

Meeting Agenda
SOUTH DAKOTA BOARD OF ACCOUNTANCY
 Conference Call
 Call in Number 1-844-833-2684 Access Code 0287880#
 December 11, 2019
 9:00 a.m. (CT)

A=Action
 D=Discussion
 I=Information

A. Call to Order.....	Budahl
B. Roll Call	Kasin
C. Public Comment.....	Oratory
D. A-Approval of Minutes of Meeting October 23, 2019.....	2-3
E. A-Approval of Certificates & Firm Permits.....	4-5
F. A-Approval of Financial Statements through November 2019.....	6-23
G. A-Report to Board on NASBA Executive Directors and Legal Counsel Conference.....	24
H. D-Executive Director's Report.....	25

AICPA

I. D-Board of Examiners Meeting Highlights October 3-4, 2019.....	26-28
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NASBA

J. D-Board of Directors Meeting Minutes July 26, 2019.....	29-36
K. D-Board of Directors Meeting Highlights October 25 & 29, 2019...	37-38
L. D-UAA Model Rules Article 7.....	39-45
M. D-Quarterly Focus Question Responses.....	46-53
N. A-Quarterly Focus Questions.....	54-55

EXECUTIVE SESSION

O. Equivalent Reviews, Consent Agreements and Draft AUP Report for Board Approval.....	Spt. Pkt.
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FUTURE MEETING DATES (all times CT)

P. Meeting Dates January 22, 2020 – 8:30 Conference Call March 24, 2020 – 8:30 Conference Call
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Q. Adjournment

Meeting Minutes
SOUTH DAKOTA BOARD OF ACCOUNTANCY
Conference Call
October 23, 2019 9:00 a.m. CT

Chair Deidre Budahl called the meeting to order at 9:00 a.m. Nicole Kasin called the roll. A quorum was present.

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

Member Not Present: Marty Guindon

Others Present: Nicole Kasin, Executive Director, Julie Iverson, Sr, Secretary, and Graham Oey, Staff Attorney.

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

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

Jeff Strand made a motion to approve the September 19, 2019 meeting minutes. Jeff Smith seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma-yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

David Pummel made a motion to approve the issuance of certificates and firm permits through October 17, 2019. Jeff Strand seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma-yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

David Pummel made a motion to approve the financial statements through September 2019. Jay Tolsma seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma-yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

The Board reviewed the report on the CPA exam grades for the 62nd Window.

Jeff Strand made a motion to ratify the CPA exam scores for the 62nd window through September 2019. David Pummel seconded the motion. A roll call vote was taken. **MOTION PASSED** (Tolsma-yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

The Board discussed Barry Bouchie's request for reinstatement of his license.

Jay Tolsma made a motion to approve the reinstatement of Barry Bouchie's license. Jeff Smith seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma -yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

Executive Director Kasin discussed her report on CPE audits, CPE extensions, CPA Exam 2018 Statistics, and an update on the Board AUP.

Jeff Strand made a motion to enter executive session for the deliberative process for peer reviews and follow-ups. David Pummel seconded the motion. A roll call vote was taken. **MOTION PASSED** (Tolsma-yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

The Board came out of executive session.

David Pummel made a motion to accept the peer reviews and follow-ups as discussed in executive session. Jeff Strand seconded the motion. A roll call vote was taken. **MOTION PASSED** (Tolsma-yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

FUTURE MEETING DATES (all times CT)
December 11, 2019 – 9:00 a.m. conference call
January 22, 2020 – 8:30 a.m. conference call
March 24, 2020 – 8:30 a.m. conference call

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

All business having come before the board was concluded and Chair Deidre Budahl adjourned the meeting at 9:22 a.m.

Deidre Budahl, CPA, Chair

Attest: _____
Nicole Kasin, Executive Director

Jeff Smith, Sec/Treasurer

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES
BOARD COPY**

Issued Through December 5, 2019

Number	Name	Date Issued	Location
3451	Leslie Wilson	10/29/19	Box Elder, SD
3452	Alexandra Lee Gaffney-Peden	11/05/19	Vermillion, SD
3453	Rachel Anne Nevin	11/13/19	Omaha, NE
3454	Codi Brooke Kafka	11/13/19	Mitchell, SD
3455	Chandler Michael Nelson	11/22/19	Sioux Falls, SD
3456	Christopher Kevin Filsinger	11/26/19	Sioux Falls, SD
3457	Amanda Lynn Soesbe	12/05/19	Omaha, NE

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

**Issued Through
December 5, 2019**

Number	Name	Date Issued	Basis/Comments
1737	Leslie Wilson, CPA LLC Stilwell, KS	10/29/19	New Firm
1738	Berry, Dunn, McNeil & Parker, LLC Portland, OR	11/01/19	New Firm
1739	Corrigan, Krause, Harrison, Long, Harsar, CPA's LLC Westlake, OH	11/06/19	New Firm
1740	Lighthouse, Sanders & Associates Madison, MS	11/20/19	New Firm

BAL403R1

STATE OF SOUTH DAKOTA
CASH CENTER BALANCES
AS OF: 10/31/2019

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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	504,324.13	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			504,324.13	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			504,324.13	DR **	
BUDGET UNIT TOTAL 1031			504,324.13	DR ***	

BA0205A5 11/02/2019

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 10/31/2019

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
COMPANY NO 6503 PROFESSIONAL & LICENSING BOARDS										
6503	103100061802	51010100	CGEX190926	10/02/2019					2,636.44	DR
6503	103100061802	51010100	CGEX191011	10/16/2019					2,606.54	DR
OBJSUB: 5101010 F-T EMP SAL & WAGES										
6503	103100061802	51010200	CGEX190926	10/02/2019					5,242.98	DR *
6503	103100061802	51010200	CGEX191011	10/16/2019					1,234.12	DR
OBJSUB: 5101020 P-T/TEMP EMP SAL & WAGES										
6503	103100061802	51010300	CGEX190926	10/02/2019					1,383.97	DR
OBJSUB: 5101030 BOARD & COMM MERS FEES										
6503	103100061802	51020100	CGEX190926	10/02/2019					300.00	DR *
6503	103100061802	51020100	CGEX191011	10/16/2019					8,161.07	DR **
OBJSUB: 5102010 OASI-EMPLOYER'S SHARE										
6503	103100061802	51020200	CGEX190926	10/02/2019					232.22	DR
6503	103100061802	51020200	CGEX191011	10/16/2019					239.44	DR
OBJSUB: 5102020 RETIREMENT-ER SHARE										
6503	103100061802	51020600	CGEX190926	10/02/2019					471.66	DR *
6503	103100061802	51020600	CGEX191011	10/16/2019					862.15	DR
OBJSUB: 5102060 HEALTH/LIFE INS.-ER SHARE										
6503	103100061802	51020800	CGEX190926	10/02/2019					1,720.53	DR *
6503	103100061802	51020800	CGEX191011	10/16/2019					5.06	DR
OBJSUB: 5102080 WORKER'S COMPENSATION										
6503	103100061802	51020900	CGEX190926	10/02/2019					10.25	DR *
6503	103100061802	51020900	CGEX191011	10/16/2019					1.67	DR
OBJSUB: 5102090 UNEMPLOYMENT COMPENSATION										
6503	103100061802	51020900	CGEX190926	10/02/2019					3.42	DR *
6503	103100061802	51020900	CGEX191011	10/16/2019					2,757.89	DR **
OBJSUB: 5102090 EMPLOYEE BENEFITS										
6503	103100061802	52041600	CGEX191029	10/29/2019	185254				10,918.96	DR **
6503	103100061802	52041600	CGEX191029	10/02/2019	00606808	NATLASSNST	12005047		2,226.44	DR ***
6503	103100061802	52041600	CGEX191029	10/02/2019					2,780.00	DR
OBJSUB: 5204160 WORKSHOP REGISTRATION FEE										
6503	103100061802	52041800	DP009096	11/01/2019					3,006.44	DR *
OBJSUB: 5204180 COMPUTER SERVICES-STATE										
6503	103100061802	52042000	PL009055	10/23/2019					469.80	DR *
6503	103100061802	52042000	RM009048	10/23/2019					46.77	DR
OBJSUB: 5204200 CENTRAL SERVICES										
6503	103100061802	52042200	IN661429	10/16/2019	02312572	ABBUSINESS	12036980		96.80	DR
OBJSUB: 5204220 CENTRAL SERVICES										
6503	103100061802	52042200	IN661429	10/16/2019					143.57	DR *
OBJSUB: 5204220 CENTRAL SERVICES										
6503	103100061802	52042200	IN661429	10/16/2019					87.06	DR *

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 10/31/2019

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
OBJSUB:	5204220	EQUIPMENT SERV & MAINT	20106 JUL-JUN 20	10/25/2019	117926	SUNSETOFFI	12043890		87.06	DR *
6503	103100061802	52042300							139.67	DR
OBJSUB:	5204230	JANITORIAL & MAINT SERV	ACCOUNTRENT19-20	10/16/2019	142642	MCGINNISRO	12074040		1,380.75	DR *
6503	103100061802	52044900							1,380.75	DR *
OBJSUB:	5204490	RENTS-PRIVATE OWNED PROP.	TI009152	10/11/2019	00021790	ATTMOBILIT	12279233		99.25	DR
6503	103100061802	52045300							40.36	DR
OBJSUB:	5204530	TELECOMMUNICATIONS SVCS	5159417006 0919	10/09/2019	02311729	XCELENERGY	12023853		139.61	DR *
6503	103100061802	52045400							85.00	DR
OBJSUB:	5204540	ELECTRICITY	CI100A-014	10/16/2019	229423				121.89	DR *
6503	103100061802	52047400							121.89	DR *
OBJSUB:	5204740	BANK FEES AND CHARGES	CGEX191003	10/04/2019	169021				151.66	DR
6503	103100061802	52049600							8,705.76	DR
6503	103100061802	52049600							8,705.76	DR
OBJSUB:	5204960	OTHER CONTRACTUAL SERVICE	0444997	10/02/2019	00607327	HPINC	12125515	11	8,857.42	DR *
6503	103100061802	52050280							14,431.21	DR **
6503	103100061802	52050280							74	DR
OBJSUB:	5205028	OFFICE SUPPLIES	68352 OCT19	10/23/2019	00611456	ECOWATER	12035896		22.35	DR
6503	103100061802	52053200							23.09	DR *
6503	103100061802	52053200							6.90	DR
OBJSUB:	5205320	PRINTING-COMMERCIAL	TI00-046	10/04/2019		PREFERRRDP	12308425		6.90	DR *
6503	103100061802	5228000							253.05	DR **
6503	103100061802	5228000							29.99	DR **
OBJSUB:	5228000	OPER TRANS OUT -NON BUDGT							14,714.25	DR **
6503	103100061802	5228							25,633.21	DR ****
6503	103100061802	5228							25,633.21	DR ****
OBJSUB:	5228	NONOP EXP/NONBGTD OP TR							25,633.21	DR ****
6503	103100061802	5203							25,633.21	DR ****
6503	103100061802	5203							25,633.21	DR ****
OBJSUB:	5203	OPERATING EXPENSES							25,633.21	DR ****
6503	103100061802	1031							25,633.21	DR ****
6503	103100061802	1031							25,633.21	DR ****

South Dakota Board of Accountancy
Balance Sheet
As of October 31, 2019

	Oct 31, 19
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - Great Western	385.53
1140000 · Pool Cash State of SD	504,324.13
Total Checking/Savings	504,709.66
Other Current Assets	
1131000 · Interest Income Receivable	18,765.30
1213000 · Investment Income Receivable	2,557.09
Total Other Current Assets	21,322.39
Total Current Assets	526,032.05
Fixed Assets	
1670000 · Computer Software	
Original Cost	34,075.00
1770000 · Depreciation	-8,518.96
Total 1670000 · Computer Software	25,556.04
Total Fixed Assets	25,556.04
TOTAL ASSETS	551,588.09
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	4,362.25
Total Accounts Payable	4,362.25
Other Current Liabilities	
2430000 · Accrued Wages Payable	9,046.39
2810000 · Amounts Held for Others	24,174.26
Total Other Current Liabilities	33,220.65
Total Current Liabilities	37,582.90
Long Term Liabilities	
2960000 · Compensated Absences Payable	25,918.05
Total Long Term Liabilities	25,918.05
Total Liabilities	63,500.95
Equity	
3220000 · Net Position	292,268.70
3300100 · Invested In Capital Assets	25,556.32
3900 · Retained Earnings	24,442.67
Net Income	145,819.45
Total Equity	488,087.14
TOTAL LIABILITIES & EQUITY	551,588.09

