

Proposed Agenda
SOUTH DAKOTA BOARD OF ACCOUNTANCY

March 16, 2026, 9:00 a.m. (CDT)

Microsoft Teams: [Join the meeting now](#)

Meeting ID: 231 287 096 475 94

Passcode: Yq3vQ222

Dial in by phone:

Conference Call Number: +1 605.679.7263

Conference Code: 910 478 806#

- | | |
|---|-----------|
| A. Call to Order (roll call) | Engelhart |
| B. Approval of Agenda | ACTION |
| C. Public Comment | Engelhart |
| D. Approval of Minutes of Meeting January 7, 2026 | ACTION |
| E. Approval of Certificate & Firm Permits | ACTION |
| F. Approval of Financial Statements through February 2026 | ACTION |
| G. Report to Board on Grades | ACTION |
| H. Executive Director's Report | Kasin |

AICPA

- | | |
|---|-----------|
| I. Professional Ethics Division – Exposure Draft: Proposed revisions related to alternative practice structures | Engelhart |
|---|-----------|

NASBA

- | | |
|---|-----------|
| J. Board of Directors Meeting Minutes October 24, 2025 | Engelhart |
| K. Board of Directors Meeting Minutes October 28, 2025 | Engelhart |
| L. Board of Directors Meeting Highlights January 23, 2026 | Engelhart |

EXECUTIVE SESSION pursuant to SDCL 1-25-2(6)

- | | |
|--|-----------|
| M. Equivalent Reviews, Follow-ups | Engelhart |
| Consent Agreements #113-26, #114-26, #115-26 | Kasin |

DECISIONS FROM EXECUTIVE SESSION

- | | |
|--|--------|
| N. Equivalent Reviews, Follow-ups | ACTION |
| Consent Agreements #113-26, #114-26, #115-26 | ACTION |

FUTURE MEETING DATES (all times CT)

- O. Meeting Dates
April 30, 2026 – 9:00 Microsoft Teams
- P. Adjournment

Meeting Minutes
SOUTH DAKOTA BOARD OF ACCOUNTANCY

Meeting via Microsoft Teams
January 7, 2026 9:00 a.m. CST

Chair Holly Engelhart called the meeting to order at 9:00 a.m. Kasin called the roll. A quorum was present.

Members Present: Jay Tolsma, Russell Olson, Kelly Klein, Priscilla Romkema, Cathy Harr, and Holly Engelhart.

Others Present: Nicole Kasin, Executive Director; Julie Iverson, Licensing Administrator; and Jennifer Doubledee, DLR Staff Attorney.

Chair Engelhart asked if there were any additions to the agenda:
Addition to firm permits

Olson made a motion to approve the agenda with additions. Romkema seconded the motion.
MOTION PASSED.

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

Tolsma made a motion to approve the November 18, 2025, meeting minutes. Harr seconded the motion.
MOTION PASSED.

Tolsma made a motion to approve the issuance of certificates and firm permits through January 5, 2026. Olson seconded the motion. **MOTION PASSED.**

Olson made a motion to approve the financial statements through November 2025. Tolsma seconded the motion. **MOTION PASSED.**

Romkema made a motion to ratify the CPA exam scores for the 86th window through September 2025. Harr seconded the motion. **MOTION PASSED.**

The Board discussed the NASBA Executive Director/Legal Counsel Conference being held in Austin, TX on March 24-26, 2026.

Tolsma made a motion to approve travel for the Executive Director and Legal Counsel to attend the NASBA Executive Director/Legal Counsel Conference being held in Austin, TX on March 24-26, 2026. Romkema seconded the motion. **MOTION PASSED.**

Executive Director Kasin discussed her report on CPE audits, NASBA press release regarding DOE reclassification of accounting degree, NASBA future meeting dates, and state proposals on the pathways for licensure.

The AICPA Professions Ethics Division Exposure Draft was tabled until the next meeting.

The Board discussed the NASBA Board of Directors meeting minutes from July 25, 2025; the Board of Directors meeting highlights from October 24, 2025; and the Private Equity Task Force White Paper.

Romkema made a motion at 9:46 a.m. to enter executive session in accordance with SDCL 1-25-2(6) for peer reviews, follow-ups, enforcement, consent agreements, and draft agreed-upon procedure. Olson seconded the motion. **MOTION PASSED.**

The Board came out of executive session at 10:05 a.m.

Tolsma made a motion to accept the peer reviews and follow-ups as discussed in executive session. Olson seconded the motion. **MOTION PASSED.**

Olson made a motion to accept enforcement cases #103-26 and #106-26 as discussed in executive session. Romkema seconded the motion. **MOTION PASSED.** (Tolsma abstained)

Romkema made a motion to accept consent agreements #104-26, #108-26, and #109-26 as discussed in executive session. Harr seconded the motion. **MOTION PASSED.**

Olson made a motion to accept the amendment to decision #125-25 as discussed in executive session. Tolsma seconded the motion. **MOTION PASSED.**

Harr made a motion to accept the draft agreed-upon procedure as discussed in executive session. Romkema seconded the motion. **MOTION PASSED.** (Olson abstained)

FUTURE MEETING DATES (all times CT)

March 16, 2026 – 9:00 a.m. Teams

April 30, 2026 – 9:00 a.m. Teams

Romkema made a motion to adjourn the meeting at 10:12 a.m. Tolsma seconded the motion. **MOTION PASSED.**

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES
BOARD COPY**

Issued Through March 9, 2026

Number	Name	Date Issued	Location
3779	Kassandra Grace Brands	1/08/26	Sioux Falls, SD
3780	Peter Jamison Geppert	1/13/26	Sioux Falls, SD
3781	Michael Richard Drennen	1/13/26	Sioux Falls, SD
3782	Jennifer Satterfield Harper	2/03/26	Mobridge, SD
3783	Preston Richard Anderson (backdated)	7/31/25	Sioux Falls, SD
3784	Nicholas Eyre Wilson	2/11/26	Vermillion, SD
3785	Ashleigh Marie Rodriguez	2/17/26	Rapid City, SD
3786	Brady J. Gillette	2/18/26	Spearfish, SD
3787	Jalyn Grace Pullman	3/02/26	Sioux Falls, SD
3788	Andrew Joseph Kronaizl	3/04/26	Dakota Dunes, SD

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

**Issued Through
March 9, 2026**

Number	Name	Date Issued	Basis/Comments
1835	HK CPA LLC Brooklyn Park, MN	02/13/26	New Firm
1836	Smith & Howard, PC Atlanta, GA	03/02/26	New Firm
1837	Hansen Hunter & Co. PC Portland, OR	03/03/26	New Firm

STATE OF SOUTH DAKOTA
CASH CENTER BALANCES
AS OF: 02/28/2026

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

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	370,664.39	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			370,664.39	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			370,664.39	DR **	
BUDGET UNIT TOTAL 1031			370,664.39	DR ***	

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 02/28/2026

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/CR
COMPANY NO		6503								
COMPANY NAME		PROFESSIONAL & LICENSING BOARDS								
6503	103100061802	51010100	CGEX260211	02/13/2026					3,554.80	DR
6503	103100061802	51010100	CGEX260226	02/28/2026					3,969.80	DR
OBJSUB:		5101010 F-T EMP SAL & WAGES								
6503	103100061802	51010200	CGEX260211	02/13/2026					7,524.60	DR *
6503	103100061802	51010200	CGEX260226	02/28/2026					2,582.00	DR
OBJSUB:		5101020 P-T/TEMP EMP SAL & WAGES								
OBJECT:		5101 EMPLOYEE SALARIES								
6503	103100061802	51020100	CGEX260211	02/13/2026					12,817.96	DR **
6503	103100061802	51020100	CGEX260226	02/28/2026					418.88	DR
OBJSUB:		5102010 OASI-EMPLOYER'S SHARE								
6503	103100061802	51020200	CGEX260211	02/13/2026					879.41	DR *
6503	103100061802	51020200	CGEX260226	02/28/2026					322.72	DR
OBJSUB:		5102020 RETIREMENT-ER SHARE								
6503	103100061802	51020600	CGEX260211	02/13/2026					678.09	DR *
6503	103100061802	51020600	CGEX260226	02/28/2026					1,061.35	DR
OBJSUB:		5102060 HEALTH/LIFE INS.-ER SHARE								
6503	103100061802	51020800	CGEX260211	02/13/2026					2,181.71	DR *
6503	103100061802	51020800	CGEX260226	02/28/2026					9.21	DR
OBJSUB:		5102080 WORKER'S COMPENSATION								
6503	103100061802	51020900	CGEX260211	02/13/2026					19.22	DR *
6503	103100061802	51020900	CGEX260226	02/28/2026					2.94	DR
OBJSUB:		5102090 UNEMPLOYMENT COMPENSATION								
OBJECT:		5102 EMPLOYEE BENEFITS								
GROUP:		51 PERSONAL SERVICES								
6503	103100061802	52040500	24-1000-02510760	02/13/2026	01009242	GLSOLUTION	12290765		16,582.51	DR ***
OBJSUB:		5204050 COMPUTER CONSULTANT								
6503	103100061802	52041600	0007082	02/28/2026	01011707	NATIONALAS	12005047		6,711.16	DR *
6503	103100061802	52041600	0007084	02/28/2026	01011707	NATIONALAS	12005047		845.00	DR
OBJSUB:		5204160 WORKSHOP REGISTRATION FEE								
6503	103100061802	52041800	DP601096	02/20/2026					844.00	DR
OBJSUB:		5204180 COMPUTER SERVICES-STATE								
6503	103100061802	52042000	PL601061	02/18/2026					1,689.00	DR *
OBJSUB:		5204200 CENTRAL SERVICES								
6503	103100061802	52042200	IN1342550	02/28/2026	02649485	ABBUSINESS	12036980		901.05	DR
OBJSUB:		52042200								
									460.54	DR *
									73.52	DR

STATE OF SOUTH DAKOTA
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BUDGET UNIT 1031 BOARD OF ACCOUNTANCY - INFO
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: 5204220	EQUIPMENT SERV & MAINT						73.52	DR *
6503	103100061802	52042300	E106-119	02/13/2026					167.87	DR
		OBJSUB: 5204230	JANITORIAL & MAINT SERV						167.87	DR *
6503	103100061802	52045250	E106-161	02/04/2026					3,508.28	DR
		OBJSUB: 5204525	REVENUE BOND LEASE PYMTS						3,508.28	DR *
6503	103100061802	52045300	TL601051	02/28/2026					141.00	DR
6503	103100061802	52045300	8381416X01242026	02/04/2026	00088128	ATTMOBILIT	12279233		102.64	DR
6503	103100061802	52045300	8381416X02242026	02/28/2026	00088754	ATTMOBILIT	12279233		102.64	DR
		OBJSUB: 5204530	TELECOMMUNICATIONS SRVCS						346.28	DR *
6503	103100061802	52045400	E106-119	02/13/2026					227.71	DR
		OBJSUB: 5204540	ELECTRICITY						227.71	DR *
6503	103100061802	52045500	E106-119	02/13/2026					8.50	DR
		OBJSUB: 5204550	GARBAGE & SEWER						8.50	DR *
6503	103100061802	52045600	E106-119	02/13/2026					3.86	DR
		OBJSUB: 5204560	WATER						3.86	DR *
6503	103100061802	52047400	CI106A-024	02/25/2026	424043				126.77	DR
		OBJSUB: 5204740	BANK FEES AND CHARGES						126.77	DR *
6503	103100061802	52049600	1369	02/04/2026	01007547	NATIONALAS	12005047		7,524.44	DR
		OBJSUB: 5204960	OTHER CONTRACTUAL SERVICE						7,524.44	DR *
		OBJECT: 5204	CONTRACTUAL SERVICES						21,748.98	DR **
6503	103100061802	52050200	E106-119	02/13/2026					25.80	DR
6503	103100061802	52050200	1L1F-QHVL-1YPP	02/28/2026	01012061	AMAZONCAPI	12603089		55.99	DR
6503	103100061802	52050200	1MTW-66FT-FMM9	02/18/2026	01009707	AMAZONCAPI	12603089		35.99	DR
6503	103100061802	52050200	1MTW-66FT-FMM9-C	02/18/2026	01009707	AMAZONCAPI	12603089		35.99	CR
		OBJSUB: 5205020	OFFICE SUPPLIES						81.79	DR *
6503	103100061802	52053200	39575	02/28/2026	01012000	PREFERREDP	12308425		38.50	DR
		OBJSUB: 5205320	PRINTING-COMMERCIAL						38.50	DR *
6503	103100061802	52053500	637033/8341990	02/18/2026	02647425	QUALIFIEDP	12011039		31.60	DR
6503	103100061802	52053500	8341-1367	02/28/2026	02649397	QUALIFIEDP	12011039		43.38	DR
		OBJSUB: 5205350	POSTAGE						74.98	DR *
6503	103100061802	52055100	E106-119	02/13/2026					2.46	DR
		OBJSUB: 5205510	HEATING & COOKING FUELS						2.46	DR *
6503	103100061802	52056000	E106-119	02/13/2026					.58	DR
		OBJSUB: 5205600	EXTERMINATORS/INSECTICIDE						.58	DR *
		OBJECT: 5205	SUPPLIES & MATERIALS						198.31	DR **
6503	103100061802	5228000	T106-063	02/06/2026					1,211.81	DR

STATE OF SOUTH DAKOTA
 MONTHLY EXPENDITURE REPORT
 FOR PERIOD ENDING: 02/28/2026

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
		OBJSUB: 5228000							1,211.81	DR *
		OBJECT: 5228							1,211.81	DR **
		GROUP: 52							23,159.10	DR ***
		COMP: 6503							39,741.61	DR ****
		CNTR: 103100061802							39,741.61	DR *****
		B. UNIT: 1031							39,741.61	DR *****

South Dakota Board of Accountancy
Balance Sheet
As of February 28, 2026

	Feb 28, 26
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - FIB	396.86
1140000 · Pool Cash State of SD	370,664.39
Total Checking/Savings	371,061.25
Other Current Assets	
1131000 · Interest Income Receivable	17,899.21
1213000 · Investment Income Receivable	2,454.43
Total Other Current Assets	20,353.64
Total Current Assets	391,414.89
Fixed Assets	
	0.00
TOTAL ASSETS	391,414.89
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	4,733.73
Total Accounts Payable	4,733.73
Other Current Liabilities	
2430000 · Accrued Wages Payable	16,728.24
2810000 · Amounts Held for Others	43,478.42
Total Other Current Liabilities	60,206.66
Total Current Liabilities	64,940.39
Long Term Liabilities	
2960000 · Compensated Absences Payable	45,669.30
Total Long Term Liabilities	45,669.30
Total Liabilities	110,609.69
Equity	
3220000 · Net Position	317,825.02
3900 · Retained Earnings	-166,798.74
Net Income	129,778.92
Total Equity	280,805.20
TOTAL LIABILITIES & EQUITY	391,414.89

South Dakota Board of Accountancy Profit & Loss Budget vs. Actual July 2025 through February 2026

	Jul '25 - Fe...	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	5,050.00	3,400.00	1,650.00	148.5%
4293551 · Certificate Renewals-Active	122,980.00	111,350.00	11,630.00	110.4%
4293552 · Certificate Renewals-Inactive	33,300.00	30,770.00	2,530.00	108.2%
4293553 · Certificate Renewals-Retired	4,080.00	4,200.00	-120.00	97.1%
4293554 · Initial Firm Permits	1,400.00	1,275.00	125.00	109.8%
4293555 · Firm Permit Renewals	28,200.00	25,500.00	2,700.00	110.6%
4293557 · Initial Audit	480.00	700.00	-220.00	68.6%
4293558 · Re-Exam Audit	1,430.00	1,800.00	-370.00	79.4%
4293560 · Late Fees-Initial Certificate	1,100.00	0.00	1,100.00	100.0%
4293561 · Late Fees-Certificate Renewals	4,000.00	3,000.00	1,000.00	133.3%
4293563 · Late Fees-Firm Permit Renewals	1,000.00	500.00	500.00	200.0%
4293564 · Late Fees-Peer Review	1,325.00	1,300.00	25.00	101.9%
4293566 · Firm Permit Owners	174,265.00	203,500.00	-29,235.00	85.6%
4293567 · Peer Review Admin Fee	1,325.00	5,500.00	-4,175.00	24.1%
4293568 · Firm Permit Name Change	100.00	100.00	0.00	100.0%
4293569 · Initial FAR	1,620.00	960.00	660.00	168.8%
4293570 · Initial REG	440.00	540.00	-100.00	81.5%
4293571 · Inital BEC	0.00	0.00	0.00	0.0%
4293572 · Re-Exam FAR	1,520.00	1,260.00	260.00	120.6%
4293573 · Re-Exam REG	1,440.00	1,650.00	-210.00	87.3%
4293574 · Re-Exam BEC	0.00	0.00	0.00	0.0%
4293575 · Initial BAR	40.00	150.00	-110.00	26.7%
4293576 · Initial ISC	40.00	150.00	-110.00	26.7%
4293577 · Initial TCP	200.00	150.00	50.00	133.3%
4293578 · Re-Exam BAR	280.00	210.00	70.00	133.3%
4293579 · Re-Exam ISC	160.00	210.00	-50.00	76.2%
4293580 · Re-Exam TCP	920.00	210.00	710.00	438.1%
4491000 · Interest and Dividend Revenue	16,633.62	0.00	16,633.62	100.0%
4896021 · Legal Recovery Cost	7,621.69	1,000.00	6,621.69	762.2%
4920045 · Undistributed Earnings	0.00	6,000.00	-6,000.00	0.0%
4950000 · Prior Period Refund Account	0.00			
Total Income	410,950.31	405,385.00	5,565.31	101.4%
Gross Profit	410,950.31	405,385.00	5,565.31	101.4%
Expense				
5101010 · F-T Emp Sal & Wages	65,222.83	103,778.00	-38,555.17	62.8%
5101020 · P-T/Temp Emp Sal & Wages	48,458.51	58,621.00	-10,162.49	82.7%
5101030 · Board & Comm Mbrs Fees	9,296.00	11,910.00	-2,614.00	78.1%
5102010 · OASI-Employer's Share	8,552.27	12,423.00	-3,870.73	68.8%
5102020 · Retirement-ER Share	5,979.21	9,744.00	-3,764.79	61.4%
5102060 · Health /Life Ins.-ER Share	18,661.04	33,447.00	-14,785.96	55.8%
5102080 · Worker's Compensation	170.56	227.00	-56.44	75.1%
5102090 · Unemployment Insurance	52.41	162.00	-109.59	32.4%
5203010 · In State-Auto-State Owned	0.00	250.00	-250.00	0.0%
5203020 · In State-Auto-Priv. Low Miles	192.67	400.00	-207.33	48.2%
5203030 · In State-Auto-Priv. High Miles	1,360.10	1,400.00	-39.90	97.2%
5203100 · In State-Lodging	245.34	600.00	-354.66	40.9%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%

03/05/26

Accrual Basis

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
July 2025 through February 2026

	Jul '25 - Fe...	Budget	\$ Over Budget	% of Budget
5203140 · InState-Tax Meals-Not Overnight	14.00	100.00	-86.00	14.0%
5203150 · InState-Non Tax Meals-Overnight	160.00	400.00	-240.00	40.0%
5203220 · OS-Auto Private Low Mileage	0.00	0.00	0.00	0.0%
5203230 · OS-Auto Private High Mileage	260.38	200.00	60.38	130.2%
5203260 · OS-Air Commercial Carrier	4,955.57	9,000.00	-4,044.43	55.1%
5203280 · OS-Other Public Carrier	569.19	700.00	-130.81	81.3%
5203300 · OS-Lodging	7,757.68	12,500.00	-4,742.32	62.1%
5203320 · OS-Incidentals to Travel	259.00	750.00	-491.00	34.5%
5203350 · OS-Non Taxable Meals-Overnight	866.00	1,350.00	-484.00	64.1%
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	4,400.00	4,800.00	-400.00	91.7%
5204050 · Consultant Fees - Computer	20,133.48	32,000.00	-11,866.52	62.9%
5204160 · Workshop Registration Fees	4,239.00	9,500.00	-5,261.00	44.6%
5204180 · Computer Services-State	7,568.40	11,000.00	-3,431.60	68.8%
5204181 · Computer Development Serv-State	0.00	2,000.00	-2,000.00	0.0%
5204200 · Central Services	5,925.21	13,000.00	-7,074.79	45.6%
5204220 · Equipment Service & Maintenance	45.54	0.00	45.54	100.0%
5204230 · Janitorial/Maintenance Services	1,984.70	600.00	1,384.70	330.8%
5204330 · Computer Software Lease	572.05	1,000.00	-427.95	57.2%
5204360 · Advertising-Newspapers	0.00	500.00	-500.00	0.0%
5204460 · Equipment Rental	552.00	6,000.00	-5,448.00	9.2%
5204510 · Rent-Other	0.00	500.00	-500.00	0.0%
5204521 · Revenue Bond Lease Payment	2,940.00	43,650.00	-40,710.00	6.7%
5204525 · OneStop Building Lease	31,605.34			
5204530 · Telecommunications Services	1,981.03	5,500.00	-3,518.97	36.0%
5204540 · Electricity	1,266.93	400.00	866.93	316.7%
5204550 · Garbage / Sewage	32.94			
5204560 · Water	15.40	240.00	-224.60	6.4%
5204590 · Insurance Premiums/Surety Bonds	0.00	2,500.00	-2,500.00	0.0%
5204740 · Bank Fees and Charges	8,137.56	8,650.00	-512.44	94.1%
5204960 · Other Contractual Services	4,082.10	0.00	4,082.10	100.0%
5205020 · Office Supplies	433.36	3,000.00	-2,566.64	14.4%
5205040 · Education & Instr. Supplies	0.00	500.00	-500.00	0.0%
5205310 · Printing State	0.00	100.00	-100.00	0.0%
5205320 · Printing/Duplicating/Binding Co	165.55	1,000.00	-834.45	16.6%
5205330 · Supplemental Publications	0.00	700.00	-700.00	0.0%
5205350 · Postage	624.59	2,000.00	-1,375.41	31.2%
5205510 · Heating / Natural Gas	11.19			
5205540 · Finished Signs & Decals	0.00	500.00	-500.00	0.0%
5205600 · Exterminators / Insecticides	2.92			
5205700 · Retail Gasoline	0.00	100.00	-100.00	0.0%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207451 · Office Furniture & Fixtures	1,698.00	3,500.00	-1,802.00	48.5%
5207491 · Telephone Equipment	0.00	0.00	0.00	0.0%
5207900 · Computer Hardware	104.04	6,800.00	-6,695.96	1.5%
5207950 · System Development	0.00	1,000.00	-1,000.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	0.00	1,000.00	-1,000.00	0.0%
5228000 · Operating Transfers Out-NonBudg	6,417.30	11,000.00	-4,582.70	58.3%
5228030 · Depreciation Expense	0.00	0.00	0.00	0.0%
Total Expense	281,171.39	436,902.00	-155,730.61	64.4%
Net Ordinary Income	129,778.92	-31,517.00	161,295.92	-411.8%
Net Income	129,778.92	-31,517.00	161,295.92	-411.8%

South Dakota Board of Accountancy PREVIOUS YEAR MONTHLY COMPARISON

Accrual Basis

February 2026

	Feb 26	Feb 25	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	700.00	325.00	375.00	115.4%
4293551 · Certificate Renewals-Active	100.00	40.00	60.00	150.0%
4293552 · Certificate Renewals-Inactive	0.00	150.00	-150.00	-100.0%
4293554 · Initial Firm Permits	100.00	0.00	100.00	100.0%
4293557 · Initial Audit	40.00	0.00	40.00	100.0%
4293558 · Re-Exam Audit	40.00	90.00	-50.00	-55.6%
4293560 · Late Fees-Initial Certificate	500.00	0.00	500.00	100.0%
4293561 · Late Fees-Certificate Renewals	100.00	150.00	-50.00	-33.3%
4293564 · Late Fees-Peer Review	200.00	0.00	200.00	100.0%
4293566 · Firm Permit Owners	75.00	0.00	75.00	100.0%
4293569 · Initial FAR	120.00	60.00	60.00	100.0%
4293570 · Initial REG	40.00	30.00	10.00	33.3%
4293572 · Re-Exam FAR	120.00	30.00	90.00	300.0%
4293573 · Re-Exam REG	120.00	60.00	60.00	100.0%
4293577 · Initial TCP	40.00	0.00	40.00	100.0%
4293580 · Re-Exam TCP	80.00	0.00	80.00	100.0%
4491000 · Interest and Dividend Revenue	0.13	0.07	0.06	85.7%
4896021 · Legal Recovery Cost	2,506.78	0.00	2,506.78	100.0%
Total Income	4,881.91	935.07	3,946.84	422.1%
Gross Profit	4,881.91	935.07	3,946.84	422.1%
Expense				
5101010 · F-T Emp Sal & Wages	7,524.60	7,136.61	387.99	5.4%
5101020 · P-T/Temp Emp Sal & Wages	5,293.36	5,165.94	127.42	2.5%
5101030 · Board & Comm Mbrs Fees	0.00	830.00	-830.00	-100.0%
5102010 · OASI-Employer's Share	879.41	913.47	-34.06	-3.7%
5102020 · Retirement-ER Share	678.09	654.17	23.92	3.7%
5102060 · Health /Life Ins.-ER Share	2,181.71	2,049.93	131.78	6.4%
5102080 · Worker's Compensation	19.22	20.92	-1.70	-8.1%
5102090 · Unemployment Insurance	6.12	1.98	4.14	209.1%
5203020 · In State-Auto-Priv. Low Miles	0.00	111.16	-111.16	-100.0%
5203100 · In State-Lodging	0.00	224.00	-224.00	-100.0%
5203150 · InState-Non Tax Meals-Overnight	0.00	80.00	-80.00	-100.0%
5204160 · Workshop Registration Fees	1,689.00	1,589.00	100.00	6.3%
5204180 · Computer Services-State	0.00	864.30	-864.30	-100.0%
5204200 · Central Services	460.54	467.48	-6.94	-1.5%
5204220 · Equipment Service & Maintenance	4.52	6.02	-1.50	-24.9%
5204230 · Janitorial/Maintenance Services	167.87	200.00	-32.13	-16.1%
5204460 · Equipment Rental	69.00	69.00	0.00	0.0%
5204521 · Revenue Bond Lease Payment	0.00	1,470.00	-1,470.00	-100.0%
5204525 · OneStop Building Lease	3,508.28	0.00	3,508.28	100.0%
5204530 · Telecommunications Services	346.28	317.02	29.26	9.2%
5204540 · Electricity	227.71	60.96	166.75	273.5%
5204550 · Garbage / Sewage	8.50	0.00	8.50	100.0%
5204560 · Water	3.86	25.35	-21.49	-84.8%
5204740 · Bank Fees and Charges	126.77	-782.86	909.63	116.2%
5204960 · Other Contractual Services	67.60	0.00	67.60	100.0%
5205020 · Office Supplies	81.79	0.00	81.79	100.0%
5205320 · Printing/Duplicating/Binding Co	38.50	19.25	19.25	100.0%
5205350 · Postage	43.38	0.00	43.38	100.0%
5205510 · Heating / Natural Gas	2.46	0.00	2.46	100.0%
5205600 · Exterminators / Insecticides	0.58	0.00	0.58	100.0%

03/05/26

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON

Accrual Basis

February 2026

	<u>Feb 26</u>	<u>Feb 25</u>	<u>\$ Change</u>	<u>% Change</u>
5207900 · Computer Hardware	0.00	67.98	-67.98	-100.0%
5228000 · Operating Transfers Out-NonBudg	1,211.81	414.70	797.11	192.2%
Total Expense	<u>24,640.96</u>	<u>21,976.38</u>	<u>2,664.58</u>	<u>12.1%</u>
Net Ordinary Income	<u>-19,759.05</u>	<u>-21,041.31</u>	<u>1,282.26</u>	<u>6.1%</u>
Net Income	<u>-19,759.05</u>	<u>-21,041.31</u>	<u>1,282.26</u>	<u>6.1%</u>

