

**Meeting Agenda**  
**SOUTH DAKOTA BOARD OF ACCOUNTANCY**  
Eide Bailly – 5<sup>th</sup> Floor Conference Room  
200 E. 10<sup>th</sup> St. Suite 500 Sioux Falls

via Zoom  
or Call +1-346-248-7799 Meeting ID:729 257 1422 Passcode: 957016

August 12, 2022, 8:30 a.m. (CDT)

A=Action  
D=Discussion  
I=Information

A. Call to Order.....	Budahl
B. Public Comment.....	Oratory
C. A-Nominating Committee.....	Oratory
D. A-Approval of Minutes of Meeting June 16, 2022.....	2-3
E. A-Approval of Certificates & Firm Permits.....	4-5
F. A-Approval of Financial Statements through June 2022.....	6-17
G. A-Report to Board on NASBA Annual Meeting.....	18-20
H. A- Report to Board on Grades.....	21-22
I. A-FY24 Proposed Budget.....	23-24
J. A-Executive Director's Report.....	25-26
K. D-10:30 SD CPA Society.....	27-28

**NASBA**

L. D-Board of Directors Meeting Minutes January 18, 2022.....	29-37
M. D-Board of Directors Meeting Highlights May 6, 2022.....	38-39
N. A-Focus Questions.....	40-42

**EXECUTIVE SESSION pursuant to SDCL 1-25-2**

O. Equivalent Reviews, follow-up, and enforcement cases for Board Approval.....	Spt. Pkt.
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**FUTURE MEETING DATES (all times CDT)**

- P. Meeting Dates  
September 12 – 8:30 Zoom Meeting
- Q. Adjournment

**Meeting Minutes**  
**SOUTH DAKOTA BOARD OF ACCOUNTANCY**  
June 16, 2022 8:30 a.m. CDT

Chair Deidre Budahl called the meeting to order at 8:31 a.m. A quorum was present.

**Members Present:** Jay Tolsma, Russell Olson, Holly Engelhart, Jeff Smith, Jeff Strand, and Deidre Budahl.

**Others Present:** Nicole Kasin, Executive Director; Julie Iverson, Licensing Administrator; and Jerry McCabe, DLR.

Chair Budahl asked if there were any additions to the agenda:

Certificates

Financial Statements through May 2022

Peer Review

Russel Olson made a motion to approve the agenda. Jeff Strand seconded the motion. **MOTION PASSED.**

The Chair opened the floor for public comment. No comments were received.

Jeff Strand made a motion to approve the May 4, 2022 meeting minutes. Holly Engelhart seconded the motion. **MOTION PASSED.**

Jeff Smith made a motion to approve the issuance of certificates through June 9, 2022. Russell Olson seconded the motion. **MOTION PASSED.**

Jeff Strand made a motion to approve the financial statements through May 2022. Holly Engelhart seconded the motion. **MOTION PASSED.**

The Board discussed the request from Jeff Lenning for 16 hours of CPE for published articles.

Jeff Strand made a motion to approve Jeff Lenning's request for 16 hours of CPE for published articles. Russell Olson seconded the motion. **MOTION PASSED.**

Executive Director Kasin discussed her report on annual renewals for individuals and firms, notice to candidates regarding NTS changes starting July 1, 2022, new Board attorney Jerry McCabe, recap of NASBA Western Regional Conference, and CPA Evolution.

Jeff Strand made a motion at 9:09 a.m. to enter executive session for the deliberative process for peer reviews and an enforcement case. Russell Olson seconded the motion. **MOTION PASSED.**

The Board came out of executive session at 9:38 a.m.

Jay Tolsma made a motion to accept the peer reviews as discussed in executive session. Jeff Strand seconded the motion. **MOTION PASSED.**

Russell Olson made a motion to authorize Nicole Kasin to respond to enforcement case 115-22 to request additional documentation and tabled taking additional enforcement action pending the Board's decision on the request. Jeff Smith seconded the motion. **MOTION PASSED.**

**FUTURE MEETING DATES** (all times CT)


August 12, 2022 – 8:30 a.m. Sioux Falls, Eide Bailly 5<sup>th</sup> Floor Conference Room

September 12, 2022 – 8:30 a.m. Zoom meeting

Russell Olson made a motion to adjourn the meeting. Holly Engelhart seconded the motion.  
**MOTION PASSED.**

All business having come before the board was concluded and Chair Deidre Budahl adjourned the meeting at 9:41 a.m.

  
\_\_\_\_\_  
Deidre Budahl, CPA, Chair

*N. K.*  
Attest:   
\_\_\_\_\_  
Nicole Kasin, Executive Director

*A. S.*  
\_\_\_\_\_  
Jeff Smith, Sec/Treasurer

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES  
BOARD COPY**

**Issued Through August 4, 2022**

Number	Name	Date Issued	Location
3590	Bailey Moore	6/14/22	Sioux Falls, SD
3591	Christina C. Schmitz	6/21/22	Omaha, NE
3592	Laura M. Norlin	6/21/22	Hot Springs, SD
3593	Angie Rae McDonnell	6/27/22	Spearfish, SD
3594	Brady Michael Cross	6/30/22	Sioux Falls, SD
3595	Tammi L. Martin	7/06/22	Spearfish, SD
3596	Daniel William Dugan	7/18/22	Sioux Falls, SD
3597	Cassidy Jo Timm	7/18/22	Brookings, SD
3598	Lucas Kane Holden	7/25/22	Sioux Falls, SD
3599	Diana Lynn Wood	8/03/22	Whitewood, SD

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

**Issued Through  
August 4, 2022**

<b>Number</b>	<b>Name</b>	<b>Date Issued</b>	<b>Basis/Comments</b>
1774	Karen A. Timanus CPA, PLLC Gregory, SD	07/06/22	New Firm
1775	Van Gerpen & Associates LLC Yankton, SD	07/11/22	New Firm

BA1409R1

STATE OF SOUTH DAKOTA  
CASH CENTER BALANCES  
AS OF: 06/30/2022

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

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	414,130.17	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			414,130.17	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			414,130.17	DR **	
BUDGET UNIT TOTAL 1031			414,130.17	DR ***	

AGENCY	UNIT	1031	LABOR & REGULATION BOARD OF ACCOUNTANCY - INFO	INFR	COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL #	OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/CR
6503	103100061802	51010100	CGEXX220526						06/01/2022						2,642.83	DR
6503	103100061802	51010100	CGEXX220613						06/16/2022						2,724.52	DR
OBJSUB: 5101010 F-T EMP SAL & WAGES CGEXX220526 CGEXX220613																
6503	103100061802	51010200	CGEXX220526						06/01/2022						1,963.58	DR
6503	103100061802	51010200	CGEXX220613						06/16/2022						2,478.50	DR
OBJSUB: 5101010 F-T EMP SAL & WAGES CGEXX220526 CGEXX220613																
6503	103100061802	51020100	CGEXX220526						06/01/2022						9,809.43	DR
6503	103100061802	51020100	CGEXX220613						06/16/2022						276.69	DR
OBJSUB: 5101020 P-T/TEMP EMP SAL & WAGES OBJECT: 5101 EMPLOYEE SALARIES CGEXX220526 CGEXX220613																
6503	103100061802	51020200	CGEXX220526						06/01/2022						276.38	DR
6503	103100061802	51020200	CGEXX220613						06/16/2022						312.18	DR
OBJSUB: 5102010 OASI-EMPLOYER'S SHARE CGEXX220526 CGEXX220613																
6503	103100061802	51020600	CGEXX220526						06/01/2022						588.56	DR
6503	103100061802	51020600	CGEXX220613						06/16/2022						550.80	DR
OBJSUB: 5102020 RETIREMENT-ER SHARE CGEXX220526 CGEXX220613																
6503	103100061802	51020800	CGEXX220526						06/01/2022						22.12	DR
6503	103100061802	51020800	CGEXX220613						06/16/2022						24.98	DR
OBJSUB: 5102060 HEALTH/LIFE INS.-ER SHARE CGEXX220526 CGEXX220613																
6503	103100061802	51020900	CGEXX220526						06/01/2022						47.10	DR
6503	103100061802	51020900	CGEXX220613						06/16/2022						.42	DR
OBJSUB: 5102080 WORKER'S COMPENSATION CGEXX220526 CGEXX220613																
6503	103100061802	52032600	CGEXX220629						06/29/2022						892.20	DR
OBJSUB: 5203260 AIR-COMM-OUT-OF-STATE CGEXX220614 CGEXX220629																
6503	103100061802	52032800	CGEXX220614						06/16/2022						40.67	DR
6503	103100061802	52032800	CGEXX220629						06/29/2022						18.93	DR
OBJSUB: 5203280 OTHER-PUBLIC-OUT-OF-STATE CGEXX220614 CGEXX220629																
6503	103100061802	52033000	CGEXX220614						06/16/2022						59.60	DR
6503	103100061802	52033000	CGEXX220629						06/29/2022						799.41	DR
OBJSUB: 5203300 LODGING/OUT-OF-STATE CGEXX220614 CGEXX220629																
6503	103100061802	52033200	CGEXX220614						06/16/2022						81.00	DR
6503	103100061802	52033200	CGEXX220629						06/29/2022						36.00	DR
OBJSUB: 5203320 INCIDENTALS-OUT-OF-STATE																
															117.00	DR