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
 July through October 2019

	Jul - Oct 19	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	3,885.00	2,500.00	1,385.00	155.4%
4293551 · Certificate Renewals-Active	62,700.00	62,500.00	200.00	100.3%
4293552 · Certificate Renewals-Inactive				
5208014 · REFUNDS	-40.00			
4293552 · Certificate Renewals-Inactive - Other	19,750.00	21,000.00	-1,250.00	94.0%
Total 4293552 · Certificate Renewals-Inactive	19,710.00	21,000.00	-1,290.00	93.9%
4293553 · Certificate Renewals-Retired	1,240.00	1,400.00	-160.00	88.6%
4293554 · Initial Firm Permits	100.00	700.00	-600.00	14.3%
4293555 · Firm Permit Renewals	11,000.00	14,500.00	-3,500.00	75.9%
4293557 · Initial Audit	90.00	900.00	-810.00	10.0%
4293558 · Re-Exam Audit	690.00	2,460.00	-1,770.00	28.0%
4293560 · Late Fees-Initial Certificate	50.00			
4293561 · Late Fees-Certificate Renewals				
5208006 · REFUNDS	-100.00			
4293561 · Late Fees-Certificate Renewals - Other	2,650.00	3,000.00	-350.00	88.3%
Total 4293561 · Late Fees-Certificate Renewals	2,550.00	3,000.00	-450.00	85.0%
4293562 · Late Fees-Firm Permits	0.00	0.00	0.00	0.0%
4293563 · Late Fees-Firm Permit Renewals	300.00	500.00	-200.00	60.0%
4293564 · Late Fees-Peer Review	200.00	1,300.00	-1,100.00	15.4%
4293566 · Firm Permit Owners	111,355.00	109,000.00	2,355.00	102.2%
4293567 · Peer Review Admin Fee	75.00	5,500.00	-5,425.00	1.4%
4293568 · Firm Permit Name Change	100.00	100.00	0.00	100.0%
4293569 · Initial FAR	210.00	1,140.00	-930.00	18.4%
4293570 · Initial REG	90.00	660.00	-570.00	13.6%
4293571 · Initial BEC	120.00	930.00	-810.00	12.9%
4293572 · Re-Exam FAR	600.00	1,860.00	-1,260.00	32.3%
4293573 · Re-Exam REG	810.00	2,310.00	-1,500.00	35.1%
4293574 · Re-Exam BEC	720.00	2,310.00	-1,590.00	31.2%
4491000 · Interest and Dividend Revenue	9,932.08	5,000.00	4,932.08	198.6%
4896021 · Legal Recovery Cost	0.00	1,000.00	-1,000.00	0.0%
4950000 · Prior Period Refund Account	0.00	0.00	0.00	0.0%
Total Income	226,527.08	240,570.00	-14,042.92	94.2%
Gross Profit	226,527.08	240,570.00	-14,042.92	94.2%
Expense				
5101010 · F-T Emp Sal & Wages	21,719.94	82,258.00	-60,538.06	26.4%
5101020 · P-T/Temp Emp Sal & Wages	12,235.38	43,000.00	-30,764.62	28.5%
5101030 · Board & Comm Mbrs Fees	2,040.00	4,739.00	-2,699.00	43.0%
5102010 · OASI-Employer's Share	2,461.71	9,582.00	-7,120.29	25.7%
5102020 · Retirement-ER Share	1,922.71	7,515.00	-5,592.29	25.6%
5102060 · Health /Life Ins.-ER Share	6,985.37	8,470.00	-1,484.63	82.5%
5102080 · Worker's Compensation	44.17	213.00	-168.83	20.7%
5102090 · Unemployment Insurance	14.96	125.00	-110.04	12.0%
5203010 · Auto--State Owned	47.79	400.00	-352.21	11.9%
5203020 · Auto-Private-Ownes Low Mileage	104.42	400.00	-295.58	26.1%
5203030 · In State-Auto- Priv. High Miles	687.96	1,500.00	-812.04	45.9%
5203100 · In State-Lodging	338.00	1,000.00	-662.00	33.8%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%
5203140 · InState-Tax Meals Not Overnight	0.00	100.00	-100.00	0.0%
5203150 · InState-Non-Tax Meals OverNight	138.00	400.00	-262.00	34.5%
5203220 · OS-Auto Private Low Mileage	0.00	100.00	-100.00	0.0%
5203260 · OS-Air Commercial Carrier	0.00	6,500.00	-6,500.00	0.0%
5203280 · OS-Other Public Carrier	0.00	700.00	-700.00	0.0%
5203300 · OS-Lodging	0.00	9,000.00	-9,000.00	0.0%
5203320 · OS-Incidentals to Travel	0.00	500.00	-500.00	0.0%
5203350 · OS-Non-Taxable Meals Overnight	0.00	1,000.00	-1,000.00	0.0%
5204010 · Subscriptions	0.00	1,000.00	-1,000.00	0.0%
5204020 · Dues and Membership Fees	3,200.00	3,900.00	-700.00	82.1%
5204030 · Legal Document Fees	0.00	300.00	-300.00	0.0%
5204040 · Consultant Fees-Accounting	0.00	7,300.00	-7,300.00	0.0%

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
 July through October 2019

	Jul - Oct 19	Budget	\$ Over Budget	% of Budget
5204050 · Consultant Fees - Computer	1,875.00	15,000.00	-13,125.00	12.5%
5204080 · Consultant Fees--Legal	0.00	0.00	0.00	0.0%
5204160 · Workshop Registration Fees	3,006.44	6,500.00	-3,493.56	-46.3%
5204180 · Computer Services-State	1,875.85	5,000.00	-3,124.15	-37.5%
5204181 · Computer Development Serv-State	274.51	2,000.00	-1,725.49	13.7%
5204200 · Central Services	2,250.75	9,000.00	-6,749.25	-25.0%
5204220 · Equipment Service & Maintenance	27.53	300.00	-272.47	9.2%
5204230 · Janitorial/Maintenance Services	558.66	1,700.00	-1,141.34	32.9%
5204340 · Computer Software Maintenance	0.00	2,000.00	-2,000.00	0.0%
5204360 · Advertising-Newspapers	0.00	1,000.00	-1,000.00	0.0%
5204440 · Newsletter Publishing	0.00	100.00	-100.00	0.0%
5204460 · Equipment Rental	919.00	4,000.00	-3,081.00	23.0%
5204490 · Rents Privately Owned Property	6,903.75	16,235.10	-9,331.35	-42.5%
5204510 · Rent-Other	0.00	500.00	-500.00	0.0%
5204530 · Telecommunications Services	806.60	4,500.00	-3,693.40	17.9%
5204540 · Electricity	320.83	865.00	-544.17	37.1%
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	4,468.45	6,500.00	-2,031.55	68.7%
5204960 · Other Contractual Services	580.68	24,000.00	-23,419.32	2.4%
5205020 · Office Supplies	458.76	3,000.00	-2,541.24	15.3%
5205028 · OFFICE SUPPLIES-2	5.95	0.00	5.95	100.0%
5205310 · Printing State	0.00	250.00	-250.00	0.0%
5205320 · Printing/Duplicating/Binding Co	58.65	1,000.00	-941.35	5.9%
5205330 · Supplemental Publications	0.00	700.00	-700.00	0.0%
5205340 · Microfilm Supplies/Materials	0.00	0.00	0.00	0.0%
5205350 · Postage	0.00	2,000.00	-2,000.00	0.0%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207900 · Computer Hardware	653.40	6,800.00	-6,146.60	9.6%
5207950 · System Development	0.00	1,000.00	-1,000.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	0.00	500.00	-500.00	0.0%
5228000 · Operating Transfers Out-NonBudg	1,807.02	6,000.00	-4,192.98	30.1%
5228030 · Depreciation Expense	1,893.04	5,679.12	-3,786.08	33.3%
Total Expense	80,707.63	318,781.22	-238,073.59	25.3%
Net Ordinary Income	145,819.45	-78,211.22	224,030.67	-1 86.4%
Net Income	145,819.45	-78,211.22	224,030.67	-1 86.4%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
October 2019

	Oct 19	Oct 18	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	375.00	450.00	-75.00	-16.7%
4293551 · Certificate Renewals-Active	600.00	200.00	400.00	200.0%
4293552 · Certificate Renewals-Inactive	50.00	400.00	-350.00	-87.5%
4293553 · Certificate Renewals-Retired	0.00	10.00	-10.00	-100.0%
4293554 · Initial Firm Permits	50.00	150.00	-100.00	-66.7%
4293555 · Firm Permit Renewals	0.00	100.00	-100.00	-100.0%
4293557 · Initial Audit	60.00	90.00	-30.00	-33.3%
4293558 · Re-Exam Audit	150.00	210.00	-60.00	-28.6%
4293560 · Late Fees-Initial Certificate	50.00	0.00	50.00	100.0%
4293561 · Late Fees-Certificate Renewals	600.00	600.00	0.00	0.0%
4293563 · Late Fees-Firm Permit Renewals	0.00	100.00	-100.00	-100.0%
4293564 · Late Fees-Peer Review	100.00	0.00	100.00	100.0%
4293566 · Firm Permit Owners	130.00	325.00	-195.00	-60.0%
4293569 · Initial FAR	30.00	60.00	-30.00	-50.0%
4293570 · Initial REG	0.00	30.00	-30.00	-100.0%
4293571 · Initial BEC	30.00	30.00	0.00	0.0%
4293572 · Re-Exam FAR	120.00	210.00	-90.00	-42.9%
4293573 · Re-Exam REG	120.00	240.00	-120.00	-50.0%
4293574 · Re-Exam BEC	90.00	240.00	-150.00	-62.5%
Total Income	2,555.00	3,445.00	-890.00	-25.8%
Gross Profit	2,555.00	3,445.00	-890.00	-25.8%
Expense				
5101010 · F-T Emp Sal & Wages	5,242.98	5,536.27	-293.29	-5.3%
5101020 · P-T/Temp Emp Sal & Wages	2,618.09	2,394.76	223.33	9.3%
5101030 · Board & Comm Mbrs Fees	300.00	420.00	-120.00	-28.6%
5102010 · OASI-Employer's Share	552.03	572.52	-20.49	-3.6%
5102020 · Retirement-ER Share	471.66	475.96	-4.30	-0.9%
5102060 · Health /Life Ins.-ER Share	1,720.53	1,539.47	181.06	11.8%
5102080 · Worker's Compensation	10.25	12.73	-2.48	-19.5%
5102090 · Unemployment Insurance	3.42	2.80	0.62	22.1%
5203020 · Auto-Private-Ownes Low Mileage	0.00	28.52	-28.52	-100.0%
5203140 · InState-Tax Meals Not Overnigt	0.00	11.00	-11.00	-100.0%
5204010 · Subscriptions	0.00	324.83	-324.83	-100.0%
5204050 · Consultant Fees - Computer	0.00	1,875.00	-1,875.00	-100.0%
5204160 · Workshop Registration Fees	226.44	0.00	226.44	100.0%
5204180 · Computer Services-State	466.45	229.55	236.90	103.2%
5204181 · Computer Development Serv-State	0.00	35.50	-35.50	-100.0%
5204200 · Central Services	143.57	450.58	-307.01	-68.1%
5204220 · Equipment Service & Maintenance	8.06	0.00	8.06	100.0%
5204230 · Janitorial/Maintenance Services	139.67	136.93	2.74	2.0%
5204360 · Advertising-Newspapers	0.00	306.49	-306.49	-100.0%
5204460 · Equipment Rental	79.00	0.00	79.00	100.0%
5204490 · Rents Privately Owned Property	1,380.75	1,380.75	0.00	0.0%
5204530 · Telecommunications Services	161.30	356.39	-195.09	-54.7%
5204540 · Electricity	86.30	87.67	-1.37	-1.6%
5204560 · Water	22.35	0.00	22.35	100.0%
5204740 · Bank Fees and Charges	120.89	166.67	-45.78	-27.5%
5204960 · Other Contractual Services	41.88	0.00	41.88	100.0%
5205020 · Office Supplies	310.09	21.48	288.61	1,343.6%
5205028 · OFFICE SUPPLIES-2	0.74	0.00	0.74	100.0%
5205320 · Printing/Duplicating/Binding Co	31.05	34.50	-3.45	-10.0%
5205350 · Postage	0.00	23.52	-23.52	-100.0%
5207490 · Telephone Equipment	0.00	945.00	-945.00	-100.0%
5207960 · Computer Software Expense	0.00	23.24	-23.24	-100.0%
5228000 · Operating Transfers Out-NonBudg	253.05	256.33	-3.28	-1.3%
5228030 · Depreciation Expense	473.26	473.26	0.00	0.0%
Total Expense	14,863.81	18,121.72	-3,257.91	-18.0%
Net Ordinary Income	-12,308.81	-14,676.72	2,367.91	16.1%
Net Income	-12,308.81	-14,676.72	2,367.91	16.1%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July through October 2019

	<u>Jul - Oct 19</u>	<u>Jul - Oct 18</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	3,885.00	1,150.00	2,735.00	237.8%
4293551 · Certificate Renewals-Active	62,700.00	62,800.00	-100.00	-0.2%
4293552 · Certificate Renewals-Inactive	19,710.00	20,300.00	-590.00	-2.9%
4293553 · Certificate Renewals-Retired	1,240.00	1,300.00	-60.00	-4.6%
4293554 · Initial Firm Permits	100.00	250.00	-150.00	-60.0%
4293555 · Firm Permit Renewals	11,000.00	13,850.00	-2,850.00	-20.6%
4293557 · Initial Audit	90.00	210.00	-120.00	-57.1%
4293558 · Re-Exam Audit	690.00	720.00	-30.00	-4.2%
4293560 · Late Fees-Initial Certificate	50.00	0.00	50.00	100.0%
4293561 · Late Fees-Certificate Renewals	2,550.00	2,850.00	-300.00	-10.5%
4293563 · Late Fees-Firm Permit Renewals	300.00	850.00	-550.00	-64.7%
4293564 · Late Fees-Peer Review	200.00	450.00	-250.00	-55.6%
4293566 · Firm Permit Owners	111,355.00	105,265.00	6,090.00	5.8%
4293567 · Peer Review Admin Fee	75.00	450.00	-375.00	-83.3%
4293568 · Firm Permit Name Change	100.00	0.00	100.00	100.0%
4293569 · Initial FAR	210.00	390.00	-180.00	-46.2%
4293570 · Initial REG	90.00	180.00	-90.00	-50.0%
4293571 · Initial BEC	120.00	60.00	60.00	100.0%
4293572 · Re-Exam FAR	600.00	720.00	-120.00	-16.7%
4293573 · Re-Exam REG	810.00	930.00	-120.00	-12.9%
4293574 · Re-Exam BEC	720.00	930.00	-210.00	-22.6%
4491000 · Interest and Dividend Revenue	9,932.08	5,660.71	4,271.37	75.5%
Total Income	<u>226,527.08</u>	<u>219,315.71</u>	<u>7,211.37</u>	<u>3.3%</u>
Gross Profit	226,527.08	219,315.71	7,211.37	3.3%
Expense				
5101010 · F-T Emp Sal & Wages	21,719.94	21,143.48	576.46	2.7%
5101020 · P-T/Temp Emp Sal & Wages	12,235.38	10,775.37	1,460.01	13.6%
5101030 · Board & Comm Mbrs Fees	2,040.00	1,740.00	300.00	17.2%
5102010 · OASi-Employer's Share	2,461.71	2,313.12	148.59	6.4%
5102020 · Retirement-ER Share	1,922.71	1,915.32	7.39	0.4%
5102060 · Health /Life Ins.-ER Share	6,985.37	6,036.18	949.19	15.7%
5102080 · Worker's Compensation	44.17	51.13	-6.96	-13.6%
5102090 · Unemployment Insurance	14.96	10.95	4.01	36.6%
5203010 · Auto--State Owned	47.79	61.59	-13.80	-22.4%
5203020 · Auto-Private-Ownes Low Mileage	104.42	131.56	-27.14	-20.6%
5203030 · In State-Auto- Priv. High Miles	687.96	782.04	-94.08	-12.0%
5203100 · In State-Lodging	338.00	237.00	101.00	42.6%
5203120 · In State-Incidentals to Travel	0.00	10.00	-10.00	-100.0%
5203140 · InState-Tax Meals Not OverNigt	0.00	33.00	-33.00	-100.0%
5203150 · InState-Non-Tax Meals OverNigt	138.00	148.00	-10.00	-6.8%
5203260 · OS-Air Commercial Carrier	0.00	2,015.20	-2,015.20	-100.0%
5203280 · OS-Other Public Carrier	0.00	785.27	-785.27	-100.0%
5203300 · OS-Lodging	0.00	1,760.92	-1,760.92	-100.0%
5203320 · OS-Incidentals to Travel	0.00	339.00	-339.00	-100.0%
5203350 · OS-Non-Taxable Meals Overnight	0.00	229.00	-229.00	-100.0%
5204010 · Subscriptions	0.00	324.83	-324.83	-100.0%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204050 · Consultant Fees - Computer	1,875.00	16,924.90	-15,049.90	-88.9%
5204160 · Workshop Registration Fees	3,006.44	2,780.00	226.44	8.2%
5204180 · Computer Services-State	1,875.85	527.45	1,348.40	255.7%
5204181 · Computer Development Serv-State	274.51	426.00	-151.49	-35.6%
5204200 · Central Services	2,250.75	1,838.94	411.81	22.4%
5204220 · Equipment Service & Maintenance	27.53	5.50	22.03	400.6%
5204230 · Janitorial/Maintenance Services	558.66	547.72	10.94	2.0%
5204340 · Computer Software Maintenance	0.00	405.60	-405.60	-100.0%
5204360 · Advertising-Newspapers	0.00	306.49	-306.49	-100.0%
5204460 · Equipment Rental	919.00	716.60	202.40	28.2%
5204490 · Rents Privately Owned Property	6,903.75	5,300.40	1,603.35	30.3%
5204530 · Telecommunications Services	806.60	1,653.08	-846.48	-51.2%
5204540 · Electricity	320.83	286.93	33.90	11.8%
5204560 · Water	22.35	22.35	0.00	0.0%
5204740 · Bank Fees and Charges	4,468.45	4,161.42	307.03	7.4%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July through October 2019

