



**SOUTH DAKOTA
BOARD OF ACCOUNTANCY**
301 E. 14th Street, Suite 200
Sioux Falls, SD 57104
(605) 367-5770 / Fax: (605) 367-5773
e-mail sdbdacct.sdbd@midconetwork.com
www.accountancy.sd.gov

Agenda
South Dakota Board of Accountancy Meeting
Holiday Inn City Centre – Conference Room
8:30 a.m. (CDT)
August 15, 2012

A=Action D=Discussion I=Information	Page
8:30 NASBA Regional Director Ted Lodden.....	Oratory
A-Nominating Committee.....	Oratory
A-Approval of Minutes of Meeting July 16, 2012.....	2-4
A-Approval of Certificates & Firm Permits.....	5-7
A-Financial Statements through July 2012.....	8-28
A-Report to Board on NASBA Annual Meeting and International Forum.....	29
A-FY14 Proposed Budget.....	30-31
A-Report to Board on CPE Request.....	32-34
10:30 Hearing for Douglas Hruby.....	35-37
11:00 Hearing for Brian Mallin.....	38-41
D-Executive Director's Report.....	42-44
1:30 SD CPA Society – Firm Fee Discussion.....	Oratory
D-PROC for SD Peer Reviews.....	Oratory
NASBA	
A-International Evaluation Service.....	45-48
D-Board of Directors April 2012 Meeting Minutes.....	49-63
D-Board of Directors July 2012 Meeting Highlights.....	64-65
A-Regional Directors Focus Questions.....	66-67
EXECUTIVE SESSION	
Equivalent Reviews, South Dakota Reviews and follow ups for Board Approval.....	Spt. Pkt.

FUTURE MEETING DATES (all times CT)
September 17 – 9:00 – Conference Call
October 15 – 8:30 – Tentative (Pierre)



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South Dakota Board of Accountancy
Minutes of Meeting-Conference Call
July 16, 2012-9:00 a.m.

The Board of Accountancy held a meeting by conference call on Monday, July 16, 2012. Chair Holly Brunick called the meeting to order at 9:04 a.m.

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

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

Chair Holly Brunick asked if there were any additions to the agenda. There were no additions.

A motion was made by David Olson and seconded by Marty Guindon to approve the June 12, 2012, meeting minutes. A roll call vote was taken. The motion unanimously carried.

A motion was made by Marty Guindon and seconded by John Linn, Jr. to approve the issuance of individual certificates and firm permits through July 11, 2012. A roll call vote was taken. The motion unanimously carried.

Executive Director Kasin discussed her report. A conference call was held with John Peterson, Laura Coome, and Executive Director Kasin on 6-19-12 to continue the discussion on firm permits. A question arose to use the number of owners in a CPA firm or to use the number of CPAs in the firm, for possible changes to the firm fees and structure. Executive Director Kasin and John Peterson will continue to work on the possible changes to the firm fee structure. Executive Director Kasin explained that online license renewals were well underway and provided statistics of renewals thru July 9, 2012. The Board was notified that the NASBA Central Region Nominating Committee Representative was voted for at the Western Regional Conference. Executive Director Kasin gave a recap of the NASBA Western Regional Conference. Holly Brunick and John Linn, Jr. also provided insight from the conference.

At 9:34 a.m. a motion was made by John Linn, Jr. and seconded by Marty Guindon to begin the Public Rules Hearing. A roll call vote was taken. The motion unanimously carried.

Chair Brunick gave an overview of rule 20:75:02:07 Definition of disability-Learning disability; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:02:12 Recognized colleges and universities; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:03:05 Ethics examination; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:04:00 Definitions; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:04:01 Standards for continuing professional education program measurement; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:05:01 Independence; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:05:05 Auditing, accounting, and review standards; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:05:06 Accounting principles; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:05:07 Professional standards and conduct; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:05:08 Interpretations; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:05:17 Records retention; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:07:01 Definitions; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:07:02 Requirement for review-Fee-Areas to be reviewed; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:07:03 Exemption from review; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:07:08 Conduct of review--Location; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:07:09 Conduct of review--Requirements; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:07:11 Report –Finding for further considerations; then opened the floor to public testimony. There was no public testimony on this rule.

Chair Brunick gave an overview of rule 20:75:07:12 Response to findings for further consideration; then opened the floor to public testimony. There was no public testimony on this rule.

A motion was made by Marty Guindon and seconded by David Olson to close the public hearing at 9:41 a.m. A roll call vote was taken. The motion unanimously carried.

Director Kasin informed the Board of the form and style changes made by LRC. Wording changes were reviewed and discussed.

A motion was made by Marty Guindon and seconded by John Mitchell to approve the proposed rule changes as adopted with the revisions that were discussed at this hearing. A roll call vote was taken. The motion unanimously carried.

A motion was made by John Linn, Jr. and seconded by Marty Guindon to approve the CPA Exam scores for the 33rd CPA Exam window through June 2012. A roll call vote was taken. The motion unanimously carried.

The Board briefly discussed the NASBA nomination letters of Ron Rotaru and Rick Sweeny for the Lorraine Sachs Standard of Excellence Award and the Nomination of Diane Rubin for the William Ban Rensselaer Public Service Award.

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

The Board came out of executive session.

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

FUTURE MEETING DATES (all times CT)

August 15 – 8:30 – Sioux Falls - Holiday Inn Downtown, Conference Room

September 17 – 9:00 – Conference Call

October 15 – 8:30 – Tentative (Pierre)

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

All business having come before the board was concluded and Chair Holly Brunick adjourned the meeting at 10:06 a.m.

Holly Brunick, CPA, Chair

Attest:

Nicole Kasin, Executive Director

John Peterson, Sec/Treasurer

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES
BOARD COPY**

Issued Through August 10, 2012

Number	Name	Date Issued	Location
3034	Catherine Elaine Harr	7/17/12	Sioux Falls, SD
3035	James Scott Fisher	7/20/12	Sioux Falls, SD
3036	Kari Louise Hipsak	7/24/12	Sioux Falls, SD
3037	Michael James Battista	7/26/12	Sioux Falls, SD
3038	Erik M. Halverson	8/1/12	McCook Lake, SD
3039	Susan Elizabeth Beaman	8/9/12	Sioux Falls, SD
3040	Zachary Edward Hadler	8/9/12	Sioux Falls, SD
3041	Jamie Richard Loftus	8/9/12	Rapid City, SD
3042	Troy Dean Johnson	8/9/12	Minneapolis, MN

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

**Issued Through
August 10, 2012**

Number	Name	Date Issued	Basis/Comments
1578	Pannell Kerr Forster of Texas, P.C. Houston, TX	7/17/12	New Firm
1579	Don M. Tuttle, CPA Winner, SD	7/23/12	New Firm
1580	PricewaterhouseCoopers LLP Des Moines, IA	8/01/12	New Firm
1581	PricewaterhouseCoopers LLP Spartanburg, SC	8/01/12	New Firm
1582	PricewaterhouseCoopers LLP Detroit, MI	8/01/12	New Firm
1583	PricewaterhouseCoopers LLP Dallas, TX	8/01/12	New Firm
1584	Eide Bailly LLP Oklahoma City, OK	8/01/12	New Firm
1585	KPMG LLP Atlanta, GA	8/01/12	New Firm
1586	KPMG LLP Chicago, IL	8/01/12	New Firm
1587	KPMG LLP Cleveland, OH	8/01/12	New Firm
1588	KPMG LLP Dallas, TX	8/01/12	New Firm
1589	KPMG LLP New York, NY	8/01/12	New Firm
1590	CliftonLarsonAllen LLP Champaign, IL	8/01/12	New Firm
1591	CliftonLarsonAllen LLP Arlington, VA	8/01/12	New Firm
1592	CliftonLarsonAllen LLP Marshfield, WI	8/01/12	New Firm

1593

CliftonLarsonAllen LLP
Stevens Point, WI

8/01/12

New Firm

BA1409R1

STATE OF SOUTH DAKOTA
CASH CENTER BALANCES
AS OF: 06/30/2012

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

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	296,407.55	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			296,407.55	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			296,407.55	DR **	
BUDGET UNIT TOTAL 1031			296,407.55	DR ***	

BA0205A5 07/14/2012

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 06/30/2012

DATE

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
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COMPANY NO	6503
COMPANY NAME	PROFESSIONAL & LICENSING BOARDS

6503	103100061802	51010100	CGEX120530	06/01/2012	2,729.76	DR
6503	103100061802	51010100	CGEX120613	06/15/2012	2,977.92	DR

OBSUB:	5101010	F-T EMP SAL & WAGES	5,707.68	DR *
6503	103100061802	CGEX120530	722.80	DR
6503	103100061802	CGEX120613	780.89	DR

OBJSUB: 5101020	P-T/TEMP EMP SAL & WAGES	1,503.69	DR *
OBJECT: 5101	EMPLOYEE SALARIES	7,211.37	DR *
6503 1031000061802 51020100	CGEX120530	238.96	DR
6503 1031000061802 51020100	CGEX120613	262.41	DR

OBJSUB: 5102010	OASI-EMPLOYER'S SHARE	501.37	DR *
6503 103100061802 51020200	CGEX120530	207.16	DR
6503 103100061802 51020200	CGEX120613	225.52	DR

OBJSUB: 5102020	RETIREMENT-ER SHARE		432.68	DR	*
6503 103100061802	51020600	CGEX120530	06/01/2012	766.89	DR
6503 103100061802	51020600	CGEX120613	06/15/2012	766.89	DR

OBJSUB: 5102060	HEALTH/LIFE INS.-ER SHARE	1,533.78	DR *
6503 103100061802 51020800	CGEX120530	9.67	DR
6503 103100061802 51020800	CGEX120613	10.53	DR

OBJID# :	5102080	WORKER'S COMPENSATION	20.20	DR *		
6503	103100061802	51020900	CGEX120530	06/01/2012	3.45	DR
6503	103100061802	51020900	CGEX120613	06/15/2012	3.76	DR

OBJSUB:	5102090	UNEMPLOYMENT COMPENSATION	7.21	DR	*
OBJECT:	5102	EMPLOYEE BENEFITS	2,495.24	DR	**
GROUP:	51	PERSONAL SERVICES	9,706.61	DR	***
6503	103100061802	MP204056	152.00	DR	
6503	103100061802	MP205056	163.45	DR	
			06/06/2012		
			06/29/2012		

OBJSUB: 5203010	AUTO-STATE OWNED-IN STATE	
OBJECT: 5203	TRAVEL	
5503 103100061802 52040200	1902618-13	06/08/2012 99858423 COUNCILONT 12116359

OBJSUB:	5204020	DUES & MEMBERSHIP FEES							
6503	103100061802	52041800	DP203101	06/08/2012	240.00	DR	*		
6503	103100061802	52041800	DP204100	06/29/2012	2,554.40	DR			
6503	103100061802	52041800	DP204100	06/29/2012	4,452.60	DR			
6503	103100061802	52041800	DP204100	06/29/2012	4,452.00	DR			
6503	103100061802	52041800	DP204100	06/29/2012	4,452.00	CR			
6503	103100061802	52041800	DP205099	06/29/2012	1,035.00	DR			

OBJSUB: 5204180 COMPUTER SERVICES-STATE 8,042.00 DR *

BA0205A5 07/14/2012

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 06/30/2012

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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 APLVL # OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
6503	103100061802	5228000	T102-127	06/06/2012					448.66	DR
OBJSUB: 5228000 OPER TRANS OUT -NON BUDGT										
OBJECT: 5228 NONOP EXP/NONBGTD OP TR										
GROUP: 52 OPERATING EXPENSES										
COMP: 6503										
CNTR: 103100061802										
B. UNIT: 1031										
									448.66	DR *
									448.66	DR **
									23,474.55	DR ***
									33,181.16	DR ****
									33,181.16	DR *****
									33,181.16	DR *****

South Dakota Board of Accountancy

Balance Sheet

As of June 30, 2012

	Jun 30, 12
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - US Bank	7,305.23
1140000 · Pool Cash State of SD	296,407.55
Total Checking/Savings	303,712.78
Other Current Assets	
1131000 · Cash-Security Lending Collatera	14,957.90
1213000 · Investment Income Receivable	1,806.99
Total Other Current Assets	16,764.89
Total Current Assets	320,477.67
Fixed Assets	
1670000 · Computer Software	
Original Cost	140,063.23
1770000 · Depreciation	-104,857.89
Total 1670000 · Computer Software	35,205.34
Total Fixed Assets	35,205.34
TOTAL ASSETS	355,683.01
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	5,201.95
Total Accounts Payable	5,201.95
Other Current Liabilities	
2810000 · Amounts Held for Others	30,778.19
Total Other Current Liabilities	30,778.19
Total Current Liabilities	35,980.14
Long Term Liabilities	
2960000 · Compensated Absences Payable	12,338.53
Total Long Term Liabilities	12,338.53
Total Liabilities	48,318.67
Equity	
3220000 · Unrestricted Net Assets	221,153.40
3300100 · Invested In Capital Assets	35,205.34
3900 · Retained Earnings	30,235.30
Net Income	20,770.30
Total Equity	307,364.34
TOTAL LIABILITIES & EQUITY	355,683.01

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July 2011 through June 2012

	Jul '11 - Jun 12	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	1,925.00	3,000.00	-1,075.00	64.2%
4293551 · Certificate Renewals-Active	62,540.00	49,000.00	13,540.00	127.6%
4293552 · Certificate Renewals-Inactive	23,900.00	19,500.00	4,400.00	122.6%
4293553 · Certificate Renewals-Retired	910.00	700.00	210.00	130.0%
4293554 · Initial Firm Permits	1,200.00	1,250.00	-50.00	96.0%
4293555 · Firm Permit Renewals	22,100.00	18,350.00	3,750.00	120.4%
4293557 · Initial Audit				
5208011 · REFUNDS	-60.00			
4293557 · Initial Audit - Other	990.00	600.00	390.00	165.0%
Total 4293557 · Initial Audit	930.00	600.00	330.00	155.0%
4293558 · Re-Exam Audit	2,580.00	1,890.00	690.00	136.5%
4293560 · Late Fees-Initial Certificate	100.00			
4293561 · Late Fees-Certificate Renewals	2,850.00	4,000.00	-1,150.00	71.3%
4293563 · Late Fees-Firm Permit Renewals				
5208012 · REFUNDS	-50.00			
4293563 · Late Fees-Firm Permit Renewals - Other	650.00	800.00	-150.00	81.3%
Total 4293563 · Late Fees-Firm Permit Renewals	600.00	800.00	-200.00	75.0%
4293564 · Late Fees-Peer Review	1,700.00	1,100.00	600.00	154.5%
4293566 · Firm Permit Individual	78,195.00	64,000.00	14,195.00	122.2%
4293567 · Peer Review Admin Fee	5,475.00	5,650.00	-175.00	96.9%
4293568 · Firm Permit Name Change	490.00	100.00	390.00	490.0%
4293569 · Initial FAR				
5208017 · REFUND	-67.50			
4293569 · Initial FAR - Other	1,147.50	990.00	157.50	115.9%
Total 4293569 · Initial FAR	1,080.00	990.00	90.00	109.1%
4293570 · Initial REG	630.00	530.00	100.00	118.9%
4293571 · Initial BEC	750.00	780.00	-30.00	96.2%
4293572 · Re-Exam FAR	1,860.00	1,710.00	150.00	108.8%
4293573 · Re-Exam REG	2,550.00	1,800.00	750.00	141.7%
4293574 · Re-Exam BEC				
5208009 · REFUNDS	-30.00			
4293574 · Re-Exam BEC - Other	2,370.00	1,980.00	390.00	119.7%
Total 4293574 · Re-Exam BEC	2,340.00	1,980.00	360.00	118.2%
4491000 · Interest and Dividend Revenue	11,505.78	15,000.00	-3,494.22	76.7%
4896021 · Legal Recovery Cost	2,355.00	1,000.00	1,355.00	235.5%
Total Income	228,565.78	193,730.00	34,835.78	118.0%
Gross Profit	228,565.78	193,730.00	34,835.78	118.0%
Expense				
5101010 · F-T Emp Sal & Wages	66,151.20	66,239.00	-87.80	99.9%
5101020 · P-T/Temp Emp Sal & Wages	17,197.84	19,380.00	-2,182.16	88.7%
5101030 · Board & Comm Mbrs Fees	3,000.00	4,020.00	-1,020.00	74.6%
5102010 · OASI-Employer's Share	6,178.23	6,549.00	-370.77	94.3%
5102020 · Retirement-ER Share	5,784.34	5,147.00	637.34	112.4%
5102060 · Health /Life Ins.-ER Share	17,289.92	17,869.00	-579.08	96.8%
5102080 · Worker's Compensation	218.65	133.00	85.65	164.4%
5102090 · Unemployment Insurance	78.15	55.00	23.15	142.1%
5203010 · Auto--State Owned	597.12	1,000.00	-402.88	59.7%
5203020 · Auto-Private-Owne Low Mileage	452.00	300.00	152.00	150.7%
5203030 · In State-Auto- Priv. High Miles	1,284.64	1,700.00	-415.36	75.6%
5203100 · In State-Lodging	919.04	1,000.00	-80.96	91.9%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%
5203140 · InState-Tax Meals Not OverNigt	32.00	100.00	-68.00	32.0%
5203150 · InState-Non-Tax Meals OverNight	425.00	500.00	-75.00	85.0%
5203230 · OS-Auto Private High Mileage	0.00	100.00	-100.00	0.0%
5203260 · OS-Air Commercial Carrier	2,286.20	6,700.00	-4,413.80	34.1%
5203280 · OS-Other Public Carrier	235.35	500.00	-264.65	47.1%
5203300 · OS-Lodging	4,568.23	7,800.00	-3,231.77	58.6%

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
July 2011 through June 2012

	Jul '11 - Jun 12	Budget	\$ Over Budget	% of Budget
5203320 · OS-Incidentals to Travel	294.01	350.00	-55.99	84.0%
5203350 · OS-Non-Taxable Meals Overnight	574.00	1,000.00	-426.00	57.4%
5204010 · Subscriptions	452.99	1,500.00	-1,047.01	30.2%
5204020 · Dues and Membership Fees	3,590.00	3,900.00	-310.00	92.1%
5204030 · Legal Document Fees	0.00	500.00	-500.00	0.0%
5204160 · Workshop Registration Fees	5,884.00	5,400.00	484.00	109.0%
5204180 · Computer Services-State	852.00	600.00	252.00	142.0%
5204181 · Computer Development Serv-State	12,721.00	10,400.00	2,321.00	122.3%
5204200 · Central Services	5,995.41	7,000.00	-1,004.59	85.6%
5204220 · Equipment Service & Maintenance	54.77	300.00	-245.23	18.3%
5204230 · Janitorial/Maintenance Services	1,438.32	1,560.00	-121.68	92.2%
5204340 · Computer Software Maintenance	943.30	1,000.00	-56.70	94.3%
5204360 · Advertising-Newspapers	644.91	2,100.00	-1,455.09	30.7%
5204440 · Newsletter Publishing	0.00	1,100.00	-1,100.00	0.0%
5204460 · Equipment Rental	3,511.20	4,500.00	-988.80	78.0%
5204480 · Microfilm and Photography	502.66	700.00	-197.34	71.8%
5204490 · Rents Privately Owned Property	15,233.40	15,531.00	-297.60	98.1%
5204510 · Rent-Other	167.70			
5204530 · Telecommunications Services	2,242.47	2,500.00	-257.53	89.7%
5204540 · Electricity	695.26	865.00	-169.74	80.4%
5204560 · Water	178.80	240.00	-61.20	74.5%
5204590 · Insurance Premiums/Surety Bonds	1,666.45	1,710.00	-43.55	97.5%
5204740 · Bank Fees and Charges	2,816.65	2,700.00	116.65	104.3%
5205020 · Office Supplies	813.40	1,700.00	-886.60	47.8%
5205310 · Printing State	0.00	500.00	-500.00	0.0%
5205320 · Printing/Duplicating/Binding Co	300.66	1,000.00	-699.34	30.1%
5205330 · Supplemental Publications	630.00	700.00	-70.00	90.0%
5205340 · Microfilm Supplies/Materials	0.00	300.00	-300.00	0.0%
5205350 · Postage	1,005.85	3,100.00	-2,094.15	32.4%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207900 · Computer Hardware	0.00	4,800.00	-4,800.00	0.0%
5207950 · System Development	0.00	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	5,817.96	7,400.00	-1,582.04	78.6%
5228030 · Depreciation Expense	12,070.40	12,070.40	0.00	100.0%
Total Expense	207,795.48	237,818.40	-30,022.92	87.4%
Net Ordinary Income	20,770.30	-44,088.40	64,858.70	-47.1%
Net Income	20,770.30	-44,088.40	64,858.70	-47.1%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
June 2012

