through 2010, scheduled for 2011

NASBA Forum of International Accounting Regulator (FIAR) Conference, 2008 and 2009

AICPA's SEC & PCAOB Annual Conference – 2008

DENVER BUSINESS JOURNAL

Power Book – Metro Denver's Top Business Newsmakers, 2005

Who's Who in Law & Accounting, 2004



Dora
Department of Regulatory Agencies

Division of Registrations
Rosemary McCool
Director

State Board of Accountancy
Ofelia Duran
Program Director

John W. Hickenlooper
Governor

Barbara J. Kelley
Executive
Director

February 4, 2011

Billy Atkinson
Past Chair at NASBA
150 4th Avenue North, Suite 1300
Nashville, TN 37219-2417

Re: Recommendation for NASBA Vice Chair - Gaylen R. Hansen, CPA
Via email to: bill.atkinson@us.pwc.com

Dear: Mr. Atkinson and Members of the Nominating Committee:

The Colorado State Board of Accountancy is pleased to recommend Mr. Gaylen R. Hansen, CPA to serve as NASBA's Vice Chair for 2011-12.

Mr. Hansen served on the Colorado State Board of Accountancy from 2002 to 2010 and was Chair of the Colorado Board in 2005-2006.

Mr. Hansen has been a strong advocate and an active participant in NASBA and its many initiatives, such as serving as the chair of several committees and as a member of NASBA's Board of Directors since 2005. Mr. Hansen has also served on the PCAOB's Standing Advisory Group and the U.S. Treasury Department's Advisory Committee on the Auditing Profession (ACAP). Mr. Hansen has continually represented the state boards of accountancy well as evidenced by his biography and resume.

The Colorado Board of Accountancy believes that Mr. Hansen possesses the requisite experience and qualifications necessary for the position of Vice-Chair and he understands the unique issues facing CPAs and CPA firms.

Mr. Hansen is a dedicated person who will work tirelessly to facilitate the effective regulation of the profession and the Board is confident that Mr. Hansen will serve NASBA well and supports his nomination as Vice Chair.

Sincerely,

Ofelia Duran
Program Director

cc: Anita Holt, Executive Director's and Gaylen Hansen



Connecticut State Board of Accountancy

30 Trinity Street
Hartford, Connecticut 06106-1634
(860) 509-6179 - Fax (860) 509-6247
www.ct.gov/sboa
sboa@ct.gov

Thomas F. Reynolds, CPA, Chairman
James S. Ciarcia
Philip J. DeCaprio, Jr., CPA/ABV/CFF/Cr.FA, CVA
Richard H. Gesseck, CPA
Leonard M. Romaniello, Jr., CPA, CITP, CFE, MST
Lee R. Schlesinger
Richard L. Sturdevant
Martha S. Triplett, Esq.
Michael Weinshel, CPA

David L. Guay, Executive Director

February 8, 2011

Mr. Billy Atkinson, CPA
Past Chair
NASBA
150 Fourth Avenue North
Suite 1300
Nashville TN 37219-2417

Re: Endorsement of Nomination of Gaylen R. Hansen, CPA for NASBA Vice-Chair 2011-2012

Dear Mr. Atkinson and Members of the Nominating Committee:

The Connecticut State Board of Accountancy after careful consideration would like to endorse the nomination of Gaylen R. Hansen for the position of Vice-Chair. Mr. Hansen has been actively involved in NASBA and has demonstrated his ability to fulfill the position of Vice-Chair.

The members of the Connecticut State Board of Accountancy are pleased to endorse the nomination and support Mr. Hansen for the position of NASBA Vice-Chair.

Sincerely,


David L. Guay
Executive Director



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

February 16, 2011
Via email

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

Re: Nomination of Mr. Gaylen Hansen, CPA for NASBA Vice-Chair 2011-2012

Dear Mr. Atkinson and Members of the Nominating Committee:

The Idaho State Board of Accountancy wishes to voice their support for the recommendations from Colorado, Washington, and Connecticut of Mr. Gaylen Hansen, CPA as NASBA Vice-Chair for 2011-2012.

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

Thank you for the opportunity to provide our comments.

