NASBA

2026 ANNUAL REPORT

CORNERSTONE



CORNERSTONE

Established in 1908, NASBA has long served as a cornerstone of support and collaboration for the nation's 55 State Boards of Accountancy, which administer the Uniform CPA Examination, license more than 650,000 Certified Public Accountants and regulate the practice of public accountancy in the United States.

NASBA fulfills its mission of enhancing the effectiveness and advancing the common interests of the Boards of Accountancy by creating innovative avenues for accounting regulators, educators and practitioners alike to address emerging issues while ensuring the continued strength and relevance of the accounting profession.

Through a broad portfolio of products and services, NASBA provides member boards with tools to support their mission of protecting the public. As an extension of NASBA's core mission, the NASBA Center for the Public Trust (CPT) continues to provide a platform for professionals and the academic community to explore, promote and advance ethical behavior through business and leadership.

This annual report highlights the many ways NASBA continues to support Boards of Accountancy and build trust as a leader in the accounting profession. Reflecting the theme, Cornerstone, the report showcases how NASBA's accomplishments throughout FY2026 strengthen its commitment to public protection, advance the interests of member boards and support the continued evolution of the accounting profession.



LETTER FROM LEADERSHIP

At the 118th NASBA Annual Meeting, NASBA introduced the theme "Together: Strong Foundations, Brighter Futures." This theme reflected the collective efforts of State Boards of Accountancy, regulators, educators, volunteers, candidates, and professional organizations working together to protect the public and strengthen the accounting profession. Throughout the fiscal year ended July 31, 2026, NASBA remained focused on building upon the profession's strong foundation while positioning member boards and stakeholders to meet the opportunities and challenges ahead. Through strategic planning, innovation, technology modernization, regulatory leadership and deeper engagement with member boards and stakeholders, we strengthened the foundation upon which NASBA's next chapter will be built.

One of NASBA's most significant accomplishments during the year was the completion of an extensive strategic planning process. Building on the organizational assessment launched the previous year, NASBA engaged approximately 90 percent of the Boards of Accountancy, along with board members, executive directors and staff leaders, to identify priorities that will shape the organization's future direction. The Strategic Planning Task Force completed the prioritization of major initiatives, creating a roadmap that will guide NASBA's work for years to come. The roadmap reflects priorities identified with and for NASBA's member boards. This process reinforced the importance of collaboration and established a cornerstone for NASBA's future, grounded in shared priorities and a common vision.

Strengthening relationships with member boards remained central to our work throughout FY2026. NASBA leadership and staff visited approximately 18 Boards of Accountancy, engaging in meaningful discussions regarding licensure, mobility, workforce challenges, technology, regulation and emerging issues affecting the profession. Participation at NASBA regional and national meetings continued to grow, reflecting the commitment of member boards to engage with one another and to collaborate on matters of shared importance. These relationships are essential to NASBA's effectiveness. They foster trust, strengthen communication and help ensure that the organization remains responsive to the evolving needs of its jurisdictions.

Technology modernization continued to be a major organizational priority. NASBA advanced implementation of its new licensing system, completing Phase 1 development and preparing for future phases that will further streamline and modernize licensing operations for Boards of Accountancy. The continued rollout of SharePoint and other collaboration tools enhanced internal efficiency, connectivity and knowledge sharing across the organization and provided NASBA committees with more streamlined access to meeting materials, shared resources and timely updates. Together, these investments are building a more connected, responsive and technologically advanced infrastructure for NASBA and its member boards.

NASBA also continued to enhance the services provided to regulators, licensees, employers and the public. The CPA Mobile App surpassed 80,000 downloads, demonstrating the demand for accessible and reliable licensure information. Ongoing modernization of the Accountancy Licensee Database and CPA mobility resources further strengthened the profession's infrastructure and supported increased interstate mobility for CPAs across the United States. Reliable, accessible information remains a cornerstone of effective regulation and public confidence.

The accounting profession continued to experience significant change in the areas of licensure and mobility. As jurisdictions evaluated new pathways to licensure and advanced interstate mobility initiatives, NASBA remained a trusted resource by providing education, implementation support and guidance. These efforts reflect NASBA's ongoing commitment to ensuring that innovation and modernization are balanced with the profession's responsibility to protect the public interest. That responsibility remains the enduring foundation upon which our policies, services and partnerships are built.

Emerging technologies, particularly artificial intelligence (AI), remained an area of focus throughout the year. NASBA expanded its exploration of AI-enabled tools across multiple business units to identify opportunities for greater efficiency, enhanced stakeholder engagement and improved service delivery. This included the development and use of NASBot, a resource to help employees and external stakeholders more efficiently access information and knowledge around licensure. These efforts are guided by a commitment to responsible innovation and the recognition that technology will play an increasingly important role in the future of the profession.

The Private Equity Task Force advanced its work examining the implications of private equity investment in the accounting profession and developed guidance and resources to assist Boards of Accountancy. As business models continue to evolve, NASBA remains committed to providing Boards of Accountancy with thoughtful guidance and resources that support informed regulatory decision-making. Strong governance and professional independence remain fundamental to sustaining public trust.

NASBA also continued to strengthen its role as a regulatory voice for the State Boards of Accountancy, working with national and international regulators, standard setters and professional organizations to ensure board perspectives were represented. This included engagement on evolving independence standards related to alternative practice structures, along with education and guidance on emerging regulatory and professional standards issues.

As we reflect on FY2026, it is clear that meaningful progress is achieved when organizations work together toward common goals. The accomplishments of the past year demonstrate the strength of collaboration among member boards, volunteers, educators, professional organizations and NASBA staff. Together, we have advanced strategic initiatives, modernized critical technologies, supported innovation in licensure and mobility and strengthened engagement across the profession. Each of these accomplishments contributes to the solid foundation from which NASBA will move forward.

Beginning with the 2026 NASBA Annual Meeting, "Cornerstone" will express the next phase of that work. A cornerstone provides alignment, stability and strength for everything built upon it. For NASBA, that cornerstone is our shared commitment to supporting Boards of Accountancy, advancing effective regulation, strengthening the profession and protecting the public.

The progress achieved during FY2026 gives NASBA a strong position from which to pursue the opportunities ahead. Our strategic roadmap provides direction. Our relationships with member boards provide strength. Our investments in technology and services provide capacity. And our shared public-protection mission provides the enduring cornerstone for all that we do.

As we look to the future, we remain confident that the partnerships we have built, the priorities we have established and the progress we have achieved will position NASBA and the profession for continued success. Together, grounded in our mission and strengthened by a common purpose, we will continue building a profession that is trusted, relevant, resilient and prepared for the future.

Nicola Neilon
Nicola Neilon, CPA
Chair, 2025–2026

Daniel J. Dustin
Daniel J. Dustin, CPA
President & Chief Executive Officer

Wendy S. Garvin
Wendy S. Garvin
Executive Vice President



From left to right: Wendy S. Garvin, Nicola Neilon and Daniel J. Dustin.

2025-2026 BOARD OF DIRECTORS

OFFICERS

Nicola Neilon, CPA
Chair

J. Coalter Baker, CPA*
Vice Chair

Maria E. Caldwell, CPA
Past Chair

Alison L. Houck Andrew, CPA
Secretary

J. Andy Bonner, Jr., CPA, CGMA
Treasurer

EXECUTIVE DIRECTORS' LIAISON

Martin Pittioni

PRESIDENT & CEO

Daniel J. Dustin, CPA

DIRECTORS-AT-LARGE

Barry M. Berkowitz, CPA
Director-at-Large

Jason D. Peery, CPA
Director-at-Large

Steven M. Platau, J.D., CPA
Director-at-Large

Katrina L. Salazar, CGMA, CPA
Director-at-Large

Michael Schmitz, CPA
Director-at-Large

Laurie A. Warwick, CPA
Director-at-Large

Gerald P. Weinstein, PhD, CPA
Director-at-Large

REGIONAL DIRECTORS

Thuy T. Barron, CPA
Great Lakes Regional Director

Timothy F. Egan, CPA
Northeast Regional Director

Haley Lyons, CPA
Pacific Regional Director

Melissa Ruff, CPA
Central Regional Director

Wilhelmus J. Schaffers, CPA
Southeast Regional Director

Jeannette P. Smith, CPA
Southwest Regional Director

Robert Todero, CPA
Middle Atlantic Regional Director

Dan Vuckovich, CPA
Mountain Regional Director

*J. Coalter Baker served as vice chair until July 2026. In August 2026, the NASBA Nominating Committee approved Katrina L. Salazar as its chair nominee for the 2026-2027 term.

NASBA

2025-2026 BOARD OF DIRECTORS



Bottom Row (L-R): Alison L. Houck Andrew (DE) Secretary, Katrina L. Salazar (CA) Director-at-Large, Wendy S. Garvin, Executive Vice President, J. Coalter Baker (TX) Vice Chair, Nicola Neilon (NV) Chair, Daniel J. Dustin, President and CEO, Maria E. Caldwell (FL) Past Chair, Thuy T. Barron (WI) Great Lakes Regional Director, Jeannette P. Smith (TX) Southwest Regional Director. Middle Row (L-R): Troy A. Walker, Vice President and Chief Financial Officer, Timothy F. Egan (CT) Northeast Regional Director, Steven M. Platau (FL), Director-at-Large, Laurie A. Warwick (VA) Director-at-Large, Melissa Ruff (NE) Central Regional Director, Robert Todero (DC) Middle Atlantic Regional Director, William A. Emmer, Chief Operating Officer, Gerald P. Weinstein (OH) Director-at-Large. Top Row (L-R): Wilhelmus J. Schaffers (AL) Southeast Regional Director, J. Andy Bonner, Jr. (TN) Treasurer, Dan Vuckovich (MT) Mountain Regional Director, Jason D. Peery (ID) Director-at-Large, Martin Pittioni, Executive Directors' Liaison, Michael Schmitz (ND) Director-at-Large, Barry M. Berkowitz (PA) Director-at-Large. Not pictured: Haley Lyons (OR) Pacific Regional Director

VOICES

2025 - 2026 NASBA REPRESENTATIVES

Serving on Regulatory Bodies & Professional Accounting Organizations

AICPA Accounting and Review Services Committee
Alison L. Houck Andrew

AICPA Auditing Standards Board
Holly Engelhart
David Holt
Carole McNees
Tonya Moffitt (2026)
G. Alan Skinner
Daniel Trujillo

AICPA Board of Examiners
Katrina L. Salazar (Past Chair)
Nancy Corrigan (2026)
Nicole Kasin
Paula Mann (2026)
Jason D. Peery (2026)
Marianne Perie
Simon Petravick
Nadia Rogers
Emily Rollins
Jeannette P. Smith
Godson Sowah
Gerald P. Weinstein
Ryan Whitman (2026)

AICPA Board of Examiners Content Committees
Sarah Borchers (AUD)
Deidre Budhal (AUD)
Keenan Cooper (ISC)
Renee Vilano (REG/TCP)
Shane Warrick (AUD)
Gerald P. Weinstein (REG/TCP)

AICPA Board of Examiners State Board Committee
Nadia Rogers (Chair-2025)
Ann Cohen (2026)
Nancy J. Corrigan (Chair-2026)
Bridgett Gagne
Mandy Harlow
Haley Lyons
Donna Oklok
Jason D. Peery
Connie Shephard-Harris (2026)

AICPA National Peer Review Committee
Elizabeth Gantnier (Chair)
James Gero

AICPA Peer Review Board
Alan Long

AICPA Peer Review Board Oversight Task Force
William Hunter Cook (Observer)

AICPA Professional Ethics Executive Committee
Aron Dunn
Brendan Fitzgerald
Steven M. Platau
Steven Smith (2026)
Kenya Y. Watts

Financial Accounting Standards Board Private Company Council (PCC)
Wilhelmus "Wim" Schaffers (2026)

Financial Accounting Standards Advisory Council (FASAC)
Emily Rollins (2026)

Financial Accounting Standards Board Not-For-Profit Advisory Committee
Jeanne Dee

Governmental Accounting Standards Advisory Council
William Blend

Public Company Accounting Oversight Board Standards and Emerging Issues Advisory Group
Jessica Luttrull (Observer)

COMMITTEES AND TASK FORCES

Accountancy Licensee Database (ALD) Committee

Administration and Finance Committee

Audit Committee

Awards Committee

Bylaws Committee

Communications Committee

Continuing Professional Education (CPE) Committee

CPA Examination Review Board (ERB)

Education Committee

Enforcement Resources Committee

Ethics Committee

Examination Administration Committee

Executive Directors Committee

External Relationship Assessment Task Force

Inclusion Committee

International Qualifications Appraisal Board

Legislative Support Committee

Nominating Committee

Past Chair Advisory Council

Peer Review Compliance Committee

Private Equity Task Force

Regulatory Response Committee

Relations with Member Boards Committee

Standard-Setting and Professional Trends Advisory Committee

State Society Relations Committee

Strategic Planning Task Force

Uniform Accountancy Act Committee

ACCOUNTANCY LICENSEE DATABASE (ALD) COMMITTEE

Recommend additional appropriate uses of the Accountancy Licensee Database (ALD) for consideration by the state boards.