	Jun 12	Jun 11	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	125.00	250.00	-125.00	-50.0%
4293551 · Certificate Renewals-Active	8,350.00	500.00	7,850.00	1,570.0%
4293552 · Certificate Renewals-Inactive	3,550.00	0.00	3,550.00	100.0%
4293553 · Certificate Renewals-Retired	240.00	0.00	240.00	100.0%
4293554 · Initial Firm Permits	50.00	50.00	0.00	0.0%
4293555 · Firm Permit Renewals	2,350.00	0.00	2,350.00	100.0%
4293557 · Initial Audit	60.00	60.00	0.00	0.0%
4293558 · Re-Exam Audit	240.00	210.00	30.00	14.3%
4293561 · Late Fees-Certificate Renewals	0.00	50.00	-50.00	-100.0%
4293563 · Late Fees-Firm Permit Renewals	0.00	0.00	0.00	0.0%
4293564 · Late Fees-Peer Review	600.00	500.00	100.00	20.0%
4293566 · Firm Permit Individual	5,720.00	520.00	5,200.00	1,000.0%
4293567 · Peer Review Admin Fee	1,500.00	1,050.00	450.00	42.9%
4293568 · Firm Permit Name Change	25.00	0.00	25.00	100.0%
4293569 · Initial FAR	180.00	210.00	-30.00	-14.3%
4293570 · Initial REG	90.00	150.00	-60.00	-40.0%
4293571 · Initial BEC	120.00	150.00	-30.00	-20.0%
4293572 · Re-Exam FAR	210.00	150.00	60.00	40.0%
4293573 · Re-Exam REG	240.00	300.00	-60.00	-20.0%
4293574 · Re-Exam BEC	420.00	150.00	270.00	180.0%
4491000 · Interest and Dividend Revenue	0.00	-16,547.72	16,547.72	100.0%
4896021 · Legal Recovery Cost	0.00	-292.57	292.57	100.0%
4920045 · Undistributed Earnings	0.00	16,764.89	-16,764.89	-100.0%
Total Income	24,070.00	4,224.60	19,845.40	469.8%
Gross Profit	24,070.00	4,224.60	19,845.40	469.8%
Expense				
5101000 · Annual/Sick Leave Compensation	0.00	1,176.27	-1,176.27	-100.0%
5101010 · F-T Emp Sal & Wages	5,707.68	9,678.12	-3,970.44	-41.0%
5101020 · P-T/Temp Emp Sal & Wages	1,503.69	2,552.56	-1,048.87	-41.1%
5101030 · Board & Comm Mbrs Fees	0.00	1,320.00	-1,320.00	-100.0%
5102010 · OASI-Employer's Share	501.37	976.01	-474.64	-48.6%
5102020 · Retirement-ER Share	432.68	733.85	-301.17	-41.0%
5102060 · Health /Life Ins.-ER Share	1,533.78	2,649.22	-1,115.44	-42.1%
5102080 · Worker's Compensation	20.20	26.35	-6.15	-23.3%
5102090 · Unemployment Insurance	7.21	11.14	-3.93	-35.3%
5203010 · Auto--State Owned	163.45	138.04	25.41	18.4%
5203230 · OS-Auto Private High Mileage	0.00	646.84	-646.84	-100.0%
5203300 · OS-Lodging	0.00	1,182.79	-1,182.79	-100.0%
5203320 · OS-Incidentals to Travel	0.00	50.00	-50.00	-100.0%
5203350 · OS-Non-Taxable Meals Overnight	0.00	155.00	-155.00	-100.0%
5204020 · Dues and Membership Fees	0.00	240.00	-240.00	-100.0%
5204180 · Computer Services-State	150.00	57.00	93.00	163.2%
5204181 · Computer Development Serv-State	4,008.80	0.00	4,008.80	100.0%
5204200 · Central Services	140.98	43.73	97.25	222.4%
5204220 · Equipment Service & Maintenance	2.69	5.74	-3.05	-53.1%
5204230 · Janitorial/Maintenance Services	119.86	119.86	0.00	0.0%
5204340 · Computer Software Maintenance	78.75	0.00	78.75	100.0%
5204360 · Advertising-Newspapers	644.91	0.00	644.91	100.0%
5204460 · Equipment Rental	93.60	93.60	0.00	0.0%
5204490 · Rents Privately Owned Property	1,269.45	1,269.45	0.00	0.0%
5204530 · Telecommunications Services	181.47	158.65	22.82	14.4%
5204540 · Electricity	49.27	54.45	-5.18	-9.5%
5204560 · Water	0.00	23.35	-23.35	-100.0%
5204740 · Bank Fees and Charges	31.00	31.00	0.00	0.0%
5205020 · Office Supplies	0.00	39.10	-39.10	-100.0%
5205320 · Printing/Duplicating/Binding Co	102.59	99.14	3.45	3.5%
5205350 · Postage	0.00	1,000.00	-1,000.00	-100.0%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
June 2012

	<u>Jun 12</u>	<u>Jun 11</u>	<u>\$ Change</u>	<u>% Change</u>
5228000 · Operating Transfers Out-NonBudg	448.66	233.45	215.21	92.2%
5228030 · Depreciation Expense	1,005.94	1,005.94	0.00	0.0%
Total Expense	<u>18,198.03</u>	<u>25,770.65</u>	<u>-7,572.62</u>	<u>-29.4%</u>
Net Ordinary Income	<u>5,871.97</u>	<u>-21,546.05</u>	<u>27,418.02</u>	<u>127.3%</u>
Net Income	<u><u>5,871.97</u></u>	<u><u>-21,546.05</u></u>	<u><u>27,418.02</u></u>	<u><u>127.3%</u></u>

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July 2011 through June 2012

	Jul '11 - Jun 12	Jul '10 - Jun 11	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	1,925.00	2,075.00	-150.00	-7.2%
4293551 · Certificate Renewals-Active	62,540.00	55,400.00	7,140.00	12.9%
4293552 · Certificate Renewals-Inactive	23,900.00	20,200.00	3,700.00	18.3%
4293553 · Certificate Renewals-Retired	910.00	660.00	250.00	37.9%
4293554 · Initial Firm Permits	1,200.00	1,000.00	200.00	20.0%
4293555 · Firm Permit Renewals	22,100.00	20,050.00	2,050.00	10.2%
4293557 · Initial Audit	930.00	840.00	90.00	10.7%
4293558 · Re-Exam Audit	2,580.00	2,610.00	-30.00	-1.2%
4293560 · Late Fees-Initial Certificate	100.00	50.00	50.00	100.0%
4293561 · Late Fees-Certificate Renewals	2,850.00	6,050.00	-3,200.00	-52.9%
4293563 · Late Fees-Firm Permit Renewals	600.00	1,100.00	-500.00	-45.5%
4293564 · Late Fees-Peer Review	1,700.00	1,150.00	550.00	47.8%
4293566 · Firm Permit Individual	78,195.00	72,110.00	6,085.00	8.4%
4293567 · Peer Review Admin Fee	5,475.00	6,300.00	-825.00	-13.1%
4293568 · Firm Permit Name Change	490.00	150.00	340.00	226.7%
4293569 · Initial FAR	1,080.00	1,320.00	-240.00	-18.2%
4293570 · Initial REG	630.00	660.00	-30.00	-4.6%
4293571 · Initial BEC	750.00	1,050.00	-300.00	-28.6%
4293572 · Re-Exam FAR	1,860.00	1,620.00	240.00	14.8%
4293573 · Re-Exam REG	2,550.00	2,220.00	330.00	14.9%
4293574 · Re-Exam BEC	2,340.00	2,250.00	90.00	4.0%
4491000 · Interest and Dividend Revenue	11,505.78	0.00	11,505.78	100.0%
4896021 · Legal Recovery Cost	2,355.00	707.43	1,647.57	232.9%
4920045 · Undistributed Earnings	0.00	16,764.89	-16,764.89	-100.0%
Total Income	228,565.78	216,337.32	12,228.46	5.7%
Gross Profit	228,565.78	216,337.32	12,228.46	5.7%
Expense				
5101000 · Annual/Sick Leave Compensation	0.00	1,176.27	-1,176.27	-100.0%
5101010 · F-T Emp Sal & Wages	66,151.20	65,610.97	540.23	0.8%
5101020 · P-T/Temp Emp Sal & Wages	17,197.84	17,684.77	-486.93	-2.8%
5101030 · Board & Comm Mbrs Fees	3,000.00	4,098.00	-1,098.00	-26.8%
5102010 · OASI-Employer's Share	6,178.23	6,315.52	-137.29	-2.2%
5102020 · Retirement-ER Share	5,784.34	4,997.78	786.56	15.7%
5102060 · Health /Life Ins.-ER Share	17,289.92	18,408.81	-1,118.89	-6.1%
5102080 · Worker's Compensation	218.65	147.20	71.45	48.5%
5102090 · Unemployment Insurance	78.15	71.51	6.64	9.3%
5203010 · Auto-State Owned	597.12	370.86	226.26	61.0%
5203020 · Auto-Private-Ownes Low Mileage	452.00	384.60	67.40	17.5%
5203030 · In State-Auto- Priv. High Miles	1,284.64	761.46	523.18	68.7%
5203100 · In State-Lodging	919.04	375.96	543.08	144.5%
5203140 · InState-Tax Meals Not OverNigt	32.00	54.00	-22.00	-40.7%
5203150 · InState-Non-Tax Meals OverNight	425.00	245.00	180.00	73.5%
5203230 · OS-Auto Private High Mileage	0.00	646.84	-646.84	-100.0%
5203260 · OS-Air Commercial Carrier	2,286.20	3,515.81	-1,229.61	-35.0%
5203280 · OS-Other Public Carrier	235.35	267.00	-31.65	-11.9%
5203300 · OS-Lodging	4,568.23	6,988.66	-2,420.43	-34.6%
5203320 · OS-Incidentals to Travel	294.01	291.00	3.01	1.0%
5203350 · OS-Non-Taxable Meals Overnight	574.00	954.00	-380.00	-39.8%
5204010 · Subscriptions	452.99	628.75	-175.76	-28.0%
5204020 · Dues and Membership Fees	3,590.00	3,590.00	0.00	0.0%
5204030 · Legal Document Fees	0.00	30.00	-30.00	-100.0%
5204040 · Consultant Fees-Accounting	0.00	6,200.00	-6,200.00	-100.0%
5204160 · Workshop Registration Fees	5,884.00	6,635.00	-751.00	-11.3%
5204180 · Computer Services-State	852.00	684.00	168.00	24.6%
5204181 · Computer Development Serv-State	12,721.00	3,480.00	9,241.00	265.6%
5204200 · Central Services	5,995.41	5,948.96	46.45	0.8%
5204220 · Equipment Service & Maintenance	54.77	59.48	-4.71	-7.9%
5204230 · Janitorial/Maintenance Services	1,438.32	1,438.32	0.00	0.0%
5204340 · Computer Software Maintenance	943.30	950.00	-6.70	-0.7%
5204360 · Advertising-Newspapers	644.91	0.00	644.91	100.0%
5204440 · Newsletter Publishing	0.00	982.99	-982.99	-100.0%
5204460 · Equipment Rental	3,511.20	4,108.20	-597.00	-14.5%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
July 2011 through June 2012

	Jul '11 - Jun 12	Jul '10 - Jun 11	\$ Change	% Change
5204480 · Microfilm and Photography	502.66	0.00	502.66	100.0%
5204490 · Rents Privately Owned Property	15,233.40	15,233.40	0.00	0.0%
5204510 · Rent-Other	167.70	0.00	167.70	100.0%
5204530 · Telecommunications Services	2,242.47	2,090.17	152.30	7.3%
5204540 · Electricity	695.26	752.37	-57.11	-7.6%
5204560 · Water	178.80	116.75	62.05	53.2%
5204590 · Insurance Premiums/Surety Bonds	1,666.45	0.00	1,666.45	100.0%
5204740 · Bank Fees and Charges	2,816.65	2,310.59	506.06	21.9%
5205020 · Office Supplies	813.40	1,878.19	-1,064.79	-56.7%
5205310 · Printing State	0.00	76.18	-76.18	-100.0%
5205320 · Printing/Duplicating/Binding Co	300.66	823.04	-522.38	-63.5%
5205330 · Supplemental Publications	630.00	598.75	31.25	5.2%
5205350 · Postage	1,005.85	3,013.72	-2,007.87	-66.6%
5207900 · Computer Hardware	0.00	5,347.22	-5,347.22	-100.0%
5207950 · System Development	0.00	131.25	-131.25	-100.0%
5207960 · Computer Software Expense	0.00	99.95	-99.95	-100.0%
5228000 · Operating Transfers Out-NonBudg	5,817.96	5,796.09	21.87	0.4%
5228030 · Depreciation Expense	12,070.40	12,070.40	0.00	0.0%
Total Expense	207,795.48	218,439.79	-10,644.31	-4.9%
Net Ordinary Income	20,770.30	-2,102.47	22,872.77	1,087.9%
Net Income	20,770.30	-2,102.47	22,872.77	1,087.9%

BAL409R1

STATE OF SOUTH DAKOTA
CASH CENTER BALANCES
AS OF: 07/31/2012

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

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	377,133.14	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			377,133.14	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			377,133.14	DR **	
BUDGET UNIT TOTAL 1031			377,133.14	DR ***	

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 07/31/2012

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
COMPANY NO 6503										
COMPANY NAME PROFESSIONAL & LICENSING BOARDS										
6503	103100061802	51010100	CGEX120627	07/02/2012					2,620.00	DR
6503	103100061802	51010100	CGEX120712	07/18/2012					2,620.01	DR
OBSUB: 5101010 F-T EMP SAL & WAGES										
6503	103100061802	51010200	CGEX120627	07/02/2012					5,240.01	DR *
6503	103100061802	51010200	CGEX120712	07/18/2012					654.24	DR
OBSUB: 5101020 P-T/TEMP EMP SAL & WAGES										
6503	103100061802	51010300	CGEX120627	07/02/2012					1,330.76	DR *
6503	103100061802	51010300	CGEX120712	07/18/2012					240.00	DR
OBSUB: 5101030 BOARD & COMM MBRS FEES										
6503	103100061802	51020100	CGEX120627	07/02/2012					7,110.77	DR **
6503	103100061802	51020100	CGEX120712	07/18/2012					251.16	DR
6503	103100061802	51020100	CGEX120719	07/20/2012					257.45	DR
OBSUB: 5102010 OASI-EMPLOYER'S SHARE										
6503	103100061802	51020200	CGEX120627	07/02/2012					509.68	DR *
6503	103100061802	51020200	CGEX120712	07/18/2012					196.45	DR
OBSUB: 5102020 RETIREMENT-ER SHARE										
6503	103100061802	51020600	CGEX120627	07/02/2012					394.24	DR *
6503	103100061802	51020600	CGEX120712	07/18/2012					791.88	DR
OBSUB: 5102060 HEALTH/LIFE INS.-ER SHARE										
6503	103100061802	51020800	CGEX120627	07/02/2012					1,583.76	DR *
6503	103100061802	51020800	CGEX120712	07/18/2012					5.24	DR
OBSUB: 5102080 WORKER'S COMPENSATION										
6503	103100061802	51020900	CGEX120627	07/02/2012					10.51	DR *
6503	103100061802	51020900	CGEX120712	07/18/2012					2.46	DR
OBSUB: 5102090 UNEMPLOYMENT COMPENSATION										
6503	103100061802	52031400	CGEX120719	07/20/2012					4.94	DR *
OBSUB: 5102090 EMPLOYEE BENEFITS										
6503	103100061802	52031400	CGEX120719	07/20/2012					2,503.13	DR **
OBSUB: 5102090 PERSONAL SERVICES										
6503	103100061802	52031400	CGEX120719	07/20/2012					9,613.90	DR ***
OBSUB: 5203140 TAXABLE MEALS/IN-STATE										
6503	103100061802	52032200	CGEX120723	07/25/2012					14.00	DR *
OBSUB: 5203220 AUTO-PRIV. (OUT-STATE) L/R										
6503	103100061802	52032600	CGEX120719	07/20/2012					90.40	DR *
6503	103100061802	52032600	CGEX120723	07/25/2012					828.00	DR
OBSUB: 5203260 AIR-COMM-OUT-OF-STATE										
6503	103100061802	52032600	CGEX120723	07/25/2012					695.33	DR
OBSUB: 5203260 AIR-COMM-OUT-OF-STATE										
6503	103100061802	52032600	CGEX120723	07/25/2012					1,523.33	DR *