	<u>Jul - Oct 19</u>	<u>Jul - Oct 18</u>	<u>\$ Change</u>	<u>% Change</u>
5204960 · Other Contractual Services	580.68	86.50	494.18	571.3%
5205020 · Office Supplies	458.76	87.48	371.28	424.4%
5205028 · OFFICE SUPPLIES-2	5.95	0.00	5.95	100.0%
5205320 · Printing/Duplicating/Binding Co	58.65	124.20	-65.55	-52.8%
5205330 · Supplemental Publications	0.00	486.25	-486.25	-100.0%
5205350 · Postage	0.00	23.52	-23.52	-100.0%
5207490 · Telephone Equipment	0.00	945.00	-945.00	-100.0%
5207900 · Computer Hardware	653.40	0.00	653.40	100.0%
5207960 · Computer Software Expense	0.00	23.24	-23.24	-100.0%
5228000 · Operating Transfers Out-NonBudg	1,807.02	2,276.94	-469.92	-20.6%
5228030 · Depreciation Expense	1,893.04	1,893.04	0.00	0.0%
Total Expense	<u>80,707.63</u>	<u>95,892.51</u>	<u>-15,184.88</u>	<u>-15.8%</u>
Net Ordinary Income	<u>145,819.45</u>	<u>123,423.20</u>	<u>22,396.25</u>	<u>18.2%</u>
Net Income	<u><u>145,819.45</u></u>	<u><u>123,423.20</u></u>	<u><u>22,396.25</u></u>	<u><u>18.2%</u></u>

BA1409R1

STATE OF SOUTH DAKOTA
CASH CENTER BALANCES
AS OF: 11/30/2019

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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	486,111.41	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			486,111.41	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			486,111.41	DR **	
BUDGET UNIT TOTAL 1031			486,111.41	DR ***	

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 11/30/2019

AGENCY BUDGET CENTER-5	UNIT 10310	LABOR & REGULATION BOARD OF ACCOUNTANCY BOARD OF ACCOUNTANCY	COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/CR
COMPANY NO 6503 COMPANY NAME PROFESSIONAL & LICENSING BOARDS													
6503	103100061802	51010100				CGEX191028	11/01/2019					2,668.82	DR
6503	103100061802	51010100				CGEX191114	11/15/2019					2,733.43	DR
6503	103100061802	51010100				CGEX191122	11/26/2019					2,240.00	DR
6503	103100061802	51010100				CGEX191127	11/30/2019					2,620.65	DR
OBJSUB: 5101010 F-T EMP SAL & WAGES													
6503	103100061802	51010200				CGEX191028	11/01/2019					8,262.90	DR
6503	103100061802	51010200				CGEX191114	11/15/2019					1,184.75	DR
6503	103100061802	51010200				CGEX191127	11/30/2019					1,419.24	DR
OBJSUB: 5101020 P-T/TEMP EMP SAL & WAGES													
6503	103100061802	51010300				CGEX191028	11/01/2019					3,778.15	DR
6503	103100061802	51010300				CGEX191114	11/15/2019					300.00	DR
OBJSUB: 5101030 BOARD & COMM MBRS FEES													
OBJECT: 5101 EMPLOYEE SALARIES													
6503	103100061802	51020100				CGEX191028	11/01/2019					1,080.00	DR
6503	103100061802	51020100				CGEX191114	11/15/2019					13,121.05	DR
6503	103100061802	51020100				CGEX191122	11/26/2019					281.43	DR
6503	103100061802	51020100				CGEX191127	11/30/2019					340.78	DR
OBJSUB: 5102010 OASI-EMPLOYER'S SHARE													
6503	103100061802	51020200				CGEX191028	11/01/2019					894.71	DR
6503	103100061802	51020200				CGEX191114	11/15/2019					231.21	DR
6503	103100061802	51020200				CGEX191122	11/26/2019					249.15	DR
6503	103100061802	51020200				CGEX191127	11/30/2019					14.40	DR
OBJSUB: 5102020 RETIREMENT-ER SHARE													
6503	103100061802	51020600				CGEX191028	11/01/2019					722.45	DR
6503	103100061802	51020600				CGEX191114	11/15/2019					866.41	DR
6503	103100061802	51020600				CGEX191127	11/30/2019					874.77	DR
OBJSUB: 5102060 HEALTH/LIFE INS.-ER SHARE													
6503	103100061802	51020800				CGEX191028	11/01/2019					2,601.37	DR
6503	103100061802	51020800				CGEX191114	11/15/2019					5.02	DR
6503	103100061802	51020800				CGEX191122	11/26/2019					5.40	DR
6503	103100061802	51020800				CGEX191127	11/30/2019					.31	DR
OBJSUB: 5102080 WORKER'S COMPENSATION													
6503	103100061802	51020900				CGEX191028	11/01/2019					15.67	DR
6503	103100061802	51020900				CGEX191114	11/15/2019					1.71	DR
6503	103100061802	51020900				CGEX191122	11/26/2019					1.83	DR
6503	103100061802	51020900				CGEX191127	11/30/2019					.11	DR
OBJSUB: 5102090 UNEMPLOYMENT COMPENSATION													
OBJECT: 5102 EMPLOYEE BENEFITS													
												4,239.52	DR
												5.32	DR
												4,239.52	DR

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 11/30/2019

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL #	OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/CR
		GROUP: 51	PERSONAL SERVICES								
6503	103100061802	52040500	19-1000-061 8791	11/26/2019	00618635		GLSOLUTION	12290765		17,360.57	DR ***
		OBJSUB: 5204050	COMPUTER CONSULTANT							1,875.00	DR *
6503	103100061802	52041800	DP010094	11/20/2019						466.45	DR *
		OBJSUB: 5204180	COMPUTER SERVICES-STATE							466.45	DR *
6503	103100061802	52042000	FM009073	11/22/2019						1,307.74	DR *
6503	103100061802	52042000	PL010059	11/22/2019						204.86	DR *
		OBJSUB: 5204200	CENTRAL SERVICES							1,512.60	DR *
6503	103100061802	52042200	IN670439	11/20/2019	02317021		ABBUSINESS	12036980		83.87	DR *
		OBJSUB: 5204220	EQUIPMENT SERV & MAINT							83.87	DR *
6503	103100061802	52042300	20106 JUL-JUN 20	11/26/2019	117926		SUNSETOFT	12043890		139.67	DR *
		OBJSUB: 5204230	JANITORIAL & MAINT SERV							139.67	DR *
6503	103100061802	52044900	ACCCONTRNT9-20	11/13/2019	142642		MCGINNISRO	12074040		1,380.75	DR *
		OBJSUB: 5204490	RENTS-PRIVATE OWNED PROP.							1,380.75	DR *
6503	103100061802	52045300	TL010152	11/15/2019						120.94	DR *
6503	103100061802	52045300	8381416X10242019	11/08/2019	00022629		APTMOBILIT	12279233		51.12	DR *
		OBJSUB: 5204530	TELECOMMUNICATIONS SRVCS							172.06	DR *
6503	103100061802	52045400	5159417006 1019	11/08/2019	02315814		XCELENERGY	12023853		86.30	DR *
		OBJSUB: 5204540	ELECTRICITY							86.30	DR *
6503	103100061802	52047400	CI100A-016	11/08/2019	231643					90.57	DR *
		OBJSUB: 5204740	BANK FEES AND CHARGES							90.57	DR *
6503	103100061802	52050280	IN2724390,726341	11/08/2019	02316004		INNOVATIVE	12550348		5,807.27	DR **
6503	103100061802	52050280	0446250	11/06/2019	00614738		HPINC	12125515		310.09	DR **
6503	103100061802	52050280	0447170	11/26/2019	00618560		HPINC	12125515		.33	DR **
		OBJSUB: 5205028	OFFICE SUPPLIES							.14	DR **
6503	103100061802	52053200	26291	11/13/2019	00616057		PREFERREDP	12308425		310.56	DR *
		OBJSUB: 5205320	PRINTING-COMMERCIAL							24.15	DR *
6503	103100061802	5228000	T100-068	11/06/2019						334.71	DR **
		OBJSUB: 5228000	OPER TRANS OUT -NON BUDGT							540.49	DR **
		OBJECT: 5228	NONOP EXP/NONBGTD OP TR							6,682.47	DR **
		GROUP: 52	OPERATING EXPENSES							24,043.04	DR **
		COMP: 6503								24,043.04	DR **
		CNTR: 103100061802								24,043.04	DR **
		B. UNIT: 1031								24,043.04	DR **

South Dakota Board of Accountancy
Balance Sheet
As of November 30, 2019

	Nov 30, 19
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - Great Western	385.53
1140000 · Pool Cash State of SD	486,111.41
Total Checking/Savings	486,496.94
Other Current Assets	
1131000 · Interest Income Receivable	18,765.30
1213000 · Investment Income Receivable	2,557.09
Total Other Current Assets	21,322.39
Total Current Assets	507,819.33
Fixed Assets	
1670000 · Computer Software	
Original Cost	34,075.00
1770000 · Depreciation	-8,992.22
Total 1670000 · Computer Software	25,082.78
Total Fixed Assets	25,082.78
TOTAL ASSETS	532,902.11
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	11,455.80
Total Accounts Payable	11,455.80
Other Current Liabilities	
2430000 · Accrued Wages Payable	9,046.39
2810000 · Amounts Held for Others	27,239.58
Total Other Current Liabilities	36,285.97
Total Current Liabilities	47,741.77
Long Term Liabilities	
2960000 · Compensated Absences Payable	25,918.05
Total Long Term Liabilities	25,918.05
Total Liabilities	73,659.82
Equity	
3220000 · Net Position	292,741.96
3300100 · Invested In Capital Assets	25,083.06
3900 · Retained Earnings	24,442.67
Net Income	116,974.60
Total Equity	459,242.29
TOTAL LIABILITIES & EQUITY	532,902.11

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July through November 2019

	Jul - Nov 19	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	4,085.00	2,500.00	1,585.00	163.4%
4293551 · Certificate Renewals-Active	62,850.00	62,500.00	350.00	100.6%
4293552 · Certificate Renewals-Inactive				
5208014 · REFUNDS	-40.00			
4293552 · Certificate Renewals-Inactive - Other	19,750.00	21,000.00	-1,250.00	94.0%
Total 4293552 · Certificate Renewals-Inactive	19,710.00	21,000.00	-1,290.00	93.9%
4293553 · Certificate Renewals-Retired	1,240.00	1,400.00	-160.00	88.6%
4293554 · Initial Firm Permits	250.00	700.00	-450.00	35.7%
4293555 · Firm Permit Renewals	11,000.00	14,500.00	-3,500.00	75.9%
4293557 · Initial Audit	90.00	900.00	-810.00	10.0%
4293558 · Re-Exam Audit	720.00	2,460.00	-1,740.00	29.3%
4293560 · Late Fees-Initial Certificate	50.00			
4293561 · Late Fees-Certificate Renewals				
5208006 · REFUNDS	-100.00			
4293561 · Late Fees-Certificate Renewals - Other	2,800.00	3,000.00	-200.00	93.3%
Total 4293561 · Late Fees-Certificate Renewals	2,700.00	3,000.00	-300.00	90.0%
4293562 · Late Fees-Firm Permits	0.00	0.00	0.00	0.0%
4293563 · Late Fees-Firm Permit Renewals	300.00	500.00	-200.00	60.0%
4293564 · Late Fees-Peer Review	250.00	1,300.00	-1,050.00	19.2%
4293566 · Firm Permit Owners	112,940.00	109,000.00	3,940.00	103.6%
4293567 · Peer Review Admin Fee	75.00	5,500.00	-5,425.00	1.4%
4293568 · Firm Permit Name Change	100.00	100.00	0.00	100.0%
4293569 · Initial FAR	270.00	1,140.00	-870.00	23.7%
4293570 · Initial REG	90.00	660.00	-570.00	13.6%
4293571 · Initial BEC	150.00	930.00	-780.00	16.1%
4293572 · Re-Exam FAR	720.00	1,860.00	-1,140.00	38.7%
4293573 · Re-Exam REG	900.00	2,310.00	-1,410.00	39.0%
4293574 · Re-Exam BEC	870.00	2,310.00	-1,440.00	37.7%
4491000 · Interest and Dividend Revenue	9,932.08	5,000.00	4,932.08	198.6%
4896021 · Legal Recovery Cost	0.00	1,000.00	-1,000.00	0.0%
4950000 · Prior Period Refund Account	0.00	0.00	0.00	0.0%
Total Income	229,292.08	240,570.00	-11,277.92	95.3%
Gross Profit	229,292.08	240,570.00	-11,277.92	95.3%
Expense				
5101010 · F-T Emp Sal & Wages	29,982.84	82,258.00	-52,275.16	36.4%
5101020 · P-T/Temp Emp Sal & Wages	16,013.53	43,000.00	-26,986.47	37.2%
5101030 · Board & Comm Mbrs Fees	3,120.00	4,739.00	-1,619.00	65.8%
5102010 · OASI-Employer's Share	3,356.42	9,582.00	-6,225.58	35.0%
5102020 · Retirement-ER Share	2,645.16	7,515.00	-4,869.84	35.2%
5102060 · Health /Life Ins.-ER Share	9,586.74	8,470.00	1,116.74	113.2%
5102080 · Worker's Compensation	59.84	213.00	-153.16	28.1%
5102090 · Unemployment Insurance	20.28	125.00	-104.72	16.2%
5203010 · Auto--State Owned	47.79	400.00	-352.21	11.9%
5203020 · Auto-Private-Ownes Low Mileage	104.42	400.00	-295.58	26.1%
5203030 · In State-Auto- Priv. High Miles	749.28	1,500.00	-750.72	50.0%
5203100 · In State-Lodging	338.00	1,000.00	-662.00	33.8%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%
5203140 · InState-Tax Meals Not Overnight	0.00	100.00	-100.00	0.0%
5203150 · InState-Non-Tax Meals OverNight	138.00	400.00	-262.00	34.5%
5203220 · OS-Auto Private Low Mileage	0.00	100.00	-100.00	0.0%
5203260 · OS-Air Commercial Carrier	3,017.53	6,500.00	-3,482.47	46.4%
5203280 · OS-Other Public Carrier	147.56	700.00	-552.44	21.1%
5203300 · OS-Lodging	4,109.43	9,000.00	-4,890.57	45.7%
5203320 · OS-Incidentals to Travel	274.00	500.00	-226.00	54.8%
5203350 · OS-Non-Taxable Meals Overnight	416.00	1,000.00	-584.00	41.6%
5204010 · Subscriptions	0.00	1,000.00	-1,000.00	0.0%
5204020 · Dues and Membership Fees	3,200.00	3,900.00	-700.00	82.1%
5204030 · Legal Document Fees	0.00	300.00	-300.00	0.0%
5204040 · Consultant Fees-Accounting	0.00	7,300.00	-7,300.00	0.0%

