



**SOUTH DAKOTA
BOARD OF ACCOUNTANCY**

301 E. 14th Street, Suite 200
Sioux Falls, SD 57104
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www.state.sd.us/dot/boards/accountancy

Agenda

South Dakota Board of Accountancy Meeting
Conference Call
9:00 a.m. (CT)
October 19, 2010

A=Action

D=Discussion

I=Information

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EXECUTIVE SESSION	
Equivalent Reviews for Board Approval.....	Spt. Pkt.

FUTURE MEETING DATES (all times CT)

December 3 – 9:00 Conference Call



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South Dakota Board of Accountancy

Minutes of Meeting

Conference Call

9:00 a.m. (CT)

September 22, 2010

The Board of Accountancy held a meeting by conference call on Wednesday, September 22, 2010. Chair Holly Brunick called the meeting to order at 9:15 a.m.

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

Also present were Sherri Sundem Wald, Legal Counsel; Nicole Kasin, Executive Director; Tricia Nussbaum, Secretary; and Todd Kolden, Department of Labor.

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

A motion was made by John Peterson and seconded by Marty Guindon to approve the August 19, 2010 meeting minutes. A roll call vote was taken. The motion unanimously carried.

A motion was made by David Olson and seconded by John Linn, Jr. to approve the issuance of individual certificates and firm permits through September 15, 2010. A roll call vote was taken. The motion unanimously carried.

A motion was made by John Linn, Jr. and seconded by John Peterson to approve the financial statements through August 31, 2010. A roll call vote was taken. The motion unanimously carried.

Marty Guindon gave an overview of information to the Board regarding the licensee request for peer review. The Board discussed at great length the issues presented in the letter. In accordance with ARSD 20:75:05:07 and SDCL 36-20B-61 the licensee would be required to have a peer review. Executive Director Kasin will draft a letter including the referenced rules and laws and state that based on the facts provided and the Board's interpretation a peer review is required.

The Board discussed possible statute changes for the upcoming 2011 legislative session. The Board decided not to pursue any changes to the statutes the 2011 legislative session. Furthermore, the Board will review the statutes and email Executive Director Kasin with all suggestions for changes to be addressed in the 2012 legislative session.

The Board discussed the AICPA's Testimony to IRS on Reg-139343-08 including user fees and PTIN.

The Board was informed of the AICPA Setting Passing Scores on the CPA Exam.

The Board completed NASBA's Regional Director's Focus Questions.

The Board briefly discussed the NASBA Candidate Care Report 2nd Quarter 2010 and the CPA Exam Quarterly Report 2^{ne} Quarter 2010.

The Board reviewed the letter to the Selection Advisory Committee from North Carolina. The topic of the letter had been discussed in length at the meeting in August with Regional Director Ted Lodden. After much more discussion, the Board decided to concur with Tennessee and North Carolina and also send a letter to the Chair of the Selection Advisory Committee.

A motion was made by John Peterson and seconded by John Mitchell to send a letter agreeing with the boards from Tennessee and North Carolina that the future CEO for NASBA must be a CPA. A roll call vote was taken. The motion unanimously carried. Executive Director Kasin will draft the letter and Chair Brunick will sign it.

The Board discussed the proposed changes to NASBA's Bylaws.

A motion was made by John Peterson and seconded by John Mitchell to designate Chair Brunick as voting delegate at NASBA's Annual Meeting in October. A roll call vote was taken. The motion unanimously carried.

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

The Board came out of executive session.

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

Future meeting dates were discussed and set as follows (in CDT):

October 19 – 9:00 a.m. Conference Call

December 3 – 9:00 a.m. Conference Call

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

All business having come before the board was concluded and Chair Holly Brunick adjourned the meeting at 10:47 a.m.

Holly Brunick, CPA, Chair

Attest: _____
Nicole Kasin, Executive Director

John Peterson, Sec/Treasurer

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES
BOARD COPY**

Issued Through October 12, 2010

Number	Name	Date Issued	Location
2949	Brian Bradley Woldt	9/27/10	Sioux Falls, SD
2950	Dave John Yuhas	9/28/10	Rapid City, SD
2951	Sara Ann Brainard	9/30/10	Rapid City, SD
2952	Brandon Wade Eberhard	9/30/10	Sioux Falls, SD
2953	Elizabeth Ann Broders	10/04/10	Sioux Falls, SD
2954	Melissa Beth Christianson	10/12/10	Madison, SD

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

**Issued Through
October 12, 2010**

Number	Name	Date Issued	Basis/Comments
1498	Davie Kaplan, CPA, PC Rochester, NY	10/7/10	New Firm
1499	Piercy, Bowler, Taylor & Kern, CPAs Las Vegas, NV	10/12/10	New Firm

AGENCY: 10 LABOR
BUDGET UNIT: 1031 BOARD OF ACCOUNTANCY

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	399,143.95	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			399,143.95	DR *	
COME/BUDG UNIT TOTAL 6503 1031			399,143.95	DR **	
BUDGET UNIT TOTAL 1031			399,143.95	DR ***	

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 09/30/2010

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
COMPANY NO 6503 COMPANY NAME PROFESSIONAL & LICENSING BOARDS										
6503	103100061802	51010100	CGEX100827	09/01/2010					2,588.36	DR
6503	103100061802	51010100	CGEX100914	09/17/2010					2,977.92	DR
OBJSUB: 5101010 F-T EMP SAL & WAGES										
6503	103100061802	51010200	CGEX100827	09/01/2010					722.81	DR
6503	103100061802	51010200	CGEX100914	09/17/2010					834.95	DR
OBJSUB: 5101020 P-T/TEMP EMP SAL & WAGES										
6503	103100061802	51010300	CGEX100827	09/01/2010					1,557.76	DR *
OBJSUB: 5101030 BOARD & COMM MFRS FEES										
OBJECT: 5101 EMPLOYEE SALARIES										
6503	103100061802	51020100	CGEX100827	09/01/2010					300.00	DR *
6503	103100061802	51020100	CGEX100907	09/08/2010	629920				7,424.04	DR **
6503	103100061802	51020100	CGEX100907	09/08/2010	629927				262.85	DR
6503	103100061802	51020100	CGEX100914	09/17/2010					2.91	DR
6503	103100061802	51020100	CGEX100914	09/17/2010					.69	DR
6503	103100061802	51020100	CGEX100914	09/17/2010					278.27	DR
OBJSUB: 5102010 OASI-EMPLOYER'S SHARE										
6503	103100061802	51020200	CGEX100827	09/01/2010					544.72	DR *
6503	103100061802	51020200	CGEX100914	09/17/2010					198.67	DR
6503	103100061802	51020200	CGEX100914	09/17/2010					228.77	DR
OBJSUB: 5102020 RETIREMENT-ER SHARE										
6503	103100061802	51020600	CGEX100827	09/01/2010					427.44	DR *
6503	103100061802	51020600	CGEX100914	09/17/2010					766.89	DR
OBJSUB: 5102060 HEALTH/LIFE INS.-ER SHARE										
6503	103100061802	51020800	CGEX100827	09/01/2010					1,533.78	DR *
6503	103100061802	51020800	CGEX100914	09/17/2010					5.63	DR
6503	103100061802	51020800	CGEX100914	09/17/2010					6.49	DR
OBJSUB: 5102080 WORKER'S COMPENSATION										
6503	103100061802	51020900	CGEX100827	09/01/2010					12.12	DR *
6503	103100061802	51020900	CGEX100914	09/17/2010					2.81	DR
6503	103100061802	51020900	CGEX100914	09/17/2010					3.24	DR
OBJSUB: 5102090 UNEMPLOYMENT COMPENSATION										
OBJECT: 5102 EMPLOYEE BENEFITS										
GROUP: 51 PERSONAL SERVICES										
6503	103100061802	52030200	CGEX100907	09/08/2010	629924				6.05	DR *
6503	103100061802	52030200	CGEX100907	09/08/2010	629926				2,524.11	DR **
6503	103100061802	52030200	CGEX100907	09/08/2010	629920				9,948.15	DR ***
6503	103100061802	52030200	CGEX100907	09/08/2010	629920				90.40	DR
6503	103100061802	52030200	CGEX100907	09/08/2010	629920				90.40	DR
OBJSUB: 5203020 AUTO PRIV (IN-ST.) L/RTE										
6503	103100061802	52030300	CGEX100907	09/08/2010	629925				271.20	DR *
6503	103100061802	52030300	CGEX100907	09/08/2010	629927				145.78	DR
6503	103100061802	52030300	CGEX100907	09/08/2010	629927				48.84	DR
OBJSUB: 5203030 AUTO-PRIV (IN-ST.) H/RTE										
6503	103100061802	52031000	44884,44886	09/08/2010	99656937	HOLIDAYINN	12026948		194.62	DR *
6503	103100061802	52031000	44884,44886	09/08/2010	99656937	HOLIDAYINN	12026948		93.00	DR