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 07/31/2012

AGENCY		10	LABOR		BOARD OF ACCOUNTANCY		BUDGET UNIT		1031	BOARD OF ACCOUNTANCY	
CENTER-5		10310							10310		
COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL. #	OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/CR
6503	103100061802	52032800	CGEX120719	07/20/2012	172131					45.00	DR
6503	103100061802	52032800	CGEX120723	07/25/2012	172130					25.00	DR
OBSUB: 5203280 OTHER-PUBLIC-OUT-OF-STATE											
6503	103100061802	52033000	CGEX120719	07/20/2012	172131					1,226.40	DR
6503	103100061802	52033000	CGEX120723	07/25/2012	172130					981.12	DR
OBSUB: 5203300 LODGING/OUT-OF-STATE											
6503	103100061802	52033200	CGEX120719	07/20/2012	172131					2,207.52	DR
6503	103100061802	52033200	CGEX120723	07/25/2012	172130					92.00	DR
OBSUB: 5203320 INCIDENTALS-OUT-OF-STATE											
6503	103100061802	52033500	CGEX120719	07/20/2012	172131					178.00	DR
6503	103100061802	52033500	CGEX120723	07/25/2012	172130					134.00	DR
OBSUB: 5203350 NON-TAXABLE MEALS/OUT-ST											
OBJECT: 5203 TRAVEL											
6503	103100061802	52041800	DP206098	08/01/2012						4,408.25	DR
6503	103100061802	52041800	DP206098	08/01/2012						3,123.80	DR
6503	103100061802	52041800	DP206098	08/01/2012						3,123.00	DR
6503	103100061802	52041800	DP206098	08/01/2012						3,123.00	CR
OBSUB: 5204180 COMPUTER SERVICES-STATE											
6503	103100061802	52042000	FM206070	08/01/2012						3,123.80	DR
6503	103100061802	52042000	PL206060	08/01/2012						1,043.81	DR
6503	103100061802	52042000	RM206003	08/01/2012						93.98	DR
6503	103100061802	52042000								58.85	DR
OBSUB: 5204200 CENTRAL SERVICES											
6503	103100061802	52042200	INV1084155	08/01/2012	02004527		MARCOINC	12201534		1,196.64	DR
OBSUB: 5204220 EQUIPMENT SERV & MAINT											
6503	103100061802	52042300	13SCI00008 JUL12	07/25/2012	99872321		SUNSETOFFI	12043890		3.65	DR
OBSUB: 5204230 JANITORIAL & MAINT SERV											
6503	103100061802	52043400	31265	07/18/2012	99870558		ELBOCOMPUT	12124520		122.86	DR
OBSUB: 5204340 COMPUTER SOFTWARE MAINT											
6503	103100061802	52043600	1464 0612	07/25/2012	99872005		CAPITALJOU	12028863	02	78.75	DR
6503	103100061802	52043600	279635	07/18/2012	99870492		ARGUSLEADE	12114857	08	195.00	DR
6503	103100061802	52043600	60044539 JUN12	07/18/2012	99869864		RAPIDCITYJ	12025349		510.30	DR
OBSUB: 5204360 ADVERTISING-NEWSPAPER											
6503	103100061802	52044600	INV1084155	08/01/2012	02004527		MARCOINC	12201534		134.61	DR
OBSUB: 5204460 EQUIPMENT RENTAL											
6503	103100061802	52044900	ACCOUNTRENTAUG12	07/25/2012	02003509		MCGINNISRO	12074040		839.91	DR
OBSUB: 5204490 RENTS-PRIVATE OWNED PROP.											
6503	103100061802	52045300	111109001 JUN 12	07/25/2012	99871944		MIDCONTINE	12023782		93.60	DR

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 07/31/2012

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	5204530	TELECOMMUNICATIONS SVCS	07/18/2012	02002450	XCELENERGY	12023853		95.00	DR *
		5204540	5159417006 0612						49.27	DR
6503	103100061802	5204540	ELECTRICITY	07/10/2012	154449				49.27	DR *
		5204740	CI103A-003						441.67	DR
6503	103100061802	52049600	BANK FEES AND CHARGES	07/25/2012	99871806	NATLASNST	12005047		441.67	DR *
		5204960	13437280						1,151.25	DR
6503	103100061802	52050280	OTHER CONTRACTUAL SERVICE	07/25/2012	02003298	BROWNSAENG	12028533		1,151.25	DR *
		52050280	CONTRACTUAL SERVICES						8,465.85	DR **
		52050280	1629036-0						6.82	DR
6503	103100061802	52053200	OFFICE SUPPLIES	08/01/2012	99875857	BUSINESSPR	12003048		6.82	DR *
		5205320	36079						20.70	DR
6503	103100061802	52053500	PRINTING-COMMERCIAL	07/20/2012	172131				20.70	DR *
		5205350	CGEX120719						26.64	DR
6503	103100061802	52079010	POSTAGE	07/25/2012	99872798	ELBOCOMPUT	12124520		26.64	DR *
		5207901	31651						54.16	DR **
		5207901							1,225.00	DR
		5207901							1,225.00	DR *
		5207901							1,225.00	DR **
		5207901							14,153.26	DR ***
		5207901							23,767.16	DR ****
		5207901							23,767.16	DR *****
		5207901							23,767.16	DR *****

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

	Jul 31, 12
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - US Bank	57,443.08
1140000 · Pool Cash State of SD	354,312.79
Total Checking/Savings	411,755.87
Other Current Assets	
1131000 · Cash-Security Lending Collatera	14,957.90
1213000 · Investment Income Receivable	1,806.99
Total Other Current Assets	16,764.89
Total Current Assets	428,520.76
Fixed Assets	
1670000 · Computer Software	
Original Cost	140,063.23
1770000 · Depreciation	-105,863.75
Total 1670000 · Computer Software	34,199.48
Total Fixed Assets	34,199.48
TOTAL ASSETS	462,720.24
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	991.84
Total Accounts Payable	991.84
Other Current Liabilities	
2810000 · Amounts Held for Others	37,877.99
Total Other Current Liabilities	37,877.99
Total Current Liabilities	38,869.83
Long Term Liabilities	
2960000 · Compensated Absences Payable	12,338.53
Total Long Term Liabilities	12,338.53
Total Liabilities	51,208.36
Equity	
3220000 · Unrestricted Net Assets	222,159.26
3300100 · Invested in Capital Assets	34,199.48
3900 · Retained Earnings	51,005.60
Net Income	104,147.54
Total Equity	411,511.88
TOTAL LIABILITIES & EQUITY	462,720.24

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July 2012

	Jul 12	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	225.00	3,000.00	-2,775.00	7.5%
4293551 · Certificate Renewals-Active	40,350.00	46,000.00	-5,650.00	87.7%
4293552 · Certificate Renewals-Inactive	14,000.00	18,000.00	-4,000.00	77.8%
4293553 · Certificate Renewals-Retired	350.00	700.00	-350.00	50.0%
4293554 · Initial Firm Permits	300.00	1,250.00	-950.00	24.0%
4293555 · Firm Permit Renewals	15,100.00	17,000.00	-1,900.00	88.8%
4293557 · Initial Audit	90.00	750.00	-660.00	12.0%
4293558 · Re-Exam Audit	240.00	2,340.00	-2,100.00	10.3%
4293561 · Late Fees-Certificate Renewals	0.00	4,000.00	-4,000.00	0.0%
4293563 · Late Fees-Firm Permit Renewals	0.00	800.00	-800.00	0.0%
4293564 · Late Fees-Peer Review	50.00	1,100.00	-1,050.00	4.5%
4293566 · Firm Permit Individual	53,040.00	64,000.00	-10,960.00	82.9%
4293567 · Peer Review Admin Fee	75.00	5,650.00	-5,575.00	1.3%
4293568 · Firm Permit Name Change	0.00	100.00	-100.00	0.0%
4293569 · Initial FAR	30.00	1,140.00	-1,110.00	2.6%
4293570 · Initial REG	60.00	660.00	-600.00	9.1%
4293571 · Initial BEC	60.00	930.00	-870.00	6.5%
4293572 · Re-Exam FAR	240.00	1,710.00	-1,470.00	14.0%
4293573 · Re-Exam REG				
REFUNDS	0.00			
4293573 · Re-Exam REG - Other	150.00	1,800.00	-1,650.00	8.3%
Total 4293573 · Re-Exam REG	150.00	1,800.00	-1,650.00	8.3%
4293574 · Re-Exam BEC				
5208009 · REFUNDS	0.00			
4293574 · Re-Exam BEC - Other	300.00	1,980.00	-1,680.00	15.2%
Total 4293574 · Re-Exam BEC	300.00	1,980.00	-1,680.00	15.2%
4491000 · Interest and Dividend Revenue	0.00	9,000.00	-9,000.00	0.0%
4896021 · Legal Recovery Cost	0.00	1,000.00	-1,000.00	0.0%
Total Income	124,660.00	182,910.00	-58,250.00	68.2%
Gross Profit	124,660.00	182,910.00	-58,250.00	68.2%
Expense				
5101010 · F-T Emp Sal & Wages	5,240.01	68,843.00	-63,602.99	7.6%
5101020 · P-T/Temp Emp Sal & Wages	1,330.76	17,769.00	-16,438.24	7.5%
5101030 · Board & Comm Mbrs Fees	540.00	4,138.00	-3,598.00	13.0%
5102010 · OASI-Employer's Share	509.68	6,918.00	-6,408.32	7.4%
5102020 · Retirement-ER Share	394.24	5,445.00	-5,050.76	7.2%
5102060 · Health /Life Ins.-ER Share	1,583.76	19,005.00	-17,421.24	8.3%
5102080 · Worker's Compensation	10.51	254.00	-243.49	4.1%
5102090 · Unemployment Insurance	4.94	91.00	-86.06	5.4%
5203010 · Auto--State Owned	0.00	600.00	-600.00	0.0%
5203020 · Auto-Private-Ownes Low Mileage	0.00	400.00	-400.00	0.0%
5203030 · In State-Auto- Priv. High Miles	0.00	1,500.00	-1,500.00	0.0%
5203100 · In State-Lodging	100.00	1,000.00	-900.00	10.0%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%
5203140 · InState-Tax Meals Not Overnigt	14.00	100.00	-86.00	14.0%
5203150 · InState-Non-Tax Meals OverNight	52.00	400.00	-348.00	13.0%
5203220 · OS-Auto Private Low Mileage	90.40			
5203230 · OS-Auto Private High Mileage	0.00	100.00	-100.00	0.0%
5203260 · OS-Air Commercial Carrier	1,523.33	5,700.00	-4,176.67	26.7%
5203280 · OS-Other Public Carrier	70.00	500.00	-430.00	14.0%
5203300 · OS-Lodging	2,207.52	7,800.00	-5,592.48	28.3%
5203320 · OS-Incidentals to Travel	191.00	350.00	-159.00	54.6%
5203350 · OS-Non-Taxable Meals Overnight	312.00	1,200.00	-888.00	26.0%
5204010 · Subscriptions	0.00	1,500.00	-1,500.00	0.0%
5204020 · Dues and Membership Fees	0.00	3,900.00	-3,900.00	0.0%
5204030 · Legal Document Fees	0.00	500.00	-500.00	0.0%
5204040 · Consultant Fees-Accounting	0.00	6,700.00	-6,700.00	0.0%
5204160 · Workshop Registration Fees	0.00	6,000.00	-6,000.00	0.0%
5204180 · Computer Services-State	0.00	600.00	-600.00	0.0%

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July 2012

	Jul 12	Budget	\$ Over Budget	% of Budget
5204181 · Computer Development Serv-State	0.00	10,400.00	-10,400.00	0.0%
5204200 · Central Services	1,196.64	7,000.00	-5,803.36	17.1%
5204220 · Equipment Service & Maintenance	3.65	300.00	-296.35	1.2%
5204230 · Janitorial/Maintenance Services	122.86	1,560.00	-1,437.14	7.9%
5204340 · Computer Software Maintenance	527.50	1,000.00	-472.50	52.8%
5204360 · Advertising-Newspapers	195.00	1,500.00	-1,305.00	13.0%
5204440 · Newsletter Publishing	0.00	1,100.00	-1,100.00	0.0%
5204460 · Equipment Rental	93.60	4,500.00	-4,406.40	2.1%
5204480 · Microfilm and Photography	0.00	700.00	-700.00	0.0%
5204490 · Rents Privately Owned Property	1,269.45	15,531.00	-14,261.55	8.2%
5204530 · Telecommunications Services	95.00	2,500.00	-2,405.00	3.8%
5204540 · Electricity	50.62	865.00	-814.38	5.9%
5204560 · Water	22.35	240.00	-217.65	9.3%
5204590 · Insurance Premiums/Surety Bonds	0.00	1,710.00	-1,710.00	0.0%
5204740 · Bank Fees and Charges	441.67	3,200.00	-2,758.33	13.8%
5205020 · Office Supplies	41.77	2,000.00	-1,958.23	2.1%
5205310 · Printing State	0.00	500.00	-500.00	0.0%
5205320 · Printing/Duplicating/Binding Co	20.70	1,000.00	-979.30	2.1%
5205330 · Supplemental Publications	0.00	700.00	-700.00	0.0%
5205340 · Microfilm Supplies/Materials	0.00	300.00	-300.00	0.0%
5205350 · Postage	26.64	3,100.00	-3,073.36	0.9%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207900 · Computer Hardware	1,225.00	4,800.00	-3,575.00	25.5%
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	0.00	7,400.00	-7,400.00	0.0%
5228030 · Depreciation Expense	1,005.86	12,070.40	-11,064.54	8.3%
Total Expense	20,512.46	246,989.40	-226,476.94	8.3%
Net Ordinary Income	104,147.54	-64,079.40	168,226.94	-162.5%
Net Income	104,147.54	-64,079.40	168,226.94	-162.5%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
July 2012

	Jul 12	Jul 11	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	225.00	275.00	-50.00	-18.2%
4293551 · Certificate Renewals-Active	40,350.00	35,150.00	5,200.00	14.8%
4293552 · Certificate Renewals-Inactive	14,000.00	11,850.00	2,150.00	18.1%
4293553 · Certificate Renewals-Retired	350.00	240.00	110.00	45.8%
4293554 · Initial Firm Permits	300.00	150.00	150.00	100.0%
4293555 · Firm Permit Renewals	15,100.00	13,100.00	2,000.00	15.3%
4293557 · Initial Audit	90.00	180.00	-90.00	-50.0%
4293558 · Re-Exam Audit	240.00	360.00	-120.00	-33.3%
4293560 · Late Fees-Initial Certificate	0.00	50.00	-50.00	-100.0%
4293564 · Late Fees-Peer Review	50.00	50.00	0.00	0.0%
4293566 · Firm Permit Individual	53,040.00	39,845.00	13,195.00	33.1%
4293567 · Peer Review Admin Fee	75.00	75.00	0.00	0.0%
4293568 · Firm Permit Name Change	0.00	55.00	-55.00	-100.0%
4293569 · Initial FAR	30.00	120.00	-90.00	-75.0%
4293570 · Initial REG	60.00	150.00	-90.00	-60.0%
4293571 · Initial BEC	60.00	120.00	-60.00	-50.0%
4293572 · Re-Exam FAR	240.00	150.00	90.00	60.0%
4293573 · Re-Exam REG	150.00	210.00	-60.00	-28.6%
4293574 · Re-Exam BEC	300.00	300.00	0.00	0.0%
Total Income	124,660.00	102,430.00	22,230.00	21.7%
Gross Profit	124,660.00	102,430.00	22,230.00	21.7%
Expense				
5101010 · F-T Emp Sal & Wages	5,240.01	5,459.52	-219.51	-4.0%
5101020 · P-T/Temp Emp Sal & Wages	1,330.76	1,471.27	-140.51	-9.6%
5101030 · Board & Comm Mbrs Fees	540.00	720.00	-180.00	-25.0%
5102010 · OASI-Employer's Share	509.68	545.12	-35.44	-6.5%
5102020 · Retirement-ER Share	394.24	415.86	-21.62	-5.2%
5102060 · Health /Life Ins.-ER Share	1,583.76	1,533.78	49.98	3.3%
5102080 · Worker's Compensation	10.51	19.42	-8.91	-45.9%
5102090 · Unemployment Insurance	4.94	6.93	-1.99	-28.7%
5203100 · In State-Lodging	100.00	0.00	100.00	100.0%
5203140 · InState-Tax Meals Not OverNigt	14.00	0.00	14.00	100.0%
5203150 · InState-Non-Tax Meals OverNight	52.00	0.00	52.00	100.0%
5203220 · OS-Auto Private Low Mileage	90.40	0.00	90.40	100.0%
5203260 · OS-Air Commercial Carrier	1,523.33	0.00	1,523.33	100.0%
5203280 · OS-Other Public Carrier	70.00	0.00	70.00	100.0%
5203300 · OS-Lodging	2,207.52	0.00	2,207.52	100.0%
5203320 · OS-Incidentals to Travel	191.00	0.00	191.00	100.0%
5203350 · OS-Non-Taxable Meals Overnight	312.00	0.00	312.00	100.0%
5204180 · Computer Services-State	0.00	57.00	-57.00	-100.0%
5204181 · Computer Development Serv-State	0.00	475.20	-475.20	-100.0%
5204200 · Central Services	1,196.64	1,248.87	-52.23	-4.2%
5204220 · Equipment Service & Maintenance	3.65	7.62	-3.97	-52.1%
5204230 · Janitorial/Maintenance Services	122.86	119.86	3.00	2.5%
5204340 · Computer Software Maintenance	527.50	0.00	527.50	100.0%
5204360 · Advertising-Newspapers	195.00	0.00	195.00	100.0%
5204460 · Equipment Rental	93.60	93.60	0.00	0.0%
5204490 · Rents Privately Owned Property	1,269.45	1,269.45	0.00	0.0%
5204530 · Telecommunications Services	95.00	95.00	0.00	0.0%
5204540 · Electricity	50.62	50.79	-0.17	-0.3%
5204560 · Water	22.35	22.35	0.00	0.0%
5204740 · Bank Fees and Charges	441.67	428.38	13.29	3.1%
5205020 · Office Supplies	41.77	48.89	-7.12	-14.6%
5205320 · Printing/Duplicating/Binding Co	20.70	0.00	20.70	100.0%
5205350 · Postage	26.64	0.00	26.64	100.0%
5207900 · Computer Hardware	1,225.00	0.00	1,225.00	100.0%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
July 2012

	<u>Jul 12</u>	<u>Jul 11</u>	<u>\$ Change</u>	<u>% Change</u>
5228000 · Operating Transfers Out-NonBudg	0.00	560.72	-560.72	-100.0%
5228030 · Depreciation Expense	1,005.86	1,005.86	0.00	0.0%
Total Expense	<u>20,512.46</u>	<u>15,655.49</u>	<u>4,856.97</u>	<u>31.0%</u>
Net Ordinary Income	<u>104,147.54</u>	<u>86,774.51</u>	<u>17,373.03</u>	<u>20.0%</u>
Net Income	<u><u>104,147.54</u></u>	<u><u>86,774.51</u></u>	<u><u>17,373.03</u></u>	<u><u>20.0%</u></u>