Sincerely, On Behalf of the Board,

Louann C. Krueger

Louann C. Krueger, Public Member
Chair Idaho State Board of Accountancy

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



NEVADA STATE BOARD OF ACCOUNTANCY
1325 Airmotive Way, Suite 220
Reno NV 89502
(775) 786-0231 (Phone)
(775) 786-0234 (FAX)
cpa@nvaccountancy.com (email)

March 17, 2011

Billy M. Atkinson, CPA
Chair – Nominating Committee
NASBA
150 Fourth Avenue North
Suite 700
Nashville TN 37219

Re: Nomination of Gaylen R. Hansen, CPA for NASBA Vice-Chair 2011-2012

Dear Mr. Atkinson and Members of the Nominating Committee:

The Nevada State Board of Accountancy considered your request for possible candidates for the Vice-Chair position. After careful consideration of the qualified list of individuals, the board would like to recommend Gaylen R. Hansen, CPA, for the Vice-Chair position.

Mr. Hansen has been actively involved in NASBA and has demonstrated his capacity to fulfill the position of Vice-Chair throughout his tenure at regional and national levels of NASBA, AICPA, PCAOB and the U.S. Treasury Department.

The Nevada Board has recognized Mr. Hansen's professionalism and concern for the issues as they affect the profession as well as the regulators of Certified Public Accountants.

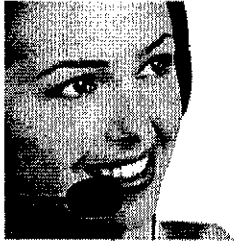
The members of the Nevada State Board of Accountancy are pleased to nominate and support Mr. Hansen for the position of NASBA Vice-Chair.

Sincerely,

A handwritten signature in black ink, appearing to read "Viki A. Windfeldt".

Viki A. Windfeldt
Executive Director
Nevada State Board of Accountancy

cc: State Boards of Accountancy
Gaylen R. Hansen, CPA



NASBA

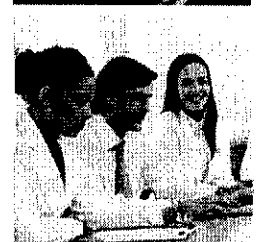
NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY

CANDIDATE CONCERNS 10Q4

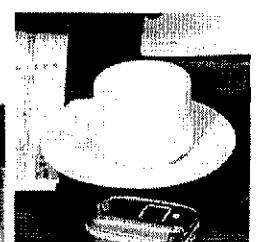
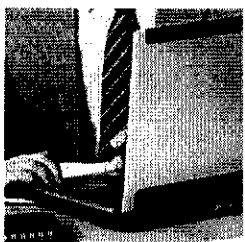
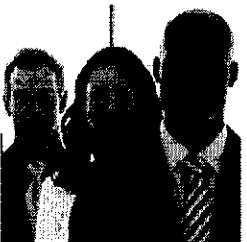
CANDIDATE CARE DEPARTMENT