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 09/30/2010

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
		OBJSUB: 5203100	LODGING/IN-STATE							
6503	103100061802	52031400	CGEX100907	09/08/2010	629920				93.00	DR *
6503	103100061802	52031400	CGEX100907	09/08/2010	629927				38.00	DR
									9.00	DR
		OBJSUB: 5203140	TAXABLE MEALS/IN-STATE							
6503	103100061802	52031500	CGEX100907	09/08/2010	629925				47.00	DR *
6503	103100061802	52031500	CGEX100907	09/08/2010	629926				38.00	DR
6503	103100061802	52031500	CGEX100907	09/08/2010	629924				14.00	DR
		OBJSUB: 5203150	NON-TAXABLE MEALS/IN-ST							
		OBJECT: 5203	TRAVEL							
6503	103100061802	52040200	082610	09/22/2010	99661675	NATLASSNST	12005047		99.00	DR *
									704.82	DR **
									3,200.00	DR
		OBJSUB: 5204020	DUES & MEMBERSHIP FEES							
6503	103100061802	52041600	7MNM3JM7E9	09/22/2010	99661675	NATLASSNST	12005047		3,200.00	DR *
									2,385.00	DR
		OBJSUB: 5204160	WORKSHOP REGISTRATION FEE							
6503	103100061802	52041800	DP108101	10/01/2010					2,385.00	DR *
									105.00	DR
		OBJSUB: 5204180	COMPUTER SERVICES-STATE							
6503	103100061802	52042000	PL108052	09/24/2010					105.00	DR *
									64.37	DR
		OBJSUB: 5204200	CENTRAL SERVICES							
6503	103100061802	52042300	11SC100012 SEP11	09/29/2010	99664852	SUNSETOFFI	12043890		64.37	DR *
									119.86	DR
		OBJSUB: 5204230	JANITORIAL & MAINT SERV							
6503	103100061802	52044600	H1858588	09/17/2010	99661440	HASLERFINA	12120693		119.86	DR *
									597.00	DR
		OBJSUB: 5204460	EQUIPMENT RENTAL							
6503	103100061802	52044900	ACCOUNTRENT11	09/15/2010	595779	MCGINNISRO	12074040		597.00	DR *
									1,269.45	DR
		OBJSUB: 5204490	RENTS-PRIVATE OWNED PROP.							
6503	103100061802	52045300	TL108161	09/17/2010					1,269.45	DR *
6503	103100061802	52045300	111109001 SEP11	10/01/2010	99665542	MIDCONTINE	12023782		89.16	DR
									95.00	DR
		OBJSUB: 5204530	TELECOMMUNICATIONS SRVCS							
6503	103100061802	52045400	5159417006 AUG11	09/08/2010	01935375	XCELENERGY	12023853		184.16	DR *
									85.43	DR
		OBJSUB: 5204540	ELECTRICITY							
6503	103100061802	52045600	72060	09/22/2010	99662097	ECOWATER	12035896		85.43	DR *
									23.35	DR
		OBJSUB: 5204560	WATER							
6503	103100061802	52047400	CI101A-033	09/08/2010	104884				23.35	DR *
									237.15	DR
		OBJSUB: 5204740	BANK FEES AND CHARGES							
6503	103100061802	52049600	13319037	09/27/2010	99663839	NATLASSNST	12005047		237.15	DR *
									9,013.04	DR
		OBJSUB: 5204960	OTHER CONTRACTUAL SERVICE							
		OBJECT: 5204	CONTRACTUAL SERVICES							
									9,013.04	DR *
									17,283.81	DR **

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MONTHLY EXPENDITURE REPORT
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CENTER-5 10310 BOARD OF ACCOUNTANCY

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
6503	1031000061802	52050200	1432176-0	09/22/2010	996661891	BROWNSAENG	12028533		77.24	DR
									77.24	DR *
									77.24	DR **
									254.32	DR
									254.32	DR *
									254.32	DR **
									18,320.19	DR ***
									28,268.34	DR ****
									28,268.34	DR *****
									28,268.34	DR *****

OBJSUB: 5205020 OFFICE SUPPLIES
OBJECT: 5205 SUPPLIES & MATERIALS
6503 1031000061802 5228000 T101-017

OBJSUB: 5228000 OPER TRANS OUT -NON BUDGT
OBJECT: 5228 NONOP EXP/NONBGTD OF TR
GROUP: 52 OPERATING EXPENSES
COM: 6503
CNTR: 1031000061802
B. UNIT: 1031

South Dakota Board of Accountancy
Balance Sheet
As of September 30, 2010

	Sep 30, 10
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - US Bank	1,558.12
1140000 · Pool Cash State of SD	399,143.95
Total Checking/Savings	400,702.07
Total Current Assets	400,702.07
Fixed Assets	
1670000 · Computer Software	
Original Cost	140,063.23
1770000 · Depreciation	-83,734.67
Total 1670000 · Computer Software	56,328.56
Total Fixed Assets	56,328.56
TOTAL ASSETS	457,030.63
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	481.36
Total Accounts Payable	481.36
Other Current Liabilities	
2810000 · Amounts Held for Others	30,793.98
Total Other Current Liabilities	30,793.98
Total Current Liabilities	31,275.34
Long Term Liabilities	
2960000 · Compensated Absences Payable	11,162.26
Total Long Term Liabilities	11,162.26
Total Liabilities	42,437.60
Equity	
3220000 · Unrestricted Net Assets	200,030.18
3300100 · Invested in Capital Assets	56,328.56
3900 · Retained Earnings	15,790.05
Net Income	142,444.24
Total Equity	414,593.03
TOTAL LIABILITIES & EQUITY	457,030.63