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON

03/05/26

Accrual Basis

July 2025 through February 2026

	Jul '25 - Feb 26	Jul '24 - Feb 25	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	5,050.00	1,750.00	3,300.00	188.6%
4293551 · Certificate Renewals-Active	122,980.00	67,190.00	55,790.00	83.0%
4293552 · Certificate Renewals-Inactive	33,300.00	18,900.00	14,400.00	76.2%
4293553 · Certificate Renewals-Retired	4,080.00	1,950.00	2,130.00	109.2%
4293554 · Initial Firm Permits	1,400.00	600.00	800.00	133.3%
4293555 · Firm Permit Renewals	28,200.00	15,150.00	13,050.00	86.1%
4293557 · Initial Audit	480.00	240.00	240.00	100.0%
4293558 · Re-Exam Audit	1,430.00	1,020.00	410.00	40.2%
4293560 · Late Fees-Initial Certificate	1,100.00	150.00	950.00	633.3%
4293561 · Late Fees-Certificate Renewals	4,000.00	1,950.00	2,050.00	105.1%
4293563 · Late Fees-Firm Permit Renewals	1,000.00	50.00	950.00	1,900.0%
4293564 · Late Fees-Peer Review	1,325.00	250.00	1,075.00	430.0%
4293566 · Firm Permit Owners	174,265.00	138,860.00	35,405.00	25.5%
4293567 · Peer Review Admin Fee	1,325.00	300.00	1,025.00	341.7%
4293568 · Firm Permit Name Change	100.00	100.00	0.00	0.0%
4293569 · Initial FAR	1,620.00	780.00	840.00	107.7%
4293570 · Initial REG	440.00	150.00	290.00	193.3%
4293572 · Re-Exam FAR	1,520.00	1,050.00	470.00	44.8%
4293573 · Re-Exam REG	1,440.00	960.00	480.00	50.0%
4293575 · Initial BAR	40.00	90.00	-50.00	-55.6%
4293576 · Initial ISC	40.00	0.00	40.00	100.0%
4293577 · Initial TCP	200.00	0.00	200.00	100.0%
4293578 · Re-Exam BAR	280.00	210.00	70.00	33.3%
4293579 · Re-Exam ISC	160.00	120.00	40.00	33.3%
4293580 · Re-Exam TCP	920.00	330.00	590.00	178.8%
4491000 · Interest and Dividend Revenue	16,633.62	18,135.75	-1,502.13	-8.3%
4896021 · Legal Recovery Cost	7,621.69	1,000.00	6,621.69	662.2%
4950000 · Prior Period Refund Account	0.00	0.00	0.00	0.0%
Total Income	410,950.31	271,285.75	139,664.56	51.5%
Gross Profit	410,950.31	271,285.75	139,664.56	51.5%
Expense				
5101010 · F-T Emp Sal & Wages	65,222.83	59,791.47	5,431.36	9.1%
5101020 · P-T/Temp Emp Sal & Wages	48,458.51	45,735.98	2,722.53	6.0%
5101030 · Board & Comm Mbrs Fees	9,296.00	9,960.00	-664.00	-6.7%
5102010 · OASI-Employer's Share	8,552.27	8,069.45	482.82	6.0%
5102020 · Retirement-ER Share	5,979.21	5,599.36	379.85	6.8%
5102060 · Health /Life Ins.-ER Share	18,661.04	17,250.20	1,410.84	8.2%
5102080 · Worker's Compensation	170.56	179.41	-8.85	-4.9%
5102090 · Unemployment Insurance	52.41	16.96	35.45	209.0%
5203010 · In State-Auto-State Owned	0.00	0.00	0.00	0.0%
5203020 · In State-Auto-Priv. Low Miles	192.67	822.57	-629.90	-76.6%
5203030 · In State-Auto-Priv. High Miles	1,360.10	1,607.37	-247.27	-15.4%
5203100 · In State-Lodging	245.34	1,298.99	-1,053.65	-81.1%
5203140 · InState-Tax Meals-Not Overnight	14.00	56.00	-42.00	-75.0%
5203150 · InState-Non Tax Meals-Overnight	160.00	434.00	-274.00	-63.1%
5203220 · OS-Auto Private Low Mileage	0.00	108.08	-108.08	-100.0%
5203230 · OS-Auto Private High Mileage	260.38	1,497.06	-1,236.68	-82.6%
5203260 · OS-Air Commercial Carrier	4,955.57	2,362.43	2,593.14	109.8%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON

03/05/26

Accrual Basis

July 2025 through February 2026

	Jul '25 - Feb 26	Jul '24 - Feb 25	\$ Change	% Change
5203280 · OS-Other Public Carrier	569.19	183.07	386.12	210.9%
5203300 · OS-Lodging	7,757.68	6,937.47	820.21	11.8%
5203320 · OS-Incidentals to Travel	259.00	460.00	-201.00	-43.7%
5203350 · OS-Non Taxable Meals-Overnight	866.00	714.00	152.00	21.3%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204040 · Consultant Fees-Accounting	4,400.00	4,300.00	100.00	2.3%
5204050 · Consultant Fees - Computer	20,133.48	19,566.06	567.42	2.9%
5204160 · Workshop Registration Fees	4,239.00	4,139.00	100.00	2.4%
5204180 · Computer Services-State	7,568.40	8,435.70	-867.30	-10.3%
5204200 · Central Services	5,925.21	5,638.58	286.63	5.1%
5204220 · Equipment Service & Maintenance	45.54	42.10	3.44	8.2%
5204230 · Janitorial/Maintenance Services	1,984.70	1,600.00	384.70	24.0%
5204330 · Computer Software Lease	572.05	572.05	0.00	0.0%
5204460 · Equipment Rental	552.00	1,896.72	-1,344.72	-70.9%
5204521 · Revenue Bond Lease Payment	2,940.00	11,581.50	-8,641.50	-74.6%
5204525 · OneStop Building Lease	31,605.34	0.00	31,605.34	100.0%
5204530 · Telecommunications Services	1,981.03	1,916.16	64.87	3.4%
5204540 · Electricity	1,266.93	454.43	812.50	178.8%
5204550 · Garbage / Sewage	32.94	0.00	32.94	100.0%
5204560 · Water	15.40	126.75	-111.35	-87.9%
5204740 · Bank Fees and Charges	8,137.56	5,603.24	2,534.32	45.2%
5204960 · Other Contractual Services	4,082.10	0.00	4,082.10	100.0%
5205020 · Office Supplies	433.36	617.11	-183.75	-29.8%
5205320 · Printing/Duplicating/Binding Co	165.55	157.85	7.70	4.9%
5205350 · Postage	624.59	0.00	624.59	100.0%
5205510 · Heating / Natural Gas	11.19	0.00	11.19	100.0%
5205600 · Exterminators / Insecticides	2.92	0.00	2.92	100.0%
5207451 · Office Furniture & Fixtures	1,698.00	0.00	1,698.00	100.0%
5207900 · Computer Hardware	104.04	67.98	36.06	53.1%
5228000 · Operating Transfers Out-NonBudg	6,417.30	5,455.36	961.94	17.6%
Total Expense	281,171.39	238,454.46	42,716.93	17.9%
Net Ordinary Income	129,778.92	32,831.29	96,947.63	295.3%
Net Income	129,778.92	32,831.29	96,947.63	295.3%

STATE OF SOUTH DAKOTA
CASH CENTER BALANCES
AS OF: 01/31/2026

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

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	397,229.97	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			397,229.97	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			397,229.97	DR **	
BUDGET UNIT TOTAL 1031			397,229.97	DR ***	

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 01/31/2026

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/CR
COMPANY NO		6503								
COMPANY NAME		PROFESSIONAL & LICENSING BOARDS								
6503	103100061802	51010100	CGEX251230	01/02/2026					3,845.85	DR
6503	103100061802	51010100	CGEX260113	01/16/2026					3,667.36	DR
6503	103100061802	51010100	CGEX260128	01/31/2026					3,428.62	DR
OBJSUB:		5101010 F-T EMP SAL & WAGES							10,941.83	DR *
6503	103100061802	51010200	CGEX251230	01/02/2026					2,966.48	DR
6503	103100061802	51010200	CGEX260113	01/16/2026					3,143.20	DR
6503	103100061802	51010200	CGEX260128	01/31/2026					2,636.93	DR
OBJSUB:		5101020 P-T/TEMP EMP SAL & WAGES							8,746.61	DR *
6503	103100061802	51010300	CGEX251230	01/02/2026					166.00	DR
6503	103100061802	51010300	CGEX260113	01/16/2026					830.00	DR
OBJSUB:		5101030 BOARD & COMM MBRS FEES							996.00	DR *
OBJECT:		5101 EMPLOYEE SALARIES							20,684.44	DR **
6503	103100061802	51020100	CGEX251230	01/02/2026					483.25	DR
6503	103100061802	51020100	CGEX260113	01/16/2026					533.92	DR
6503	103100061802	51020100	CGEX260128	01/31/2026					413.40	DR
OBJSUB:		5102010 OASI-EMPLOYER'S SHARE							1,430.57	DR *
6503	103100061802	51020200	CGEX251230	01/02/2026					354.14	DR
6503	103100061802	51020200	CGEX260113	01/16/2026					349.48	DR
6503	103100061802	51020200	CGEX260128	01/31/2026					319.96	DR
OBJSUB:		5102020 RETIREMENT-ER SHARE							1,023.58	DR *
6503	103100061802	51020600	CGEX251230	01/02/2026					1,102.70	DR
6503	103100061802	51020600	CGEX260113	01/16/2026					1,077.35	DR
6503	103100061802	51020600	CGEX260128	01/31/2026					1,043.44	DR
OBJSUB:		5102060 HEALTH/LIFE INS.-ER SHARE							3,223.49	DR *
6503	103100061802	51020800	CGEX251230	01/02/2026					10.23	DR
6503	103100061802	51020800	CGEX260113	01/16/2026					10.22	DR
6503	103100061802	51020800	CGEX260128	01/31/2026					9.11	DR
OBJSUB:		5102080 WORKER'S COMPENSATION							29.56	DR *
6503	103100061802	51020900	CGEX251230	01/02/2026					3.28	DR
6503	103100061802	51020900	CGEX260113	01/16/2026					3.26	DR
6503	103100061802	51020900	CGEX260128	01/31/2026					2.89	DR
OBJSUB:		5102090 UNEMPLOYMENT COMPENSATION							9.43	DR *
OBJECT:		5102 EMPLOYEE BENEFITS							5,716.63	DR **
GROUP:		51 PERSONAL SERVICES							26,401.07	DR ***
6503	103100061802	52031000	81893EE021837A	01/21/2026	01004859	BAYMONTINN	12349691		243.14	DR
OBJSUB:		5203100 LODGING/IN-STATE							243.14	DR *
OBJECT:		5203 TRAVEL							243.14	DR **

STATE OF SOUTH DAKOTA
 MONTHLY EXPENDITURE REPORT
 FOR PERIOD ENDING: 01/31/2026

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/CR
6503	103100061802	52040400	26-1000-018 1088	01/23/2026	01005230	SDKCPAS	12607934		4,400.00	DR
	OBJSUB: 5204040	ACCOUNTING CONSULTANT							4,400.00	DR *
6503	103100061802	52041800	DP612099	01/23/2026					901.05	DR
	OBJSUB: 5204180	COMPUTER SERVICES-STATE							901.05	DR *
6503	103100061802	52042000	PL612058	01/16/2026					366.34	DR
6503	103100061802	52042000	PM612048	01/31/2026					29.41	DR
6503	103100061802	52042000	PP612046	01/31/2026					25.26	DR
6503	103100061802	52042000	RM612049	01/16/2026					119.68	DR
	OBJSUB: 5204200	CENTRAL SERVICES							540.69	DR *
6503	103100061802	52042200	IN1325135	01/07/2026	02640511	ABBUSINESS	12036980		75.26	DR
6503	103100061802	52042200	IN1333365	01/28/2026	02644361	ABBUSINESS	12036980		74.16	DR
	OBJSUB: 5204220	EQUIPMENT SERV & MAINT							149.42	DR *
6503	103100061802	52042300	E106-118	01/07/2026					170.25	DR
6503	103100061802	52042300	E106-141	01/14/2026					164.58	DR
	OBJSUB: 5204230	JANITORIAL & MAINT SERV							334.83	DR *
6503	103100061802	52045250	E106-144	01/14/2026					3,508.28	DR
	OBJSUB: 5204525	REVENUE BOND LEASE PYMTS							3,508.28	DR *
6503	103100061802	52045300	TL612051	01/28/2026					141.00	DR
6503	103100061802	52045300	8381416X12242025	01/07/2026	00087391	ATTMOBILIT	12279233		102.70	DR
	OBJSUB: 5204530	TELECOMMUNICATIONS SRVCS							243.70	DR *
6503	103100061802	52045400	C106-137	01/14/2026	420519				37.12	CR
6503	103100061802	52045400	E106-118	01/07/2026					223.50	DR
	OBJSUB: 5204540	ELECTRICITY							186.38	DR *
6503	103100061802	52045500	E106-118	01/07/2026					8.12	DR
	OBJSUB: 5204550	GARBAGE & SEWER							8.12	DR *
6503	103100061802	52045600	E106-118	01/07/2026					3.65	DR
	OBJSUB: 5204560	WATER							3.65	DR *
6503	103100061802	52047400	CI106A-021	01/16/2026	420713				110.68	DR
	OBJSUB: 5204740	BANK FEES AND CHARGES							110.68	DR *
6503	103100061802	52049600	E106-118	01/07/2026					89.51	DR
6503	103100061802	52049600	1355	01/23/2026	01004959	NATIONALAS	12005047		9,492.59	DR
	OBJSUB: 5204960	OTHER CONTRACTUAL SERVICE							9,582.10	DR *
	OBJECT: 5204	CONTRACTUAL SERVICES							19,968.90	DR **
6503	103100061802	52050200	E106-118	01/07/2026					27.99	DR
	OBJSUB: 5205020	OFFICE SUPPLIES							27.99	DR *
6503	103100061802	52053200	39274	01/07/2026	01003090	PREFERREDP	12308425		73.15	DR

STATE OF SOUTH DAKOTA
 MONTHLY EXPENDITURE REPORT
 FOR PERIOD ENDING: 01/31/2026

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
		OBJSUB: 5205320	PRINTING-COMMERCIAL						73.15	DR *
6503	103100061802	52053500	634423-83418830	01/07/2026	02640320	QUALIFIEDP	12011039		49.79	DR
6503	103100061802	52053500	636600/8341612	01/31/2026	02645061	QUALIFIEDP	12011039		110.47	DR
6503	103100061802	52053500	8341-9203	01/09/2026	02641174	QUALIFIEDP	12011039		60.08	DR
		OBJSUB: 5205350	POSTAGE						220.34	DR *
6503	103100061802	52055100	E106-118	01/07/2026					2.09	DR
		OBJSUB: 5205510	HEATING & COOKING FUELS						2.09	DR *
6503	103100061802	52056000	E106-118	01/07/2026					.59	DR
6503	103100061802	52056000	E106-141	01/14/2026					.58	DR
		OBJSUB: 5205600	EXTERMINATORS/INSECTICIDE						1.17	DR *
		OBJECT: 5205	SUPPLIES & MATERIALS						324.74	DR **
6503	103100061802	5228000	T106-051	01/09/2026					859.79	DR
		OBJSUB: 5228000	OPER TRANS OUT -NON BUDGT						859.79	DR *
		OBJECT: 5228	NONOP EXP/NONBGTD OP TR						859.79	DR **
		GROUP: 52	OPERATING EXPENSES						21,396.57	DR ***
		COMP: 6503							47,797.64	DR ****
		CNTR: 103100061802							47,797.64	DR *****
		B. UNIT: 1031							47,797.64	DR *****

South Dakota Board of Accountancy
Balance Sheet
As of January 31, 2026

	Jan 31, 26
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - FIB	4,707.43
1140000 · Pool Cash State of SD	397,229.97
Total Checking/Savings	401,937.40
Other Current Assets	
1131000 · Interest Income Receivable	17,899.21
1213000 · Investment Income Receivable	2,454.43
Total Other Current Assets	20,353.64
Total Current Assets	422,291.04
Fixed Assets	
1670000 · Computer Software	0.00
Total Fixed Assets	0.00
TOTAL ASSETS	422,291.04
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	7,881.45
Total Accounts Payable	7,881.45
Other Current Liabilities	
2430000 · Accrued Wages Payable	16,728.24
2810000 · Amounts Held for Others	43,803.99
Total Other Current Liabilities	60,532.23
Total Current Liabilities	68,413.68
Long Term Liabilities	
2960000 · Compensated Absences Payable	45,669.30
Total Long Term Liabilities	45,669.30
Total Liabilities	114,082.98
Equity	
3220000 · Net Position	317,825.02
3900 · Retained Earnings	-166,798.74
Net Income	157,181.78
Total Equity	308,208.06
TOTAL LIABILITIES & EQUITY	422,291.04

South Dakota Board of Accountancy Profit & Loss Budget vs. Actual July 2025 through January 2026

	Jul '25 - Ja...	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	4,350.00	3,400.00	950.00	127.9%
4293551 · Certificate Renewals-Active	122,880.00	111,350.00	11,530.00	110.4%
4293552 · Certificate Renewals-Inactive	33,300.00	30,770.00	2,530.00	108.2%
4293553 · Certificate Renewals-Retired	4,080.00	4,200.00	-120.00	97.1%
4293554 · Initial Firm Permits	1,300.00	1,275.00	25.00	102.0%
4293555 · Firm Permit Renewals	28,200.00	25,500.00	2,700.00	110.6%
4293557 · Initial Audit	440.00	700.00	-260.00	62.9%
4293558 · Re-Exam Audit	1,390.00	1,800.00	-410.00	77.2%
4293560 · Late Fees-Initial Certificate	600.00	0.00	600.00	100.0%
4293561 · Late Fees-Certificate Renewals	3,900.00	3,000.00	900.00	130.0%
4293563 · Late Fees-Firm Permit Renewals	1,000.00	500.00	500.00	200.0%
4293564 · Late Fees-Peer Review	1,125.00	1,300.00	-175.00	86.5%
4293566 · Firm Permit Owners	174,190.00	203,500.00	-29,310.00	85.6%
4293567 · Peer Review Admin Fee	1,325.00	5,500.00	-4,175.00	24.1%
4293568 · Firm Permit Name Change	100.00	100.00	0.00	100.0%
4293569 · Initial FAR	1,500.00	960.00	540.00	156.3%
4293570 · Initial REG	400.00	540.00	-140.00	74.1%
4293571 · Inital BEC	0.00	0.00	0.00	0.0%
4293572 · Re-Exam FAR	1,400.00	1,260.00	140.00	111.1%
4293573 · Re-Exam REG	1,320.00	1,650.00	-330.00	80.0%
4293574 · Re-Exam BEC	0.00	0.00	0.00	0.0%
4293575 · Initial BAR	40.00	150.00	-110.00	26.7%
4293576 · Initial ISC	40.00	150.00	-110.00	26.7%
4293577 · Initial TCP	160.00	150.00	10.00	106.7%
4293578 · Re-Exam BAR	280.00	210.00	70.00	133.3%
4293579 · Re-Exam ISC	160.00	210.00	-50.00	76.2%
4293580 · Re-Exam TCP	840.00	210.00	630.00	400.0%
4491000 · Interest and Dividend Revenue	16,633.49	0.00	16,633.49	100.0%
4896021 · Legal Recovery Cost	5,114.91	1,000.00	4,114.91	511.5%
4920045 · Undistributed Earnings	0.00	6,000.00	-6,000.00	0.0%
4950000 · Prior Period Refund Account	0.00			
Total Income	406,068.40	405,385.00	683.40	100.2%
Gross Profit	406,068.40	405,385.00	683.40	100.2%
Expense				
5101010 · F-T Emp Sal & Wages	57,698.23	103,778.00	-46,079.77	55.6%
5101020 · P-T/Temp Emp Sal & Wages	43,165.15	58,621.00	-15,455.85	73.6%
5101030 · Board & Comm Mbrs Fees	9,296.00	11,910.00	-2,614.00	78.1%
5102010 · OASI-Employer's Share	7,672.86	12,423.00	-4,750.14	61.8%
5102020 · Retirement-ER Share	5,301.12	9,744.00	-4,442.88	54.4%
5102060 · Health /Life Ins.-ER Share	16,479.33	33,447.00	-16,967.67	49.3%
5102080 · Worker's Compensation	151.34	227.00	-75.66	66.7%
5102090 · Unemployment Insurance	46.29	162.00	-115.71	28.6%
5203010 · In State-Auto-State Owned	0.00	250.00	-250.00	0.0%
5203020 · In State-Auto-Priv. Low Miles	192.67	400.00	-207.33	48.2%
5203030 · In State-Auto-Priv. High Miles	1,360.10	1,400.00	-39.90	97.2%
5203100 · In State-Lodging	245.34	600.00	-354.66	40.9%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON

02/04/26

Accrual Basis

January 2026

	Jan 26	Jan 25	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	500.00	100.00	400.00	400.0%
4293551 · Certificate Renewals-Active	80.00	0.00	80.00	100.0%
4293552 · Certificate Renewals-Inactive	100.00	150.00	-50.00	-33.3%
4293554 · Initial Firm Permits	400.00	100.00	300.00	300.0%
4293555 · Firm Permit Renewals	200.00	0.00	200.00	100.0%
4293557 · Initial Audit	120.00	60.00	60.00	100.0%
4293558 · Re-Exam Audit	160.00	240.00	-80.00	-33.3%
4293561 · Late Fees-Certificate Renewals	200.00	150.00	50.00	33.3%
4293566 · Firm Permit Owners	975.00	520.00	455.00	87.5%
4293568 · Firm Permit Name Change	50.00	0.00	50.00	100.0%
4293569 · Initial FAR	320.00	180.00	140.00	77.8%
4293570 · Initial REG	80.00	0.00	80.00	100.0%
4293572 · Re-Exam FAR	160.00	120.00	40.00	33.3%
4293573 · Re-Exam REG	120.00	120.00	0.00	0.0%
4293577 · Initial TCP	80.00	0.00	80.00	100.0%
4293578 · Re-Exam BAR	0.00	30.00	-30.00	-100.0%
4293579 · Re-Exam ISC	80.00	30.00	50.00	166.7%
4293580 · Re-Exam TCP	40.00	0.00	40.00	100.0%
4491000 · Interest and Dividend Revenue	0.14	0.09	0.05	55.6%
4896021 · Legal Recovery Cost	1,500.00	750.00	750.00	100.0%
4950000 · Prior Period Refund Account	-243.14	0.00	-243.14	-100.0%
Total Income	4,922.00	2,550.09	2,371.91	93.0%
Gross Profit	4,922.00	2,550.09	2,371.91	93.0%
Expense				
5101010 · F-T Emp Sal & Wages	10,941.83	11,683.05	-741.22	-6.3%
5101020 · P-T/Temp Emp Sal & Wages	8,746.61	8,454.70	291.91	3.5%
5101030 · Board & Comm Mbrs Fees	996.00	996.00	0.00	0.0%
5102010 · OASI-Employer's Share	1,430.57	1,479.86	-49.29	-3.3%
5102020 · Retirement-ER Share	1,023.58	1,060.65	-37.07	-3.5%
5102060 · Health /Life Ins.-ER Share	3,223.49	3,247.50	-24.01	-0.7%
5102080 · Worker's Compensation	29.56	34.28	-4.72	-13.8%
5102090 · Unemployment Insurance	9.43	3.30	6.13	185.8%
5203020 · In State-Auto-Priv. Low Miles	0.00	405.90	-405.90	-100.0%
5203100 · In State-Lodging	0.00	607.85	-607.85	-100.0%
5203150 · InState-Non Tax Meals-Overnight	0.00	180.00	-180.00	-100.0%
5204040 · Consultant Fees-Accounting	0.00	4,300.00	-4,300.00	-100.0%
5204050 · Consultant Fees - Computer	0.00	6,522.02	-6,522.02	-100.0%
5204180 · Computer Services-State	0.00	864.30	-864.30	-100.0%
5204200 · Central Services	540.69	244.96	295.73	120.7%
5204220 · Equipment Service & Maintenance	11.42	4.62	6.80	147.2%
5204230 · Janitorial/Maintenance Services	334.83	200.00	134.83	67.4%
5204460 · Equipment Rental	138.00	69.00	69.00	100.0%
5204521 · Revenue Bond Lease Payment	0.00	1,470.00	-1,470.00	-100.0%
5204525 · OneStop Building Lease	3,508.28	0.00	3,508.28	100.0%
5204530 · Telecommunications Services	243.70	211.68	32.02	15.1%
5204540 · Electricity	186.38	64.28	122.10	190.0%
5204550 · Garbage / Sewage	8.12	0.00	8.12	100.0%
5204560 · Water	3.65	0.00	3.65	100.0%
5204740 · Bank Fees and Charges	110.68	957.86	-847.18	-88.5%
5204960 · Other Contractual Services	159.71	0.00	159.71	100.0%
5205020 · Office Supplies	27.99	0.00	27.99	100.0%
5205350 · Postage	110.47	0.00	110.47	100.0%

02/04/26

Accrual Basis

South Dakota Board of Accountancy PREVIOUS YEAR MONTHLY COMPARISON

January 2026

	<u>Jan 26</u>	<u>Jan 25</u>	<u>\$ Change</u>	<u>% Change</u>
5205510 · Heating / Natural Gas	2.09	0.00	2.09	100.0%
5205600 · Exterminators / Insecticides	1.17	0.00	1.17	100.0%
5228000 · Operating Transfers Out-NonBudg	859.79	414.70	445.09	107.3%
Total Expense	<u>32,648.04</u>	<u>43,476.51</u>	<u>-10,828.47</u>	<u>-24.9%</u>
Net Ordinary Income	<u>-27,726.04</u>	<u>-40,926.42</u>	<u>13,200.38</u>	<u>32.3%</u>
Net Income	<u>-27,726.04</u>	<u>-40,926.42</u>	<u>13,200.38</u>	<u>32.3%</u>

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON

02/04/26

Accrual Basis

July 2025 through January 2026

	Jul '25 - Jan 26	Jul '24 - Jan 25	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	4,350.00	1,425.00	2,925.00	205.3%
4293551 · Certificate Renewals-Active	122,880.00	67,150.00	55,730.00	83.0%
4293552 · Certificate Renewals-Inactive	33,300.00	18,750.00	14,550.00	77.6%
4293553 · Certificate Renewals-Retired	4,080.00	1,950.00	2,130.00	109.2%
4293554 · Initial Firm Permits	1,300.00	600.00	700.00	116.7%
4293555 · Firm Permit Renewals	28,200.00	15,150.00	13,050.00	86.1%
4293557 · Initial Audit	440.00	240.00	200.00	83.3%
4293558 · Re-Exam Audit	1,390.00	930.00	460.00	49.5%
4293560 · Late Fees-Initial Certificate	600.00	150.00	450.00	300.0%
4293561 · Late Fees-Certificate Renewals	3,900.00	1,800.00	2,100.00	116.7%
4293563 · Late Fees-Firm Permit Renewals	1,000.00	50.00	950.00	1,900.0%
4293564 · Late Fees-Peer Review	1,125.00	250.00	875.00	350.0%
4293566 · Firm Permit Owners	174,190.00	138,860.00	35,330.00	25.4%
4293567 · Peer Review Admin Fee	1,325.00	300.00	1,025.00	341.7%
4293568 · Firm Permit Name Change	100.00	100.00	0.00	0.0%
4293569 · Initial FAR	1,500.00	720.00	780.00	108.3%
4293570 · Initial REG	400.00	120.00	280.00	233.3%
4293572 · Re-Exam FAR	1,400.00	1,020.00	380.00	37.3%
4293573 · Re-Exam REG	1,320.00	900.00	420.00	46.7%
4293575 · Initial BAR	40.00	90.00	-50.00	-55.6%
4293576 · Initial ISC	40.00	0.00	40.00	100.0%
4293577 · Initial TCP	160.00	0.00	160.00	100.0%
4293578 · Re-Exam BAR	280.00	210.00	70.00	33.3%
4293579 · Re-Exam ISC	160.00	120.00	40.00	33.3%
4293580 · Re-Exam TCP	840.00	330.00	510.00	154.6%
4491000 · Interest and Dividend Revenue	16,633.49	18,135.68	-1,502.19	-8.3%
4896021 · Legal Recovery Cost	5,114.91	1,000.00	4,114.91	411.5%
4950000 · Prior Period Refund Account	0.00	0.00	0.00	0.0%
Total Income	406,068.40	270,350.68	135,717.72	50.2%
Gross Profit	406,068.40	270,350.68	135,717.72	50.2%
Expense				
5101010 · F-T Emp Sal & Wages	57,698.23	52,654.86	5,043.37	9.6%
5101020 · P-T/Temp Emp Sal & Wages	43,165.15	40,570.04	2,595.11	6.4%
5101030 · Board & Comm Mbrs Fees	9,296.00	9,130.00	166.00	1.8%
5102010 · OASI-Employer's Share	7,672.86	7,155.98	516.88	7.2%
5102020 · Retirement-ER Share	5,301.12	4,945.19	355.93	7.2%
5102060 · Health /Life Ins.-ER Share	16,479.33	15,200.27	1,279.06	8.4%
5102080 · Worker's Compensation	151.34	158.49	-7.15	-4.5%
5102090 · Unemployment Insurance	46.29	14.98	31.31	209.0%
5203010 · In State-Auto-State Owned	0.00	0.00	0.00	0.0%
5203020 · In State-Auto-Priv. Low Miles	192.67	711.41	-518.74	-72.9%
5203030 · In State-Auto-Priv. High Miles	1,360.10	1,607.37	-247.27	-15.4%
5203100 · In State-Lodging	245.34	1,074.99	-829.65	-77.2%
5203140 · InState-Tax Meals-Not Overnight	14.00	56.00	-42.00	-75.0%
5203150 · InState-Non Tax Meals-Overnight	160.00	354.00	-194.00	-54.8%
5203220 · OS-Auto Private Low Mileage	0.00	108.08	-108.08	-100.0%
5203230 · OS-Auto Private High Mileage	260.38	1,497.06	-1,236.68	-82.6%
5203260 · OS-Air Commercial Carrier	4,955.57	2,362.43	2,593.14	109.8%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON

02/04/26

Accrual Basis

July 2025 through January 2026

	Jul '25 - Jan 26	Jul '24 - Jan 25	\$ Change	% Change
5203280 · OS-Other Public Carrier	569.19	183.07	386.12	210.9%
5203300 · OS-Lodging	7,757.68	6,937.47	820.21	11.8%
5203320 · OS-Incidentals to Travel	259.00	460.00	-201.00	-43.7%
5203350 · OS-Non Taxable Meals-Overnight	866.00	714.00	152.00	21.3%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204040 · Consultant Fees-Accounting	4,400.00	4,300.00	100.00	2.3%
5204050 · Consultant Fees - Computer	13,422.32	19,566.06	-6,143.74	-31.4%
5204160 · Workshop Registration Fees	2,550.00	2,550.00	0.00	0.0%
5204180 · Computer Services-State	6,667.35	7,571.40	-904.05	-11.9%
5204200 · Central Services	5,464.67	5,171.10	293.57	5.7%
5204220 · Equipment Service & Maintenance	41.02	36.08	4.94	13.7%
5204230 · Janitorial/Maintenance Services	1,816.83	1,400.00	416.83	29.8%
5204330 · Computer Software Lease	572.05	572.05	0.00	0.0%
5204460 · Equipment Rental	483.00	1,827.72	-1,344.72	-73.6%
5204521 · Revenue Bond Lease Payment	2,940.00	10,111.50	-7,171.50	-70.9%
5204525 · OneStop Building Lease	28,097.06	0.00	28,097.06	100.0%
5204530 · Telecommunications Services	1,634.75	1,599.14	35.61	2.2%
5204540 · Electricity	1,039.22	393.47	645.75	164.1%
5204550 · Garbage / Sewage	24.44	0.00	24.44	100.0%
5204560 · Water	38.39	101.40	-63.01	-62.1%
5204740 · Bank Fees and Charges	8,010.79	6,386.10	1,624.69	25.4%
5204960 · Other Contractual Services	4,014.50	0.00	4,014.50	100.0%
5205020 · Office Supplies	324.72	617.11	-292.39	-47.4%
5205320 · Printing/Duplicating/Binding Co	127.05	138.60	-11.55	-8.3%
5205350 · Postage	549.61	0.00	549.61	100.0%
5205510 · Heating / Natural Gas	8.73	0.00	8.73	100.0%
5205600 · Exterminators / Insecticides	2.34	0.00	2.34	100.0%
5207451 · Office Furniture & Fixtures	1,698.00	0.00	1,698.00	100.0%
5207900 · Computer Hardware	104.04	0.00	104.04	100.0%
5228000 · Operating Transfers Out-NonBudg	5,205.49	5,040.66	164.83	3.3%
Total Expense	248,886.62	216,478.08	32,408.54	15.0%
Net Ordinary Income	157,181.78	53,872.60	103,309.18	191.8%
Net Income	157,181.78	53,872.60	103,309.18	191.8%