In 2025, the Accountancy Licensee Database (ALD) Committee provided valuable feedback and guidance regarding the ALD Rewrite project, with the new ALD site launching in October 2025. In early 2026, the Committee met in Nashville to revise an existing ALD Vision 2020 document with goals and initiatives for the 2030 milestone. The Vision 2030 document was then shared with all Board of Accountancy executive directors.

The group also worked closely with NASBA's ALD team to reach out to executive directors regarding their feedback on the CPAverify API. In April 2026, the task force was officially established as a committee.

Chair: J. Andy Bonner, Jr. (TN)

Members:
Gin Binkley (TN)
D. Boyd Busby (AL)
Joseph Donohue (KY)
Dan Sweetwood (NE)
Viki A. Windfeldt (NV)
Jennifer Winters (NY)

Staff Liaisons:
Clint Blasengame
Amy Tongate

ADMINISTRATION AND FINANCE COMMITTEE

Oversee and monitor the fiscal operations and investments of the Association.

The Administration and Finance Committee has fiduciary responsibility, on behalf of the organization, to oversee the financial operating, mission-focused and investing activities. In conjunction with management and volunteer leadership, the Committee monitors these activities and performance, reviews financial policies, and evaluates the organization's financial strength.

The Committee met in person three times during the year and held one virtual meeting after the end of the fiscal year. During the meetings, the Committee reviewed the fiscal 2026 financial results and compared them with the operating and capital budgets approved by the Board of Directors. Finance management prepared a discussion and analysis for each meeting of year-to-date results with explanations of variance to budget. The Committee also received updated financial projections throughout the year. Executive and finance management provided reports and updates on operational activities, capital projects and financial activities. During the July 2026 meeting, the Committee reviewed the fiscal 2027 operating and capital budgets prepared by management. The Committee received detailed information regarding the budgets along with an opportunity to discuss them with management. The Committee recommended the budgets to the Board of Directors, which were approved.

The Investment Committee is a subcommittee of the Administration and Finance Committee. The Investment Committee held four meetings during the year. At each meeting, the Investment Committee, management and investment advisors discussed the returns, asset allocation and long-term needs of the organization. The Investment Committee monitors compliance with the Investment Policy Statement approved by the Board of Directors. Annually, the Investment Committee, together with management and investment advisors, reviews the Policy and considers whether any changes are appropriate. During the year, the Investment Committee, through the Administration and Finance Committee, recommended an update to the asset target mix of the long-term fund investments. The Board of Directors approved this change to the Policy.



Chair: J. Andy Bonner, Jr. (TN)

Members:
J. Coalter Baker (TX)
Andrew Blossom (NE)
Lori J. Druse (NE)
Michael Kintz (AL)
Kevin N. Monroe (TN)
Katrina L. Salazar (CA) (2026)
Kenya Y. Watts (OH)

Staff Liaisons:
Philip A. Groves
Troy A. Walker



AUDIT COMMITTEE

Oversee the Association's annual financial statement audit and the internal controls, and shall recommend to the Board of Directors the firm to perform the audit.

The Committee's activities are summarized in the Report of the Audit Committee on page 48. {Immediately preceding the Independent Auditor's Report on the NASBA Consolidated Financial Statements.}

*The Committee extends condolences to the family of Brian R. Thomas, who passed away during the 2025-2026 term.

Chair: Wilhelmus J. Schaffers (AL)

Members:
Sanjay Bhakta (NM)
Bernita Demery (NC)
Francisco A. Fernandez (PR)
Chandra Lalvani (PA)
Faye D. Miller (ND)
Brian R. Thomas (WA)*

Staff Liaisons:
Philip A. Groves
Troy A. Walker

AWARDS COMMITTEE

Recommend to the Board of Directors recipients of the Distinguished Service Award, William H. Van Rensselaer Public Service Award, and Lorraine P. Sachs Standard of Excellence Award.



During the 2025-2026 committee year, the NASBA Awards Committee oversaw the nomination and selection process for NASBA's three highest honors: the William H. Van Rensselaer Public Service Award, the NASBA Distinguished Service Award and the Lorraine P. Sachs Standard of Excellence Award.

Following the annual Call for Nominations, held April 20-June 30, 2026, the Committee convened virtually on July 8 to review and consider this year's nominees. After careful deliberation, the Committee presented its recommendations to the NASBA Board of Directors for approval during the board's July 2026 meeting.

Selected as NASBA's 2026 award recipients were:

- Laurie J. Tish, CPA (WA) – 2026 William H. Van Rensselaer Public Service Award
- Sharon A. Jensen, CPA (MN) – 2026 NASBA Distinguished Service Award
- David N. Sanford, CPA (GU) – 2026 Lorraine P. Sachs Standard of Excellence Award

Through its annual awards program, NASBA recognizes professionals whose exceptional service, leadership, and commitment to NASBA and to the Boards of Accountancy have strengthened the accounting profession, advanced regulatory excellence, and upheld the public trust. Their contributions reflect the highest values of NASBA and serve as an inspiration to peers nationwide.

The honorees will be recognized during the 2026 NASBA Awards Ceremony on Tuesday, October 27, 2026, as part of NASBA's 119th Annual Meeting in Litchfield Park, AZ.

Chair: Stephanie M. Saunders (VA)

Members:
Jimmy E. Burkes (MS)
Martrice Caldwell (IL)
Bobby R. Creech, Jr. (SC)
Tyrone E. Dickerson (VA)
Carlos E. Johnson (OK)
Susan Strautmann (WI)
Paul Ziga (GA)

Staff Liaison: Cassandra A. Gray



BYLAWS COMMITTEE

Review and consider best practices from various sources and recommend amendments to the Board of Directors for approval and subsequent vote by member boards.

In the 2025-2026 session, the Bylaws Committee recommended for adoption amendments to the bylaws to address the Nominating Committee and the NASBA Board of Directors' ability to expand eligibility for Nominating Committee membership as needed. These amendments also address a few duplications and other non-substantive errors within the bylaws.

Chair: Robert Todero (DC)

Members:
Susan I. Adams (TX)
Deidre N. Budahl (SD)
Larry Hunter (ID)
Todd Lifson (MN)
Thomas R. Weirich (MI)
Dean K. Whitener (SC)

Staff Liaison: Brenner Allen

COMMUNICATIONS COMMITTEE

Promote effective and efficient communication among Boards of Accountancy, NASBA and their respective stakeholders.

During the 2025–2026 committee year, the NASBA Communications Committee focused on strengthening communication among Boards of Accountancy, NASBA and their stakeholders while increasing awareness of resources available to member boards. The Committee received routine updates regarding NASBA's Communications & Outreach Program and reviewed outreach efforts developed by the NASBA Communications Department for participating Boards of Accountancy, including newsletters, annual reports, email campaigns, videos, surveys, signage and other creative resources.

In spring 2026, Committee members supported communications-focused programming presented during NASBA's Eastern and Western Regional Meetings. The Committee provided input on the expanded breakfast session, The Value of NASBA Membership: Tools, Resources and Board Support, which highlighted the many ways NASBA supports Boards of Accountancy through creative design services, technology and licensing tools, legal resources and compliance services. Committee members also participated in the sessions, which featured key NASBA staff and state board representatives sharing firsthand examples of how their boards and stakeholders have benefited from NASBA's resources and support.

A major initiative during the year was the Committee's collaboration with NASBA Communications to develop a series of public service announcement (PSA) videos designed to help Boards of Accountancy communicate their value and the importance of CPA licensure to legislators and other key stakeholders amid ongoing discussions surrounding deregulation. The Committee reviewed sample scripts and provided feedback throughout the development process, with NASBA Communications overseeing audio recording and video production.

The completed sample PSAs will be made available to executive directors through the secured Executive Directors Portal as part of NASBA's Deregulation Toolkit. Boards will be able to use these resources to support their outreach efforts and reinforce the important role of state-based regulation and CPA licensure in protecting the public.



Chair: Haley Lyons (OR)

Members:
Kristin Batson (MN)
Donald H. Burkett (SC)
Janice L. Culver (OH)
Gerald E. Denor (WI)
Mark Diehl, Jr. (AK)
John M. Griesbeck (TN)
Rachel Hanks (AK)
Luis Plascencia (IL)
Rita M. Prince (AL)
Robert Sellers (OK)

Staff Liaisons:
Cassandra A. Gray
Tyler Nelson






CONTINUING PROFESSIONAL EDUCATION (CPE) COMMITTEE

Develop and promote uniform rules and requirements for continuing professional education among the jurisdictions. Also, oversee the Standards for CPE Programs and the related CPE Standards Working Group.

During 2025-2026, the Continuing Professional Education (CPE) Committee and CPE Standards Working Group advanced a comprehensive revision of the Statement on Standards for Continuing Professional Education (CPE) Programs (Standards). Following the September 2025 release of the Exposure Draft, 57 organizations submitted more than 200 comments, including feedback from five State Boards of Accountancy. The Working Group met five times from January through March to review all comments and make targeted, principles-based revisions that improved clarity, flexibility and alignment with evolving learning practices. The CPE Committee approved the revised Standards on March 31, followed by approval from the Joint AICPA/NASBA CPE Committee and the NASBA and AICPA Boards.

The Committee also fulfilled its oversight responsibilities by reviewing a second appeal from a National Registry sponsor removed following audit findings. After determining that the Standards had been properly applied, the Committee denied the appeal. The Working Group separately considered four sponsor appeals related to audit-based removals.

Following final approval of the 2026 Standards, the Committee monitored implementation and sponsor education efforts, including transition resources and a three-part Standards Transition Webinar series. The Committee also continued to consider implementation questions and stakeholder feedback to support consistent understanding and application of the revised Standards.

Chair: Laurie A. Warwick (VA)

Members:
Roseann Abraham (IL)
Dianna L. Burden (ID)
Donna Oklok (OH)
Angela L. Pannell (MS)
D. Michael Payseur (NC)
Jen Richter (IL)
Denise Stefano (NY)
Gary L. Walker (MS)
Shane Warrick (AR)
Wade K. Watkins (UT)
John Wright (IN)

Staff Liaisons:
Erin Scruggs
Amy Tongate

CPA EXAMINATION REVIEW BOARD

Evaluate and report on significant adherence with the policies and procedures utilized in the preparation, grading and administration of the Uniform CPA Examination and the International Qualifications Examination used by Boards of Accountancy for the licensing of certified public accountants; to include observation, inquiry and inspection of pertinent records; and report annually on the ongoing reliability of such examinations for the licensing of certified public accountants.



Chair: Barry Berkowitz (PA)

Members:
Robert L. Goldfarb (NY)
Raymond N. Johnson (OR)
Faye F. Miller (ND)
Christi Olsen (NE)

Consultant: Suzanne Lane

Staff Liaison: Erica Smith

The CPA Examination Review Board met monthly during the year to plan, approve, monitor and finalize the CPA Examination Review. The Board achieved full adoption of the Microsoft 365 platform for project tracking and eliminated the costs associated with a third-party project platform and expanded test site security review efforts by conducting several local Prometric site visits. The review included observation of processes, inquiry and inspection of pertinent records and analysis and reliance upon independent audits and assessments executed across the CPA Examination environment.

The CPA Examination Review Board has evaluated the significant adherence with policies and procedures utilized in the preparation, grading and administration of the Uniform CPA Examination and the International Qualification Examination for the licensing of certified public accountants from October 1, 2025, through September 30, 2026. Based on the Board's evaluation, nothing came to its attention that would prevent the Boards of Accountancy of the 55 jurisdictions of the United States from relying on the Uniform CPA Examination and the International Qualification Examination in fulfilling their licensing responsibilities.



EDUCATION COMMITTEE

Support the Boards of Accountancy by representing NASBA in the academic community and serving as an advisory resource on education matters related to the accounting profession.

The Education Committee continued its work to support accounting education research and provide guidance on education matters affecting CPA licensure and the accounting profession.

A primary focus during the year was the 2026 Accounting Education Research Grant Program. The Committee reviewed 14 research proposals submitted by the March 3 deadline and unanimously recommended three proposals for funding. The grants were awarded to research projects addressing emerging issues impacting the profession:

- Virginia Commonwealth University: "Audit Client Inquiry: The Effects of Generative AI and Auditor Rank on the Client's Persuasive Communication"
- University of Connecticut: "The Consequences of Private Equity Investment in Accounting"
- Alabama A&M University and Grambling University: "Client-Side AI Adoption and Financial Statement Audit Quality: An Empirical Investigation of How AI in Client Financial Reporting Processes Affects Audit Risk"

The Committee also devoted significant attention to accounting and business education requirements for CPA licensure. Members examined requirements associated with Uniform Accountancy Act (UAA) Model Rule 5-2(d)(2) and reviewed the 90-semester-hour bachelor's degree framework. Following a March in-person workshop at NASBA, the Committee provided recommendations and comments regarding the accounting concentration to the UAA Committee for consideration.

Through its research grant program and continued examination of CPA licensure education requirements, the Education Committee supports academic research addressing emerging issues while helping NASBA and Boards of Accountancy evaluate the evolving educational framework for the CPA profession.