OCTOBER 01 – NOVEMBER 30, 2010

PENNY VERNON, MANAGER
ELETTA NILES, SECURITY SPECIALIST
BRUCE COSTAIN, CANDIDATE ADVOCATE



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



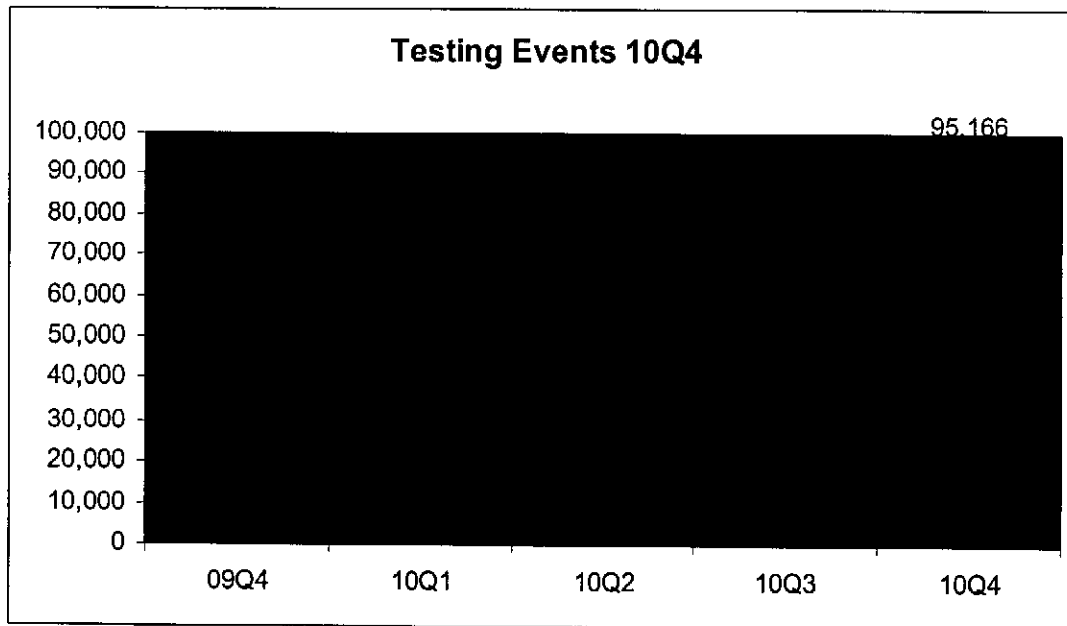
NASBA'S CANDIDATE CARE DEPARTMENT

CANDIDATE CONCERNS

10Q4

OCTOBER 01-NOVEMBER 30, 2010

This report summarizes concerns sent to NASBA's Candidate Care Department by CPA candidates during the fourth window of 2010.



SPELL-CHECKER:

On October 11th, as part of the first stage of the CBT-e software rollout, the AICPA released a new set of plug-ins to Prometric beta sites, which included 20 test centers and 534 workstations. The plug-ins were backward compatible with the live version of the exam and were actively used by candidates at these beta sites.

Monitoring of the test survey results on October 13th revealed that some candidates encountered difficulties using the spell-check functionality within the exam. Further investigation indicated that the spell checker showed candidates that all words were spelled incorrectly. It was determined that the spell checker did not function properly at these 20

beta sites. Working together, NASBA, the AICPA and Prometric resolved the issue by October 19th.

NASBA's Candidate Care Department received emails from 15 candidates regarding the issue and they were given the option of a free retest.

INTERNATIONAL EXAMINATION:

A press release was sent out early in the window announcing that the CPA Examination would be available at selected test centers internationally. NASBA's Candidate Care Department immediately began to receive emails from prospective international candidates requesting more details. Because many of the specifics were not yet finalized, candidates received a generic response indicating websites where they could access information as it becomes available. The initial emails were saved with the intention of addressing their queries again when the pertinent details have been determined.

VOLUME:

This window had the largest volume of candidates testing to date. This put additional pressure on Prometric testing sites to provide seat availability. Candidates with open NTSS were sent an email blast encouraging them to schedule early in the window. They were also advised that if they needed to reschedule to another date or location within the window to not become discouraged but to keep checking Prometric's website for availability.

Towards the very end of the window, Prometric opened up extra time slots at many sites to include testing in the early morning hours beginning at 1:00 am. Candidates were advised to pay close attention to the actual appointment time when they received their confirmations from Prometric after scheduling.

Despite the large volume of candidates on the last two days of the window (20,000 testing events) only a total of five candidates had to retake their exams in the three day extended window. Prometric did an admirable job of accommodating candidates during this last window, before the launch of the CBTe examination in January.

CANDIDATE SATISFACTION:

In the Customer Satisfaction Survey that goes by way of email to candidates who have contacted NASBA's Candidate Care Department, the data from submitted responses indicate overall customer satisfaction.

For example:

To the item: “My concern received a thorough assessment.”

70% replied in the affirmative .

To the item: “The resolution provided understanding that will assist me in taking future examinations”.

29% Agreed while 32% Strongly Agreed; for a total of 61%

To the item: “I was treated professionally and with respect throughout the process”.

42% Agreed and 42% Strongly Agreed; for a total of 84%

The total of 84% for this item indicates candidate appreciation of NASBA’s Candidate Care Department’s philosophy of providing empathetic understanding while acting as their advocates.