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
 July through November 2019

	Jul - Nov 19	Budget	\$ Over Budget	% of Budget
5204050 · Consultant Fees - Computer	3,750.00	15,000.00	-11,250.00	25.0%
5204080 · Consultant Fees--Legal	0.00	0.00	0.00	0.0%
5204160 · Workshop Registration Fees	3,006.44	6,500.00	-3,493.56	46.3%
5204180 · Computer Services-State	1,875.85	5,000.00	-3,124.15	37.5%
5204181 · Computer Development Serv-State	274.51	2,000.00	-1,725.49	13.7%
5204200 · Central Services	3,763.35	9,000.00	-5,236.65	41.8%
5204220 · Equipment Service & Maintenance	32.40	300.00	-267.60	10.8%
5204230 · Janitorial/Maintenance Services	698.33	1,700.00	-1,001.67	41.1%
5204340 · Computer Software Maintenance	0.00	2,000.00	-2,000.00	0.0%
5204360 · Advertising-Newspapers	0.00	1,000.00	-1,000.00	0.0%
5204440 · Newsletter Publishing	0.00	100.00	-100.00	0.0%
5204460 · Equipment Rental	998.00	4,000.00	-3,002.00	25.0%
5204490 · Rents Privately Owned Property	8,284.50	16,235.10	-7,950.60	51.0%
5204510 · Rent-Other	0.00	500.00	-500.00	0.0%
5204530 · Telecommunications Services	857.72	4,500.00	-3,642.28	19.1%
5204540 · Electricity	396.47	865.00	-468.53	45.8%
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	4,559.02	6,500.00	-1,940.98	70.1%
5204960 · Other Contractual Services	580.68	24,000.00	-23,419.32	2.4%
5205020 · Office Supplies	458.76	3,000.00	-2,541.24	15.3%
5205028 · OFFICE SUPPLIES-2	6.42	0.00	6.42	100.0%
5205310 · Printing State	0.00	250.00	-250.00	0.0%
5205320 · Printing/Duplicating/Binding Co	58.65	1,000.00	-941.35	5.9%
5205330 · Supplemental Publications	0.00	700.00	-700.00	0.0%
5205340 · Microfilm Supplies/Materials	0.00	0.00	0.00	0.0%
5205350 · Postage	0.00	2,000.00	-2,000.00	0.0%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207900 · Computer Hardware	653.40	6,800.00	-6,146.60	9.6%
5207950 · System Development	0.00	1,000.00	-1,000.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	0.00	500.00	-500.00	0.0%
5228000 · Operating Transfers Out-NonBudg	2,347.51	6,000.00	-3,652.49	39.1%
5228030 · Depreciation Expense	2,366.30	5,679.12	-3,312.82	41.7%
Total Expense	112,317.48	318,781.22	-206,463.74	35.2%
Net Ordinary Income	116,974.60	-78,211.22	195,185.82	-149.6%
Net Income	116,974.60	-78,211.22	195,185.82	-149.6%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
November 2019

	<u>Nov 19</u>	<u>Nov 18</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	200.00	300.00	-100.00	-33.3%
4293551 · Certificate Renewals-Active	150.00	100.00	50.00	50.0%
4293554 · Initial Firm Permits	150.00	150.00	0.00	0.0%
4293557 · Initial Audit	0.00	30.00	-30.00	-100.0%
4293558 · Re-Exam Audit	30.00	240.00	-210.00	-87.5%
4293560 · Late Fees-Initial Certificate	0.00	50.00	-50.00	-100.0%
4293561 · Late Fees-Certificate Renewals	150.00	50.00	100.00	200.0%
4293564 · Late Fees-Peer Review	50.00	0.00	50.00	100.0%
4293566 · Firm Permit Owners	1,585.00	780.00	805.00	103.2%
4293569 · Initial FAR	60.00	90.00	-30.00	-33.3%
4293570 · Initial REG	0.00	120.00	-120.00	-100.0%
4293571 · Initial BEC	30.00	60.00	-30.00	-50.0%
4293572 · Re-Exam FAR	120.00	180.00	-60.00	-33.3%
4293573 · Re-Exam REG	90.00	150.00	-60.00	-40.0%
4293574 · Re-Exam BEC	150.00	120.00	30.00	25.0%
4896021 · Legal Recovery Cost	0.00	250.00	-250.00	-100.0%
Total Income	<u>2,765.00</u>	<u>2,670.00</u>	<u>95.00</u>	<u>3.6%</u>
Gross Profit	2,765.00	2,670.00	95.00	3.6%
Expense				
5101010 · F-T Emp Sal & Wages	8,262.90	7,611.12	651.78	8.6%
5101020 · P-T/Temp Emp Sal & Wages	3,778.15	4,158.40	-380.25	-9.1%
5101030 · Board & Comm Mbrs Fees	1,080.00	1,020.00	60.00	5.9%
5102010 · OASI-Employer's Share	894.71	883.61	11.10	1.3%
5102020 · Retirement-ER Share	722.45	706.14	16.31	2.3%
5102060 · Health /Life Ins.-ER Share	2,601.37	2,194.77	406.60	18.5%
5102080 · Worker's Compensation	15.67	24.75	-9.08	-36.7%
5102090 · Unemployment Insurance	5.32	2.56	2.76	107.8%
5203020 · Auto-Private-Ownes Low Mileage	0.00	103.04	-103.04	-100.0%
5203030 · In State-Auto- Priv. High Miles	61.32	0.00	61.32	100.0%
5203140 · InState-Tax Meals Not Overnt	0.00	26.00	-26.00	-100.0%
5203230 · OS-Auto Private High Mileage	0.00	61.32	-61.32	-100.0%
5203260 · OS-Air Commercial Carrier	3,017.53	2,639.14	378.39	14.3%
5203280 · OS-Other Public Carrier	147.56	173.43	-25.87	-14.9%
5203300 · OS-Lodging	4,109.43	3,759.27	350.16	9.3%
5203320 · OS-Incidentals to Travel	274.00	-103.00	377.00	366.0%
5203350 · OS-Non-Taxable Meals Overnight	416.00	383.00	33.00	8.6%
5204050 · Consultant Fees - Computer	1,875.00	0.00	1,875.00	100.0%
5204180 · Computer Services-State	0.00	234.73	-234.73	-100.0%
5204200 · Central Services	1,512.60	1,794.28	-281.68	-15.7%
5204220 · Equipment Service & Maintenance	4.87	5.51	-0.64	-11.6%
5204230 · Janitorial/Maintenance Services	139.67	136.93	2.74	2.0%
5204460 · Equipment Rental	79.00	716.60	-637.60	-89.0%
5204490 · Rents Privately Owned Property	1,380.75	1,380.75	0.00	0.0%
5204530 · Telecommunications Services	51.12	413.75	-362.63	-87.6%
5204540 · Electricity	75.64	76.75	-1.11	-1.5%
5204560 · Water	0.00	22.35	-22.35	-100.0%
5204740 · Bank Fees and Charges	90.57	97.42	-6.85	-7.0%
5204960 · Other Contractual Services	0.00	60.00	-60.00	-100.0%
5205020 · Office Supplies	0.00	14.72	-14.72	-100.0%
5205028 · OFFICE SUPPLIES-2	0.47	0.00	0.47	100.0%
5207490 · Telephone Equipment	0.00	654.60	-654.60	-100.0%
5207900 · Computer Hardware	0.00	1,153.02	-1,153.02	-100.0%
5207960 · Computer Software Expense	0.00	16.60	-16.60	-100.0%
5228000 · Operating Transfers Out-NonBudg	540.49	564.16	-23.67	-4.2%
5228030 · Depreciation Expense	473.26	473.26	0.00	0.0%
Total Expense	<u>31,609.85</u>	<u>31,458.98</u>	<u>150.87</u>	<u>0.5%</u>
Net Ordinary Income	<u>-28,844.85</u>	<u>-28,788.98</u>	<u>-55.87</u>	<u>-0.2%</u>
Net Income	<u><u>-28,844.85</u></u>	<u><u>-28,788.98</u></u>	<u><u>-55.87</u></u>	<u><u>-0.2%</u></u>

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July through November 2019

	Jul - Nov 19	Jul - Nov 18	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	4,085.00	1,450.00	2,635.00	181.7%
4293551 · Certificate Renewals-Active	62,850.00	62,900.00	-50.00	-0.1%
4293552 · Certificate Renewals-Inactive	19,710.00	20,300.00	-590.00	-2.9%
4293553 · Certificate Renewals-Retired	1,240.00	1,300.00	-60.00	-4.6%
4293554 · Initial Firm Permits	250.00	400.00	-150.00	-37.5%
4293555 · Firm Permit Renewals	11,000.00	13,850.00	-2,850.00	-20.6%
4293557 · Initial Audit	90.00	240.00	-150.00	-62.5%
4293558 · Re-Exam Audit	720.00	960.00	-240.00	-25.0%
4293560 · Late Fees-Initial Certificate	50.00	50.00	0.00	0.0%
4293561 · Late Fees-Certificate Renewals	2,700.00	2,900.00	-200.00	-6.9%
4293563 · Late Fees-Firm Permit Renewals	300.00	850.00	-550.00	-64.7%
4293564 · Late Fees-Peer Review	250.00	450.00	-200.00	-44.4%
4293566 · Firm Permit Owners	112,940.00	106,045.00	6,895.00	6.5%
4293567 · Peer Review Admin Fee	75.00	450.00	-375.00	-83.3%
4293568 · Firm Permit Name Change	100.00	0.00	100.00	100.0%
4293569 · Initial FAR	270.00	480.00	-210.00	-43.8%
4293570 · Initial REG	90.00	300.00	-210.00	-70.0%
4293571 · Initial BEC	150.00	120.00	30.00	25.0%
4293572 · Re-Exam FAR	720.00	900.00	-180.00	-20.0%
4293573 · Re-Exam REG	900.00	1,080.00	-180.00	-16.7%
4293574 · Re-Exam BEC	870.00	1,050.00	-180.00	-17.1%
4491000 · Interest and Dividend Revenue	9,932.08	5,660.71	4,271.37	75.5%
4896021 · Legal Recovery Cost	0.00	250.00	-250.00	-100.0%
Total Income	229,292.08	221,985.71	7,306.37	3.3%
Gross Profit	229,292.08	221,985.71	7,306.37	3.3%
Expense				
5101010 · F-T Emp Sal & Wages	29,982.84	28,754.60	1,228.24	4.3%
5101020 · P-T/Temp Emp Sal & Wages	16,013.53	14,933.77	1,079.76	7.2%
5101030 · Board & Comm Mbrs Fees	3,120.00	2,760.00	360.00	13.0%
5102010 · OASI-Employer's Share	3,356.42	3,196.73	159.69	5.0%
5102020 · Retirement-ER Share	2,645.16	2,621.46	23.70	0.9%
5102060 · Health /Life Ins.-ER Share	9,586.74	8,230.95	1,355.79	16.5%
5102080 · Worker's Compensation	59.84	75.88	-16.04	-21.1%
5102090 · Unemployment Insurance	20.28	13.51	6.77	50.1%
5203010 · Auto--State Owned	47.79	61.59	-13.80	-22.4%
5203020 · Auto-Private-Ownes Low Mileage	104.42	234.60	-130.18	-55.5%
5203030 · In State-Auto- Priv. High Miles	749.28	782.04	-32.76	-4.2%
5203100 · In State-Lodging	338.00	237.00	101.00	42.6%
5203120 · In State-Incidentals to Travel	0.00	10.00	-10.00	-100.0%
5203140 · InState-Tax Meals Not Overnight	0.00	59.00	-59.00	-100.0%
5203150 · InState-Non-Tax Meals OverNight	138.00	148.00	-10.00	-6.8%
5203230 · OS-Auto Private High Mileage	0.00	61.32	-61.32	-100.0%
5203260 · OS-Air Commercial Carrier	3,017.53	4,654.34	-1,636.81	-35.2%
5203280 · OS-Other Public Carrier	147.56	958.70	-811.14	-84.6%
5203300 · OS-Lodging	4,109.43	5,520.19	-1,410.76	-25.6%
5203320 · OS-Incidentals to Travel	274.00	236.00	38.00	16.1%
5203350 · OS-Non-Taxable Meals Overnight	416.00	612.00	-196.00	-32.0%
5204010 · Subscriptions	0.00	324.83	-324.83	-100.0%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204050 · Consultant Fees - Computer	3,750.00	16,924.90	-13,174.90	-77.8%
5204160 · Workshop Registration Fees	3,006.44	2,780.00	226.44	8.2%
5204180 · Computer Services-State	1,875.85	762.18	1,113.67	146.1%
5204181 · Computer Development Serv-State	274.51	426.00	-151.49	-35.6%
5204200 · Central Services	3,763.35	3,633.22	130.13	3.6%
5204220 · Equipment Service & Maintenance	32.40	11.01	21.39	194.3%
5204230 · Janitorial/Maintenance Services	698.33	684.65	13.68	2.0%
5204340 · Computer Software Maintenance	0.00	405.60	-405.60	-100.0%
5204360 · Advertising-Newspapers	0.00	306.49	-306.49	-100.0%
5204460 · Equipment Rental	998.00	1,433.20	-435.20	-30.4%
5204490 · Rents Privately Owned Property	8,284.50	6,681.15	1,603.35	24.0%
5204530 · Telecommunications Services	857.72	2,066.83	-1,209.11	-58.5%
5204540 · Electricity	396.47	363.68	32.79	9.0%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July through November 2019