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July through September 2010

	Jul - Sep 10	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate				
5208001 · Refunds	-25.00			
4293550 · Initial Individual Certificate - Other	800.00	2,500.00	-1,700.00	32.0%
Total 4293550 · Initial Individual Certificate	775.00	2,500.00	-1,725.00	31.0%
4293551 · Certificate Renewals-Active	54,550.00	50,000.00	4,550.00	109.1%
4293552 · Certificate Renewals-Inactive	19,900.00	23,000.00	-3,100.00	86.5%
4293553 · Certificate Renewals-Retired	650.00	600.00	50.00	108.3%
4293554 · Initial Firm Permits	300.00	1,500.00	-1,200.00	20.0%
4293555 · Firm Permit Renewals				
5208004 · REFUNDS	-50.00			
4293555 · Firm Permit Renewals - Other	19,950.00	18,350.00	1,600.00	108.7%
Total 4293555 · Firm Permit Renewals	19,900.00	18,350.00	1,550.00	108.4%
4293557 · Initial Audit	270.00	580.00	-310.00	46.6%
4293558 · Re-Exam Audit	690.00	1,660.00	-970.00	41.6%
4293561 · Late Fees-Certificate Renewals	5,500.00	3,500.00	2,000.00	157.1%
4293563 · Late Fees-Firm Permit Renewals				
5208012 · REFUNDS	-50.00			
4293563 · Late Fees-Firm Permit Renewals - Other	1,150.00	800.00	350.00	143.8%
Total 4293563 · Late Fees-Firm Permit Renewals	1,100.00	800.00	300.00	137.5%
4293564 · Late Fees-Peer Review	300.00	1,250.00	-950.00	24.0%
4293566 · Firm Permit Individual				
5208003 · REFUNDS	-235.00			
4293566 · Firm Permit Individual - Other	68,250.00	64,000.00	4,250.00	106.6%
Total 4293566 · Firm Permit Individual	68,015.00	64,000.00	4,015.00	106.3%
4293567 · Peer Review Admin Fee	450.00	5,650.00	-5,200.00	8.0%
4293568 · Firm Permit Name Change	75.00	100.00	-25.00	75.0%
4293569 · Initial FAR	540.00	990.00	-450.00	54.5%
4293570 · Initial REG	180.00	530.00	-350.00	34.0%
4293571 · Initial BEC	420.00	670.00	-250.00	62.7%
4293572 · Re-Exam FAR	630.00	1,540.00	-910.00	40.9%
4293573 · Re-Exam REG	570.00	1,680.00	-1,110.00	33.9%
4293574 · Re-Exam BEC	810.00	2,020.00	-1,210.00	40.1%
4491000 · Interest and Dividend Revenue	16,547.72	12,000.00	4,547.72	137.9%
4896021 · Legal Recovery Cost	0.00	1,000.00	-1,000.00	0.0%
Total Income	192,172.72	193,920.00	-1,747.28	99.1%
Gross Profit	192,172.72	193,920.00	-1,747.28	99.1%
Expense				
5101010 · F-T Emp Sal & Wages	12,420.41	66,239.00	-53,818.59	18.8%
5101020 · P-T/Temp Emp Sal & Wages	3,558.17	19,380.00	-15,821.83	18.4%
5101030 · Board & Comm Mbrs Fees	798.00	4,020.00	-3,222.00	19.9%
5102010 · OASI-Employer's Share	1,226.01	6,549.00	-5,322.99	18.7%
5102020 · Retirement-ER Share	958.72	5,147.00	-4,188.28	18.6%
5102060 · Health /Life Ins.-ER Share	3,489.35	17,869.00	-14,379.65	19.5%
5102080 · Worker's Compensation	27.17	133.00	-105.83	20.4%
5102090 · Unemployment Insurance	13.57	55.00	-41.43	24.7%
5203010 · Auto--State Owned	0.00	1,500.00	-1,500.00	0.0%
5203020 · Auto-Private-Ownes Low Mileage	271.20	300.00	-28.80	90.4%
5203030 · In State-Auto- Prlv. High Miles	398.12	2,100.00	-1,701.88	19.0%
5203100 · In State-Lodging	93.00	1,000.00	-907.00	9.3%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%
5203140 · InState-Tax Meals Not OverNigt	9.00	150.00	-141.00	6.0%
5203150 · InState-Non-Tax Meals OverNigt	137.00	500.00	-363.00	27.4%
5203230 · OS-Auto Private High Mileage	0.00	100.00	-100.00	0.0%
5203260 · OS-Air Commercial Carrier	1,345.10	6,700.00	-5,354.90	20.1%
5203280 · OS-Other Public Carrier	42.00	500.00	-458.00	8.4%
5203300 · OS-Lodging	1,840.40	7,800.00	-5,959.60	23.6%
5203320 · OS-Incidentals to Travel	61.00	200.00	-139.00	30.5%
5203350 · OS-Non-Taxable Meals Overnight	259.00	1,000.00	-741.00	25.9%
5204010 · Subscriptions	0.00	1,500.00	-1,500.00	0.0%

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

	Jul - Sep 10	Budget	\$ Over Budget	% of Budget
5204020 · Dues and Membership Fees	3,200.00	3,900.00	-700.00	82.1%
5204030 · Legal Document Fees	0.00	500.00	-500.00	0.0%
5204040 · Consultant Fees-Accounting	0.00	6,000.00	-6,000.00	0.0%
5204160 · Workshop Registration Fees	2,465.00	5,200.00	-2,735.00	47.4%
5204180 · Computer Services-State	171.00	600.00	-429.00	28.5%
5204181 · Computer Development Serv-State	2,376.00	4,400.00	-2,024.00	54.0%
5204200 · Central Services	1,553.19	7,500.00	-5,946.81	20.7%
5204220 · Equipment Service & Maintenance	25.43	300.00	-274.57	8.5%
5204230 · Janitorial/Maintenance Services	359.58	1,560.00	-1,200.42	23.1%
5204340 · Computer Software Maintenance	265.00	1,000.00	-735.00	26.5%
5204360 · Advertising-Newspapers	0.00	2,100.00	-2,100.00	0.0%
5204440 · Newsletter Publishing	486.89	1,100.00	-613.11	44.3%
5204460 · Equipment Rental	1,474.80	5,200.00	-3,725.20	28.4%
5204480 · Microfilm and Photography	0.00	700.00	-700.00	0.0%
5204490 · Rents Privately Owned Property	2,538.90	15,531.00	-12,992.10	16.3%
5204530 · Telecommunications Services	568.57	2,500.00	-1,931.43	22.7%
5204540 · Electricity	205.04	865.00	-659.96	23.7%
5204560 · Water	23.35	240.00	-216.65	9.7%
5204590 · Insurance Premiums/Surety Bonds	0.00	1,710.00	-1,710.00	0.0%
5204740 · Bank Fees and Charges	2,020.58	2,000.00	20.58	101.0%
5205020 · Office Supplies	101.09	1,500.00	-1,398.91	6.7%
5205310 · Printing State	0.00	500.00	-500.00	0.0%
5205320 · Printing/Duplicating/Binding Co	332.97	1,000.00	-667.03	33.3%
5205330 · Supplemental Publications	0.00	700.00	-700.00	0.0%
5205340 · Microfilm Supplies/Materials	0.00	300.00	-300.00	0.0%
5205350 · Postage	507.15	3,100.00	-2,592.85	16.4%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207900 · Computer Hardware	0.00	4,800.00	-4,800.00	0.0%
5207950 · System Development	0.00	500.00	-500.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	0.00	500.00	-500.00	0.0%
5228000 · Operating Transfers Out-NonBudg	1,089.14	6,500.00	-5,410.86	16.8%
5228030 · Depreciation Expense	3,017.58			
Total Expense	49,728.48	225,748.00	-176,019.52	22.0%
Net Ordinary Income	142,444.24	-31,828.00	174,272.24	-447.5%
Net Income	142,444.24	-31,828.00	174,272.24	-447.5%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
September 2010