STATE OF SOUTH DAKOTA
CASH CENTER BALANCES
AS OF: 12/31/2025

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

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	436,471.78	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			436,471.78	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			436,471.78	DR **	
BUDGET UNIT TOTAL 1031			436,471.78	DR ***	

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 12/31/2025

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
COMPANY NO		6503								
COMPANY NAME		PROFESSIONAL & LICENSING BOARDS								
6503	103100061802	51010100	CGEX251126	12/03/2025					4,112.12	DR
6503	103100061802	51010100	CGEX251211	12/17/2025					3,748.95	DR
OBJSUB:		5101010	F-T EMP SAL & WAGES						7,861.07	DR *
6503	103100061802	51010200	CGEX251126	12/03/2025					2,571.67	DR
6503	103100061802	51010200	CGEX251211	12/17/2025					2,770.87	DR
6503	103100061802	51010200	CGEX251222	12/26/2025					675.00	DR
OBJSUB:		5101020	P-T/TEMP EMP SAL & WAGES						6,017.54	DR *
6503	103100061802	51010300	CGEX251126	12/03/2025					830.00	DR
OBJSUB:		5101030	BOARD & COMM MBRS FEES						830.00	DR *
OBJECT:		5101	EMPLOYEE SALARIES						14,708.61	DR **
6503	103100061802	51020100	CGEX251126	12/03/2025					524.49	DR
6503	103100061802	51020100	CGEX251211	12/17/2025					448.46	DR
6503	103100061802	51020100	CGEX251222	12/26/2025					51.64	DR
OBJSUB:		5102010	OASI-EMPLOYER'S SHARE						1,024.59	DR *
6503	103100061802	51020200	CGEX251126	12/03/2025					355.56	DR
6503	103100061802	51020200	CGEX251211	12/17/2025					345.71	DR
6503	103100061802	51020200	CGEX251222	12/26/2025					40.50	DR
OBJSUB:		5102020	RETIREMENT-ER SHARE						741.77	DR *
6503	103100061802	51020600	CGEX251126	12/03/2025					1,140.56	DR
6503	103100061802	51020600	CGEX251211	12/17/2025					1,088.93	DR
OBJSUB:		5102060	HEALTH/LIFE INS.-ER SHARE						2,229.49	DR *
6503	103100061802	51020800	CGEX251126	12/03/2025					10.00	DR
6503	103100061802	51020800	CGEX251211	12/17/2025					9.78	DR
6503	103100061802	51020800	CGEX251222	12/26/2025					1.01	DR
OBJSUB:		5102080	WORKER'S COMPENSATION						20.79	DR *
6503	103100061802	51020900	CGEX251126	12/03/2025					3.20	DR
6503	103100061802	51020900	CGEX251211	12/17/2025					3.13	DR
6503	103100061802	51020900	CGEX251222	12/26/2025					.32	DR
OBJSUB:		5102090	UNEMPLOYMENT COMPENSATION						6.65	DR *
OBJECT:		5102	EMPLOYEE BENEFITS						4,023.29	DR **
GROUP:		51	PERSONAL SERVICES						18,731.90	DR ***
6503	103100061802	52041800	DP611098	12/31/2025					961.05	DR
OBJSUB:		5204180	COMPUTER SERVICES-STATE						961.05	DR *
6503	103100061802	52042000	FM609079	12/03/2025					1,631.90	DR
6503	103100061802	52042000	PL611059	12/10/2025					183.02	DR
OBJSUB:		5204200	CENTRAL SERVICES						1,814.92	DR *

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 12/31/2025

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
6503	103100061802	52042200	IN1316359	12/10/2025	02637034	ABBUSINESS	12036980		75.08	DR
	OBJSUB: 5204220	EQUIPMENT SERV & MAINT							75.08	DR *
6503	103100061802	52042300	BG609034	12/10/2025					370.70	DR
6503	103100061802	52042300	E106-108	12/19/2025					511.30	DR
	OBJSUB: 5204230	JANITORIAL & MAINT SERV							882.00	DR *
6503	103100061802	52045250	E106-110	12/05/2025					14,033.12	CR
6503	103100061802	52045250	E106-126	12/26/2025					28,066.24	DR
	OBJSUB: 5204525	REVENUE BOND LEASE PYMTS							14,033.12	DR *
6503	103100061802	52045300	E0163-084	12/03/2025					10.56	DR
6503	103100061802	52045300	TL611051	12/31/2025					123.00	DR
6503	103100061802	52045300	8381416X11242025	12/05/2025	00086649	ATTMOBILIT	12279233		101.56	DR
	OBJSUB: 5204530	TELECOMMUNICATIONS SRVCS							235.12	DR *
6503	103100061802	52045400	E106-108	12/19/2025					682.54	DR
	OBJSUB: 5204540	ELECTRICITY							682.54	DR *
6503	103100061802	52045500	E106-108	12/19/2025					16.32	DR
	OBJSUB: 5204550	GARBAGE & SEWER							16.32	DR *
6503	103100061802	52045600	E106-108	12/19/2025					7.89	DR
	OBJSUB: 5204560	WATER							7.89	DR *
6503	103100061802	52047400	CI106A-018	12/10/2025	417619				99.32	DR
	OBJSUB: 5204740	BANK FEES AND CHARGES							99.32	DR *
6503	103100061802	52049600	E106-108	12/19/2025					249.34	DR
6503	103100061802	52049600	1340	12/10/2025	00999435	NATIONALAS	12005047		8,365.97	DR
	OBJSUB: 5204960	OTHER CONTRACTUAL SERVICE							8,615.31	DR *
	OBJECT: 5204	CONTRACTUAL SERVICES							27,422.67	DR **
6503	103100061802	52050200	E106-108	12/19/2025					24.07	DR
	OBJSUB: 5205020	OFFICE SUPPLIES							24.07	DR *
6503	103100061802	52053500	E106-106	12/03/2025					69.21	CR
6503	103100061802	52053500	633432/83418451	12/10/2025	02636896	QUALIFIEDP	12011039		85.62	DR
6503	103100061802	52053500	8341-8078	12/10/2025	02636896	QUALIFIEDP	12011039		42.54	DR
	OBJSUB: 5205350	POSTAGE							58.95	DR *
6503	103100061802	52055100	E106-108	12/19/2025					6.64	DR
	OBJSUB: 5205510	HEATING & COOKING FUELS							6.64	DR *
6503	103100061802	52056000	E106-108	12/19/2025					1.17	DR
	OBJSUB: 5205600	EXTERMINATORS/INSECTICIDE							1.17	DR *
	OBJECT: 5205	SUPPLIES & MATERIALS							90.83	DR **
6503	103100061802	5228000	T106-041	12/03/2025					472.75	DR

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 12/31/2025

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
		OBJSUB: 5228000							472.75	DR *
		OBJECT: 5228							472.75	DR **
		GROUP: 52							27,986.25	DR ***
		COMP: 6503							46,718.15	DR ****
		CNTR: 103100061802							46,718.15	DR *****
		B. UNIT: 1031							46,718.15	DR *****

South Dakota Board of Accountancy
Balance Sheet
As of December 31, 2025

	Dec 31, 25
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - FIB	396.59
1140000 · Pool Cash State of SD	436,471.78
Total Checking/Savings	436,868.37
Other Current Assets	
1131000 · Interest Income Receivable	17,899.21
1213000 · Investment Income Receivable	2,454.43
Total Other Current Assets	20,353.64
Total Current Assets	457,222.01
Fixed Assets	0.00
TOTAL ASSETS	457,222.01
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	9,902.34
Total Accounts Payable	9,902.34
Other Current Liabilities	
2430000 · Accrued Wages Payable	16,728.24
2810000 · Amounts Held for Others	43,556.70
Total Other Current Liabilities	60,284.94
Total Current Liabilities	70,187.28
Long Term Liabilities	
2960000 · Compensated Absences Payable	45,669.30
Total Long Term Liabilities	45,669.30
Total Liabilities	115,856.58
Equity	
3220000 · Net Position	317,825.02
3900 · Retained Earnings	-166,798.74
Net Income	190,339.15
Total Equity	341,365.43
TOTAL LIABILITIES & EQUITY	457,222.01

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
 July through December 2025

	Jul - Dec 25	Budget	\$ Over Bud...	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	3,850.00	3,400.00	450.00	113.2%
4293551 · Certificate Renewals-Active	122,800.00	111,350.00	11,450.00	110.3%
4293552 · Certificate Renewals-Inactive	33,200.00	30,770.00	2,430.00	107.9%
4293553 · Certificate Renewals-Retired	4,080.00	4,200.00	-120.00	97.1%
4293554 · Initial Firm Permits	900.00	1,275.00	-375.00	70.6%
4293555 · Firm Permit Renewals	28,000.00	25,500.00	2,500.00	109.8%
4293557 · Initial Audit	320.00	700.00	-380.00	45.7%
4293558 · Re-Exam Audit	1,230.00	1,800.00	-570.00	68.3%
4293560 · Late Fees-Initial Certificate	600.00	0.00	600.00	100.0%
4293561 · Late Fees-Certificate Renewals	3,700.00	3,000.00	700.00	123.3%
4293563 · Late Fees-Firm Permit Renewals	1,000.00	500.00	500.00	200.0%
4293564 · Late Fees-Peer Review	1,125.00	1,300.00	-175.00	86.5%
4293566 · Firm Permit Owners	173,215.00	203,500.00	-30,285.00	85.1%
4293567 · Peer Review Admin Fee	1,325.00	5,500.00	-4,175.00	24.1%
4293568 · Firm Permit Name Change	50.00	100.00	-50.00	50.0%
4293569 · Initial FAR	1,180.00	960.00	220.00	122.9%
4293570 · Initial REG	320.00	540.00	-220.00	59.3%
4293571 · Inital BEC	0.00	0.00	0.00	0.0%
4293572 · Re-Exam FAR	1,240.00	1,260.00	-20.00	98.4%
4293573 · Re-Exam REG	1,200.00	1,650.00	-450.00	72.7%
4293574 · Re-Exam BEC	0.00	0.00	0.00	0.0%
4293575 · Initial BAR	40.00	150.00	-110.00	26.7%
4293576 · Initial ISC	40.00	150.00	-110.00	26.7%
4293577 · Initial TCP	80.00	150.00	-70.00	53.3%
4293578 · Re-Exam BAR	280.00	210.00	70.00	133.3%
4293579 · Re-Exam ISC	80.00	210.00	-130.00	38.1%
4293580 · Re-Exam TCP	800.00	210.00	590.00	381.0%
4491000 · Interest and Dividend Revenue	16,633.35	0.00	16,633.35	100.0%
4896021 · Legal Recovery Cost	3,614.91	1,000.00	2,614.91	361.5%
4920045 · Undistributed Earnings	0.00	6,000.00	-6,000.00	0.0%
4950000 · Prior Period Refund Account	243.14			
Total Income	401,146.40	405,385.00	-4,238.60	99.0%
Gross Profit	401,146.40	405,385.00	-4,238.60	99.0%
Expense				
5101010 · F-T Emp Sal & Wages	46,756.40	103,778.00	-57,021.60	45.1%
5101020 · P-T/Temp Emp Sal & Wages	34,418.54	58,621.00	-24,202.46	58.7%
5101030 · Board & Comm Mbrs Fees	8,300.00	11,910.00	-3,610.00	69.7%
5102010 · OASI-Employer's Share	6,242.29	12,423.00	-6,180.71	50.2%
5102020 · Retirement-ER Share	4,277.54	9,744.00	-5,466.46	43.9%
5102060 · Health /Life Ins.-ER Share	13,255.84	33,447.00	-20,191.16	39.6%
5102080 · Worker's Compensation	121.78	227.00	-105.22	53.6%
5102090 · Unemployment Insurance	36.86	162.00	-125.14	22.8%
5203010 · In State-Auto-State Owned	0.00	250.00	-250.00	0.0%
5203020 · In State-Auto-Priv. Low Miles	192.67	400.00	-207.33	48.2%
5203030 · In State-Auto-Priv. High Miles	1,360.10	1,400.00	-39.90	97.2%
5203100 · In State-Lodging	245.34	600.00	-354.66	40.9%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%

South Dakota Board of Accountancy Profit & Loss Budget vs. Actual July through December 2025

	Jul - Dec 25	Budget	\$ Over Bud...	% of Budget
5203140 · InState-Tax Meals-Not Overnight	14.00	100.00	-86.00	14.0%
5203150 · InState-Non Tax Meals-Overnight	160.00	400.00	-240.00	40.0%
5203220 · OS-Auto Private Low Mileage	0.00	0.00	0.00	0.0%
5203230 · OS-Auto Private High Mileage	260.38	200.00	60.38	130.2%
5203260 · OS-Air Commercial Carrier	4,955.57	9,000.00	-4,044.43	55.1%
5203280 · OS-Other Public Carrier	569.19	700.00	-130.81	81.3%
5203300 · OS-Lodging	7,757.68	12,500.00	-4,742.32	62.1%
5203320 · OS-Incidentals to Travel	259.00	750.00	-491.00	34.5%
5203350 · OS-Non Taxable Meals-Overnight	866.00	1,350.00	-484.00	64.1%
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	4,800.00	-4,800.00	0.0%
5204050 · Consultant Fees - Computer	13,422.32	32,000.00	-18,577.68	41.9%
5204160 · Workshop Registration Fees	2,550.00	9,500.00	-6,950.00	26.8%
5204180 · Computer Services-State	5,766.30	11,000.00	-5,233.70	52.4%
5204181 · Computer Development Serv-State	0.00	2,000.00	-2,000.00	0.0%
5204200 · Central Services	4,923.98	13,000.00	-8,076.02	37.9%
5204220 · Equipment Service & Maintenance	29.60	0.00	29.60	100.0%
5204230 · Janitorial/Maintenance Services	970.70	600.00	370.70	161.8%
5204330 · Computer Software Lease	572.05	1,000.00	-427.95	57.2%
5204360 · Advertising-Newspapers	0.00	500.00	-500.00	0.0%
5204460 · Equipment Rental	345.00	6,000.00	-5,655.00	5.8%
5204510 · Rent-Other	0.00	500.00	-500.00	0.0%
5204521 · Revenue Bond Lease Payment	2,940.00	43,650.00	-40,710.00	6.7%
5204525 · OneStop Building Lease	26,088.05			
5204530 · Telecommunications Services	1,391.05	5,500.00	-4,108.95	25.3%
5204540 · Electricity	170.30	400.00	-229.70	42.6%
5204560 · Water	26.85	240.00	-213.15	11.2%
5204590 · Insurance Premiums/Surety Bonds	0.00	2,500.00	-2,500.00	0.0%
5204740 · Bank Fees and Charges	7,900.11	8,650.00	-749.89	91.3%
5204960 · Other Contractual Services	3,535.25	0.00	3,535.25	100.0%
5205020 · Office Supplies	272.66	3,000.00	-2,727.34	9.1%
5205040 · Education & Instr. Supplies	0.00	500.00	-500.00	0.0%
5205310 · Printing State	0.00	100.00	-100.00	0.0%
5205320 · Printing/Duplicating/Binding Co	127.05	1,000.00	-872.95	12.7%
5205330 · Supplemental Publications	0.00	700.00	-700.00	0.0%
5205350 · Postage	379.06	2,000.00	-1,620.94	19.0%
5205540 · Finished Signs & Decals	0.00	500.00	-500.00	0.0%
5205700 · Retail Gasoline	0.00	100.00	-100.00	0.0%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207451 · Office Furniture & Fixtures	1,698.00	3,500.00	-1,802.00	48.5%
5207491 · Telephone Equipment	0.00	0.00	0.00	0.0%
5207900 · Computer Hardware	104.04	6,800.00	-6,695.96	1.5%
5207950 · System Development	0.00	1,000.00	-1,000.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	0.00	1,000.00	-1,000.00	0.0%
5228000 · Operating Transfers Out-NonBudg	4,345.70	11,000.00	-6,654.30	39.5%
5228030 · Depreciation Expense	0.00	0.00	0.00	0.0%
Total Expense	210,807.25	436,902.00	-226,094.75	48.3%
Net Ordinary Income	190,339.15	-31,517.00	221,856.15	-603.9%
Net Income	190,339.15	-31,517.00	221,856.15	-603.9%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON

01/13/26

Accrual Basis

December 2025

	Dec 25	Dec 24	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	800.00	50.00	750.00	1,500.0%
4293552 · Certificate Renewals-Inactive	100.00	0.00	100.00	100.0%
4293554 · Initial Firm Permits	0.00	100.00	-100.00	-100.0%
4293557 · Initial Audit	40.00	0.00	40.00	100.0%
4293558 · Re-Exam Audit	160.00	30.00	130.00	433.3%
4293561 · Late Fees-Certificate Renewals	100.00	0.00	100.00	100.0%
4293564 · Late Fees-Peer Review	100.00	0.00	100.00	100.0%
4293566 · Firm Permit Owners	0.00	3,000.00	-3,000.00	-100.0%
4293567 · Peer Review Admin Fee	125.00	0.00	125.00	100.0%
4293568 · Firm Permit Name Change	50.00	0.00	50.00	100.0%
4293569 · Initial FAR	280.00	30.00	250.00	833.3%
4293570 · Initial REG	40.00	0.00	40.00	100.0%
4293572 · Re-Exam FAR	120.00	120.00	0.00	0.0%
4293573 · Re-Exam REG	240.00	60.00	180.00	300.0%
4293576 · Initial ISC	40.00	0.00	40.00	100.0%
4293577 · Initial TCP	40.00	0.00	40.00	100.0%
4293578 · Re-Exam BAR	120.00	0.00	120.00	100.0%
4293579 · Re-Exam ISC	40.00	0.00	40.00	100.0%
4293580 · Re-Exam TCP	160.00	60.00	100.00	166.7%
4491000 · Interest and Dividend Revenue	0.13	0.11	0.02	18.2%
4896021 · Legal Recovery Cost	1,000.00	250.00	750.00	300.0%
Total Income	3,555.13	3,700.11	-144.98	-3.9%
Gross Profit	3,555.13	3,700.11	-144.98	-3.9%
Expense				
5101010 · F-T Emp Sal & Wages	7,861.07	3,453.54	4,407.53	127.6%
5101020 · P-T/Temp Emp Sal & Wages	6,017.54	3,191.46	2,826.08	88.6%
5101030 · Board & Comm Mbrs Fees	830.00	0.00	830.00	100.0%
5102010 · OASI-Employer's Share	1,024.59	464.75	559.84	120.5%
5102020 · Retirement-ER Share	741.77	353.51	388.26	109.8%
5102060 · Health /Life Ins.-ER Share	2,229.49	987.58	1,241.91	125.8%
5102080 · Worker's Compensation	20.79	11.30	9.49	84.0%
5102090 · Unemployment Insurance	6.65	1.09	5.56	510.1%
5203020 · In State-Auto-Priv. Low Miles	0.00	135.30	-135.30	-100.0%
5203140 · InState-Tax Meals-Not Overnight	0.00	14.00	-14.00	-100.0%
5203230 · OS-Auto Private High Mileage	0.00	97.82	-97.82	-100.0%
5203260 · OS-Air Commercial Carrier	0.00	1,067.95	-1,067.95	-100.0%
5203280 · OS-Other Public Carrier	0.00	62.95	-62.95	-100.0%
5203300 · OS-Lodging	0.00	999.03	-999.03	-100.0%
5203320 · OS-Incidentals to Travel	0.00	64.00	-64.00	-100.0%
5203350 · OS-Non Taxable Meals-Overnight	0.00	102.00	-102.00	-100.0%
5204180 · Computer Services-State	0.00	864.30	-864.30	-100.0%
5204200 · Central Services	183.02	1,958.64	-1,775.62	-90.7%
5204220 · Equipment Service & Maintenance	0.00	12.35	-12.35	-100.0%
5204230 · Janitorial/Maintenance Services	370.70	200.00	170.70	85.4%
5204460 · Equipment Rental	0.00	810.36	-810.36	-100.0%
5204521 · Revenue Bond Lease Payment	0.00	1,470.00	-1,470.00	-100.0%
5204525 · OneStop Building Lease	15,532.39	0.00	15,532.39	100.0%
5204530 · Telecommunications Services	224.56	312.18	-87.62	-28.1%
5204540 · Electricity	0.00	117.64	-117.64	-100.0%
5204560 · Water	0.00	25.35	-25.35	-100.0%
5204740 · Bank Fees and Charges	99.32	135.78	-36.46	-26.9%
5205020 · Office Supplies	0.00	391.39	-391.39	-100.0%

01/13/26

Accrual Basis

South Dakota Board of Accountancy PREVIOUS YEAR MONTHLY COMPARISON

December 2025

	<u>Dec 25</u>	<u>Dec 24</u>	<u>\$ Change</u>	<u>% Change</u>
5205320 · Printing/Duplicating/Binding Co	73.15	53.90	19.25	35.7%
5205350 · Postage	-19.42	0.00	-19.42	-100.0%
5228000 · Operating Transfers Out-NonBudg	472.75	1,279.55	-806.80	-63.1%
Total Expense	<u>35,668.37</u>	<u>18,637.72</u>	<u>17,030.65</u>	<u>91.4%</u>
Net Ordinary Income	<u>-32,113.24</u>	<u>-14,937.61</u>	<u>-17,175.63</u>	<u>-115.0%</u>
Net Income	<u>-32,113.24</u>	<u>-14,937.61</u>	<u>-17,175.63</u>	<u>-115.0%</u>

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July through December 2025

	Jul - Dec 25	Jul - Dec 24	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	3,850.00	1,325.00	2,525.00	190.6%
4293551 · Certificate Renewals-Active	122,800.00	67,150.00	55,650.00	82.9%
4293552 · Certificate Renewals-Inactive	33,200.00	18,600.00	14,600.00	78.5%
4293553 · Certificate Renewals-Retired	4,080.00	1,950.00	2,130.00	109.2%
4293554 · Initial Firm Permits	900.00	500.00	400.00	80.0%
4293555 · Firm Permit Renewals	28,000.00	15,150.00	12,850.00	84.8%
4293557 · Initial Audit	320.00	180.00	140.00	77.8%
4293558 · Re-Exam Audit	1,230.00	690.00	540.00	78.3%
4293560 · Late Fees-Initial Certificate	600.00	150.00	450.00	300.0%
4293561 · Late Fees-Certificate Renewals	3,700.00	1,650.00	2,050.00	124.2%
4293563 · Late Fees-Firm Permit Renewals	1,000.00	50.00	950.00	1,900.0%
4293564 · Late Fees-Peer Review	1,125.00	250.00	875.00	350.0%
4293566 · Firm Permit Owners	173,215.00	138,340.00	34,875.00	25.2%
4293567 · Peer Review Admin Fee	1,325.00	300.00	1,025.00	341.7%
4293568 · Firm Permit Name Change	50.00	100.00	-50.00	-50.0%
4293569 · Initial FAR	1,180.00	540.00	640.00	118.5%
4293570 · Initial REG	320.00	120.00	200.00	166.7%
4293572 · Re-Exam FAR	1,240.00	900.00	340.00	37.8%
4293573 · Re-Exam REG	1,200.00	780.00	420.00	53.9%
4293575 · Initial BAR	40.00	90.00	-50.00	-55.6%
4293576 · Initial ISC	40.00	0.00	40.00	100.0%
4293577 · Initial TCP	80.00	0.00	80.00	100.0%
4293578 · Re-Exam BAR	280.00	180.00	100.00	55.6%
4293579 · Re-Exam ISC	80.00	90.00	-10.00	-11.1%
4293580 · Re-Exam TCP	800.00	330.00	470.00	142.4%
4491000 · Interest and Dividend Revenue	16,633.35	18,135.59	-1,502.24	-8.3%
4896021 · Legal Recovery Cost	3,614.91	250.00	3,364.91	1,346.0%
4950000 · Prior Period Refund Account	243.14	0.00	243.14	100.0%
Total Income	401,146.40	267,800.59	133,345.81	49.8%
Gross Profit	401,146.40	267,800.59	133,345.81	49.8%
Expense				
5101010 · F-T Emp Sal & Wages	46,756.40	40,971.81	5,784.59	14.1%
5101020 · P-T/Temp Emp Sal & Wages	34,418.54	32,115.34	2,303.20	7.2%
5101030 · Board & Comm Mbrs Fees	8,300.00	8,134.00	166.00	2.0%
5102010 · OASI-Employer's Share	6,242.29	5,676.12	566.17	10.0%
5102020 · Retirement-ER Share	4,277.54	3,884.54	393.00	10.1%
5102060 · Health /Life Ins.-ER Share	13,255.84	11,952.77	1,303.07	10.9%
5102080 · Worker's Compensation	121.78	124.21	-2.43	-2.0%
5102090 · Unemployment Insurance	36.86	11.68	25.18	215.6%
5203010 · In State-Auto-State Owned	0.00	0.00	0.00	0.0%
5203020 · In State-Auto-Priv. Low Miles	192.67	305.51	-112.84	-36.9%
5203030 · In State-Auto-Priv. High Miles	1,360.10	1,607.37	-247.27	-15.4%
5203100 · In State-Lodging	245.34	467.14	-221.80	-47.5%
5203140 · InState-Tax Meals-Not Overnight	14.00	56.00	-42.00	-75.0%
5203150 · InState-Non Tax Meals-Overnight	160.00	174.00	-14.00	-8.1%
5203220 · OS-Auto Private Low Mileage	0.00	108.08	-108.08	-100.0%
5203230 · OS-Auto Private High Mileage	260.38	1,497.06	-1,236.68	-82.6%
5203260 · OS-Air Commercial Carrier	4,955.57	2,362.43	2,593.14	109.8%

01/13/26

Accrual Basis

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July through December 2025

	Jul - Dec 25	Jul - Dec 24	\$ Change	% Change
5203280 · OS-Other Public Carrier	569.19	183.07	386.12	210.9%
5203300 · OS-Lodging	7,757.68	6,937.47	820.21	11.8%
5203320 · OS-Incidentals to Travel	259.00	460.00	-201.00	-43.7%
5203350 · OS-Non Taxable Meals-Overnight	866.00	714.00	152.00	21.3%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204050 · Consultant Fees - Computer	13,422.32	13,044.04	378.28	2.9%
5204160 · Workshop Registration Fees	2,550.00	2,550.00	0.00	0.0%
5204180 · Computer Services-State	5,766.30	6,707.10	-940.80	-14.0%
5204200 · Central Services	4,923.98	4,926.14	-2.16	0.0%
5204220 · Equipment Service & Maintenance	29.60	31.46	-1.86	-5.9%
5204230 · Janitorial/Maintenance Services	970.70	1,200.00	-229.30	-19.1%
5204330 · Computer Software Lease	572.05	572.05	0.00	0.0%
5204460 · Equipment Rental	345.00	1,758.72	-1,413.72	-80.4%
5204521 · Revenue Bond Lease Payment	2,940.00	8,641.50	-5,701.50	-66.0%
5204525 · OneStop Building Lease	26,088.05	0.00	26,088.05	100.0%
5204530 · Telecommunications Services	1,391.05	1,387.46	3.59	0.3%
5204540 · Electricity	170.30	329.19	-158.89	-48.3%
5204560 · Water	26.85	101.40	-74.55	-73.5%
5204740 · Bank Fees and Charges	7,900.11	5,428.24	2,471.87	45.5%
5204960 · Other Contractual Services	3,535.25	0.00	3,535.25	100.0%
5205020 · Office Supplies	272.66	617.11	-344.45	-55.8%
5205320 · Printing/Duplicating/Binding Co	127.05	138.60	-11.55	-8.3%
5205350 · Postage	379.06	0.00	379.06	100.0%
5207451 · Office Furniture & Fixtures	1,698.00	0.00	1,698.00	100.0%
5207900 · Computer Hardware	104.04	0.00	104.04	100.0%
5228000 · Operating Transfers Out-NonBudg	4,345.70	4,625.96	-280.26	-6.1%
Total Expense	210,807.25	173,001.57	37,805.68	21.9%
Net Ordinary Income	190,339.15	94,799.02	95,540.13	100.8%
Net Income	190,339.15	94,799.02	95,540.13	100.8%

REPORT TO BOARD ON GRADES

Nicole Kasin

The grades were posted for review for the 87th window. These grades are through December 2025. CPA Evolution exam became effective starting January 2024.

Here are the pass rates and information from NASBA on 4Q25:

CPA Evolution Exam	National Pass Rate	South Dakota Pass Rate
AUD	48.8%	66.7%
FAR	40.2%	37.9%
REG	60.7%	66.7%
BAR	39.7%	0%
ISC	66.7%	**
TCP	76.7%	100%

** SD didn't have 3 or more candidates in this section to post a percentage rate. There were 66 candidates that sat for 77 parts.

The Board needs to ratify the scores of the 2025-4 (87th Window) grades.