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

	Jul 12	Jul 11	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	225.00	275.00	-50.00	-18.2%
4293551 · Certificate Renewals-Active	40,350.00	35,150.00	5,200.00	14.8%
4293552 · Certificate Renewals-Inactive	14,000.00	11,850.00	2,150.00	18.1%
4293553 · Certificate Renewals-Retired	350.00	240.00	110.00	45.8%
4293554 · Initial Firm Permits	300.00	150.00	150.00	100.0%
4293555 · Firm Permit Renewals	15,100.00	13,100.00	2,000.00	15.3%
4293557 · Initial Audit	90.00	180.00	-90.00	-50.0%
4293558 · Re-Exam Audit	240.00	360.00	-120.00	-33.3%
4293560 · Late Fees-Initial Certificate	0.00	50.00	-50.00	-100.0%
4293564 · Late Fees-Peer Review	50.00	50.00	0.00	0.0%
4293566 · Firm Permit Individual	53,040.00	39,845.00	13,195.00	33.1%
4293567 · Peer Review Admin Fee	75.00	75.00	0.00	0.0%
4293568 · Firm Permit Name Change	0.00	55.00	-55.00	-100.0%
4293569 · Initial FAR	30.00	120.00	-90.00	-75.0%
4293570 · Initial REG	60.00	150.00	-90.00	-60.0%
4293571 · Initial BEC	60.00	120.00	-60.00	-50.0%
4293572 · Re-Exam FAR	240.00	150.00	90.00	60.0%
4293573 · Re-Exam REG	150.00	210.00	-60.00	-28.6%
4293574 · Re-Exam BEC	300.00	300.00	0.00	0.0%
Total Income	124,660.00	102,430.00	22,230.00	21.7%
Gross Profit	124,660.00	102,430.00	22,230.00	21.7%
Expense				
5101010 · F-T Emp Sal & Wages	5,240.01	5,459.52	-219.51	-4.0%
5101020 · P-T/Temp Emp Sal & Wages	1,330.76	1,471.27	-140.51	-9.6%
5101030 · Board & Comm Mbrs Fees	540.00	720.00	-180.00	-25.0%
5102010 · OASI-Employer's Share	509.68	545.12	-35.44	-6.5%
5102020 · Retirement-ER Share	394.24	415.86	-21.62	-5.2%
5102060 · Health /Life Ins.-ER Share	1,583.76	1,533.78	49.98	3.3%
5102080 · Worker's Compensation	10.51	19.42	-8.91	-45.9%
5102090 · Unemployment Insurance	4.94	6.93	-1.99	-28.7%
5203100 · In State-Lodging	100.00	0.00	100.00	100.0%
5203140 · InState-Tax Meals Not OverNigt	14.00	0.00	14.00	100.0%
5203150 · InState-Non-Tax Meals OverNight	52.00	0.00	52.00	100.0%
5203220 · OS-Auto Private Low Mileage	90.40	0.00	90.40	100.0%
5203260 · OS-Air Commercial Carrier	1,523.33	0.00	1,523.33	100.0%
5203280 · OS-Other Public Carrier	70.00	0.00	70.00	100.0%
5203300 · OS-Lodging	2,207.52	0.00	2,207.52	100.0%
5203320 · OS-Incidentals to Travel	191.00	0.00	191.00	100.0%
5203350 · OS-Non-Taxable Meals Overnight	312.00	0.00	312.00	100.0%
5204180 · Computer Services-State	0.00	57.00	-57.00	-100.0%
5204181 · Computer Development Serv-State	0.00	475.20	-475.20	-100.0%
5204200 · Central Services	1,196.64	1,248.87	-52.23	-4.2%
5204220 · Equipment Service & Maintenance	3.65	7.62	-3.97	-52.1%
5204230 · Janitorial/Maintenance Services	122.86	119.86	3.00	2.5%
5204340 · Computer Software Maintenance	527.50	0.00	527.50	100.0%
5204360 · Advertising-Newspapers	195.00	0.00	195.00	100.0%
5204460 · Equipment Rental	93.60	93.60	0.00	0.0%
5204490 · Rents Privately Owned Property	1,269.45	1,269.45	0.00	0.0%
5204530 · Telecommunications Services	95.00	95.00	0.00	0.0%
5204540 · Electricity	50.62	50.79	-0.17	-0.3%
5204560 · Water	22.35	22.35	0.00	0.0%
5204740 · Bank Fees and Charges	441.67	428.38	13.29	3.1%
5205020 · Office Supplies	41.77	48.89	-7.12	-14.6%
5205320 · Printing/Duplicating/Binding Co	20.70	0.00	20.70	100.0%
5205350 · Postage	26.64	0.00	26.64	100.0%
5207900 · Computer Hardware	1,225.00	0.00	1,225.00	100.0%

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

	<u>Jul 12</u>	<u>Jul 11</u>	<u>\$ Change</u>	<u>% Change</u>
5228000 · Operating Transfers Out-NonBudg	0.00	560.72	-560.72	-100.0%
5228030 · Depreciation Expense	1,005.86	1,005.86	0.00	0.0%
Total Expense	<u>20,512.46</u>	<u>15,655.49</u>	<u>4,856.97</u>	<u>31.0%</u>
Net Ordinary Income	<u>104,147.54</u>	<u>86,774.51</u>	<u>17,373.03</u>	<u>20.0%</u>
Net Income	<u><u>104,147.54</u></u>	<u><u>86,774.51</u></u>	<u><u>17,373.03</u></u>	<u><u>20.0%</u></u>

**REPORT TO BOARD ON NASBA ANNUAL MEETING & INTERNATIONAL
FORUM**

The Annual Meeting for NASBA will be held October 28-31, 2012. The International Forum will be held October 31 and November 1, 2012. The location of the meetings will be in Orlando, FL at Walt Disney World Swan and Dolphin Resort.

This is a request for a board motion to approve travel for 2 Board Members and the Executive Director to attend the Annual NASBA meeting and for 1 Board Member and the Executive Director to attend the International Forum.

		FY14 BUDGET WORKSHEET					
			State Act	QB Act	FY13	Expand-	FY14
Income	Description	FY11	FY12	FY12	Budget	Reduce	Budget
4293550	Initial Individual Certificate	2,075.00	1,925.00	1,925.00	3,000.00	(800.00)	2,200.00
4293551	Cert Renew-Active	54,700.00	54,440.00	62,540.00	46,000.00	7000.00	53,000.00
4293552	Cert Renew-Inactive	19,050.00	19,850.00	23,900.00	18,000.00	1000.00	19,000.00
4293553	Cert Renew-Retired	610.00	630.00	910.00	700.00	0.00	700.00
4293554	Initial Firm Permit	1,000.00	1,200.00	1,200.00	1,250.00	0.00	1,250.00
4293555	Firm Permit Renew	18,950.00	19,400.00	22,100.00	17,000.00	1000.00	18,000.00
4293557	Initial Audit	6,548.98	6,384.92	930.00	750.00	150.00	900.00
4293558	Re-exam Audit	20,232.01	19,499.67	2,580.00	2,340.00	120.00	2,460.00
4293560	Late Fee-Initial Certificate	50.00	100.00	100.00	0.00	0.00	0.00
4293561	Late Fees-Cert Renew	6,050.00	2,850.00	2,850.00	4,000.00	0.00	4,000.00
4293562	Late Fees-Firm Permits	237.15	0.00	0.00	0.00	0.00	0.00
4293563	Late Fees-Firm Perm Renewals	1,100.00	600.00	600.00	800.00	0.00	800.00
4293564	Late Fees- Peer Review	1,050.00	1,700.00	1,700.00	1,100.00	200.00	1,300.00
4293566	Firm Permit Individual	68,015.00	73,255.00	78,195.00	64,000.00	6000.00	70,000.00
4293567	Peer Review Admin Fee	6,150.00	5,475.00	5,475.00	5,650.00	0.00	5,650.00
4293568	Firm Permit Name Change	150.00	490.00	490.00	100.00	0.00	100.00
4293569	Initial FAR	9,834.15	7,222.55	1,080.00	1,140.00	0.00	1,140.00
4293570	Initial REG	4,631.25	3,641.40	630.00	660.00	0.00	660.00
4293571	Initial BEC	6,943.25	4,477.42	750.00	930.00	0.00	930.00
4293572	Re-Exam FAR	12,457.00	13,150.35	1,860.00	1,710.00	150.00	1,860.00
4293573	Re-exam REG	15,148.90	17,298.15	2,550.00	1,800.00	510.00	2,310.00
4293574	Re-exam BEC	15,549.41	15,413.42	2,340.00	1,980.00	330.00	2,310.00
4491000	Interest and Dividend Revenue	16,547.72	11,505.78	11,505.78	9,000.00	0.00	9,000.00
4896021	Legal Recovery Cost	707.43	2,355.00	2,355.00	1,000.00	0.00	1,000.00
4950	Refund Prior Years Expenses	0.00	0.00	0.00	0.00	0.00	0.00
	Total Income	287,787.25	282,863.66	228,565.78	182,910.00	15,660.00	198,570.00
			State Act	QB Act	FY13	Expand-	FY14
Expenses -Sal & Benefits		FY11	FY12	FY12	Budget	Reduce	Budget
5101010	F-T Emp Sal & Wages	65,598.68	70,121.64	66,151.20	68,843.00	0.00	68,843.00
5101020	P-T Emp Sal & Wages	17,726.69	19,000.56	17,197.84	17,769.00	0.00	17,769.00
5101030	Board & Comm. Members	4,020.00	3,720.00	3,000.00	4,138.00	0.00	4,138.00
5102010	OASI - Employers	6,321.59	6,589.21	6,178.23	6,918.00	0.00	6,918.00
5102020	Retirement - Employers	4,999.55	5,347.40	5,784.34	5,445.00	0.00	5,445.00
5102060	Health Insurance	18,405.36	18,405.36	17,289.92	19,005.00	0.00	19,005.00
5102080	Workers Comp	141.70	232.76	218.65	254.00	0.00	254.00
5102090	Unemployment	70.79	83.18	78.15	91.00	0.00	91.00
	Sal & Benefits Totals	117,284.36	123,500.11	115,898.33	122,463.00	0.00	122,463.00
			State Act	QB Act	FY13	Expand-	FY14
Expenses - Operational		FY11	FY12	FY12	Budget	Reduce	Budget
5203010	Auto - State Vehicle	370.86	597.12	597.12	600.00	0.00	600.00
5203020	Auto Private In State -employees	384.60	452.00	452.00	400.00	0.00	400.00
5203030	Auto Private In State- Board	761.46	1,284.64	1,284.64	1,500.00	0.00	1,500.00
5203100	Lodging In State	375.96	919.00	919.04	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	92.00	41.00	32.00	100.00	0.00	100.00
5203150	Meals Overnight - In State	207.00	416.00	425.00	400.00	0.00	400.00
5203230	Auto Private Out of State - Board	199.36	447.48	0.00	100.00	0.00	100.00
5203260	Air Travel-Out of State	4,053.11	2,286.20	2,286.20	5,700.00	0.00	5,700.00

5203280	Other Public Transp Out of State	359.25	235.35	235.35	500.00	0.00	500.00
5203300	Lodging Out of State	7,064.01	5,413.08	4,568.23	7,800.00	0.00	7,800.00
5203320	Incidentals to Travel- Out of State	261.00	324.01	294.01	350.00	0.00	350.00
5203350	Meals Overnight - Out of State	1,030.00	678.00	574.00	1,200.00	0.00	1,200.00
5204010	Subscriptions	628.75	452.99	452.99	1,500.00	(500.00)	1,000.00
5204020	Dues & Membership Fees	3,590.00	3,590.00	3,590.00	3,900.00	0.00	3,900.00
5204030	Legal Document Fees	0.00	0.00	0.00	500.00	0.00	500.00
5204040	Consultant Fees - Audit	6,200.00	0.00	0.00	6,700.00	0.00	6,700.00
5204080	Consultant Fees - Legal	0.00	0.00	0.00	0.00	0.00	0.00
5204160	Workshop Registration Fees	6,635.00	5,884.00	5,884.00	6,000.00	0.00	6,000.00
5204180	Computer Services - State	4,164.00	9,791.20	777.00	600.00	0.00	600.00
5204181	Computer Dev. State	0.00	0.00	9,672.20	10,400.00	0.00	10,400.00
5204200	Central Services	5,994.26	6,003.66	5,995.41	7,000.00	0.00	7,000.00
5204220	Equipment Service & Maint	539.48	54.77	54.77	300.00	0.00	300.00
5204230	Janitorial	1,438.32	1,438.32	1,438.32	1,560.00	0.00	1,560.00
5204340	Computer-Tech Support	1,188.75	864.55	943.30	1,000.00	0.00	1,000.00
5204360	Advertising-Newspaper	0.00	0.00	644.91	1,500.00	(500.00)	1,000.00
5204440	Newsletter Publishing	982.99	0.00	0.00	1,100.00	0.00	1,100.00
5204460	Equipment Rental	4,108.20	3,511.00	3,511.20	4,500.00	0.00	4,500.00
5204480	Microfilm Processing	0.00	502.66	502.66	700.00	0.00	700.00
5204490	Rents-Private	15,233.40	15,233.40	15,233.40	15,531.00	0.00	15,531.00
5204510	Rents-Other	0.00	167.74	167.70	0.00	200.00	200.00
5204530	Telecommunications	2,194.02	2,877.65	2,156.00	2,500.00	0.00	2,500.00
5204540	Electricity	753.10	700.44	695.26	865.00	0.00	865.00
5204560	Water	116.75	178.80	178.80	240.00	0.00	240.00
5204590	Insurance Premiums	0.00	1,666.45	1,666.45	1,710.00	0.00	1,710.00
5204740	Bank Svc Chrg (Credit Card Fees)	2,310.59	2,766.65	2,816.65	3,200.00	1800.00	5,000.00
5204960	Other Contractual - NASBA	71,437.74	76,007.40	0.00	0.00	0.00	0.00
5205020	Office Supplies	1,796.99	329.70	813.40	2,000.00	0.00	2,000.00
5205028	Office Supplies	36.99	503.47	0.00	0.00	0.00	0.00
5205310	Printing/Copying State	76.18	0.00	0.00	500.00	0.00	500.00
5205320	Printing Commercial	823.04	293.76	300.66	1,000.00	0.00	1,000.00
5205330	Supplement Publications & Ref	598.75	630.00	630.00	700.00	0.00	700.00
5205340	Microfilm Supplies & Material	0.00	0.00	0.00	300.00	0.00	300.00
5205350	Postage	3,013.72	1,005.85	1,005.85	3,100.00	(1100.00)	2,000.00
5207430	Office Machines	0.00	0.00	0.00	100.00	0.00	100.00
5207900	Computer	0.00	0.00	0.00	4,800.00	0.00	4,800.00
5207901	Computer Hardware	5,347.22	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	500.00	0.00	500.00
5207955	Computer Hardware	0.00	0.00	0.00	500.00	0.00	500.00
5207960	Computer Software	0.00	0.00	0.00	500.00	0.00	500.00
52079610	Computer Software	99.95	0.00	0.00	0.00	0.00	0.00
5228000	DOL Overhead Allocated Fees	5,796.09	5,817.96	5,817.96	7,400.00	0.00	7,400.00
5228030	Depreciation	0.00	0.00	12,070.40	12,070.40	0.00	12,070.40
	Object Totals	160,262.89	153,366.30	88,686.88	124,526.40	-100.00	124,426.40
	Total Expenses	277,547.25	276,866.41	204,585.21	246,989.40	-100.00	246,889.40
	Net Income (Loss)	10,240.00	5,997.25	23,980.57	-64,079.40	15,760.00	-48,319.40

REPORT TO BOARD ON CPE REQUEST

An individual has submitted a handbook to be considered for CPE.

ARSD 20:75:04:01(7) The board may grant credit for the writing of published articles, books, or CPE programs to include credit for research and writing time provided the board determines the activity maintains or improves professional competence. The article, book, or CPE program must be formally reviewed by an independent party. CPE credits should be claimed only upon publication. Not more than half the three-year continuing professional education credit required may be gained through publications

ARSD 20:75:04:05 Non-group continuing professional education program criteria.

The non-group programs which qualify as acceptable continuing professional education programs if they meet the requirements of § 20:75:04:02 include the following:

(4) Published articles, books, or continuing professional education programs. A CPA or PA may be given credit for research and writing time upon determination by the board that the CPA's and PA's competency has been maintained or increased as a result of the activity

ARSD 20:75:04:02 General continuing professional education program criteria. To qualify as acceptable continuing professional education, a program must be a learning activity that contributes directly to the professional competence of a CPA or PA in the practice of accountancy. A CPA and PA performing professional services must have a broad range of knowledge, skills, and abilities. Acceptable continuing professional education encompasses programs contributing to the development and maintenance of both technical and nontechnical professional skills. A program that promotes professional competence in the practice of accountancy is defined as one that refers to the process, methods, or principles of accounting or directly relates to the CPA's and PA's employment and is above the level of the CPA's and PA's current knowledge. Acceptable subjects include accounting, assurance/auditing, consulting services, specialized knowledge and applications, management, taxation, and ethics. Other subjects, including personal development, may be acceptable if they maintain or improve the CPA's and PA's competence. A CPA or PA may use a learning plan to evaluate learning and competency development. The learning plan may be reviewed periodically and modified as competency needs change.

The individuals request follows along with the letter from the independent reviewer/editor. The actual handbook will be available at the meeting for review.

The individual is requesting 60 CPE hours for the period of July 1, 2011 to June 30, 2012.

The Board needs to make a determination in regards to the request.

Jerry R. Noonan, CPA
Email: Jerry@tth.net



516 West 10th Street, Suite 102
Sioux Falls, SD 57104-3620
☎ 605.271.5075 | 📠 605.335.6039

July 30, 2012

South Dakota Board of Accountancy
301 E. 14th Street Suite 200
Sioux Falls, SD 57104

Subject: CPE Credit of 60 hours

Enclosed are the Active Certificate Renewal Application for the year ending July 31, 2013 and the Record of Continuing Professional Education for the period July 1, 2011 to June 30, 2012.

I am asking that the Board allow 60 hours of CPE credits for this handbook under Regulation 20:75:04:05 subsection (4). I have enclosed a copy of the conference version of the handbook for the Board's review. The handbook was independently reviewed and edited by Nancy Dickinson the Director of the Writing Center at Augustana College in June of 2012. In addition we have been marketing the handbook at www.transportcost.net since June 1, 2012. We have received 5 orders to date and are currently in negotiations for the purchase of over 3000 paperback copies from one large transport carrier, Universal Truckload Services, Inc. that is currently evaluating the enclosed conference version (see enclosed order) for paperback publication in September 2012 as a promotional tool for their more than 3000 independent owner operators.

I have spent well over 400 hours of research and development time during this period for publication of this handbook. I believe it meets all of the requirements for a published article or book under the aforementioned section of the regulations.

Sincerely,

Jerry R. Noonan

AUGUSTANA COLLEGE

July 6, 2012

To whom it may concern:

I served as an independent reviewer/editor in June 2012 for Mr. Jerry Noonan's cost accounting handbook for truckers: *When The Rubber Meets the Road*. If you need further information, you may contact me at 605 201-2931.

Sincerely,

A handwritten signature in black ink that reads "Nancy S. Dickinson". The signature is written in a cursive, flowing style.

Nancy S. Dickinson, director

Writing Center at Augustana College

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

IN THE MATTER OF

**Douglas P. Hruby
Certificate No. 654**

**COMPLAINT &
NOTICE OF HEARING**

Respondent.

TO: Douglas P. Hruby
PO Box 137
Marion, SD 57043

PLEASE TAKE NOTICE that an administrative hearing in the above-entitled matter will be held before the South Dakota Board of Accountancy on **Wednesday, August 15, 2012, at 10:30 a.m. CDT**, or as soon thereafter as the matter can be heard, at the Holiday Inn City Centre, located at 100 W. 8th St. Sioux Falls, South Dakota, in the Conference Room.

This hearing is being held pursuant to the legal authority and jurisdiction granted to the State Board of Accountancy (Board), under SDCL Chapter 36-20B and SDCL Chapter 1-26.

The purpose of this hearing will be to determine whether Douglas P. Hruby, Certificate No. 654, is in violation of state statutes or administrative rules, thus resulting in the Board taking disciplinary action against Mr. Hruby.

Following the hearing, the Board shall issue findings of fact, conclusions of law, and a decision that may take such actions as are authorized by SDCL Chapter 36-20B, including, but not limited to, denial, suspension or revocation of Certificate No. 654. Additionally, pursuant to SDCL 1-26-29.1, should this proceeding result in discipline, the Board may assess all or part of its actual expenses for this proceeding against you.

This hearing is a contested case as that term is defined in SDCL 1-26-1 (2). As such, this hearing is an adversarial proceeding. You have the right to be present at the hearing and to be represented by an attorney. These and other due process rights will be forfeited if they are not exercised at the hearing. If you intend to be represented by an attorney, please inform the undersigned of your attorney's name, address, and telephone number.

If you do not appear at the scheduled time of the hearing, the matter may be dismissed or it may be decided on the basis of evidence presented at the hearing.

If the amount in controversy exceeds \$2,500.00 or if a property right may be terminated, a party to the contested case may require the agency to use the Office of Hearing Examiners by giving notice of the request to the agency no later than 10 days after service of this notice of hearing.

Notice of the Board's decision will be sent to you within 30 days after this matter is fully submitted to it, unless such time is extended by the Board pursuant to SDCL 1-26-30.1.

The decision based on the hearing may be appealed to the Circuit Court and the State Supreme Court, as provided by law.