Summary of Candidate Concerns:

Mantis Categories & Totals		
Window	10Q3	10Q4
Category		
AICPA & Test Content	10	12
Calculator	4	12
Candidate Error	47	91
Confirmation of Attendance	55	74
Environment	3	10
Latency/Time Loss	1	4
Other	2	14
Prometric Scheduling Issues	5	13
Prometric Site Issues	40	39
Security/ID Issues	2	0
Software - Auth. Lit.	0	1
Software - error messages	2	0
Software - other	1	2
Technical - shutdown	34	45
Technical - other	25	46
Total – Mantis	231	363
Coordinator followup*	84	78
CPAES & NCD*	154	136
TOTAL	469	577
Total Testing Events	79,515	95,166

***Note: The Coordinator Follow-up and CPAES & NCD categories primarily consist of inquiries made by candidates with questions and/or concerns about the entire process of taking the CPA Examination. Each is responded to either directly by the Candidate Care Department or transferred to the appropriate examination coordinator for follow-up.**

CONCLUSION:

NASBA's Candidate Care Department looks forward to addressing the new challenges presented by both the launch of the CBTe Examination in January, as well as those as yet to be determined by the introduction of International testing. As always we are dedicated to assisting your candidates with respect and empathetic, professional support.

If you have any questions, please contact Penny Vernon, Manager of Candidate Care at pvernon@nasba.org or 615-880-4209.

FOR IMMEDIATE RELEASE

August Set for International Administration of U.S. Uniform CPA Examination in Japan, Kuwait, Lebanon, Bahrain and the UAE

Registration through U.S. State Boards to Begin in May

NEW YORK (March 1, 2011) – The American Institute of Certified Public Accountants, National Association of State Boards of Accountancy, and Prometric announced the international administration of the Uniform CPA Examination will be offered during the month of August in Japan, Bahrain, Kuwait, Lebanon and the United Arab Emirates.

The U.S. CPA exam is being offered internationally for the first time as a service to foreign nationals in response to rapidly escalating international demand for U.S. CPA licensure. In 2010, more than 10,000 international candidates traveled to the U.S. to take the U.S. CPA exam, a 22 percent increase from 2009. Nearly one-third of international candidates came from Japan.

“We are very pleased to be able to offer this program in Japan and several countries in the Middle East,” said Craig Mills, AICPA vice president for examinations and continuing professional education. “We believe the international administrations will provide additional opportunities for individuals who want to become U.S. CPAs. As we gain experience in international administrations, we are looking forward to expanding the program to other countries where there is interest.”

The international exam, which will be offered in English, is the same as the U.S. exam administered by the AICPA, NASBA, and Prometric in the United States. Future testing months during which the exam will be administered in Japan and the Middle East will be November 2011 and February, May 2012. Licensure requirements for international candidates are the same as for U.S. CPA candidates. Along with passing the Uniform CPA Examination, international candidates must meet educational and experience requirements as mandated by U.S. state boards of accountancy.

NASBA Executive Vice President & COO Ken L. Bishop said: “It makes excellent sense to extend the benefits of the U.S. state-based CPA examination and licensure processes to an international audience. We’re looking forward to implementing international CPA Examination administrations so that we may bring the examination to candidates who would like an opportunity to qualify as U.S. CPAs.”

In the United States, state boards have the governmental legal authority to award the U.S. CPA license. Registration for the international exam will begin on May 1, and applications may be made through certain U.S. state boards of accountancy offering eligibility for international candidates. A list of participating state boards and information about fees will be posted on the [NASBA website](http://www.nasba.org) in April at www.nasba.org.

“Ensuring safe, secure delivery of the CPA exam has always been a priority for us,” said Bill Murtagh, senior vice president of client services and sales at Prometric. “Carrying our commitment to security to other key locations around the world will simply be an extension of the diligence we provide in the U.S. to support the integrity of this high-stakes exam.”

Testing in the new international locations will be open to citizens and long-term residents of the countries in which the exam is being administered. In the Middle East, citizens of Egypt, Jordan, Oman, Qatar and Saudi Arabia may take the exam in one of the Middle East locations. U.S. citizens living abroad are eligible to test at any location.

“The exam, regardless of where it’s administered, provides opportunities for personal growth and contributes to economic prosperity,” Mills said. “We continue to plan for an August administration in the Middle East and are hopeful that the local conditions will allow us to provide this service to the citizens of the region.”

Initially the exam will be offered internationally during a one month testing window per calendar-year quarter. An international testing FAQ sheet is available at the AICPA Uniform CPA Examination website – www.aicpa.org/cpa-exam.