Chair: Alison L. Houck Andrew (DE)

Members:
Pamela Church (TN)
Ann Burstein Cohen (NY)
Felicia Farrar (DE)
Tanya G. Greenlee (SC)
Jonathan Marquez (CO)
Paula Mann (CO)
Marc Moyers (VA)
Sohair Omar (CT)
Kenneth Omoruyi (TX)
Nadia Rogers (VA)
Priscilla Y. Romkema (SD)
Steven J. Sheffield (ID)
Jessie C. Wright (OH)

Staff Liaison: Kyle Barrier



ENFORCEMENT RESOURCES COMMITTEE

Promote effective, efficient, and, where appropriate, uniform enforcement of professional standards by Boards of Accountancy.

Chair: Jason D. Peery (ID)

Members:
Doug Aguilera (CA)
G. Gregory Gilbert (TN)
William Johnson (WI)
Kristi A. Justice (WV)
James R. Mintert (MO)
Douglas Moore (MN)
Eileen L. Poiani (NJ)
Angela L. Rudolph-Wiseman (VA)
Ryan Whitman (NV)
Alexandra Wilkinson (WY)

Staff Liaison: Elizabeth Wolfe

The Enforcement Resources Committee successfully launched a new resource "Collaborating with Federal Agencies" to the Enforcement Tools website in May. This resource includes specific steps for handling a federal agency referral and includes updated contact information for the enforcement divisions of the federal agencies that have jurisdiction over CPAs. The resource covers agency details for the U.S. Securities and Exchange Commission (SEC), Public Company Accounting Oversight Board (PCAOB), Internal Revenue Service (IRS), Department of Education, Department of Health & Human Services, and the Department of Labor (DOL). Collaborating with Federal Agencies was carefully crafted from NASBA's discussions with the federal agencies in Washington, DC, and has already received significant positive feedback from state board staff and state board members.

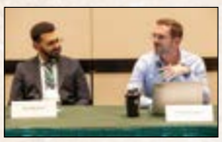
The Committee hosted two webinars with plans to host a third this fall. The first webinar was in February on the topic of Parliamentary Procedure discussing the proper use of Robert's Rules of Order at State Board of Accountancy meetings. Attorney and Parliamentary Procedure Expert Jim Slaughter volunteered his time and expertise to lead the training for NASBA. The second webinar was in July and was an overview of the IRS Office of Professional Responsibility (OPR) with speaker Thomas "Tom" Curtin, the new director of the IRS OPR. The ERC plans to offer a webinar later this fall featuring board counsel on the topic of Consent Decrees.

The Committee published an Alert in June, which announced the new resource called "Collaborating with Federal Agencies" along with webinar announcements and a list of enforcement law and rule amendments. The Alert also featured an article about the NASBA Center for the Public Trust (CPT)'s Ethical Leadership Training and how state boards can utilize this course as a disciplinary option for law and rule violations at no cost to the board.

The Committee plans to continue to work with the NASBA Communications team to make the recent webinars available for on-demand viewing with member login and develop a coordinating syllabus for viewing as well as put together an enforcement case study resource for member boards. The Committee arranged filming the New Board Member Orientation, which will be available year-round as a reference through the member portal. The ERC plans to update the Board Counsel Boot Camp and promote its use to the executive directors and state board members, in addition to the attorneys and investigators. The Enforcement Resources Committee met in person in Denver, CO, on June 1-2, 2026.











ETHICS COMMITTEE

Promote the development and maintenance of high-quality standards of ethical practice to protect the public interest. Provide input related to changes or developments in ethics-related standards.

Chair: Steven M. Platau (FL)

Members:
Paul Balas (MI)
Barton W. Baldwin (NC)
Jonathan D. Blais (NH)
Aron Dunn (KS)
Carlton Hodges (GA)
Richard Isserman (NY)
Charles R. Prince (MS)
Yolander Samuel-Deterville (VI)
Charles Selcer (MN)
Steven Smith (AL)

Staff Liaison: Jessica Luttrull

The Ethics Committee held its initial meeting for the 2025-2026 committee year in November 2025. The Committee reviewed the second exposure draft from the AICPA's Professional Ethics Executive Committee (PEEC) on Proposed revised interpretation Tax Services. The Committee met again in January and twice in February 2026 to discuss the PEEC exposure draft on Alternative Practice Structures (APS). The exposure draft received unprecedented response from commenters and a second exposure draft from PEEC is anticipated later this year. The Committee prepared draft comment letters to the aforementioned PEEC exposure drafts, as well as to the exposure draft, proposed revised definition of "attest engagement team."

The Committee met in July 2026 to develop a response to the Proposed PEEC 2027-2030 Strategic Plan. All drafted letters were forwarded to NASBA's Regulatory Response Committee to complete the review and approval process prior to submission to the PEEC. At the close of the committee year, Committee members continue to monitor the activities of various standard setting bodies including the International Ethics Standards Board for Accountants (IESBA) and PEEC for activity related to professional ethics standards.

EXAMINATION ADMINISTRATION COMMITTEE

Promote effective and efficient administration and operation of the Uniform CPA Examination.

The Examination Administration Committee met to review CPA Exam administration, security, candidate experience and upcoming operational changes. A major outcome was the unanimous approval of a zero-tolerance policy for unauthorized devices in testing rooms, requiring immediate Exam termination when prohibited materials are found. The policy is intended to eliminate inconsistent enforcement, strengthen security and provide a clear deterrent to misconduct. Prometric will update its procedures and candidate guidance accordingly.

Committee members received organizational updates from NASBA, AICPA and Prometric. NASBA highlighted significant improvements in processing times, a new licensing system and strong adoption of its mobile application. AICPA discussed process improvements and a new testing lab that simulates the Prometric environment. Prometric reported investments in security, candidate experience and testing capacity, including plans for 35 new test centers and 150 additional accommodation rooms.

The Committee also reviewed Prometric's new AI-assisted security monitoring initiative. This system uses cameras and artificial intelligence to identify potential security violations, while human reviewers make final decisions on any interventions. A nationwide rollout is planned by mid-2027.

A proposal to grant AICPA authority to hold Exam scores during misconduct investigations was rejected because score-hold authority is governed by state laws. Instead, NASBA and AICPA will work with state boards to improve communication and streamline existing processes.

The Committee expressed concern over declining candidate participation in the BAR discipline, warning that low volume could threaten the Exam's statistical validity. Members also discussed the July 2027 Cloud Driver Exam delivery platform launch, which requires a testing blackout period and may impact Notice-to-Schedule (NTS) and credit expiration timelines. A uniform extension and communication plan will be developed for board review.

Chair: Thuy T. Barron (WI)

Members:
Gin Binkley (TN)
D. Boyd Busby (AL)
Jamie Duman (ID)
Nicole Kasin (SD)
Angela Meggett-Strudwick (DC)
Simon Petravick (IL)
David Sanford (GU)
Willie B. Sims, Jr. (MS)

Staff Liaisons:
Patricia Hartman
James Polite







EXECUTIVE DIRECTORS COMMITTEE

Support Executive Directors in their roles with Boards of Accountancy.

The Committee first met in person on October 29, 2025, following NASBA's Annual Meeting in Chicago, to begin preliminary planning for the 44th Annual Conference for Executive Directors and Board Staff. Discussion was informed by feedback from the Executive Directors' breakout session, with key topics including peer review, private equity, use of title, continuing professional education (CPE) and the use of artificial intelligence (AI).

Virtual meetings on January 6 and February 4, 2026, focused on further developing and refining the agenda for the conference, held March 24–26 in Austin, TX. The 2026 conference began with an orientation for new executive directors and board counsel. Sessions addressed private equity, enforcement, testing accommodations and unauthorized practice, along with an expanded selection of in-depth presentations. Highlights included an IRS presentation on the role of a CPA in investigations and a well-received session from Puerto Rico on the use of stamps in attest practice to protect the public. Clearer separation of society tracks and joint sessions received positive feedback, as did the highly interactive breakout sessions. Following the conference, members met on March 27 to debrief and select a recommendation for the next committee chair, unanimously recommending Lisa Benefield of Louisiana. On June 2, members participated in a joint meeting with the Examination Administration Committee. AICPA representatives discussed the proposed score release schedule and provided project updates on the AICPA Cloud Driver. Prometric representatives also discussed the introduction of AI into test centers and provided an overview of the process for monitoring candidates using AI.

During a June 26 meeting, members reviewed feedback from the regional meetings and began identifying topics for the 2027 Executive Directors and Legal Counsel conferences. Use of title, private equity and CPE remain key areas of interest. Following changes in Committee membership, NASBA leadership appointed Elías Colón of Puerto Rico and Mandy Harlow of North Dakota ahead of their regular fall start dates to maintain Committee participation. Throughout the year, active monthly virtual meetings for executive directors have continued to be lively and well attended. The next in-person meeting will take place at the conclusion of NASBA's Annual Meeting in October. The Committee appreciates NASBA leadership's responsiveness and the continued support of NASBA staff, including timely updates on legislative and committee activities.



Chair: Martin Pittioni (OR)

Members:
Lisa Benefield (LA)
Elías Colón (PR)
Nancy Glynn (VA)
Mandy Harlow (ND)
David R. Nance (NC)
Donna M. Oklok (OH)
Jennifer Winters (NY)

Note: Carla Ratchford (IL) and Roger Scarborough (FL) concluded their service in Spring 2026.

Staff Liaisons:
Kent A. Absec
Patricia Hartman





EXTERNAL RELATIONSHIP ASSESSMENT TASK FORCE

To conduct a comprehensive discovery and analysis of NASBA's relationships with partnering organizations to ensure they strengthen NASBA's mission, align with NASBA's strategic goals, and enhance and extend the work of NASBA's members.

The External Relationship Assessment (ERA) Task Force is reviewing NASBA's formal and informal relationships with organizations across the accounting, education, testing and regulatory communities. Its purpose is to determine whether those relationships strengthen NASBA's mission, align with strategic priorities, and deliver meaningful value to member boards.

The Task Force is creating an inventory of NASBA's external relationships, and is evaluating each based on strategic alignment, value, impact, cost, influence, available resources and reputational risk. It will develop a practical framework to help NASBA determine when to establish, maintain, restructure, sunset or deprioritize relationships. Key considerations include value to state boards, mission alignment, accountability, NASBA's ability to influence outcomes, staff capacity, responsiveness, and whether a relationship supports effective decision-making.

The Task Force will also gather stakeholder input through focus groups and confidential interviews, and will develop recommendations for relationship tiers, governance expectations, accountability and engagement. Deliverables will include a relationship inventory and assessment framework culminating in recommendations to the NASBA Board of Directors.

Success will be measured by greater clarity and transparency, stronger strategic alignment and influence, measurable value to member boards, and a sustainable process for managing NASBA's external relationships.

Chair: Nicola Neilon (NV)

Members:
J. Coalter Baker (TX)
Edward C. David (NH)
Joseph Donohue (KY)
Kevin N. Monroe (TN)
Katrina L. Salazar (CA)
Viki A. Windfeldt (NV)

Staff Liaisons:
Melissa Brennan
Daniel J. Dustin



INCLUSION COMMITTEE

Provide opportunities, encouragement and support to underrepresented NASBA members to participate in service and leadership roles.

During the 2025–2026 committee year, the NASBA Inclusion Committee advanced its charge to encourage and support underrepresented NASBA members in pursuing service and leadership opportunities. The Committee focused on strengthening outreach to newly appointed state board members, improving the welcome and orientation experience and expanding engagement with professional and student organizations.

The Committee continued refining the Board Member Outreach process but identified challenges involving the timing and accuracy of appointment information. It also explored practical ways to engage new board members at NASBA events, including dedicated networking opportunities, visible committee identification, and improved coordination before regional meetings.

Partnership development remained a key priority. Building on relationships with the Association of Latino Professionals in Finance and Accounting (ALPFA), the Committee supported a shift from traditional conference exhibits toward interactive CPA Exam workshops. A student networking event at the ALPFA Conference with the AICPA, Becker and Withum occurred in August 2026 with over 500 students registered. Additionally, NASBA representatives joined the AICPA's student workshop to discuss the CPA Mobile App and programming available through the NASBA Center for the Public Trust. This model also has the potential to be launched at the National Association of Black Accountants (NABA) Conference in 2027.

Going forward, the Committee's priorities include resolving outreach-tracking issues, improving the timeliness of new-member engagement, strengthening the welcome experience at NASBA meetings, and evaluating workshop-based partnerships as a sustainable model for advancing NASBA's outreach and leadership objectives.

Chair: Jeannette P. Smith (TX)

Members:
Patricia Batchelor (CA)
Jason Danielson (DC)
Ruben A. Davila (CA)
Olivia Espinoza-Riley (TX)
Tod Etheredge (AL)
Robert F. Fay (OH)
Janice Hodge (VI)
Gary R. Massey (NC)
Evelyn Rosier (GA)
Judy A. Thomas (CO)
Randa Vernon (OK)

Staff Liaisons:
Lisa Dampf
Sedrik Newbern

INTERNATIONAL QUALIFICATIONS APPRAISAL BOARD

As directed by the Executive Committee, survey and assess professional practice standards and qualifications in specified countries and recommend the feasibility of recognition of credentialed non-U.S. professionals to the Board of Directors.