	<u>Sep 10</u>	<u>Sep 09</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	400.00	275.00	125.00	45.5%
4293551 · Certificate Renewals-Active	8,500.00	10,250.00	-1,750.00	-17.1%
4293552 · Certificate Renewals-Inactive	5,750.00	5,050.00	700.00	13.9%
4293553 · Certificate Renewals-Retired	360.00	270.00	90.00	33.3%
4293555 · Firm Permit Renewals	3,750.00	3,250.00	500.00	15.4%
4293557 · Initial Audit	120.00	30.00	90.00	300.0%
4293558 · Re-Exam Audit	330.00	150.00	180.00	120.0%
4293561 · Late Fees-Certificate Renewals	1,400.00	1,750.00	-350.00	-20.0%
4293563 · Late Fees-Firm Permit Renewals	150.00	250.00	-100.00	-40.0%
4293564 · Late Fees-Peer Review	50.00	50.00	0.00	0.0%
4293566 · Firm Permit Individual	9,230.00	7,025.00	2,205.00	31.4%
4293567 · Peer Review Admin Fee	75.00	75.00	0.00	0.0%
4293568 · Firm Permit Name Change	25.00	0.00	25.00	100.0%
4293569 · Initial FAR	270.00	0.00	270.00	100.0%
4293570 · Initial REG	60.00	30.00	30.00	100.0%
4293571 · Initial BEC	150.00	30.00	120.00	400.0%
4293572 · Re-Exam FAR	360.00	120.00	240.00	200.0%
4293573 · Re-Exam REG	210.00	210.00	0.00	0.0%
4293574 · Re-Exam BEC	390.00	60.00	330.00	550.0%
4491000 · Interest and Dividend Revenue	16,547.72	16,687.62	-139.90	-0.8%
4896021 · Legal Recovery Cost	0.00	1,047.36	-1,047.36	-100.0%
Total Income	<u>48,127.72</u>	<u>46,609.98</u>	<u>1,517.74</u>	<u>3.3%</u>
Gross Profit	48,127.72	46,609.98	1,517.74	3.3%
Expense				
5101010 · F-T Emp Sal & Wages	1,608.13	1,501.37	106.76	7.1%
5101020 · P-T/Temp Emp Sal & Wages	452.12	218.76	233.36	106.7%
5101030 · Board & Comm Mbrs Fees	-342.00	-300.00	-42.00	-14.0%
5102010 · OASI-Employer's Share	127.67	100.17	27.50	27.5%
5102020 · Retirement-ER Share	123.61	103.20	20.41	19.8%
5102060 · Health /Life Ins.-ER Share	421.79	396.89	24.90	6.3%
5102080 · Worker's Compensation	3.51	1.87	1.64	87.7%
5102090 · Unemployment Insurance	1.74	1.12	0.62	55.4%
5203260 · OS-Air Commercial Carrier	0.00	1,331.69	-1,331.69	-100.0%
5203280 · OS-Other Public Carrier	0.00	96.00	-96.00	-100.0%
5203300 · OS-Lodging	0.00	1,852.76	-1,852.76	-100.0%
5203320 · OS-Incidentals to Travel	0.00	65.00	-65.00	-100.0%
5203350 · OS-Non-Taxable Meals Overnight	0.00	212.00	-212.00	-100.0%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204030 · Legal Document Fees	0.00	15.00	-15.00	-100.0%
5204160 · Workshop Registration Fees	2,385.00	2,325.00	60.00	2.6%
5204180 · Computer Services-State	57.00	45.00	12.00	26.7%
5204181 · Computer Development Serv-State	48.00	648.00	-600.00	-92.6%
5204200 · Central Services	64.37	92.77	-28.40	-30.6%
5204220 · Equipment Service & Maintenance	5.95	5.18	0.77	14.9%
5204230 · Janitorial/Maintenance Services	119.86	117.00	2.86	2.4%
5204460 · Equipment Rental	93.60	252.39	-158.79	-62.9%
5204530 · Telecommunications Services	95.00	109.95	-14.95	-13.6%
5204540 · Electricity	56.85	47.94	8.91	18.6%
5204560 · Water	23.35	0.00	23.35	100.0%
5204740 · Bank Fees and Charges	237.15	272.95	-35.80	-13.1%
5205020 · Office Supplies	0.00	39.81	-39.81	-100.0%
5205320 · Printing/Duplicating/Binding Co	10.35	0.00	10.35	100.0%
5228000 · Operating Transfers Out-NonBudg	254.32	312.08	-57.76	-18.5%
5228030 · Depreciation Expense	1,005.86	1,005.86	0.00	0.0%
Total Expense	<u>10,053.23</u>	<u>14,069.76</u>	<u>-4,016.53</u>	<u>-28.6%</u>
Net Ordinary Income	<u>38,074.49</u>	<u>32,540.22</u>	<u>5,534.27</u>	<u>17.0%</u>
Net Income	<u><u>38,074.49</u></u>	<u><u>32,540.22</u></u>	<u><u>5,534.27</u></u>	<u><u>17.0%</u></u>