STATE OF SOUTH DAKOTA  
MONTHLY EXPENDITURE REPORT  
FOR PERIOD ENDING: 06/30/2022

AGENCY 10 LABOR & REGULATION  
BUDGET UNIT 1031 BOARD OF ACCOUNTANCY - INFO  
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	52033500	CGEX220614	06/16/2022	962345				112.00	DR
6503	103100061802	52033500	CGEX220629	06/29/2022	976506				56.00	DR
6503	103100061802	52041800	DP205097	06/17/2022					168.00	DR *
			DP205097						3,541.05	DR **
6503	103100061802	52041810	DP205097	06/17/2022					541.05	DR *
6503	103100061802	52042000	PL205056	06/22/2022					6.70	DR *
6503	103100061802	52042200	IN952710	06/10/2022	02449440	ABBUSINESS	12036980		176.09	DR *
6503	103100061802	52042200	221001 JUL-JUN22	06/16/2022	716357	SUNSETOFT	12627537		82.52	DR *
6503	103100061802	52042300	N9421011	06/08/2022	00792728	QUADIENTLE	12219369		145.31	DR *
6503	103100061802	52044600	ACCOUNTRENT21-22	06/08/2022	712578	MCGINNISRO	12074040		672.36	DR *
6503	103100061802	52044900	TI205150	06/10/2022					1,380.75	DR *
6503	103100061802	52045300	8381416X05242022	06/10/2022	00050895	AFTMOBILIT	12279233		98.58	DR *
6503	103100061802	52045400	5159417006 0522	06/10/2022	02449334	XCELENERGY	12023853		101.70	DR *
6503	103100061802	52045400	CI102A-028	06/17/2022	310112				200.28	DR *
6503	103100061802	52047400	N292-192	06/10/2022					47.33	DR *
6503	103100061802	52049600	0475768	06/22/2022	00795768	HPINC	12125515		96.39	DR *
6503	103100061802	52050200	31730	06/22/2022	00795869	PREFERREDDP	12308425		1,038.00	DR *
6503	103100061802	52053200							1.86	DR *
6503	103100061802	5228000							1,038.00	DR *
6503	103100061802	5228000							4,386.78	DR **
6503	103100061802	5228000							1.86	DR *
6503	103100061802	5228000							1.86	DR *
6503	103100061802	5228000							137.47	DR *
6503	103100061802	5228000							139.33	DR **
6503	103100061802	5228000							282.06	DR **
6503	103100061802	5228000							569.87	DR **



STATE OF SOUTH DAKOTA  
MONTHLY EXPENDITURE REPORT  
FOR PERIOD ENDING: 06/30/2022

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APLVL # / OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR / CR
	OBJSUB: 5228000								851.93	DR *
	OBJECT: 5228								851.93	DR **
	GROUP: 52								8,630.13	DR ***
	COMP: 6503								20,780.80	DR ****
	CNTR: 103100061802								20,780.80	DR *****
	B. UNIT: 1031								20,780.80	DR *****

**South Dakota Board of Accountancy**  
**Balance Sheet**  
As of June 30, 2022

	Jun 30, 22
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1130000 · Local Checking - Great Western	22,821.03
1140000 · Pool Cash State of SD	414,130.17
<b>Total Checking/Savings</b>	436,951.20
<b>Other Current Assets</b>	
1131000 · Interest Income Receivable	13,325.47
1213000 · Investment Income Receivable	1,076.95
<b>Total Other Current Assets</b>	14,402.42
<b>Total Current Assets</b>	451,353.62
<b>Fixed Assets</b>	
1670000 · Computer Software	
Original Cost	34,075.00
1770000 · Depreciation	-23,663.28
<b>Total 1670000 · Computer Software</b>	10,411.72
<b>Total Fixed Assets</b>	10,411.72
<b>TOTAL ASSETS</b>	<b>461,765.34</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2110000 · Accounts Payable	4,490.26
<b>Total Accounts Payable</b>	4,490.26
<b>Other Current Liabilities</b>	
2430000 · Accrued Wages Payable	11,070.40
2810000 · Amounts Held for Others	33,448.11
<b>Total Other Current Liabilities</b>	44,518.51
<b>Total Current Liabilities</b>	49,008.77
<b>Long Term Liabilities</b>	
2960000 · Compensated Absences Payable	30,386.76
<b>Total Long Term Liabilities</b>	30,386.76
<b>Total Liabilities</b>	79,395.53
<b>Equity</b>	
3220000 · Net Position	307,413.58
3300100 · Invested In Capital Assets	10,411.44
3900 · Retained Earnings	11,866.23
Net Income	52,678.56
<b>Total Equity</b>	382,369.81
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>461,765.34</b>

**South Dakota Board of Accountancy**  
**Profit & Loss Budget vs. Actual**  
 July 2021 through June 2022

	Jul '21 - Jun 22	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4293550 · Initial Individual Certificate	2,625.00	2,500.00	125.00	105.0%
4293551 · Certificate Renewals-Active	75,530.00	62,500.00	13,030.00	120.8%
4293552 · Certificate Renewals-Inactive	24,800.00	21,000.00	3,800.00	118.1%
4293553 · Certificate Renewals-Retired	2,110.00	1,450.00	660.00	145.5%
4293554 · Initial Firm Permits	650.00	700.00	-50.00	92.9%
4293555 · Firm Permit Renewals	17,900.00	14,500.00	3,400.00	123.4%
4293556 · Notification	0.00	0.00	0.00	0.0%
4293557 · Initial Audit	570.00	900.00	-330.00	63.3%
4293558 · Re-Exam Audit	1,696.12	2,460.00	-763.88	68.9%
4293559 · Out of State Proctoring Fees	0.00	0.00	0.00	0.0%
4293560 · Late Fees-Initial Certificate	200.00	0.00	200.00	100.0%
4293561 · Late Fees-Certificate Renewals	3,200.00	3,000.00	200.00	106.7%
4293562 · Late Fees-Firm Permits	0.00	0.00	0.00	0.0%
4293563 · Late Fees-Firm Permit Renewals	650.00	500.00	150.00	130.0%
4293564 · Late Fees-Peer Review	1,700.00	1,300.00	400.00	130.8%
4293566 · Firm Permit Owners	162,185.00	109,000.00	53,185.00	148.8%
4293567 · Peer Review Admin Fee	3,375.00	5,500.00	-2,125.00	61.4%
4293568 · Firm Permit Name Change	100.00	100.00	0.00	100.0%
4293569 · Initial FAR	1,200.00	1,140.00	60.00	105.3%
4293570 · Initial REG	570.00	660.00	-90.00	86.4%
4293571 · Initial BEC	450.00	930.00	-480.00	48.4%
4293572 · Re-Exam FAR	1,650.00	1,860.00	-210.00	88.7%
4293573 · Re-Exam REG	1,620.00	2,310.00	-690.00	70.1%
4293574 · Re-Exam BEC	1,320.00	2,310.00	-990.00	57.1%
4491000 · Interest and Dividend Revenue	7,149.03	5,500.00	1,649.03	130.0%
4595100 · Mailings	0.00	0.00	0.00	0.0%
4885000 · Other Exam Revenue	0.00	0.00	0.00	0.0%
4896021 · Legal Recovery Cost	4,151.89	1,000.00	3,151.89	415.2%
4920045 · Undistributed Earnings	0.00	0.00	0.00	0.0%
4950000 · Prior Period Refund Account	0.00	0.00	0.00	0.0%
<b>Total Income</b>	<b>315,402.04</b>	<b>241,120.00</b>	<b>74,282.04</b>	<b>130.8%</b>
<b>Expense</b>				
5101000 · Annual/Sick Leave Compensation	0.00	0.00	0.00	0.0%
5101010 · F-T Emp Sal & Wages	66,999.18	86,257.00	-19,257.82	77.7%
5101020 · P-T/Temp Emp Sal & Wages	50,435.37	45,096.00	5,339.37	111.8%
5101030 · Board & Comm Mbrs Fees	3,840.00	4,969.00	-1,129.00	77.3%
5102010 · OASI-Employer's Share	7,464.35	10,048.00	-2,583.65	74.3%
5102020 · Retirement-ER Share	7,046.05	7,881.00	-834.95	89.4%
5102060 · Health /Life Ins.-ER Share	26,201.23	10,809.00	15,392.23	242.4%
5102080 · Worker's Compensation	248.31	276.00	-27.69	90.0%
5102090 · Unemployment Insurance	10.82	131.00	-120.18	8.3%
5203010 · Auto--State Owned	51.60	250.00	-198.40	20.6%
5203020 · Auto-Private-Ownes Low Mileage	141.22	400.00	-258.78	35.3%
5203030 · In State-Auto- Priv. High Miles	687.96	1,500.00	-812.04	45.9%
5203060 · In State-Air Commercial Carrier	0.00	0.00	0.00	0.0%
5203080 · In State-Other Public Carrier	0.00	0.00	0.00	0.0%