The International Qualifications Appraisal Board (IQAB) continued its work to advance international professional recognition and maintain rigorous standards for accounting professionals seeking mobility between the United States and other countries. A significant focus during the year was the review and renewal of Mutual Recognition Agreements (MRAs) with international accounting organizations. IQAB finalized the renewal of the MRA with the South African Institute of Chartered Accountants (SAICA), extending the agreement through June 30, 2031. The renewed agreement increases the post-qualification work experience requirement to seven years.

IQAB also made significant progress with Chartered Accountants Ireland (CAI). Following extensive discussions regarding statutory audit experience and qualification requirements, IQAB is in the final stages of a new MRA that includes a seven-year post-qualification experience requirement. In February, an MOU extending the U.S.-Canada-Mexico MRA was signed at the North American Summit. In April, concerns surrounding the MOU were formally raised with CPA Canada. On April 24, the NASBA Board unanimously voted to provide 60 days' notice of termination and enter into an MOU establishing the MRA directly with the Canadian provincial and territorial bodies (PTBs). NASBA subsequently signed the new agreement with the PTBs.

Throughout the year, IQAB also continued renewal efforts involving CPA Australia and Chartered Accountants Australia and New Zealand (CAANZ) and engaged in discussions concerning potential mutual recognition with the United Kingdom.

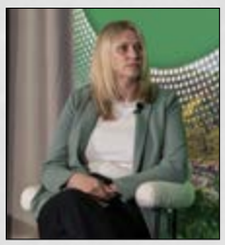
Through these efforts, IQAB continues to support international mobility while ensuring that mutual recognition maintains the high professional and qualification standards expected of the U.S. CPA.

Chair: Gerald P. Weinstein (OH)

Members:
John Curzon (OK)
Martin G. Fennema (FL)
William Treacy (TX)

Staff Liaisons:
Kyle Barrier
Patricia Hartman







LEGISLATIVE SUPPORT COMMITTEE

Develop legislative support strategies and tactics to assist the Vice President, Legislative and Governmental Affairs in supporting Boards of Accountancy on legislative matters.

Chair: Katrina L. Salazar (CA)

Members:
Richard L. Bell (AR)
Steven D. Britsch (ND)
Christonna C. Campbell (MI)
Todd Dailey (SC)
Joseph S. Drew (DC)
Margaret Ann Gilmore (OH)
James Minnix (OK)
Nick Myers (MO)
Mindy Rankin (FL)
John Reinemann (WI)
Yen Tu (CA)
Viki A. Windfeldt (NV)

Staff Liaison: John W. Johnson

The Legislative Support Committee believes jurisdiction awareness on issues impacting the accounting profession throughout all 55 U.S. jurisdictions, helps foster greater unity and clarity among Boards of Accountancy by sharing information on complex legislative issues that boards are currently facing or may encounter at some point in the future.

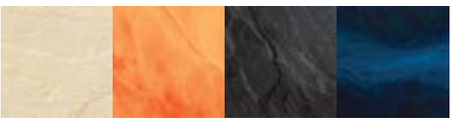
To aid in this effort, NASBA's Department of Legislative and Governmental Affairs identifies and monitors legislation and executive orders around the country with regulatory impact. During the 2026 legislative session, 1,009 bills were monitored; 186 had a direct impact on accounting profession regulation; and of these, 68 concerned anti-regulation. In addition, over the last two years, 50 jurisdictions filed legislation to add a baccalaureate degree plus two years' experience pathway to licensure. Over the same period of time, there were also 44 jurisdictions that filed legislation shifting mobility from a state to an individual-based model.

Anti-regulatory organizations continue to develop and promote legislation designed to eliminate or significantly reduce occupational licensing regulations and oversight. The 2026 legislative sessions saw Indiana repeal, merge or restructured more than 60 boards and commissions in a single bill. Florida came within one committee of eliminating 17 independent boards for the second straight year. And governors in states like Oklahoma and Montana are applying the same pressure through vetoes and executive orders.

In response, NASBA is a founding member of the Alliance for Responsible Professional Licensing (ARPL) – a coalition of advanced professions focused on educating policymakers and the public about the importance of rigorous professional licensing standards. Recent ARPL research found that when individuals understood how professional licensing boards are appointed, function and funded, that voters became more likely to oppose board reform. Based on this research, ARPL recently began a campaign to create a positive, accurate understanding of licensing amidst the negative misinformation.

In addition to monitoring current legislation, executive orders and other regulatory activity impacting the accounting profession, the Committee continues to cultivate a strong internal network program that can proactively and positively influence governmental affairs when important legislation/executive orders are identified. This initiative is called the Key Person Contact (KPC) Program, which serves as a nexus for transmitting information to government officials and reporting information about proposed or pending legislation/regulatory changes to NASBA.

In 2026, the Legislative Support Committee met five times to discuss legislation impacting pathways/mobility and deregulation, ARPL, ways to strengthen NASBA's KPC program, and the redesign of NASBA's Legislative Support webpage to better educate member boards on legislative resources and support.















NOMINATING COMMITTEE

Nominate officers and directors, in accordance with NASBA's Bylaws.

The 2025-2026 Nominating Committee convened three times during the current cycle to fulfill its officer and director selection responsibilities.

On May 5, 2026, the Committee met in Dallas, TX, to interview candidates for the 2026-2027 Vice Chair position. On July 8–9, 2026, the Committee reconvened in Nashville, Tennessee, to interview 22 candidates for open regional director and director-at-large positions on the Board of Directors.

Following the immediate resignation of NASBA's vice chair, the Committee reconvened on July 27, 2026, to nominate candidates for both the chair and vice chair roles for the 2026-2027 term.

Pursuant to Article VII, Sections 7.2 and 7.3, and Article IV, Section 4.5, of NASBA's Bylaws, the 2025-2026 Nominating Committee has nominated the following officers and directors for a vote by the member Boards of Accountancy at the Annual Business Meeting in October 2026.

Chair

- Katrina L. Salazar (CA – Associate)

Vice Chair

- J. Andy Bonner, Jr. (TN – Delegate)

Directors-at-Large (first year of three-year term)

First Term

- Timothy Egan (CT – Delegate)
- Dan Vuckovich (MT – Associate)

Second Term

- Alison L. Houck Andrew (DE – Associate)

Regional Directors (one-year term), a regional director may serve three one-year terms

First Term

- Michael Bryant (TN – Delegate) Southeast Region
- Edward David (NH – Delegate) Northeast Region
- Kate Dixon (WA – Delegate) Pacific Region
- Terri Herron (MT – Delegate) Mountain Region
- Dale Mullen (VA – Delegate) Middle Atlantic Region
- Shane Warrick (AR – Delegate) Southwest Region

Third Term

- Thuy T. Barron (WI – Delegate) Great Lakes Region
- Melissa Ruff (NE – Delegate) Central Region

The following NASBA Board members will continue to serve for the balance of their unexpired terms. At-large directors may serve two three-year terms. For purposes of Bylaws Section 4.5.7 compliance, an at-large director's status as a delegate or associate is based upon their status when elected.

Directors-at-Large (second year of three-year term)

First Term

- Steven M. Platau (FL – Delegate)
- Laurie A. Warwick (VA – Associate)

Directors-at-Large (third year of three-year term)

First Term

- Jason D. Peery (ID – Delegate)
- Michael Schmitz (ND – Associate)

Unexpired Terms*

- J. Andy Bonner, Jr. (third year of a three-year term)
- Katrina L. Salazar (second year of three-year term)

Past Chair

- Nicola Neilon (NV – Associate), 2025-2026 Chair, will accede to the office of past chair.

*To be elected by the Board of Directors

Chair: Maria E. Caldwell (FL)

Members:
Deirdre N. Budahl (SD)
Central Region

Dawn M. Carlson (IL)
Great Lakes Region

Ann Cohen (NY)
Northeast Region

Kerry Eaton (NV)
Mountain Region

Lynn Hutchinson (LA)
Southwest Region

Michael Kintz (AL)
Southeast Region

Jason J. Robinson (OR)
Pacific Region

Arthur M. Winstead, Jr. (NC)
Middle Atlantic Region

Susan I. Adams (TX)
Alternate Southwest Region

Holly Engelhart (SD)
Alternate Central Region

Clayton J. Huffman (GA)
Alternate Southeast Region

Joseph Petito (MD)
Alternate Middle Atlantic Region

Richard S. Silverman (NH)
Alternate Northeast Region

Brooke Stegmeier (WA)
Alternate Pacific Region

Susan M. Strautmann (WI)
Alternate Great Lakes Region

Brian Wallace (NV)
Alternate Mountain Region

Staff Liaisons:
Melissa Brennan
Daniel J. Dustin

PAST CHAIR ADVISORY COUNCIL

Provide background and counsel on current issues framed with a historical perspective.

In conjunction with NASBA's 2025 Annual Meeting in Chicago, IL, the NASBA Past Chair Advisory Council, met to discuss trending topics and receive updates regarding NASBA operations, finances and the regulation of the accounting profession. 2024-2025 Council Chair Stephanie M. Saunders welcomed the group and provided opening remarks.

NASBA's 2025 Annual Report, including the FYE July 2025 Financial Report, was distributed to all past chairs. President and CEO Daniel J. Dustin along with Executive Vice President Wendy S. Garvin shared an organizational update covering leadership and staffing developments, CPA Exam pass-rate trends, evolving licensure pathways, and NASBA's ongoing state board outreach and engagement efforts. Chief Operating Officer Bill Emmer provided an operational overview, including an update on several key technology initiatives, the newly launched CPA Mobile App and resources available to state boards.

The Council also discussed legislative and regulatory developments and several trending topics, including continuing professional education, private equity and related independence issues, and broader deregulation efforts. Members also received information regarding the upcoming Annual Meeting.

Past Chair Donald H. Burkett, chair of the NASBA Center for the Public Trust (CPT), provided an update on CPT activities. Past Chair Richard N. Reisig, serving in his final year on the Financial Accounting Foundation (FAF), provided an update on activities related to FAF, Financial Accounting Standards Board (FASB) and Governmental Accounting Standards Board (GASB).

At the conclusion of the meeting, Past Chair Janice L. Gray, CPA, was recognized as the well-deserving recipient of the NASBA William H. Van Rensselaer Public Service Award, which she would receive at the 2025 Annual Meeting.



Front row (left to right): W. Michael Fritz, Laurie J. Tish, A. Carlos Barrera, Janice L. Gray, Maria E. Caldwell, Stephanie M. Saunders, Milton Brown, Mark P. Harris, Barton W. Baldwin, David A. Costello. Back row (left to right): Becca Green, David A. Vaudt, Wendy S. Garvin, Carlos E. Johnson, Telford A. Lodden, Daniel J. Dustin, Donald H. Burkett, Richard N. Reisig, Gaylen R. Hansen, John M. Greene, Samuel K. Cotterell, K. Michael Conaway, and Bill Emmer.

Chair: Maria E. Caldwell (FL)

Members:
Billy M. Atkinson (TX)
Barton W. Baldwin (NC)
A. Carlos Barrera (TX)
Milton Brown (NJ)
Donald H. Burkett (SC)
K. Michael Conaway (TX)
Samuel K. Cotterell (ID)
Walter C. Davenport (NC)
W. Michael Fritz (OH)
Welling W. Fruehauf (PA)
Janice L. Gray (OK)
John M. Greene (SC)
Gaylen R. Hansen (CO)
Mark P. Harris (LA)
Thomas Iino (CA)
Carlos E. Johnson (OK)
Wesley P. Johnson (MD)
Telford A. Lodden (IA)
John B. Peace (AR)
Richard N. Reisig (MT)
Diane M. Rubin (CA)
Stephanie M. Saunders (VA)
Dennis P. Spackman (UT)
Sandra A. Suran (OR)
Laurie J. Tish (WA)
David A. Vaudt (CT)
Michael D. Weatherwax (CO)

Staff Liaisons:
Noël Dedmon
Wendy S. Garvin



PEER REVIEW COMPLIANCE COMMITTEE

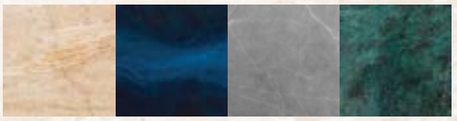
Promote effective oversight of practice quality of CPAs and their firms.

During 2025-2026, the Peer Review Compliance Committee (PRCC) continued its work to promote effective oversight of the practice quality of CPAs and CPA firms, with a particular focus on ensuring that state board perspectives are considered as the peer review program evolves.

The Committee established a regular cadence of meetings in advance of AICPA Peer Review Board meetings to review significant agenda items, identify potential regulatory implications and provide input from the state board perspective. Throughout the year, the PRCC monitored important developments involving Peer Review Standards Update No. 3, administration of peer reviews for firms operating within alternative practice structures, and proposed changes to the handling of technical referrals.