EXECUTIVE DIRECTOR'S REPORT

Nicole Kasin

CPE Audits

The list of licensees has been selected for CPE audits. Emails and letters were sent out to those selected on September 16, 2025. The documentation was due in our office no later than October 31, 2025. 95% of the audit documentation was received via email and 5% was received via mail. The following is the current status of the audits:

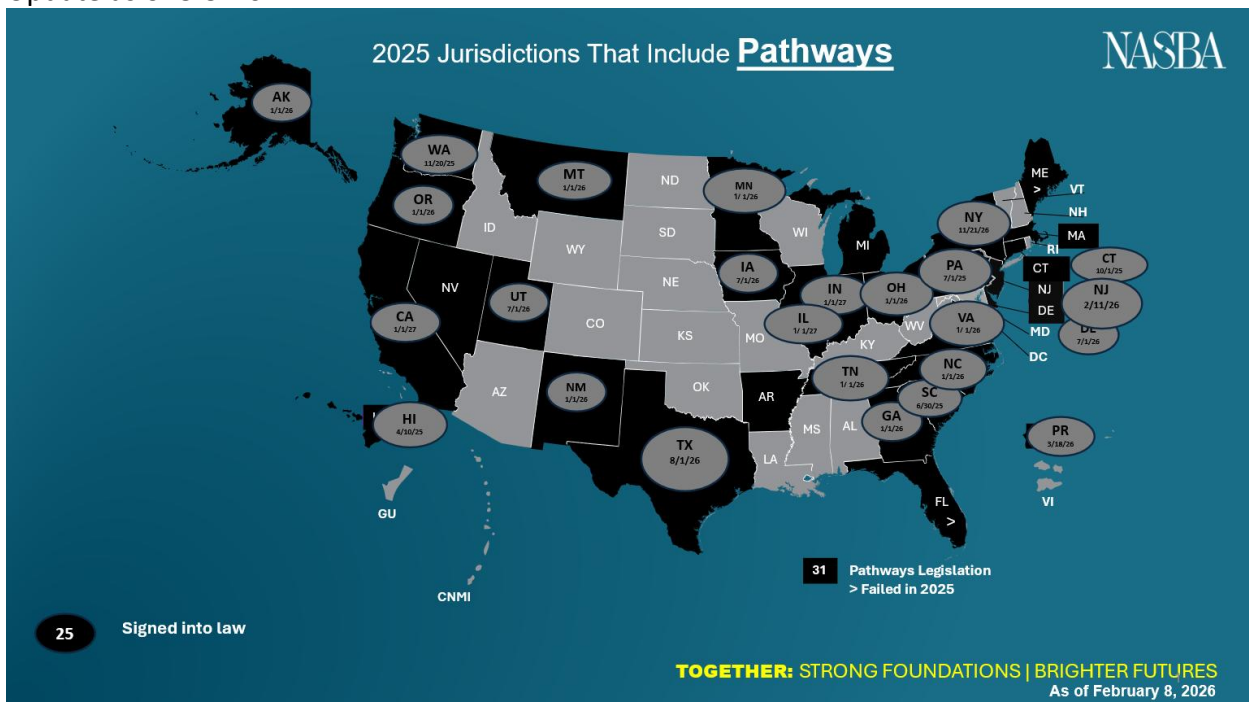
	Selected	Complied	Not Complied	Granted Extension	Approved CPE Audit	Failed CPE Audit
CPA (Active)	130	130	0	0	125	5
CPA – Verify Out of State Affidavit	106	106	0	0	106	0

NASBA Issues/Topics

1. NASBA response urging Department of Education to restore professional status for accounting degree
2. NASBA Executive Directors/Legal Counsel Conference March 24-26, 2026
3. NASBA Western Regional Meeting tentative June 23-25, 2026
4. NASBA Annual meeting October 25-28, 2026
5. NASBA announces selection of Tyler Nelson as VP, Public Relations
6. NASBA request for Vice Chair Nominations by April 17, 2026
7. NASBA committee interest submit through May 1, 2026

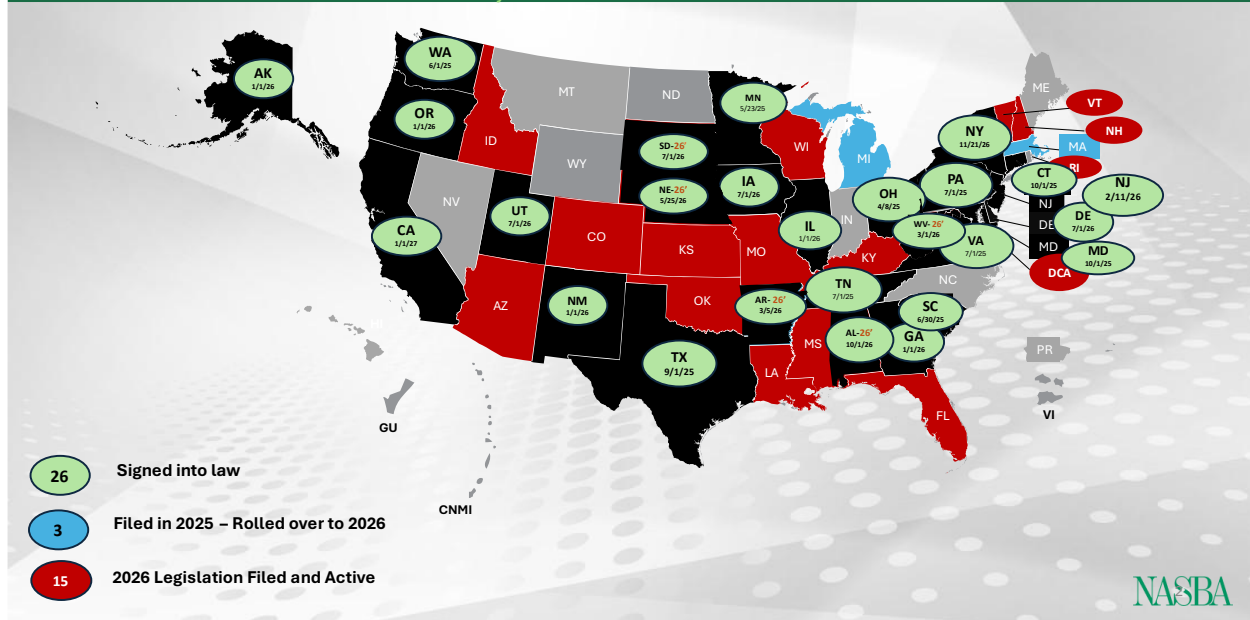
State Proposals for Pathway/Substantial Equivalence/Practice Privilege

Update as of 3-9-26:



2025 and 2026 Jurisdictions With Mobility

Effective Dates Vary



HB1035 was signed by the Governor on 3-2-26. It will be effective July 1, 2026.

Board Discussion

- Any New Business/topics?



Professional Ethics Division

Exposure draft:

Proposed revisions related to alternative
practice structures

December 29, 2025

Comments are requested by April 30, 2026

ethics-exposedraft@aicpa.org



Standard-setting

Invitation to comment

December 29, 2025

Are you interested in the ethics of the accounting profession? If so, we want to hear your thoughts on this ethics exposure draft. Your comments are integral to the standard-setting process, and you don't need to be an AICPA member to participate.

This proposal is part of the AICPA's Professional Ethics Executive Committee's (PEEC's) effort to provide guidance for alternative practice structures arising from the increase in private equity investments in accounting firms.

This exposure draft explains proposed revisions to the AICPA Code of Professional Conduct and includes the full text of the guidance under consideration.

At the conclusion of the exposure period, PEEC will evaluate the comments and determine whether to publish the new and revised interpretations.

Again, your comments are an important part of the standard-setting process — please take this opportunity to comment. We must receive your response by April 30, 2026. All written replies to this exposure draft will become part of the public record of the AICPA. During the comment period, staff will present a Lunch-and-Learn session to review the proposed guidance and answer any questions.

Please email your comments to ethics-exposedraft@aicpa.org.

Sincerely,



Anna Dourdourekas, Chair
Professional Ethics Executive Committee



Toni Lee-Andrews, Director, CPA, PFS, CGMA
Professional Ethics Division

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Explanation of the new interpretation and revised definition and interpretations

The Professional Ethics Executive Committee (PEEC) is exposing the following for comment:

- A new version of the “Alternative Practice Structures” interpretation (ET sec. 1.220.020)¹ of the “Independence Rule” (ET sec. 1.200.001) to replace the current interpretation in its entirety
- Revisions to the definition of *network firm* (ET sec. 0.400.36)
- Revisions to the “Alternative Practice Structures” interpretation (ET sec. 1.810.050) of the “Form of Organization and Name Rule” (ET sec. 1.800.001)
- Revisions to the “Conceptual Framework for Independence” interpretation (ET sec. 1.210.010)
- Revisions to the “Conceptual Framework for Members in Public Practice” interpretation (ET sec. 1.000.010)

Background

1. In the late 1990s, PEEC recognized that due to the evolving landscape of public accounting practices, specific guidelines were necessary to maintain integrity and independence when providing attest services while practicing in an alternative practice structure (APS). In 2000, the “Alternative Practice Structures” interpretations of the “Independence Rule” and of the “Form of Organization and Name Rule” were adopted into the AICPA Code of Professional Conduct (code).
2. In November 2022, PEEC appointed a task force to evaluate whether the nature of private equity (PE) investments in the nonattest entity of an APS (APS with PE) necessitates revisions to the code — either through amended or new interpretations — or issuance of nonauthoritative guidance. The task force comprises members practicing within APSs (with private and public investors), members from traditional firm structures, an attorney, representatives from the National Association of State Boards of Accountancy (NASBA), representatives from regulatory bodies, a representative from a technical committee, and staff of the AICPA ethics division. The task force evaluated the current provisions in the code, including the “Alternative Practice Structures” interpretation of the “Independence

¹ All ET sections can be found in the [AICPA Code of Professional Conduct](#).

Rule,” to determine their appropriateness and sufficiency for these structures.

Evaluation

3. PEEC determined that revisions to the code are necessary. Evolving APSs, including APSs with PE, have fundamental differences from the APS contemplated by the existing interpretation under the “Independence Rule.” These distinctions may affect how a member assesses the significance of threats to independence. Differences include the following:

Existing interpretation	APS with PE
Presents an APS in which a public company controls ² the nonattest entity.	The investor may or may not control the nonattest entity.
Assumes the public investor not only controls the nonattest entity but also controls the “other public company entities.” ³	This may not be the case in an APS with PE or in another structure when an investor has significant influence over but does not control the nonattest entity and other investees. For example, the other portfolio companies in which the PE investor has holdings may or may not be in the same fund as the nonattest entity, and the PE investor may have less than control over them. Additionally, the other funds and portfolio companies may be managed and advised by different general partners, fund managers, and investment advisers.
Defines “other public company entities” as those that “...include the public company and all entities consolidated in the public company financial statements...”	The entities subject to consolidation may vary.

² ET section 0.400.12.

³ ET section 1.220.020.04e.

4. In addition to these structural differences, the code has been revised since the adoption of the “Alternative Practice Structures” interpretation of the “Independence Rule” as follows:
 - The “Network and Network Firms” interpretation (ET sec. 1.220.010), and related definitions of *network*⁴ and *network firm*,⁵ were adopted into the code several years after the “Alternative Practice Structures” interpretation. According to that interpretation, when the attest firm and nonattest entity are network firms, the nonattest entity should be independent of the attest firm’s financial statement audit and review clients.
 - The *covered member*⁶ definition was not fully adopted into the code when the “Alternative Practice Structures” interpretation was drafted. Specifically, individuals who meet the definition of an *individual in a position to influence the attest engagement*⁷ may also meet the definition of “direct superior” or “indirect superior” as defined in the “Alternative Practice Structures” interpretation. While “direct superiors” and entities over which they can exercise *significant influence*⁸ must comply with the “Independence Rule,” “indirect superiors” currently are subject to only certain interpretations.
5. In evaluating potential changes to the existing “Alternative Practice Structures” interpretation, PEEC reviewed other interpretations of the “Independence Rule,” such as those related to financial interests, business relationships, loans, client affiliates, and mergers and acquisitions. PEEC sought to identify where threats to independence are more significant in an APS than those addressed through existing interpretations of the “Independence Rule.”
6. Based on its evaluation, PEEC is proposing a new “Alternative Practice Structures” interpretation of the “Independence Rule” as well as revisions to other interpretations and one definition. The new interpretation of the “Independence Rule” will address APSs broadly, including APSs with PE.
7. Additionally, PEEC reviewed and considered guidance from other standard-setting organizations and regulators — such as the International Ethics Standards Board for Accountants (IESBA), the SEC, and various state boards of accountancy — that have

⁴ ET section 0.400.35.

⁵ ET section 0.400.36.

⁶ ET section 0.400.14.

⁷ ET section 0.400.25.

⁸ ET section 0.400.49.

addressed independence considerations when an attest firm operates within an APS.

8. PEEC evaluated other rules within the code and is developing nonauthoritative guidance to assist members in applying the “Independence Rule” and the following rules and their interpretations when practicing in an APS:
 - The “Integrity and Objectivity Rule” (ET sec. 1.100.001)
 - The “Advertising and Other Forms of Solicitations Rule” (ET sec. 1.600.001)
 - The “Confidential Client Information Rule” (ET sec. 1.700.001)
 - The “Form of Organization and Name Rule” (ET sec. 1.800.001)
9. PEEC continues to evaluate whether the following rules should be applicable to the nonattest entity in an APS and does not address these in this exposure draft:
 - “Contingent Fees Rule” (ET sec. 1.510.001)
 - “Commissions and Referral Fees Rule” (ET sec. 1.520.001)

Outreach and stakeholder engagement

10. The task force issued a discussion memorandum, “Potential revisions to the AICPA Code of Professional Conduct and guidance related to independence in alternative practice structures,” in March 2025 and solicited feedback through June 2025. The discussion memorandum focused on potential revisions to the “Alternative Practice Structures” interpretation of the “Independence Rule.” Thirty-six comment letters were received from various stakeholders, including state boards, state societies, firms in APSs, traditional firms, representatives from academia, and NASBA. PEEC considered these responses in developing this exposure draft.
11. The task force also met with and sought feedback from various stakeholders, attorneys specializing in PE transactions, CEOs and independence leadership from firms that operate in an APS, auditors of PE structures, insurance liability carriers, state CPA societies, state boards, IESBA, and NASBA.

Proposed new “Alternative Practice Structures” interpretation (ET sec. 1.220.020)

12. Parenthetical references throughout this explanatory material are references to the paragraphs in the proposed interpretation.
13. Paragraph .01 of the proposed interpretation clarifies that the “Alternative Practice Structures” interpretation is to be used in conjunction with the other interpretations of the

“Independence Rule;” it is not a “standalone” interpretation and does not include every independence requirement for members practicing in an APS.

Structure of an APS

14. An APS must have certain characteristics to be structured in compliance with jurisdictional laws and regulations, which are referred to in the beginning of the proposed new “Alternative Practice Structures” interpretation of the “Independence Rule.” PEEC encourages members to consult an attorney or other specialist who might be able to assist members in navigating applicable laws and regulations (.02–.03).

Terminology

15. The terminology section (.04) introduces terms defined solely for the purpose of applying the interpretation.

16. An “alternative practice structure” (.04a) is defined broadly to reflect the substance of the form of organization — one in which a firm that provides attest services (attest firm) is closely aligned with another public or private entity, partly or wholly owned by an investor or investors, that performs professional services other than attest services (nonattest entity).

17. “Closely aligned” (.04b) is defined to describe the relationship between the attest firm and the nonattest entity. The dependency of the attest firm on the nonattest entity is what provides the basis for treating the nonattest entity the same as the attest firm for independence purposes.

18. The term “investor” (.04c) is used to broaden application across various APSs and to incorporate any individual or entity that has a *financial interest*⁹ in the nonattest entity, including an individual, PE firm, partnership, corporate entity, or other type of investor. The interpretation specifies when it is necessary to identify whether an investor has less than significant influence, significant influence, or control over the nonattest entity.

19. A “significant influence investment” (.04d) exists when an investor has significant influence over the nonattest entity but not control. More than one investor may have significant influence over the nonattest entity. If more than one investor has significant influence over the nonattest entity, the member will apply the APS guidance to each investor.

20. *Significant influence*, defined in the code,¹⁰ is based on FASB Accounting Standards

⁹ **Financial interest.** An ownership interest in an equity or a debt security issued by an entity, including rights and obligations to acquire such an interest and derivatives directly related to such interest (ET sec. 0.400.17).

¹⁰ ET section 0.400.49.

Codification (ASC) 323-10-15. Ownership of 20 percent or more of the investee's voting stock generally presumes significant influence. The ability to exercise significant influence also may exist in other ways, such as through board representation, participation in policy-making decisions, material intra-entity transactions, interchange of managerial personnel, technology dependency, and concentration of other shareholdings.

21. A "controlling investment" (.04e) exists when an investor has control over the nonattest entity. *Control*, defined in the code,¹¹ is as used in FASB ASC 810, *Consolidation*. It is the direct or indirect ability to determine the direction of management and policies through ownership, contract, or otherwise, including qualitative factors. The assessment includes consideration of the following:

- Ownership of a majority voting interest
- Contractual arrangements that grant decision-making authority
- Other mechanisms that allow one entity to direct the activities of another
- Veto rights of a minority shareholder

22. "Key stakeholders of the investor" (.04f) is defined as individuals who represent or act on behalf of an investor; such stakeholders could include owners, managing partners, founders, or principals. These individuals may have the authority to appoint members to the nonattest entity board. When these individuals are involved in activities related to the nonattest entity such as advising on the strategic direction of the nonattest entity or appointing nonattest entity board members, relationships they have with attest clients may create threats to independence.

23. "Upstream entities of the nonattest entity" (.04g.) are defined as those entities above the nonattest entity through the investor (.04c.) that have at least significant influence over the nonattest entity. The nonattest entity is not independent of these upstream entities due to the investment in the nonattest entity. For example, in an APS with PE when the investor has at least significant influence over the nonattest entity, this includes the fund (or funds that collectively have at least significant influence over the nonattest entity), the investment adviser, the general partner, and the PE firm. Entities with less than significant influence over the nonattest entity (for example, limited partners and shareholders) are not upstream entities for the purpose of this definition.

¹¹ ET section 0.400.12.

Characteristics of an APS

24. Common characteristics of an APS are outlined in paragraph .05 of the proposed interpretation. These characteristics have been observed across different APSs with different types of investors; however, these characteristics are not necessarily representative of every APS. A variation of one or more of these characteristics may affect the significance of threats to independence.

APS models

25. PEEC presents three APS models in the proposed interpretation after paragraphs .06 and .07: one broadly applicable to any APS, one applicable to an APS with PE, and one applicable to an APS with a public company investor. PEEC intends to describe other APS models in nonauthoritative guidance.

Network firms

26. PEEC is proposing revisions to the definition of *network firm*¹² as described in paragraphs 68–70 of this explanatory material. These revisions include (a) removing the inclusion of entities “under common control” with a network firm, and (b) adding a requirement that a controlling entity also be cooperating with the network firm for the purpose of enhancing the network firm’s capabilities to provide professional services before the controlling entity is considered a network firm. The new requirement in (b) is the first characteristic of a *network*, as set forth in the definition of *network*, and is a precondition for a network relationship to exist. PEEC also believes that the proposed revisions are appropriate and would result in consistent treatment for both an APS and a traditional accounting network. The proposed APS interpretation incorporates additional independence requirements for entities within an APS, which PEEC believes are necessary because of the close alignment of the attest firm and nonattest entity in an APS.

27. PEEC’s conclusions regarding network firms in an APS are presented in paragraphs .09–.14 of the interpretation. Under the interpretation, the first step is to determine which entities are included in the attest firm’s network based on the definition of *network* (.09–.11). Then, the attest firm should determine which entities are brought into the network through the definition of *network firm* (i.e., those entities that the network firm can control, or that control the network firm and cooperate with the network firm for the purpose of enhancing the network firm’s capabilities to provide professional services) (.12–.13).

28. PEEC has concluded and the interpretation reflects that the attest firm and nonattest entity are network firms because they cooperate for the purpose of enhancing the firms’

¹² References to the definition of *network firm* used throughout this exposure draft are to the proposed revised definition in this exposure draft unless stated otherwise.

capabilities to provide professional services and share one or more of the characteristics as described in the definition of *network* (.09). Independence requirements for this relationship are described in detail in paragraphs 36–37 of this explanatory material and in paragraph .14 of the interpretation.

29. In addition to evaluating any other relationships with entities that may create a network, the relationship between the attest firm and an investor with significant influence or control over the nonattest entity should be evaluated to determine whether the investor is part of the attest firm’s network (.10). As noted, the first characteristic of a *network*¹³ is that one or more firms “...cooperate for the purpose of enhancing the firms’ capabilities to provide professional services” (cooperation characteristic). This characteristic must be met before considering whether the attest firm and the investor share one or more of the additional characteristics outlined in the definition of a *network* (for example, common business strategy). Characteristics reflecting that such cooperation does not exist and factors to consider when evaluating whether cooperation may exist are included in paragraphs 32–33 of this explanatory material.
30. When evaluating whether a potential network relationship exists with an investor or any other entity, the attest firm should make the determination based on the relationship between the attest firm and the entity being evaluated (.11). The exception to this is when applying the definition of *network firm* as described in paragraph 31 of this explanatory material and paragraphs .12–.13 of the interpretation.
31. After network relationships of the attest firm are determined by applying the definition of *network*, the definition of *network firm* should be applied to determine which additional entities are part of the network because they are either a) controlled by a network firm or b) control a network firm and cooperate with that network firm to enhance the network firm’s capabilities to provide professional services (.12–.13). In the case of a controlling investor that cooperates with the nonattest entity for the purpose of enhancing the network firm’s capabilities to provide professional services, the controlling investor would be considered a network firm even if it did not meet any other characteristics of the definition of *network*; this is because it would meet the definition of *network firm* as described in paragraphs 26 and 70 of this explanatory material. Specifically, in the circumstance described, the investor controls the nonattest entity (i.e., a network firm) and cooperates with that nonattest entity to enhance the nonattest entity’s capabilities to provide professional services.
32. An investor with significant influence or control over the nonattest entity does *not* meet the cooperation characteristic when applying the definitions of *network* or *network firm* when the

¹³ ET section 0.400.35.

investor does *not* provide *professional services*¹⁴ and the investor's activities are limited to

- investing in the nonattest entity and
- advising on budgetary or strategic direction of the attest firm.

33. Examples of factors to consider when determining whether an entity (including an investor whose activities are not limited to those in paragraph 32 of this explanatory material) meets the cooperation characteristic when applying the definitions of *network* or *network firm* are as follows:

- Whether the entity is involved in or facilitates the attest firm's or network firm's provision of professional services
- Whether the entity assists or collaborates with the attest firm or network firm in providing professional services, with or without a formal agreement
- Whether the entity performs any functions for or provides resources to the attest firm or network firm relating to the delivery of professional services

34. Controlled acquisitions of the nonattest entity are network firms based on the definition of a *network firm* because they are controlled by a network firm (i.e., the nonattest entity) (.12).

35. Diagrams A, B, and C, which follow, depict (respectively) the steps for determining whether an entity is in the attest firm's network in an APS based on the definitions of *network* and *network firm*, application of the definition of *network firm* when a controlling investor is not a network firm, and application of the definition of *network firm* when a controlling investor is a network firm:

¹⁴ ET section 0.400.43.

Diagram A

Determining whether an entity is in the attest firm's network in an APS

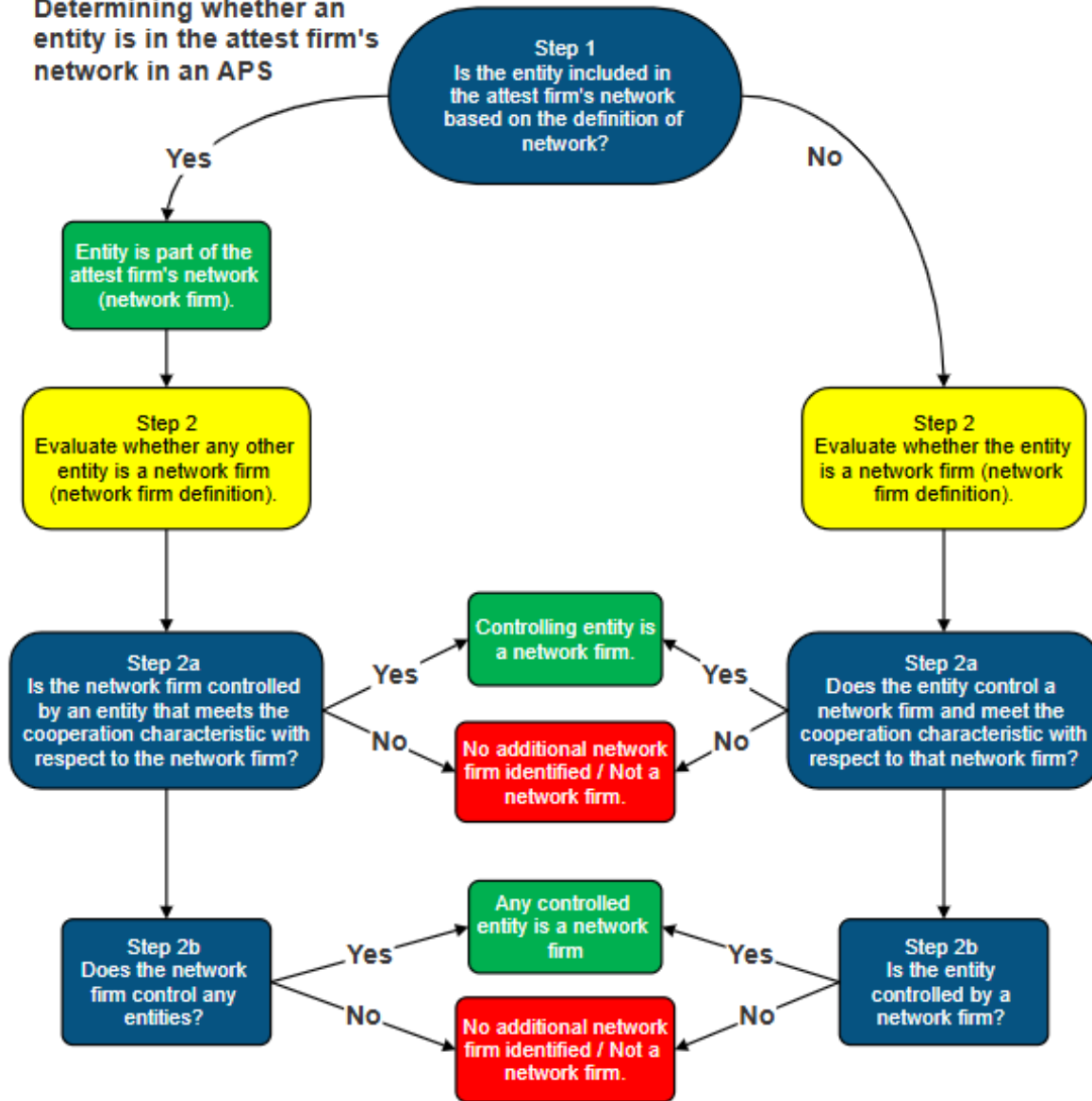


Diagram B

Controlling investment when investor does not meet cooperation characteristic with respect to nonattest entity. This example only evaluates the investor. Other entities may be network firms subject to evaluation.

