



WHAT'S NEW IN REGULATION

The Financial Accounting Standards Board (FASB) published FASB Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations*. Interpretation 47 will result in (a) more consistent recognition of liabilities relating to asset retirement obligations, (b) more information about expected future cash outflows associated with those obligations, and (c) more information about investments in long-lived assets because additional asset retirement costs will be recognized as part of the carrying amounts of the assets.

Interpretation 47 clarifies that the term *conditional asset retirement obligation* as used in FASB Statement No. 143, *Accounting for Asset Retirement Obligations*, refers to a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. The obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and (or) method of settlement. Uncertainty about the timing and (or) method of settlement of a conditional asset retirement obligation should be factored into the measurement of the liability when sufficient information exists. Interpretation 47 also clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation.

Interpretation 47 is effective no later than the end of fiscal years ending after December 15, 2005 (December 31, 2005, for calendar-year enterprises). Retrospective application of interim financial information is permitted but is not required. Early adoption of this Interpretation is encouraged.

The full text of the **Interpretation** is currently available on the FASB's website. Copies of Interpretation 47 are scheduled to be available in April 2005, through the FASB Order Department at 800-748-0659 or by placing an order on the FASB website at www.fasb.org.

GASB ISSUES CONCEPTS STATEMENT #3

The Governmental Accounting Standards Board (GASB) has issued Concepts Statement No. 3, *Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements*.

The Concept Statement seeks to provide a conceptual basis for determining communication methods for presenting information from general-purpose external financial reports that include basic financial statements.

Some of the communication methods include recognition in basic financial statements, disclosure in notes to basic financial statements, presentation as required supplementary information (RSI), and presentation as supplementary information.

The Concepts Statement sets forth the communication methods commonly used in general purpose external financial reports, develops criteria for each communication method and provides a hierarchy for their use.

By clarifying the definitions, criteria and hierarchy GASB, as well as those who prepare financial reports, to determine the best way to communicate various informational items. GASB expects that more consistency in communication should serve to make the reports more useful to users.

The Concepts Statement (Product Code GC03) can be ordered through the GASB's order department at 800.748.0659 or via its [website](http://www.gasb.org).

IN THIS ISSUE

What's New in Regulation.	1-2
Computerized Exam Statistics.....	2
Top Candidates.....	2
New Licensees & Firms.....	2
FAQs.....	3-4
In Other News.....	4-5
Board Members & Staff.....	5
Address Change Form.....	6

NEW CPE RULES

The South Dakota State Board of Accountancy has amended the current Continuing Professional Education rules. These changes may be found on our website at www.state.sd.us/dol/boards/accountancy and will become effective July 1, 2005.

CPE offered through the SDCPA Society, the AICPA and NASBA should be in compliance with the board's rules. If you have any questions as to whether a CPE course you have selected qualifies for CPE credit, please review the rules and/or call us at the board office and we will be happy to answer any questions you may have.

NEW BOARD STAFF MEMBER

Please join me in welcoming Tricia Ryken to the South Dakota Board of Accountancy staff. Tricia is a recent graduate of Minnesota State University, Mankato.

NATIONAL COMPUTERIZED UNIFORM CPA EXAM STATISTICS - WINDOW 1-3

	Apr/May	July/Aug	Oct/Sept	Jan/Mar	Cum
AUD	48%	43%	39%	*N/A	43%
BEC	44%	45%	45%		45%
FAR	47%	44%	38%		42%
REG	47%	42%	35%		41%

*National statistics are not yet available for window 4.

SOUTH DAKOTA STATISTICS WINDOWS 1-4

	Apr/May	July/Aug	Oct/Sept	Jan/Mar	Cum
AUD	21%	46%	35%	58%	40%
BEC	38%	46%	41%	58%	46%
FAR	46%	90%	22%	57%	54%
REG	67%	40%	17%	33%	40%

CONGRATULATIONS TO OUR TOP CANDIDATES

Congratulations to the following individuals for passing all four sections on their first attempt. All three individuals received scores in the 80's and 90's.

Ted R. Horning
Tessa R. Thomas
Sarah M. Tuntland

NEW LICENSEES

Debbe L. Tobin	Laura A. Arth
Michael D. Todoff	Heather L. Hofer
John D. Magnuson	Aaron J. Bjorkman
Sarah J. Snyder	Lisa Rae DuPont
Kristi L. DeBoer	Kent A. White
Stacy L. Erdmann	Shannon R. Clark
Tiffany D. Roen	Lorna J. Severy
David P. Midland	Justin J. Schneider
William J. Marketon	Katherine T. Wakefield
Shelly C. Schneider	Jason M. Maxwell
Wally D. Kempema	Sandy J. Vosika
Todd R. Willson	Jeanie M. O'Laughlin
Eric A. Young	Aaron P. Christianson
Shi Lin	James D. Walti
Leah M. Kooren	

NEW FIRM PERMITS ISSUED

CP Financial Services, LLP
Anderson Group CPA, Inc.
Dutton & Associates, P.C.
Gray & Associates, LLC
Lindburg & Vogel, Chartered
Steven I. Bechtold, CPA
Dauby O'Connor & Zaleski
Sarathi Giridhar, CPA
Clausen & Rice. LLP
Dennis M. Nelson, CPA
Gordon, Hughes & Banks, LLP
Mayer Hoffman McCann, P.C.
Bottom Line, LLC
Van Bruggen & Vande Vegete, P.C.
Lefor & Rapp, LLC
Campbell Higgins & Assoc. , P.C.
Hopfinger & Merriman, Ltd.
Woltman Van Kekeriz & Stotz, P.C.
Deloitte Financial Advisory Services, LLP
Business Accounting & Consulting
Moncur & Sell, LLP
Koele & Chickering, P.C.
Virchow, Krause & Company, LLP
Contryman Associates, P.C.