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

	<u>Jul - Sep 10</u>	<u>Jul - Sep 09</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	775.00	1,575.00	-800.00	-50.8%
4293551 · Certificate Renewals-Active	54,550.00	54,050.00	500.00	0.9%
4293552 · Certificate Renewals-Inactive	19,900.00	19,350.00	550.00	2.8%
4293553 · Certificate Renewals-Retired	650.00	660.00	-10.00	-1.5%
4293554 · Initial Firm Permits	300.00	250.00	50.00	20.0%
4293555 · Firm Permit Renewals	19,900.00	19,550.00	350.00	1.8%
4293557 · Initial Audit	270.00	60.00	210.00	350.0%
4293558 · Re-Exam Audit	690.00	540.00	150.00	27.8%
4293560 · Late Fees-Initial Certificate	0.00	100.00	-100.00	-100.0%
4293561 · Late Fees-Certificate Renewals	5,500.00	5,450.00	50.00	0.9%
4293563 · Late Fees-Firm Permit Renewals	1,100.00	800.00	300.00	37.5%
4293564 · Late Fees-Peer Review	300.00	150.00	150.00	100.0%
4293566 · Firm Permit Individual	68,015.00	63,090.00	4,925.00	7.8%
4293567 · Peer Review Admin Fee	450.00	225.00	225.00	100.0%
4293568 · Firm Permit Name Change	75.00	80.00	-5.00	-6.3%
4293569 · Initial FAR	540.00	150.00	390.00	260.0%
4293570 · Initial REG	180.00	150.00	30.00	20.0%
4293571 · Initial BEC	420.00	120.00	300.00	250.0%
4293572 · Re-Exam FAR	630.00	360.00	270.00	75.0%
4293573 · Re-Exam REG	570.00	660.00	-90.00	-13.6%
4293574 · Re-Exam BEC	810.00	510.00	300.00	58.8%
4491000 · Interest and Dividend Revenue	16,547.72	16,687.62	-139.90	-0.8%
4896021 · Legal Recovery Cost	0.00	1,047.36	-1,047.36	-100.0%
Total Income	<u>192,172.72</u>	<u>185,614.98</u>	<u>6,557.74</u>	<u>3.5%</u>
Gross Profit	192,172.72	185,614.98	6,557.74	3.5%
Expense				
5101010 · F-T Emp Sal & Wages	12,420.41	12,420.41	0.00	0.0%
5101020 · P-T/Temp Emp Sal & Wages	3,558.17	3,770.65	-212.48	-5.6%
5101030 · Board & Comm Mbrs Fees	798.00	720.00	78.00	10.8%
5102010 · OASI-Employer's Share	1,226.01	1,224.46	1.55	0.1%
5102020 · Retirement-ER Share	958.72	971.47	-12.75	-1.3%
5102060 · Health /Life Ins.-ER Share	3,489.35	3,283.37	205.98	6.3%
5102080 · Worker's Compensation	27.17	17.82	9.35	52.5%
5102090 · Unemployment Insurance	13.57	10.54	3.03	28.8%
5203010 · Auto--State Owned	0.00	158.90	-158.90	-100.0%
5203020 · Auto-Private-Ownes Low Mileage	271.20	271.20	0.00	0.0%
5203030 · In State-Auto- Priv. High Miles	398.12	446.96	-48.84	-10.9%
5203100 · In State-Lodging	93.00	139.50	-46.50	-33.3%
5203140 · InState-Tax Meals Not OverNigt	9.00	9.00	0.00	0.0%
5203150 · InState-Non-Tax Meals OverNight	137.00	166.00	-29.00	-17.5%
5203260 · OS-Air Commercial Carrier	1,345.10	1,331.69	13.41	1.0%
5203280 · OS-Other Public Carrier	42.00	96.00	-54.00	-56.3%
5203300 · OS-Lodging	1,840.40	1,852.76	-12.36	-0.7%
5203320 · OS-Incidentals to Travel	61.00	65.00	-4.00	-6.2%
5203350 · OS-Non-Taxable Meals Overnight	259.00	212.00	47.00	22.2%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204030 · Legal Document Fees	0.00	15.00	-15.00	-100.0%
5204160 · Workshop Registration Fees	2,465.00	2,325.00	140.00	6.0%
5204180 · Computer Services-State	171.00	90.00	81.00	90.0%
5204181 · Computer Development Serv-State	2,376.00	1,128.00	1,248.00	110.6%
5204200 · Central Services	1,553.19	1,710.64	-157.45	-9.2%
5204220 · Equipment Service & Maintenance	25.43	26.06	-0.63	-2.4%
5204230 · Janitorial/Maintenance Services	359.58	351.00	8.58	2.4%
5204340 · Computer Software Maintenance	265.00	45.00	220.00	488.9%
5204440 · Newsletter Publishing	486.89	537.20	-50.31	-9.4%
5204460 · Equipment Rental	1,474.80	1,259.40	215.40	17.1%
5204480 · Microfilm and Photography	0.00	243.77	-243.77	-100.0%
5204490 · Rents Privately Owned Property	2,538.90	2,488.50	50.40	2.0%
5204530 · Telecommunications Services	568.57	517.82	50.75	9.8%
5204540 · Electricity	205.04	144.82	60.22	41.6%
5204560 · Water	23.35	23.35	0.00	0.0%
5204740 · Bank Fees and Charges	2,020.58	1,497.26	523.32	35.0%
5205020 · Office Supplies	101.09	386.67	-285.58	-73.9%

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

	<u>Jul - Sep 10</u>	<u>Jul - Sep 09</u>	<u>\$ Change</u>	<u>% Change</u>
5205320 · Printing/Duplicating/Binding Co	332.97	412.71	-79.74	-19.3%
5205350 · Postage	507.15	1,516.01	-1,008.86	-66.6%
5228000 · Operating Transfers Out-NonBudg	1,089.14	1,272.67	-183.53	-14.4%
5228030 · Depreciation Expense	3,017.58	3,017.58	0.00	0.0%
Total Expense	<u>49,728.48</u>	<u>49,376.19</u>	<u>352.29</u>	<u>0.7%</u>
Net Ordinary Income	<u>142,444.24</u>	<u>136,238.79</u>	<u>6,205.45</u>	<u>4.6%</u>
Net Income	<u><u>142,444.24</u></u>	<u><u>136,238.79</u></u>	<u><u>6,205.45</u></u>	<u><u>4.6%</u></u>

REQUEST FOR CPE EXTENSION

Nicole Kasin 10-7-10

I was contacted by a licensee requesting a 2nd extension for CPE. ARSD 20:75:04:10 states that upon request by an applicant for renewal of a certificate, the board may administratively grant one extension of 90 days to complete the minimum continuing professional education requirement. The board shall review subsequent requests for extensions and may grant them on a case by case basis for good cause. Good cause includes personal emergencies, acts of God, or administrative errors made by the board.

The first extension of 90 days was granted by the Board and CPE was to be completed by September 30, 2010.

The letter addressed to the board reads as:

Dear Board Members,

I respectfully request an additional extension to complete my CPE's for year ending June 30, 2010.

I have had a personal emergency that prevented me from timely completing my CPE.

I also wish to note that I completed the required hours on 10/02/10.

I thank you in advance for your understanding on this personal matter and pray that you allow my request as good cause.

Respectfully submitted,

Signed CPA

The CPA is in public practice and has been granted the administrative extension for 90 days in each of the following years: FY07, FY08, FY10 and FY11.

The Board is to approve or deny the subsequent extension request.

REPORT TO BOARD ON STATISTICS FROM ONLINE RENEWAL

Nicole Kasin 10-13-10

The renewal rates for FY11 are on the following page.

Since the online renewals began 2 years ago there was an overall increase in usage from FY10 to FY11 by 9.59%.