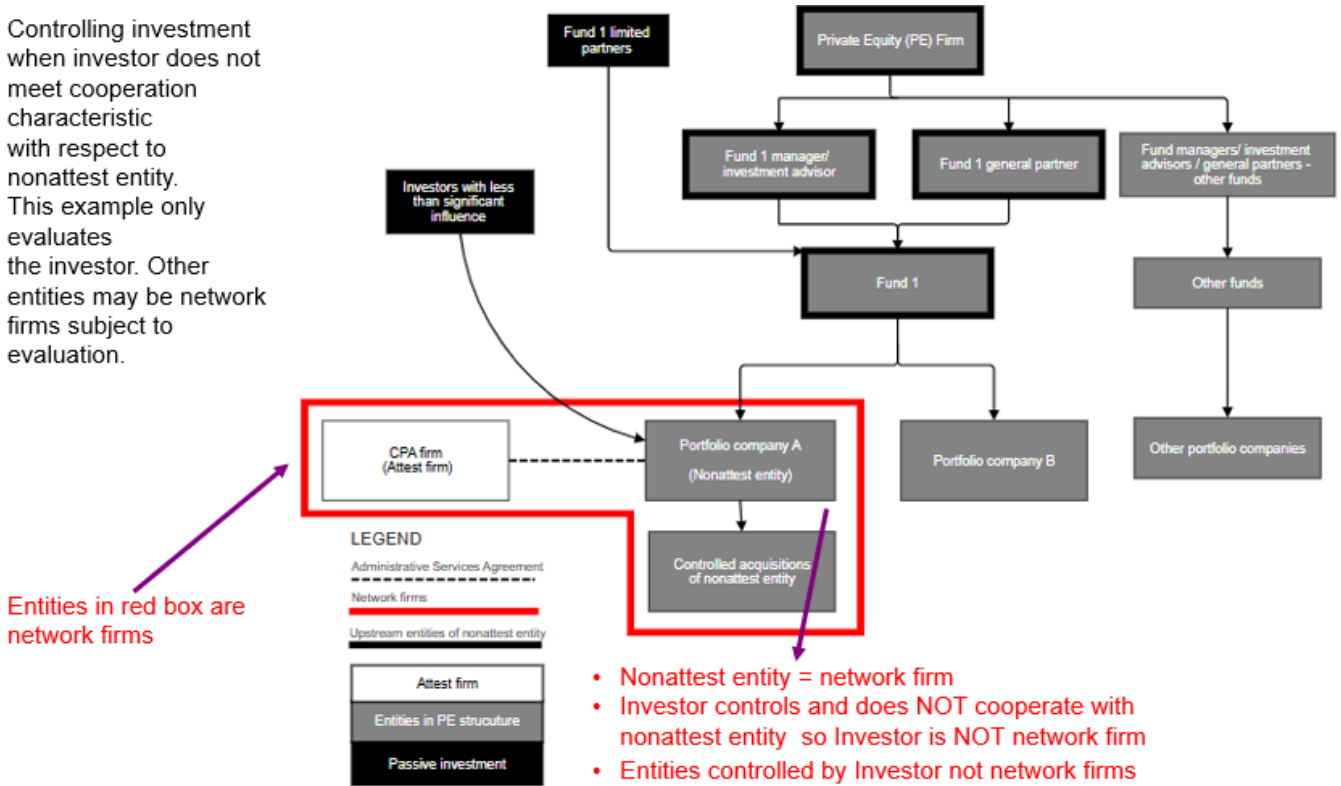
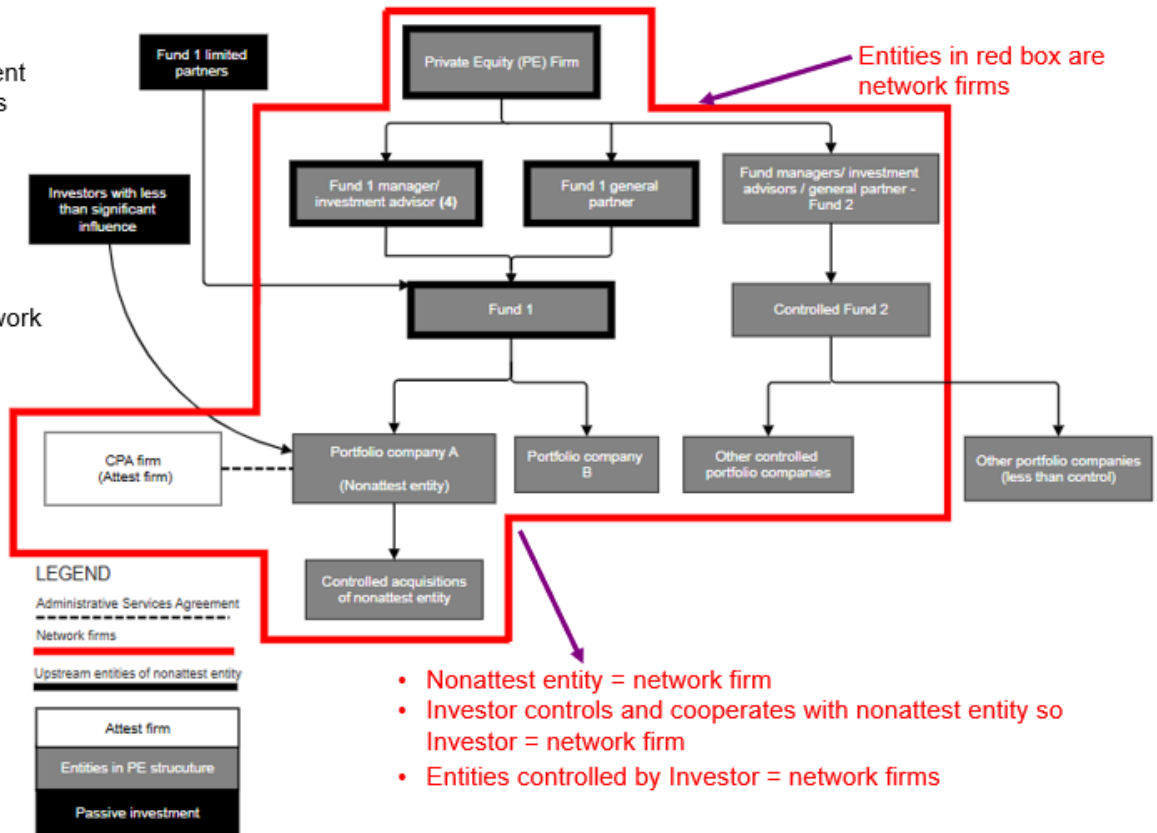


Diagram C

Controlling investment when investor meets cooperation characteristic with respect to nonattest entity. This example only evaluates the investor. Other entities may be network firms subject to evaluation.



36. The “Network and Network Firms” interpretation requires network firms to comply with the “Independence Rule” and its interpretations with respect to financial statement audit and review clients, including any prohibitions on providing nonattest services as set forth in the “Nonattest Services” subtopic.¹⁵ Certain exceptions apply for network firms within the “Network and Network Firms” interpretation and other interpretations; these exceptions are as follows:

- Network firms are not required to comply with the “Independence Rule” and its interpretations for engagements subject to the Statements on Standards for Attestation Engagements (SSAEs) unless the covered member knows or has reason to believe threats are created by another network firm’s interests and relationships.¹⁶

¹⁵ ET section 1.295

¹⁶ ET section 1.220.010.04.

- A member is not required to take specific steps to evaluate conflicts of interests of other network firms under the “Conflicts of Interest for Members in Public Practice” interpretation.¹⁷
- A covered member is not required to include fees from attest and nonattest services of network firms when calculating total fees related to fee dependency under the “Fee Dependency” interpretation.¹⁸
- A member is not required to consider the possible threats to independence created due to the provision of nonattest services by other network firms when considering the cumulative effect of providing multiple nonattest services to an attest client under the “Cumulative Effect on Independence When Providing Multiple Nonattest Services” interpretation.¹⁹

37. The network firm relationship between the attest firm and nonattest entity in an APS is more closely aligned²⁰ than network firms in a traditional network of accounting firms due to the attest firm’s relationship with, and dependency on, the nonattest entity. For example, in an APS, attest partners and professional staff are employees of the nonattest entity, and the attest firm relies on the nonattest entity for professional resources; this level of dependency generally does not exist in a traditional network of accounting firms. Therefore, PEEC believes the nonattest entity, including entities controlled by the nonattest entity, should be subject to the same independence requirements as the attest firm. Other network firms are not affected by this extended requirement. The effect of the extended requirement means that the exceptions noted in paragraph 36 of this explanatory material do not apply to the nonattest entity and entities it controls (.14).

Covered members

38. Members are expected to apply the *covered member* definition when evaluating independence and to apply the “Independence Rule” and its interpretations to such individuals and entities.
39. The *covered member* definition includes *an individual in a position to influence the attest engagement*. In an APS, this may include individuals who
- evaluate the performance or recommend the compensation of the attest engagement

¹⁷ ET section 1.110.010.08.

¹⁸ ET section 1.230.040.02.

¹⁹ ET section 1.295.020.04.

²⁰ Closely aligned as defined in the Terminology section of the proposed interpretation (paragraph .04c).

partner; or

- directly supervise or manage the attest engagement partner, including all successively senior levels above that individual through the firm’s chief executive.

40. In an APS, covered members may exist in the attest firm, nonattest entity, or in other entities in the investor’s structure (.15–16.). Since covered members may exist outside the attest firm and nonattest entity, PEEC believes including specific examples of who meets the *covered member* definition, or who should be evaluated under the *covered member* definition, will remove any ambiguity and promote consistency in practice. Nonattest entity board members who have the authority to approve the compensation of the attest firm partners at the individual level meet the first bullet in paragraph 39 of this explanatory material and are, therefore, covered members²¹.

41. Members should evaluate other relevant individuals to determine if they meet the definition of *covered member*, including the following:

- Board members of the nonattest entity who do not have the authority to approve the compensation of the attest firm partners at the individual level (.16a.).
- Individuals in the nonattest entity who directly supervise or manage the attest engagement partner, including all successively senior levels above the attest engagement partner through the chief executive or equivalent of the nonattest entity. PEEC determined that these individuals should be evaluated to determine whether they meet the *covered member* definition (versus stating they meet the *covered member* definition in the proposed interpretation) because of the possibility that a chief executive of the nonattest entity is not in an attest partner’s chain of command (.16b.).

Relationships with individuals and entities that may create threats to independence

42. PEEC recognizes that APSs continue to evolve; therefore, a “one-size-fits-all” set of rules is not appropriate. However, there are some relationships that, if present, PEEC has concluded will impair independence; these are specifically covered in the proposed interpretation. Because scenarios may arise in which facts and circumstances vary, members will still be required to use professional judgment when applying the APS guidance. Paragraph .18 of the interpretation describes relationships and circumstances

²¹ PEEC’s “White Paper, Independence Rules Modernization Project” concluded that individuals who actively participate in compensation decisions for specific attest engagement partners are covered members.

when independence is impaired. Paragraph .20 of the interpretation provides examples of relationships and circumstances when, if the attest firm knows or has reason to believe the relationship or circumstance exists, the conceptual framework approach should be applied to evaluate whether the relationship or circumstance would lead a reasonable and informed third party who is aware of the relevant information to conclude that there is a threat to independence that is not at an acceptable level.²²

Relationships that impair independence

43. After a member determines network firms (.09–.14) and covered members (.15–.16) and applies the “Independence Rule” and its interpretations to the respective individuals and entities, members should determine which relationships and circumstances exist in an APS beyond the scope of covered member and network firms that create threats to independence. Independence requirements that extend beyond those required for covered members and network firms are based on the close alignment of the attest firm and nonattest entity. The public interest principle recognizes that members may face conflicting pressures and obliges members to act with integrity, “... guided by the precept that when members fulfill their responsibility to the public, clients’ and employers’ interests are best served.”²³ PEEC believes that there is at least a perceived greater undue influence threat²⁴ to independence in an APS where an investor has input into strategic and budgetary decisions of the attest firm which may affect a member’s objectivity and independence²⁵ even when an investor is not a network firm.

44. The relationships and circumstances that impair independence may differ based on the level of investment of the investor in the nonattest entity (that is, less than significant influence, significant influence, or control). These circumstances are described in paragraphs 45–57 of this explanatory material and outlined in paragraph .18a–d. of the interpretation.

Less than significant influence, significant influence, or controlling investment by investor

45. At this time, PEEC is unaware of a nonattest entity in an APS with PE that has become a publicly traded entity; however, PEEC believes that if such a nonattest entity becomes a publicly traded entity in the future, independence would be impaired if an attest client has a direct financial interest in the nonattest entity due to the close alignment of the attest firm and nonattest entity (.18c.). This includes an attest client that has any direct financial interest in the nonattest entity, or the attest client’s officers or directors of record or beneficial

²² ET section 1.210.010.01.

²³ ET section. 0.300.030.03.

²⁴ ET section 1.210.010.18.

²⁵ ET section 0.300.050.

owners of more than 5 percent of the equity securities of the nonattest entity. This prohibition is consistent with the SEC’s Rule 2-01(c)(1)(iv)(A).

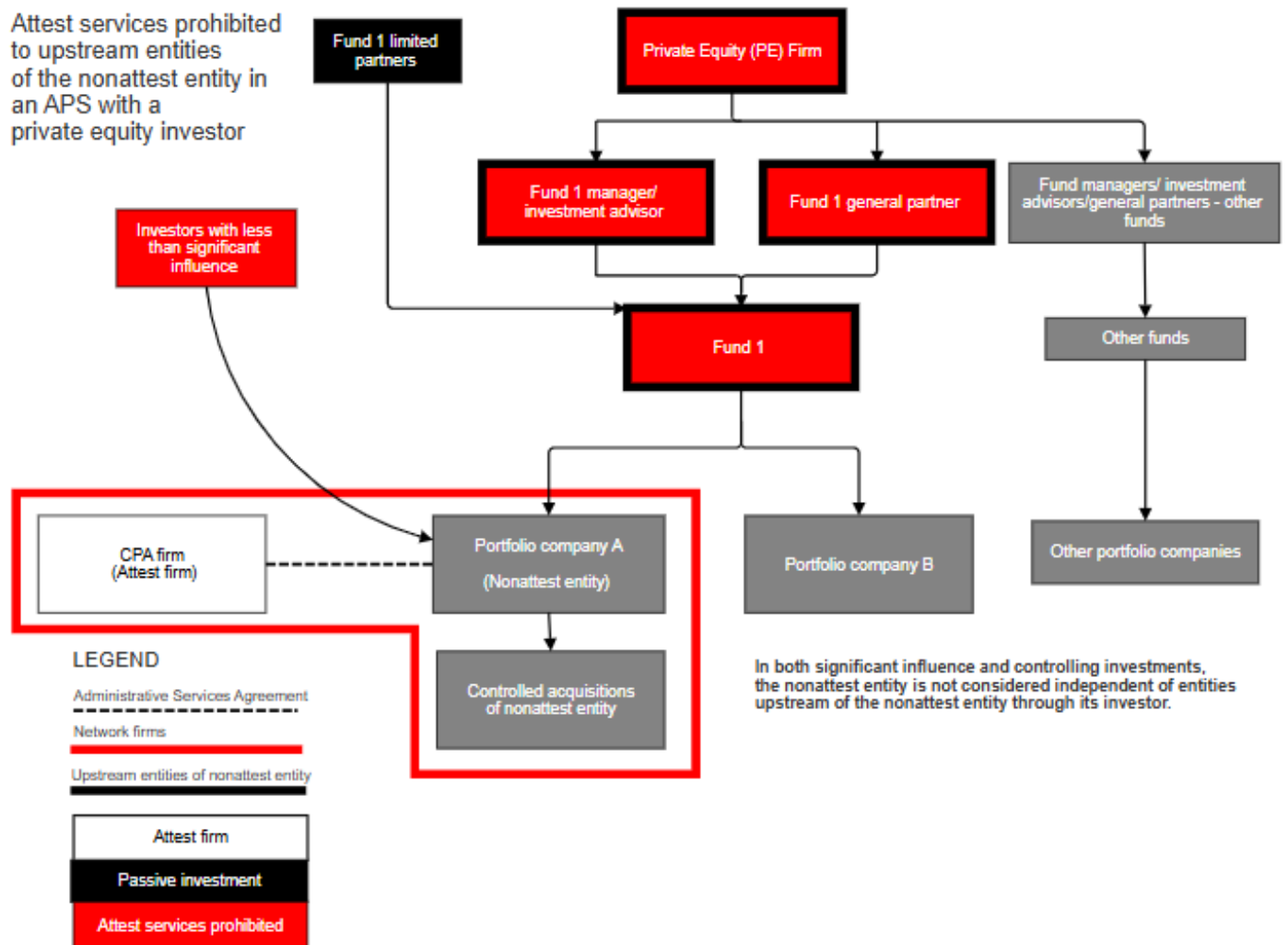
Significant influence or controlling investment by investor

46. In a significant influence investment or controlling investment, when the investor is a network firm, partners and professional employees of the investor would be required to comply with the interpretations of the “Independence Rule” applicable to network firms, including within the “Current Employment or Association with an Attest Client” subtopic.²⁶
47. When the investor is not a network firm, an undue influence threat to independence still exists that is not at an acceptable level and cannot be reduced to an acceptable level with the application of safeguards if an individual who is a member of those charged with governance²⁷ over the nonattest entity is in a key position at an attest client of the attest firm (.18a.). The definition of *those charged with governance* includes both individuals and organizations.
48. In a significant influence investment or controlling investment, the nonattest entity is not considered independent of upstream entities of the nonattest entity through its investor even when such entities are not network firms. Because the nonattest entity is a network firm of the attest firm and is not considered independent of these upstream entities, independence will be impaired if the attest firm provides an attest service to any of those entities (.18b.). In an APS with a public company investor, this prohibition applies to upstream entities of the nonattest entity through the public company investor. The following diagrams depict this when the investor is a PE firm or a public company.

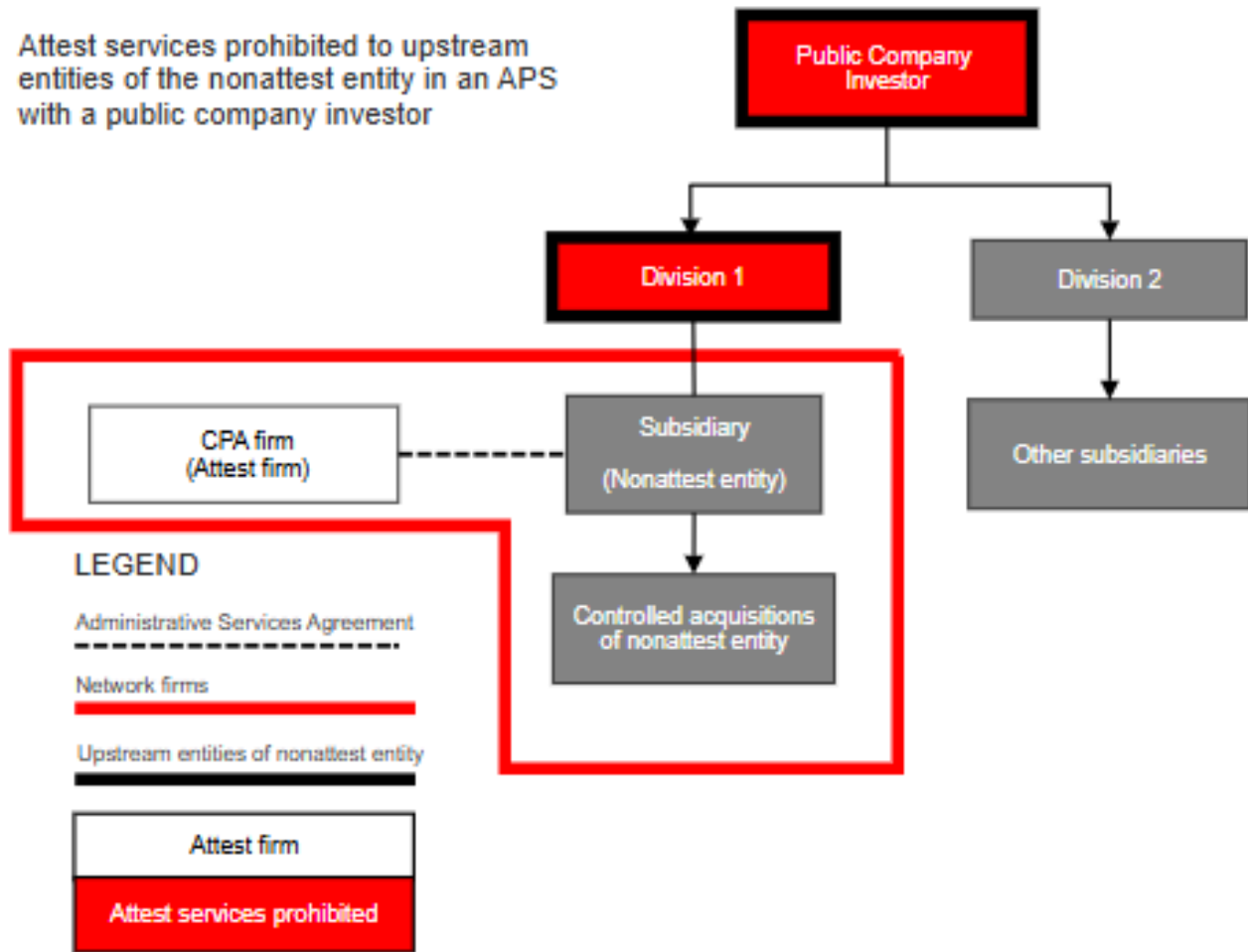
²⁶ ET section 1.275.

²⁷ ET section 0.400.53.

Attest services prohibited to upstream entities of the nonattest entity in an APS with a private equity investor



Attest services prohibited to upstream entities of the nonattest entity in an APS with a public company investor



49. In a significant influence investment or controlling investment, independence is impaired if an upstream entity of the nonattest entity is an affiliate²⁸ of a financial statement attest client of the attest firm (.18b.). This restriction is, in part, to align with the client affiliate interpretations²⁹ that require the attest firm and its network firms to be independent of a financial statement attest client and its affiliates. In cases where the nonattest entity is not independent of an affiliate of a financial statement attest client, independence will be impaired.

50. Paragraph .18b. of the interpretation also addresses the possibility of a financial statement

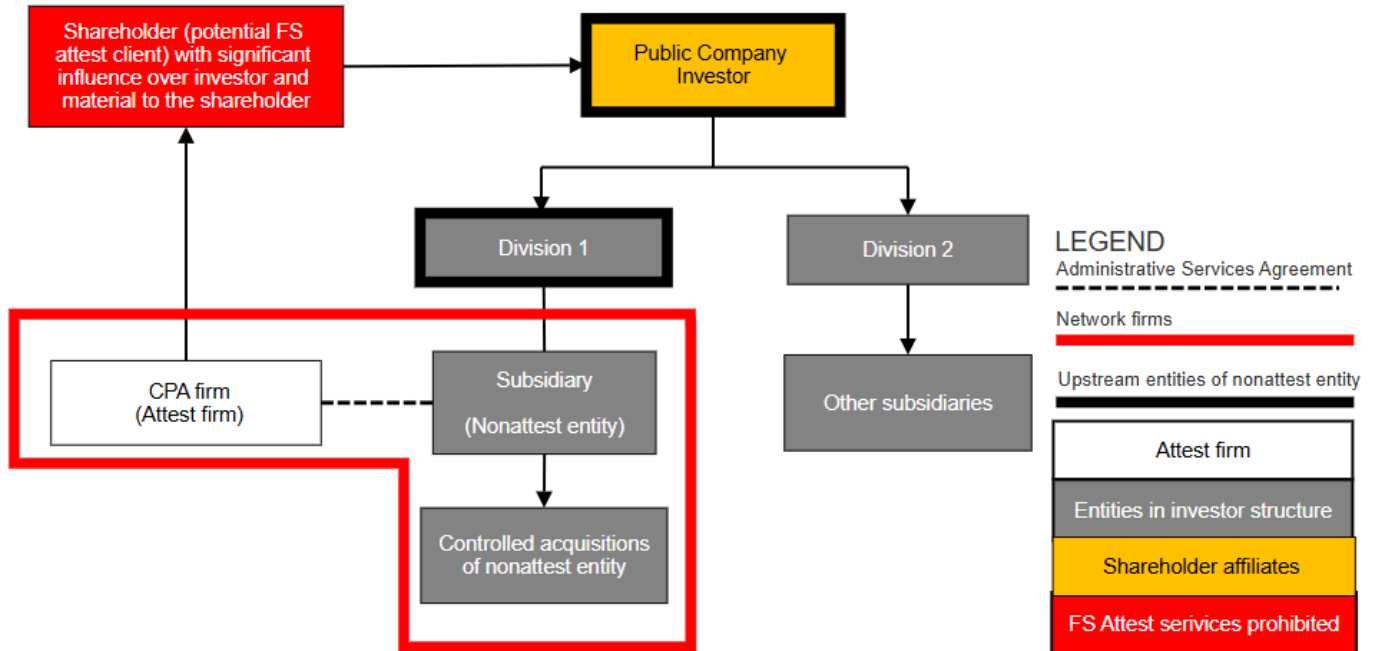
²⁸ ET section 0.400.02.

²⁹ The “Client Affiliates” interpretation (ET sec. 1.224.010) and the “State and Local Government Client Affiliates” interpretation (ET sec.1.224.020).

attest client investing in the same investor that has a financial interest in the nonattest entity or the investment vehicle that holds the investment in the nonattest entity. For example, if the investor is a PE firm, and the attest firm provides a financial statement attest service to a limited partner (LP) of the fund that holds the investment in the nonattest entity, independence is impaired if the LP interest allows the LP to exercise significant influence over the fund and is material to the LP. This is because the fund that holds the investment in the nonattest entity would be an affiliate of the LP,³⁰ the financial statement attest client, and the nonattest entity (a network firm) is not independent of the fund (that is, an upstream entity). The following diagram depicts this relationship in an APS with a public company investor where a potential financial statement attest client is a shareholder of the public company that invests in the nonattest entity. If the shareholder has significant influence over the public company and the investment is material to the shareholder, the public company would be an affiliate of the potential financial statement attest client. The next several paragraphs and diagrams provide additional examples of the conclusion in paragraph .18b. of the interpretation in various configurations.

³⁰ “An entity in which a *financial statement attest client* or an entity *controlled by the financial statement attest client* has a *direct financial interest* that gives the *financial statement attest client* *significant influence* over such entity and that is material to the *financial statement attest client*.” (ET sec. 0.400.02b.).

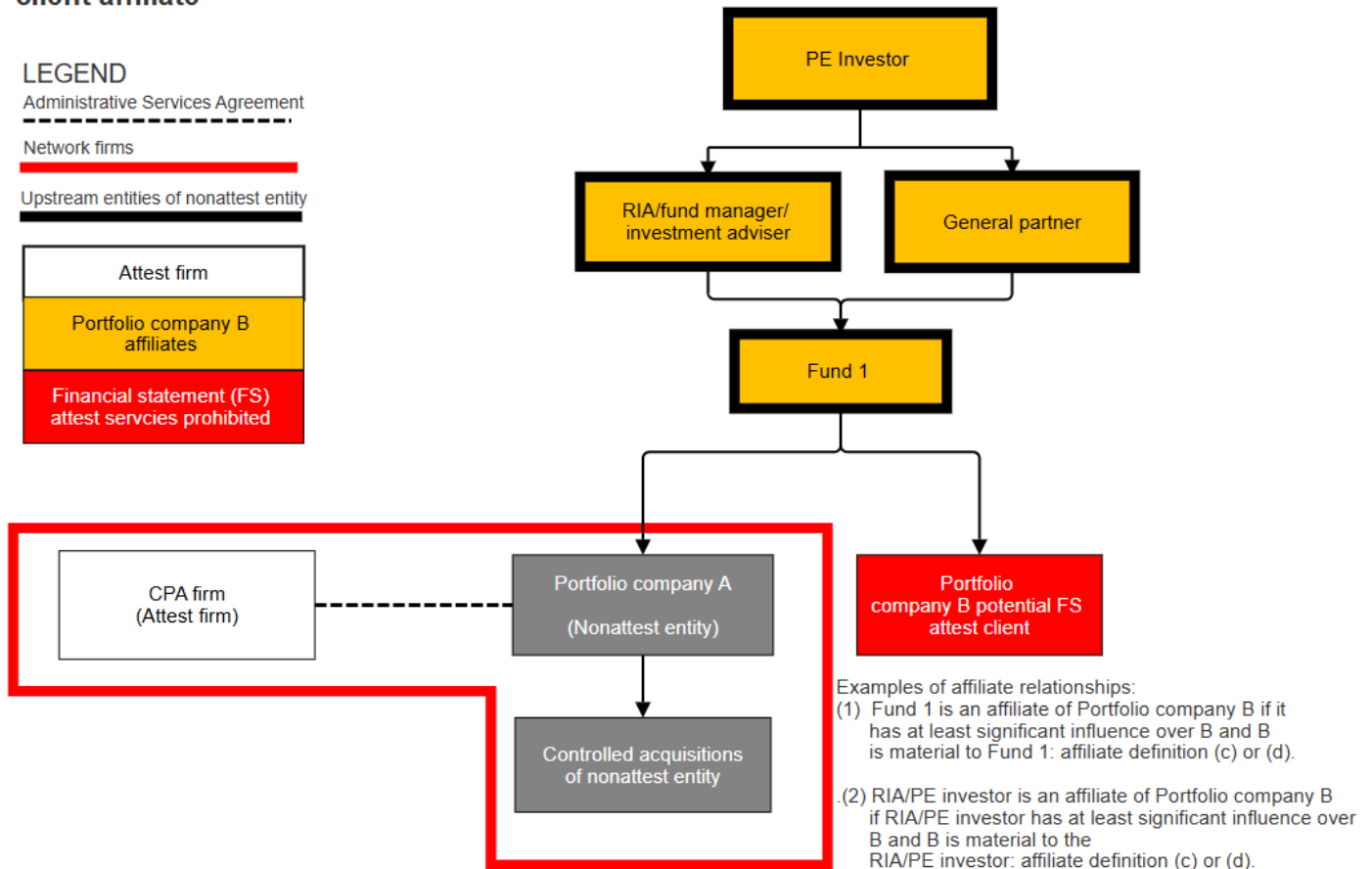
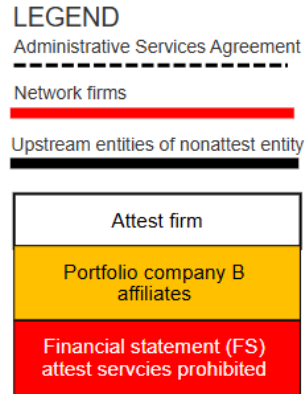
**Significant influence or controlling investment:
attest client invests in investor**



51. *Fund is client affiliate.* Following is an example of the conclusion described in paragraph 49 of this explanatory material in a significant-influence investment in which the potential financial statement attest client is a portfolio company in the same fund as the nonattest entity:

- Portfolio Company B is a potential financial statement attest client and is in the same fund (Fund 1) as the nonattest entity.
- Fund 1 is an affiliate of Portfolio Company B because Fund 1 has significant influence over Portfolio Company B and Portfolio Company B is material to Fund 1.
- The nonattest entity is not considered to be independent of Fund 1, which is an upstream entity of the nonattest entity.
- The attest firm cannot provide financial statement attest services to Portfolio Company B since the nonattest entity is not independent of an affiliate (that is, Fund 1) of the financial statement attest client (that is, Portfolio Company B).