	<u>Jul - Nov 19</u>	<u>Jul - Nov 18</u>	<u>\$ Change</u>	<u>% Change</u>
5204560 · Water	22.35	44.70	-22.35	-50.0%
5204740 · Bank Fees and Charges	4,559.02	4,258.84	300.18	7.1%
5204960 · Other Contractual Services	580.68	146.50	434.18	296.4%
5205020 · Office Supplies	458.76	102.20	356.56	348.9%
5205028 · OFFICE SUPPLIES-2	6.42	0.00	6.42	100.0%
5205320 · Printing/Duplicating/Binding Co	58.65	124.20	-65.55	-52.8%
5205330 · Supplemental Publications	0.00	486.25	-486.25	-100.0%
5205350 · Postage	0.00	23.52	-23.52	-100.0%
5207490 · Telephone Equipment	0.00	1,599.60	-1,599.60	-100.0%
5207900 · Computer Hardware	653.40	1,153.02	-499.62	-43.3%
5207960 · Computer Software Expense	0.00	39.84	-39.84	-100.0%
5228000 · Operating Transfers Out-NonBudg	2,347.51	2,841.10	-493.59	-17.4%
5228030 · Depreciation Expense	2,366.30	2,366.30	0.00	0.0%
Total Expense	<u>112,317.48</u>	<u>127,351.49</u>	<u>-15,034.01</u>	<u>-11.8%</u>
Net Ordinary Income	<u>116,974.60</u>	<u>94,634.22</u>	<u>22,340.38</u>	<u>23.6%</u>
Net Income	<u><u>116,974.60</u></u>	<u><u>94,634.22</u></u>	<u><u>22,340.38</u></u>	<u><u>23.6%</u></u>

REPORT TO BOARD ON NASBA ED/LEGAL COUNSEL CONFERENCE

Nicole Kasin

The NASBA Executive Directors Conference will be held in Clearwater Beach, FL, March 16-18, 2020. The NASBA Legal Counsel Conference will be held in Clearwater Beach, FL, March 16-18, 2020.

This is a request for the Board to approve travel for the Executive Director and Legal Counsel to attend the conference.

EXECUTIVE DIRECTOR'S REPORT

Nicole Kasin

CPE Audits

The list of licensees has been selected for CPE audits and letters were sent out to those selected on September 19, 2019. The documentation was due in our office no later than October 31, 2019. The following is the current status of the audits as of December 5, 2019:

	Selected	Complied	Not Complied	Granted Extension	Approved CPE Audit	Failed CPE Audit
CPA (Active)	125	125	0	0	118	0

Newsletter

On November 21 an electronic newsletter was emailed to candidates, licenses, firms, state boards, board members, SD CPA Society, and other interested parties. There were 2187 emails sent with a 98.8% received rate and 1.2% of the emails bounced. The open rate after one week was 49% and the open rate after 2 weeks increase slightly to 50%. The click rate to open the newsletter was 49%.

CPE Changes

As explained in the newsletter, the CPE rule changes became effective July 1, 2019. With the rules changes the board staff is now in process of redesigning the CPE reporting page for the paper renewal and the website for online renewal. If any board members would like to participate in the process or provide ideas, we welcome them.

Secretary Position

The office has filled the vacant Secretary position and the individual will begin work on December 9, 2019.

Board AUP

Documentation being submitted to the auditor for the AUP is complete and the processes to be reviewed as described in the RFP have been reviewed and discussed with the auditor.

Board Discussion

- Any New Business/topics?

**AICPA BOARD OF EXAMINERS (BOE)
MEETING HIGHLIGHTS****October 3 - 4, 2019****Participants**

BOE Members: Diego Baca, Doug Behn, Barry Berkowitz, Helen Brown-Liburd, Alison Cheng, Al Cohen (remote), Jimmy Corley, David deSilva (remote), James Gottfried, Shelly Holzman, Jeff Hoops (Chair), Audrey Katcher, Erica Nelson, Kathleen Smith, Michael Watts, Tom Weirich, Jim Wollack

AICPA Staff: Michael Decker (Staff Liaison), Sue Coffey, Rich Gallagher, Joe Maslott, John Mattar, Robin Stackhouse

NASBA Staff: Colleen Conrad

NASBA ERB Staff: Sheena Murphy

State Board Committee (SBC) update: The SBC discussed the pending approval and implementation of Continuous Testing and the struggles of a few remaining state boards (< 5) to adopt supporting language in either their rules or regulations.

The SBC also discussed potential rule changes related to continuous testing, some state boards movement to eliminate 30 – 40% of their rules and regulations, and Evolution of the CPA.

Psychometric Oversight Committee (POC) update: The POC has not met since the May BOE meeting but the POC continues to monitor and support the activities and progress of the Practice Analysis.

Sue Coffey and Colleen Conrad presented on Evolution of the CPA: The Evolution of the CPA Guiding Principles were presented, including goals of bringing the right skills into the profession and not disrupting the candidate pipeline.

All candidates must pass the Core and one (1) discipline. The Disciplines are currently:

- Business Reporting and Analytics
- Information Systems and Controls
- Tax Compliance and Planning

A Practice Analysis must ultimately be completed.

Financial Oversight Group (FOG), volumes and financial update: The BOE reviewed the 2018 actuals and 2019 forecast in detail.

- 191,000 scored domestic sections are forecasted for 2019 compared to 198,000 sections achieved in 2018 (an approximate decline of 3.5% compared to 2018).
- International volume is now tracking approximately at 11,210 sections (13.5% over 2018 total sections of 9,877). This could be partially attributed to the reduction in international students studying accounting in the US due to VISA volatilities coupled with less restrictive residency requirements in international testing sites. The substantial 2019 growth over 2018 is also partially attributed to added traction in the European Union testing sites launched in Oct 2018.
- Why?
 - Firms' growth is in consulting and advisory, not in audit and tax
 - Firms' hiring of CPAs is down and in some cases, are not requiring the CPA for their new hires
 - B&I is hiring accounting graduates at higher salaries than starting CPA salaries
 - No 150-hour requirement or CPA license required
 - Growth in CISSA, CFP, CFA, credentials
 - Immigration and green card volatility
 - Candidates are taking, 0.15 – 0.2, on average, fewer sections per year
 - Increased no-show rates to 9.7% from an average of approximately 8%
 - High-stakes testing and securing a license is typically lower in a strong economy

The BOE and the Exams team have approved a 2020 budget reflecting lower volumes and additional cost reductions to manage the breakeven contract through 2024.

Tri-party agreement (NASBA-AICPA-Prometric) contract renewal discussions are underway with a target execution date between June and October 2020.

Joe Maslott and Richard Gallagher led the BOE in an in-depth discussion on the future of the Exam and the upcoming Practice Analysis. The goals and objectives (4) are:

1. Maintain currency and relevancy of the Exam amidst the technology revolution and its impact on audit data analytics and other areas of the profession, for the knowledge and skills required of a newly licensed CPA (nlCPAs).
2. Focus content knowledge and skills on what is most critical for newly licensed CPA practice.
 - a. Explore and be especially critical of areas of the Exam that are no longer required knowledge or skills of nlCPAs
3. Increase simplicity and efficiency to improve the candidate experience
 - a. Explore and implement (with the appropriate approvals) changes to test construction, test development, item types, scoring methodologies, etc. to remove elements that are adding complexity and cost, or are no longer benefiting the candidate.
4. Be prepared to align the Exam with the Evolution of the CPA committee's recommendations

Data analytics is currently assessed on the Exam and a new data analytics item that leverages Excel is targeted to be on the Exam in 10/2020.

Eight focus groups of supervisors of nlCPAs will be held into early July and eight content-ranking panel meetings (2 independent panels per Exam section) will be held in late July and early August.

The BOE voted to approve the content to be reviewed at the October Confirmation Panels.

The fall schedule is as follows:

- September – meeting with each content subcommittee to discuss the results of Phase 1 and Phase 2 on each section's blueprints
 - Meetings with the BOE Sponsor Group, POC, Content Committee, Strategic Advisor (Erica Nelson), and the BOE
- October – Confirmation Panels – comment on proposed changes to each section
- November – meeting with each content subcommittee (as necessary) to discuss the results of the Confirmation Panels

The December Exposure Draft will likely include:

- Addressing the themes heard from firms and supported by focus groups
- Making the CPA Exam more technology focused
- Increased assessment of business processes, information systems, data flows and reliance on SOC reports
 - Changes likely most prevalent in the AUD and BEC sections
- Likely removal of non-critical content in all sections

Sheena Murphy, NASBA's Director of the Examination Review Board (ERB), shared with the BOE that 2019 audit planning was underway.

National Association of State Boards of Accountancy, Inc.
Meeting of the Board of Directors
July 26, 2019 - Colorado Springs, CO

1. Call to Order

A meeting of the Board of Directors of the National Association of State Boards of Accountancy was called to order by Chair Janice L. Gray at 9:00 a.m. on Friday, July 26, 2019 at the Garden of the Gods Resort in Colorado Springs, CO.

2. Report of Attendance

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

Officers

Janice L. Gray, CPA (OK), Chair
Laurie J. Tish, CPA (WA), Vice Chair
Theodore W. Long, Jr., CPA (OH), Past Chair
W. Michael Fritz, CPA (OH), Secretary
Jimmy E. Burkes, CPA (MS), Treasurer

Directors-at-Large

J. Coalter Baker, CPA (TX)
A. Carlos Barrera, CPA (TX)
Maria E. Caldwell, CPA (FL)
John F. Dailey, Jr., CPA (NJ)
Sharon A. Jensen, CPA (MN)
Richard N. Reisig, CPA (MT)
Stephanie M. Saunders, CPA (VA)

Regional Directors

Catherine R. Allen, CPA (NY), Northeast Regional Director
Andy Bonner, CPA (TN), Southeast Regional Director
C. Jack Emmons, CPA (NM), Southwest Regional Director
Sheldon P. Holzman, CPA (IL), Great Lakes Regional Director
Faye Miller, CPA (ND), Central Regional Director
Nicola Neilon, CPA (NV), Mountain Regional Director
Katrina Salazar, CPA (CA), Pacific Regional Director
Michael Womble, CPA (NC), Middle Atlantic Regional Director

Richard Carroll, Esq. (KY) – Executive Directors Committee Liaison

Staff

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

3. Approval of Minutes

Secretary W. Michael Fritz presented the minutes of the April 26, 2019 meeting of the Board of Directors. He called for comments and, hearing none, Mr. Fritz moved for approval of the minutes and Jimmy Burkes seconded. All approved the minutes as presented.

4. Chair's Report

Chair Gray reported the Executive Committee had met the previous day and spent 45 minutes with the Regional Directors going over feedback from the State Boards on the draft Guiding Principles distributed by the CPA Evolution Task Force. She congratulated the Regional Directors and staff for developing the June Regional Meetings and noted the comments received from the meetings' participants were very positive.

With President Ken Bishop and Executive Vice President & COO Colleen Conrad, Chair Gray attended the Financial Accounting Foundation's dinner in Washington, DC. They enjoyed having the opportunity to meet with high-level people in the profession. Ms. Gray reported she, President Bishop, Vice Chair Laurie Tish, Past Chair Theodore Long and Executive Vice President Conrad attended the North American Summit with representatives from CPA Canada and Instituto Mexicano de Contadores Públicos in Toronto. They discussed issues facing the accounting profession in the three countries and what they see in the future. All are facing technology disruption, Ms. Gray noted.

During the past quarter, Chair Gray reviewed and signed response letters, as developed by NASBA committees, on several exposure drafts, and she listened to conference calls for many committees.

Tracy Harding, chair of the Maine Board of Accountancy, will be the new chair of the Auditing Standards Board next May, Ms. Gray reported, and Rick Reisig, NASBA Director-at-Large, has been reappointed to the Private Company Council.

At the September AICPA/NASBA leadership summit, CPE evolution will be the main topic, Chair Gray reported. Vice Chair Laurie Tish has been working with AICPA Chair Bill Reeb on that effort.

5. Report of the Awards Committee

Sharing Awards Committee Chair Telford Lodden's (IA) report with the Board, Chair Gray asked for approval of the following for the 2019 NASBA awards to be presented at the Annual Business Meeting on October 29 in Boston:

- Michael T. Daggett to receive the William H. Van Rensselaer Award
- Michael Weinshel to posthumously receive the Distinguished Service Award
- James Corley to receive the Lorraine P. Sachs Award.

Stephanie Saunders moved for the approval of the award nominees and Jack Emmons seconded. All approved.

6. Vice Chair's Report

Vice Chair Tish reported she had held a planning meeting for the 2019-2020 committees in May. She had received 167 requests for committee appointments, some from new State Board members. The process is on schedule and going well, Ms. Tish commented, and she anticipates completing the committee rosters in a few weeks.

Ms. Tish said she had participated in a few NASBA committee conference calls and observed that the hard work NASBA does is a product of these committees.

7. President's Report

President Bishop observed this had been a "challenging year," dealing with revenue issues, outsourcing IT and staff illness. He noted that several staff members had encountered significant health issues this year but they did not miss a step in carrying out their duties. He and Executive Vice President Conrad reported the following:

- NASBA has changed its insurance carrier. President Bishop thanked Chief Human Resources Officer Lisa Dampf for her work on selecting the appropriate carrier. The wellness program for NASBA employees will continue with the new carrier.
- Outside organizations have held meetings in NASBA's Nashville conference space, including: the International Ethics Standards Board for Accountants, Deloitte, and the Auditing Standards Board. The Tennessee Bar Association has also asked to use the space. President Bishop explained that such events help to put NASBA on the map.
- President Bishop and Executive Vice President Conrad met with the key diversity person from Deloitte and learned about what the firm is doing and how some of their strategies might be utilized by NASBA.
- Financial Accounting Foundation Executive Director Teresa Polley left in June and the terms of the chairmen of the FASB, GASB and FAF are to expire next year. Ms. Conrad said NASBA would be happy to champion people to fill those slots.
- Executive Vice President Conrad and NASBA Legislative and Governmental Affairs Director John Johnson attended the AICPA Council meeting in Washington, DC.
- President Bishop met with the South African Institute of Chartered Accountants' new CEO Freeman Nomvalo at an ACAUS (Association of Chartered Accountants in the US) event.
- NASBA's IT transition to CGI was officially concluded as of February 15, 2019. There are many projects underway, including: desktop refreshing, decommissioning of off-site

locations where equipment is stored, and strategically prioritizing new projects. The CGI network allows for experts from around the world to be available to NASBA should problems arise at any time.