FY 11 produced the completion rate increases online from the prior year

Firms – 16.28%

Active – 6.94%

Inactive – 11.59%

Retired – 12.03%

DATE	Form 19-Firm		Form 27-Retired		Form 28-Active		Form 29-Inactive		Daily Totals
	COMP	APVD	BD	APVD	COMP	APVD	BD	APVD	
Tuesday, June 15, 2010	0	0	0	0	1	0	0	0	1
Wednesday, June 16, 2010	3	0	1	0	8	0	3	0	15
Thursday, June 17, 2010	3	2	1	0	10	5	11	0	32
Friday, June 18, 2010	1	1	1	0	8	2	9	0	22
Saturday, June 19, 2010	0	0	2	0	3	1	1	0	7
Sunday, June 20, 2010	0	0	1	0	1	0	1	0	3
Monday, June 21, 2010	6	3	3	0	11	2	10	0	35
Tuesday, June 22, 2010	4	1	3	0	12	1	10	1	32
Wednesday, June 23, 2010	3	1	0	0	10	1	1	0	16
Thursday, June 24, 2010	2	0	0	0	2	1	5	0	10
Friday, June 25, 2010	2	1	0	0	9	0	2	0	14
Saturday, June 26, 2010	1	0	0	0	3	2	0	0	6
Sunday, June 27, 2010	1	0	1	0	2	0	3	1	8
Monday, June 28, 2010	6	1	0	0	12	0	4	0	23
Tuesday, June 29, 2010	2	0	0	0	10	0	3	0	15
Wednesday, June 30, 2010	2	0	1	0	10	3	3	0	19
Thursday, July 01, 2010	1	0	0	0	5	4	7	0	17
Friday, July 02, 2010	2	0	0	0	4	1	1	0	8
Saturday, July 03, 2010	0	0	0	0	0	0	1	0	1
Sunday, July 04, 2010	1	0	0	0	3	0	1	0	5
Monday, July 05, 2010	0	0	0	0	2	0	2	0	4
Tuesday, July 06, 2010	0	0	1	0	2	3	5	0	11
Wednesday, July 07, 2010	5	0	0	0	7	1	2	0	15
Thursday, July 08, 2010	4	0	0	0	6	1	3	0	14
Friday, July 09, 2010	4	0	0	0	6	0	8	0	18
Saturday, July 10, 2010	0	0	0	0	2	0	1	0	3
Sunday, July 11, 2010	0	0	0	0	0	0	2	0	2
Monday, July 12, 2010	2	0	0	0	7	0	4	0	13
Tuesday, July 13, 2010	4	0	1	0	12	2	2	0	21
Wednesday, July 14, 2010	4	0	1	0	9	1	2	0	17
Thursday, July 15, 2010	3	0	1	0	7	0	6	0	17
Friday, July 16, 2010	1	0	0	0	4	0	1	0	6
Saturday, July 17, 2010	1	0	2	0	0	0	1	0	4
Sunday, July 18, 2010	1	0	1	0	3	0	2	0	7
Monday, July 19, 2010	2	0	0	0	15	3	4	0	24
Tuesday, July 20, 2010	4	1	3	0	11	3	7	0	29
Wednesday, July 21, 2010	4	1	0	0	9	2	5	0	21
Thursday, July 22, 2010	2	0	0	0	8	0	4	0	14
Friday, July 23, 2010	3	0	1	0	12	2	5	0	23
Saturday, July 24, 2010	2	0	0	0	6	1	3	0	12
Sunday, July 25, 2010	0	1	0	0	4	0	3	0	8
Monday, July 26, 2010	3	3	0	0	16	3	8	0	33
Tuesday, July 27, 2010	7	3	1	0	14	1	11	0	37
Wednesday, July 28, 2010	6	0	0	0	12	3	7	0	28
Thursday, July 29, 2010	11	1	0	0	24	2	12	0	50
Friday, July 30, 2010	14	3	0	0	33	9	20	0	79
Saturday, July 31, 2010	6	1	0	0	15	1	7	0	30
Sunday, August 01, 2010	1	0	0	0	2	0	3	0	6
Monday, August 02, 2010	2	1	0	0	6	3	2	0	14
Tuesday, August 03, 2010	0	0	0	0	2	0	1	0	3
Wednesday, August 04, 2010	0	1	0	0	2	1	1	0	5
Thursday, August 05, 2010	0	0	0	0	1	0	1	0	2
Friday, August 06, 2010	0	0	0	0	1	0	0	0	1
Saturday, August 07, 2010	0	0	0	0	1	0	0	0	1
Tuesday, August 10, 2010	0	0	1	0	0	0	1	0	2
Thursday, August 12, 2010	0	0	0	0	1	1	2	0	4
Friday, August 13, 2010	2	0	0	0	1	1	2	0	6
Saturday, August 14, 2010	0	0	0	0	0	0	1	0	1
Sunday, August 15, 2010	0	0	0	0	1	0	0	0	1
Monday, August 16, 2010	1	0	1	0	2	1	0	0	5
Tuesday, August 17, 2010	0	0	0	0	0	1	2	0	3
Wednesday, August 18, 2010	0	0	1	0	0	0	0	0	1
Thursday, August 19, 2010	0	1	0	0	0	0	0	0	1
Friday, August 20, 2010	0	0	0	0	0	0	1	0	1
Sunday, August 22, 2010	0	0	0	0	0	0	1	0	1
Monday, August 23, 2010	0	0	0	0	0	0	1	0	1
Tuesday, August 24, 2010	0	0	1	0	1	0	0	0	2
Wednesday, August 25, 2010	3	0	0	0	1	0	0	0	4
Friday, August 27, 2010	0	0	0	0	0	0	1	0	1
Tuesday, August 31, 2010	0	0	0	0	0	1	1	0	2
Thursday, September 2, 2010	0	0	0	0	0	0	1	0	1
Monday, September 6, 2010	0	0	0	0	0	0	1	0	1
Tuesday, September 21, 2010	0	0	0	0	0	0	1	0	1
Totals	142	27	30	0	392	70	237	2	900
Totals per form	169		30		462		239		
Total Renewals									
Online & Via Mail	286		64		1090		397		1837
% Completed Online	59.09%		46.88%		42.39%		60.20%		48.99%
Expired Status	15		4		25		9		53
% Completed overall	95.02%		94.12%		97.76%		97.78%		97.20%

REPORT TO BOARD ON EXPIRED LICENSEES

Nicole Kasin 10-13-10

The following pages show the individuals that did not renew their license for FY11 & FY10.

I will be publishing the list of expired licenses (FY11) in the winter newsletter and plan to send the full list from FY10 & FY11 to the accountancy boards and other interested parties. Names and last known addresses will be sent so boards can determine if the individual is in their state.