# South Dakota Board of Accountancy

## Profit & Loss Budget vs. Actual

July 2021 through June 2022

	Jul '21 - Jun 22	Budget	\$ Over Budget	% of Budget
5203100 · In State-Lodging	169.00	1,000.00	-831.00	16.9%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%
5203130 · Nonemployment Travel	0.00	0.00	0.00	0.0%
5203140 · InState-Tax Meals Not Overnigt	42.00	100.00	-58.00	42.0%
5203150 · InState-Non-Tax Meals OverNight	94.00	400.00	-306.00	23.5%
5203220 · OS-Auto Private Low Mileage	392.28	0.00	392.28	100.0%
5203230 · OS-Auto Private High Mileage	0.00	200.00	-200.00	0.0%
5203260 · OS-Air Commercial Carrier	892.20	7,000.00	-6,107.80	12.7%
5203280 · OS-Other Public Carrier	59.60	700.00	-640.40	8.5%
5203300 · OS-Lodging	2,814.70	9,000.00	-6,185.30	31.3%
5203320 · OS-Incidentals to Travel	117.00	500.00	-383.00	23.4%
5203330 · OS-Nonemployment Travel	0.00	0.00	0.00	0.0%
5203340 · OS-Taxable Meals-Not Overnight	0.00	0.00	0.00	0.0%
5203350 · OS-Non-Taxable Meals Overnight	242.00	1,000.00	-758.00	24.2%
5204010 · Subscriptions	846.30	1,000.00	-153.70	84.6%
5204020 · Dues and Membership Fees	3,450.00	3,900.00	-450.00	88.5%
5204030 · Legal Document Fees	0.00	300.00	-300.00	0.0%
5204040 · Consultant Fees-Accounting	3,700.00	3,700.00	0.00	100.0%
5204050 · Consultant Fees - Computer	22,540.68	22,000.00	540.68	102.5%
5204060 · Consultant Fees-Educat/Training	0.00	0.00	0.00	0.0%
5204080 · Consultant Fees-Legal	0.00	0.00	0.00	0.0%
5204130 · Consultant Fees-Other	0.00	0.00	0.00	0.0%
5204160 · Workshop Registration Fees	2,870.00	7,500.00	-4,630.00	38.3%
5204180 · Computer Services-State	5,259.40	5,000.00	259.40	105.2%
5204181 · Computer Development Serv-State	169.20	2,000.00	-1,830.80	8.5%
5204190 · Computer Services-Private	0.00	0.00	0.00	0.0%
5204200 · Central Services	7,925.08	9,000.00	-1,074.92	88.1%
5204220 · Equipment Service & Maintenance	51.87	300.00	-248.13	17.3%
5204230 · Janitorial/Maintenance Services	1,743.72	1,825.00	-81.28	95.6%
5204320 · Audit Services-Private	0.00	0.00	0.00	0.0%
5204330 · Computer Software Lease	714.70	0.00	714.70	100.0%
5204340 · Computer Software Maintenance	0.00	1,000.00	-1,000.00	0.0%
5204360 · Advertising-Newspapers	0.00	500.00	-500.00	0.0%
5204390 · Advertising-Brochures	0.00	0.00	0.00	0.0%
5204440 · Newsletter Publishing	0.00	100.00	-100.00	0.0%
5204460 · Equipment Rental	3,766.49	4,000.00	-233.51	94.2%
5204480 · Microfilm and Photography	0.00	0.00	0.00	0.0%
5204490 · Rents Privately Owned Property	16,569.00	16,569.00	0.00	100.0%
5204500 · Rents-County/Municipal	0.00	0.00	0.00	0.0%
5204510 · Rent-Other	0.00	500.00	-500.00	0.0%
5204530 · Telecommunications Services	2,308.84	5,500.00	-3,191.16	42.0%
5204540 · Electricity	732.13	900.00	-167.87	81.3%
5204560 · Water	134.10	240.00	-105.90	55.9%
5204580 · Trucking, Drayage, and Freight	0.00	0.00	0.00	0.0%
5204590 · Insurance Premiums/Surety Bonds	1,572.94	1,710.00	-137.06	92.0%
5204730 · Maintenance Contracts	0.00	0.00	0.00	0.0%
5204740 · Bank Fees and Charges	4,197.29	6,500.00	-2,302.71	64.6%
5204960 · Other Contractual Services	1,038.00	0.00	1,038.00	100.0%
5205020 · Office Supplies	569.19	3,000.00	-2,430.81	19.0%
5205028 · OFFICE SUPPLIES-2	0.00	0.00	0.00	0.0%
5205060 · Maintenance/Janitorial Supplies	0.00	0.00	0.00	0.0%
5205310 · Printing State	0.00	350.00	-350.00	0.0%
5205320 · Printing/Duplicating/Binding Co	327.27	500.00	-172.73	65.5%
5205330 · Supplemental Publications	0.00	700.00	-700.00	0.0%
5205340 · Microfilm Supplies/Materials	0.00	0.00	0.00	0.0%
5205350 · Postage	1,000.00	2,000.00	-1,000.00	50.0%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207440 · Filling Equipment	0.00	0.00	0.00	0.0%
5207450 · Office Equipment and Fixtures	0.00	0.00	0.00	0.0%
5207490 · Telephone Equipment	0.00	0.00	0.00	0.0%
5207900 · Computer Hardware	0.00	6,800.00	-6,800.00	0.0%
5207950 · System Development	0.00	1,000.00	-1,000.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	0.00	1,000.00	-1,000.00	0.0%
5228000 · Operating Transfers Out-NonBudg	7,609.29	8,000.00	-390.71	95.1%

**South Dakota Board of Accountancy**  
**Profit & Loss Budget vs. Actual**  
 July 2021 through June 2022

	Jul '21 - Jun 22	Budget	\$ Over Budget	% of Budget
5228030 · Depreciation Expense	5,679.12	5,679.12	0.00	100.0%
66000 · Payroll Expenses	0.00	0.00	0.00	0.0%
<b>Total Expense</b>	<b>262,723.48</b>	<b>311,290.12</b>	<b>-48,566.64</b>	<b>84.4%</b>
<b>Net Ordinary Income</b>	<b>52,678.56</b>	<b>-70,170.12</b>	<b>122,848.68</b>	<b>-75.1%</b>
<b>Other Income/Expense</b>				
Other Expense				
5228090 · SecuritiyLendingRebateFees	0.00	0.00	0.00	0.0%
<b>Total Other Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>
<b>Net Other Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>
<b>Net Income</b>	<b>52,678.56</b>	<b>-70,170.12</b>	<b>122,848.68</b>	<b>-75.1%</b>

**South Dakota Board of Accountancy**  
**PREVIOUS YEAR MONTHLY COMPARISON**  
**June 2022**

	Jun 22	Jun 21	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4293550 · Initial Individual Certificate	275.00	200.00	75.00	37.5%
4293551 · Certificate Renewals-Active	10,150.00	-3,150.00	13,300.00	422.2%
4293552 · Certificate Renewals-Inactive	4,750.00	-800.00	5,550.00	693.8%
4293553 · Certificate Renewals-Retired	500.00	-30.00	530.00	1,766.7%
4293554 · Initial Firm Permits	0.00	50.00	-50.00	-100.0%
4293555 · Firm Permit Renewals	2,950.00	-700.00	3,650.00	521.4%
4293557 · Initial Audit	90.00	180.00	-90.00	-50.0%
4293558 · Re-Exam Audit	420.00	13.88	406.12	2,925.9%
4293560 · Late Fees-Initial Certificate	50.00	50.00	0.00	0.0%
4293564 · Late Fees-Peer Review	650.00	450.00	200.00	44.4%
4293566 · Firm Permit Owners	32,090.00	-6,755.00	38,845.00	575.1%
4293567 · Peer Review Admin Fee	1,650.00	1,950.00	-300.00	-15.4%
4293568 · Firm Permit Name Change	0.00	25.00	-25.00	-100.0%
4293569 · Initial FAR	10.01	150.00	-139.99	-93.3%
4293570 · Initial REG	90.00	60.00	30.00	50.0%
4293571 · Initial BEC	60.00	150.00	-90.00	-60.0%
4293572 · Re-Exam FAR	120.00	120.00	0.00	0.0%
4293573 · Re-Exam REG	150.00	120.00	30.00	25.0%
4293574 · Re-Exam BEC	90.00	90.00	0.00	0.0%
4491000 · Interest and Dividend Revenue	0.00	-11,092.16	11,092.16	100.0%
4920045 · Undistributed Earnings	0.00	14,467.25	-14,467.25	-100.0%
<b>Total Income</b>	<b>54,095.01</b>	<b>-4,451.03</b>	<b>58,546.04</b>	<b>1,315.3%</b>
<b>Expense</b>				
5101000 · Annual/Sick Leave Compensation	0.00	2,688.78	-2,688.78	-100.0%
5101010 · F-T Emp Sal & Wages	5,367.35	5,161.91	205.44	4.0%
5101020 · P-T/Temp Emp Sal & Wages	4,442.08	3,950.81	491.27	12.4%
5102010 · OASI-Employer's Share	598.72	1,136.36	-537.64	-47.3%
5102020 · Retirement-ER Share	588.56	546.73	41.83	7.7%
5102060 · Health /Life Ins.-ER Share	1,105.98	2,722.19	-1,616.21	-59.4%
5102080 · Worker's Compensation	47.10	16.41	30.69	187.0%
5102090 · Unemployment Insurance	0.88	9.10	-8.22	-90.3%
5203220 · OS-Auto Private Low Mileage	392.28	0.00	392.28	100.0%
5203260 · OS-Air Commercial Carrier	892.20	0.00	892.20	100.0%
5203280 · OS-Other Public Carrier	18.93	0.00	18.93	100.0%
5203300 · OS-Lodging	1,598.82	0.00	1,598.82	100.0%
5203320 · OS-Incidentals to Travel	36.00	0.00	36.00	100.0%
5203350 · OS-Non-Taxable Meals Overnight	130.00	0.00	130.00	100.0%
5204050 · Consultant Fees - Computer	0.00	3,593.27	-3,593.27	-100.0%
5204160 · Workshop Registration Fees	0.00	30.00	-30.00	-100.0%
5204180 · Computer Services-State	0.00	520.05	-520.05	-100.0%
5204181 · Computer Development Serv-State	0.00	16.25	-16.25	-100.0%
5204200 · Central Services	176.09	155.17	20.92	13.5%
5204220 · Equipment Service & Maintenance	3.52	4.49	-0.97	-21.6%
5204230 · Janitorial/Maintenance Services	145.31	142.46	2.85	2.0%
5204330 · Computer Software Lease	0.00	186.87	-186.87	-100.0%
5204460 · Equipment Rental	79.00	79.00	0.00	0.0%
5204490 · Rents Privately Owned Property	1,380.75	1,380.75	0.00	0.0%
5204530 · Telecommunications Services	101.70	300.82	-199.12	-66.2%
5204540 · Electricity	40.25	52.04	-11.79	-22.7%

**South Dakota Board of Accountancy**  
**PREVIOUS YEAR MONTHLY COMPARISON**  
**June 2022**

	Jun 22	Jun 21	\$ Change	% Change
5204560 · Water	0.00	17.00	-17.00	-100.0%
5204740 · Bank Fees and Charges	96.39	1,423.28	-1,326.89	-93.2%
5204960 · Other Contractual Services	1,038.00	0.00	1,038.00	100.0%
5205020 · Office Supplies	1.86	139.31	-137.45	-98.7%
5205320 · Printing/Duplicating/Binding Co	0.00	146.68	-146.68	-100.0%
5228000 · Operating Transfers Out-NonBudg	851.93	993.34	-141.41	-14.2%
5228030 · Depreciation Expense	473.26	473.26	0.00	0.0%
<b>Total Expense</b>	<b>19,606.96</b>	<b>25,886.33</b>	<b>-6,279.37</b>	<b>-24.3%</b>
<b>Net Ordinary Income</b>	<b>34,488.05</b>	<b>-30,337.36</b>	<b>64,825.41</b>	<b>213.7%</b>
<b>Other Income/Expense</b>				
Other Expense				
5228090 · SecurtyLendingRebateFees	0.00	-10.59	10.59	100.0%
<b>Total Other Expense</b>	<b>0.00</b>	<b>-10.59</b>	<b>10.59</b>	<b>100.0%</b>
<b>Net Other Income</b>	<b>0.00</b>	<b>10.59</b>	<b>-10.59</b>	<b>-100.0%</b>
<b>Net Income</b>	<b>34,488.05</b>	<b>-30,326.77</b>	<b>64,814.82</b>	<b>213.7%</b>