- CPE Audit Services were launched in March. Now six states are using it and another two will be brought in within the next several months.

- The CPA Examination Review Board concluded their review and determined the examination could be relied upon and offered management letter comments. The switch to continuous testing remains tentatively scheduled for July 1, 2020. Many states are progressing to make the changes needed to allow for continuous testing. April 1 will be the date on which it will be determined if the July transition can take place as planned.

- Attendance at the Regional Meetings was good, with 161 participants at the Western Regional Meeting and 184 at the Eastern Regional Meeting. Many people attended the “Call to Leadership” receptions at the Regional Meetings and NASBA will follow up with them to begin to nurture their relationships with NASBA.

- ARPL (Alliance for Responsible Professional Licensing), of which NASBA is a member, has developed a website explaining the differences between professional and occupational licenses. This is part of the effort to change the message that anti-regulatory groups are pushing in states. ARPL will be sending materials to State Boards soon. NASBA is also upgrading its legislative tracking software.

- Firm mobility is now recognized in 29 jurisdictions. The new definition of “attest” has been adopted in 53 jurisdictions.

8. Administration and Finance Committee Report

Treasurer Jimmy E. Burkes noted the financial report through May 2019 continued to reflect the same themes as those presented at the April NASBA Board meeting: The examination revenues are still down and have not rebounded as expected, which had a major impact on revenue for the year. Management did an outstanding job of managing expenses with what was budgeted for 2019, Mr. Burkes observed. Although the market has been volatile this year, investment income was exceeding budget with only a few days left in the fiscal year.

NASBA Senior Vice President and Chief Financial Officer Michael R. Bryant gave a financial report on the Fiscal 2019 projected financial results as compared to the Fiscal 2019 budget and in contrast to the proposed Fiscal 2020 budget. Mr. Bryant told the Board the big focus is always on mission spending, and next year a 13 percent increase has been budgeted for such spending.

On a motion by Carlos Barrera, seconded by Rick Reisig, the May 2019 internal financial statements were accepted.

On a motion by Jack Emmons, seconded by Andy Bonner, NASBA’s Fiscal 2020 consolidated operating and capital budgets were accepted as presented.

On a motion by Nicola Neilon, seconded by Stephanie Saunders, the investment policy statement incorporating the changes proposed by the A&F Committee were approved as presented by Treasurer Burkes.

9. Report of the Audit Committee

Audit Committee Chair Faye Miller reported the Committee had met with LBMC, the independent auditors, on May 9 in Nashville to plan the annual audit process. This is the last year the current engagement partner will be working on the NASBA audit, and the firm has already determined who the next one will be, Ms. Miller reported.

10. Report of Nominating Committee

Nominating Committee Chair Theodore Long reported the committee had met twice and at both Regional Meetings. In addition to materials requested from candidates for NASBA offices in previous years (letter from candidate, plus background history on involvement in NASBA), the Nominating Committee added interviews with the candidates and then presented them with four questions. The Nominating Committee has recommended the following slate of candidates for NASBA offices:

Directors-at-Large (three-year terms)

Richard N. Reisig (MT) Associate
Tyrone E. Dickerson (VA) Associate
Catherine R. Allen (NY) Delegate

Regional Directors (one-year terms)

Middle Atlantic – Alison L. Houck (DE) Delegate
Great Lakes – Kenya Y. Watts (OH) Delegate
Northeast – Stephen F. Langowski (NY) Delegate
Southeast – J. Andy Bonner (TN) Delegate
Central – Faye D. Miller (ND) Delegate
Mountain – Jason D. Peery (ID) Delegate
Pacific – Katrina Salazar (CA) Delegate
Southwest – C. Jack Emmons (NM) Delegate

The Director-at-Large vacancy created by Mr. Barrera's becoming Vice Chair at the Annual Meeting will be elected during the first meeting of the 2019-2020 NASBA Board, when they will also elect the Secretary and Treasurer. Mr. Long said any State Board member is eligible to fill the Director-at-Large vacancy. Election will require a majority vote of the Board members (10 votes).

11. Report of the Bylaws Committee

Bylaws Committee Chair Katrina Salazar presented the following change recommended by the Bylaws Committee to NASBA Bylaws 7.1 related to the Nominating Committee itself:

Proposed Amendment Blacklined:

7.1.7 Each member and alternate must have (i) served at least two years on a state board of accountancy, (ii) attended in person, at least one NASBA Regional Meeting, (iii) attended, in

person, at least one NASBA Annual Meeting and (iii-iv) served on a NASBA committee, task force or board (e.g., such as the Exam Review Board or International Qualifications Appraisal Board). ~~"board" is not referring to member of Board of Directors or task force. The term "board" as used in this subsection does not refer to the Board of Directors.~~

Ms. Salazar made a motion to present the proposed change for the NASBA member Boards' vote at the Annual Business Meeting. Mr. Emmons seconded. All approved.

11. Report of the Relations with Member Boards Committee

Relations with Member Boards Committee Chair Nicola Neilon thanked the staff for their help with the Regional Meetings and then reviewed the evaluations received from the meetings' participants. There had been comments about the ease of use of the meetings' app and staff had raised questions about the format. Possible improvements were discussed, including a more "thumbs up/thumbs down" approach with comment boxes instead of the 1-5 rating system.

The Regional Directors also suggested that a video question and answer approach might be used to make the drier sessions on the agenda more interesting.

There was extended discussion of the Guiding Principles for the evolution of the CPA. The Regional Directors have requested that talking points be developed on this project, so that they can present a consistent message during each of their Regional conference calls, to be scheduled during September.

Ms. Neilon underscored the need for the CPA Evolution Task Force to consider the comments on the Guiding Principles made at the Regional Meetings by the State Boards, as well as those submitted via the dedicated website.

No Focus Question on which NASBA would follow with specific action was developed by the Regional Directors for this quarter; consequently, only the general information questions are to be sent to the Boards this quarter.

12. Report of the Uniform Accountancy Act Committee

UAA Committee Chair Coalter Baker reported the UAA Model Rules on peer review comment period ended on June 30. A task force including representatives of the NASBA UAA Committee and Compliance Assurance Committee will meet on August 16 in New York City to review the comments received. Their goal is to have changes approved by the UAA Committee and brought to the NASBA Board of Directors' meeting in October for final approval.

Mr. Baker asked Ms. Saunders to comment on her UAA Committee's task force on attest experience for the firm's CPA responsible for signing reports. She explained there are three members from the AICPA and three from NASBA on the task force, which met via conference call on July 17. They aim to arrive at a model that will not impact CPA mobility. The task force members agreed that one year of experience is insufficient to sign audit work, and that the necessary audit experience should be current. AICPA has documented that those with 2,000 or more hours of audit work perform better than those with less, but the task force debated the number of hours to require. Another task force conference call will take place in September.

14. Report from the Executive Directors Committee

Executive Directors Committee Chair Richard Carroll said the executive directors are trying to understand what is being proposed for the evolution of the CPA profession. They have also talked about the peer review Model Rules' changes. They support more transparency to allow the Boards to keep track of people in the peer review process.

It is better to have a firm getting a pre-issuance review before they get started in services than three years later, Mr. Carroll said. Having only one year of audit experience is not enough, the executive directors are saying.

15. Executive Session

The Board entered into executive session at 1:00 p.m. to discuss actions and recommendations of the Executive and Compensation Committees related to confidential (personnel) matters. They came out of executive session at 2:06 p.m.

16. Policy Discussion

The Board discussed the recent activities of the AICPA Professional Ethics Executive Committee, which includes four NASBA members (Mr. Baker, Mr. Barrera, Ms. Jensen and Ms. Saunders). On March 7, 2019, the "Proposed Interpretation of the AICPA Code of Professional Conduct: Staff Augmentation Arrangements Interpretation (ET sec.1.295.157)" was released. Despite the arguments presented by NASBA's four PEEC members, and the February 25 NASBA letter commenting specifically on concerns about CPA independence being impacted by staff augmentation as described in PEEC's proposed interpretation, there currently is concern that PEEC might soon adopt the interpretation. The ramifications of such a decision were discussed by the NASBA Board. This topic had also been discussed at the Presidents'/Chairs' breakfast meetings at both of NASBA's Regional Meetings and in conference calls with State Board members who are auditors.

Following the NASBA Board's discussion, Sheldon Holzman made a motion to convey a message to PEEC and the AICPA that the NASBA Board of Directors is strongly opposed to the passage of this proposal by PEEC. Andy Bonner seconded and all approved.

Standard setting and NASBA's support for all Boards adopting the AICPA Code of Conduct were discussed.

The progress of the CPA Evolution Task Force was reported on by Ms. Tish. Feedback on the Guiding Principles was reviewed. Board members considered how to keep entry requirements technologically nimble and encourage those with IT expertise to become CPAs.

17. Future Meetings

Chair Gray announced the Board will next meet on October 25 in Boston at the Westin Copley.

18. Adjournment

The meeting was adjourned at 4:01 p.m.

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

Highlights of the Board of Directors Meeting

October 25, 2019 – Boston, MA

At a duly called meeting of the Board of Directors of the National Association of State Boards of Accountancy, Inc., held on Friday, October 25, 2019 at the Westin Copley Place in Boston, Massachusetts, the Board took the following actions:

□ Approved amendments to UAA Model Rules Article 7 pertaining to peer review. The motion was made by Uniform Accountancy Act Committee Chair Coalter Baker (TX) and seconded by John Dailey (NJ). The changes were developed by the Compliance Assurance Committee working with the NASBA UAA Committee. The new Article 7 will be included in the UAA Model Rules.

□ Approved the revisions to the “Statement on Standards for Continuing Professional Education Programs” as well as the “NASBA Fields of Study” document as presented by CPE Committee Chair A. Carlos Barrera (TX). The motion to approve was made by Mr. Barrera and seconded by Jimmy Burkes (MS). Once approved by the AICPA Board, the revised version of the Standards will be appended to the Uniform Accountancy Act.

□ Approved FY 2019 auditor’s opinion and audited consolidated financial statements as presented by Audit Committee Chair Faye Miller (ND). Motion to approve was made by Catherine Allen (NY) and seconded by Mr. Dailey.

□ Approved the Audit Committee’s selection of LBMC PC as NASBA’s auditor for 2019-20, as presented by Audit Committee Chair Faye Miller (ND) and seconded by Ms. Allen.

□ Heard a report on the investment and financial results for the year ended July 31, 2019 and an update of the year-to-date results for Fiscal Year 2020 from Treasurer Burkes and CFO and Senior Vice President Michael Bryant.

□ Approved the mutual recognition agreement with the South African Institute of Chartered Accountants (SAICA) as developed by the NASBA/AICPA International Qualifications and presented by IQAB Chair Sharon A. Jensen (MN). The motion to approve was made by Ms. Jensen and seconded by Jack Emmons (NM). The agreement will be voted on by the AICPA Board on November 20, 2019.

□ Heard from NASBA Chair Janice Gray (OK) that 54 jurisdictions would be represented at NASBA’s 2019 Annual Meeting October 28 – October 30, 2019. Ms. Gray reported NASBA and AICPA leadership held a summit meeting on September 26-27 in New York City focusing on CPA Evolution. She also addressed the October AICPA Council meeting.

- Approved the reappointment of Mr. Burkes to the Center for the Public Trust's Board of Directors, on a motion by Richard Reisig (MT) that was seconded by Carlos Barrera (TX).
- Heard NASBA President and CEO Ken L. Bishop praise the Oregon Board for bringing to NASBA's attention a suggested change in its law that would have contradicted the Uniform Accountancy Act and created some unintended consequences to the practice of public accountancy. He encouraged all Boards to work with NASBA to resolve such issues.
- Heard a report from Vice Chair Laurie J. Tish (WA) on the progress of the CPA Evolution Task Force and how the Regional Breakfast Meetings at the 2019 NASBA Annual Meeting will be involved in an exercise to provide feedback on the model the Task Force has under consideration.
- Learned from Executive Vice President Colleen Conrad that more State Boards are being brought onboard into CPE Audit Services. She reported that Delaware is in the process of being added to the Accountancy Licensee Database.
- Received an update from Uniform Accountancy Act Committee Chair Coalter Baker (TX) on the UAA Committee's continuing work on NOCLAR (non-compliance with laws and rules) and firm experience requirements for those who sign or authorize signing of reports.
- Thanked Past Chair Theodore Long, Jr. (OH), Directors-at-Large Jimmy Burkes and Jack Dailey, Great Lakes Regional Director Sheldon Holzman (IL), Mountain Regional Director Nicola Neilon (NV), Middle Atlantic Regional Director Michael Womble (NC) and Executive Directors' Liaison to the Board Richard Carroll (KY) for their service to the Board of Directors.
- Thanked Chair Janice L. Gray for her leadership throughout the year.

Highlights of the Board of Directors Meeting

October 29, 2019

At a duly called meeting of the 2019-2020 Board of Directors of the National Association of State Boards of Accountancy, Inc., held on Tuesday, October 29, 2019 at the Westin Copley Place in Boston, Massachusetts, the Board took the following actions:

- Elected John F. Dailey, Jr. (NJ) Director-at-Large to fill the unexpired term of Vice Chair A. Carlos Barrera. Elected W. Michael Fritz (OH) NASBA Treasurer. Elected Stephanie M. Saunders (VA) NASBA Secretary.

The next meeting of the NASBA Board of Directors will be held on January 17, 2020 in Indian Wells, California.

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

ARTICLE 7
PERMITS TO PRACTICE -- FIRMS

Rule 7-1 - Applications

- (a) Applications by firms for initial issuance and for renewal of permits pursuant to Section 7 of the Act shall be made on a form provided by the Board and, in the case of applications for renewal, shall be filed no earlier than [____] months and no later than [____] months prior to the expiration date. Applications will not be considered filed until the applicable fee and all required documents prescribed in these Rules are received. If an application for permit renewal is filed late, it shall also be accompanied by the delinquency fee prescribed in these Rules.
- (b) A sole proprietor may apply simultaneously for a certificate or a renewal of a registration or a certificate and a firm permit.
- (c) Applications shall include the firm name, addresses and telephone numbers of the main office and of any branch offices of the firm in this State, the name of the person in charge of each such branch office, and the names of the partners, shareholders, members, managers, directors and officers whose principal place of business is in this State.