The Committee also addressed emerging regulatory concerns affecting practice quality. Discussions included SOC 2 reports issued by unlicensed firms and online offerings of audit services at unusually low prices and accelerated turnaround times. In response to changes in the handling of technical referrals, the Committee identified options to strengthen information flow to state boards, including facilitating direct referrals from federal agencies and considering firm self-reporting requirements during license renewal. In addition, the PRCC reviewed the AICPA Peer Review Board's proposed 2027-2030 Strategic Plan and developed regulatory-focused feedback for consideration through NASBA's comment process.

Finally, the Committee held its annual joint meeting with the AICPA Peer Review Oversight Task Force in October 2026. Topics of discussion included the AICPA 2025 Annual Report on Oversight, an update on peer reviews for firms within an alternative practice structure and an overview of Peer Review Standards Update (PRSU) No. 4, Considering Certain Alleged Code of Conduct Violations and Omnibus Technical Enhancements. Finally, discussions were held around future informational sessions for state board staff on Peer Review Oversight Committees (PROCs).



Chair: Alison L. Houck Andrew (DE)

Members:
Sherry L. Chesser (AK)
Wm. Hunter Cook (NC)
Susan Eickhoff (MO)
Amr S. Elaskary (OH)
James P. Gero (OH)
David Holt (ND)
G. Alan Long (KY)
Leilani Rodrigo (IL)
Susanna Sharpe (SC)
Jay Tolsma (SD)
Jennifer Winters (NY)

Staff Liaison: Wendy S. Garvin



PRIVATE EQUITY TASK FORCE

To evaluate the implications of private equity ownership in CPA firm structures and develop guidance, tools, or best practices to support state Boards of Accountancy in addressing regulatory concerns related to this emerging business model.

During the 2025-2026 year, the NASBA Private Equity Task Force furthered its work to help state boards understand and respond to the regulatory implications of private equity investment and alternative practice structures (APS) in the accounting profession. Following the October 2025 release of its white paper, the Task Force engaged state boards and other stakeholders to gather feedback on key regulatory concerns and potential areas for action. The Task Force reviewed 39 responses to the white paper, including input from 18 state boards. Key themes included concerns around independence and undue influence, the need for stronger public disclosures, support for CPA title use in non-attest entities, and a desire for greater uniformity among jurisdictions.

The Task Force also provided educational opportunities to help state boards better understand APS structures, private equity involvement and regulatory considerations. This work included webinars and conference session panels that brought engaging dialogue around items such as white paper feedback, administrative services agreements, peer review implications for APS firms and proposed revisions to independence standards affecting APS structures. Building on the feedback from the white paper, the Task Force developed practical recommendations for state boards. Its work focused on proactive disclosures, attestations during firm registration and licensing, and support for greater uniformity through the Uniform Accountancy Act. Key concepts were presented to state boards during NASBA's Regional Meetings, followed by the release of a Recommendation Memo providing boards with policy options they may consider within their individual statutory and regulatory structures.

Throughout the year, the Task Force also monitored AICPA standard-setting activity involving APS and private equity to ensure the state regulatory perspective remained part of the broader national discussion.

Chair: Dan Vuckovich (MT)

Members:
Barry M. Berkowitz (PA)
D. Boyd Busby (AL)
Dominic Franzella (CA)
Dale G. Mullen (VA)
David R. Nance (NC)
Steven M. Platau (FL)
Melissa Ruff (NE)

Staff Liaisons:
Kent A. Absec
Wendy S. Garvin



REGULATORY RESPONSE COMMITTEE

Provide timely proposed responses on professional practice developments by either developing responses or reviewing the suggested responses from other NASBA committees.

Committee Chair Timothy F. Egan convened an in-person meeting in August 2026 and multiple virtual meetings throughout the committee year. The regional directors were invited to participate in the Committee's meetings, and the NASBA Board of Directors was given the opportunity for a fatal flaw review of all letters/responses signed by NASBA's chair and president and CEO prior to submission to the originating organizations. The response letters can be found on NASBA's website.

Working with other NASBA Committees, including the Ethics Committee, the Regulatory Response Committee drafted and vetted comment letters on the following exposure drafts:

Source	Topic	Date Issued
PCAOB	Draft 2026-2030 Strategic Plan Goals and Objectives	8/25/2026
IAASB	Proposed ISRE 2410 (Revised) – Review of Interim Financial Information Performed by the Independent Auditor of the Entity's Annual Financial Statements	8/25/2026
PEEC	Proposed PEEC 2027-2030 Strategic Plan	8/22/2026
Peer Review Board	Proposed 2027-2030 Strategic Plan	8/22/2026
PCAOB	PCAOB Standard Setting	8/7/2026
SEC	Proposed Amendments for Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies	7/17/2026
ASB	Proposed SSAE – Common Concepts, Examination Engagements, Review Engagements, and Engagements to Report on Sustainability Information	6/30/2026
PEEC	Proposed Revised Definition "Attest Engagement Team"	5/28/2026
IAASB-IESBA	Joint IAASB and IESBA Stakeholder Survey	5/15/2026
PCAOB	PCAOB Strategic Priorities	5/12/2026
PEEC	Proposed Revisions Related to Alternative Practice Structures	4/21/2026
Department of Education	Proposed Rule – Reimagining and Improving Student Education	3/1/2026
IFAC	Annual Stakeholder Survey	1/30/2026
PEEC	Proposed Revised Interpretation – Tax Services	12/9/2025
Peer Review Board	Proposed Peer Review Standards Update No. 3 – Modernizing Peer Review Administration Requirements	10/24/2025

Chair: Timothy F. Egan (CT)

Members:
Alan R. Augenstein (AZ)
Suzanne Wood Bruckner (NM)
Dawn M. Carlson (IL)
W. Michael Fritz (OH)
Amanda Gavin (IL)
Gaylen R. Hansen (CO)
Frederick R. Kostecki (MO)
Stephen F. Langowski (NY)
Carole McNees (MI)
Arthur M. Winstead, Jr. (NC)
Lawrence A. Wojcik (IL)

Staff Liaison: Jessica Luttrull















RELATIONS WITH MEMBER BOARDS COMMITTEE

Provide reciprocal communication between Boards of Accountancy and NASBA Board of Directors.

The Relations with Member Boards Committee held its spring and fall virtual calls with State Board of Accountancy chairs and executive directors. The conference calls provided the opportunity to share updates with member boards on the meetings of the NASBA Board of Directors, national issues related to the licensing and regulation of the public accountancy profession; PEEC exposure draft on alternative practice structures; the definition of an accountancy concentration; proposed changes to NASBA Bylaws that would allow full or partial affiliate memberships; and licensees who are living and working in a foreign country. The calls also provided an opportunity for the member boards to share important matters they were facing within their jurisdictions with each other in order to better understand the issues related to professional licensing and regulation. During the year, committee members and/or staff liaisons attended 18 state board meetings.

The Committee also planned and hosted the NASBA Regional Meetings in Park City, UT, and Rio Grande, PR. New board member orientation sessions were held prior to the start of each Regional Meeting to provide attendees with important organizational information about NASBA and to highlight important aspects of the regulation of the accountancy profession. During the Regional Meetings, attendees heard presentations on the work being done by the CPE Task Force, Puerto Rico audit process and timestamping, a panel discussion on alternative practice structures/Private Equity Task Force, the AICPA's Profession Ready Initiative, the Uniform CPA Examination and a report of Financial Accounting Standards Board (FASB)/Private Company Council (PCC). Throughout the year, the Committee reviewed and discussed responses to questions posed during the spring and fall virtual calls along with the regional breakout sessions during the Regional Meetings to identify areas where the Committee can further support state boards and to provide the Committee with insight for future focus questions.

Chair: Melissa Ruff (NE)
Central Regional Director

Members:
Thuy T. Barron (WI)
Great Lakes Regional Director
Timothy F. Egan (CT)
Northeast Regional Director
Haley Lyons (OR)
Pacific Regional Director
Wilhelmus J. Schaffers (AL)
Southeast Regional Director
Jeannette P. Smith (TX)
Southwest Regional Director
Robert Todero (DC)
Middle Atlantic Regional Director
Dan Vuckovich (MT)
Mountain Regional Director

Staff Liaisons:
Kent A. Absec
John W. Johnson

STANDARD-SETTING AND PROFESSIONAL TRENDS ADVISORY COMMITTEE

Monitor and objectively evaluate processes of standard setters, as well as disruptive trends in the profession, on behalf of Boards of Accountancy. Recommend process improvements, when warranted, and advise the Boards of potential disruptive trends impacting the regulation of the profession.



The Standard-Setting and Professional Trends Advisory Committee (Committee) had four meetings in the committee year. Committee Chair Michael Schmitz convened the initial meeting virtually in December 2025 to make introductions and to discuss the history and charge of the Committee. NASBA staff liaisons who attended recent standard-setting and professional association meetings provided updates and trending topics of interest.

The second virtual meeting in April 2026 began with information sharing on the North American Summit as well as the AICPA Professional Ethics Executive Committee's (PEEC) exposure draft on alternative practice structures. The primary topic of the meeting agenda was to review and solicit input on the Joint International Auditing and Assurance Standards Board (IAASB) and International Ethics Standards Board for Accountants (IESBA) Stakeholder Survey. The feedback was shared with NASBA's Regulatory Response Committee in the development of NASBA's response, which was submitted in May 2026.

The Committee met virtually in July 2026. After receiving updates from recently attended standard-setting and professional association meetings as well as the activities of NASBA's Private Equity Task Force, the Committee considered and discussed potentially disruptive trends in the profession for monitoring. Topics included automation of the audit and the impact of artificial intelligence (AI) on audit assurance; recent proposals and requests for comment regarding public company audit regulation; and developments regarding private equity investment in the profession.

The Committee held its last meeting as a face-to-face meeting at the end of September 2026 in Nashville, TN, where the Committee heard updates from NASBA staff liaisons on recent meetings in Washington, DC, with federal agencies such as the U.S. Securities and Exchange Commission (SEC), Public Company Accounting Oversight Board (PCAOB), Internal Revenue Service (IRS) and the Department of Labor (DOL). The Committee also conducted a brainstorming session on disruptive and potentially disruptive trends/areas of concern involving the regulation of the CPA profession and other topics, including standard setting and its impact on audit quality.

Chair: Michael Schmitz (ND)

Members:
Billy M. Atkinson (TX)
Phillip Austin (IL)
Jillian S. Brown (OH)
Matthew J. Howell (MI)
Clayton J. Huffman (GA)
Kristian Latta (CA)
Kristopher Musselman (DE)
Joseph Petito (MD)
Richard N. Reisig (MT)
Brooke Stegmeier (WA)
Barrett E. Young, III (MD)

Staff Liaisons:
Wendy S. Garvin
Jessica Luttrull

STATE SOCIETY RELATIONS COMMITTEE

Provide state societies a platform to inform boards and NASBA about issues of importance to the regulation of the profession, and board relations with state societies.

NASBA believes that fostering greater dialogue and collaboration between Boards of Accountancy, State CPA Societies and NASBA is essential to ensuring effective relations and advancing the common interests of the public and the profession. In working toward that goal, the State Society Relations Committee focused on the following initiatives in 2025-2026:

Pathways and Mobility – In 2025, the majority of the jurisdictions that filed mobility legislation in 2025 were not in alignment with section 23 of the Uniform Accountancy Act (UAA). However, in 2026, the script flipped as a majority of jurisdictions that filed mobility legislation were more aligned with the UAA. At a time when the validity of substantial equivalency is being questioned within the profession, the Committee has taken an active role in assisting with this critical component to Mobility and its unique place in accountancy.

NASBA Center for the Public Trust (CPT) – The partnership with state societies and the CPT has continued to grow. In partnership with the Alabama Society of CPAs, the CPT continued its sponsorship of the Balance Sheet Bash, an event that introduces the accounting profession to underrepresented students primarily attending Historically Black Colleges and Universities across three cities in Alabama (Huntsville, Birmingham and Montgomery). The CPT has also sourced several professionals through societies to speak on college campuses nationwide through the CPT Speaker Series. Additionally, the CPT continues to work with a group of state societies to share ideas for collaboration across states.

Deregulation – With legislation being filed to eliminate the Board of Accountancy in one state (2025 and 2026) —and eliminating or reducing continuing professional education in other states—the State Society Relations Committee's focus has shifted on ways State CPA Societies, NASBA and the AICPA can work together as the profession anticipates further such legislation in 2026.

Joint State CPA Society CEO/State Board Executive Directors Conference – NASBA's Executive Directors Committee invited the State CPA Society CEOs to participate in the 44th Annual Conference for Executive Directors and Board Staff. For the 12th consecutive year, the 2026 conference brought together these key leaders and counterparts to participate in sessions addressing matters of mutual interest and concern, future opportunities for collaboration, and enhanced communications.

Overall, the work accomplished by the Committee and the work to come will not only foster greater collaboration between Boards of Accountancy, State CPA Societies and NASBA, but it will also assist John W. Johnson, Vice President, Legislative and Governmental Affairs, when consulting with Boards of Accountancy regarding their legislative strategies.