**South Dakota Board of Accountancy**  
**PREVIOUS YEAR TO DATE MONTHLY COMPARISON**  
**July 2021 through June 2022**

	<u>Jul '21 - Jun 22</u>	<u>Jul '20 - Jun 21</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4293550 · Initial Individual Certificate	2,625.00	2,525.00	100.00	4.0%
4293551 · Certificate Renewals-Active	75,530.00	64,450.00	11,080.00	17.2%
4293552 · Certificate Renewals-Inactive	24,800.00	21,400.00	3,400.00	15.9%
4293553 · Certificate Renewals-Retired	2,110.00	1,450.00	660.00	45.5%
4293554 · Initial Firm Permits	650.00	600.00	50.00	8.3%
4293555 · Firm Permit Renewals	17,900.00	14,900.00	3,000.00	20.1%
4293557 · Initial Audit	570.00	510.00	60.00	11.8%
4293558 · Re-Exam Audit	1,696.12	1,453.88	242.24	16.7%
4293560 · Late Fees-Initial Certificate	200.00	100.00	100.00	100.0%
4293561 · Late Fees-Certificate Renewals	3,200.00	4,400.00	-1,200.00	-27.3%
4293563 · Late Fees-Firm Permit Renewals	650.00	750.00	-100.00	-13.3%
4293564 · Late Fees-Peer Review	1,700.00	2,350.00	-650.00	-27.7%
4293566 · Firm Permit Owners	162,185.00	122,015.00	40,170.00	32.9%
4293567 · Peer Review Admin Fee	3,375.00	5,325.00	-1,950.00	-36.6%
4293568 · Firm Permit Name Change	100.00	50.00	50.00	100.0%
4293569 · Initial FAR	1,200.00	960.00	240.00	25.0%
4293570 · Initial REG	570.00	330.00	240.00	72.7%
4293571 · Initial BEC	450.00	360.00	90.00	25.0%
4293572 · Re-Exam FAR	1,650.00	1,140.00	510.00	44.7%
4293573 · Re-Exam REG	1,620.00	990.00	630.00	63.6%
4293574 · Re-Exam BEC	1,320.00	1,080.00	240.00	22.2%
4491000 · Interest and Dividend Revenue	7,149.03	-75.42	7,224.45	9,579.0%
4896021 · Legal Recovery Cost	4,151.89	1,000.00	3,151.89	315.2%
4920045 · Undistributed Earnings	0.00	14,467.25	-14,467.25	-100.0%
<b>Total Income</b>	<b>315,402.04</b>	<b>262,530.71</b>	<b>52,871.33</b>	<b>20.1%</b>
<b>Expense</b>				
5101000 · Annual/Sick Leave Compensation	0.00	2,688.78	-2,688.78	-100.0%
5101010 · F-T Emp Sal & Wages	66,999.18	66,105.49	893.69	1.4%
5101020 · P-T/Temp Emp Sal & Wages	50,435.37	44,516.44	5,918.93	13.3%
5101030 · Board & Comm Mbrs Fees	3,840.00	4,260.00	-420.00	-9.9%
5102010 · OASI-Employer's Share	7,464.35	8,127.61	-663.26	-8.2%
5102020 · Retirement-ER Share	7,046.05	6,392.80	653.25	10.2%
5102060 · Health /Life Ins.-ER Share	26,201.23	27,792.51	-1,591.28	-5.7%
5102080 · Worker's Compensation	248.31	199.13	49.18	24.7%
5102090 · Unemployment Insurance	10.82	110.85	-100.03	-90.2%
5203010 · Auto--State Owned	51.60	0.00	51.60	100.0%
5203020 · Auto-Private-Ownes Low Mileage	141.22	0.00	141.22	100.0%
5203030 · In State-Auto- Priv. High Miles	687.96	0.00	687.96	100.0%
5203100 · In State-Lodging	169.00	0.00	169.00	100.0%
5203140 · InState-Tax Meals Not OverNigt	42.00	0.00	42.00	100.0%
5203150 · InState-Non-Tax Meals OverNight	94.00	0.00	94.00	100.0%
5203220 · OS-Auto Private Low Mileage	392.28	0.00	392.28	100.0%
5203260 · OS-Air Commercial Carrier	892.20	0.00	892.20	100.0%
5203280 · OS-Other Public Carrier	59.60	0.00	59.60	100.0%
5203300 · OS-Lodging	2,814.70	0.00	2,814.70	100.0%
5203320 · OS-Incidentals to Travel	117.00	0.00	117.00	100.0%
5203350 · OS-Non-Taxable Meals Overnight	242.00	0.00	242.00	100.0%
5204010 · Subscriptions	846.30	795.58	50.72	6.4%



**South Dakota Board of Accountancy**  
**PREVIOUS YEAR TO DATE MONTHLY COMPARISON**  
**July 2021 through June 2022**

	Jul '21 - Jun 22	Jul '20 - Jun 21	\$ Change	% Change
5204020 · Dues and Membership Fees	3,450.00	3,450.00	0.00	0.0%
5204040 · Consultant Fees-Accounting	3,700.00	3,600.00	100.00	2.8%
5204050 · Consultant Fees - Computer	22,540.68	11,292.64	11,248.04	99.6%
5204160 · Workshop Registration Fees	2,870.00	130.00	2,740.00	2,107.7%
5204180 · Computer Services-State	5,259.40	6,070.83	-811.43	-13.4%
5204181 · Computer Development Serv-State	169.20	301.65	-132.45	-43.9%
5204200 · Central Services	7,925.08	7,352.66	572.42	7.8%
5204220 · Equipment Service & Maintenance	51.87	56.72	-4.85	-8.6%
5204230 · Janitorial/Maintenance Services	1,743.72	1,709.52	34.20	2.0%
5204330 · Computer Software Lease	714.70	186.87	527.83	282.5%
5204460 · Equipment Rental	3,766.49	3,658.80	107.69	2.9%
5204490 · Rents Privately Owned Property	16,569.00	16,569.00	0.00	0.0%
5204530 · Telecommunications Services	2,308.84	3,003.02	-694.18	-23.1%
5204540 · Electricity	732.13	749.16	-17.03	-2.3%
5204560 · Water	134.10	135.29	-1.19	-0.9%
5204590 · Insurance Premiums/Surety Bonds	1,572.94	574.53	998.41	173.8%
5204740 · Bank Fees and Charges	4,197.29	6,415.53	-2,218.24	-34.6%
5204960 · Other Contractual Services	1,038.00	225.00	813.00	361.3%
5205020 · Office Supplies	569.19	340.52	228.67	67.2%
5205028 · OFFICE SUPPLIES-2	0.00	12.53	-12.53	-100.0%
5205320 · Printing/Duplicating/Binding Co	327.27	306.18	21.09	6.9%
5205350 · Postage	1,000.00	2,000.00	-1,000.00	-50.0%
5207900 · Computer Hardware	0.00	640.78	-640.78	-100.0%
5228000 · Operating Transfers Out-NonBudg	7,609.29	8,266.81	-657.52	-8.0%
5228030 · Depreciation Expense	5,679.12	5,679.12	0.00	0.0%
<b>Total Expense</b>	<b>262,723.48</b>	<b>243,716.35</b>	<b>19,007.13</b>	<b>7.8%</b>
<b>Net Ordinary Income</b>	<b>52,678.56</b>	<b>18,814.36</b>	<b>33,864.20</b>	<b>180.0%</b>
<b>Other Income/Expense</b>				
<b>Other Expense</b>				
5228090 · Security Lending Rebate Fees	0.00	-10.59	10.59	100.0%
<b>Total Other Expense</b>	<b>0.00</b>	<b>-10.59</b>	<b>10.59</b>	<b>100.0%</b>
<b>Net Other Income</b>	<b>0.00</b>	<b>10.59</b>	<b>-10.59</b>	<b>-100.0%</b>
<b>Net Income</b>	<b>52,678.56</b>	<b>18,824.95</b>	<b>33,853.61</b>	<b>179.8%</b>

## **REPORT TO BOARD ON NASBA ANNUAL MEETING**

The Annual Meeting for NASBA will be held October 30-November 2, 2022. The location of the meeting will be in San Diego, CA.

This is a request for a board motion to approve travel for Board Members and the Executive Director to attend the NASBA Annual meeting.

**115<sup>th</sup> NASBA Annual Meeting**  
**TENTATIVE AGENDA**  
**October 30 – November 2, 2022**  
**San Diego, CA**

Sunday, October 30, 2022

- |                |                     |
|----------------|---------------------|
| 3:00-5:00 p.m. | Registration        |
| 3:30-5:30 p.m. | CPT Ethics Workshop |
| 6:00-8:00 p.m. | Welcome Reception   |

Monday, October 31, 2022

- |                    |  |
|--------------------|--|
| 8:00 - 9:00 a.m.   | Breakfast (All)                              |
| 9:00 - 9:30 a.m.   | Welcome and introductions (W. Michael Fritz) |
| 9:30 - 10:00 a.m.  | Address - Guest Speaker                      |
| 10:00 - 10:15 a.m. | Report from NASBA Chair W. Michael Fritz     |
| 10:15 - 10:45 a.m. | International Regulation                     |
| 10:45 - 11:00 a.m. | BREAK  |
| 11:00 - 11:15 a.m. | Report from AICPA Chair                      |
| 11:15 - Noon       | Report from Diversity Committee              |
| Noon – 1:45 p.m.   | Luncheon speaker – TBD                       |
| 2:00 – 3:00 p.m.   | Uniform CPA Examination Update               |
| 3:00 - 3:30 p.m.   | Uniform Accountancy Act Update               |
| 3:30 p.m.          | RECESS                                       |
| 3:45 p.m.          | CPT Event                                    |

Tuesday, November 1, 2022

- |                |                               |
|----------------|-------------------------------|
| 8:00-9:50 a.m. | Regional Breakfast Meetings   |
| 8:00-9:50 a.m. | Breakfast for Other Attendees |

10:00-11:15 a.m.	Annual Business Meeting
11:15-Noon	President & CEO's Report
Noon-12:15 p.m.	First Meeting of the 2022-2023 NASBA Board of Directors
12:15-1:15 p.m.	Luncheon
1:15-2:15 p.m.	Inaugural presentations
2:15 – 3:00 p.m.	Pipeline Initiatives in Action
3:00 -3:30 p.m.	Education Committee Update
3:30 -4:00 p.m.	Legislative Trends
4:00 p.m.	RECESS
6:30 p.m.	CELEBRATION

Wednesday, November 2, 2022

8:00 – 9:15 a.m.	Presidents/Chairs Breakfast Meeting
8:00-9:15 a.m.	Executive Directors Breakfast Meeting
8:00-9:15 a.m.	Breakfast for other participants
9:15 -9:45 a.m.	Legal Update
9:45 – 10:15 a.m.	APLG Guidance
10:15 -10:45 a.m.	CPE Committee Update
10:45-11:00 a.m.	Peer Review Resource Update
11:00- 11:10 a.m.	Questions for leadership
11:10-11:20 a.m.	Closing remarks and invitation to 2023 Annual – Richard Reisig
11:20-11:35 a.m.	RAFFLE
11:35 a.m.	ADJOURN

## REPORT TO BOARD ON GRADES

Nicole Kasin

The grades were posted for review for the 73<sup>rd</sup> window. These grades are through June 2022. I have included the average scores per school since CBT started along with the number of students that have sat for their school respectively. The last chart shows the averages for the past 8 windows.