About Prometric

Prometric, a wholly-owned subsidiary of ETS, is the recognized global leader in technology-enabled testing and assessment services. Its comprehensive suite of services, including test development, test delivery and data management capabilities, allows clients to develop and launch global testing programs as well as accurately measure program results and data. Prometric reliably delivers and administers more than seven million tests a year on behalf of 450 clients in the academic, professional, healthcare, government, corporate and information technology markets. It delivers tests flexibly via the Web or by utilizing a robust network of more than 10,000 test centers in 163 countries. For more information, please visit www.prometric.com.

About NASBA

Celebrating 103 years of service, the National Association of State Boards of Accountancy (NASBA) serves as a forum for the nation’s state boards of accountancy, which administer the Uniform CPA Examination, license more than 650,000 certified public accountants and regulate the practice of public accountancy in the United States. NASBA’s mission is to enhance the effectiveness of state boards of accountancy in meeting their regulatory responsibilities. The Association promotes the exchange of information among the accountancy boards, serving the needs of the 55 U.S. jurisdictions.

NASBA is headquartered in Nashville, Tenn., with a satellite office in New York, N.Y. and a Computer Testing Center in Guam. To learn more about NASBA, visit www.nasba.org.

About AICPA

The American Institute of Certified Public Accountants (www.aicpa.org) is the world’s largest association representing the accounting profession, with nearly 370,000 members in 128 countries. AICPA members represent many areas of practice, including business and industry, public practice, government, education, and consulting; membership is also available to accounting students and CPA candidates. The AICPA sets ethical standards for the profession and U.S. auditing standards for audits of private companies, non-profit organizations, federal, state and local governments. It develops and grades the Uniform CPA Examination.

The AICPA maintains offices in New York, Washington, DC, Durham, N.C., Ewing, N.J. and Lewisville, Texas. Media representatives are invited to visit the AICPA Press Center at www.aicpa.org/press.

MEDIA CONTACTS

AICPA - William Roberts, 202-434-9266, wroberts@aicpa.org

NASBA - Thomas G. Kenny, 615-880-4237, tkenny@nasba.org

Prometric - Jodi Katz, 443-455-6811, jodi.katz@prometric.com

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PROMETRIC



NASBA
National Association of State Boards of Accountancy

January 19, 2011

Dear State Board Chair/President and Executive Director:

This letter will officially communicate information regarding changes in candidate fees for the Uniform CPA Examination. We are happy to report, for the second year in a row, there will be reductions in the fees candidates pay. There will be a decrease in the Prometric hourly fee as a result of increases in overall CPA Examination volume and the AICPA per section fee will be reduced starting January 1, 2013. The details follow.

Prometric Fees

Prometric hourly fees are based on projected test section volume. For 2012, the CBT Steering Group estimates volume will be between 250,000 and 299,000 sections. Per the CBT Services Agreement as Amended and Revised, the Prometric hourly fee will be \$19.10 as of January 1, 2012. This includes a COLA as provided for in the CBT Services Agreement. This means the Prometric fee will be decreasing from the current \$22.05 to \$19.10 – a decrease of \$2.95 per testing hour. (Over the 14 hours of testing for all four sections, this amounts to a \$41.30 savings for candidates.) The \$5.95 security fee per exam section remains the same.

NASBA and AICPA Fees

The NASBA and AICPA fees per examination section are currently \$18 and \$95, respectively. These fees will remain constant for 2011 and 2012. Consistent with our contractual obligation to use our best efforts to provide two years' advance notice of NASBA and AICPA fee changes, we are now announcing NASBA's per section fees will remain at \$18 and the AICPA per section fee will be reduced by \$5.00 to \$90 per section (a reduction of \$20 across all four sections of the exam), as of January 1, 2013.

Implementation Schedule

NASBA will provide information under separate cover explaining the implementation schedule for changes to candidate fees.

The table at the top of the next page summarizes the 2011-2013 fees.

	NASBA Section Fee	AICPA Section Fee	Prometric Hourly fee	Prometric Identity Fee
2011	\$18.00	\$95.00	\$22.05	\$5.95
2012	\$18.00	\$95.00	\$19.10	\$5.95
2013	\$18.00	\$90.00	TBD	TBD


Sincerely,



Craig N. Mills
AICPA Vice President,
Examinations



William Burnham
Prometric Vice President,
Financial Market Segment



Ken Bishop
NASBA Executive Vice President &
Chief Operating Officer