Rule 7-2 - Notification of Firm Changes

- (a) A firm registered pursuant to Section 7 of the Act shall file with the Board a written notification of any of the following events concerning the practice of public accountancy within this State within thirty (30) days after its occurrence:
 - (1) Formation of a new firm;
 - (2) Addition of a partner, member, manager or shareholder;
 - (3) Retirement, withdrawal or death of a partner, member, manager or shareholder;
 - (4) Any change in the name of the firm;
 - (5) Termination of the firm;
 - (6) Change in the management of any branch office in this State;
 - (7) Establishment of a new branch office or the closing or change of address of a branch office in this State;
 - (8) Issuance of the firm's first attest or compilation report; or

- (9) The occurrence of any event or events which would cause such firm not to be in conformity with the provisions of the Act or these Rules.
- (b) In the event of any change in legal form of a firm, such new firm shall within thirty (30) days of the change file an application for an initial permit in accordance with these Rules and pay the fee required by these Rules.
- (c) In the event a practice unit is sold, dissolved, or merged with the practice of one or more other practice units, determination of successor or predecessor practice unit(s), peer review year-end(s) and the peer review due date(s) will be made in accordance with the sponsoring organization's guidance.

Rule 7-3 - Peer Review Definitions

- (a) **Administering Entity (AE)** means an entity approved by a Board-approved sponsoring organization to administer the Board-approved peer review program.
- (b) **"Enrollment in a peer review program"** means a firm is required to follow all requirements of the peer review process, cooperate with those performing and administering the peer review, comply with the peer review standards and inform Administering Entities when firm changes occur.
- (c) **"Peer Review Program"** means the sponsoring organization's entire peer review process, including but not limited to the standards for administering, performing, and reporting on peer reviews, oversight procedures, training, and related guidance materials.
- (d) **"Peer Review Oversight Committee" ("PROC")** means a Board-appointed committee for monitoring the Board-approved peer review program, including sponsoring organizations' Administering Entities, to provide reasonable assurance that Administering Entities and respective Peer Review Committee and Report Acceptance Bodies are functioning in a manner that effectively enforces the performance and reporting of peer review in accordance with peer review standards.
- (e) **"Peer Review Standards"** means the Board-approved professional standards and guidance for administering, performing and reporting on peer reviews.
- (f) **"Peer Reviewer/Reviewing Firm"** means a certified public accountant/accounting firm responsible for conducting the peer review, holding a valid and active license to practice public accounting in good standing issued by this state or some other state, and meeting the peer reviewer qualifications to perform peer reviews established in the Board-approved peer review standards.
- (g) **"Sponsoring Organization"** means a Board-approved professional association, society, or other organization responsible for the facilitation and administration of

peer reviews directly or through its Administering Entities and responsible for the oversight of the Administering Entities pursuant to the sponsoring organization's peer review standards.

Rule 7-4 – Enrollment in Board-Approved Peer Review Program

- (a) **Enrollment in a Board-approved peer review program is a condition for renewal of a permit for firms that issue attest or compilation reports. The Board requires licensees that issue attest or compilation reports pursuant to UAA 6(j) or UAA 7(a)(1)(A) and firms that issue such reports pursuant to UAA 7(a)(1)(C) to be enrolled in a Board-approved peer review program, and to provide a copy of the enrollment letter to the Board within thirty (30) days of enrollment.**

COMMENT: The requirement for provision of a copy of the enrollment letter to the Board is new. This will be effective for firms enrolling for the first time or filing for re-enrollment after the date these rules are adopted.

- (b) **A firm is not required to enroll in a Board-approved peer review program if its only level of service is performing preparation of financial statements (with or without disclaimer reports) under Statements on Standards for Accounting and Review Services (SSARs). However, if the firm is subject to a Board-approved peer review program, it is required to have a peer review which would include preparation of financial statements within the scope of the review.**
- (c) **A firm enrolled in a Board-approved peer review program shall schedule, undergo and complete its initial peer review in compliance with the sponsoring organization's peer review standards and related guidance. A firm's initial peer review is due 18 months from the date it enrolled or should have enrolled in a Board-approved peer review program. The "due date" is a date by which a review has taken place and all materials have been submitted to the Administering Entity.**
- (d) **A firm enrolled in a Board-approved peer review program shall schedule, undergo and complete its subsequent peer reviews in compliance with the sponsoring organization's peer review standards and related guidance. Unless an extension has been granted as provided in this Rule, subsequent peer reviews shall be due within three years and six months from the peer review year-end of the previous peer review.**
- (e) **The firm shall provide to the Board a copy of a grant of an extension (including the resulting new due date) within thirty (30) days of receipt from the Administering Entity or Sponsoring Organization.**
- (f) **For good cause shown, the Board may grant or renew permits for a reasonable period of time pending completion of the firm's peer review.**
- (g) **For firms required to be registered with and subject to inspection by the Public Company Accounting Oversight Board (PCAOB), the Board recognizes the**

PCAOB's inspection process for reviewing practices subject to its authority, which are not included in the scope of peer review programs. Firms subject to inspection by the PCAOB are also required to meet the peer review requirements under a Board-approved peer review program that covers the portion of the practice unit's practice not subject to the PCAOB permanent inspection.

Rule 7-5 – Submission of Peer Review Documents

- (a) **The objective of this reporting rule is to reinforce the Board's efforts to ensure that only appropriately qualified CPA firms are engaged in the offering and rendering of services subject to peer review. Based upon its review of the documents submitted pursuant to this rule, the Board may consider, pursuant to hearing or by consent, additional corrective actions such as probation, practice limits, additional continuing education, pre-issuance reviews, more frequent peer reviews, and other measures, including, in severe cases, discipline against the reviewed firm and any individual licensees employed or contracted by the reviewed firm.**

COMMENT: The reference in this Rule to possible discipline against "individual licensees employed or contracted by the reviewed firm" is not intended to include peer reviewers or their staffs with regard to firms they review.

- (b) **The firm is required to submit a copy of the results of its most recently accepted peer review to the Board, which includes the following documents:**
- (1) **Peer review report which has been accepted by the administering entity.**
 - (2) **The firm's letter of response accepted by the administering entity, if applicable.**
 - (3) **The acceptance letter from the administering entity.**
 - (4) **Letter(s) accepting the documents signed by the firm with the understanding that the firm agrees to take any actions required by the Administering Entity, if applicable; and**
 - (5) **Letter signed by the Administering Entity notifying the firm that required actions have been appropriately completed, if applicable.**
- (c) **The firm shall submit the peer review documents in (b) (1) through (b) (3) above to the Board within 30 days of the administering entity's acceptance. The firm shall submit the document in (b) (4) to the Board within 30 days from the date the letter is signed by the firm or with submission of the firm's renewal application, whichever occurs first. The firm shall submit the document in (b) (5) to the Board within 30 days of the date of the letter or with submission of the firm's renewal application, whichever occurs first.**

- (d) The firm shall satisfy this document submission requirement by allowing the administering entity to provide the Board access to the documents via a secure website process such as the AICPA Facilitated State Board Access (FSBA).

Rule 7-6 - Approved Peer Review Sponsoring Organizations, Programs and Peer Review Standards

- (a) The Board shall approve peer review sponsoring organizations, program(s) and standards.
- (b) The Board finds that because the American Institute of Certified Public Accountants (AICPA) has decades of experience as a sponsoring organization and has developed universally respected peer review standards, the Board recognizes the AICPA as an approved sponsoring organization, along with its peer review program and standards; this approval also applies to the XXXX Society of CPAs or its successor and other peer review programs administered by entities involved in the administration of the AICPA Peer Review Program. These organizations are not required to submit an application for approval to the Board. As a condition of this approval, a sponsoring organization is required to:
 - (1) administer peer reviews for nonmember licensees whose firms' principal places of business are located in the state(s) where it administers peer reviews, provided that such nonmembers comply with the applicable peer review standards, and
 - (2) provide advance notice to the Board and an opportunity for discussion if any Administering Entity is to be discontinued.
- (c) The Board may terminate its approval of a sponsoring organization for cause following notice and opportunity for hearing. For purposes of this paragraph, "cause" includes but is not limited to a substantive change in the Peer Review Program that adversely affects licensees or the public firms or impairs the Board's ability to protect the public in this State or failure to maintain an ongoing compliance with the requirements of this chapter.
- (d) The Board may approve other peer review sponsoring organizations and programs. For an organization not specifically identified in these Rules as Board-approved, to receive Board approval for its peer review program and standards, the organization must submit evidence to the satisfaction of the Board. The evidence shall include but is not limited to the standards, procedures, guidelines, oversight process, training materials and related documents used to administer, perform, and accept peer reviews. The Board has the authority to request any other documents/information from an organization about its peer review program in determining whether to grant approval.

Rule 7-7 - Peer Review Oversight Committee

(a) **A Peer Review Oversight Committee (PROC) shall be appointed or adopted by the Board to monitor the Board-approved peer review program, including sponsoring organizations' administering entities. The PROC or the Board's designee shall report to the Board, at least annually, on the conclusions and recommendations reached as a result of the PROC's activities.**

(b) **PROC members shall:**

(1) **Not include individuals who have a conflict of interest under applicable law.**

COMMENT: The addition of "under applicable law" means pursuant to state statutes and rules.

(2) **Be subject to removal or replacement by the Board at its discretion.**

(3) **Be required to sign a confidentiality agreement indicating they will not divulge any information to the Board that would identify any firm, licensee, or peer reviewer/reviewing firm as a result of their monitoring of the peer review process.**

(4) **Perform procedures which may consist of but are not limited to the following activities:**

(i) **Visiting the Administering Entities of the approved peer review program;**

(ii) **Reviewing sponsoring organization procedures for administering the program;**

(iii) **Meeting with an Administering Entity's Report Acceptance Body during consideration of the peer review documents;**

(iv) **Reviewing the Administering Entity's compliance with its program.**

(c) **The Board shall establish procedures and take all action necessary to ensure that the above materials remain confidential to the extent required by applicable statutes and rules.**

Rule 7-8 - Internet Practice

A CPA firm offering or rendering professional services via a Web site shall provide in the Web site's homepage, a name, an address, and principal state of licensure as a means for regulators and the public to contact a responsible licensee in charge at the firm regarding complaints, questions, or regulatory compliance.

Rule 7-9 - Attest Documentation and Retention

(a) **Licensees shall comply with all professional standards for attest documentation applicable to particular engagements, including, but not limited to standards adopted**

by recognized standards setting bodies such as the Public Company Accounting Oversight Board (PCAOB), the Comptroller General of the United States, and the Auditing Standards Board.

- (b) If the applicable standards do not otherwise specify, the retention period for attest documentation shall be five (5) years and shall be measured from the report date.
- (c) If attest documentation is required to be kept for longer than provided in the applicable standards because of a pending Board investigation or disciplinary action, attest documentation shall not be destroyed until the licensee has been notified in writing by the Board of the closure of a Board investigation or disciplinary proceeding.

Rule 7-10 - Unregistered Firm Compliance with Applicable Peer Review Documentation Requirements

Any firm not required to register in this state, but which provides attest and/or compilation services as permitted under Sections 7 and 23 of the Act, shall be required to maintain records as prescribed by Rule 7-9(b) regarding its participation in a comparable peer review program for any period in which the firm provided attest and/or compilation services in this state and shall provide copies of such records upon this Board's written request; provided, however, the Board shall not make such a request except upon good cause.

COMMENT: For purposes of this Rule, "good cause" is reasonable cause and not authorization for a notice requirement. Good cause for requesting peer review program records should be based upon a third-party complaint or other evidence of inadequate professional services of the type that would be subject to peer review.

NASBA REGIONAL DIRECTORS' FOCUS QUESTIONS REPORT

The following is a summary of the written responses to focus questions gathered from the member Boards by NASBA's Regional Directors between August 5, 2019, and October 7, 2019. Responses which indicated nothing to report have not been included in this summary.

Respectfully submitted,

*Nicola Neilon (NV) – Chair, Committee on Relations with Member Boards,
-- Mountain Regional Director*

Catherine R. Allen (NY) – Northeast Regional Director

J. Andy Bonner, Jr. (TN) – Southeast Regional Director

C. Jack Emmons (NM) – Southwest Regional Director

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

Faye D. Miller (ND) – Central Regional Director

Michael H. Womble (NC) – Middle Atlantic Regional Director

Katrina Salazar (CA) – Pacific Regional Director

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Alabama, Alaska, Arizona, Arkansas, California, Connecticut, Delaware, Georgia, Guam, Hawaii, Idaho, Illinois BOE, Indiana, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Dakota, Ohio, Oklahoma, Rhode Island, South Carolina, South Dakota, Texas, Utah, Vermont, Washington, West Virginia, Wisconsin, Wyoming

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

Alabama – (1) CPE Rules updated to more closely align with the UAA, (2) rules enacted for continuous testing, (3) hired staff as Enforcement Coordinator to allow for more proactive enforcement activities.

Alaska – Continued travel restrictions even for in-state Board meetings (allowed one per board, per year without additional special approval).

Arizona – Laws 2019, Ch. 55 (HB 2569) – On April 10, 2019, Governor Ducey, joined by Representative Warren Petersen, Arizona legislators, members of the business community and many more, signed H.B. 2569, making Arizona the first state in the country to recognize occupational licenses for new residents. The signing represented the fulfillment of a top policy priority announced in Governor Ducey's State of the State address.

Arizona's new universal licensing recognition law makes it easier for people who are already licensed in another state to get licensed at the same level in Arizona. Under the new law, Arizona's licensing boards will recognize out-of-state occupational licenses for people who have been licensed in their profession for at least one year, are in good standing in all states where they are licensed, pay applicable Arizona fees, AND meet all residency, testing, and background check requirements.

The new law DOES NOT recognize other states' occupational licenses automatically. For example, workers licensed in other states who move to Arizona still MUST apply for a license through the appropriate Arizona licensing board before working.

Arkansas – We have proposed rule changes that would allow for continuous testing, up to four hours of Nano CPE credits, reduce our CPE content requirements, and reduce our Group study requirement from 16 to 8 hours per year.

California – *Open Data Portal in California.* The Department of Consumer Affairs' (DCA) created a new Open Data Portal. The Open Data Portal is a one-stop shop for non-confidential licensing, application, and enforcement statistics for all boards and bureaus within DCA, including the California Board of Accountancy (CBA). The data is for two years and is searchable by various criteria. The Open Data Portal is user friendly and allows users to download data sets, look up CBA statistics, or find information for any of the 39 DCA boards and bureaus. The Open Data Portal can be accessed on DCA's website.