Chair: Boyd Search (GA)

Members:
Crista C. Burson (AK)
Zachary Donah (MA)
Ronald A. Gitz (LA)
Allen Lloyd (MT)
Rebekah Olson (MD)
Jodi Ann Ray (TX)
Joni Sundquist (NE)

Staff Liaison: John W. Johnson

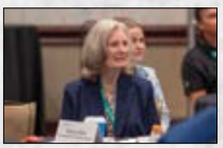














STRATEGIC PLANNING TASK FORCE

Consider changes in the accounting profession and the regulation of it that could impact the current NASBA Strategic Plan. Provide recommended updates to the plan for NASBA Board of Directors' deliberation and approval.

During 2026, the Strategic Planning Task Force advanced NASBA's strategic planning process by evaluating the organization's current position, identifying emerging challenges and opportunities, and developing a proposed framework to guide NASBA's future direction.

A central focus of the Task Force's work was the development of Members First as the proposed cornerstone of NASBA's strategic direction. Members First recognizes that State Boards of Accountancy have the ultimate responsibility and authority for regulating and enforcing the laws and rules within their jurisdictions. NASBA's role is to support the boards—not supplant them—by providing the resources, expertise, relationships and leadership they need to fulfill their missions and protect the public.

The proposed framework includes five strategic commitments: Prioritizing Members, Leading with Insight, Protecting the Public Interest, Building for the Future and Governing for Impact. These commitments are intended to provide structure and priorities for NASBA's work while allowing flexibility as member needs and the external environment evolve.

The Task Force also emphasized that the strategic plan is not intended to prescribe every project or operational activity. NASBA should have the flexibility to adjust, add or discontinue initiatives while remaining grounded in the commitments and priorities established through Members First.

Other accomplishments included:

- Evaluating the organizational diagnostic and identifying key strategic risks and opportunities.
- Developing a more focused framework for strategic objectives and initiatives.
- Identifying opportunities to strengthen NASBA's role as a proactive strategic partner to state boards.
- Advancing a more disciplined approach to strategic prioritization and resource allocation.
- Exploring ways to strengthen the connection between strategy and governance.
- Preparing the proposed strategic framework for member review and consideration.

The Task Force's work in 2026 provides a foundation for a more focused, flexible and member-centered approach to NASBA's future while reinforcing the essential role of state boards in protecting the public.

Committee Members
Chair: Nicola Neilon (NV)

Members:
Kent Absec*
Brenner Allen*
J. Coalter Baker (TX)
Brant Beard*
Lisa Dampf*
Megan E. Durst (OH)
Daniel J. Dustin*
Kate Dixon (WA)
Timothy F. Egan (CT)
William Emmer*
Wendy S. Garvin*
John W. Johnson*
Kristi A. Justice (WV)
Thomas G. Kenny*
Kevin N. Monroe (TN)
Tyler Nelson*
Sedrik Newbern*
Jason D. Peery (ID)
Ashley Plyushko (OK)
Godson Sowah (MN)
Troy A. Walker*

*NASBA Staff

Consultant: Brendan Tapley

Staff Liaison: Melissa Brennan



UNIFORM ACCOUNTANCY ACT COMMITTEE

Oversee the Uniform Accountancy Act and related Model Rules and recommend amendments to the Board of Directors.

At the direction of NASBA and AICPA leadership, the joint Uniform Accountancy Act (UAA) Committee established three separate task forces to examine:

- **Use of Title** – To determine if changes are needed to reflect the current practice environment and whether the practice of public accountancy should be reintroduced into the UAA.
- **Employee Stock Ownership Plans (ESOPs), Board Placement within State Government and General UAA Cleanup** – Evaluate ESOPs as an approved ownership of CPA firm structure; assess the placement, role, authority and independence of Boards of Accountancy; and identify conforming amendments needed for consistency with the Ninth Edition of the UAA.
- **Definition of Attest** – Determine whether the existing UAA definition of "attest" remains sufficient and compare its scope and usage with international standards.

While NASBA and AICPA staff worked to gather research, prepare materials and provide drafts for review, the Committee and the three task forces met frequently to discuss potential changes to the UAA that would be considered by the Joint UAA Committee in early 2027. These potential changes would then be referred to the NASBA and AICPA Boards for their approval prior to being exposed to stakeholders in May 2027.

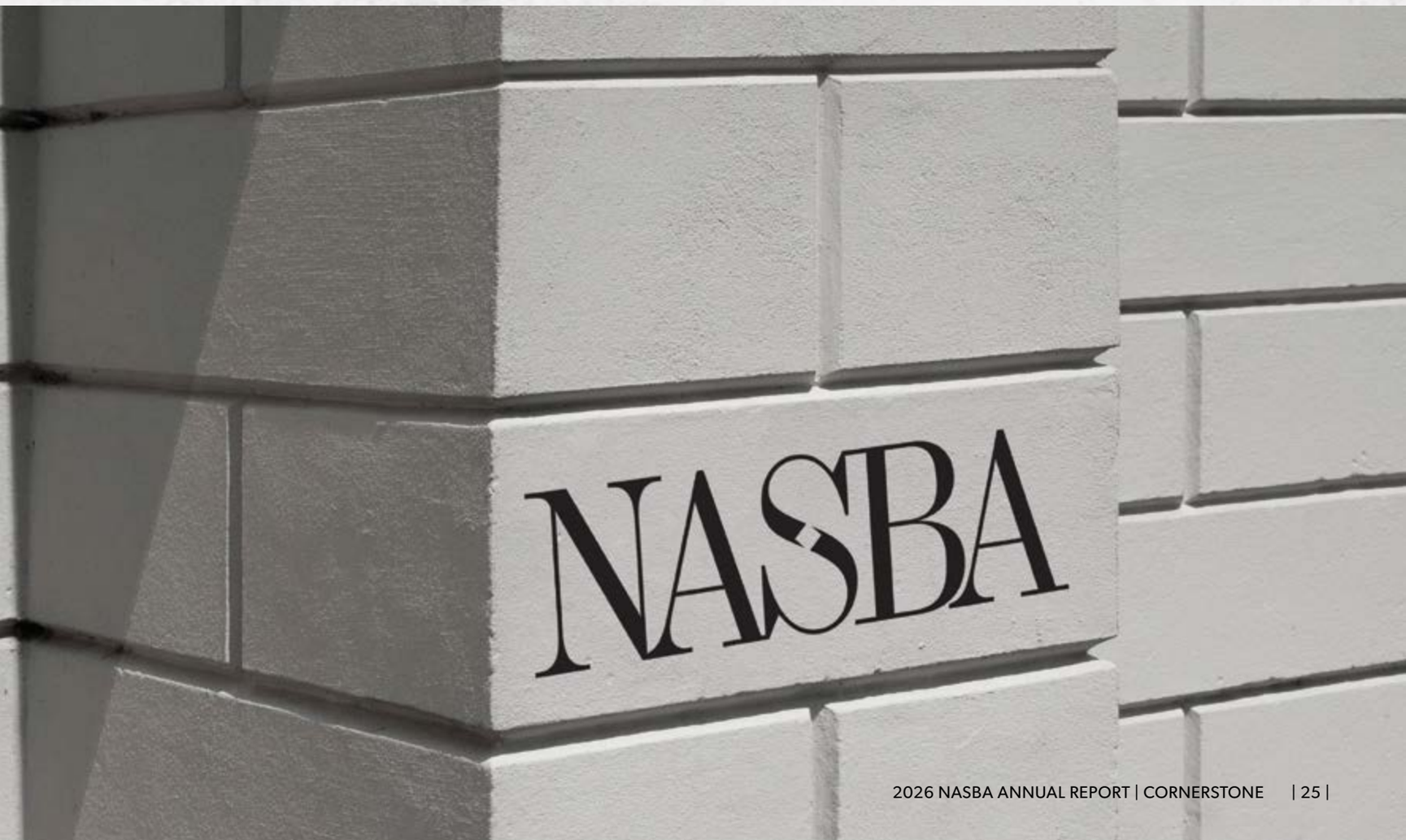
In addition, the NASBA UAA Committee members met to discuss and consider possible updates or revisions to the UAA Model Rules, the areas of which could include but are not limited to continuing professional education (CPE) requirements and accounting concentration. The Committee would work with other NASBA committees (CPE Task Force, Education Committee, etc.) on these topics before referring them to the NASBA Board for approval to expose for comment.

Chair: Dan Vuckovich (MT)

Members:
Louis J. Costanzo, III (WV)
Megan E. Durst (OH)
Renee Foshee (TX)
Sharon A. Jensen (MN)
Telford A. Lodden (IA)
G. Alan Long (KY)
Michael E. Mixon (GA)
Ashley Plyushko (AR)
Dan Sweetwood (NE)

Staff Liaisons:
Kent A. Absec
John W. Johnson



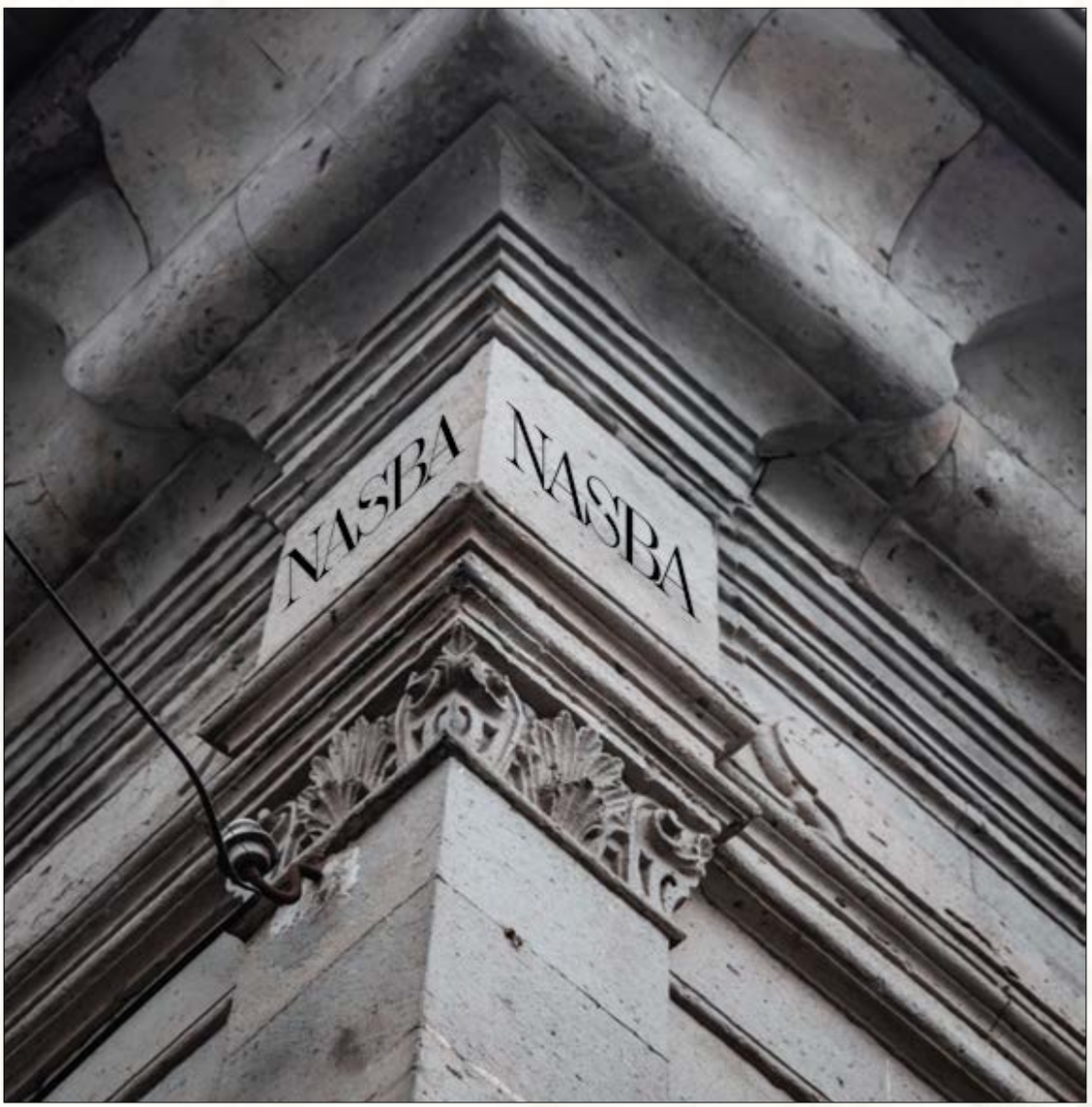


PRODUCTS AND SERVICES

NASBA takes an innovative approach to addressing the needs of the Boards of Accountancy, current and prospective CPAs and the public by offering an array of products and services designed to support every stage of the CPA life cycle. From CPA Examination administration, to licensure, to education, these high-quality products and services are helping to shape the future of the accounting profession.

Member services include, but are not limited to, association meetings, evaluation of international coursework and credentials, score reporting and legislative tracking. NASBA's consumer products span from licensing application assistance to continuing professional education (CPE) and compliance management services.