If you or anyone participating in the hearing on your behalf requires accommodations due to a disability, contact Nicole Kasin at (605) 367-5770 and suitable arrangements will be made.

Statutes and Rules involved in this hearing:

36-20B-27. Renewal of certificate--Continuing education requirement--Exception:

For renewal of a certificate under this chapter, a licensee shall participate in a program of learning designed to maintain professional competency. The program of learning shall comply with rules, promulgated by the board pursuant to chapter 1-26. A licensee shall complete one hundred twenty hours of continuing education in each three-year renewal period. The board may, by rule promulgated pursuant to chapter 1-26, establish an exception to this requirement for certificate holders who do not perform or offer to perform for the public one or more kinds of services involving the use of accounting or auditing skills, including issuance of reports on financial statements or of one or more kinds of management advisory, financial advisory, or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters. Any licensee granted such an exception by the board must place the word, inactive, adjacent to their CPA title or PA title on any business card, letterhead, or any other document or device, with the exception of their CPA certificate or PA license, on which their CPA or PA title appears.

36-20B-40. Disciplinary action--Remedies available to board--Grounds:

The board may, in accordance with chapter 1-26, revoke any certificate, license, or permit issued pursuant to this chapter or corresponding provisions of prior law or revoke or limit practice privileges under the provisions of § 36-20B-66 or 36-20B-67; suspend any such certificate, license, or permit, or refuse to renew any such certificate, license, or permit for a period of not more than five years; reprimand, censure, or limit the scope of practice of any licensee; impose an administrative fine not exceeding one thousand dollars, or place any licensee on probation, all with or without terms, conditions, and limitations, for any one or more of the following reasons:

3. Failure, on the part of a holder of a certificate, license, or permit under this chapter or registration under this chapter, or of a certificate, license or permit issued by another

Complaint & Notice of Hearing
Douglas P. Hruby

state, to maintain compliance with the requirements for issuance or renewal of such certificate, license, permit, or registration or to report changes to the board.

6. Violation of any provision of this chapter or rule, promulgated by the board pursuant to chapter 1-26, or violation of professional standards.

Facts supporting the alleged violations:

1. Mr. Hruby is a licensed Public Accountant and is required to complete 120 CPE hours for the time period of July 1, 2009 to June 30, 2012.
2. Mr. Hruby was required to complete 52 CPE hours for the period July 1, 2011 to June 30, 2012.
3. On July 28, 2012, the Board office received the active certificate renewal application for the year ending July 31, 2013, from Mr. Hruby. On the application the CPE reporting period is from July 1, 2011, to June 30, 2012. On his completed application there was one course Accounting for Income Taxes that was completed on July 12, 2012, for 10 CPE hours. A second course titled Winning Strategies for Retirement was completed on July 20, 2012, for 8 CPE hours. Both courses were completed outside of the required time frame for the reporting period.
4. On July 20, 2012, Mr. Hruby left a voice message for Julie Iverson, Sr. Secretary, requesting a CPE extension for the period ending June 30, 2012.
5. On August 8, 2011, the Board entered into a negotiated consent agreement with Mr. Hruby. Per the agreement part 18(e), Mr. Hruby is not eligible for an extension to complete continuing professional education (CPE) for the next three renewal periods.
6. On July 26, 2012, Executive Director Kasin called and spoke to Mr. Hruby indicating that due to the negotiated consent agreement on file with the Board a CPE extension could not be administratively granted.
7. Mr. Hruby completed 36 CPE hours of the required 52 CPE hours for the period July 1, 2011 to June 30, 2012.
8. Mr. Hruby failed to complete 16 CPE hours of the required 52 CPE hours for the period July 1, 2011 to June 30, 2012.
9. Mr. Hruby failed to complete the required 120 CPE hours for the period July 1, 2009, to June 30, 2012.

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

IN THE MATTER OF

**BRIAN E. MALLIN
Certificate No. 1869**

**COMPLAINT &
NOTICE OF HEARING**

Respondent.

TO: Brian E. Mallin
2054 Canyon Drive
Cheyenne, WY 82009-9155

PLEASE TAKE NOTICE that an administrative hearing in the above-entitled matter will be held before the South Dakota Board of Accountancy on **Wednesday, August 15, 2012, at 11:00 a.m. CDT**, or as soon thereafter as the matter can be heard, at the Holiday Inn City Centre, located at 100 W. 8th St. Sioux Falls, South Dakota, in the Conference Room.

This hearing is being held pursuant to the legal authority and jurisdiction granted to the State Board of Accountancy (Board), under SDCL Chapter 36-20B and SDCL Chapter 1-26.

The purpose of this hearing will be to determine whether Brian E. Mallin, Certificate No. 1869, is in violation of state statutes or administrative rules, thus resulting in the Board taking disciplinary action against Mr. Mallin.

Following the hearing, the Board shall issue findings of fact, conclusions of law, and a decision that may take such actions as are authorized by SDCL Chapter 36-20B, including, but not limited to, denial, suspension or revocation of Certificate No. 1869. Additionally, pursuant to SDCL 1-26-29.1, should this proceeding result in discipline, the Board may assess all or part of its actual expenses for this proceeding against you.

This hearing is a contested case as that term is defined in SDCL 1-26-1 (2). As such, this hearing is an adversarial proceeding. You have the right to be present at the hearing and to be represented by an attorney. These and other due process rights will be forfeited if they are not exercised at the hearing. If you intend to be represented by an attorney, please inform the undersigned of your attorney's name, address, and telephone number.

If you do not appear at the scheduled time of the hearing, the matter may be dismissed or it may be decided on the basis of evidence presented at the hearing.

If the amount in controversy exceeds \$2,500.00 or if a property right may be terminated, a party to the contested case may require the agency to use the Office of Hearing Examiners by giving notice of the request to the agency no later than 10 days after service of this notice of hearing.

Notice of the Board's decision will be sent to you within 30 days after this matter is fully submitted to it, unless such time is extended by the Board pursuant to SDCL 1-26-30.1.

The decision based on the hearing may be appealed to the Circuit Court and the State Supreme Court, as provided by law.

If you or anyone participating in the hearing on your behalf requires accommodations due to a disability, contact Nicole Kasin at (605) 367-5770 and suitable arrangements will be made.

Statutes and Rules involved in this hearing:

36-20B-27. Renewal of certificate--Continuing education requirement--Exception:

For renewal of a certificate under this chapter, a licensee shall participate in a program of learning designed to maintain professional competency. The program of learning shall comply with rules, promulgated by the board pursuant to chapter 1-26. A licensee shall complete one hundred twenty hours of continuing education in each three-year renewal period. The board may, by rule promulgated pursuant to chapter 1-26, establish an exception to this requirement for certificate holders who do not perform or offer to perform for the public one or more kinds of services involving the use of accounting or auditing skills, including issuance of reports on financial statements or of one or more kinds of management advisory, financial advisory, or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters. Any licensee granted such an exception by the board must place the word, inactive, adjacent to their CPA title or PA title on any business card, letterhead, or any other document or device, with the exception of their CPA certificate or PA license, on which their CPA or PA title appears.

36-20B-40. Disciplinary action--Remedies available to board--Grounds:

The board may, in accordance with chapter 1-26, revoke any certificate, license, or permit issued pursuant to this chapter or corresponding provisions of prior law or revoke or limit practice privileges under the provisions of § 36-20B-66 or 36-20B-67; suspend any such certificate, license, or permit, or refuse to renew any such certificate, license, or permit for a period of not more than five years; reprimand, censure, or limit the scope of practice of any licensee; impose an administrative fine not exceeding one thousand dollars, or place any licensee on probation, all with or without terms, conditions, and limitations, for any one or more of the following reasons:

3. Failure, on the part of a holder of a certificate, license, or permit under this chapter or registration under this chapter, or of a certificate, license or permit issued by another

state, to maintain compliance with the requirements for issuance or renewal of such certificate, license, permit, or registration or to report changes to the board.

6. Violation of any provision of this chapter or rule, promulgated by the board pursuant to chapter 1-26, or violation of professional standards.

20:75:04:11. Review of continuing professional education credits.

Certificate holders are subject to verification of all continuing professional education credits submitted to the board. Annually, the board may randomly select holders of individual certificates who are in the three-year renewal cycle for review of continuing professional education credits. The period to be reviewed may be one to three reporting years prior to the request. The board shall determine the number selected for review each year based on a percentage of the number of individuals holding certificates at the time of the random selection. An individual selected for a review must provide documentation to verify attendance or completion of all courses reported to the board for continuing professional education credit.

If an individual does not meet the requirements of continuing professional education in SDCL 36-20B-27, § 20:75:04:07, 20:75:04:08, 20:75:04:09, or 20:75:04:10, an adjustment of hours may be made administratively if an audit of continuing education credits creates discrepancies in the individual's total number of hours during a year.

20:75:04:15. Documentation for continuing professional education credit.

A CPA or PA must document the credit claimed with the following acceptable evidence of completion:

1. For group and independent study programs, a certificate or other verification supplied by the CPE program sponsor;
2. For self-study programs, a certificate supplied by the CPE program sponsor after satisfactory completion of an examination;
3. For instruction credit, a certificate, program outline, or other verification supplied by the CPE program sponsor;

Facts supporting the alleged violations:

1. On October 12, 2011, Mallin was sent a letter in regards to being randomly selected for a CPE audit. Mallin was informed that the deadline for submission of the documentation to verify claimed CPE was December 1, 2011.
2. On October 26, 2011, Mallin emailed Executive Director Kasin to request an extension on the submission date of the CPE records due to being out of state for work and not returning to home until December 2, 2011.

3. On October 31, 2011, Executive Director Kasin replied to Mallin via email that an extension would be granted and CPE documents need to be submitted no later than December 16, 2011.
4. Mallin submitted partial CPE documentation to the board on December 16, 2011.
5. On February 1, 2012, Executive Director Kasin emailed Mallin detailing the CPE records still needed to complete the CPE audit. Mallin was asked to submit the documentation to verify the claimed CPE by February 10, 2012.
6. On February 14, 2012, Executive Director Kasin called Mallin to inform him that no additional CPE documentation had been received. The documentation that had been submitted was insufficient to verify all CPE hours claimed for the 3 year period. Mallin was asked to submit the documentation to verify claimed CPE immediately.
7. On February 14, 2012, Mallin emailed partial documentation. Executive Director Kasin replied to the email indicating that there were further documents needed to complete the CPE Audit. Executive Director Kasin gave until February 21, 2012, to submit all of the required documentation to complete the CPE Audit.
8. On February 14, 2012, Mallin replied via email to Executive Director Kasin that he would not be able to gather any further documentation for the CPE Audit.
9. On February 14, 2012, Mallin sent an email stating he did not want to incur any disciplinary hearing or rebuke from the Board so he was going to voluntarily surrender his certificate and placing it in the mail.
10. On February 16, 2012, Executive Director informed Mallin that even by voluntarily surrendering his certificate, it would not stop the disciplinary action to be taken by the Board in regards to the CPE audit.
11. On February 20, 2012, Mallin replied via email indicating that although he had sent in his certificate, he wished to rescind his voluntary surrender of his certificate and would keep the certificate in active status. On advice from his counsel he would only voluntarily surrender his license contingent on the suspension of any hearing.
12. On March 7, 2012, a phone message was left for Mallin and an email was sent with a proposed negotiated consent agreement. Executive Director Kasin gave Mallin until March 30, 2012, to reply by either entering into the agreement or by not entering into the agreement and having an adversarial hearing scheduled.
13. On April 6, 2012, Mallin sent a letter detailing he was not in agreement with the proposed negotiated consent agreement and would not sign it. With that letter he sent additional CPE documentation. The documentation was sufficient to verify some claimed courses. The documentation submitted on April 6 was not submitted prior.
14. Mr. Mallin failed to submit sufficient documentation to verify CPE courses reportedly taken in the period of July 1, 2009 to June 30, 2010. He provided documentation for 5 hours of CPE for the period ending June 30, 2010. He failed to provide sufficient documentation for 24 hours of CPE claimed for the period ending June 30, 2010. He failed to provide sufficient documentation to verify that he met the minimum of 20 hours of CPE each year as required in ARSD 20:75:04:07;
15. Mr. Mallin failed to submit sufficient documentation to verify the 120 hours of CPE claimed for the period ending June 30, 2011.
16. Mr. Mallin failed the CPE audit for the three year period ending June 30, 2010, by not submitting verifying documentation for all claimed CPE.

EXECUTIVE DIRECTOR'S REPORT

Nicole Kasin

Firm Data

John Peterson has worked with the information to use the number of owners to provide data on the possible option of a firm fee change. This information will be further discussed with the society at the Board meeting scheduled at 1:30 pm.

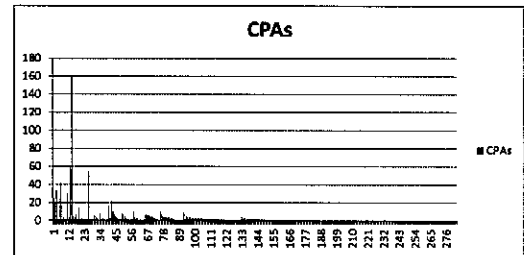
CPA Exam Candidates

In an effort to expand the online licensing renewal system, I have worked with BIT and developed the re-examination application process. Current candidates that are in our database were assigned a web id and initial password. The re-exam application can be completed online and paid for with a Visa or Mastercard. Our office will monitor the application process and when approved we will process the information to NASBA. This tool is to speed up the process for candidates and also provide debit or credit card payment as an option. The information was sent to the candidates on August 8.

Online License Renewals

The online renewal system became available on June 18. Postcards were sent to firms and licensees. One week prior to the deadline an email reminder was sent to individuals and firms that had not renewed. The statistics are provided on the following page.

PricewaterhouseCoopers LLP	0	12	0	25	\$2,225.00	2,248	25	90	100
Emst & Young LLP	0	3	0	19	\$1,385.00	1,840	19	60	61
KPMG LLP	0	10	2	32	\$2,710.00	1,754	34	40	41
Deloitte LLP	0	1	0	1	\$115.00	1,731	1	25	25
Deloitte & Touche LLP	0	5	3	21	\$1,810.00	1,102	24	24	16
McGladrey & Pullen, LLP	1	9	19	23	\$3,230.00	544	42	23	11
Deloitte Tax LLP	0	6	4	13	\$1,405.00	543	17	22	6
Grant Thornton LLP	0	2	0	4	\$360.00	455	4	21	3
Mayer Hoffman McCann P.C.	0	1	0	1	\$115.00	278	1	20	1
Crowe Horwath LLP	0	1	0	1	\$115.00	245	1	19	
BKD, LLP	0	6	0	30	\$2,250.00	243	30	18	
Clifton Gunderson LLP	0	2	1	2	\$295.00	229	3	17	
LarsonAllen LLP	0	9	2	59	\$4,415.00	169	61	16	
Elide Bailly LLP	2	12	86	75	\$11,165.00	153	161	15	
Wipac LLP	0	1	0	5	\$375.00	132	5	14	
Baker Tilly Virchow Krause, LLP	0	2	2	2	\$360.00	108	4	13	
UHY LLP	0	3	0	7	\$605.00	97	7		
Raznick Group, P.C.	0	1	0	1	\$115.00	90	1		
Brady, Martz & Associates, P.C.	0	2	0	15	\$1,075.00	30	15		
Ehrhardt Keefe Steiner Hottman PC	0	1	2	0	\$180.00	26	2		
Maloney - Novotny LLC	0	1	0	3	\$245.00	24	3		
Hein & Associates LLP	0	1	2	0	\$180.00	24	2		
Karber, Eck & Braeckel LLP	0	1	0	2	\$180.00	23	2		
Lutz & Company, PC	0	1	0	2	\$180.00	20	2		
Blackman Kallick, LLP	0	1	0	1	\$115.00	19	1		
Ketel Thorntson, LLP	3	0	55	0	\$3,725.00	16	55		
Seim, Johnson, Sestak & Gulst, LLP	0	1	1	0	\$115.00	14	1		
Abdo, Eick & Meyers, LLP	0	1	2	0	\$180.00	13	2		
Lindburg Vogel Pierce Faris, Chartered	0	1	0	2	\$180.00	13	2		
Johnson Lambert & Co. LLP	0	2	0	6	\$490.00	12	6		
Dana F. Cole & Company, LLP	0	2	1	3	\$360.00	12	4		
Davie Kaplan, CPA, PC	0	1	0	3	\$245.00	12	3		
Olsen, Thielan & Co., Ltd.	0	1	0	1	\$115.00	12	1		
Carlson Highland & Co., L.L.P.	0	2	4	4	\$620.00	10	8		
GHP Horwath, P.C.	0	1	0	1	\$115.00	10	1		
Denman & Company LLP	0	1	0	3	\$245.00	9	3		
Frost, PLLC	0	1	0	2	\$180.00	9	2		
Conbyman Associates, P.C.	0	1	0	1	\$115.00	9	1		
Piercy, Bowler, Taylor & Kern, CPAs	0	1	0	1	\$115.00	9	1		
Wolfman Van Kester & Stoltz, PC	2	0	16	0	\$1,140.00	8	16		
Stockman Kast Ryan & Co., LLP	0	1	0	3	\$245.00	8	3		
Casey Paterson & Associates, Ltd.	1	0	22	0	\$1,480.00	7	22		
Henjes, Conner & Williams, P.C.	0	1	1	9	\$700.00	7	10		
Williams & Company, CPA, P.C.	2	1	6	1	\$605.00	7	7		
Gardner Thomsen, P.C.	1	1	2	2	\$360.00	7	4		
Dohman, Akerlund & Eddy, LLC	0	1	0	3	\$245.00	7	3		
Wilkerson, Guthmann & Johnson, Ltd.	0	1	2	0	\$180.00	7	2		
Capin Crouse, LLP	0	1	0	1	\$115.00	7	1		
Nichols, Rice & Company, L.L.P.	0	2	4	4	\$620.00	6	8		
Fred A. Lockwood & Co., P.C.	1	1	1	6	\$555.00	6	7		
GP Financial Services, LLP	1	0	5	0	\$375.00	6	5		
Widmer Roel PC	0	2	0	3	\$295.00	6	3		
Shuck, Bennett & Weber, LLP	0	1	0	2	\$180.00	6	2		
Amquist, Meltzahn, Galloway & Luth, P.C.	0	1	1	0	\$115.00	6	1		
Forbner, Bayens, Levkulich & Garrison, P.C.	0	1	0	1	\$115.00	6	1		
Judd, Oettermann & Denno, Ltd.	0	1	0	1	\$115.00	6	1		
Thurman, Comes, Foley & Co., LLP	1	0	10	0	\$700.00	5	10		
King, Reinsch, Prosser & Co., L.L.P.	0	1	2	2	\$310.00	5	4		
Gronewold, Bell, Kymn & Co., P.C.	0	1	0	3	\$245.00	5	3		
Hennen & Associates, P.L.C.	0	1	1	2	\$245.00	5	3		
Boeckermann, Grafstrom & Mayer, LLC	0	1	0	1	\$115.00	5	1		
Cochran Head Vick & Co., PC	0	1	0	1	\$115.00	5	1		
Dauby O'Connor & Zaleski	0	1	0	1	\$115.00	5	1		
Flondella, Milone & LaSarcina LLP	0	1	0	1	\$115.00	5	1		
Brandt Solomon & Anderson LLP	1	0	7	0	\$505.00	4	7		
KMFV & Associates, PC	5	0	7	0	\$705.00	4	7		
Kohlman, Bierschbach & Anderson, LLP	3	0	7	0	\$605.00	4	7		
DeSmet and Biggs, LLP	2	0	6	0	\$490.00	4	6		
Stulken, Petersen, Lingle, Wall & Jones, LLP	3	0	5	0	\$540.00	4	6		
Christianson & Associates, PLLP	0	1	1	4	\$375.00	4	5		
Black Hills CPA Group, LLP	1	0	4	0	\$310.00	4	4		
Meulebroeck, Taubert & Co., PLLP	0	1	3	0	\$245.00	4	3		
Knutte & Associates, P.C.	0	1	0	2	\$180.00	4	2		
Johnson, Stone & Pagano, P.C.	0	1	1	0	\$115.00	4	1		
Shoney, Placke, Maruska & Stave, PC	0	1	0	1	\$115.00	4	1		
ELO Prof. L.L.C.	3	0	10	0	\$800.00	3	10		
Vilheuer Raml & Snyder P.C.	1	0	7	0	\$505.00	3	7		
Carlson & Miller, Prof. L.L.C.	2	0	5	0	\$425.00	3	5		
East, Vander Woude, Grant & Co., P.C.	1	0	5	0	\$375.00	3	5		
Bland & Associates, P.C.	0	1	0	4	\$310.00	3	4		
Palmer, Currier and Hoffert, LLP	1	0	4	0	\$310.00	3	4		
William Neale & Co., P.C.	2	0	4	0	\$360.00	3	4		
Campbell, Burkart & Sage, CPA's, P.C.	1	0	3	0	\$245.00	3	3		
Enax, Neimeyer & Associates, P.C.	1	0	3	0	\$245.00	3	3		
Wilson Downing Group, LLC	0	1	0	2	\$180.00	3	2		
Egghart & Associates, LLC	0	1	0	1	\$115.00	3	1		
Ellington & Ellington, Ltd.	0	1	0	1	\$115.00	3	1		