RENEWAL TIME IS QUICKLY APPROACHING

The South Dakota Board of Accountancy office will begin mailing out renewal forms on June 15, 2005. Please be sure to self report any criminal, administrative or civil action(s) taken against you, if any.

All renewal forms must be received in the Board office or postmarked by August 1, 2005. Renewals received after August 1, 2005 will be subject to a \$50 late penalty fee. Failure to receive a renewal notice does not constitute an adequate reason for failing to renew the certificate in a timely manner.

FREQUENTLY ASKED QUESTIONS

The first section of the FAQs below will deal with the computerization of the Uniform CPA Examination. The second section will deal with questions frequently asked by licensees.

If you have any questions, please do not hesitate to contact the board office. We are here to provide assistance to you. Helping you understand the accountancy laws and rules governing the accounting profession helps us to promote the Board's mission of public protection!

I understand the fees for the seat time associated with the computer-based exam will increase beginning July 1. How much will the exam cost?

The new examination fees are listed below. This increase reflects the Prometric Testing Site's increase from \$17.50 per hour to \$22.50 per hour. The increase is based on lower than expected candidate volumes.

SECTION	EXAM LENGTH	EXAM FEE
Auditing	4.5 Hours	\$189.25
Accounting	4.0 Hours	\$178.00
Regulation	3.0 Hours	\$155.50
BEC	2.5 Hours	\$144.25

How much time will I have to pass all four sections of the computer-based exam?

You must pass all four sections of the Uniform CPA Examination within 18 months. All parts must be passed during the 18 month period. Credit will be lost for any exam passed outside the 18 month period.

What is the deadline for filing my application for any given testing window?

The board recommends filing your application by the 15th of the month prior to the testing window for which you wish to sit. For example, if you wish to sit in the first testing window which is April-June, you should file your application with the board by March 15th to ensure your desired testing date. However, you are not limited to this deadline. The board will accept applications throughout the year.

What can I do to prepare for the computer-based exam?

Visit www.cpa-exam.org and participate in the tutorial available. Also, familiarize yourself with the professional literature governing accounting, auditing and tax standards. You may visit www.aicpa.org to find information pertaining to the AICPA Professional Standards. The Financial Accounting Standards Board (FASB) has made their professional literature available at their website www.fasb.org. All sections of the computerized exam except the BEC section require candidates to access professional standards in the research portion of the simulations. Familiarization with accessing of professional standards on line is critical to your successful completion of this segment of the exam section(s). The AICPA offers a one year subscription to the on-line Professional Standards for exam candidates. Please visit their website for information on obtaining a subscription to on-line professional standards for both student members and non-student members.

After I am deemed eligible by the Board, what can I expect?

Once the board has reviewed your application and determined your eligibility to sit for the examination, you will receive a email from the board notifying you of your application status. Within a week of board notification you will be receiving a "notice to schedule" (NTS). Once you have received your NTS you may schedule your examination.

How long is my NTS valid?

Your NTS will be valid for one year. This will be your set period of time to schedule and take the exam section(s) for which you have been issued an NTS. After one year of receiving an NTS for any given section your NTS will expire and you will be required to re-apply. The board recommends scheduling during the same window in which your NTS is issued.

How often can I take the computerized exam?

A candidate may sit for as many parts of the exam as they register for within any given window. Duplicate sections will not be allowed within the same testing window. You may register to sit for the exam during each testing window throughout the calendar year. The board does not recommend registering for more parts than you can reasonably expect to complete within a given window. If for some unanticipated reason you are unable to schedule a test for which you have been issued an NTS within the one-year allotted time period, you will be required to re-register and pay for those sections not taken.

Will I be required to pass one section of the exam before applying to take another section?

Candidates will not be required to pass one section before applying to take another section of the exam.

How do I schedule a test time?

Instructions for scheduling your test time will be sent with your NTS. You may also visit the Board's website at www.state.sd.us/dol/boards/accountancy and click on Licensing Information/Forms.

Where will I sit for the exam?

There is one Prometric testing site in South Dakota, located in the Sylvan Learning Center one block west of Louise on 57th Street in Sioux Falls. *We are anticipating the opening of a new testing site in July or August of 2005 in Rapid City. Please monitor the "What's New" section of our website for updates on the opening of this new testing site.*

When will I receive my scores/grades?

The AICPA is responsible for making the final determination on score/grade release dates. The Board anticipates receiving the scores within the first two weeks following the window for which you have sat. Once the score reports are received in the board office, they will be sent out within one business day.