As the profession advances, products and services have also been developed to ensure the public's protection and reaffirm NASBA's position as a trusted resource for additional stakeholders including CPE providers, State CPA Societies, academic institutions and accounting firms of all sizes. The following pages detail more about the various products, services and complementary offerings available through NASBA.



Client Services

CPA EXAMINATION SERVICES

CPA Examination Services

As NASBA's flagship program, CPA Examination Services (CPAES) provides a comprehensive array of services related to the Uniform CPA Examination. A few of these services include application processing, credential evaluations, score reporting, and candidate outreach. Outsourcing these services to the experienced and reliable professionals at NASBA enables Boards of Accountancy to provide candidates with a positive examination experience while remaining focused on other critical regulatory functions – like enforcement and rulemaking.

NATIONAL CANDIDATE DATABASE

NCD
NATIONAL CANDIDATE DATABASE

The National Candidate Database (NCD) is a database of CPA candidate information created to help NASBA, Boards of Accountancy, the American Institute of Certified Public Accountants (AICPA) and testing centers protect the personal data provided by candidates during application and examination processes. As a central repository for all CPA Examination candidate information, the NCD is a global tracking system for CPA Examination candidates. With the ability to track a candidate's history, from initial application to grading of the Examination, the NCD is a powerful tool for managing testing information.

CPA PORTAL

CPAportal powered by NASBA

CPA Portal is NASBA's headquarters for the Uniform CPA Examination, serving individuals who wish to take the Exam in a jurisdiction supported by CPA Examination Services (CPAES), NASBA's flagship program. In addition to the user-friendly online application for first-time, re-examination and pre-evaluation (where available) candidates, CPA Portal gives Exam takers everything they need in one place, including online score retrieval, Notice to Schedule reprints, application status and history, and quick links that provide information on a variety of Exam-related topics, from how the Exam is scored to testing in international locations.

NASBA CPA MOBILE APP

NASBA CPA MOBILE

The NASBA CPA Mobile App is a free mobile application that provides CPA Exam candidates with convenient access to Exam-related tools and services from their mobile devices. Available on both iOS and Android, the App allows users to access their CPA Portal account, download their Notice to Schedule (NTS), view Exam scores, manage application statuses, receive alerts and reminders for critical deadlines, and access jurisdiction-specific requirements. The App makes the journey to CPA more organized, transparent and accessible—on the go.

NASBOT



NASBot is NASBA's AI-powered virtual assistant designed to help CPA Exam candidates quickly access accurate information throughout the CPA journey. Available through NASBA.org and the CPA Mobile App, NASBot answers questions about eligibility, applications and Exam-related processes while directing candidates to helpful NASBA resources when appropriate. Unlike general-purpose AI tools, NASBot does not search the public internet; responses are based on NASBA-owned, NASBA-controlled or approved informational resources, helping provide candidates with consistent, trusted information when they need it.

CREDENTIALNET

CREDENTIALNET

CredentialNet, a service of the NQAS, is an Individual Substantial Equivalency evaluation service for the purposes of mobility and/or reciprocal licensure.

CPA LICENSING SERVICES

NASBA LICENSING SERVICES

With the capability and resources to help make the licensing process more efficient for Boards of Accountancy and applicants, NASBA has provided licensing and renewal services to Boards of Accountancy for more than 25 years. CPA Licensing Services include application processing, eligibility determination, electronic file transmissions and board reporting for both initial and renewal applicants. NASBA also provides responsive and reliable customer service to applicants throughout the licensing process and offers CPE auditing assistance to state boards for renewal and/or annual audits.

NASBASTORE/WALL CERTIFICATE SERVICE

NASBAstore

Wall Certificate Service

NASBAstore.org is a marketplace of CPA Exam products and services, including score transfers and license verifications, available for use by all Boards of Accountancy. The NASBAstore serves many of the needs of today's accounting professionals. It is also the home of NASBA's Wall Certificate Service, offering creative, professional design options to enhance the appearance of licensing certificates and license cards. The Wall Certificate Service offers state-of-the-art printing, timely processing and distribution of plastic license cards and decorative wall certificates. NASBAstore also offers custom framing options.

Client Services (Continued)

NASBA UNIVERSITY

NASBA U is a two-day training and networking event available exclusively to Board of Accountancy executive directors. Held at NASBA's headquarters, in Nashville, TN, participants are introduced to a variety of tools and services available to assist board staff in their various roles. Additionally, attendees have an opportunity to network with fellow Board of Accountancy representatives, meet key members of NASBA staff and tour the NASBA facilities.

CANDIDATE CARE

Candidate Care provides personal assistance to candidates who experience difficulties related to taking the CPA Examination. Assistance is also provided to Boards of Accountancy by monitoring center problem reports, examination exit surveys, and candidate issues to identify potential trends and issues that may warrant further investigation.

TESTING ACCOMMODATIONS AND ADA COMPLIANCE

NASBA's Testing Accommodations team responds to complex legal and clinical testing accommodation requests. Trained and qualified personnel evaluate individual eligibility as well as negotiate and implement testing accommodations in accordance with the Americans with Disabilities Act (ADA) while maintaining the integrity of the CPA Examination.

INTERNATIONAL QUALIFICATION EXAMINATION

NASBA offers the International Qualification Examination (IQEX) to qualifying candidates. The purpose of IQEX is to facilitate the U.S. CPA qualification process for accounting professionals from other countries whose professional bodies have entered into mutual recognition agreements developed by NASBA and the American Institute of Certified Public Accountants (AICPA). These agreements have been established with CPA Australia, Chartered Accountants Australia and New Zealand (CAANZ), CPA Canada, Chartered Accountants Ireland (CAI), CPA Ireland, Instituto Mexicano de Contadores Publicos (IMCP) and South African Institute of Chartered Accountants (SAICA).

EXPERIENCE VERIFICATION

The NASBA Experience Verification service was launched in 2016 in response to the accounting profession's increasing need for a coherent and standardized experience validation and verification process for international and domestic CPA licensure applicants. With the careful guidance of a NASBA client manager, applicants are led through the process and interviewed by a NASBA CPA. Additionally, their work experience is verified. The client managers liaise with both the Board of Accountancy and the applicant to ensure that all requirements are met before the licensure application is sent out for board review.

AEQUO INTERNATIONAL

Aequo International was founded in 2014 to provide universities and other professional boards with the same high standard of international evaluations NASBA offers its member Boards of Accountancy. Aequo International is dedicated to performing accurate domestic and international education evaluations, identifying fraudulent documents and protecting the public.

NASBA INTERNATIONAL EVALUATION SERVICES

Currently providing services to 53 jurisdictions, NASBA International Evaluation Services (NIES) is dedicated to the professional and standardized evaluation of international coursework and credentials for candidates applying for the Uniform CPA Examination and licensure.

EDUCATION VERIFICATION

Launched in 2019, the Education Verification Service offers candidates an alternative to having their educational institutions submit documents directly to NASBA International Evaluation Services for evaluation. Education Verification allows candidates the option of submitting copies of original documents via email. NIES confirms with the source if these documents are authentic, saving candidates the inconvenience of having the university issue official educational documents. Education Verification also allows the opportunity for NIES to perform additional authenticity checks on any documents that are submitted for an international evaluation report.

Communications & Outreach

NASBA's Communications Department offers Boards of Accountancy complimentary creative services designed to be attractive, relevant and audience-driven. Services include editorial and social media consultation, video production and design for newsletters, brochures, mass emails, infographics, annual reports, signage and more. Currently, 45 Boards of Accountancy participate in the Communications & Outreach Program.

COMMUNICATIONS & OUTREACH

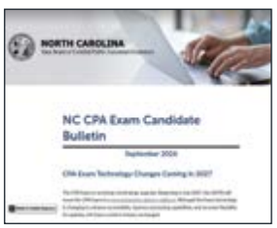
480
Email Campaigns

264K+
Social Media Followers

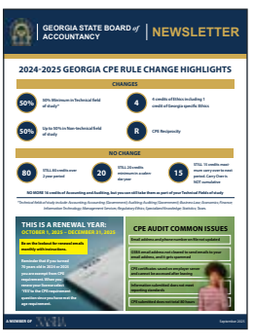
189
Videos Produced

6.9M+
Website Views

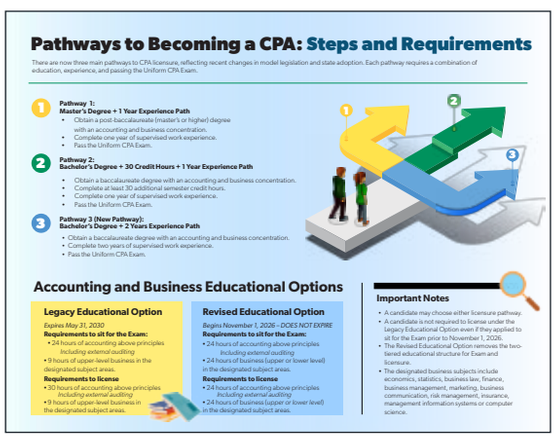


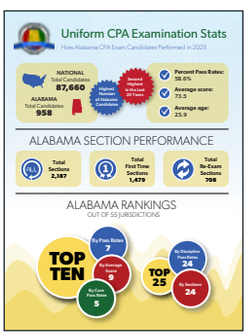






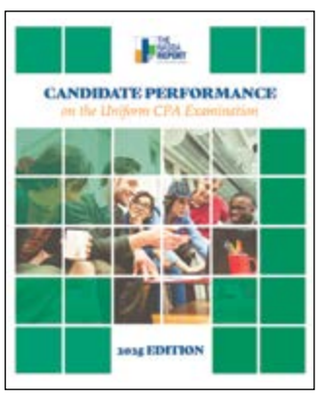








NASBA Report on the CPA Exam



THE NASBA REPORT ON THE CPA EXAM

NASBA began gathering data on Uniform CPA Exam candidates in 1982 and has published reports on candidate performance since 1985. *The NASBA Report: Candidate Performance on the Uniform CPA Examination* (formerly Candidate Performance Book) is the go-to resource for statistics and trends on candidates taking the CPA Exam. Published annually in an easy-to-read format, *The NASBA Report* provides a comprehensive view of candidate activity and performance, including jurisdiction, university and accreditation, demographic, international and Examination section data. Key metrics include unique candidates, sections attempted, percent pass, average score, average age, residence, gender, degree type and cohort year, along with multi-year trend information. Available only from NASBA, this data provides a comprehensive overview of CPA Exam trends worldwide and at the jurisdiction and university levels. To purchase current and past editions, visit www.nasbareport.com.

Compliance Services

ACCOUNTANCY LICENSEE DATABASE (ALD)

Created to assist Boards of Accountancy with their regulatory mission, the Accountancy Licensee Database (ALD) is a central repository of current licensee and firm information. Fifty-three Boards of Accountancy are currently participating, with New Mexico and Hawaii working toward implementation. NASBA's goal is to house current and accurate licensing and disciplinary information for individual CPAs and firms from each of the 53 U.S. jurisdictions. The ALD is hosted by NASBA and access to the system is free to Boards of Accountancy.

ACCOUNTANCY LICENSING LIBRARY (ALL)

Given the ever-changing regulatory environment and adoption of mobility legislation in most states, it is a challenge to remain up to date on CPA and firm licensing laws and rules among all Boards of Accountancy. The Accountancy Licensing Library (ALL) removes the complexity from the CPA license and firm registration process. This resource contains information for the different types of CPA licenses (initial, reciprocal, mobility/practice privilege and firm registration). Access to ALL is available for purchase by the public and CPA firms. In addition, NASBA offers complimentary accounts to accounting program chairs at colleges and universities for use in academic advising for those wishing to pursue the CPA credential.

CPAVERIFY.ORG

CPAverify.org is a CPA license search tool populated by official, publicly available, CPA licensing data sent from Boards of Accountancy to a central database. With 53 jurisdictions participating, CPAverify.org is the only official, free, single-source national database of licensed CPAs available to the public. Whether verifying that your CPA is actively licensed and in good standing or checking the professional history of a potential employee, CPAverify.org provides individuals and organizations alike a convenient and credible way to research a CPA without having to search each Board of Accountancy's website individually.

NATIONAL REGISTRY OF CPE SPONSORS

The National Registry of CPE Sponsors was created to recognize CPE program sponsors that provide continuing professional education programs in accordance with nationally recognized standards. Only learning providers that are committed to offering high-quality continuing education programs, which improve a CPA's professional competence, are listed on the Registry, and NASBA is proud to have over 2,000 currently approved. The National Registry of CPE Sponsors' logo is the seal of approval for CPE. When you see that logo, you can trust that the continuing education you receive will be of the highest quality.

NASBAREGISTRY.ORG

NASBAregistry.org is a comprehensive resource for CPE learning providers interested in becoming approved National Registry sponsors, as well as for approved Registry providers seeking guidance on developing courses and submitting renewal applications. The site features video tutorials, newsletters, sample forms, best practices and online applications, and allows approved sponsors to list their CPE course offerings. Potential course attendees can search these listings using various criteria to find courses that meet their learning needs and verify whether a CPE sponsor is approved on the National Registry and for which delivery methods.