Christie J. Bakker
28903 8th Ave. S.
Federal Way, WA 98003

Jerry M. Bland
Bland & Associates, P.C.
8712 W Dodge Road # 200
Omaha, NE 68114

Jeffrey A. DeWitt
714 Britz Drive
Luverne, MN 56156

Sandra L. Diegel
4502 Carriage Hills Drive
Rapid City, SD 57702

Jodi M. Digmann
3148 Johnston Ct
Rapid City, SD 57701

Joseph D. Dobbs
6668 Berwick Court
Rapid City, SD 57702

James A. Gilman
Conway, Deuth & Schmiesing, PLLP
331 SW Third Street
Willmar, MN 56201

Thomas N. Harper, Jr.
5417 Danford Road
Billings, MT 59106

Bruce A. Hasche
2321 E Harriet Lea
Sioux Falls, SD 57103

Brenda K. Hill
13036 Hwy 244
Keystone, SD 57751

Natalie L. Holland
5440 N Tujunga Avenue # 717
North Hollywood, CA 91601

Ronald L. Jacobson
6420 Longleaf Pine Drive
Jupiter, FL 33458

Laura M. Jones
3912 Canyon Drive
Rapid City, SD 57702

Brenda J. Kosters
PO Box 57
Selby, SD 57472

Fred A. Lockwood
4702 Cardinal Dr.
Scottsbluff, NE 69361

Timothy D. Lord
699 Evergreen Drive
Grand Forks, ND 58201

Ingrid M. Mallo
1300 N Harrison # 207
Pierre, SD 57501

Randall P. Neal
2213 S Sheffield
Sioux Falls, SD 57106

Robert E. Newman
18 Joshua Drive
West Simsbury, CT 06092

Eric S. Peterson
501 20th Ave NW
Watertown, SD 57201

Earl M. Phelps, Jr.
PO Box 174
Aberdeen, SD 57401

Nicholas J. Rodgers
2913 Davenport Way
Sacramento, CA 95833

Fumio Sekita
Room 109 Ville Neuve Plaisir
Sakaigihon cho 52-1 Hodogayaku
Yokohama Kanagawa, JAPAN 240-0033

Debra J. Senska
LodgeNet Interactive
120 Interstate N Pkwy # 160
Atlanta, GA 30339-2128

Sury R. Subban
8 Mission Drive
Monroe TWP, NJ 08831-2378

Karen A. Trierweiler
444 Northridge Drive
Kalispell, MT 59901

William W. Wehrkamp
3901 S Lisanne Avenue
Sioux Falls, SD 57103

Raymond P. Wood
3609 S Genevieve Avenue
Sioux Falls, SD 57103

Lacey J. Andrews
519 Education Drive
Malcolm, NE 68402-9547

Adekunle R. Ayodele
647 Beach 68th Street
Arverne, NY 11692

Robert C. Barnes
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AICPA BOARD OF EXAMINERS (BOE)

October 1 - 2, 2010

Las Vegas, NV

MEETING HIGHLIGHTS

Participants

BOE Members: Douglas Warren (Chair), Colleen Conrad (Immediate Past Chair), Ken Askelson, O. Whitfield Broome, Kenneth Clark, Ruben Davila, Gary Fish, James Flagg, Suzanne Lane, Gary Lubin, Wendy Perez, Richard Piluso, John Roemer, Sharon T. Walters, Barbara Plake

AICPA Staff: Craig N. Mills, Michael A. Decker, John Mattar

NASBA Observers: Sandra Wilson (Examination Review Board); Rick Reisig (CPA Licensing Examination Committee);

At the October 1 - 2, 2010 BOE meeting:

- Mr. Doug Warren, Chair of the Board of Examiners, presented a report on volunteer committee selections for the upcoming 2010-2011 committee year.
- Dr. Craig Mills presented the Vice President's Report on the general state of the program. Dr. Mills provided an update on the international testing contracts, and reviewed recent testing volume and candidate statistics. Dr. Mills also shared his vision for item and test development using new technologies and applications.
- Dr. Mills reported on the September meeting with the New York State Board for Public Accountancy to discuss the validation process used to introduce IFRS in the CSOs.
- Dr. Mills discussed the new website [This Way to CPA](#), a site designed to attract young people to the accounting profession and support their progression through the licensure process.
- Mr. Michael Decker, Director of Operations and Development, presented an operations and staffing plan report covering the metrics used to assess progress toward meeting goals. Mr. Decker announced that the Examination team has finalized a site for relocation.
- BOE Committee activities reports were presented. Mr. Ken Clark, Chair of the Content Committee, reported on the issues considered at the September Content Committee meeting. Dr. O. Whitfield Broome, Chair of the State Board Committee (SBC), reported on the May Central Regional Forum in Dallas, and August SBC Meeting. Dr. Broome also reported on plans to hold a Northeast Regional Forum in early 2011. Dr. Suzanne Lane, Chair of the Psychometric Oversight Committee (POC), reviewed activities on the October POC meeting agenda.

- The role of the BOE was discussed.
- Mr. Ken Clark presented a CBT-e status report.
- Mr. Clark presented a status report on recent Item Development Process Sponsor Group activities.
- Dr. John Mattar presented a preview of the November Standard Setting meeting.
- Ms. Sandra Wilson presented a report regarding current Examination Review Board (ERB) activities, including the restructuring of the ERB.
- Mr. Rick Reisig presented a report on the activities of the CPA Licensing Examination Committee (CLEC), including discussions on the future of the CLEC.

NASBA

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October 1, 2010

To State Board Members and Executive Directors:

We are writing to inform you of recent developments within the Blue Ribbon Panel on Standard Setting for Private Companies (BRP) established by the Financial Accounting Foundation (FAF), the organization that governs the Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board, to consider the reporting needs of and standard setting for private companies. The FAF invited NASBA and the American Institute of Certified Public Accountants (AICPA) to join with the FAF on the BRP. Billy M. Atkinson, CPA, NASBA Chair, is NASBA's representative on the BRP. Upon conclusion of its deliberations, the BRP will report its findings and make recommendations to the FAF.

The BRP is scheduled to meet again on October 8, 2010 in New York City to further discuss the needs of users of private company financial statements and the issues raised principally by practitioners and preparers about the relevance of the current financial reporting model. In preparation for its meeting, the BRP solicited public input on questions about reporting needs for private companies and the responses are now available on the site www.fasb.org.

Prior to developing the position of NASBA on reporting for private companies, Chair Atkinson had met via conference call with the NASBA Regulatory Response Committee, Ethics and Strategic Professional Issues Committee and members of the Board of Directors.

Points delivered to the BRP by Chair Atkinson follow (the full text is Attachment A).

Importance of the Financial Accounting Foundation

As an independently funded body, it is very important from a public confidence and protection standpoint that the FAF continue, or step up if necessary, its leadership of the FASB, as originally designed. Further, the FAF must both establish and maintain the strategy, fairness and consistency of the promulgation process for accounting and financial reporting rules, as supported by a conceptual framework. If this is not accomplished at least as consistently as it is today, ad hoc changes to financial reporting standards will occur, public confidence will subside and governmental intervention could take place. Such concerns have already been expressed, by the State Boards and others, relative to how the International Financial Reporting Standards are set through the International Accounting Standards Board. The FAF's adherence to its mission is paramount to the ultimate conclusions reached by the BRP. We support the FAF.

The U.S. Should Have Only One Accounting Standard Setter and One Set of Standards.

The FASB should be structured with greater private entity representation and focus. This could take the form of additional FASB board members and/or programmed expectations by the FAF on behalf of the public and all constituents. There may be various ways to get it done effectively, but a fundamental change in the orientation of the FASB is an immediate must.