Fee Increases in the Near Future. The California Board of Accountancy (CBA) will be increasing the license renewal and initial licensure fee in January 2020. Although not final, the new fee amount will be between \$250 and \$280. The CBA has been operating with reduced fees since 2011; and the increase will ensure that the CBA's revenues are in balance with its expenditures. Communications and outreach will begin in the near future. Further, the CBA will be undergoing a fee analysis to determine what, if any, other fees may need to be adjusted. The CBA expects the results of this analysis in early 2020.

This year, the CBA has engaged on key pieces of legislation regarding accounting standards and the regulation of cannabis: AB 1181 (Limon) – Charitable Organizations AB 1181 would create a California-specific accounting standard for the valuation of certain noncash gifts-in-kind (GIK) received by a charitable organization and remove from statute two key organizations involved in the development of generally accepted accounting principles (GAAP). It specifically exempts non-cash gifts awarded by any local, state, or federal agency that provides valuations of their contributions. This new accounting standard would be created by an action of the California State Legislature and conflict with the applicable provisions of GAAP. The CBA opposes this measure as it will undermine GAAP and current processes to set standards, which would be detrimental to its consumer protection mission. The California Legislature approved this bill and it awaits action from the Governor (this will be updated to reflect any developments, as necessary prior to submission).

SB 51 (Hertzberg) – Financial Institutions: Cannabis. This measure directs the creation of state charter banks and credit unions to provide limited banking services to authorized

cannabis businesses. The bill enables those businesses to deposit their revenue and make specified payments on a non-cash basis. This bill also creates the Cannabis Limited Charter Bank and Credit Union Advisory Board comprised of the State Treasurer, the State Controller, Chief of the Bureau of Cannabis Control, and the Director of the Department of Finance. The CBA supports SB 51 as it seeks to bring the cannabis industry into the State of California's regulated financial and accounting structures. SB 51 is now a two-year bill and may be further acted upon by the California Legislature in 2020. AB 1525 (Jones-Sawyer) – Cannabis: financial institutions

AB 1525 states that a certified public accountant or certified public accounting firm “does not commit a crime under California law solely for providing professional accounting services” to persons licensed to engage in commercial cannabis activity. The measure also protects authorized persons or businesses who receive deposits, provide specified transportation or financial services to persons licensed to engage in commercial cannabis activity. The CBA supports AB 1525, if amended to include any individual or public accounting firm authorized to practice in California pursuant to the California Accountancy Act. The amended language would, therefore, include public accountants, certified public accountants, accounting firms, and out-of-state individuals and firms authorized to practice pursuant to California's mobility laws. AB 1525 is now a two-year bill and may be further acted upon by the California Legislature in 2020.

Connecticut – We are spending a lot of time trying to smooth the testing transition through the very slow CT regulatory system. Also cleaning up a lot of statutes and regs.

Delaware – At our upcoming meetings, we will be discussing the CPE changes and whether or not we will be accepting nano learning. We believe as we just had our first renewal period with peer review, we are going to have some issues with firms that did not timely sign up for peer review and have not had a peer review performed.

Georgia – Mandated budget cuts from the Governor's Office affecting our ability to perform optimally.

Guam – We have successfully transitioned Guam's exam application processing to CPAES as of August 2019.

Hawaii – Working on changing continuous Examination rules.

Idaho – Agencies in Idaho are currently under an Executive Order 2019-02, the Red Tape Reduction Act, which directs agencies to reduce or eliminate unnecessary or burdensome rules particularly around licensing. As previously reported, the Idaho legislature did not reauthorize administrative rules at the end of the 2019 session. Agencies then were asked to publish Temporary to Proposed rules with an Omnibus Rulemaking process. The Board was allowed to reduce some unneeded rules without going through the normal rulemaking process. This rulemaking was published in a June Administrative Bulletin.

Now, state agencies have been asked to once again review our rules and look for more unnecessary or wordy rules that will be published in another Omnibus Rulemaking bulletin in November. Each agency has been given direction or a goal on this reduction. The Board will hold a Public Hearing in September and have a finalized draft of rules by October for the November publication. These are the rules that will then be presented to the legislature during the 2020 session and will not show those rules eliminated.

Another item that the Board office is following is the talk there will be legislation to remove or redefine when Good Moral Character can be used by agencies when reviewing a license or exam candidate's application. For example, a felony outside of one that would directly impact an individual to be a CPA may not be sufficient grounds to deny an application. Right now, this is just hearsay but in looking at what has occurred in other jurisdictions and the tenor of the Idaho legislature there's a strong possibility this will move forward.

Lastly, the Board is discussing the use of Corrective Action Plans as an alternative to formal discipline in matters that would not impose a restriction against a licensee. For example, failure to reply to a Board response timely or in cases where a firm lists an individual as a licensee on a website prior to licensing being completed. The Board will put the parameters around the situations and limits that these Corrective Action Plans can be used. The Idaho Boards of Medicine, Dentistry and Veterinarians currently use similar plans.

Illinois BOE – The Board of Examiners has officially dropped the requirement for two semester hours of Research and Analysis to qualify to sit for the CPA Exam. We are currently reviewing our Administrative Rules in order to clarify and update.

Indiana – Looking into how we can create a competency based CPE renewal platform.

Iowa – Iowa is in the final stages of adopting rules to facilitate year-round testing.

Kansas – Revising Regulation to allow for continuous testing.

Kentucky – Amending Exam regulation to authorize continuous testing and amending CPE regulations to allow for some personal development courses and require CPAs performing audits, reviews, compilations or prep of financial statements to complete six hours of CPE each year in accounting or auditing courses.

Maryland – MD – 3 new board members; new chair and new treasurer/secretary. Hired an investigator. Bill drafted for continuous testing; waiting on NASBA CPE tracker to be rolled out.

Michigan – Nothing.

Minnesota – 8-1-19, Retired status placed in statute as well as two years' retroactive enforcement authority. Rules on continuous testing moving forward without need for a public hearing.

Mississippi – Rules modifications were approved by Occupational Licensing Review Commission after a delay of almost one year.

Missouri – Missouri is in the process of changing our CPE requirement from 120/3year to 40 per year with 2 of the 40 in ethics. It is anticipated that the proposed change will be effective January 2020.

Montana – In discussions about formation of a regional PROC; transition to new CPE Audit Service.

Nebraska – A new Board Member was appointed to the Board. Jeff Kanger is a new public member and was appointed to a four-year term by Governor Pete Ricketts. He is an Executive Vice President with First State Bank Nebraska. The Board's 2019 Rule Package has been approved. The amended regulations include provisions for continuous testing for the Examination, updated educational subject area requirements to sit for the Examination, and clarification provisions for the new law that allows ESOP's to own CPA firms. Board staff continues to review and research other State Board's solutions for a back end database.

Nevada – The Board continues to address requests for information from the Sunset Commission and the Executive Branch Audit.

New Hampshire – Started a Quarterly Board Newsletter. Jeffrey A. Graham, CPA, joined the Board this year and attended first NASBA meeting. The Board is in process with the Joint Legislative Committee on Administrative Rules to add SS# to applications, which will in turn limit international licensing through the NH Board. SB589 passed which now enables those with a criminal record to petition the Board before applying for determination on whether their criminal record will disqualify them from licensure. The Board must reply with specifics on reason for denial if that is decided.

New Mexico – Jeanette Contreras, Executive Director, attended NASBA U. Hosting bi-annual Swearing in Ceremony in November. Working on rule change proposals for rules hearing. Working on amendment to statute for continuous testing.

New York – The New York Board has recommended changes to the CPE rules, including the annual ethics requirement. The new law that removes the newly licensed exemption will go into effect January 1, 2020. The New York Board has recommended changes to the regulation for the Examination to support the concept of continuous testing.

North Carolina –

- The Board and our State CPA Association participated in a joint task force to review our CPE rules which resulted in incorporating numerous UAA CPE rules which will be effective January 1, 2020. You can find these proposed rules on our website.
- Board President Art Winstead, CPA, appointed a task force to work on the problem of practitioners who become ill, incapacitated or deceased and have not planned for a short or long-term illness or for the continuation of their practice upon their death.

The task force hopes to work with our CPA Association with their extensive effort on this problem.

- Our Governor has appointed six new members to our seven-member Board in the last twelve months. Michael Massey, CPA, and Gary Massey, CPA, took their office in August 2018. Wanda Taylor, Esq., was sworn in at the March 2019 Board meeting. Bernita Demery, CPA, and Barton W. Baldwin, CPA, took their oath of office at the July 2019 Board Meeting. Jennifer Van Zant, Esq., was sworn under oath at the August 2019 Board Meeting.

North Dakota – We are in the process of a rule change to allow continuous testing.

Ohio – (1) Five-year rule review including O.A.C. 4701-5-01, 4701-5-04 and a4701-5-06 procedure rules for continuous examination testing effective September 7, 2019. (2) The Ohio Board held their annual college visit this year at Miami University in Oxford, Ohio. (3) October 7, 2019 the Ohio Board launched NASBA's new CPE Audit Verification for our CPAs.

Oklahoma – We are currently dealing with anti-regulation legislation.

Rhode Island – We don't have much happening in Rhode Island. Mary Bernard who served as the Board Chair and who was on the Board for 10 years is no longer on the Board. Her term was up and we have a new Board Member: Patricia Thompson.

South Carolina – New law passed 5/16/2019- The Act revises several provisions of the Accountancy Practice Act, including open and closed meetings and hearings, protection of confidential information, exam administration, continuing education for non-CPA firm owners, reciprocal licensure and financial statement disclaimers for APs and AP firms. New regulations proposed, which would be effective May 2020, if not contested. Our regulations on CPE were completely re-written and re-organized to be more user friendly for licensees and sponsors.

South Dakota – N/A.

Texas – We are expecting the appointment of five new board members. We are starting the process of fingerprinting approximately 60,000 licensees.

Utah – Just wrapping up an extensive re-write/clarification of our rules to hopefully make it simpler for someone to understand what is required for education and licensure; now in public comment period of rules rewrite. We have also been asked by our legislature to identify which types of criminal convictions would potentially require the denial of a license or at least a review before issuance.

Vermont – Nothing of interest at this time.

Washington – We are implementing CPE reciprocity as of 1/1/2020 as well as other changes to our CPE rules. We are also kicking off the development of a new licensing system.

Wisconsin – About to get final approval from the legislature to implement required CPE for Wisconsin licensed CPA's.

Wyoming – Final rules and emergency rules are out for our Governor to review.

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

If Yes, please explain below:

No: Arkansas, Hawaii, Indiana, Iowa, Maryland, New Hampshire, New York, North Dakota, Rhode Island, South Dakota, Vermont.

Alaska – The Board appreciates NASBA's continued assistance with travel scholarships to allow Board participation at national meetings.

California – Yes. The CBA is excited that NASBA will be designing the CBA's Annual Report for fiscal year 2018-2019. The CBA looks forward to working with NASBA on future communication and design-oriented projects.

Connecticut – Not at this moment, although things always come up that we have needed NASBA's assistance with, which has always been valuable.

Georgia – Yes. NASBA is currently helping us with the Continuous Testing Rule and amending our CPE Rule.

Guam – We are working to gain access to the new CPE Audit Service also, which will be a major benefit to our CPE audit efforts.

Mississippi – Can NASBA determine how many other State Boards require peer review of licensed firms that only perform preparation of financial statements?

Missouri – NASBA has already been very helpful. Staff have been available to answer questions and I have attended NASBA U which was helpful. I am currently working with the Communications Department on the development of a newsletter. I believe if I need anything, I can reach out and will get the assistance needed.

Nebraska – Some Boards continue to struggle with IT needs including back end databases. Support in this area would greatly assist Boards.

New Mexico – We would like to have videos created to help educate the public and licensees. We would also like some assistance with firms and tracking peer review. Peer review seems to be a struggle for many Boards.

North Carolina – NASBA should appoint a task force of members to investigate the development of software for those licensing board members of NASBA.

Oklahoma – We need assistance in defining what crimes disqualify a person from registration.

Ohio – Not at this time, but I know I can always ask for help from NASBA. Thank you always for your continued help and support. Treacy

South Carolina – We are working on finalizing the content for our newsletter and look forward to working with NASBA's Communications team.

Washington – Please keep us apprised of developments on efforts by state legislators to alter the approach to CPA licensure.

West Virginia – I would like NASBA to create and host an online database system to be used by all Boards of Accountancy for tracking licensure, firm, and exam candidate activities.

Wyoming – We would like some assistance with our social media presence. Please have someone contact me to set up a meeting.

3. NASBA's Board of Directors would appreciate as much input on the above questions as possible. How were the responses shown above compiled?

- **Input only from Board Chair: AK, IN, MI, VT, WI**
- **Input only from Executive Director: AL, AR, IL BOE, IA, KS, KY, MN, MO, MT, NH, ND, NE, WA, WV**
- **Input only from Board Chair and Executive Director: CT, ID, GA, MD, NM, OH, TX, UT**
- **Input from all Board Members and Executive Director: AZ, CA, GU, MS, NC, ND, NV, OK, RI, SD, WY**
- **Input from some Board Members and Executive Director:**
- **Other (please explain): Input from some Board Members: DE**

10.10.19

QUESTIONS

1. The AICPA's Code of Professional Conduct provides that "in fulfilling a request for client-provided records, member-prepared records, or a member's work products, the member may charge the client a reasonable fee for the time and expense incurred to retrieve and copy such records and require that the client pay the fee before the member provides the research to the client." Does your state's laws or rules follow the AICPA Code of Professional Conduct with respect to a licensee charging a client a reasonable fee for the time and expense incurred to retrieve and copy such records and require that the client pay the fee before the member provides the records to the client?

- Yes
- No

If No, what is your state's law or rule with respect to the above scenario?

2. The AICPA's Ethics Division recently investigated a case where a client requested that a member mail boxes of the client's records to the client's new address, after the client opted to move to a different part of the country and leave the records with the member. The client refused to pay the shipping charges requested by the member, so the member refused to provide the records. Under this scenario, would your state's laws or rules allow the firm to withhold client-provided records, CPA-prepared records, and/or a CPA's work products until payment of shipping costs is received from the client?

- Yes
- No

Please explain below:

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

4. Can NASBA be of any assistance to your Board at this time? Please explain below:

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

- Input only from Board Chair: ____
- 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 below): ____
- Input from Part Time Worker in our office: ____
- Input from Assistant Executive Director: ____
- Input from Board Chair, Legal Counsel and Executive Director: ____

6. Filled out by:

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