### Overall Average Window 1-73

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

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

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

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

Count of Score	Section				Grand Total
School	AUD	BEC	FAR	REG	Grand Total
Augie	123	122	121	136	502
BHSU	154	150	142	134	580
COTech	23	21	14	14	72
DSU	39	30	34	28	131
DWU	40	28	33	29	130
Mt. Marty	26	29	18	20	93
NAU	16	23	27	25	91
NSU	115	140	99	121	475
OS	364	353	375	352	1444
SDSU	48	45	37	44	174
USD	381	375	391	371	1518
USF	116	105	114	90	425
Grand Total	1445	1421	1405	1364	5635

Average for past 8 windows (3 or more parts)

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

Average of Score	Section				Grand Total
School	AUD	BEC	FAR	REG	Grand Total
Augie	81	86	82	77	81
BHSU	73	77	73	72	74
DSU	64	69	69	75	67
DWU	66	64	69	69	67
NSU	78	72	67	68	71
OS	74	81	70	78	75
SDSU				86	86
USD	76	80	70	69	73
USF	70	79	75	72	74
Grand Total	73	78	71	74	74

The Board needs to ratify the scores of the 2022-2 (73<sup>rd</sup> Window) grades.

FY24 BUDGET WORKSHEET							
			State Act	QB Act	FY23	Expand-	FY24
Income	Description	FY21	FY22	FY22	Budget	Reduce	Budget
4293550	Initial Individual Certificate	1,675.00	2,600.00	2,625.00	2,500.00	0.00	2,500.00
4293551	Cert Renew-Active	57,240.00	63,380.00	75,530.00	62,500.00	0.00	62,500.00
4293552	Cert Renew-Inactive	18,760.00	19,500.00	24,800.00	19,500.00	0.00	19,500.00
4293553	Cert Renew-Retired	1,390.00	1,720.00	2,110.00	1,500.00	150.00	1,650.00
4293554	Initial Firm Permit	600.00	650.00	650.00	700.00	0.00	700.00
4293555	Firm Permit Renew	12,850.00	14,850.00	17,900.00	14,500.00	0.00	14,500.00
4293557	Initial Audit	2,808.07	4,866.85	570.00	900.00	(200.00)	700.00
4293558	Re-exam Audit	12,863.57	13,159.66	1,696.12	2,460.00	(500.00)	1,960.00
4293560	Late Fee-Initial Certificate	50.00	200.00	200.00	0.00	0.00	0.00
4293561	Late Fees-Cert Renew	2,750.00	3,200.00	3,200.00	3,000.00	0.00	3,000.00
4293562	Late Fees-Firm Permits	0.00	0.00	0.00	0.00	0.00	0.00
4293563	Late Fees-Firm Perm Renewals	300.00	650.00	650.00	500.00	0.00	500.00
4293564	Late Fees- Peer Review	950.00	1,950.00	1,700.00	1,300.00	0.00	1,300.00
4293566	Firm Permit Owners	110,070.00	131,050.00	162,185.00	109,000.00	18000.00	127,000.00
4293567	Peer Review Admin Fee	3,975.00	3,750.00	3,375.00	5,500.00	0.00	5,500.00
4293568	Firm Permit Name Change	175.00	125.00	100.00	100.00	0.00	100.00
4293569	Initial FAR	5,564.55	8,941.38	1,200.00	1,140.00	0.00	1,140.00
4293570	Initial REG	3,099.65	5,123.00	570.00	660.00	0.00	660.00
4293571	Initial BEC	2,782.53	4,354.55	450.00	930.00	0.00	930.00
4293572	Re-Exam FAR	10,042.81	13,575.95	1,650.00	1,860.00	0.00	1,860.00
4293573	Re-exam REG	13,319.61	13,232.13	1,620.00	2,310.00	0.00	2,310.00
4293574	Re-exam BEC	10,794.13	10,644.47	1,320.00	2,310.00		2,310.00
4491000	Interest and Dividend Revenue	9,932.08	7,149.03	7,149.03	9,500.00	(1500.00)	8,000.00
4896021	Legal Recovery Cost	1,150.00	4,151.89	4,151.89	1,000.00	0.00	1,000.00
4950	Refund Prior Years Expenses	0.00	-	0.00	0.00	0.00	0.00
	<b>Total Income</b>	<b>283,142.00</b>	<b>328,823.91</b>	<b>315,402.04</b>	<b>243,670.00</b>	<b>15,950.00</b>	<b>259,620.00</b>
			State Act	QB Act	FY23	Expand-	FY24
Expenses -Sal & Benefits		FY21	FY22	FY22	Budget	Reduce	Budget
5101010	F-T Emp Sal & Wages	64,621.15	66,999.18	66,999.18	82,212.00	0.00	82,212.00
5101020	P-T Emp Sal & Wages	37,409.00	50,435.37	50,435.37	50,018.00	0.00	50,018.00
5101030	Board & Comm. Members	4,620.00	3,840.00	3,840.00	5,509.00	0.00	5,509.00
5102010	OASI - Employers	7,285.44	7,464.35	7,464.35	10,116.00	0.00	10,116.00
5102020	Retirement - Employers	5,690.65	7,046.05	7,046.05	7,934.00	0.00	7,934.00
5102060	Health Insurance	25,148.11	26,201.23	26,201.23	25,433.00	0.00	25,433.00
5102080	Workers Comp	132.65	248.31	248.31	198.00	0.00	198.00
5102090	Unemployment	44.83	10.82	10.82	132.00	0.00	132.00
	<b>Sal &amp; Benefits Totals</b>	<b>144,951.83</b>	<b>162,245.31</b>	<b>162,245.31</b>	<b>181,552.00</b>	<b>0.00</b>	<b>181,552.00</b>
			State Act	QB Act	FY23	Expand-	FY24
Expenses - Operational		FY21	FY22	FY22	Budget	Reduce	Budget
5203010	Auto - State Vehicle	47.79	51.60	51.60	250.00	0.00	250.00
5203020	Auto Private In State -employees	104.42	141.22	141.22	400.00	0.00	400.00
5203030	Auto Private In State- Board	687.96	687.96	687.96	1,500.00	0.00	1,500.00
5203100	Lodging In State	338.00	169.00	169.00	1,000.00	0.00	1,000.00
5203120	Incidentals to Travel- In State	0.00	0.00	0.00	100.00	0.00	100.00
5203140	Meals Not Overnight - In State	0.00	42.00	42.00	100.00	0.00	100.00
5203150	Meals Overnight - In State	138.00	94.00	94.00	400.00	0.00	400.00
5203230	Auto Private Out of State - Board	173.04	0.00	392.28	200.00	0.00	200.00
5203260	Air Travel-Out of State	5,945.96	892.20	892.20	7,000.00	0.00	7,000.00