Significant influence investment: fund is client affiliate

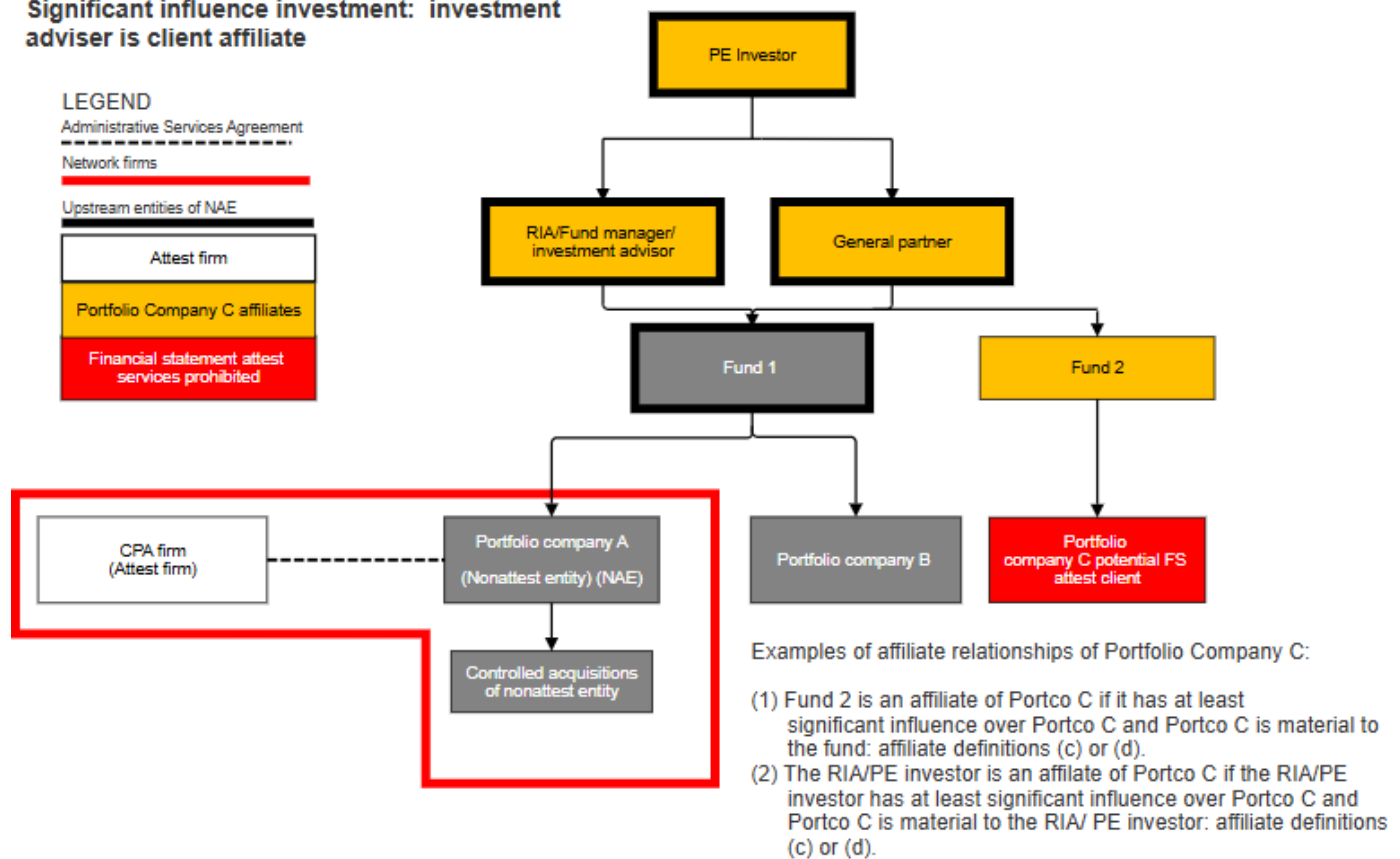


52. *Investment adviser is client affiliate.* Following is an example of the conclusion in paragraph 49 of this explanatory material of a significant influence investment where the potential financial statement attest client is a portfolio company in a different fund than the nonattest entity:

- Portfolio Company C is a potential financial statement attest client and is in a different fund (Fund 2) than that of the nonattest entity, which is in Fund 1.
- The investment adviser is an affiliate of Portfolio Company C because the investment adviser has significant influence over Portfolio Company C, and Portfolio Company C is material to the investment adviser.
- The investment adviser also advises Fund 1 that holds the investment in the nonattest entity.

- The nonattest entity is not considered to be independent of the investment adviser, which is an upstream entity of the nonattest entity.
- The attest firm cannot provide financial statement attest services to Portfolio Company C as the nonattest entity is not independent of an affiliate (that is, investment adviser) of the financial statement attest client (that is, Portfolio Company C).

Significant influence investment: investment adviser is client affiliate

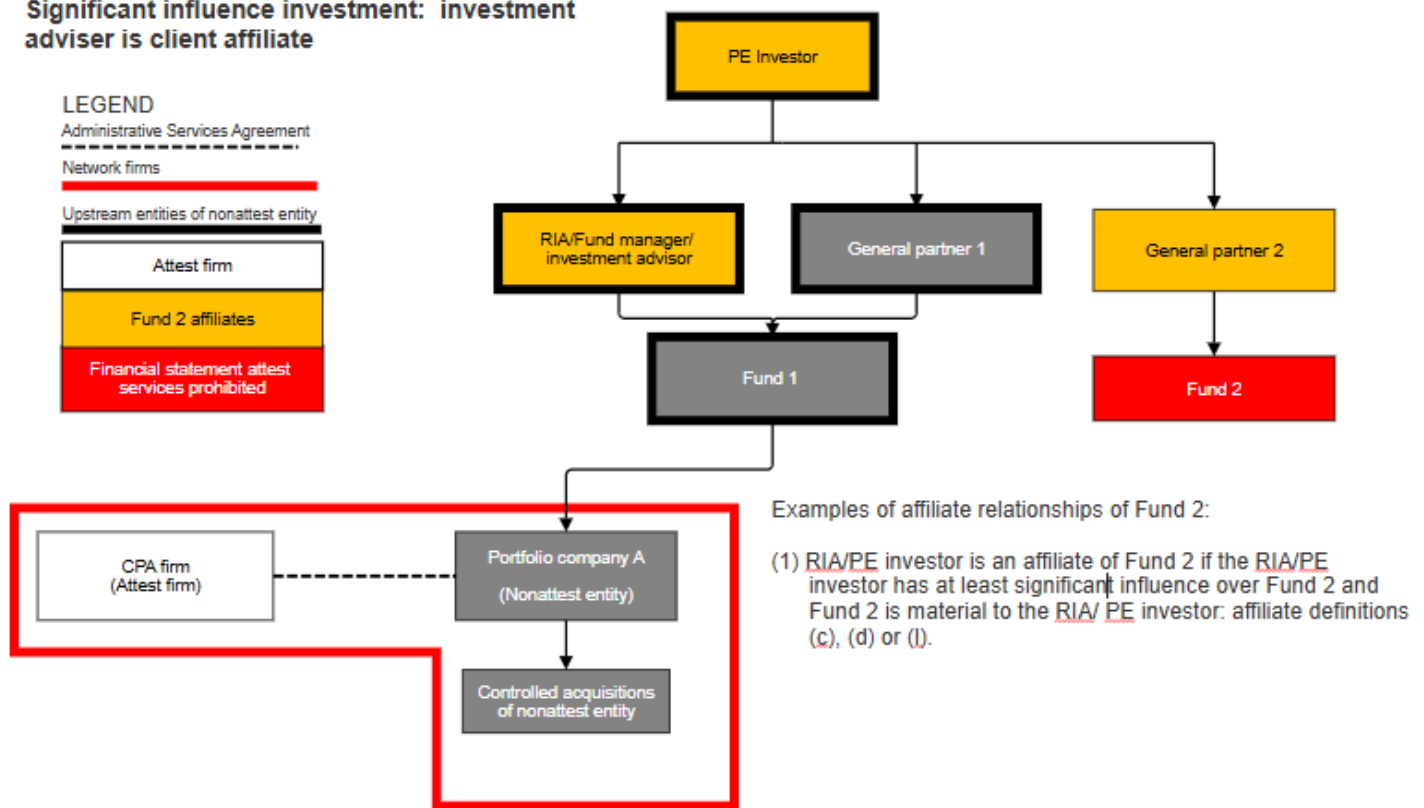


53. *Investment adviser is client affiliate.* Following is an example of the conclusion in paragraph 49 of this explanatory material in a significant-influence investment where the potential financial statement attest client is a fund other than the fund that invests in nonattest entity:

- Fund 2 is a potential financial statement attest client and is in a different fund than that of the nonattest entity, which is Fund 1.
- The investment adviser has significant influence over Fund 2 and the fund is material to the investment adviser.

- The investment adviser also advises Fund 1, which holds the investment in the nonattest entity.
- The nonattest entity is not considered to be independent of the investment adviser, which is an upstream entity of the nonattest entity.
- The attest firm cannot provide financial statement attest services to Fund 2 because the nonattest entity is not independent of an affiliate (that is, the investment adviser) of the financial statement attest client (that is, Fund 2).

Significant influence investment: investment adviser is client affiliate



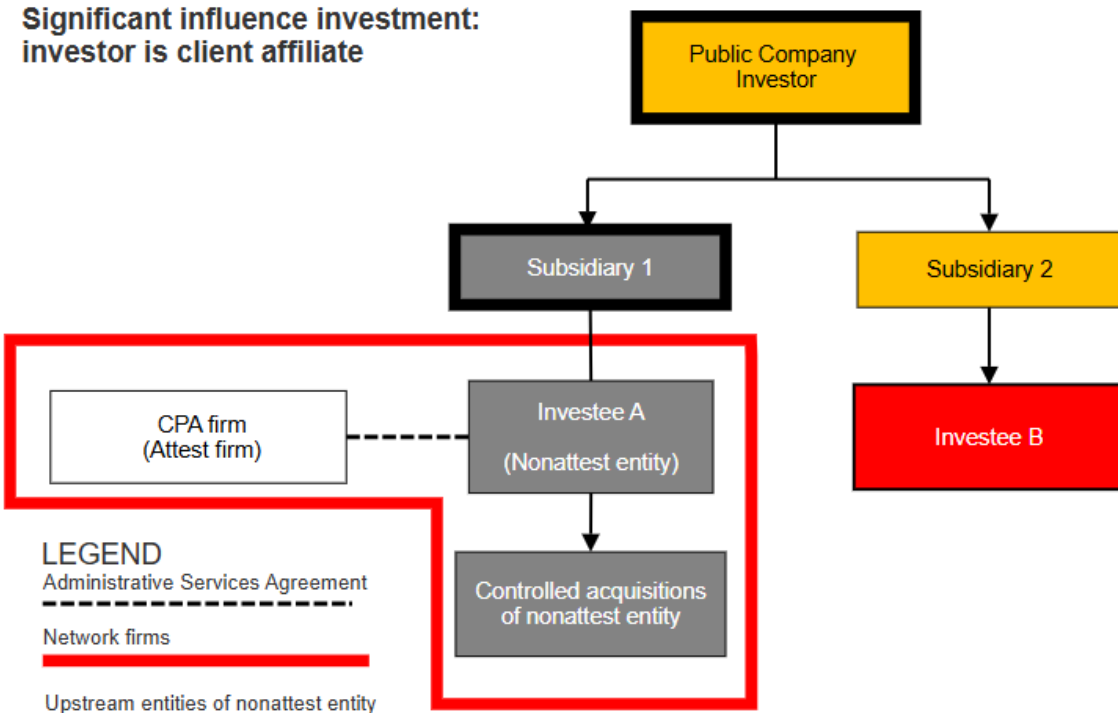
54. *Investor is client affiliate.* Following is an example of the conclusion in paragraph 49 of this explanatory material in a significant influence investment where the potential financial statement attest client is an investee of a public company investor:

- Investee B is a potential financial statement attest client and is under the same public company investor as the nonattest entity (Investee A).
- The public company investor is an affiliate of Investee B because the public company

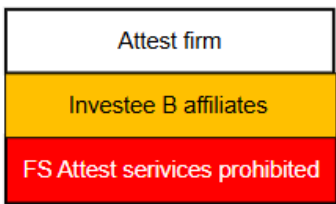
investor has control over Investee B, and Investee B is material to the public company investor.

- The nonattest entity (Investee A) is not independent of the public company investor, which is an upstream entity of the nonattest entity.
- The attest firm cannot provide financial statement attest services to investee B because the nonattest entity is not independent of an affiliate (that is, public company investor) of the financial statement attest client (that is, Investee B).

**Significant influence investment:
investor is client affiliate**



LEGEND
 Administrative Services Agreement
 Network firms
 Upstream entities of nonattest entity



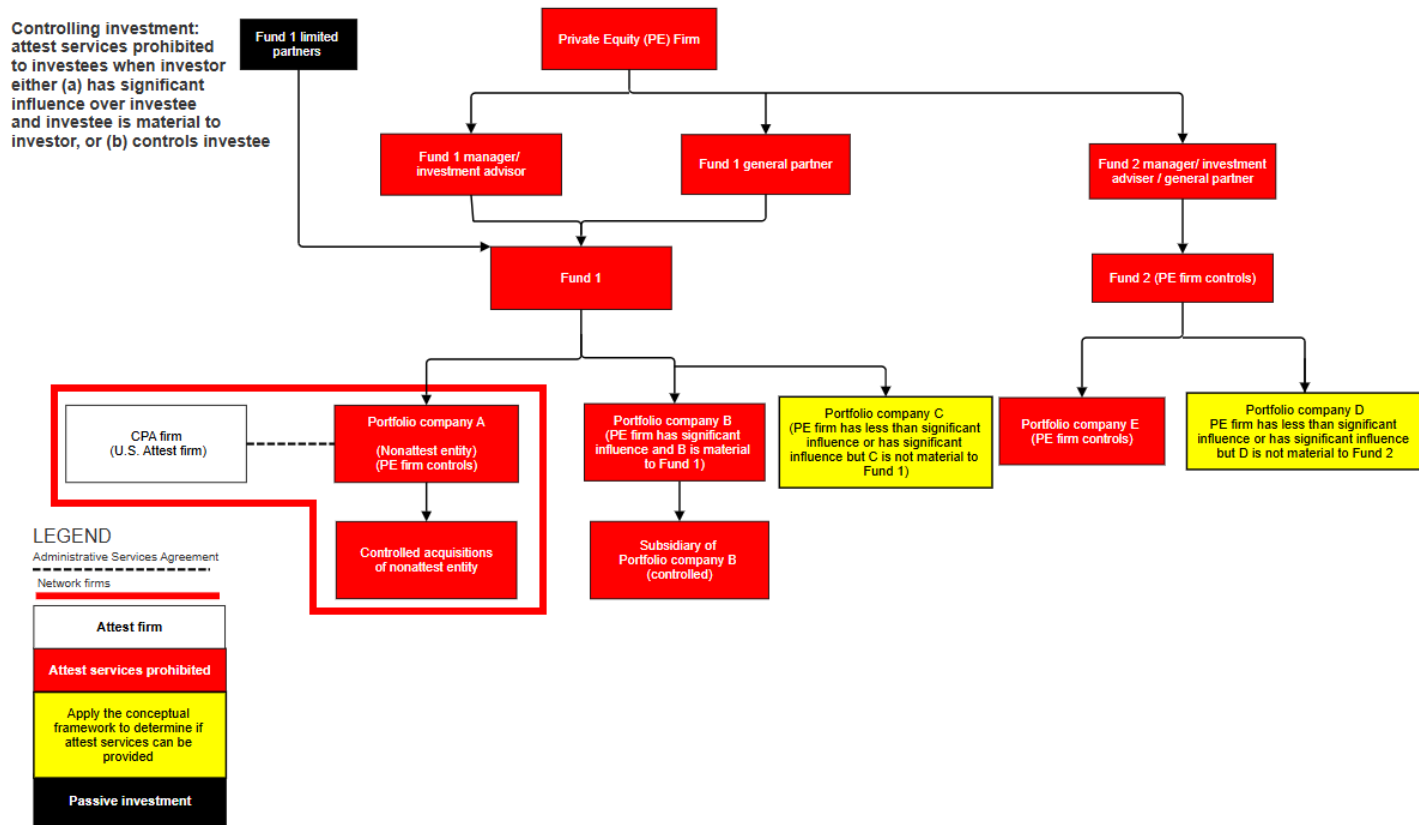
Examples of affiliate relationships of Investee B:

- (1) The subsidiary and/or investor is an affiliate of Investee B if the subsidiary/investor has at least significant influence over Investee B, and Investee B is material to the subsidiary/investor: affiliate definitions (c) or (d).

Controlling investment by investor

55. Threats to independence when providing attest services to other investees are more significant in a controlling investment. Therefore, the conclusions discussed in paragraph 56 of this explanatory material is more restrictive than what would result from the application of the affiliate rules.

56. In a controlling investment, independence is impaired when the attest firm provides any attest service to an investee of the investor when the investor either (a) has significant influence over the investee and the investee is material to the investor or (b) controls the investee (.18d.). When the investor is PE, this restriction applies to any funds and to portfolio companies in any fund.



Relationships that require application of the conceptual framework

57. Members should apply the “Conceptual Framework for Independence” interpretation for other relationships and circumstances the member knows or has reason to believe exist that may create threats to independence. This includes when determining whether attest services can be provided within the investor’s structure that are not prohibited as described in paragraphs 48–56 of this explanatory material (.18b–d).

58. In evaluating threats, members should consider the level of investment (significant influence or controlling) and other relevant factors. The examples and factors provided in paragraph .20 of the interpretation are meant to be illustrative and non-exhaustive. Members should determine which of these and other factors are relevant to the specific set of facts and circumstances being evaluated.

59. Members are not required to monitor for the existence of these relationships; however, members should apply the conceptual framework when they know or have reason to believe a relationship that may create threats to independence exists. The phrase “knows or has reason to believe” appears in various sections of the code but is not explicitly defined. In practice, it is commonly interpreted as having actual knowledge of a relationship or becoming aware of information that provides sufficient cause to believe the relationship exists. Additional conceptual framework examples will be provided in nonauthoritative guidance for APSs with a public company, private equity, or another investor.
60. Paragraph .20*b*. of the interpretation provides an example of when the attest firm knows or has reason to believe a financial, employment, or business relationship exists between an individual or entity listed (for example, a nonattest entity board member who is not a covered member) and an attest client. PEEC believes the categories listed of “financial, employment (including key positions), and business relationships” sufficiently covers the relationships outlined in the correlating sections of the code.³¹

Relationships that generally do not create threats to independence

61. Relationships with certain individuals and entities that generally do not create threats to independence in an APS are presented in paragraphs .21–.22 of the interpretation. The term “generally” is used here to indicate that typically these relationships do not create threats to independence. However, if additional information indicates a threat to independence exists, members should evaluate the threat to conclude whether threats are not at an acceptable level.
62. Limited partners are included here because their investment is passive in nature and usually does not provide for significant influence over the fund it invests in (.21). However, if an individual who is a limited partner, or who is appointed by an entity that is a limited partner, serves on the nonattest entity board, that individual is subject to the guidance applicable to nonattest entity board members. See paragraph 50 of this explanatory material for a situation in which the limited partner has significant influence over the fund and the investment is material to the limited partner.

³¹ The “Financial Interests” subtopic (ET sec. 1.240), the “Trusts and Estates” subtopic (ET sec. 1.240), the “Participation in Employee Benefit Plans” subtopic (ET sec. 1.250), the “Depository, Brokerage, and Other Accounts” subtopic (ET sec. 1.255), the “Insurance Products” subtopic (ET sec. 1.257), the “Loans, Leases, and Guarantees” subtopic (ET sec. 1.260), the “Business Relationships” subtopic (ET sec. 1.265), and the “Current Employment or Association with an Attest Client” subtopic (ET sec. 1.275).

63. Other investees of the investor (for example, other portfolio companies) that are not determined to be network firms of the attest firm may provide services to attest clients of the attest firm that would impair independence if performed by the attest firm. In addition, other investees could enter into business relationships with attest clients of the attest firm that would impair independence if entered into with the attest firm (.22).

Proposed revision to the “Alternative Practice Structures” interpretation (ET sec. 1.810.050)

64. PEEC is proposing the revision to paragraph .01 to broaden the application of the requirements to APS models.
65. Extant paragraph .03 is being deleted because it is redundant with the financial interest provision of the “Council Resolution Concerning the Form of Organization and Name Rule” (Appendix B). The attest firm must comply with the provisions in the resolution to provide the attest services outlined in paragraph A. of the resolution.
66. The new proposed paragraph .03 is intended to address a potential practice issue. The purpose is to promote transparency in practice, avoid the risk of misleading clients, and ensure accurate representation regarding which entity in the APS is responsible for performing each service.

Proposed revision to the “Conceptual Framework for Independence” interpretation (ET sec. 1.210.010) and “Conceptual Framework for Members in Public Practice” interpretation (ET sec. 1.000.010)

67. Among the various types of threats to independence in an APS, the undue influence threat³² tends to arise more frequently. This increased frequency is due to the additional relationships that must be considered in an APS, which can introduce more complex dynamics and potential sources of influence — though the threat itself is not inherently more significant. PEEC is proposing to include additional examples in the conceptual framework interpretations, which will assist members in identifying this threat when practicing in an APS.

Proposed revision to the definition of *network firm* (ET sec. 0.400.36)

68. The first revision to the definition of *network firm* removes the inclusion of entities under common control with a network firm from the definition. Furthermore, PEEC does not believe

³² *Undue influence threat*. The *threat* that a *member* will subordinate his or her judgment to that of an individual associated with an *attest client* or any relevant third party due to that individual’s reputation or expertise, aggressive or dominant personality, or attempts to coerce or exercise excessive influence over the *member* (ET sec. 1.000.010.16).

entities under common control with a network firm should automatically be scoped into the definition of *network firm* but rather be subject to evaluation as necessary.

69. Additionally, circumstances in which a member owns and controls a separate business will continue to be addressed in the “Ownership of a Separate Business” interpretation (ET sec. 1.810.010). According to this interpretation, a separate business under common control is required to comply with the code.

70. The second revision adds a precondition that an entity that controls a network firm also be cooperating with the network firm for the purpose of enhancing the network firm’s capabilities to provide professional services before the controlling entity is considered a network firm. The revised definition still requires a controlling entity of a network firm to be evaluated for inclusion as a network firm. The code continues to prohibit ownership in a CPA firm by an entity or by individuals who are not actively engaged as members of the firm.³³

Conclusion

71. The proposed new interpretation and revisions presented in this exposure draft are designed to address the evolving landscape of APSs in the accounting profession. The guidance addresses threats to independence in an APS by leveraging other independence interpretations, prohibiting certain relationships unique to an APS when independence would be impaired, and allowing firms to evaluate threats using the conceptual framework in other instances. Including factors to consider when applying the conceptual framework will help ensure consistent compliance with the independence requirements through application of the framework. These changes aim to uphold the integrity of the profession while offering practical guidance for firms operating in alternative practice structures.

Effective date

72. PEEC recommends the proposal be effective one year after adoption, with early implementation permitted for those who implement the new interpretation in its entirety.

Request for comments

73. PEEC welcomes comments on all aspects of the proposed revisions to the code. In addition, PEEC seeks feedback on the following specific aspects (parenthetical references are to paragraphs in the proposed interpretation):

- a. Do you agree that “investor” is defined appropriately (.04c)? If not, please explain.

³³ Appendix B: *Council Resolution Concerning the Form of Organization and Name Rule*.

- b. Do you agree that the definition of “key stakeholders of the investor” is clear in terms of which individuals are included?
- c. Do you agree the three models should be included in the interpretation (.06–.07)? If not, please explain, including whether you believe one or more should be included in nonauthoritative guidance or if there are other models that should be included in nonauthoritative guidance.
- d. Do you agree that the definition of “network firm” should be amended to add the requirement that the cooperation characteristic (as described in paragraph 29 of the explanatory material) in the definition of “network” be met before a controlling investor of a network firm is considered a network firm? If not, please explain.
 - i. Do you agree that if the controlling investor is a network firm based on the definition of “network firm,” then other entities it controls should also be network firms? If not, please explain.
- e. Do you agree that in an APS, the nonattest entity should be subject to the same independence requirements as the attest firm, including the requirements under the “Independence Standards for Engagements Performed in Accordance with Statements on Standards for Attestation Engagements” subtopic (ET sec. 1.297 (.14))?
 - i. If you do not agree, do you believe the “Conceptual Framework for Independence” interpretation should be applied to evaluate the significance of threats created by the nonattest entity’s and its controlled entities’ relationships with attest clients subject to the SSAEs?
 1. If so, what factors should be considered in evaluating the significance of threats and whether potential safeguards could be implemented?
- f. Do you agree that when an investor does not provide professional services and the investor’s activities are limited to investing in the nonattest entity and advising on the budgetary or strategic direction of the attest firm (described in paragraph 32 of the explanatory material), then the investor is generally not a network firm? If not, please explain.
 - i. If you agree, state whether you believe these factors should be in authoritative or nonauthoritative guidance.

- g. Do you agree with the factors for determining whether cooperation exists for the purpose of enhancing capabilities to provide professional services as described in paragraph 33 of the explanatory material?
 - i. If you agree, state whether you believe these factors should be in authoritative or nonauthoritative guidance.
 - ii. Do you believe any additional factors should be included for determining whether cooperation exists? If so, please provide the additional factors.
- h. Do you agree that the covered member section (.15–.16) should remain in the interpretation?
 - i. If not, should this section be presented as application material on how to apply the *covered member* definition in an APS in nonauthoritative guidance?
- i. Do you agree that the chief executive of the nonattest entity (and other individuals in an attest partner’s chain of command in the nonattest entity) should be evaluated under the *covered member* definition rather than be automatically considered covered members (.16)? If not, please explain.
- j. Do you agree that when the investor has significant influence or control over the nonattest entity, the attest firm should not provide a financial statement attest service to an investee of the investor if an upstream entity of the nonattest entity is an affiliate of the investee (.18b.)? If not, please explain.
- k. Do you agree that when an attest client has a financial interest in the nonattest entity, independence is impaired, regardless of whether the attest client has significant influence over the nonattest entity (.18c.)? If not, please explain.
- l. Do you agree that, in an APS with PE when the PE investor controls the nonattest entity, the attest firm should not provide attest services to another portfolio company **in any fund** when the PE investor either a) has significant influence over the portfolio company and the investment is material the fund, or b) controls the portfolio company (.18d.)? If not, please explain.
- m. Do you agree that the prohibitions described in paragraph .18b.–d. of the interpretation regarding the provision of attest services to investees and other entities of the investor (that is not a network firm), along with the use of the conceptual framework for independence for circumstances when the prohibitions

would not apply (.20), are sufficient to address threats to independence in the circumstances described in the respective paragraphs? If not, please explain.

- i. For example, when the investor has significant influence over the nonattest entity, the attest firm would apply the conceptual framework for independence when evaluating whether a controlled portfolio company in the same fund as the nonattest entity could be a financial statement attest client if the controlled portfolio company is not material to the fund (that is, the fund is not an affiliate).
- n. Do you agree with the “Relationships with individuals and entities that generally do not create threats to independence” section (.21–.22)?
 - i. If you agree, should paragraphs .21–22 remain in the interpretation? If not, do you believe the material should be presented in nonauthoritative guidance?
- o. Do you agree that the new paragraph .03 of the revised “Alternative Practice Structures” interpretation of the “Form of Organization and Name Rule” should be in the interpretation? If not, do you believe this is a practice issue as described in paragraph 66 of the explanatory material and, if so, is there another approach that should be considered (for example, in nonauthoritative guidance)?
- p. Do you agree that the proposed guidance is operational? If not, please identify specific sections you do not agree are operational.
- q. Are there any other independence threats related to practicing in an APS, as well as in traditional networks, that we haven’t addressed? If so, please explain.
- r. For what areas do you believe nonauthoritative guidance is needed (other than those already identified)?

Proposed new interpretation “Alternative Practice Structures” (ET sec. 1.220.020)

Terms defined in the AICPA Code of Professional Conduct are italicized in this document. If you would like to see the definitions, you can find them in “Definitions” ([ET sec. 0.400](#)).

Because the new interpretation is replacing the existing interpretation in its entirety, the proposal is not marked for changes.

- .01 *Members* who practice in an alternative practice structure should apply this and other applicable *interpretations* to determine their compliance with the “Independence Rule” [1.200.001].
- .02 All such structures must be organized in a form that complies with applicable state and federal laws, rules, and regulations; the “Form of Organization and Name Rule” [1.800.001]; and the related “Alternative Practice Structures” interpretation [1.810.050] of the “Form of Organization and Name Rule.”
- .03 To protect the public interest, the overriding focus of the “Council Resolution Concerning the Form of Organization and Name Rule” [appendix B] is that CPAs remain responsible for a *firm’s* attest work. In addition to the provisions of the resolution, other requirements of the code and bylaws ensure responsibility for
- a. compliance with all aspects of applicable law or regulation;
 - b. enrollment in an AICPA-approved practice monitoring program;
 - c. compliance with the “Independence Rule;” and
 - d. compliance with applicable standards promulgated by *Council*-designated bodies (the “Compliance with Standards Rule” [1.310.001]) and all other provisions of the code, including “Structure and Application of the AICPA Code” [0.200].

Terminology

.04 The following terms are defined solely for the purpose of applying this *interpretation*.

- a. An alternative practice structure (APS) is a form of organization in which a *firm* that provides attest services (attest *firm*) is closely aligned with another public or private entity, partly or wholly owned by an investor or investors, that performs *professional services* other than attest services (nonattest entity).
- b. Closely aligned means a substantial amount of the revenues of the attest *firm* are paid to the nonattest entity in return for administrative services and the lease of employees, equipment, office space, and other resources.
- c. An investor is an individual or entity that has a *financial interest* in the nonattest entity. The investor does not meet the characteristics of the “Council Resolution Concerning the Form of Organization and Name Rule” [appendix B] and could be a private equity (PE) investor, partnership, corporate entity, or other type of investor. There may be one or more investors in the nonattest entity.
- d. A *significant influence* investment exists when an investor has *significant influence* over the nonattest entity but not *control*.
- e. A *controlling* investment exists when an investor has *control* over the nonattest entity.
- f. Key stakeholders of the investor are individuals who represent or act on behalf of the investor and may include owners, managing partners, founders, or principals.
- g. Upstream entities of the nonattest entity are entities that have at least *significant influence* over the nonattest entity through an investor. For example, in an APS with PE, when the investor has at least *significant influence* over the nonattest entity, this includes the fund, investment adviser, general partner, and PE firm.

Characteristics and diagrams of an APS

.05 The following characteristics are not necessarily representative of every APS. *Members* should apply the concepts of the *interpretation* even if one or more of these characteristics vary in the *member's* APS.