2	Bin	Frequ	ency	current fee	ave_fee	new_f	ave_	per_cp	new_REV
						ea	#	#	
1	1	166	\$22,365.00	\$134.73	75	1	75		12450
2	2-3	60	\$17,525.00	\$292.08	160	2.5	64		9600
3	4-6	24	\$9,580.00	\$399.17	350	5	70		8400
4	7-11	14	\$18,615.00	\$1,329.64	650	9.5	68.42		9100
5	12-16	2	\$4,710.00	\$2,355.00	1000	14	71.43		2000
6	17-25	5	\$4,245.00	\$849.00	1500	20	75		7500
7	26-40	2	\$5,040.00	\$2,520.00	2,500	33	75.76		5000
8	41-60	2	\$2,825.00	\$1,412.50	4000	50	80		8000
9	62-100	1	\$1,385.00	\$1,385.00	6500	81	80.25		6500
10	100-200	1	\$2,225.00	\$2,225.00	13000	150	86.67		13000
11		277	\$88,515.00						81550

six firms had NO cpas

Bin	Freq	Current Fee	Avg Fee	New Fee	Avg Fee	Per Cap	New Rev	
11	1	166	\$22,365.00	\$134.73	75	1	75	12450
10	2-3	60	\$17,525.00	\$292.08	160	2.5	64	9600
9	4-6	24	\$9,580.00	\$399.17	350	5	70	8400
8	7-11	14	\$18,615.00	\$1,329.64	650	9.5	68.42	9100
7	12-16	2	\$4,710.00	\$2,355.00	1000	14	71.43	2000
6	17-25	5	\$4,245.00	\$849.00	1500	20	75	7500
5	26-40	2	\$5,040.00	\$2,520.00	2,500	33	75.76	5000
4	41-60	2	\$2,825.00	\$1,412.50	4000	50	80	8000
3	62-100	1	\$1,385.00	\$1,385.00	6500	81	80.25	6500
2	100-200	1	\$2,225.00	\$2,225.00	13000	150	86.67	13000
1		277	\$88,515.00					81550
28-42	1	\$1,225.00	\$1,225.00	7000				
43-60	1	\$1,225.00	\$1,225.00	7000				
61-80	1	\$1,225.00	\$1,225.00	7000				
91-100	10	\$2,225.00	\$2,225.00	13000				
		\$88,515.00						

Online Renewal Stats FY2013

DATE	Form 19-Firm		Form 27-Retired		Form 28-Active		Form 29-Inactive		Daily Totals
	COMP APVD	BD APVD	COMP APVD	BD APVD	COMP APVD	BD APVD	COMP APVD	BD APVD	
Monday, June 18, 2012	0	0	0	0	4	3	0	0	7
Tuesday, June 19, 2012	4	0	2	0	14	2	3	0	25
Wednesday, June 20, 2012	4	1	4	0	17	1	4	0	31
Thursday, June 21, 2012	4	0	5	0	20	0	11	0	40
Friday, June 22, 2012	2	0	0	0	7	0	4	1	14
Saturday, June 23, 2012	0	0	0	0	1	1	3	0	5
Sunday, June 24, 2012	0	0	1	0	2	0	1	1	5
Monday, June 25, 2012	5	1	2	0	16	6	15	0	45
Tuesday, June 26, 2012	3	0	0	0	15	1	4	0	23
Wednesday, June 27, 2012	2	0	0	0	14	2	5	0	23
Thursday, June 28, 2012	1	1	1	0	7	3	3	1	17
Friday, June 29, 2012	2	0	0	0	11	2	3	0	18
Saturday, June 30, 2012	0	0	1	0	2	0	1	0	4
Sunday, July 01, 2012	0	0	1	0	2	0	3	0	6
Monday, July 02, 2012	1	1	0	0	14	2	8	0	26
Tuesday, July 03, 2012	1	1	0	0	8	5	5	0	20
Wednesday, July 04, 2012	0	0	1	0	3	0	1	0	5
Thursday, July 05, 2012	2	2	1	0	13	1	4	0	23
Friday, July 06, 2012	4	0	0	0	17	0	1	0	22
Saturday, July 07, 2012	0	0	0	0	1	0	0	0	1
Sunday, July 08, 2012	1	0	0	0	4	2	4	0	11
Monday, July 09, 2012	3	1	0	0	14	2	8	0	28
Tuesday, July 10, 2012	2	1	0	0	5	1	2	0	11
Wednesday, July 11, 2012	5	1	1	0	14	0	2	0	23
Thursday, July 12, 2012	3	1	1	0	11	2	3	0	21
Friday, July 13, 2012	2	1	2	0	8	0	4	0	17
Saturday, July 14, 2012	1	0	0	0	0	3	2	0	6
Sunday, July 15, 2012	1	0	0	0	5	0	2	0	8
Monday, July 16, 2012	4	0	2	0	12	2	1	0	21
Tuesday, July 17, 2012	1	0	1	0	17	5	7	0	31
Wednesday, July 18, 2012	4	0	1	0	13	4	4	0	26
Thursday, July 19, 2012	6	0	0	0	8	1	3	0	18
Friday, July 20, 2012	2	0	1	0	16	2	5	0	26
Saturday, July 21, 2012	1	0	0	0	3	0	1	0	5
Sunday, July 22, 2012	4	1	0	0	10	2	3	0	20
Monday, July 23, 2012	8	1	1	0	24	3	17	0	54
Tuesday, July 24, 2012	11	0	0	0	17	5	6	0	39
Wednesday, July 25, 2012	10	1	4	0	50	4	29	1	99
Thursday, July 26, 2012	11	3	1	0	32	3	17	1	68
Friday, July 27, 2012	9	3	1	0	24	6	16	0	59
Saturday, July 28, 2012	2	0	1	0	7	1	4	0	15
Sunday, July 29, 2012	6	0	0	0	8	2	4	2	22
Monday, July 30, 2012	11	2	1	0	32	9	25	0	80
Tuesday, July 31, 2012	23	3	3	0	41	7	17	0	94
Wednesday, August 01, 2012	5	0	0	0	8	2	10	0	25
Thursday, August 02, 2012	1	0	0	0	0	0	0	0	1
Friday, August 03, 2012	0	0	1	0	1	0	0	0	2
Saturday, August 04, 2012	0	0	0	0	0	0	0	0	0
Sunday, August 05, 2012	0	0	0	0	0	0	0	0	0
Monday, August 06, 2012	0	0	0	0	0	0	2	0	0
Tuesday, August 07, 2012	0	0	0	0	0	0	1	0	1
Wednesday, August 08, 2012	0	0	0	0	0	0	0	0	0
Thursday, August 09, 2012	0	0	0	0	1	0	0	0	1
Totals	172	26	41	0	573	97	278	7	1192
Totals per form	198		41		670		285		
Total Renewals									
Online & Via Mail	272		62		1089		379		1802
Stats through 8/9/12									
% Completed Online	72.79%		66.13%		61.52%		75.20%		66.15%
Expired Status	34		9		35		28		106
% Completed overall	88.89%		87.32%		96.89%		93.12%		94.44%

NASBA International Evaluation Services
P.O. Box 198727
Nashville, TN 37219
615.277.9077



Nicole Kasim
South Dakota Board of Accountancy
301 E 14th St # 200
Sioux Falls, SD 57104

August 3, 2012

Thank you for considering NASBA International Evaluation Services. We are pleased to present our service to the South Dakota Board of Accountancy for consideration.

NASBA's International Evaluation Services (NIES) is a one-stop shop for CPA exam candidates. Under our service, applicants can apply for an evaluation of international credentials and CPA examination in any state that accepts NIES as an approved international transcript evaluation service provider. Our application process takes around 30-minutes to complete. The educational and examination evaluation are completed in less than five business days. To help guide candidates through the process, NIES provides 18-hours of customer service center support and we respond to e-mails within one business day. Applicants may also contact our office directly for inquiries. Currently, we provide evaluations for the Kansas, Illinois, New Hampshire, New Jersey, New York and Washington Boards' of Accountancy.

NIES provides a standards-based model that focuses on each board's unique needs and emphasizes strict adherence to board established rules and policies. Our accounting and international education expertise, customer service focus and highly efficient application processing allows us to provide a superior service to boards and CPA candidates. NIES offers various evaluation reports, a description and fee information follows.

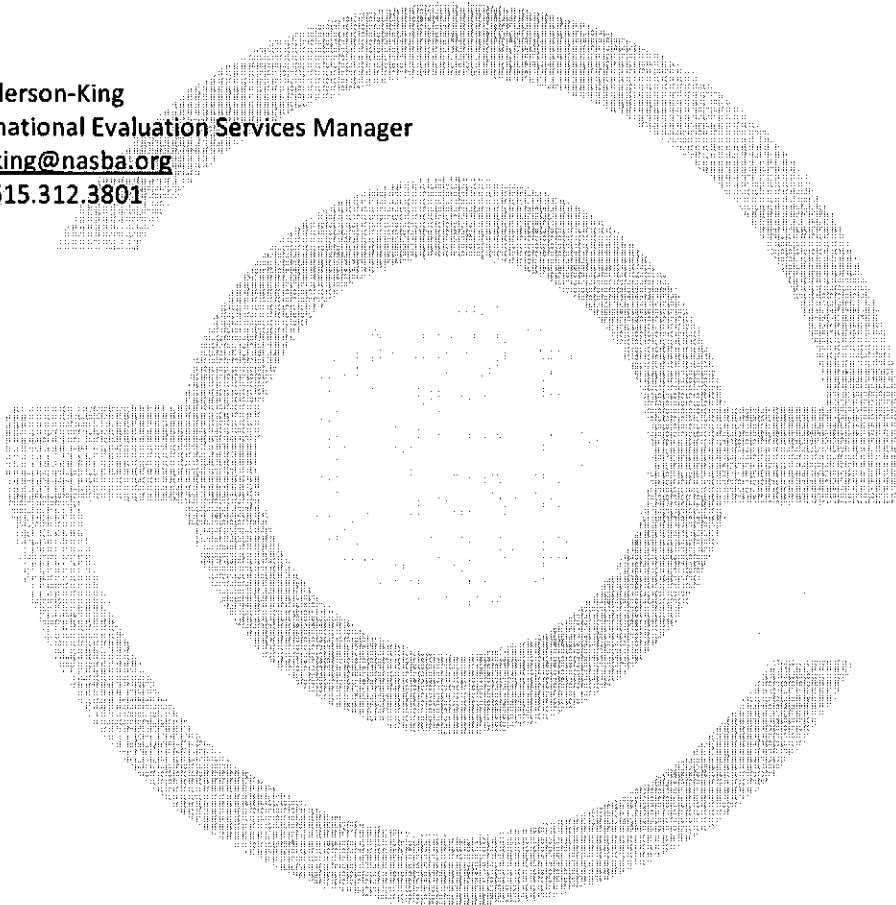
- International Credential Evaluation for CPA Examination and/or Licensing \$200
The CPA examination and licensing evaluation covers the institution(s) attended, dates of attendance, credentials received and the United States equivalent. In addition, the reports list all individual courses taken for each credential submitted for review. The U.S. grade and credit equivalent is included in the report as well as a grade point average (GPA). Upper level courses are identified and information regarding the content of accounting, business and/or communication courses for post-secondary study as requested by the respective state board is included. A general evaluation of the high school credential will be included if documents are submitted.
- Additional Education Evaluation for CPA Examination and/or Licensing \$100
This credential evaluation report is prepared for applicants who have a completed educational evaluation prepared by NIES. The evaluation report covers additional education and/or credentials that were not covered in the original evaluation report.
- Change in Jurisdiction Evaluation for CPA Examination and/or Licensing \$50
This type of report is prepared for applicants who wish to change jurisdictions and apply for CPA examination and/or licensing in another state that was not covered by the original evaluation report.

We list all services and fees on our website with additional evaluation information for candidates, please visit our website at your convenience: [NASBA International Evaluation Services](#). In order to better serve boards of accountancy, we offer customized evaluation reports for each board according to the specified educational requirements. We have drafted an evaluation report template based on South Dakota's educational requirements. Please keep in mind that this is an initial draft and we will work with you to customize the report based on your feedback.

If you have any questions or need more information, please contact me. I look forward to hearing from you and potentially working to serve the South Dakota Board of Accountancy.

Sincerely,

Brentni Henderson-King
NASBA International Evaluation Services Manager
bhendersonking@nasba.org
Phone/Fax: 615.312.3801





NASBA
INTERNATIONAL
EVALUATION SERVICES

NIES
150 Fourth Avenue N.
Suite 700
Nashville, TN 37219
855-468-5382

Applicant: Ahmed Abdulrahman
Jurisdiction: South Dakota

Date: August 2, 2012
Reference # 456789

Overall Equivalency Statement

The combination of the Bachelor of Commerce and the Master of Commerce are comparable to a four-year baccalaureate degree and a one-year master's degree from a regionally accredited university in the United States. The candidate has a total of 150 credits.

Education Breakdown

Credential: Bachelor of Commerce
Institution: University of Mumbai
Accrediting Body: University Grants Commission
Date Conferred: June 2000

Program Length: 3 years
Country: India
Attendance: 1997 - 2000
Total Credits: 90

U.S. Equivalency: The Bachelor of Commerce is equivalent to three years of undergraduate study from a regionally accredited university.

Accounting Courses 24 semester hours	U.S. Credit	Category
Intermediate Accounting	5	IAA
Direct & Indirect Taxation	5	TAX
Financial Accounting II *	5	AAC
Cost Accounting	5	CAC
Taxation	5	TAX
Auditing II *	5	AUD
Total Credits	30	
Business Courses 24 semester hours	U.S. Credit	Category
Business Economics II *	5	BUS
Financial Management & Accounts II *	5	BUS
Commerce II *	5	BUS
Human Resource Management	2.5	BUS
Computer Systems & Applications	2.5	BUS
Marketing	5	BUS
Total Credits	25	

* Indicates upper level courses

Credential: Master of Commerce
 Institution: University of Mumbai
 Accrediting Body: University Grants Commission
 Date Conferred: June 2003.

Program Length: 2 years
 Country: India
 Attendance: 2001 - 2003
 Total Credits: 60

U.S. Equivalency: The Master of Commerce is equivalent to a master degree from a regionally-accredited university.

Accounting Courses 30 semester hours	U.S. Credit	Category
Advanced Accounting *	3	IAC
Cost Accounting *	3	CAC
Management Accounting & Financial Analysis *	3	CAC
Advanced Auditing *		AUD
Tax Accounting *	3	TAX
Total Credits	15	
Business Courses 24 semester hours	U.S. Credit	Category
Organization & Management *	3	BUS
Management Information & Control Systems *	3	BUS
Corporate Laws *	3	BUS
Total Credits	12	

* Indicates upper level course

The academic coursework is grouped into the following categories:

Accounting	ACC
Auditing	AUD
Cost Accounting	CAC
Intermediate/Advanced Accounting	IAC
Taxation	TAX
Business	BUS

Note: The candidate meets the required 24 semester hours in business and accounting covering intermediate/advanced accounting, auditing, taxation and cost accounting. This evaluation report was prepared according to South Dakota Board of Accountancy standards.

Please contact NASBA International Evaluation Services for inquiries.

Signed

Brentni Henderson-King

Brentni Henderson-King
 International Evaluation Services Manager

National Association of State Boards of Accountancy, Inc.

**Meeting of the Board of Directors
April 27, 2012 – White Sulphur Springs, WV**

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 Mark Harris at 9:01 a.m. on Friday, April 27, 2012 at the Greenbrier in White Sulphur Springs, WV.

2. Report of Attendance

President Ken Bishop reported the following were present:

Officers

Mark P. Harris, CPA (LA), Chair
Gaylen R. Hansen, CPA (CO), Vice Chair
Michael T. Daggett, CPA (AZ), Past Chair
E. Kent Smoll, CPA (KS), Treasurer, Director-at-Large
Kenneth R. Odom, CPA (AL), Secretary, Director-at-Large

Directors-at-Large

Donald H. Burkett, CPA (SC)
Walter C. Davenport, CPA (NC)
Richard Isserman, CPA (NY)
Carlos E. Johnson, CPA (OK)
Theodore W. Long, Jr., CPA (OH)
Harry O. Parsons, CPA (NV)
Laurie J. Tish. CPA (WA)

Regional Directors

Jim Burkes, CPA (MS), Southeast
Jefferson Chickering, CPA (NH), Northeast
Miley Glover, CPA (NC), Middle Atlantic
Raymond Johnson, CPA (OR), Pacific
Telford A. Lodden, CPA (IA), Central
Karen F. Turner, CPA (CO), Mountain
Kim Tredinnick, CPA (WI), Great Lakes

Executive Directors' Liaison

Pamela Ives Hill, CPA (MO)

Member Absent

Janice Gray, CPA (OK), Southwest Regional Director

Staff

Ken L. Bishop, President and Chief Executive Officer
Colleen Conrad, CPA, Executive Vice President and Chief Operating Officer
Michael R. Bryant, CPA, Senior Vice President and Chief Financial Officer
Dan Dustin, Vice President – State Relations
Louise Dratler Haberman, Director - Information and Research
Thomas G. Kenny, Director – Communications
Noel L. Allen, Esq., Legal Counsel
Alfonzo Alexander, President – Center for the Public Trust

3. Approval of Minutes

NASBA Secretary Odom presented the minutes of the Board's January meeting. Mr. Daggett moved to approve the minutes as submitted. Mr. Tredinnick seconded. All approved.

4. Report of the Chair

Chair Harris called for all to take a moment to wish Rodney Gray a speedy recovery.