5203280	Other Public Transp Out of State	273.69	59.60	59.60	700.00	0.00	700.00
5203300	Lodging Out of State	8,089.77	2,015.29	2,814.70	9,000.00	0.00	9,000.00
5203320	Incidentals to Travel- Out of State	504.00	117.00	117.00	500.00	0.00	500.00
5203350	Meals Overnight - Out of State	812.00	168.00	242.00	1,000.00	0.00	1,000.00
5204010	Subscriptions	381.30	0.00	846.30	1,000.00	0.00	1,000.00
5204020	Dues & Membership Fees	3,450.00	250.00	3,450.00	3,900.00	0.00	3,900.00
5204030	Legal Document Fees	0.00	0.00	0.00	300.00	0.00	300.00
5204040	Consultant Fees - Audit	5,200.00	3,700.00	3,700.00	3,700.00	400.00	4,100.00
5204050	Computer Consultant - Database	14,857.30	26,133.95	22,540.68	25,000.00	2000.00	27,000.00
5204080	Consultant Fees - Legal	0.00	0.00	0.00	0.00	0.00	0.00
5204160	Workshop Registration Fees	3,006.44	2,870.00	2,870.00	7,500.00	0.00	7,500.00
5204180	Computer Services - State	5,697.30	6,299.50	5,259.40	6,000.00	0.00	6,000.00
5204181	Computer Dev. State	510.27	185.45	169.20	2,000.00	0.00	2,000.00
5204200	Central Services	7,332.91	7,405.03	7,925.08	9,000.00	0.00	9,000.00
5204220	Equipment Service & Maint	843.42	999.87	51.87	300.00	0.00	300.00
5204230	Janitorial	1,676.02	1,743.72	1,743.72	1,825.00	275.00	2,100.00
52043300	Computer Software Lease	0.00	714.70	714.70	190.00	0.00	190.00
5204340	Computer-Tech Support	0.00	0.00	0.00	1,000.00	0.00	1,000.00
5204360	Advertising-Newspaper	253.59	0.00	0.00	500.00	0.00	500.00
5204440	Newsletter Publishing	0.00	0.00	0.00	100.00	0.00	100.00
5204460	Equipment Rental	2,412.00	2,689.44	3,766.49	4,000.00	0.00	4,000.00
5204480	Microfilm Processing	0.00	0.00	0.00	0.00	0.00	0.00
5204490	Rents-Private	17,949.75	16,569.00	16,569.00	16,569.00	0.00	16,569.00
5204510	Rents-Other	0.00	0.00	0.00	500.00	0.00	500.00
5204530	Telecommunications	2,609.54	2,508.27	2,308.84	5,500.00	0.00	5,500.00
5204540	Electricity	930.68	743.92	732.13	900.00	0.00	900.00
5204560	Water	0.00	0.00	134.10	240.00	0.00	240.00
5204590	Insurance Premiums	1,694.41	1,572.94	1,572.94	1,210.00	500.00	1,710.00
5204740	Bank Svc Chrg (Credit Card Fees)	5,110.48	5,528.06	4,197.29	6,650.00	1000.00	7,650.00
5204960	Other Contractual - NASBA	60,132.75	59,750.99	1,038.00	0.00	0.00	0.00
5205020	Office Supplies	317.47	832.34	569.19	3,000.00	0.00	3,000.00
5205028	Office Supplies	793.27	0.00	0.00	0.00	0.00	0.00
5205040	Education & Instruction Supplies	363.83	422.55	0.00	300.00	0.00	300.00
5205310	Printing/Copying State	0.00	0.00	0.00	100.00	0.00	100.00
5205320	Printing Commercial	267.19	345.52	327.27	500.00	0.00	500.00
5205330	Supplement Publications & Ref	0.00	423.75	0.00	700.00	0.00	700.00
5205340	Microfilm Supplies & Material	0.00	0.00	0.00	0.00	0.00	0.00
5205350	Postage	1,024.80	1,000.00	1,000.00	2,000.00	0.00	2,000.00
5207430	Office Machines	0.00	0.00	0.00	100.00	0.00	100.00
5207451	Office Furniture & Fixtures	0.00	0.00	0.00	0.00	0.00	0.00
5207490	Telephone Equipment	0.00	0.00	0.00	0.00	0.00	0.00
5207900	Computer	0.00	0.00	0.00	6,800.00	0.00	6,800.00
5207901	Computer Hardware	832.47	0.00	0.00	0.00	0.00	0.00
5207905	Computer Systems	0.00	0.00	0.00	0.00	0.00	0.00
5207950	Computer Hardware	0.00	0.00	0.00	1,000.00	0.00	1,000.00
5207955	Computer Hardware	0.00	0.00	0.00	500.00	0.00	500.00
5207960	Computer Software	0.00	0.00	0.00	1,000.00	0.00	1,000.00
52079610	Computer Software	0.00	0.00	0.00	0.00	0.00	0.00
5228000	DOL Overhead Allocated Fees	7,175.12	7,609.29	7,609.29	8,300.00	0.00	8,300.00
5228030	Depreciation	0.00	0.00	5,679.12	5,679.12	0.00	5,679.12
	<b>Object Totals</b>	<b>161,936.94</b>	<b>154,736.16</b>	<b>100,478.17</b>	<b>150,013.12</b>	<b>4,175.00</b>	<b>154,188.12</b>
	<b>Total Expenses</b>	<b>306,888.77</b>	<b>316,981.47</b>	<b>262,723.48</b>	<b>331,565.12</b>	<b>4,175.00</b>	<b>335,740.12</b>
	<b>Net Income (Loss)</b>	<b>-23,746.77</b>	<b>11,842.44</b>	<b>52,678.56</b>	<b>-87,895.12</b>	<b>11,775.00</b>	<b>-76,120.12</b>



## EXECUTIVE DIRECTOR'S REPORT

Nicole Kasin

### **Renewals for individuals and firms**

Paper renewal forms were available on our website on June 15, 2022. Online renewals opened June 15, 2022. As a courtesy a reminder email was sent on July 27, 2022, to individuals and firms that had not renewed their license or firm permit. Here is the status of renewals through August 4, 2022:

Entity	Renewed thru 7/31/2022	Pending renewals thru 7/31/2023	Completed renewals thru 7/31/2023
Firms	292	12	273
Individuals – Active	1280	48	1220
Individuals – Inactive	369	23	350
Individuals – Retired	146	18	157

### **CPE Extensions**

There have been 73 administrative extensions granted for the CPE reporting period ending June 30, 2022 through 8-4-22. The extensions are valid through 9-30-22.

### **Newsletter**

On July 22 an electronic newsletter was emailed to candidates, licenses, firms, state boards, board members, SD CPA Society, and other interested parties. There were 2210 emails sent with a 98% delivery rate and 2% of the emails bounced. The open rate was 58%.

### **Initial License Application – Character References**

The initial CPA licensure application requires applicants provide three individuals to be character references. The character references are to be individuals that know the applicant for at least one year and not related to the applicant. A standard reference form is sent to each person and must be completed and mailed back to the office.

Through topic discussions during the NASBA regional meeting it was addressed that most boards have removed this from the application process. The boards rely more on the experience forms completed by employers and signed off on by CPAs along with the moral character questions where applicants self-report on possible infractions with the law, application denial for licensure, discipline issues with state or federal agencies, the AIPCA or a state society, or being named in lawsuits, bankruptcy action, administrative proceedings or binding arbitration.

I am requesting our board discuss this process to see if they approve on keeping or removing the character references in this application process.

### **NASBA Issues/Topics**

1. NASBA CBT Administration Committee and NASBA Executive Directors Committee recommendation regarding credit extensions during the CPA Evolution exam transition. Recommendation: Any candidate with Uniform CPA Examination credit(s) on January 1, 2024 will have such credit(s) extended to June 30, 2025.
2. CPA Evolution

- a. Model Rules approved by NASBA/AICPA. The following are conflicts with our rules, but through discussion, these are the items the board is looking to move forward with:
  - i. Principles 1 & 2 undergraduate level not counting towards 24 hours in accounting
    1. Responses received from colleges/universities did not have any negative feedback with making this proposal change.
- b. Implementation proposed for January 2024

**Board Discussion**

- Any New Business/topics?

## DISCUSSION WITH SD CPA SOCIETY

### Discussion Points:

1. CPA Exam Transition Policy with CPA Evolution Initiative:

The new Disciplines reflect three pillars of the CPA profession:

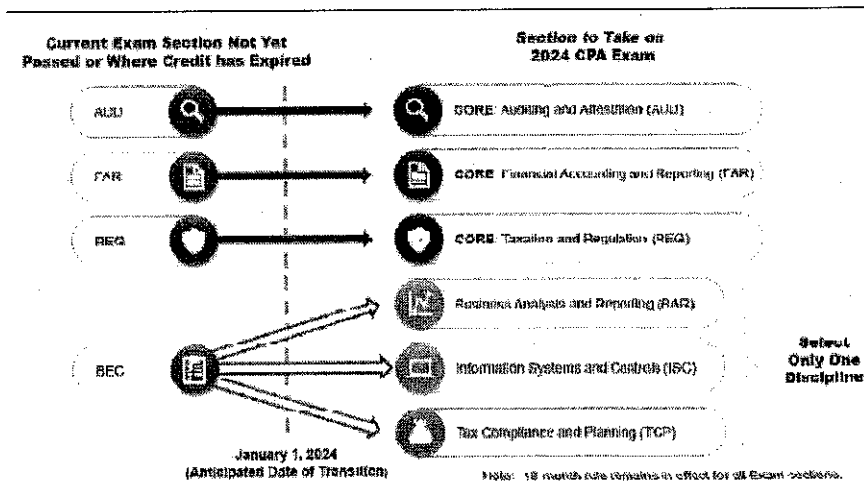
- Business analysis and reporting (BAR)
- Information systems and controls (ISC)
- Tax compliance and planning (TCP)

This policy lays out how CPA Exam sections passed under the current CPA Exam map to credit under the 2024 CPA Exam. Transition policies like this have been necessary at other times when significant changes were made to the CPA Exam, such as when it was computerized in April 2004. The policy was recommended to the Boards of Accountancy by the NASBA CBT Administration Committee after development and much deliberation by a task force with state board representatives from the AICPA Board of Examiners, sitting state board members and executive directors from multiple states. Because of the significant differences in the current and 2024 CPA Exams and the overall CPA licensure model, a perfect transition is not possible. The Boards of Accountancy have agreed this transition policy best serves the candidates, the state boards and the public interest.

The transition policy is quite simple. Candidates who have credit for AUD, FAR or REG on the current CPA Exam will not need to take the corresponding new core section of AUD, FAR or REG on the 2024 CPA Exam. Candidates who have credit for BEC on the current CPA Exam will not need to take any of the three discipline sections.

If, however, a candidate loses credit for AUD, FAR or REG after December 31, 2023, they then must take the corresponding new Core section of AUD, FAR or REG. A candidate who loses credit for BEC after December 31, 2023, must select one of the three Discipline sections to be tested. It is important to note that none of the sections of the current CPA Exam will be available for testing after December 31, 2023. There is a hard cutover from the current CPA Exam sections to the 2024 CPA Exam sections on the January 2024 launch.

The CPA profession is at an exciting juncture as it moves to the CPA Evolution model. To prepare for the 2024 CPA Exam launch, the Exposure Draft of the 2024 CPA Exam, which includes the draft Blueprints, was released by the AICPA in July 2022, and will outline the content and skills proposed for each section of the 2024 CPA Exam. The 2024 CPA Exam Final Report, which will include the final Blueprints, is scheduled to be released in January 2023, a year before the 2024 CPA Exam launches



2. NASBA UAA Model rules that pertain to education Rule 5-1 and 5-2
  - a. Model Rules approved by NASBA/AICPA. The following are conflicts with our rules:
    - i. Principles 1 & 2 undergraduate— not counting towards 24 hours in accounting \* From the educator's conference last year there were no schools not in favor of this change.
    - ii. A maximum of 9 credit hours for internship/independent study \* Board discussion from June 16, 2022, the board is not going to place this limit in our rules due to discussion on growth of internships available at firms.
3. Educators Update
  - a. There were no significant informational updates from last year to hold an educator's conference this year. The exposure draft of the 2024 CPA exam including the blueprints was sent to the educators on 8-4-22 with an invitation for individual meetings, if they had something they would like to discuss or cover.
4. Society Updates on Initiatives
  - a. Pipeline
  - b. STEM Initiatives
  - c. Other topics
5. Open discussion for other topics

**National Association of State Boards of Accountancy, Inc.**  
**Meeting of the Board of Directors**  
**January 18, 2022 – Key West, FL**

Call to Order

A meeting of the Board of Directors of the National Association of State Boards of Accountancy was called to order by Chair Michael Fritz at 9:01 a.m. ET on Tuesday, January 18, 2022. Chair Fritz welcomed all.