FREQUENTLY ASKED QUESTIONS CONCERNING LICENSING ISSUES

If I hold a reciprocal license in South Dakota, do I have to maintain my license in the state for which I was granted the reciprocal license?

South Dakota does not require you to maintain your license in the state by which you were granted reciprocity.

However, the board highly recommends you check with the state Board where you were originally licensed to ensure compliance with their licensing regulations.

Many states require licensees to maintain their licenses in either an active or inactive status regardless of whether or not they live or practice in that state. Allowing your license to lapse may subject you to fines for unpaid fees, and in some cases, you may have to re-sit for the Uniform CPA Examination to renew your license in that state at a later date.

South Dakota is keenly aware of the mobility issues facing CPAs and thereby allows CPAs no longer engaged in performing or offering to perform accounting services to the public several options.

A CPA may register their certificate in an inactive status, by submitting the form and paying the \$50 filing fee. This status exempts the CPA from compliance with the Continuing Professional Education requirement. If the CPA is 55 or older and no longer performs or offers to perform accounting services to the public, they may file in a retired status, by filing the "retired" form provided by the board and paying the reduced fee of \$10.

A final option to CPA's would be to relinquish their certificate. An example of a case whereby a CPA may wish to relinquish their certificate would be if they no longer practice or have clients in South Dakota, and they have moved to another state, and are currently complying with the Accountancy laws in that state.

The South Dakota Board maintains relinquished certificates on file in the board office and will return them upon the fulfillment of the respective requirements for an active, inactive or retired status.

If a CPA chooses to relinquish their South Dakota certificate, they should first check with any states in which they have been granted reciprocity based on their good standing in South Dakota. Many states granting reciprocity require CPAs maintain their license in an active status, in the original state in which they were licensed.

IN OTHER NEWS. . .

PCAOB REGISTRATION PLAN IMPLEMENTED

Registration with the Public Company Accounting Oversight Board (PCAOB) is required for all firms that wish to prepare or issue audit reports on SEC registrants. This includes sole practitioners, but not all individual accountants. However, as part of the firm's registration application, disclosure of the names of all accountants

associated with the firm is required. The PCAOB does not exempt non-US public accounting firms from registration. For updates on new regulations governing accounting firms with SEC clients check the sec.gov website.

POSTING OF DISCIPLINARY ACTIONS

“Final” disciplinary actions taken by the Board of Accountancy beginning January 1, 2004, must be posted to the Board’s website.

DISCIPLINARY STATUTE 36-20B-40 AMENDED

SDCL: 36-20B-40(5)(12) were amended by a bill introduced by Governor Rounds to delete “gross” and replace with “negligence or incompetence”. The SDCPA Society proposed an amendment to the bill which changed the language to “repeated negligence, and deleted incompetence”. The amendment passed and will become the language for this statute effective July 1, 2005.

“NEW” TAX FACTS

The Department of Revenue has issued Tax Facts #107, effective July 1, 2005. This Tax Fact is designed to explain how sales and use tax applies to accounting services.

Two key elements of #107 are:

1. If the client receives the service at the accountant’s office, charge the sales tax rate at the accountant’s office location.
2. If the client does not receive the service at the accountant’s office, charge the sales tax rate at the customer’s address.

For the complete Tax Facts #107, please access the Department of Revenue’s website at www.state.sd.us/drr, or email them at bustax@state.sd.us.

FUTURE BOARD MEETINGS

April 28-29, 2005 - Casey Peterson & Associates Conference Room, 505 Kansas City Street, Rapid City, South Dakota (605) 348-1930

May 27, 2005 by Telephone Conference Call at 10 AM (CST)

June 29, 2005 by Telephone Conference Call at 10 AM (CST)

Please contact the board office if you have any questions at (605) 357-5770.

**STATE BOARD OF
BOARD OF ACCOUNTANCY**
(605) 367-5770
(605) 367-5773 - FAX
www.state.sd.us/dol/boards/accountancy

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Mitchell

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Aberdeen

Bobbi Barnhill
Executive Director

Julie Iverson
Administrative Assistant

Tricia Ryken
Secretary

**The South Dakota State Board of Accountancy
wishes to extend their heartfelt sympathies to:**

*The Hopfinger family on their loss
of Randy Hopfinger, CPA*

*Laura Coome, Executive Director, SDCPA
on the loss of her mother.*

MOVING - LET US KNOW

SDCL: 36-20B-29 requires holders of certificates to notify the Board within 30 days of change of address or in employment.

Certificate Holder _____
Last Name Jr./III First Middle

Certificate # _____ Send Mail to _____ Home _____ Business _____

New Home Address _____

City _____ State _____ Zip _____

CPA Firm/Business Name _____ State _____ Zip _____

New Business Address _____

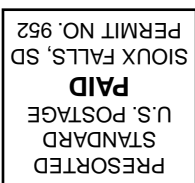
City _____ State _____ Zip _____

Bus. Telephone: () _____ Home () _____

Bus. Fax () _____ E-mail address _____

Mail to: SD State Board of Accountancy

Fax to: (605) 367-5773



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