The capital formation, financial analysis and regulatory processes need one set of accounting standards that are supported by a fundamental guiding framework to assure continuity and mitigate risk. Our college accounting education, as well as continuing professional education processes, must not have bifurcated systems of "rules" supported by two sets of "accounting theory" or separate frameworks.

Model that the State Boards of Accountancy Support

We believe the State Boards must support a model for U.S. GAAP that would provide minimal, but allowable, exclusions or enhancements as to disclosure and financial reporting, but not as to measurement. Such standards development must be supported by a vibrant formal private entity work stream within the FASB, together with board member emphasis. The objective is to best avoid differential standards by uncoordinated standard setting bodies, and to utilize the existing structure.

It is our strong conviction, based on input from State Board members through our committees and at various meetings of NASBA, that State Boards would not support a model that would establish a separate, stand-alone standard setter for US. GAAP for private companies.

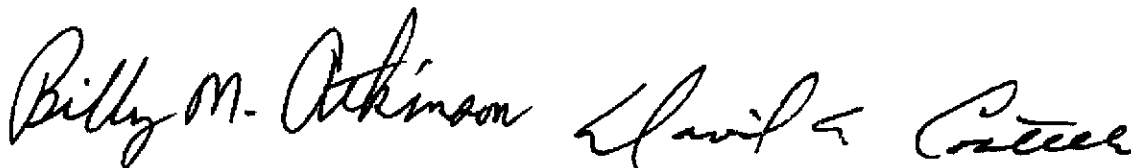
Restoration of Principles-Based Standards

NASBA believes that a restoration of principles-based standards could very well emanate from an improved FASB structure with greater private entity focus. We recognize there may appear to be issues or impediments to a transitional shift to more principles-based standards. This, and all such related perceived issues, simply must be formally studied.

* * * *

We will keep you informed of further developments of the BRP.

Very truly yours,

Handwritten signatures of Billy M. Atkinson and David A. Costello. The signature of Billy M. Atkinson is on the left, and the signature of David A. Costello is on the right.

Billy M. Atkinson, CPA
NASBA Chair

David A. Costello, CPA
President & CEO

Attachment A

BLUE RIBBON PANEL

Comments by NASBA Chair - Billy M Atkinson, CPA

July 19, 2010

The State Boards of Accountancy and I have studied the draft models and related information carefully. This especially includes issues surrounding the "why" changes may be needed. If, indeed, the disposition of this broad issue is dependent on expressed concerns of the "users", we have obviously not yet made the case at these meetings. If, however, the preparer and practitioner group truly represents the concerns of their constituents, something of change is needed. Hopefully, we can achieve some clarification here today and thus move into the "model" related discussions. I am confident that can happen.

The State Boards do indeed believe that changes are needed and the draft outline has helped us in studying & debating proposed changes. A few relevant points of both observation and concern to us are as follows:

- a. We have deep respect for the function & performance of the FASB over the many years of its existence. FASB accounting and financial reporting standards have, in our view, evolved into a complex web of "rules based standards". The origin and continuance of such an approach must be evaluated. Professionals and industries have made a very good living off of structured transactions in response to rules based or specific standards which simply cannot predict future transactions or deal structures. If you will, specific rules only generate more structured deals and the game has continued. As a result the related accounting simply has a history and may not necessarily have a conceptual framework relationship or guide. Such has led us to what we refer to as "complexities" in accounting and financial reporting. Many pedestrian transactions of "Main Street" often become servant to such complexity & history. Arriving at the wrong accounting answer often violates both state and federal laws for practitioner and preparer. We believe the cost of the accounting, disclosures and financial reporting to preparers and practitioners, not to mention the regulatory risks, should be of concern to users. Principle based standards of accounting measurement, disclosure and financial reporting, supported by a consistent conceptual framework and accounting theory must return to this environment in the U.S.
- b. The FASB, based on its agenda and recent output, is and has been considerably focused on IFRS & convergence. As a result, many of the safeguards associated with sound accounting and financial reporting standards' development may be strained or weak in assuring proper consideration among all constituents, including private entities. As we have expressed on several occasions, we do not oppose IFRS accounting standards per se'. But, among other issues, we do have concerns over its governance, the prospect of no due process of standard setting within the US and the private entity financial reporting concerns evolving in the wake of the IFRS initiative.
- c. Based upon output trends, we see little evidence of consistent private entity, or main street input or considerations in accounting standard development. The PCFRC work streams and recommendations have apparently had little influence in standard development or FASB agenda setting. The AICPA task force recommendations have likewise had little impact on direction of standard setting. It is not evident that private entity considerations exist in today's rule making.

- d. The capital formation, financial analysis and regulatory processes need one set of accounting standards that are supported by a fundamental guiding framework to assure continuity and mitigate risk. Our college accounting education, as well as continuing professional education processes must not have bifurcated systems of "rules" supported by two sets of "accounting theory" or framework.
- e. We must respect the main street businesses within our economy, not impede their development and not confuse or complicate their basis of financial reporting with a set of standards that have been far from perfect and born within a flurry of convergence mania. Further, we don't want to lose the ability to compare private vs. public entity financial statements.
- f. Apparently considerable resources from preparers and practitioners may be wasted in arriving at today's GAAP financial statements that are effectively being discounted, evaluated for cash flow or other measures by the users. Perhaps there is room for a reconciliation of users needs vs. financial statement measurement, disclosure and reporting.

In view of these expressed observations and concerns, our current viewpoints relative to the draft models are as follows:

1. Importance of the Financial Accounting Foundation. As an independently funded body, it is very important from a public confidence and protection standpoint that it continue (or step up, if necessary) its leadership of the FASB, as designed. Further, it must both establish and maintain the strategy, fairness and consistency of the accounting and financial reporting rules promulgation process which is supported by a conceptual framework. If this is not properly accomplished consistently, as we may somewhat be seeing today, ad hoc changes to financial reporting standards will continue, public confidence will subside and governmental intervention could occur. Such concerns have already been expressed, by the State Boards and others, about IFRS standard setting prospects through the IASB. Thus, the FAF's mission is paramount to the ultimate conclusions reached by this Panel. We support the FAF.
2. The U.S. should have only one accounting standard setter. The FASB should be structured with greater private entity representation and focus. This could take the form of additional FASB board members and/or programmed expectations by the FAF on behalf of the public and all constituents. There may be various ways to get it done effectively, but a fundamental change in the orientation of the FASB is an immediate must.
3. The State Boards of Accountancy today support an approach of U.S. GAAP, for private entities, together with minimal, but allowable, exclusions or enhancements as to disclosure and financial reporting but few, if any differences as to measurement. Such standards development must be supported by a vibrant formal private entity work stream within the FASB together with board member emphasis. Our objective is to best avoid differential standards by different standard setting bodies and utilize the existing structure which, we believe, needs repair.
4. It is our view that a restoration of principle based standards should emanate from an improved FASB setting with greater private entity focus. We recognize there may appear to be issues or impediments to a transitional shift to more principles based standards. This, and all related perceived such issues, simply must be formally studied.