Chair Fritz asked President and Chief Executive Officer Ken L. Bishop to report on the meeting's attendance.

Report of Attendance

President and CEO Bishop reported the following were in attendance:

Officers

W. Michael Fritz, CPA (OH), Chair  
Richard N. Reisig, CPA (MT), Vice Chair  
Stephanie M. Saunders, CPA (VA), Secretary  
Tyrone E. Dickerson, CPA (VA), Treasurer

Directors-at-Large

J. Coalter Baker, CPA (TX)  
Jimmy E. Burkes, CPA (MS)  
Maria E. Caldwell, CPA (FL)  
John F. Dailey, Jr., CPA (NJ) \*  
Faye D. Miller, CPA (ND)  
Nicola Neilon, CPA (NV) \*  
Katrina Salazar, CPA (CA) \*

Regional Directors

Alison L. Andrew, CPA (DE), Middle Atlantic Regional Director  
Nancy J. Corrigan, CPA (CA), Pacific Regional Director  
Larry Elmore, CPA (TN), Southeast Regional Director \*  
Lynn V. Hutchinson, CPA (LA), Southwest Regional Director  
Stephen F. Langowski, CPA (NY), Northeast Regional Director  
Jason D. Peery, CPA (ID), Mountain Regional Director  
Michael Schmitz, CPA (ND), Central Regional Director  
Kenya Y. Watts, CPA (OH), Great Lakes Regional Director

Board Member Absent

A. Carlos Barrera, CPA (TX), Past Chair

Executive Directors' Liaison

Kent Absec (ID), Executive Director, Idaho State Board of Accountancy

### Staff

Ken L. Bishop, President and Chief Executive Officer  
Colleen K. Conrad, CPA, Executive Vice President and Chief Operating Officer  
Michael R. Bryant, CPA, Senior Vice President and Chief Financial Officer \*  
Daniel J. Dustin, CPA, Vice President – State Board Relations  
Thomas Kenny, Chief Communications Officer  
Troy Walker, CPA, Director of Finance and Controller  
Alfonzo Alexander, Chief Ethics and Diversity Officer and President, Center for the Public Trust

\* Attended virtually

President Bishop announced there was a quorum present.

### Approval of Minutes

Secretary Stephanie Saunders presented the minutes of the October 29, 2021, Board of Directors meeting and asked if there were any revisions. Being none, Ms. Saunders moved that the October 29, 2021, minutes be accepted. Mr. Peery seconded, and the motion passed. Ms. Saunders next presented the minutes of the November 3, 2021, Board of Directors meeting. Ms. Saunders asked if there were any revisions. Being none, Ms. Saunders moved that the November 3, 2021, minutes be accepted. Mr. Burkes seconded, and the motion passed.

### Report of the Chair

Chair Fritz reported that he updated the Executive Committee about his activities for the last quarter during the committee's meeting on January 17. He reported that he had attended several virtual NASBA committee meetings and noted that all committees will continue to meet virtually through March 31. In December, Chair Fritz and President and CEO Ken Bishop attended the Accountancy Board of Ohio annual dinner and provided a presentation to the board at its meeting the following day. Questions were asked and answered about the CPA pipeline and CPA Evolution.

Chair Fritz also reported on other NASBA activities including a session of NASBA U held in December, several comment letters drafted by the Regulatory Response Committee, and the creation of an ALD task force. He also reported that he was working on several outside appointments to boards and committees.

He also reported that the Executive Committee met with the Committee on Relations with Member Boards and had heard an update from Vice Chair Reisig on his recent activities.

## Report of the President & CEO

President and Chief Executive Office Ken Bishop began his report by recognizing those board members who were in attendance as well as those board members who used sound judgement to attend the meeting virtually. He noted that he continues to monitor the pandemic.

Executive Vice President and Chief Operating Officer Colleen Conrad provided an organizational update, including activities during the holidays, the awarding of the Ad Astra award to a NASBA employee who does a great job and always displays a positive attitude. This year's recipient was Jeremy Miller. Ms. Conrad finished her organizational update by acknowledging the Guam team's holiday dinner.

President Bishop reported that, with the Omicron variant, NASBA continues to do everything it can to keep operations as normal as possible. NASBA continues to monitor candidate behavior and its impact on testing while colleges and universities are going back to a virtual environment. He reported that more than 85 percent of NASBA employees are vaccinated with some employees remaining unvaccinated for religious and other reasons. If unvaccinated employees come to the office, they must wear masks, socially distance, and take other precautions. President Bishop noted that the Omicron variant appears to be flattening and he hopes to continue with face-to-face board of directors' meetings and NASBA conferences. With respect to conferences, President Bishop reported that he believes there is an expectation of high-level virtual conferences that may decrease the number of face-to-face attendees.

Ms. Conrad reported on several meetings with outside organizations including the International Federation of Accountants (IFAC), the Monitoring Group which oversees the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA) and pre-AICPA-NASBA Summit meeting between AICPA and NASBA executive leadership. President Bishop provided an update on the status of various mutual recognition agreements and the impact that Brexit and changes at the Financial Reporting Council (FRC) may have on future MRAs.

Ms. Conrad reported that IT projects to update the Gateway and address technical debt are on schedule and on budget. She also updated the board on the SOC 2, Type 2 internal controls engagement that will report on NASBA's safeguards of customer data and how well those controls are operating. Ms. Conrad also reported on the implementation of a new membership database and the engagement of a third-party security firm to monitor, scan, and respond to IT security threats on a 24/7 basis.

Ms. Conrad reported that stakeholders were notified during November 2021 that

NASBA was pausing the publication of the Candidate Performance Book while NASBA was implementing CPA Evolution for capacity reasons. There was limited feedback at that time; however, there have been subsequent inquiries from members of the NASBA State Society Relations Committee and other state society executives about access to candidate data. President Bishop noted that the Gateway was not created with a reporting mechanism to synthesize candidate data. As a result, significant resources need to be dedicated to the book's production including querying and cleaning candidate data, a process that requires significant human interpretation. Continuing the publication of the Candidate Performance Book would take resources away from other important projects.

President Bishop noted that colleges and universities use the data from the Candidate Performance Book to promote their programs, however, there is limited accuracy of the data because it is dependent on candidate input, which is often not updated after it is initially entered into the system.

Ms. Conrad reported that the CPA Evolution initiative continues to progress well. The Model Curriculum was released last June and there have been numerous presentations to educators, textbook publishers, accrediting organizations, and others. A revised edition of the Model Curriculum was issued in November. Feedback has been generally positive. She also noted that five of eight jurisdictions requiring change had amended their rules removing references to exam section names. Work continues to amend the law or rules in the remaining jurisdictions. The AICPA's examination team continues to work on the practice analysis focusing on the publication of an exposure draft in July 2022. A preview will be provided at the June regional meeting. Communications to candidates will be the focus this year as well.

President Bishop discussed CPA pipeline initiatives, including the creation of an internal staff task force focused on developing communications strategies and measurement metrics. He reported that AICPA, Prometric and NASBA are each focused on their operational areas with a commitment to hit the mark on pipeline initiatives.

Ms. Conrad reported on the annual business continuity exercise that key staff participated in. The exercise focuses on how NASBA would maintain operations should it incur a business interruption. She also reported on the ongoing review of metrics, turnaround times and staff training. She also noted that certain boards of accountancy have inquired about NASBA providing additional services.

Vice President, State Board Relations Dan Dustin provided an update on board-related activities, including a recent session of NASBA U attended by state board executive directors and staff and a recent NASBA Education Committee webinar. He also highlighted recent presentations at boards of accountancy meetings, state society and educator conferences and a meeting of the Center for Accounting Diversity.



President Bishop updated the board on the recent retirement of Bob Brooks, the Executive Director of the North Carolina State Board of CPA Examiners, and the recent passing of Leon Poché. Mr. Brooks served as the executive director for 35 years, was a winner of the Sachs award and participated on several NASBA committees and task forces, including having served for more than 20 years on the CBT Administration committee. Mr. Poché served on the State Board of CPAs of Louisiana for more than 20 years, was a longtime member of the Examination Review Board and was the initial recipient of the Distinguished Service Award.

Mr. Dustin noted that legislatures in 41 jurisdictions were convening in January and that it was the start of a busy legislative session with continued focus on possible anti-regulatory legislation. He also noted that the Alliance for Responsible Professional Licensing (ARPL) had established ARPL Legislative Review working group to be led by John Johnson. The group will review legislation impacting de-regulation of ARPL professions and coordinate a recommended plan of action on how state partners could respond.

Alfonzo Alexander, President, the Center for Public Trust (CPT), updated the board on recent activities, including new staffing at CPT, a CPT fundraising golf tournament to be held in March 2022, an initiative focused on establishing CPT chapters on HBCU campuses, and the ethics certification program that helps fund student CPT programs at 112 schools across 38 states. It is anticipated that the HBCU initiative is part of the CPA pipeline initiative that will focus on establishing chapters at 24 campuses with the assistance of boards of accountancy and state CPA societies.

President Bishop finished his update by highlighting the trending topics to be discussed later in the meeting.

#### Report from Vice Chair

Mr. Reisig reported that he had attended meetings of the Bylaws, Communications, Diversity, and Regulatory Response committees as well as the Education committee's webinar. He reported that he looked forward to the February AICPA-NASBA Summit. The 2022-2023 planning meeting is scheduled for early June and noted that he had identified possible board of directors meeting locations for next year.