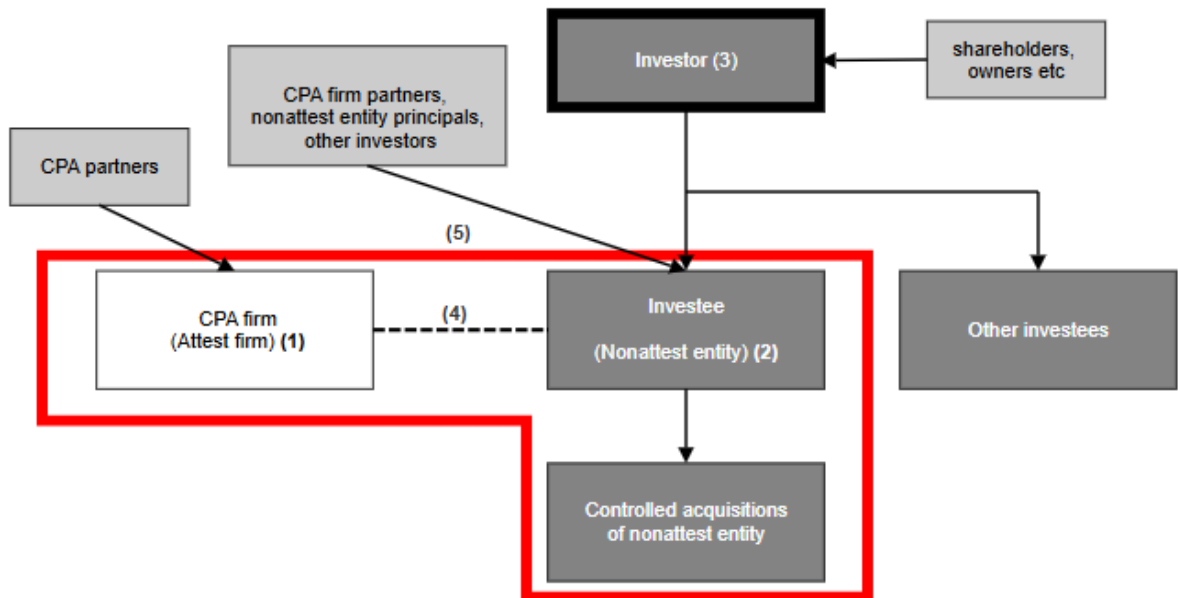
- a. A *firm* separates its attest practice (attest *firm*) and nonattest practice (nonattest entity) and sells a portion of its nonattest practice to an investor or investors. Legacy *partners* of the *firm* may retain an equity interest in the nonattest entity. Alternatively, an attest *firm* may closely align itself with a nonattest entity that has such an investor.

- b. An investor has a *financial interest* that provides the investor with either *significant influence* or *control* over the nonattest entity. There may be other investors with less than *significant influence* in the nonattest entity.
- c. The attest *firm* meets the requirements of the “Council Resolution Concerning the Form of Organization and Name Rule” [appendix B], including majority ownership by CPAs (attest *firm partners*) and the prohibition against “ownership by investors or commercial enterprises not actively engaged as members of the *firm* or its *affiliates*.” The attest *firm partners* remain responsible for decisions regarding *attest clients*, *attest engagements*, quality management, *independence*, risk management, and attest *firm* personnel. The attest *firm partners* and members of the *attest engagement team* may be employees of the nonattest entity.
- d. The nonattest entity does not meet the characteristics of the “Council Resolution Concerning the Form of Organization and Name Rule” [appendix B]. The owners of the nonattest entity may include attest *firm partners*, nonattest entity principals, and investors.
- e. The attest *firm* has its own governing body, such as a board of directors (attest *firm* board) that is separate from the nonattest entity’s governing body and is not elected by the nonattest entity’s governing body. The attest *firm* board is involved in budgetary decisions of the attest *firm*.
- f. The nonattest entity has a governing body, such as a board of directors or equivalent body (nonattest entity board) that includes representation from the investor, oftentimes relative to its *financial interest* in the nonattest entity. The nonattest entity board may be the governing body of a parent entity with direct oversight over the nonattest entity. Decisions regarding compensation, finance and budget, resource allocation, and strategic decisions of the nonattest entity are made at the board level; however, the nonattest entity board does not make ordinary-course managerial and operational decisions related to the nonattest entity. Such decisions are made by senior management of the nonattest entity. The nonattest entity board has the authority to approve the budget, including compensation of the attest *firm partners* either on a pooled or individual basis, and may delegate these responsibilities to subcommittees, which may include attest *partner* representation.
- g. The attest *firm* maintains an administrative services agreement (or similar agreement) with the nonattest entity. Under this agreement, the attest *firm* compensates the nonattest entity for administrative support, leased employees, equipment, office space, and other resources. The administrative services agreement is generally structured with

defined terms, renewal provisions, and termination rights, including the right to exit if the relationship is no longer aligned with professional standards.

- h. The chief executives or equivalents of the attest *firm* and nonattest entity are usually not the same individual. The chief executive or equivalent of the attest *firm* reports to the attest *firm* board, while the chief executive or equivalent of the nonattest entity reports to the nonattest entity board.

.06 The following diagram depicts an example of an APS with a public or private investor that has either a *significant influence* or *controlling* investment in the nonattest entity.

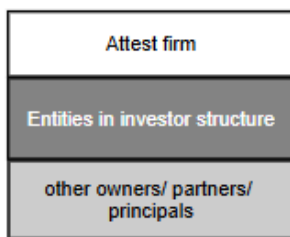


LEGEND

Administrative Services Agreement

Network firms

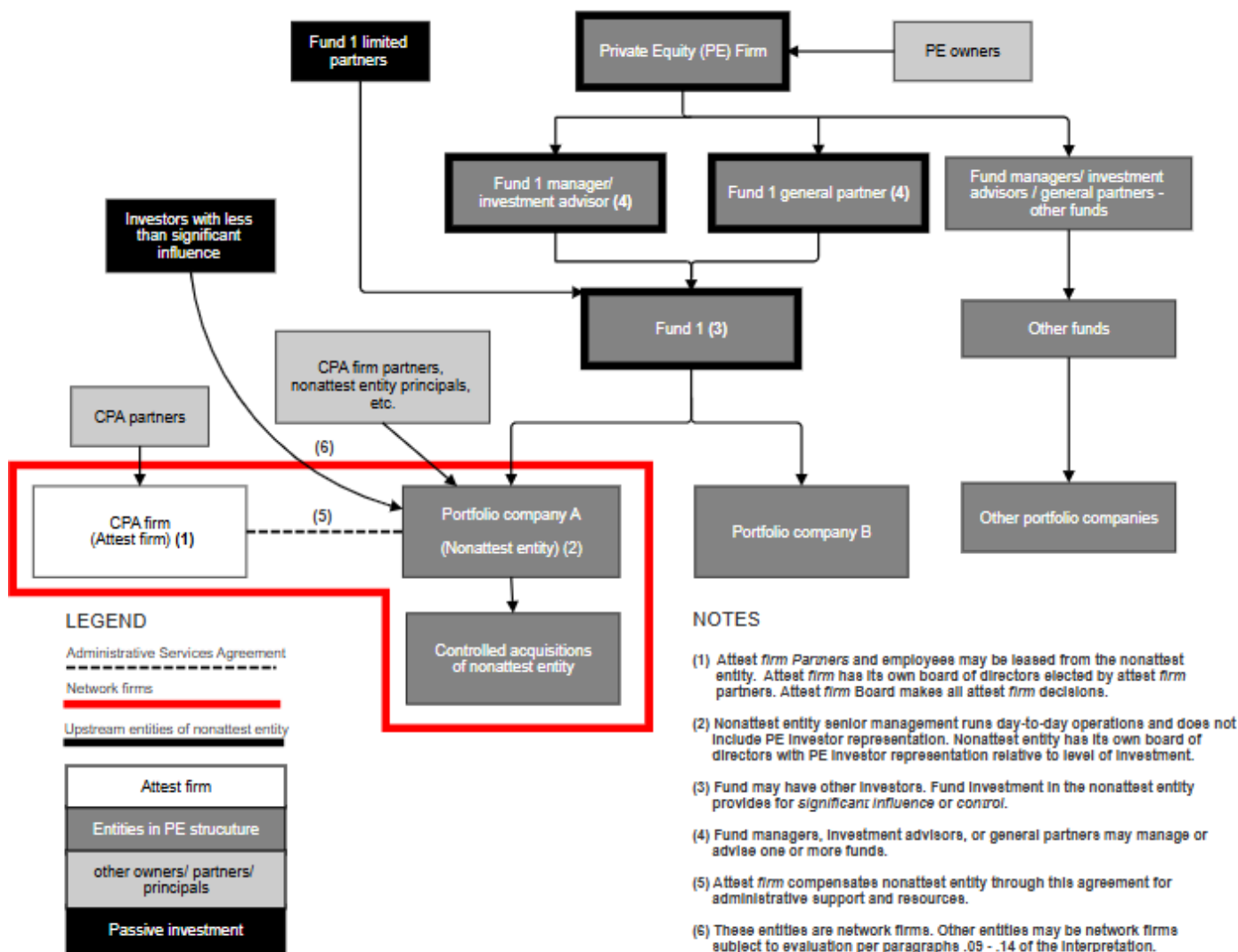
Upstream entities of nonattest entity

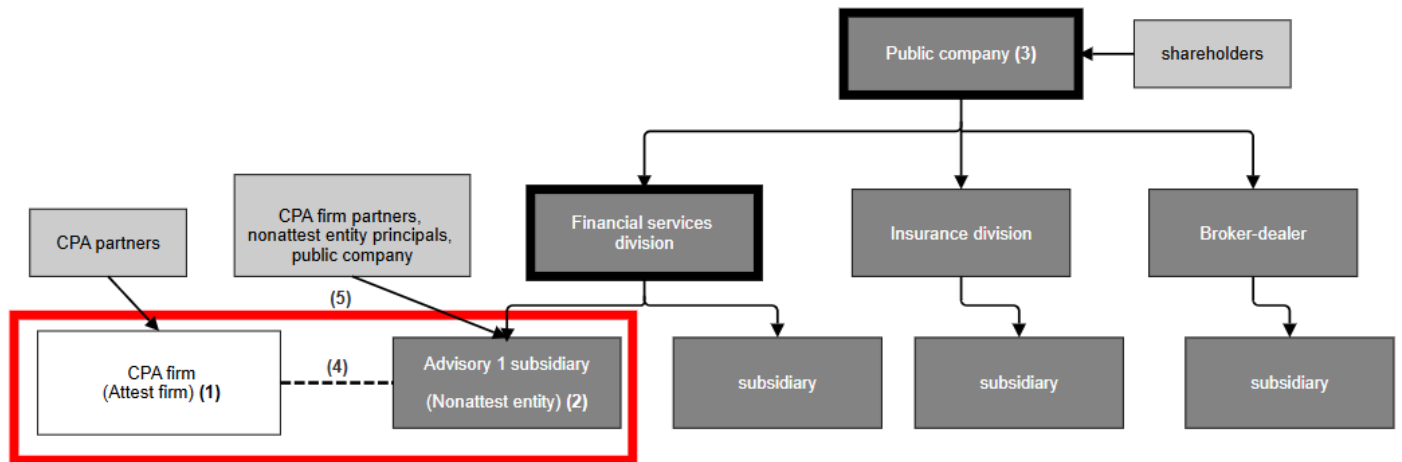


NOTES

- (1) Attest firm partners and employees are leased from the nonattest entity. Attest firm has its own board of directors elected by attest firm partners. Attest firm board makes all attest firm decisions.
- (2) Senior management of nonattest entity manages day-to-day operations and does not include investor representation. Nonattest entity has its own board of directors with investor representation relative to level of investment.
- (3) Public or private investment in nonattest entity that provides for significant influence or control over the nonattest entity.
- (4) Attest firm compensates nonattest entity through this agreement for administrative support and resources.
- (5) These entities are network firms. Other entities may be network firms subject to evaluation per paragraphs .09 - .14 of the interpretation.

.07 The following diagrams depict an APS with a PE investor, followed by an APS with a public company investor, that has either *significant influence* or a *controlling* investment in the nonattest entity.



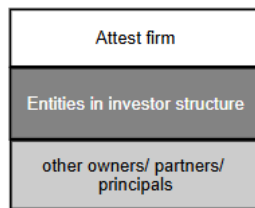


LEGEND

Administrative Services Agreement

Network firms

Upstream entities of nonattest entity



NOTES

(1) *Attest firm partners* and employees are leased from the nonattest entity. *Attest firm* has its own board of directors elected by *attest firm partners*. *Attest firm* board makes all *attest firm* decisions.

(2) Senior management of nonattest entity manages day-to-day operations. Nonattest entity has its own board of directors with investor representation relative to level of investment. Board may sit above another entity in investor structure.

(3) Public investment in nonattest entity that provides for *significant influence or control* over the nonattest entity.

(4) *Attest firm* compensates nonattest entity through this agreement for administrative support and resources.

(5) These entities are *network firms*. Other entities may be *network firms* subject to evaluation per paragraphs .09 - .14 of the interpretation.

Interpretation

.08 *Members* operating in an APS should perform the following steps when identifying and evaluating relationships to comply with the “Independence Rule” [1.200.001] and its *interpretations*.

- a. Determine which entities are *network firms* of the attest firm by (i) applying the *network* definition and then (ii) applying the *network firm* definition (paragraphs .09–.14).
- b. Determine which individuals are *covered members* (paragraphs .15–.16).
- c. Identify relationships and circumstances that create *threats to independence*.
 - i. Determine whether the relationships and circumstances described in paragraph .18a.–d. exist. When these relationships and circumstances exist, *threats* are not at an *acceptable level* and cannot be reduced to an *acceptable level* by the application of *safeguards*, and *independence* is *impaired*.

- ii. Apply the “Conceptual Framework for Independence” interpretation [1.210.010] to relationships and circumstances not prohibited by .18a.–d. that the *member* knows or has reason to believe exist, such as those identified in paragraph .20.

Network firms

- .09 The attest *firm* and nonattest entity are *network firms* because they cooperate to enhance the *firms’* capabilities to provide *professional services* and share one or more of the characteristics described in the definition of *network* [0.400.35].
- .10 The attest *firm* should consider whether an investor with *significant influence* or *control* over the nonattest entity is part of the attest *firm’s network*. This determination should be based on whether the investor cooperates with the attest *firm* to enhance its capabilities to provide *professional services* and meets one or more of the characteristics described in the definition of *network* [0.400.35].
- .11 When evaluating whether an entity is part of the attest *firm’s network*, the determination should be based on the relationship between the attest *firm* and the entity that is being evaluated except as outlined in paragraphs .12 and .13.
- .12 The attest *firm* should then consider if additional entities are part of the *network* through application of the definition of *network firm* [0.400.36]. For example, entities that the nonattest entity *controls* meet the definition of *network firm* and are therefore part of the attest *firm’s network*.
- .13 The attest *firm* should consider whether an investor that *controls* the nonattest entity but does not meet the characteristics of a *network* as described in paragraph .10 would meet the definition of a *network firm*. This determination should be based on whether the investor cooperates with the nonattest entity to enhance its capabilities to provide *professional services* as described in the definition of *network firm*.
- .14 Due to the close alignment of the attest *firm* and nonattest entity, the exceptions applicable to *network firms* within *interpretations* under the “Independence Rule” [1.200.001] do not apply to the nonattest entity and entities it *controls*. Therefore, the following requirements apply:
 - a. The nonattest entity, and entities it controls, should comply with the “Independence Rule” [1.200.001] and its *interpretations* with respect to all *attest clients*, which includes complying with the “Independence Standards for Engagements Performed in Accordance with Statements on Standards for Attestation Engagements” subtopic [1.297].
 - b. Nonattest entity *partners*, *partner equivalents*, principals and professional employees are subject to the *interpretations* of the “Independence Rule” [1.200.001] that apply to individuals within the attest *firm*.

- c. The attest *firm* and nonattest entity, and entities it *controls*, should take specific steps to identify conflicts of interest that may arise due to their respective relationships with or between *clients* as set forth under the “Conflicts of Interest for Members in Public Practice” interpretation [1.110.010].

Covered members

- .15 Individuals outside the attest *firm* may be *covered members*. For example, nonattest entity board members who have the authority, whether exercised or not, to recommend or approve the compensation of the attest *firm partners* at the individual level are *covered members* because they are *individuals in a position to influence the attest engagement*.
- .16 Other individuals may need to be evaluated to determine if they meet the definition of a *covered member*, including the following:
 - a. Board members of the nonattest entity who do not have the authority to recommend or approve the compensation of the attest *firm partners* at the individual level
 - b. Individuals in the nonattest entity who directly supervise or manage the *attest engagement partner*, including all successively senior levels through the chief executive or equivalent of the nonattest entity (for example, executive committee members)

Relationships and circumstances with individuals and entities that may create threats to independence

- .17 *Threats* to compliance with the “Independence Rule” [1.200.001] may exist due to additional relationships involving individuals and entities that are not *network firms* or *covered members*.
- .18 *Threats* to compliance with the “Independence Rule” [1.200.001] are not at an *acceptable level* and cannot be reduced to an *acceptable level* through the application of *safeguards* and therefore, *independence* is *impaired* in the following circumstances:
 - a. In a *significant influence* investment or *controlling* investment, when an individual who is a member of *those charged with governance* over the nonattest entity serves in a *key position* at an *attest client* during the *period of the professional engagement* or the *period covered by the financial statements*
 - b. In a *significant influence* investment or *controlling* investment, when an *attest client* or an *affiliate* of a *financial statement attest client* is an upstream entity of the nonattest entity

- c. When an *attest client* has or the *attest client's* officers or directors have a *direct financial interest* in the nonattest entity or a *beneficial ownership interest* in more than 5 percent of the equity securities of the nonattest entity *Independence is impaired* regardless of whether the *attest client* has *significant influence* over the nonattest entity.
- d. In a *controlling* investment, when the investor either (i) has *significant influence* over an *attest client* and the *attest client* is material to the investor or (ii) *controls* the *attest client*

.19 To determine whether an *attest engagement* in paragraph .18 can be completed when a *financial statement attest client* is being acquired by the investor or when the attest *firm* acquires another *firm* that is providing an attest service to an investee of the investor, refer to the acquisition guidance in the “Client Affiliates” interpretation [1.224.010] and the “Firm Mergers and Acquisitions” interpretation [1.220.040], respectively.

.20 In both a *significant influence* investment and *controlling* investment, *members* should evaluate whether a relationship that is not prohibited by application of the “Independence Rule” [1.200.001] and its *interpretations* to *covered members*, *network firms*, or the additional requirements of this *interpretation*, create *threats* that require the *member* to apply *safeguards* to reduce those *threats* to an *acceptable level*. When *threats* cannot be eliminated or reduced to an *acceptable level*, *independence is impaired*. The following are examples of circumstances in which such relationships should be evaluated:

- a. The attest *firm* is determining whether it can provide an attest service to an investee or other entity of an investor that is not prohibited by paragraph .18b.–d. Examples of factors to consider when evaluating whether *threats* exist and are at an *acceptable level* include the following:
 - i. Whether the investor *controls* the nonattest entity
 - ii. Nature of the attest service
 - iii. Whether the investor has *significant influence* over or *controls* the investee or other entity of the investor
 - iv. Whether the investee or other entity of the investor is material to the investor or another upstream entity of the nonattest entity
 - v. Whether the *financial statements* of the investee or of another entity of the investor are consolidated with the investor
 - vi. Whether the investee or other entity of the investor has separate governance and separate management from the nonattest entity

- vii. Whether the investee or other entity of the investor is an existing *attest client* that the investor is targeting as an acquisition
 - viii. Whether the *attest engagement* arose from a referral, introduction, or recommendation by a representative of the investor
 - ix. Whether a key stakeholder of the investor is on the board of the investee or other entity of the investor
 - x. Whether the investment in the investee or other entity of the investor is managed by the same individual or entity as the nonattest entity (for example, the fund, general partner, or investment adviser)
- b. The attest *firm* knows or has reason to believe that a financial, employment (including *key positions*), or business relationship not prohibited by paragraph .18a exists between an *attest client* and any of the following individuals or entities that are not *covered members* or *network firms*:
- i. Nonattest entity board members who are appointed by an investor with at least *significant influence* over the nonattest entity
 - ii. Key stakeholders of the investor with at least *significant influence* over the nonattest entity
 - iii. Upstream entities of the nonattest entity including individuals in *key positions* at those entities
 - iv. Investors with less than *significant influence* over the nonattest entity
- c. The attest *firm* knows or has reason to believe that an *attest client* has a *financial interest* in an investor with at least *significant influence* over the nonattest entity that is not prohibited by paragraph .18b. Examples of factors to consider when evaluating whether *threats* exist and are at an *acceptable level* include the following:
- i. The nature of the attest service
 - ii. Whether the *attest client* has *significant influence* over the investor
 - iii. Whether the investment is material to the *attest client*
 - iv. Whether the investment is a *direct* or *indirect financial interest* in the investor

Relationships with individuals and entities that generally do not create threats to independence

.21 Relationships with the following individuals and entities generally do not create *threats* to *independence*. Therefore, these individuals and entities are generally not subject to the “Independence Rule” [1.200.001] and its *interpretations*.

- a. Limited partners with a *financial interest* in the investor, or the investment vehicle that holds the investment in the nonattest entity, when the limited partner has less than *significant influence* over the investor or investment vehicle.
- b. Investees of an investor with less than *significant influence over the nonattest entity*, unless the investees meet the definition of *network firms*.
- c. *Immediate family* members of the individuals listed in paragraph .20b.

.22 An investee of an investor, that is not a *network firm*, may provide nonattest services to, or enter into a business relationship with, an *attest client* of the attest *firm* that would *impair independence* if performed by, or entered into with, the attest *firm*.

Proposed revisions to definition and interpretations (redline)

Additions appear in ***boldface italic***. Deletions appear in ~~strikethrough~~.

Terms defined in the AICPA Code of Professional Conduct are italicized in this document. If you'd like to see the definitions, you can find them in "Definitions" ([ET sec. 0.400](#))

0.400.36 Definition of *network firm*

ET sec. 0.400.36 Network firm. A *firm* or other entity that belongs to a *network*. This includes any entity that, ~~the network~~ by itself or through one or more of its owners, ~~controls~~ or is ~~controlled~~ by, or is under common ~~control~~ with

- a. ***the network firm controls, or***
- b. ***controls the network firm and cooperates with the network firm for the purpose of enhancing that network firm's capabilities to provide professional services.***

1.810.050 Alternative Practice Structures

.01 The "[Form of Organization and Name Rule](#)" [1.800.001] states, "A *member* may practice public accounting only in a form of organization permitted by law or regulation whose characteristics conform to resolutions of *Council*." The *Council* resolution ([appendix B](#)) requires, among other things, that CPAs own a majority of the *financial interests* in a *firm* engaged to provide attest services (as defined therein) to the public. This interpretation explains the application of this rule to an alternative practice structure (APS) ~~in which (a) the majority of the financial interests in the attest firm is owned by CPAs and (b) all or substantially all of the revenues are paid to another entity in return for services and the lease of employees, equipment, and office space.~~ ***as described in the "Alternative Practice Structures" interpretation (ET sec. 1.220.020).***

.02 To protect the public interest, the overriding focus of the [resolution](#) is that CPAs remain responsible, financially and otherwise, for a firm's attest work. In addition to the provisions of the [resolution](#), other requirements of the code and bylaws ensure responsibility for

- a. compliance with all aspects of applicable law or regulation,
- b. enrollment in an AICPA-approved practice monitoring program,

- c. compliance with the “[Independence Rule](#)” [1.200.001], and
- d. compliance with applicable standards promulgated by Council-designated bodies (“[Compliance With Standards Rule](#)” [1.310.001]) and all other provisions of the code, including “[Structure and Application of the AICPA Code](#)” [0.200].

~~.03 Given all the previously mentioned safeguards that protect the public interest, if the CPAs who own the attest firm remain financially responsible, under applicable law or regulation, for the firm’s attest work, the member is considered to be in compliance with the financial interests provision of the resolution. [Prior reference: paragraph .04 of ET section 505]~~

.03 The member should disclose to the client which professional services are provided by the firm engaged to provide attest services and which are provided by the closely aligned entity that performs professional services other than attest services (nonattest entity). See paragraph .05d. of the “Alternative Practice Structures” interpretation (1.220.020) for description of nonattest entity.

1.210.010 Conceptual Framework for Independence

[Paragraphs .01–.17 are unchanged.]

.18 *Undue influence threat.* The *threat* that a *member* will subordinate his or her judgment to that of an individual associated with an *attest client* or any relevant third party due to that individual’s reputation or expertise, aggressive or dominant personality, or attempts to coerce or exercise excessive influence over the *member*. Examples of undue influence *threats* include the following:

- a. Management threatens to replace the *member* or *member’s firm* over a disagreement on the application of an accounting principle.
- b. Management pressures the *member* to reduce necessary audit procedures in order to reduce audit fees.
- c. The *member* receives a gift from the *attest client*, its management, or its significant shareholders. [1.285.010]
- d. A large proportion of fees charged by the *firm* to an *attest client* is generated by providing nonattest services.
- e. ***In an alternative practice structure, the investor pressures the attest firm and/or nonattest entity to meet internal or external targets.***

- f. In an alternative practice structure, an individual representing the investor (for example, a nonattest entity board member), participates in decisions affecting the attest firm, such as independence, quality management, or compensation decisions of attest partners.**

[Paragraphs .19–.23 are unchanged.]

1.000.010 Conceptual Framework for Members in Public Practice

[Paragraphs .01–.15 are unchanged.]

.16 *Undue influence threat.* The *threat* that a *member* will subordinate his or her judgment to that of an individual associated with an *attest client* or any relevant third party due to that individual's reputation or expertise, aggressive or dominant personality, or attempts to coerce or exercise excessive influence over the *member*. Examples of undue influence *threats* include the following:

- a. The *firm* is threatened with dismissal from a *client* engagement.
- b. The *client* indicates that it will not award additional engagements to the *firm* if the *firm* continues to disagree with the *client* on an accounting or tax matter.
- c. An individual associated with the *client* or any relevant third party threatens to withdraw or terminate a *professional service* unless the *member* reaches certain judgments or conclusions.
- d. ***In an alternative practice structure, the investor pressures the attest firm and/or nonattest entity to meet internal or external targets.***
- e. ***In an alternative practice structure, an individual representing the investor (for example, a nonattest entity board member), participates in decisions affecting the attest firm, such as independence, quality management, or compensation decisions of attest partners.***

[Paragraphs .17–.24 are unchanged.]

Proposed revisions to definition and interpretations (clean)

0.400.36 Definition of *network firm*

ET sec. 0.400.36 Network firm. A *firm* or other entity that belongs to a *network*. This includes an entity that, by itself or through one or more of its owners,

- a. the *network firm controls*, or
- b. *controls* the *network firm* and cooperates with the *network firm* for the purpose of enhancing that *network firm's* capabilities to provide *professional services*.

1.810.050 Alternative Practice Structures

.01 The "[Form of Organization and Name Rule](#)" [1.800.001] states, "A *member* may practice public accounting only in a form of organization permitted by law or regulation whose characteristics conform to resolutions of *Council*." The *Council* resolution ([appendix B](#)) requires, among other things, that CPAs own a majority of the *financial interests* in a *firm* engaged to provide attest services (as defined therein) to the public. This interpretation explains the application of this rule to an alternative practice structure (APS) as described in the "Alternative Practice Structures" interpretation (ET sec. 1.220.020).

.02 To protect the public interest, the overriding focus of the [resolution](#) is that CPAs remain responsible, financially and otherwise, for a firm's attest work. In addition to the provisions of the [resolution](#), other requirements of the code and bylaws ensure responsibility for

- a. compliance with all aspects of applicable law or regulation,
- b. enrollment in an AICPA-approved practice monitoring program,
- c. compliance with the "[Independence Rule](#)" [1.200.001], and
- d. compliance with applicable standards promulgated by Council-designated bodies ("[Compliance With Standards Rule](#)" [1.310.001]) and all other provisions of the code, including "[Structure and Application of the AICPA Code](#)" [0.200].

.03 The *member* should disclose to the *client* which *professional services* are provided by the *firm* engaged to provide attest services and which are provided by the closely aligned entity that performs *professional services* other than attest services (nonattest entity). See paragraph .05d. of the "Alternative Practice Structures" interpretation (1.220.020) for description of nonattest entity.

1.210.010 Conceptual Framework for Independence

[Paragraphs .01–.17 are unchanged.]

.18 *Undue influence threat*. The *threat* that a *member* will subordinate his or her judgment to that of an individual associated with an *attest client* or any relevant third party due to that individual's reputation or expertise, aggressive or dominant personality, or attempts to coerce or exercise excessive influence over the *member*. Examples of undue influence *threats* include the following:

- a. Management threatens to replace the *member* or *member's firm* over a disagreement on the application of an accounting principle.
- b. Management pressures the *member* to reduce necessary audit procedures in order to reduce audit fees.
- c. The *member* receives a gift from the *attest client*, its management, or its significant shareholders. [1.285.010]
- d. A large proportion of fees charged by the *firm* to an *attest client* is generated by providing nonattest services.
- e. In an alternative practice structure, the investor pressures the attest *firm* and/or nonattest entity to meet internal or external targets.
- f. In an alternative practice structure, an individual representing the investor (for example, a nonattest entity board member), participates in decisions affecting the attest *firm*, such as *independence*, quality management, or compensation decisions of attest *partners*.

[Paragraphs .19–.23 are unchanged.]

1.000.010 Conceptual Framework for Members in Public Practice

[Paragraphs .01–.15 are unchanged.]

.16 *Undue influence threat*. The *threat* that a *member* will subordinate his or her judgment to that of an individual associated with an *attest client* or any relevant third party due to that individual's reputation or expertise, aggressive or dominant personality, or attempts to coerce or exercise excessive influence over the *member*. Examples of undue influence *threats* include the following:

- a. The *firm* is threatened with dismissal from a *client* engagement.

- b. The *client* indicates that it will not award additional engagements to the *firm* if the *firm* continues to disagree with the *client* on an accounting or tax matter.
- c. An individual associated with the *client* or any relevant third party threatens to withdraw or terminate a *professional service* unless the *member* reaches certain judgments or conclusions.
- d. In an alternative practice structure, the investor pressures the attest *firm* and/or nonattest entity to meet internal or external targets.
- e. In an alternative practice structure, an individual representing the investor (for example, a nonattest entity board member), participates in decisions affecting the attest *firm*, such as *independence*, quality management, or compensation decisions of attest *partners*.

[Paragraphs .17–.24 are unchanged.]

Acknowledgments

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The committee wishes to acknowledge the contributions of Bob Denham, who passed away during the course of this work. His dedication and expertise were invaluable to the committee's efforts, and his presence will be greatly missed.



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National Association of State Boards of Accountancy, Inc.
Meeting of the Board of Directors
October 24, 2025 – Chicago, IL

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 Maria Caldwell at 9:00 a.m. CDT on Friday, October 24, 2025.

Chair Caldwell asked President and Chief Executive Officer Dan Dustin to report on the meeting's attendance.