The Executive Committee had met on April 26, Chair Harris reported. They had sent a letter to Congress opposing the JOBS Bill's permitting Congressional intrusion into accounting standards setting. Although the bill passed, Mr. Harris thought it could come back and be changed at a later date. He thanked Director-at-Large Isserman and NASBA staff members for developing this letter so quickly.

In February AICPA and NASBA leaders had met at their "summit." Several of the proposed actions were deferred for consideration by the joint Uniform Accountancy Act Committee. Tentative plans were made to meet with Mexican and Canadian leaders at the next AICPA/NASBA summit this summer, but that has not yet been solidified, Mr. Harris said.

He praised the Executive Directors for producing and leading a great conference, as led by Executive Directors Committee Chair Hill. He congratulated Mr. Glover for making an excellent presentation at that meeting.

Chair Harris announced that Vice Chair Hansen would be holding a planning meeting in May when would be making appointments to the 2012-2013 committees. Mr. Hansen requested all 2011-2012 committee chairs to make recommendations to him on the composition of the 2012-13 committees. Chair Harris said NASBA's nominations to the AICPA Professional Ethics Executive Committee, Auditing Standards Board, Board of Examiners, National Peer Review Committee and other groups would be considered at the May meeting. NASBA Ms. Conrad, Linda Biek and Vice Chair Hansen are identifying other groups to which NASBA would like to have representatives appointed. Chair Harris said he will present his recommendations for appointments to the Examination Review Board at the July Board meeting.

Messrs. Daggett, Bishop, Johnson and Harris and Ms. Conrad will be attending the AICPA's Council Meeting in Washington, DC, in May.

Chair Harris thanked Bill Atkinson, Elizabeth Gantnier, Gaylen Hansen and Ted Lodden for representing NASBA on the Financial Accounting Foundation's panel sessions on private company standard setting.

A 14-member strategic planning group, to be led by Vice President- Strategic Planning Ed Barnicott, will meet May 31 – June 1, 2012. Chair Harris said a preliminary report from the group may be presented at the June Regional Meetings and the task force may conclude the project by the July Board of Directors' meeting. Vice Chair Hansen said he thought that some of this group's planning could affect NASBA for a long, long time.

5. Report from the Vice Chair

Mr. Hansen reported he had attended the PCAOB's March 21-22, 2012 panel discussing auditor rotation. A number of former SEC chairs spoke and speakers with differing views made presentations. The large CPA firms strenuously opposed firm rotation. The PCAOB underscored that their paper was a concept release – not the expression of a conclusion. They have scheduled forums to be held in Denver in June and Houston in October, Mr. Hansen said. He anticipates the PCAOB will undergo a long-term process that will extend over one year.

The Netherlands has adopted firm rotation, Mr. Hansen said. The green paper that is being considered by the EC proposes rotation after six years. An EC directive is a recommendation and each country then adopts its own version, while a regulation is applied to all EC members. The result of the EC proposals could be large firms having different rotation levels at the firm and partner level. Mr. Hansen said that NASBA's comment letter had asked the EC to think about the global implications of what they are proposing.

6. Report from the President

President Bishop announced the theme for the Regional Meetings will be: "Mission Driven – Member Focused." This reflects NASBA's transition from the "Back to Our Roots," theme President Bishop announced when he took office in January. He said the intent is to clearly indicate that State Boards will see more direct benefits and support from NASBA.

Dan Dustin has been doing a great job in establishing his role as Vice President of State Board Relations, President Bishop said. Mr. Dustin in proactively reaching out to the states and is receiving invitations from State Boards to come and meet with them.

The strategic planning process is in transition from being a staff-driven process to one that is more driven by stakeholders, Mr. Bishop said.

Legislative support is one of the promises Mr. Bishop said he made when he was selected as president. States have been reaching out to NASBA when they are in trouble. With NASBA's legislative assistance New Hampshire was able to defeat a bill. In Georgia, NASBA saw where the Secretary of State was trying to take the Board and has made progress. President Bishop reported that Chair Harris had urged increased monitoring of federal legislation and working with state legislators. Mr. Allen, Vice President Conrad, Vice President Dustin and President Bishop helped defeat a bill in Alaska relative to the Uniform CPA Examination. NASBA Regulatory Affairs Manager Stacey Grooms has also assisted with writing legislation.

As of June 1, John W. Johnson will become NASBA's Director of Legislative Affairs, President Bishop announced. Since 2006 Mr. Johnson has been the Director of Governmental Affairs and Legislation for the Florida Institute of CPAs, and he is the former Executive Director of the Florida Board. The Legislative Affairs Committee, chaired by Director-at-Large Burkett, will be assisting Mr. Johnson in prioritizing where to focus NASBA's legislative efforts. He said the Committee will be a key element in determining NASBA's legislative success.

Mr. Bishop said the elimination of staff positions were the toughest decisions he had to make in his days as President. He has continued to hold lunches with NASBA staff members to get their input and he has concluded they feel changes are going the right way.

NASBA is ready to provide more services to State Boards without charge and is producing a newsletter for the Kentucky Board. The Communications department is reaching out to see if there are other forms of communication with which they can assist the Boards. It is providing a customized newsletter for the Nevada Board at a reasonable price.

There has been reorganization and restructuring in the Nashville office, locating people who work together near each other. A new entrance has been created for the eighth floor offices in Nashville and a conference room, break area and other improvements have been added to the New York City NASBA office. In addition, monitors have been set up on every floor and in New York so that employees can see who is attending which meetings that day in the Nashville office and other activities outside the office as well.

Mr. Bishop asked Vice President Conrad to report on NASBA's operations. She noted NASBA's Compliance Services group had won a 2012 Sharkie Award for the Brainshark presentation they created for the National Registry of CPE Sponsors. Videos have also been created for training and implementation of the Accountancy Licensee Database (ALD) and CPAVerify. The CPAMobility.org site has been named one of the top new products of 2012.

The NASBA National Registry of CPE Sponsors Summit will be held September 23-24, 2012 in Nashville, Vice President Conrad said. It will focus on revisions to the CPE standards and new trends in learning. Currently 25 Boards are on both ALD and CPAVerify, and another 10 Boards are on only ALD, bringing the total to 35 on ALD. Ms. Conrad said another 14 have verbally agreed to be on the ALD, bringing the total up to 49 Boards. Staff has been added to the ALD project and they are working on the logistics.

Vice President Conrad also reported the *Candidate Performance on the Uniform CPA Examination* was published in late January, rather than the following fall as earlier editions had been. Ms. Conrad said the statistics are much more robust, and much more timely, than they had been in the past. At a recent meeting, Directors James Suh and Patricia Hartman were applauded by CPA review course providers for their efforts in this area, Ms. Conrad stated.

Presently over 99 percent of the applications for the Uniform CPA Examination are being received on line, Ms. Conrad said, averaging 575 initial applications per week. Approximately 2,000 calls are handled each week and NASBA's goal is to reduce the number of calls by clarifying the process. Licensure applications are also being done on line, with NASBA providing that service for eight Boards. Applications for international testing are higher than projected in the Middle East, but lower than projected in Japan. Some contract negotiations are underway, Ms. Conrad noted, as the pilot contract with Prometric will end in 2013. Work is being done towards establishing a long-term tri-party contract.

Ms. Hill asked about utilizing CPETracking with ALD. Ms. Conrad said a service for the verification of CPE was being considered, but NASBA is trying to determine if Boards want it.

President Bishop said that he wants NASBA to have clear financial statements so that the stakeholders know that NASBA is doing things for them as State Boards. When staff was terminated, NASBA absorbed the cost right at the beginning of the year. He believes income will be less than projected because less is coming from Professional Credential Services than was anticipated. However, he expects NASBA will still exceed the budget.

Part of NASBA's job is to protect the State Boards' relevance and that is being done as organizations like the Financial Accounting Foundation is reaching out to NASBA. By sending in a letter to Congress when the JOBS Bill was being discussed, NASBA demonstrated relevance. Mr. Bishop said he was in Mississippi for their certification ceremony and that shows NASBA's relevance. Through NASBA U, State Boards' executive directors learn about NASBA. That program has been highly praised, with the next one scheduled for September 13-14, 2012.

7. Report on the Center for the Public Trust

CPT President Alexander described the strategic growth pattern envisioned for the Center for the Public Trust. The first area of focus is the student programs, which include: (1) developing the student chapters, (2) considering partnering with the University of New Mexico on the inauguration of a six-week program of one-hour on-line sessions that would culminate in an ethics certification for students; (3) expanding the Ethics in Action video contest; and (4) making the CPT Student Leadership Conference an annual event. The CPT's second focus area is professional programming, which includes: (1) continuing the "Being a Difference" award program; (2) building the Ethics Network; and (3) partnering on live conferences and more webinars. The third CPT focus is building strategic alliances with colleges and universities, professional organizations, and others, Mr. Alexander explained. Its fourth focus is building brand awareness through the new CPT Website, social media, its bi-monthly *Ethics Matters* newsletter and objective coverage in national media. Its fifth focus, according to Mr. Alexander, is fiscal responsibility, which calls for the CPT to manage its expenses to at least have a balanced budget, and seeking contributions from corporate and individual donors, plus receiving revenues from the student certification program and CPT events. By the end of 2012, the CPT expects to have 12 student chapters. Through its "Ambassador Program," the CPT has garnered 17 NASBA staff volunteers to assist the CPT, Mr. Alexander reported. He asked the members of the Board of Directors to bring him their suggestions for student chapters, potential donors and "Being a Difference" award candidates. He noted that NASBA is the CPT's largest donor.

Mr. Isserman asked Mr. Alexander, "What is the CPT's principle objective?" He responded: "To educate the business community on making better ethical decisions. Second is adding through experiences how to do things better. The CPT has the potential to be the preventative out there – being proactive, as opposed to being reactive."

8. Report from Vice President – State Relations

NASBA Vice President – State Relations Dustin reported on the scope of this new position. The goal is to be ready to respond to the State Boards when they call on NASBA, not later, he explained. A survey tool is being created internally, drawing on input from staff members and State Board executive directors, which shows each state's familiarity with NASBA and its services.

In preparation for the Regional Meetings, Mr. Dustin had spoken to the Pennsylvania and Alaska State Board chairs. He had visited Georgia and Utah with President Bishop. In addition he had assisted with legislation for Georgia and Tennessee. Through monitoring the responses to the Regional Directors' "Focus Questions," Mr. Dustin said he was able to quickly address some

of the concerns voiced by the states. Information had been exchanged with Wyoming, Kentucky, Hawaii and New Hampshire. Vice President Dustin has scheduled meetings with the Boards in Vermont and Maine. He said he will keep the Regional Directors informed of his Board visits.

Mr. Lodden, chair of the Relations with Member Boards Committee, said the Regional Directors and Mr. Dustin were establishing communication lines so there would be no duplication of efforts.

9. Report of the Administration and Finance Committee

Treasurer Smoll reported the A&F Committee's Investment Subcommittee had met with investment adviser Jim Meeks on April 25 and the A&F Committee had met on April 26. The A&F Committee also reviewed the capital budget and insurance coverages and concluded NASBA was "in great shape." He said the Committee is requesting some minor changes to investment policy that would require Board action.

CFO Bryant reviewed the financial report for fiscal year 2012, which indicated a projected combined \$2.4 million for operations and investment income, an amount equal to the combined budget for NASBA and the CPT. Investment returns for the quarter ended March 31, the first full quarter after implementing the discretionary investment policy model, were very positive yielding overall portfolio returns of 135 basis points above the composite benchmark.

Treasurer Smoll made a motion to ratify three changes to the investment policy recommended by the A&F Committee. Carlos Johnson seconded. Following discussion, it was determined Messrs. Smoll and Bryant, in conjunction with Mr. Allen, would review the proposed wording of the change regarding the A&F's benchmarks for the investment adviser's performance. Mr. Smoll withdrew his motion and Mr. Johnson his second. Mr. Smoll said the recommendations would be resubmitted for the July Board meeting.

CFO Bryant reported on the PCS Board Meeting that had occurred in March and also relayed that just that day PCS had achieved a positive milestone with the signing of the Puerto Rico licensing contract serving several boards.

10. Report of the Nominating Committee

Past Chair Daggett reported the Nominating Committee met on March 19 with all members in attendance. There were four strong candidates under consideration for NASBA Vice Chair 2012-13, and the Committee selected as its nominee Carlos Johnson. The Committee will meet again on June 29 in Anchorage, in conjunction with the Western Regional Meeting, to determine their nominees for other NASBA offices, including three Directors-at-Large and all the Regional Directors.

Chair Harris reminded the Board members that the Awards Committee is soliciting nominations for the three NASBA awards to be presented at the Annual Meeting.

11. Report of the Ethics Committee

Ethics Committee Chair Ray Johnson reported the Committee holds a conference call every month. They have considered the IAES exposure draft on auditor independence. Two

task forces are at work: one studying the effectiveness of ethics education in the 55 jurisdictions and the other on pilot testing of the AICPA's ethics codification, which divides the code into what is required for members in industry and what is required for those in practice.

12. Report of the Committee on Relations with Member Boards

Committee Chair Lodden reported the Relations with Member Boards Committee had reviewed the focus questions' responses on April 26. He noted there were wide differences reported in what the State Boards are accepting for accreditation. NASBA Chair Harris suggested that might be a topic for the Annual Meeting.

Having been asked by NASBA Chair Harris to reconsider the Committee's charge, they approved a charge that more closely matches the purpose of the Committee and its principal objective to communicate with State Boards and vet key issues for State Boards, Mr. Lodden explained:

Represent the NASBA Board of Directors within each Region and represent each Region before the NASBA Board of Directors. Work with NASBA staff to facilitate the exchange of information, and ongoing communications between NASBA and its member boards. In coordination with NASBA Officers, visit State Boards in respective Regions to identify issues, obtain input and report on NASBA and other State Boards' activities. Identify issues for Regional Meetings, moderate Meetings, oversee new board member orientation and recommend sites for future Regional Meetings. Upon the request of the NASBA Chair, vet documents to be released as NASBA positions.

Mr. Lodden also reported the Committee had discussed how best to communicate with the Vice President – State Relations. The Regional Directors will concentrate their State Board visits on those Boards that have not been visited within the last three years. The Committee also reviewed the New Board Member Orientation Program's agenda and the agenda for the 2012 Regional Meetings. The Committee decided the Orientation Program should include more time on what services NASBA can provide for the State Boards, but not try to sell them, Mr. Lodden reported.

There was discussion of the election process for the Nominating Committee, and of the talking points that the Regional Directors should cover when visiting State Boards. Key questions always are: "What would you like to see NASBA doing for your Board?" And "What issues do you have that NASBA could help you with?"

Vice Chair Hansen said current talking points should be developed. All should know what NASBA's position is on major issues the Boards face. President Bishop suggested it is good to be told in advance of meeting with a Board what questions the Board wants addressed, so that staff can be available to assist via conference call. Chair Harris said that if a Regional Director does not feel comfortable visiting a Board on his or her own, staff or former Regional Directors could accompany them. He stressed the need to get a dialog started.

13. Report of the Global Strategies Committee

Committee Chair Tish reported planning for the NASBA International Forum of Regulators was well underway. They are building on emerging topics, such as integrated reporting and sustainability, as well as topics carried over from last year's Forum. Half of the agenda is already confirmed and they hope to have the entire agenda ready to present to the Board in July.

The Committee continues to communicate with State Boards why it is important that NASBA be involved in international meetings, Ms. Tish said. An update of the Committee's activities will be presented at the Regional Meetings.

The Forum will begin on the third day of NASBA's 2012 Annual Meeting and Mr. Odom pointed out adding a day to the Annual Meeting made it hard for the members of the Board of Directors to be away from the office for so long a period of time. Ms. Tish said the Committee does not intend to schedule the Forum in conjunction with the Annual Meeting each year.

14. Report of the Uniform Accountancy Act Committee

UAA Committee Chair Carlos Johnson reported the NASBA/AICPA UAA Committee will meet May 14-15, 2012, in Washington, DC. They now have six task forces working on recommended changes to the UAA and/or the Model Rules. Mr. Johnson reported on each:

1- President Bishop and AICPA Vice President Sue Coffey had led a thought group to help frame the issue for the task force working on the foreign auditor problem identified by the Texas Board. Texas Board Executive Director Bill Treacy has also been a resource to the task force.

2- The task force working on a uniform definition of "independence" will hold a conference call on May 2, 2012.

3- The task force working on whistleblower regulations held a conference call on April 25 and is expected to bring a recommendation to the UAA Committee, which if approved would then be brought back to the State Boards.

4- The AICPA is developing a white paper on the definition of "attest" that is to be brought to the AICPA/NASBA summit meeting in August. The "attest" task force will consider the paper, but Mr. Johnson has advised the task force chairs to continue to move forward with developing the task force's own opinion.

5- The task force on retired CPAs is expected to report back to the UAA Committee on May 14-15 that, after having reviewed existing state laws, no change is needed in the UAA.

6- The task force on discrimination in employment is considering whether that is covered by the professional standards and will report at the May UAA Committee meeting.

The UAA Committee will vote on May 14 to append the revised standards for CPE sponsors to the UAA (replacing the earlier version of the standards), Carlos Johnson said. Vice Chair Hansen asked if the UAA Committee was considering "holding out," as the AICPA Professional Ethics Executive Committee has a task force working on this currently. He is chairing that PEEC task force. Mr. Johnson said that would fall under the UAA Committee's task force on independence.

15. Report from the Regulatory Response Committee

Mr. Isserman reported NASBA had responded to the JOBS bill prior to its passage and to proposals from an AICPA committee and the Public Company Accounting Oversight Board. Typically, as new exposure drafts are placed on the Web, Mr. Isserman reviews them to determine if they have regulatory implications. If he sees no regulatory impact, he will ask the documents be sent to the rest of the Regulatory Response Committee members to see if they find such a link, Committee Chair Isserman explained. Although he said he did not see international pronouncements being of direct import to the State Boards, he recognizes these proposals may migrate back to the U.S. and, consequently, he believes the Regulatory Response Committee and NASBA leadership should consider those exposure drafts.

16. Report of the Bylaws Committee

Bylaws Committee Chair Burkes asked the Board to consider the Committee's report in their agenda pack. The Committee had held several conference calls over the past few months and had tabled discussions on the qualifications of terms and on the compensation committee. They did not discuss changes in the voting process. Discussion about the need for a NASBA policy guide handbook is still on the Committee's agenda. Messrs. Alexander and Allen are reviewing the minutes of past Board of Directors' meetings to compile what might need to be included in such a policy handbook. Mr. Burkes expects they will discover 5-6 examples of such items and he will bring them to the Board of Directors to determine if pursuing such a policy handbook is necessary.

The Committee had discussed North Carolina's proposal on committee member term limits and will hold a conference call with Barton Baldwin and North Carolina Executive Director Robert Brooks on May 9. Mr. Burkes said the Bylaws Committee will come to the NASBA Board's July meeting with a recommendation for either a change to the Bylaws or no proposed change based on their consideration of North Carolina's proposal.

The Bylaws Committee had also been asked to consider the Nominating Committee process relative to the NASBA President's attendance at their meetings. The Bylaws Committee learned that the President only comments if called upon and so they determined no change was required to the Bylaws. Some Bylaws Committee members have said the nominating process needs to remain on the Bylaws Committee's agenda because there are elements that need to change.

Mr. Burkes said the Bylaws Committee recommended to the Board that the Bylaws be renumbered for ease of use. He moved that the Board approve the reformatting of the NASBA Bylaws with a correction on 7314 and 7315. Mr. Isserman seconded. All approved the motion.