#### Report of the Administration and Finance Committee

Treasurer Dickerson noted that there was one new member appointed to the committee for the current committee year. The committee had met the previous day to ratify the minutes of the last meeting of the prior year's committee, and to review with management the internal financial reports through November 30, 2021. The Investment Committee had met earlier in January to ratify the minutes of its July 2021 and October

2021 meetings, to meet with NASBA's investment advisors, and to review their performance. Mr. Dickerson noted that the Investment Committee's next meeting would include the annual review of the investment policy statement (IPS).

Senior Vice President and Chief Financial Officer Michael Bryant referred the board to the dashboard in the meeting binder and discussed actual results to budget as well as to the prior year. He noted that timing differences, including exam-related revenue in the prior year had some impact on the comparison of operating results. Expenses in the current year were less than budgeted primarily due to holding a virtual rather than face-to-face annual meeting, reduced salary and benefits due to open positions, and less-than-budgeted technology-related expenses to date. He noted that operating income was double the prior year while investment income was down compared to the extraordinary market performance of the prior fiscal year's first four months.

Mr. Bryant reported that investment performance continues to exceed the benchmarks for the various investment classes but had not exceeded the CPI plus 2% performance target in the IPS for the last quarter, due to the high level of inflation experienced in the economy. He noted that monthly investment performance has been volatile during the current fiscal year and that the focus is on long-term performance.

Mr. Burkes made a motion that the November 30, 2021, financial statements as recommended by the Administration and Finance Committee be accepted. Ms. Andrew seconded, and the motion passed.

#### Report of the Executive Directors Committee

Mr. Absec informed the board that the Executive Directors committee would be meeting later in the week in preparation for the April Executive Directors conference. He reported that all but three conference session topics had been identified. Mr. Absec reported that there continues to be significant turnover of executive directors across the country, including five new appointments since October. He reported that the mentor program is operating well and that three monthly hourly calls among the executive directors have been held since the last board of directors meeting. The last call focused on a discussion of principal place of business and the disparity in views suggested that this is a topic that needs further discussion. Mr. Absec reviewed other conference topics including non-CPA entities purchasing CPA firms, pipeline initiatives, education and exam changes, licensing individuals with past criminal convictions and 150-hour education requirement.

#### Report of the Education Committee

Mr. Peery reported on the committee's recent webinar focused on engaging

educator members of the boards of accountancy on issues related to education and the implementation of CPA Evolution. The webinar included a topic overview, breakout sessions and a report out session. Positive evaluations were received from attendees, including requests for additional webinars.

#### Report from Committee on Relations with Member Boards

Ms. Watts reported that the committee met on the previous day. The committee reviewed its charge and the process used to approve technical memoranda drafted by the Regulatory Response committee. The committee also discussed boards of accountancy visits and confidential documents received by NASBA board members. Members also discussed the feedback they received during their breakout sessions at the NASBA annual meeting. Ms. Watts reported that the committee also discussed executive director turnover among the boards of accountancy, CPA pipeline initiatives, the relationship between AICPA and NASBA, the transition to remote testing by the Institute of Management Accountants for the CMA exam. The committee also discussed the structure and topics for the June regional meetings. FOCUS questions will be asked as part of the regional conference calls to be held in February. The committee also discussed beginning the search for possible candidates to replace the four regional directors who will complete their third one-year term this year.

#### Report of the Diversity Committee

Ms. Andrew discussed the committee's strategic planning meeting and noted that the committee size was increased to accommodate greater committee activity. The committee discussed demographics and whether there is a way to follow trends in ethnicity within the profession. It was noted that not all states track ethnicity. Another topic was the number of public members on boards and how many represent gender and ethnic minorities. The committee will be creating a training program for those impacting nominations to board seats. In addition, the committee will be working with the CPT to identify possible contacts at individual HBCU universities. In addition, the committee will continue to call newly appointed state board members. She anticipates that the committee will meet monthly through September.

#### Report from UAA Committee

Ms. Saunders referred the board members to the committee's report in the binder. She reported that the committee held a joint meeting with the AICPA committee members in October. The NASBA UAA committee met on January 7 to welcome its new member and to identify members of an AICPA-NASBA joint task force reviewing Uniform Accountancy Act (UAA) section 18 Confidential Communications. It is anticipated that the AICPA Professional Ethics Executive Committee and Auditing Standards Board will adopt their revisions to the Professional Code of Conduct and

Auditing Standards, respectively, in February. Other topics discussed by the committee included a firm requirement focused on work experience to supervise, sign, or authorize someone to sign an auditor's report on financial statements and certain attestation engagements; principal place of business; and possible barrier to entry in an anti-regulatory environment.

#### Alerts from Other Committees

Ms. Salazar, CPE committee chair, reported that a review of the CPE standards would occur during 2022. A working group has been established to review and further study of the standards. Ms. Salazar anticipates reporting back to the board at a later date.

#### Policy Discussions

The Board members exchanged views on the following topics:

Principal place of business – President Bishop noted that a pandemic and working in a virtual environment were not considered when principal place of business was defined in the UAA. He noted that it is a good time to educate newer board members and executive directors on the rationale behind mobility and principal place of business.

Experience requirement for auditing/attest – The board discussed the differences between the initial experience requirements for licensure in the U.S. versus international licensing bodies; sub-standard work in the areas of employee benefit plan audits, including a current U.S. Department of Labor review that began last year; and the Single Audit requirement for those entities, including corporations, that received federal stimulus dollars due to the pandemic.

Internships and apprenticeships as education – CPA Evolution – The board discussed internships, including a model that was presented during the NASBA annual meeting. It was noted that internship hours must be recognized on a transcript of an accredited college or university. It was also noted that any model internship program created would need to be disciplined and objective.

Mr. Baker made a motion to recess for the CPT annual meeting. Ms. Watts seconded, and the motion passed.

#### CPT Annual Member Meeting

Mr. Alexander informed the board that an educator member of the CPT board had recently retired leaving a vacancy on the board. The CPT board and staff had performed research to identify a potential candidate to fill the vacancy and had identified Kent

Noble as that candidate. Mr. Dickerson made a motion to appoint Mr. Noble to the CPT board. The motion was seconded by Ms. Miller and passed.

Mr. Alexander informed the board that a CPT golf tournament would be held in Nashville on March 28.

Chair Fritz reconvened the NASBA board meeting.

Other/New Business

None

Adjournment

Chair Fritz adjourned the meeting at 3:22 p.m.

**NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.**

**Highlights of the Board of Directors Meeting**

**May 6, 2022 – Hilton Head, SC**

At a duly called meeting of the Board of Directors of the National Association of State Boards of Accountancy, held on Friday, May 6, 2022, in Hilton Head, SC, the Board took the following actions:

- Unanimously approved the minutes of the January 18, 2022, Board of Directors meetings.
- Unanimously approved the February 2022 NASBA financial statements as recommended by the Administration and Finance Committee and presented by Treasurer Tyrone Dickerson (VA) and Senior Vice President and Chief Financial Officer Michael R. Bryant.
- Unanimously approved changes to the investment policy statement as recommended by the Administration and Finance Committee.
- Unanimously approved a Mutual Recognition Agreement with CPA Ireland.
- Heard a report from Chair W. Michael Fritz (OH) on the activities of Executive Committee and its meeting with the Relations with Member Boards Committee.
- Heard a report from Vice Chair Richard Reisig (MT) on his activities during the past quarter. He reported that the 2022-2023 planning meeting is scheduled for early June.
- Heard a report from Past Chair Carlos Barrera (TX) on the activities of the Nominating Committee.
- Received a report from President and CEO Ken Bishop on transitioning back to face-to-face meetings.
- Executive Vice President and Chief Operation Officer Colleen Conrad provided an organizational update.
- Ms. Conrad reported on the AICPA-NASBA Summit and recent outreach activities with federal regulators.
- President Bishop discussed continued international relevance, including an upcoming meeting with representatives from Canada, Mexico, and the United States.
- Ms. Conrad provided an update on CPA Evolution; the upcoming exposure draft of the Uniform CPA Examination Blueprint; activities related to the CPA pipeline.
- Ms. Conrad reported the status of internal technology-related projects.

- President Bishop acknowledged the work of the Executive Directors committee chair and members on a successful Executive Directors Conference.
- Vice President, State Board Relations, Daniel Dustin reported on recent outreach activities and legislative affairs.
- Alfonzo Alexander, President of the Center for Public Trust (CPT) provided an update on recent CPT activities. He also discussed plans to establish CPT chapters on four Historically Black Colleges and Universities campuses in the coming year.
- Mr. Schmitz reported on the activities of the Audit Committee including plans for the 2022 independent audit.
- Mr. Peery provided an update on the activities of the Education Committee, including proposals received under the NASBA Education Research Grant program.
- Mr. Bukes reported on the activities of the Bylaws Committee, including possible amendments to be discussed at the July Board of Directors meeting.
- Ms. Watts reported on the activities of the Relations with Member Boards Committee, including plans for the NASBA Regional Meetings.
- Executive Director Committee Chair Kent Absec provided a report on the Executive Directors Conference and the monthly Executive Director's meetings.

The next meeting of the NASBA Board of Directors will be held on July 22, 2022, in Rancho Palos Verdes, CA.

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

# Regional Directors' Focus Questions 2022

*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 will be reviewing the questions during our semi-annual regional conference calls in September, and your responses during our regional breakout sessions at the 115th Annual Meeting in October.*

**What is your first and last name? \***

**What state are you from? \***

## CPA Evolution

**Has your Board identified any rules that need to be updated, other than education or examination rules, to implement CPA Evolution? \***

For example, calculation of conditional credit on date of score release rather than date of test administration.

- Yes  
 No

**Are there any areas where NASBA could provide assistance? \***

- Yes  
 No

**Is your board working with any other organizations in your jurisdiction, such as state CPA societies, to highlight upcoming changes resulting from CPA evolution? \***

- Yes  
 No

## College & University Outreach



**What does your board do and/or plan to do regarding college and university outreach activities? \***

- Board meetings on campus
- Coordinated activities with state societies
- On-campus presentations
- Other

**Principal Place of Business**

**How do your jurisdiction's laws and rules differ from the Uniform Accountancy Act (UAA)\* with respect to mobility and principal place of business? \***

\*Click to reference [Section 3g](#) of the UAA.

**NASBA Assistance**

**Are there any issues or concerns that your board would like to notify NASBA about? \***

**How can NASBA be of assistance to your Board at this time? \***


**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

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