Report of Attendance

President and CEO Dan Dustin reported the following were in attendance and a quorum present:

Officers

Maria E. Caldwell, CPA (FL), Chair
Nicola Neilon, CPA (NV), Vice Chair
Stephanie M. Saunders, CPA (VA), Past Chair
J. Andy Bonner, Jr., CPA (TN), Treasurer
Katrina Salazar, CPA (CA), Secretary

Directors-at-Large

Barry M. Berkowitz, CPA (PA)
Alison L. Houck Andrew, CPA (DE)
Stephen F. Langowski, CPA (NY)
Jason D. Peery, CPA (ID)
Michael Schmitz, CPA (ND)
Kenya Y. Watts, CPA (OH)
Gerald P. Weinstein, CPA (OH)

Regional Directors

Thuy Barron, CPA (WI), Great Lakes Regional Director
Timothy F. Egan, CPA (CT), Northeast Regional Director
Haley Lyons, CPA (OR), Pacific Regional Director (Attended virtually)
Melissa Ruff, CPA (NE), Central Regional Director
Wilhelmus Schaffers, CPA (AL), Southeast Regional Director
Jeannette P. Smith, CPA (TX), Southwest Regional Director
Dan Vuckovich, CPA (MT), Mountain Regional Director
Laurie A. Warwick, CPA (VA), Middle Atlantic Regional Director

Executive Directors' Liaison

Nancy Glynn, Executive Director Committee Chair, Virginia Board of Accountancy

Staff

Daniel J. Dustin, CPA, President, and Chief Executive Officer
Wendy S. Garvin, Executive Vice President

Troy A. Walker, CPA, Vice President, and Chief Financial Officer
William A. Emmer, Chief Operating Officer
John W. Johnson, Vice President – Legislative and Governmental Affairs
Kent A. Absec, Vice President – State Board Relations
Thomas Kenny, Chief Communications Officer

Guests

J. Coalter Baker, CPA (TX), Vice-Chair Nominee
Steven M. Platau, CPA (FL), Director-At-Large Nominee
Martin Pittioni (OR), Executive Directors' Committee Chair 2025-2026
Brendan Tapley, Consultant

Approval of Minutes

Secretary Katrina Salazar presented the minutes for the July 25, 2025, meeting. Ms. Salazar asked if there were any revisions of the minutes. No revisions were needed. Ms. Salazar moved that the July 25, 2025, minutes be approved as presented. Mr. Peery seconded, and the motion passed unanimously.

Report of the Chair

Chair Caldwell welcomed all. She reported that the Executive Committee met the prior day and several topics which were discussed would be presented to the Board later in the afternoon. She reported that the Relations with Member Boards Committee also met with the Executive Committee the prior day. Ms. Caldwell reported that she continues to be pleased with the level of engagement of committee members.

Report of the Vice Chair

Vice Chair Neilon began by thanking NASBA staff for the remarkable job they did while working through the committee assignments. She reported there have been approximately 180 volunteers placed on committees. Vice Chair Neilon also noted that she has named the members of the newly formed Strategic Planning Task Force and that the launching point for their work will be the NASBA diagnostic. She also stated she had observed several committee meetings since July and remains excited about the level of engagement she is witnessing.

NASBA Diagnostic

President and CEO Dan Dustin introduced Brendan Tapley to the board. Mr. Tapley conducted all the work behind the diagnostic. Mr. Tapley gave the board insight into the presentation he would be giving during the Annual meeting. He reported that he spoke to 106 people for a total of 104 hours of conversation and gathered 368 pages of feedback. He also reviewed the process used for the diagnostic; the multiple phases, provided feedback on the responses and shared with the board the six 'rooms' or areas of focus for the Strategic Planning Task Force in the months ahead. The six 'rooms' are brand identity, communication and

engagement, governance, internal, meetings and deregulation.

Mr. Tapley, along with Mr. Dustin and Ms. Neilon then discussed the work ahead for the task force which included a proposed cadence of meetings and provided a plan for communicating to the member boards.

Report of the President and CEO – Relevance and Relationships

President Dustin announced the hiring of Brant Beard as NASBA's new Chief Information Officer after an extensive search. Mr. Beard will assume his new duties on January 1, 2026.

President Dustin provided an organizational update that included several internal NASBA activities. Mr. Dustin reported to the board that NASBA will be implementing a StrengthsFinder initiative for the entire organization. StrengthsFinder is a tool used to identify and measure an individual's talents within the tools themes and will help build teams using all those skills of those in the organization. Mr. Dustin noted that NASBA currently has employees that are certified trainers of StrengthsFinder. Mr. Dustin reported that in a recent survey of NASBA employees that approximately 80% of staff have participated in engagement activities over the past year. Mr. Dustin also updated the Board on contributions made by the organization, benefiting numerous charities, including its longstanding commitment to the Jason Foundation which is focused on suicide prevention.

Executive Vice President Garvin reported that NASBA had the opportunity to gather staff and their families together for a day at the Nashville Zoo earlier in October. She also gave an update on the Leadership Development program that 41 staff members are currently participating in which is being facilitated by Derek Young, the keynote speaker at the upcoming Annual Meeting.

President Dustin indicated that NASBA participated at the latest American Accounting Association's annual meeting. Representatives from NASBA International Evaluation Services (NIES), the Center for Public Trust (CPT) and various areas of NASBA operations promoted their line of business and were able to highlight the education research grants that were approved by the Board in July. NASBA leadership also met with the AICPA at the August Summit in New York and hosted the annual The Accountants Coalition (TAC) meeting in Nashville in September. Ms. Garvin also reported that she was a presenter during an educational webinar that was hosted by AICPA from a NASBA perspective on alternative practice structures and the impact of private equity. The presentation also included an update on the PE Task Force and questions around the use of the CPA title.

President Dustin and Ms. Garvin also highlighted NASBA's involvement at the AICPA Fall Council meeting which include President Dustin serving on a panel discussing deregulation as well as Chair Caldwell making a presentation on the activities of NASBA.

President Dustin also spoke about a recent meeting he had with the CEO of CPA Canada and the status of Mutual Recognition Agreements (MRAs) particularly the tri-party agreement with Canada and Mexico as well as an update to the agreement with South Africa.

Vice-President Kent Absec reported on state board outreach. Mr. Absec reported that he interacted with several jurisdictions during the past quarter in which he gave presentations to state boards of accountancy. Mr. Absec mentioned joint visits that he made with President Dustin along with Regional Director Ruff since July. Mr. Absec stated that he will be working with Relations with Member Boards Committee Chair Ruff to focus on increasing the number of visits to state boards during the next year. He also mentioned that along with John Johnson they are reviewing legislation regarding pathways and mobility for a number of jurisdictions as we get closer to the upcoming legislative sessions.

Vice-President John Johnson provided an update on legislative activity across the jurisdictions. Mr. Johnson reported that there are currently 12 jurisdictions that are pretty active in working on legislation regarding pathways and/or mobility that will be filed shortly. He reported that of those jurisdictions that staff has reviewed he is finding that the safe harbor language from the UAA is being adopted consistently. He also provided information that 23 jurisdictions have had their legislation signed into law. Mr. Johnson reported that 38 jurisdictions will be in session in January with 12 of those convening by the first week of the month.

Executive Vice President Garvin previewed the trending topics that will be discussed during the afternoon session which include the topics of Continuing Professional Education; the activities of the Private Equity (PE) Task Force and AICPA's Professional Ethics Executive Committee (PEEC); and deregulation efforts across the jurisdictions as well as the recently produced Deregulation Toolkit and work being done by the Alliance for Responsible Professional Licensing (ARPL).

Report of the President and CEO – Operations

Chief Operating Officer Bill Emmer provided an update on operations within the organization and referred the board members to the operations dashboard which contained information on key performance indicators relating to the exam, licensing, and CPE Registry application process times and indicated there will be additional highlights on the dashboard when they see the report in January. Mr. Emmer reviewed the processing times for exam applications which continue to hold steady at 8-10 days. Mr. Emmer said there will now be a focus on applications submitted to NASBA's International Evaluation Services team. Mr. Emmer communicated that the NASBA Registry of CPE Sponsors exceeded 2,100. He also reported on the CPE Registry Summit that was held in September. He provided an update on the Guam testing center which is ceasing operations at the end of October but reported that the University of Guam has contracted with Prometric to continue testing on the island. Mr. Emmer reported to the Board that the current experience evaluation service is being suspended at the current time but that work is being done to evaluate the service moving forward. Mr. Emmer provided an update on CPA exam statistics both on the domestic and international fronts. He indicated that a year-over-year comparison of discipline sections taken in the first nine months of the year from 2024 to 2025 shows a 30% increase. He highlighted that NASBA is continuing to monitor both BAR and FAR as they relate to the low volume of BAR sections taken by candidates and the lower pass rates for both BAR and FAR compared to

other sections. Further regarding the exam, Mr. Emmer reported that the 2024 CPA Exam Candidate Performance book has been published; the Board of Examiners (BOE) hosted a webinar for Executive Directors and state boards; work is underway with Mr. Johnson to host a webinar on the licensure pathways for educators; and that bulk scheduling is going to be piloted with review course providers.

Mr. Emmer provided information on NASBA's activities concerning information technology, including the relaunch of the ALD which included an update to CPAVerify.org; Mr. Emmer and Mr. Bonner announced that the ALD Task Force would begin work on a 2030 vision project for the ALD; the licensing system workgroup is continuing their work on NASBA's licensing system; and NASBA's work with artificial intelligence to continue its focus on improving customer service. Mr. Emmer announced that as of the week of the board meeting there had been 16,367 downloads of the CPA Mobile App which was launched on September 8, 2025. He also reviewed the outreach that has been done to exam candidates, boards of accountancy and state societies to drive downloads of the app.

Chief Communications Officer Thomas Kenny provided an update on the locations for the 2026 board meetings.

Report of the Administration and Finance Committee

Treasurer J. Andy Bonner, Jr. provided a report on the recent activities of the Administration and Finance (A&F) committee. The A&F committee met virtually on September 10, 2025, to review the Fiscal 2025 actual financial results as compared to the projection from the July 2025 meeting. The A&F Committee also had the opportunity to review the initial draft of the audited financial statements. Mr. Bonner then reported that the Investment committee had a virtual meeting, including NASBA's investment advisors, on October 20, 2025. Mr. Bonner provided some economic perspective from that meeting.

Vice President and Chief Financial Officer Troy A. Walker reported on the consolidated financial statements for Fiscal 2025. The actual operating excess was \$4.7 million, which was an increase of \$0.6 million from the July projection. Mr. Walker stated that the better results were driven from \$0.4 million of additional revenue and \$0.2 million of lower expenses than projected. Mr. Walker also reported the actual investment income for Fiscal 2025 was \$5.1 million, which was \$0.4 million better than projected at the prior meeting. Overall, the increase in consolidated net assets for Fiscal 2025 was \$9.8 million. Mr. Walker also reported total Mission spending for Fiscal 2025 was \$11.8 million. This was another increase in Mission spending as compared to the prior fiscal year.

Mr. Walker also reported on the year-to-date financial update through the first two months of Fiscal 2026. Total revenue through the period was \$7.6 million, which is \$0.3 million better than budget. Mr. Walker reviewed CPA Examination section volume for the current fiscal year as compared to prior years. Total sections are higher than budgeted leading to the better than budgeted revenue. Total expenses, including Special Technology Projects, were \$6.2 million, which is \$0.4 million less than budget. The year-to-date net operating excess is \$1.4 million, which is \$0.7 million better than budget. Mr. Walker added that

investment income through September 30, 2025, was \$2.0 million, which results in an increase to net assets of \$3.4 million for the two months ending September 30, 2025.

Mr. Walker also reported on the Fiscal 2026 year-to-date capital expenditures, which primarily represents capitalized software development. Finally, Mr. Walker provided a summary investment report. The preliminary trailing five-year return for the long-term fund for the period ended September 30, 2025, was 7.0% which was 0.4% better than the benchmark. The total long-term fund balance was \$64.6 million.

Report of the Audit Committee

Mr. Schaffers reported that the Audit Committee held its final year-end meeting in-person with the independent auditors and NASBA management on September 24, 2025. Prior to the year-end meeting, the committee reviewed two drafts of the audited financial statements and provided comments and questions to NASBA management. During the meeting, the committee heard a report from the Chief Legal Officer that there were no outstanding legal matters. The Chief Ethics Officer also provided a report to the committee that there was no communication received via the NASBA Trust and Integrity Channel since the last report to the committee in May. In addition, the committee was provided with an update on NASBA's information technology security and enterprise risk management activities. The finance staff reviewed the final drafts of the audited financial statements.

Mr. Schaffers reported that NASBA's independent auditor, LBMC, PC, stated there were no corrected or uncorrected adjustments and no difficulties or disagreements with management. Also, there were no deficiencies in internal controls considered to be material weaknesses identified. Mr. Schaffers reported the committee met with the auditors without management present and with management without the auditors present. The committee was provided with a draft of Form 990 to review prior to the meeting. The committee reviewed a compliance checklist to ensure the committee fulfilled its responsibilities in the Audit Committee Charter. Finally, the committee accepted the Independent Auditors Report for the consolidated financial statements and approved recommendation of acceptance including the audited financial statements. In addition, the committee approved the recommendation of appointing LBMC, PC, as the independent audit firm for Fiscal 2026.

Mr. Schaffers made a motion to approve the consolidated financial statements for NASBA. The motion was seconded by Mr. Berkowitz and the motion passed unanimously.

Mr. Schaffers made a motion for the Fiscal 2026 auditor appointment of LBMC, PC. Ms. Houck Andrew seconded and the motion passed unanimously.

Mr. Walker stated if any Board member had additional questions or comments on the Form 990 that was previously distributed to the Board to please let him know. Mr. Walker also informed the Board members that the Conflict-of-Interest form for the upcoming year would be distributed electronically for their signature.

Report of the Center for Public Trust

CPT President Sedrik Newbern provided an update to the board on the activities of the CPT. Mr. Newbern reported that shifting a focus from the traditional approach of student chapters to identifying various tiers or touch points for colleges and universities to be involved with the CPT is working which is backed by the number of students who are afforded the opportunity to attend the student leadership conference. Mr. Newbern also reported on the CPT Speaker Series, the video competition that began in September, and the Ethical Leadership Training that 19 boards of accountancy are currently utilizing. Mr. Newbern also gave a progress report on their current fundraising efforts and the activities which will be held during the NASBA Annual Meeting.

Mr. Newbern brought the names of four nominees for consideration to be appointed to the CPT board of directors. Those nominees were Dr. Linda Biek, Dr. Ruben Davila, Marcus Rayner and Turner Stevens. Mr. Berkowitz moved to accept the four individuals as new members to the CPT board. Mr. Langowski seconded the motion. The motion passed unanimously. Mr. Newbern then announced the proposed officers for the CPT: Mike Fritz (Chair), Jennifer Bouchard (Vice-Chair), Donnie Burkett (Ex-Officio), Kymberly Messersmith (Secretary) and Barry Berkowitz (Treasurer). Mr. Bonner made a motion to accept the slate of officers. Mr. Vuckovich seconded. The motion passed unanimously.

Mr. Newbern also presented changes to the CPT Bylaws which included the creation of an Ex-Officio Role, and more clearly defining the terms for the leadership positions within the CPT board of directors. Mr. Schaffers moved to accept the changes to the CPT Bylaws as presented. Mr. Berkowitz seconded the motion. The motion passed unanimously.

Report of the Committee on Relations with Member Boards

Ms. Smith reported that the committee spent considerable time at their meeting yesterday on how to better engage member boards; fine tuning the new board member orientation; how to utilize the Inclusion Committee to welcome new state board members; and ways to help cultivate the next round of future leaders for the NASBA board. Ms. Smith also reported that the regional calls held in August and September were very well attended and successful. Topics covered during those calls included the new CPA licensure pathway, the definition of an accounting concentration, use of title, and discussions around Continuous Professional Education (CPE). She also gave an overview of the discussion the committee had with the Executive Leadership team which included topics such as how to increase outreach to state boards when there are a number of states with travel restrictions and the role of a Regional Director when it comes to the NASBA Diagnostic.

Ms. Neilon then provided a high-level review of the composition of the Strategic Planning Task Force and outlined a tentative schedule for when the task force would be meeting. She indicated that an initial in-person meeting would take place in December followed by monthly virtual meetings in which the group would address one of the six 'rooms' or topic areas at each meeting. It is anticipated that the first 'room' would be completed by the January NASBA Board meeting.

Report of the Executive Director Committee

Ms. Glynn reported that executive directors are appreciative of the updates they have been given by NASBA on legislation involving pathways and mobility. She also reported that the monthly ED calls have covered topics such as the ALD Task Force, updates on alternative practice structures and additional NASBA initiatives that ED's have been asked to be involved. Ms. Glynn reported that in a recent survey she conducted, it does not appear that many states are going to be responding to the AICPA Exposure Draft on Peer Review. Ms. Glynn mentioned that some states are actively discussing annual CPE requirements as well as education requirements for a candidate to sit for the CPA exam. Ms. Glynn also reported that executive directors are consulting with their legal counsel on their ability to participate in the CPAverify API. Mr. Emmer then gave a brief overview of the CPAverify API explaining that it would allow firms to search for multiple licensees at one time providing a time-saving tool for users.

Alerts from Other Committees:

Peer Review Compliance Committee

Mr. Schmitz reported that the committee worked with the Regulatory Response Committee to respond to the recent exposure draft on the peer review standards. Mr. Schmitz stated that while the committee generally supported the material in the exposure draft there are items, they are asking AICPA to consider, particularly the timing of implementation. Mr. Langowski, chair of the Regulatory Response Committee, also emphasized the importance of public interest and getting the implementation correct.

Uniform Accountancy Act (UAA) Committee

Mr. Vuckovich reported that he met with the AICPA's new chair of their UAA Committee to discuss the issues and frequency of meetings for the joint committee. Mr. Vuckovich also reiterated that the rules will continue to be under the purview of the NASBA UAA Committee and he reviewed the area of the rules that will be under consideration in the months ahead. Those areas include changes to Continuous Professional Education (CPE) as a result of any revisions to the CPE Statement on Standards; accounting and business course concentrations; and any rules that may be impacted due to the work of the PE Task Force and/or PEEC.

Policy Discussions

Ms. Garvin led a discussion surrounding CPE. Ms. Garvin reviewed the activities that occurred in two states during the last legislative session in which one piece of legislation proposed eliminating CPE for all occupations and professions and a reduction in half of the requirement in another jurisdiction. Ms. Garvin made the point that helping states take more of a proactive approach to being prepared should legislation come to their jurisdiction is important. She emphasized that NASBA and AICPA are establishing a joint task force to look at the issue of CPE from many different aspects beyond the yearly requirement such as whether a licensee is in public practice versus business and industry; and the makeup of courses to meet a requirement such as technical versus non-technical courses, for example. A comprehensive study and work on the issue from the joint task force with supporting facts to substantiate any

conclusions will be important as work is done alongside and in conjunction with state boards of accountancy and that uniformity among the states will be a vital consideration. The board was also given a review of how CPE reciprocity rules are written should changes in the requirements within some jurisdictions occur.

Ms. Garvin, with the assistance of Mr. Vuckovich led the board through a discussion on the Private Equity Task Force which includes the release of the whitepaper. Ms. Garvin reviewed the white paper explaining that it is broken into the three key topic areas. The topic areas are Independence and Professional Standards, Disclosure and Public Understanding, and Regulatory Oversight and Enforcement. Within these topic areas are questions for boards of accountancy to discuss as they consider how to regulate private equity investments in CPA firms. Mr. Vuckovich informed the board that the questions are also designed to be an avenue for boards of accountancy to provide feedback which will help determine the next course of action for the task force. The board members were encouraged to review the document and note the scope of the language used is from a public protection lens. Mr. Vuckovich reminded the board that the AICPA Professional Ethics Executive Committee (PEEC) will be soon releasing its exposure draft on alternative practice structures and that the task force will be closely monitoring the release of that exposure draft. One of the many items of interest to the task force on the PEEC exposure draft is the length of time stakeholders will have to comment. Mr. Vuckovich emphasized that it will be very important for boards of accountancy to be aware of the length of the comment period to make sure they are able to respond should the comment period be shorter than the typical 90 days.

Mr. Johnson addressed deregulation efforts that are being reported nationwide. Mr. Johnson updated the board on the activities of the Alliance for Responsible Professional Licensing (ARPL) explaining that it has recently been engaging Florida stakeholders about potential deregulatory legislation that is expected to occur in the state in January. Mr. Johnson also reported that the Florida Society will be leading the initiative to fight any legislative efforts such as those introduced during the 2025 session. He also reported that NASBA will stand by to aid where needed or asked. Mr. Johnson concluded his presentation by sharing the activities of the Legislative Support Committee which includes the deregulation toolkit that was recently released as well as efforts to continue a focus on the Key Person Contact Program which is used to identify legislators and key individuals who can be called upon in the various states should the need arise to counter deregulation efforts.

New Business

There was no new business to be discussed.

Meeting Summary

Ms. Saunders did a high-level recap of the items that were discussed during the meeting. The items mentioned included the diagnostic, the CPE and Private Equity Task Forces, the impending PEEC exposure draft, proactively developing the Key Person Contact program and the deregulation toolkit.

Future Meetings

Chair Caldwell provided the logistics for the meeting on Tuesday, October 28th. Ms. Caldwell recognized Mr. Langowski and Ms. Watts for their work and contributions to the board during their terms. Ms. Caldwell also thanked Ms. Glynn for her participation as the liaison to the board on behalf of the Executive Directors and Ms. Saunders for her commitment and achievements while serving NASBA in her numerous roles over the years, which included a year as Chair of the Board of Directors.

Ms. Neilon recognized Chair Caldwell and thanked her for a successful year and her strong commitment to the board.

Adjournment

Chair Caldwell asked for a motion to adjourn the meeting. Ms. Barron moved to adjourn the meeting. Mr. Berkowitz seconded the motion. Chair Caldwell adjourned the meeting at 3:50 p.m. EDT.

National Association of State Boards of Accountancy, Inc.

Meeting of the Board of Directors October 28, 2025 – Chicago, IL

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 Nicola Neilon at 11:53 a.m. CDT on Tuesday, October 28, 2025.

Report of Attendance

President and CEO Dan Dustin reported that a quorum was present:

Officers

Nicola Neilon, CPA (NV), Chair
J. Coalter Baker, CPA (TX), Vice Chair
Maria E. Caldwell, CPA (FL), Past Chair

Directors-At-Large

Alison L. Houck Andrew, CPA (DE)
Barry M. Berkowitz, CPA (PA)
J. Andy Bonner, Jr., CPA (TN)
Jason D. Peery, CPA (ID)
Steven M. Platau, CPA (FL)
Katrina Salazar, CPA (CA)
Michael Schmitz, CPA (ND)
Laurie Warwick, CPA (VA)
Gerald P. Weinstein, CPA (OH)

Regional Directors

Thuy Barron, CPA (WI), Great Lakes Regional Director
Timothy F. Egan, CPA (CT), Northeast Regional Director
Melissa Ruff, CPA (NE), Central Regional Director
Wilhelmus Schaffers, CPA (AL), Southeast Regional Director
Jeannette P. Smith, CPA (TX), Southwest Regional Director
Robert Toderò, CPA (DC), Middle Atlantic Regional Director
Dan Vuckovich, CPA (MT), Mountain Regional Director

Executive Directors' Liaison

Martin Pittioni, Executive Director, Oregon Board of Accountancy

Staff

Daniel J. Dustin, CPA, President and Chief Executive Officer
Wendy S. Garvin, Executive Vice President
Kent A. Absec, Vice President, State Board Relations

National Association of State Boards of Accountancy, Inc.

**Meeting of the Board of Directors
October 28, 2025 – Chicago, IL**

Melissa Brennan, Executive Assistant to the President and CEO

Absent

Haley Lyons, CPA (OR), Pacific Regional Director

Election of Board Officers

Chair Neilon reported that Executive Vice President Wendy Garvin would serve as parliamentarian for the meeting.

As called for in the Bylaws Section 4.3.4, Chair Neilon asked for nominations for NASBA Treasurer 2025-26.

Katrina Salazar nominated Director-At-Large J. Andy Bonner, Jr., seconded by Timothy Egan.

Dan Vuckovich nominated Director-At-Large Jason Peery, seconded by Alison Houck Andrew.

Following a vote of the board of directors, Chair Neilon announced that J. Andy Bonner, Jr., was elected to serve as Treasurer for 2025-2026.

As called for in Bylaws Section 4.3.4, Chair Neilon asked for nominations for NASBA Secretary 2025-2026.

J. Andy Bonner, Jr., nominated Director-At-Large Katrina Salazar, seconded by Barry Berkowitz.

Laurie Warwick nominated Director-At-Large Alison Houck Andrew, seconded by Michael Schmitz.

Following a vote of the board of directors, Chair Neilon announced that Alison Houck Andrew was elected to serve as Secretary for 2025-2026.

Adjournment

There being no additional business, on a motion by Chair Neilon, seconded by Ms. Barron, the meeting was adjourned at 12:14 p.m. CDT.

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

Highlights of the Board of Directors Meeting

January 23, 2026 – Clearwater, FL

At a duly called meeting of the Board of Directors of the National Association of State Boards of Accountancy, held on Friday, January 23, 2026, in Clearwater, FL, the Board took the following actions:

- Unanimously approved the minutes of October 24th and October 28th, 2025, Board of Directors meetings.
- Chair Nicola Neilon (NV) reported her activities for the quarter which included observing NASBA committee meetings and a meeting the Executive Committee had with the Relations with Member Boards Committee the prior day; previewed the preparations for the upcoming NASBA/AICPA and North American Summit meetings in early February; and provided a report on the ‘carryover’ items from the October meeting which entailed discussions around the joint CPE Task Force, the Key Person Contact program, and the NASBA diagnostic.
- Executive Vice-President Wendy Garvin announced recent external appointments including Wilhelmus (Wim) Schaffers (AL) to the Private Company Council and Emily Rollins (WA) to the Financial Accounting Standards Advisory Council.
- President and CEO Daniel J. Dustin and Executive Vice President Wendy Garvin provided an organizational update and discussed civic activities with employee participation in a Nashville area Alzheimer’s Walk, as well as employee focused activities which included active shooter training and the ‘Maintain Don’t Gain’ weight challenge. Mr. Dustin announced the hiring of Tyler Nelson, Vice-President of Public Relations. Mr. Dustin also reported on an Interim NASBA/AICPA Summit in November. Ms. Garvin discussed NASBA’s continued relevance with regulators and standard setting bodies by highlighting recent meetings with representatives from PCAOB, GASB, IAASB and IESBA.
- Chief Operations Officer William Emmer provided an operational update which included an overview of NASBA’s Client and Compliance Services by walking the Board through a revamped operations dashboard which covers key performance indicators such as application and quality assurance processing times. Mr. Emmer, along with J. Andy Bonner, Chair of the ALD Task Force, provided an update on the meetings held by the group and the work on an “ALD 2030” document which looks into the future of the ALD. Mr. Emmer reviewed the latest quarterly CPA examination statistics as well as comparing year-over-year trends in the areas of total candidates, exam section volumes, and scores. Mr. Emmer also updated the board on projects ongoing within the IT area of the organization, which included information on the new licensure webpage on the NASBA website, the CPA Mobile App, NIES credential assessments, the three phases on an AI implementation project, progress on the new licensing system, and data governance and reporting.

- The Board heard a report from Treasurer J. Andy Bonner, Jr. (TN) and Vice President and Chief Financial Officer, Troy Walker on the Administration and Finance Committee. The consolidated operating excess through the first four months of Fiscal 2026 was \$1.6 million which is \$0.9 million better than budget. Year-to-date total revenue was greater than budget primarily due to higher candidate volume for the CPA Examination. Total expenses were lower than budget, which helped contribute to the overall positive variance. Investment income was \$2.9 million through November 30, 2025, which was also better than budget. The increase to net assets through the first four months was \$4.5 million. Capital expenditures are generally tracking budget. The completion of the CPA Mobile application along with the rewrite of CPAmobility.org and the Accountancy Licensee Database occurred during the first part of Fiscal 2026. The Board unanimously approved the November 30, 2025, NASBA consolidated financial statements as presented and recommended by the Administration and Finance Committee.
- NASBA Chair Nicola Neilon provided an update on the Strategic Planning Task Force. Ms. Neilon reviewed the timeline and process for the NASBA Diagnostic project. She reported on the in-person kickoff meeting in December for all task force members; the holding of separate discussions around ‘brand identity’ for both the internal and external members in January; and cited the positive enthusiasm by both groups. Ms. Neilon emphasized the ideal outcome is for a plan to be proactive, forward-thinking, substantive and accepted by key constituents.
- Relations with Member Boards Chair Melissa Ruff (NE) reported on the activities of the committee’s recent meetings which included a discussion on how to increase outreach to the state boards of accountancy by Regional Directors, how to support state boards in responding to the PEEC Exposure Draft on Alternative Practice Structures and the preparation work for next year’s regional meetings.
- Executive Directors’ Committee Chair, Martin Pittioni (OR) provided an update on the planning for the upcoming Executive Directors and Board Staff Conference in March and the level of commitment and participation by Executive Directors on their monthly conference calls.
- The Board heard updates from various committees such as the CPE, Uniform Accountancy Act (UAA), Standard Setting and Professional Trends Advisory, Audit, Ethics, and Regulatory Response Committees.
- The Board was given a presentation regarding the AICPA PEEC Exposure Draft on alternative practice structures by NASBA’s Director of Professional Standards and Research, Jessica Luttrull.

- Center for Public Trust President (CPT) and NASBA's Chief Ethics Officer Sedrik Newbern provided an update on the CPT which detailed plans to increase enrollment in the Ethical Leadership Program, the impending addition of the 60th student CPT chapter, and an update on this year's CTP annual gold classic to be held in Nashville in May of 2026.
- The board unanimously approved the nomination of Dr. Terri Heron to be appointed to the Board of Directors for the CPT.

The next meeting of the NASBA Board of Directors will be held on April 24, 2026, in Carmel Valley, CA.

Distribution: State Board Chairs/Presidents, Members, Associate Members and Executive Directors, NASBA Board of Directors and Past Chairs, NASBA Staff Directors and Associate Directors.