Vice Chair Hansen asked if the Board wants the Bylaws Committee to pursue developing a policy manual. Mr. Bishop said he thought what Mr. Allen had proposed was pulling together a compendium of the resolutions passed by the NASBA Board over the years, to give staff a collection of the Board's resolutions. Carlos Johnson said many organizations have a compendium to their bylaws, including their board's resolutions. Mr. Isserman said he felt it was good to have something to reference and determine whether they agreed with something that was done 10 years ago.

17. Report of the CPA Examination and Administration Committee

Committee Chair Davenport pointed out the synopsis of the CPA Examination and Administration Committee's February 16 meeting was in the Board's material. At that meeting they reviewed information about the International Qualifications Examination (IQEX), the international administration of the Uniform CPA Examination and they approved the candidate portal (www.thiswaytocpa.com). There was discussion of the re-tester issue and that will be decided up at the May 18 meeting in Albuquerque. In order to determine if this is really a problem, the NASBA database is to be used to see how many people actually re-tested. The Committee members want to gather background information and then to go to the Examination Review Board if there seems to be a problem. The ERB will have a draft report and the Committee will see if there are other issues in which it needs to become involved, Mr. Davenport said. They are also interested in learning more about NASBA's international education evaluation service.

Mr. Odom advised that work needs to be done to get www.thiswaytocpa.com come up first when someone googles "How to be a CPA." He said many other options come up earlier on the list. He suggested that NASBA's marketing staff be called in to assist with this.

18. Report from the Executive Directors Committee

Committee Chair Hill said the Executive Directors annual meeting had gone well. Although the Committee members had reached out to have all states represented at the meeting, some could not attend because they either could not accept a NASBA scholarship or they were under travel restrictions. She thanked Messrs. Glover and Bryant for speaking at the conference.

NASBA U, an orientation program for new State Accountancy Board executive directors, will be held in April and again in September. The next annual executive directors conference will be held in March 2013 in Tucson.

Several of the State Boards had, or will have shortly, their executive directors retiring, Ms. Hill reported: Barb Porter (retired), Lamar Harris (June 30, 2013) and Michael Barham (to retire). New York is looking for a new executive secretary and Alaska, California and Ohio all have relatively new executive directors, Ms. Hill said.

The Committee will next meet on June 30, 2012 in Anchorage.

19. Report from the Education Committee

Committee Chair Turner reported the Education Committee is working on four areas: research grants, data warehouse, accreditation and tracking education rules across the states, and monitoring the Pathways Commission. The Pathways Commission's report has been delayed, but they will be entering Phase 2 of their work and are going to ask NASBA to help with funding, Ms. Turner said.

Ms. Turner summarized the research projects that the Committee had recommended for funding and moved that the recommended research grants be approved. Mr. Glover seconded. Mr. Isserman asked the each of the projects be discussed. Ms. Turner explained that the pilot studies for each of these projects have been completed and the researchers are now asking for funding to expand this initial work:

1. An empirical study by Drs. Darius Fatemi, John Hasseldine and Peggy Hite on the influence of professional integrity on client decisions was unanimously approved by the Board.

2. A study by Drs. Mark Myring, Jennifer Bott and Richard Edwards on evaluating learning analytics was approved by the Board with only one vote against making the grant.

3. A study by Gert Karreman and Belverd Needles on global education was unanimously approved by the Board.

President Bishop said it would be good if NASBA could support research to allow candidates to take the Uniform CPA Examination on outcome-based education, rather than on the number of course hours. He suggested asking for specific research in the future. Ms. Turner said she thought that would be good use of the Committee's resources. Mr. Isserman agreed that identifying topics of assistance to the State Boards and NASBA would result in more benefit from NASBA's investment. Mr. Parsons suggested placing limits on exactly what research NASBA would support.

A project proposed by non-Ph.D. researchers was withdrawn from consideration by Ms. Turner after several Board members voiced concern about moving outside the criteria set for these grants.

20. Report of the Committee on State Board Relevance and Effectiveness

Committee Chair Glover reported two State Board Relevance and Effectiveness Committee task forces had completed surveys. One task force, chaired by Michael Henderson (LA) and Richard Sweeney (WA), collected responses from 41 State Boards on the basic characteristics of those Boards. A second task force, chaired by Michael Barham (NC) collected responses from State Boards and/or state societies in 36 jurisdictions characterizing the Board/society relationships in their states. The Committee will meet May 10, 2012 in Dallas to review the information gathered and consider how to collect enforcement data.

Mr. Glover said the Committee hopes that from the empirical data it collects it will be able to support for legislators its belief that semi-independent Boards are more effective. How many of the characteristics charted are required to be a relevant Board? Perhaps four or five, he said. Mr. Glover commented it may be discovered that some of the consolidated Boards are very effective. How the Committee will work with the new Director of Legislative Affairs and Vice President Dustin remains to be clarified, Mr. Glover said.

NASBA should have data on how much disciplinary action is taken by the Boards each year – and it doesn't, Mr. Glover said. He believes his committee and the Enforcement Committee should jointly work on getting this information collected. He maintains that having benchmarks against which to measure each Board's performance is key to proving their relevance.

President Bishop commented that Mr. Glover's Executive Directors Conference presentation on the Committee's work was perfect, as it did not cast any Board or type of Board as being better than others. He noted as an example, the New York Board is an advisory with little independence, but it is considered to be effective and relevant. Relevance and effectiveness are different and need to be measured separately, according to Mr. Bishop. NASBA wants to increase the effectiveness of whatever type of Accountancy Board a state has. The real goal is: how does NASBA help Boards do what they do better, President Bishop commented. The Georgia Board will likely be more successful in gaining relevance and effectiveness through their efforts to improve funding and resources than by arguing for semi-independence, he

observed. He said, "I think trying to put everyone in one box does not work very well. That may be part of the problem."

21. Report of the Communications Committee

Communications Committee Chair Chickering said the Committee believes, "The time to make friends is before you need them." They have three task forces working to do that: one on social media, another on meetings and conferences, and a third on awareness programs. Social media task force members were at the Executive Directors Conference and were well received, he reported. They focused on how a Board can communicate without adding to their budget. The Boards have been told that NASBA will be a resource for them in setting up sites. Mr. Chickering reported that the Committee is also reaching out to states to see what they can do for them.

Mr. Burkett reported the meetings and conferences task force had held two long conference calls. They had collected commentary about potential improvements for NASBA meetings and had asked the Boards' executive directors for their suggestions. The subcommittee expects to have their recommendations completed by May 31, as a draft has already been prepared, Mr. Burkett reported.

Mr. Chickering said the Committee is also working on how to reach out to executive directors, perhaps through creating more literature. Also a model report for the State Boards to use is being developed.

To add to the Regional Meetings, the Committee is formulating a number of informal questions to be posed at the luncheon tables one day, Mr. Chickering stated.

22. Report of the Enforcement Resource Committee

Committee Chair Parsons thanked all those involved in the preparation of the enforcement resources guide and reported it had been electronically distributed to the Executive Directors for their review. He made a motion that the Board approve the "Board of Accountancy Resource Manual." Mr. Daggett seconded. Mr. Parsons explained this would be an evergreen document that would be available on-line only to executive directors and board members. The Committee is encouraging the Boards to continue to submit reports for inclusion in the growing manual.

Mr. Isserman asked why the Resource Manual was not being made available to all. President Bishop said it does cover investigative techniques. However, Mr. Allen pointed out that the manual does contain caveats in it to neutralize the fear of Boards that are not following the included guidelines. Mr. Parsons said the Committee aimed to make this a non-binding guide. Mr. Allen was concerned that some of the caveats may have been taken out during the editing process. All approved the resource manual with the addition of the caveat language.

Mr. Parsons, Ms. Biek, Mr. Bishop and Mark Hunsaker (HI) met with the FBI in Washington, DC, to discuss a certified investigator training program. The group will meet in May and they expect to have a program for the Boards to look to for help, Mr. Parsons said.

Mr. Hansen recommended that NASBA consider using the AuditAnalytics database that his firm uses for marketing, as the database matches and tracks accounting firms with their clients and reports on restatements and red flags, such as change of auditors. This easily spots

foreign firms working for US clients. He said Vice President Conrad is reviewing it to determine if it would be useful to NASBA. Mr. Parsons said that had not yet been brought to the attention of the Enforcement Resource Committee.

The referral program with the IRS, SEC and PCAOB is continuing under Director Biek, Mr. Parsons stated, and he said the Committee hopes to work with the State Board Relevance and Effectiveness Committee and the Accountancy Licensee Database Committee towards gathering the states' enforcement data.

23. Report of the Continuing Professional Education Committee

The revised CPE standards were approved by both the NASBA Board and the AICPA Board at their January meetings, CPE Committee Chair Lodden reported. CPE program sponsors have been given two years to implement the new standards in any existing programs. The Committee has also created a best practices guidebook that will be launched on the CPE Sponsor Registry's Web site on July 1, 2012 by National Registry Manager Jessica Luttrull. Mr. Lodden stressed the guidebook's contents will not be standards.

Every two years the Committee will review the standards and have a working group (including representatives of users, boards, etc.) for updating. In the interim, the NASBA staff will answer questions and, if there is something that needs an interpretation, they will take that back to the Committee's working group, Mr. Lodden explained.

The Committee will meet in Nashville on April 30. Among the topics to be discussed will be: the future of outcomes-based education for CPAs, the International Accounting Education Standards Board's pronouncements, group study live standards, and NASBA's creating guidance on how to develop a course.

The Committee will conduct a breakout session discussing trends in CPE at the upcoming Regional Meetings.

24. Report of the Compliance Assurance Committee

Reporting on behalf of Compliance Assurance Committee Chair Gray, NASBA Chair Harris reported the Committee continues to work diligently to promote the creation of the peer review oversight committees (PROC) by each State Board. Fifteen presentations have been made to promote this effort. Jim Goad (AR) is creating a matrix of the features of the present PROC that will be ready for presentation by the fall of 2012.

25. Report of the Audit Committee

Audit Committee Chair Tredinnick reported the Committee held its initial conference call on April 23, 2012 and they are scheduled to meet on August 23 and then again on September 27, when they will review and approve the audit report. The Committee has five members, four of them new. The Committee's initial conference call included participation of the independent auditing firm's partner and the audit manager, as well as NASBA staff members Michael Bryant, Troy Walker and Sandra Davidson.

Mr. Tredinnick explained the CPT is audited and its report is issued separately, plus there is a full scope audit of the 401 K program, besides the audit of NASBA. The independent

auditors are not providing any services other than the audit to NASBA. He pointed out that NASBA's auditors are also the auditors for PCS, but the Committee does not anticipate any kind of impairment.

Mr. Isserman said he was concerned that the auditors might have a conflict of interest in auditing both PCS and NASBA. After discussion by several members of the Board, the recommendation was that NASBA obtain assurance that any significant audit items arising from the PCS audit would be communicated appropriately to NASBA. Mr. Bryant stated that he would pursue the matter with the auditors and with PCS. Second, Mr. Isserman asked about the issue of cyber attack. CFO Bryant said NASBA had recently put cyber liability insurance coverage in place. Mr. Isserman suggested that the Audit Committee review coverage and report to the Board.

Carlos Johnson inquired as to how the CPT engagement was being handled. After some discussion, a request was made for the issuance of a separate CPT audit engagement letter from NASBA for future years' audits and Mr. Bryant responded that it would be obtained.

A discussion ensued about how the CPT Form 990 review should be handled. Mr. Bryant stated that this is the first year CPT is required to file the full Form 990 and that, in the past, the shorter form was provided to the CPT Board chair. The consensus was that, as a best practice, the Form-990 for CPT should be circulated to the entire CPT Board before it is filed. Mr. Bryant responded that IRS form 990 would be sent to all members of the CPT Board for their review 30 days prior to the June 15 filing deadline in a manner similar to the NASBA electronic link.

The NASBA Board also requested a formalized agreement between NASBA and CPT reflecting that the CPT Board has delegated its audit committee responsibility to NASBA's Audit Committee. Mr. Bryant responded that this arrangement had previously been adopted by the CPT Board and is reflected in that Board's minutes. Mr. Bryant stated that he would bring the matter of an agreement to the CPT Board's attention at their next meeting. Mr. Allen said he will review the appropriate course of action, taking into account any applicable CPT bylaw considerations.

26. Report of the Accounting Licensee Database Committee

Mr. Odom reported the ALD Committee is working hard to get all jurisdictions fully participating in the database. Liz Carrier, NASBA Director – IT Development Services, has asked all boards to link to the site, to ensure the ALD site and the State Boards' sites are updated together. The site's contents are reviewed regularly. Ms. Carrier is working on an international tracking site for the candidates who take the examination at international locations and are then required to become licensed within three years of passing all parts of the examination. Failure to do so would result in deletion from the list.

CPAVerify has received over 8000 hits, Mr. Odom reported. He praised the NASBA staff, Maria Caldwell, Elizabeth Bachhuber and Rebecca Gebhardt for their support of the ALD.

27. Report of the International Qualifications Appraisal Board

Ray Johnson, a member of IQAB, reported the NASBA/AICPA International Qualifications Appraisal Board will meet April 30- May 1 in Washington, DC. IQAB is

currently has task forces on the development of mutual recognition agreements with: (1) Institute of Chartered Accountants in England and Wales; (2) Institute of Chartered Accountants in Scotland; and (3) South African Institute of Chartered Accountants. IQAB is working toward having the MRAs with the ICAEW and the ICAS ready for signing at NASBA's 2012 Annual Meeting, but it is uncertain if that can be achieved.

An IQAB task force is also working with Dr. Gert Karreman in the Netherlands to obtain a better understanding of educational accrediting as it is currently applied outside the U.S.

28. Adjournment

The meeting was adjourned at 4:45 p.m.

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

Highlights of the Board of Directors Meeting

July 27, 2012 – Newport, RI

At a duly called meeting of the Board of Directors of the National Association of State Boards of Accountancy, Inc., held on Friday, July 27, 2012 at the Hyatt Regency in Newport, Rhode Island, the Board took the following actions:

- Approved the extension of the tri-party mutual recognition agreement with the Canadian Institute of Chartered Accountants and the Instituto Mexicano de Contadores Publicos until December 31, 2015, in recognition of the CICA's developing their Canadian CPA certification program, which would unite the professional bodies in Canada. The extension will be voted on by the AICPA's Board of Directors at their next meeting.
- Approved the Awards Committee's recommendations as presented by NASBA Chair Mark Harris (LA): Michael D. Weatherwax (CO) will be the recipient of the 2012 William H. Van Rensselaer Public Service Award; Charles W. Taylor (MS) will be the recipient of the 2012 NASBA Distinguished Service Award; and Robert N. Brooks (NC) will be the recipient of the 2012 Lorraine P. Sachs Award for Executive Directors. The awards will be presented at the 2012 Annual Business Meeting in October.
- Approved the FY 2013 NASBA operating and capital budgets as presented by Administration and Finance Committee Chair E. Kent Smoll (KS).
- Approved the proposed investment policy changes as presented by Mr. Smoll and outlined by NASBA Senior Vice President and CFO Michael R. Bryant.
- Approved the Bylaws Committee's proposed resolutions on committee composition, as presented by Committee Chair Jimmy E. Burkes (MS). The resolutions encourage: a majority of committee members to be State Board delegates; committee chairs to be members of the Board of Directors; and routine rotation of committee members.
- Received a report from NASBA Chair Harris on the agenda items for the August 14, 2012 summit meetings of the leaders of NASBA, Canadian Institute of Chartered Accountants (CICA), and the American Institute of Certified Public Accountants (AICPA).
- Heard a report from Examination Review Board Chair Sandra R. Wilson (AK) on the ERB's program. Nicholas J. Mastracchio, Jr. (NY) will become ERB Chair on August 1, 2012. O. Whitfield Broome, Jr. (VA), and Ronald E. Nielsen (IA) have been appointed to the ERB, as Wesley P. Johnson (MD) and Charles L. Talbert, III (SC) will be rotating off the ERB. David A. Vaudt (IA) will continue to serve as a member of the ERB, as will Ms. Wilson.
- Accepted the slate of NASBA 2012-2013 officers and directors selected by the Nominating Committee as presented by Nominating Committee Chair Michael T. Daggett (AZ). The election of officers and directors will be held at the Annual Business Meeting.

- Heard a report from Vice Chair Gaylen R. Hansen (CO) on his planning for NASBA's 2012-2013 committees. He explained there will be smaller committees next year, to increase their activity level. In his committee appointments, Vice Chair Hansen said he has tried to minimize individuals serving on multiple committees and has attempted to balance regional representation on each committee.
- Heard from President Ken L. Bishop that NASBA is projected to exceed its operating budget by \$100,000.00. He reported the budget for next year calls for increased spending on "Member Driven – Mission Focused" program activities that directly assist State Boards.
- Approved a wording change to Uniform Accountancy Act Model Rule 6-7, replacing "retired" with "inactive," as recommended by the NASBA UAA Committee and presented by UAA Committee Chair Carlos E. Johnson (OK).
- Received a report from Executive Vice President and COO Colleen K. Conrad that NASBA's International Evaluation Services was officially launched on July 1, 2012. Washington, Kansas and Illinois were the first states to sign on to use the new service, which CPA Examination candidates can access through NASBA's Web site. New Jersey and New Hampshire have also agreed to use the service.
- Heard from CPE Committee Chair Telford A. Lodden (IA) that the next NASBA National Registry Sponsor Summit will be held September 23-24, 2012 in Nashville. The Committee plans to hold a sponsor summit every year. Chair Lodden reported the revised standards for CPE programs went into effect on July 1, 2012. A best practices manual for program development will be placed on the CPE Web site in early August, he said.
- Were presented a summary of three of NASBA's top projects by NASBA Director of Compliance Services Maria Caldwell. Using as their framework "standardize, automate, innovate and quantify results," NASBA staff has increased the efficiency and effectiveness of the National Registry of CPE Sponsors, the Accountancy Licensee Database and CPAVerify. Staff is also in the process of developing NASBA's CPE Audit Service, Ms. Caldwell told the Board.
- Learned from NASBA Executive Vice President Conrad that NASBA has submitted nominations for the Auditing Standards Board, the Standing Advisory Group of the Public Company Accounting Oversight Board, the AICPA Professional Ethics Executive Committee, the Private Company Council, the Financial Accounting Foundation and the Board of Examiners.
- Received a report from Global Strategies Committee Chair Laurie J. Tish (WA) on plans for NASBA's International Regulators Forum (October 31- November 1), to be held in conjunction with NASBA's Annual Meeting (October 28-31) in Orlando, Florida.

The next meeting of the NASBA Board of Directors will be held on October 26, 2012 in Orlando, Florida.

Distribution:

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

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 October 9, 2012. Use additional sheets for your responses if needed.

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

1. (a) In the last three years, what organizations have been your Board's top three referral sources of disciplinary cases? (State Society? HUD? SEC? etc.) (b) About how many cases have been referred by each of these in the last year?

2. (a) Can a community college in your state provide sufficient accounting/business courses (excluding principles or introductory accounting courses) to enable an individual holding a baccalaureate in drama, for example, to qualify to sit for the Uniform CPA Examination or for licensure as a CPA? (b) If so, are there qualifications the community college must meet to have its accounting and business courses acceptable to the Board?

3. (a) What services can a "CPA-Inactive" or "CPA-Retired" perform as a volunteer for a charity in your jurisdiction? (b) Does it matter if those services are done for compensation or pro bono? If so, please explain.

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

JURISDICTION _____

5. Are there any issues with which NASBA can help your Board?

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):**

8.2.12