CPE AUDIT SERVICE

NASBA's CPE Audit Service offers a platform designed to assist Boards of Accountancy with conducting the periodic audits for compliance with continuing professional education requirements. The service allows CPAs to report CPE hours and documentation, electronically, to the board. It offers a turnkey solution for Boards of Accountancy to manage their overall CPE audit process. The service is a benefit of NASBA membership for state boards that participate in the Accountancy Licensee Database (ALD) and have their licensee data records linked with other records across state lines. There are 16 boards using the CPE Audit Service to assist with CPE reporting and conducting audits of compliance with CPE requirements.

CPE RULES ENGINE SERVICE

Launched in 2018, and currently with four firm clients using the service, the CPE Rules Engine Service was designed to assist third party clients in calculating the CPE compliance of their professionals. This application uses the rules engine that is the foundation of NASBA's CPE Audit Service. Clients deliver data input files compliant with NASBA's specifications on a nightly basis and the NASBA Rules Engine Service returns data output files that can then be used within the particular learning management tool used by the clients.

CPAMOBILITY.ORG

Mobility permits a certified public accountant (CPA) who is licensed and in good standing to practice public accountancy across state lines. To assist licensees and firms in understanding these practice privilege, or "mobility" provisions, cpamobility.org was relaunched in September 2025 with a modernized interface and updated content reflecting numerous changes to mobility legislation that have occurred in the past year, resulting from corresponding changes in licensure requirements. This public site provides jurisdiction-specific summaries of CPA and firm mobility rules, along with direct links to state board laws, rules and contact information.

Legislative Services

LEGISLATIVE TRACKING

NASBA's Legislative Tracking System was created and calibrated specifically for Boards of Accountancy to monitor legislation and amendments (in real time) that affect the regulation of the profession. By allowing boards to become more readily aware and to share knowledge concerning key pieces of legislation that could greatly impact their regulatory responsibility, the tracking system provides an important and unprecedented step toward enhancing the effectiveness and advancing the common interests of all Boards of Accountancy and the profession as a whole.

KEY PERSON CONTACT

In order to develop strong relationships with elected members of state and federal legislative and executive branches of government, in every jurisdiction, NASBA has developed a Key Person Contact (KPC) program. NASBA's KPC program was established to educate elected members of legislative and executive branches of government on issues affecting the CPA profession. Key Person Contacts are NASBA members who recognize the difference that individuals can make in the legislative process. In this role, members act as liaisons between NASBA and lawmakers, creating a line of communication to relay technical and general information regarding legislative issues that impact the profession.

ALLIANCE FOR RESPONSIBLE PROFESSIONAL LICENSING

To combat steps taken in legislatures around the country to weaken or even eliminate occupational licensing laws, in 2019, NASBA became a founding member of the Alliance for Responsible Professional Licensing (ARPL) — a coalition of national associations that represents highly complex, technical professions and their national licensing boards. ARPL has been created to ensure that a unified voice for the advanced professions is present and heard in the growing debate around the appropriate level of licensure for professions and occupations. While these laws may not intentionally target accountancy, we are at risk of being swept up in overly broad legislation.



GROWTH IN 2025-2026

The NASBA Center for the Public Trust (CPT) experienced significant growth during fiscal year 2025–2026, driven largely by shifts in student programming, the introduction of StudentCPT Tiers and strengthened strategic partnerships. These efforts contributed to the growth of StudentCPT chapters, increased student engagement and broadened the CPT's presence on college and university campuses. The CPT also launched the CPT Young Professionals Advisory Council to provide feedback to the NASBA Board of Directors and help address the needs of young professionals. Working alongside NASBA leadership and members, the CPT Board of Directors and other partners, the CPT continued to facilitate professional Ethical Leadership Training with Boards of Accountancy, support StudentCPT chapters and host the StudentCPT Leadership Conference—all to fulfill its mission to develop, empower and promote ethical leaders.

STUDENTCPT CHAPTERS

The Student Center for the Public Trust (StudentCPT) chapter program continues to influence the ethical thinking and decision-making of future business leaders by teaching college students that engaging in ethical business practices is the most sustainable strategy for career advancement. With the vision of becoming the largest network of ethical leaders on college campuses, the StudentCPT continues to grow as colleges and universities experience student programming through StudentCPT Tiers.



STUDENTCPT TIERS

The CPT has traditionally provided programming through StudentCPT chapters, with student leaders eligible for nomination to attend the StudentCPT Leadership Conference. However, the CPT also engaged students at institutions without chapters through campus presentations, the Ethical Leadership Certification Program and the *Ethics in Action* Video Competition. As a result, the full reach and impact of the CPT's student engagement were not fully captured, and many participating students were ineligible for the conference. To broaden opportunities for engagement, the CPT launched StudentCPT Tiers—Pioneer, Champion and Ambassador— in fall 2024, creating three pathways for institutions to participate based on the needs of their students. Since its implementation, the tiered structure has contributed to the launch of several new StudentCPT chapters. This fiscal year, the CPT had 77 Pioneer campuses, six Champion campuses and 30 Ambassador campuses.

HBCU INITIATIVE



The CPT's HBCU Initiative, which aims to bring StudentCPT chapters to the nation's Historically Black College and University (HBCU) campuses, continues to see enthusiasm and engagement. The HBCU Initiative seeks to expose greater numbers of HBCU students to ethical leadership and the accounting profession. The CPT partnered with the Alabama Society of CPAs, American Institute of Certified Public Accountants (AICPA) and NABA for the Balance Sheet Bash 2026. The Bash, which targets HBCU students in Alabama, exposes students to professional speakers, leadership training, resume and social media platform tips and onsite conversations with recruiters.

STUDENT ETHICAL LEADERSHIP CERTIFICATION PROGRAM

As the CPT continues to shape the ethical values and principles of college students, 5,181 students enrolled in the Ethical Leadership Certification Program during the past fiscal year. In August 2026, the CPT relaunched a modernized version of the program in partnership with Red Flag Mania, marking a significant enhancement to its ethical leadership education for college students. The revamped program features an engaging, interactive learning experience designed to help students recognize ethical challenges, strengthen decision-making skills and apply ethical principles in real-world situations. The program also leverages mobile-optimized course delivery, gamification elements and enhanced class reporting features for professors, furthering the CPT's commitment to using innovative approaches to educate and empower the next generation of ethical leaders.

BOARD OF DIRECTORS | 2025-2026

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Jennifer Bouchard, Vice Chair
Donald H. Burkett, CPA, Ex-officio Chair
David A. Costello, CPA , CPT Life Director
Milton Brown, PA , CPT Life Director
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Linda Biek, DBA, CPA, CGMA
Barry M. Berkowitz, CPA, Treasurer
Jen Cryder, CPA
Ruben Davila, CPA, CFF, Esq.
Dr. Terri Herron, CPA
Delbert Madison, Secretary
Kymberly Messersmith
Kent Noble
Marcus Rayner
C. Turney Stevens, Jr.
Tammy Velasquez

CPT Staff

Daniel J. Dustin, CPA, CEO, NASBA CPT
Sedrik Newbern, President, NASBA CPT
Troy A. Walker, CPA, CFO, NASBA CPT
Jeremy Davenport, CPA, Controller, NASBA CPT
Gia Tims, Student Programs Manager
Alyssa Gallas, Operations Manager

ETHICAL LEADERSHIP TRAINING PROGRAM

As part of its mission, the CPT partners with State Boards of Accountancy to administer Ethical Leadership Training as a disciplinary tool for licensees with ethics infractions. In fiscal year 2025–2026, 126 professionals completed the training. With 19 participating boards—including Alabama, California, Connecticut, Florida, Idaho, Kansas, Louisiana, Minnesota, Missouri, New Hampshire, North Dakota, Oklahoma, Pennsylvania, South Carolina, Tennessee, Utah, Washington, West Virginia and Wyoming—the program continues to expand, with discussions underway in additional states. Designed to strengthen ethical decision-making among professionals, the training can be tailored to meet each board's needs. These partnerships advance the CPT's goals of developing ethical leaders, generating revenue to support StudentCPT programming, and ultimately expanding the training to all 55 U.S. jurisdictions.

ETHICAL LEADERSHIP TRAINING

STUDENTCPT LEADERSHIP CONFERENCE

Each year, the NASBA Center for the Public Trust (CPT) hosts the well-anticipated StudentCPT Leadership Conference (SLC). The SLC was designed for students to fine tune their strengths, enhance their ethical decision-making abilities, and learn best practices as it relates to operating a StudentCPT chapter. This year, the SLC was held June 22-24, 2026, in Park City, UT, creating opportunities for 56 student leaders from 26 colleges and universities to connect and build upon their leadership skills. The two-day agenda featured a keynote address, case study competition, networking opportunities with CPT Board members and NASBA members, an interactive case study with Red Flag Mania, and sessions on topics including strategic networking and principles-based leadership.



2026 *Ethics in Action* Video Competition

ETHICS IN ACTION STUDENT VIDEO COMPETITION

The 2026 *Ethics in Action* Student Video Competition continued to promote the importance of ethical decision-making through the lens of college students. This national competition allowed students to creatively share their views on ethics and accountability in business. The 2026 competition received 46 video entries. This year's winning teams represented East Central University, Florida State University, Marshall University, Truett McConnell University, University of Alabama at Birmingham and Youngstown State University.

CPT PARTNERS TO PROVIDE ETHICS-RELATED EDUCATION

The CPT continues to support State Boards of Accountancy, State CPA Societies and other professional organizations to deliver in-person and online speaking engagements, ethics trainings, case studies and educational materials. The CPT provided CPE workshops and presentations for the Tennessee Statewide Payroll Conference, American Accounting Association and Deloitte Tech Update. The CPT's partnership with Baruch College as cohosts of the 20th Annual Ensuring Integrity: Audit Conference hosted more than 175 professionals, business leaders, public accountants, educators and policy setters. The CPT will continue to expand its online training and presentation offerings in the coming year.

NASBA YEAR IN REVIEW

OCTOBER 2025

- NASBA convenes its 118th Annual Meeting, October 26–29 in Chicago, under the theme Together: Strong Foundations, Brighter Futures.



- Results of NASBA's yearlong Diagnostic are unveiled, reflecting participation from 90 percent of jurisdictions, more than 100 hours of discussion and 368 pages of stakeholder feedback. Six priority areas (rooms) are identified to inform strategic planning.
- CPAverify and the Accountancy Licensee Database (ALD) debut modernized websites featuring improved functionality and intuitive user experiences.
- Nevada's Nicola Neilon, CPA, is installed as NASBA's 2025–2026 chair, along with the new Board of Directors.



- NASBA Center for the Public Trust celebrates its 20th anniversary, with its Annual Meeting fundraiser generating more than $61,000, its most successful fundraiser to date.

NOVEMBER 2025

- More than 21,000 downloads of the CPA Mobile App are reported, just months after its September launch.



- The Private Equity (PE) Task Force releases a new white paper, *Alternative Practice Structures & Private Equity: Considerations and Questions for Boards of Accountancy*.
- Strong opposition is voiced to the reclassification of accounting degrees as "non-professional" and implementation of new federal student loan policies.
- A Diagnostic Q&A Town Hall webinar gives member boards a deeper dive into the Diagnostic findings and how they will help shape NASBA's Strategic Planning process.

JANUARY 2026

- President and CEO Daniel J. Dustin, CPA, launches into the New Year examining the accounting profession's identity, highlighting the knowledge, continuous learning and public responsibility that define the profession in his first President's Memo of 2026.



- New CPA licensure pathways begin taking effect in jurisdictions, effective January 1, 2026.
- IT veteran Brant Beard named as chief information officer of NASBA.
- New leadership takes the helm of the NASBA Center for the Public Trust (CPT) Board of Directors.

DECEMBER 2025

- NASBA's strategic planning process begins, uniting volunteer and staff task forces to develop recommendations based on the Diagnostic findings—shaping NASBA's future together.
- The comment period closes December 16 on proposed revisions to the Statement on Standards for Continuing Professional Education (CPE) Programs.
- NASBA provides stakeholders with additional guidance on the new CPA licensure pathways and updated mobility framework, including the new 120-hour pathway and shift toward individual-based practice privilege.
- New Pathways webpage launches to track legislative developments as alternative pathways to CPA licensure are adopted nationwide.



FEBRUARY 2026

- Informational state board webinar explores key considerations surrounding PEEC's Exposure Draft on Alternative Practice Structures.
- NASBA announces the selection of Tyler Nelson as its new vice president, public relations.
- NASBA and the American Accounting Association (AAA) host an educational webinar providing updates for academics on CPA licensure pathways and CPA Exam developments.



APRIL 2026

- Nominating Committee seeks candidates to serve as NASBA's 2026–2027 vice chair.
- Focus groups formed to better understand and support the data and reporting needs of state boards.
- Professional accounting bodies in the United States and South Africa sign renewed Mutual Recognition Agreement (MRA), supporting cross-border practice between the two nations.
- Enforcement Resources Committee issues Q1 2026 report highlighting recent federal agency updates on disciplinary or enforcement matters involving CPAs or CPA firms.





MARCH 2026

- NASBA hosts its 44th Annual Conference for Executive Directors and Board Staff and 31st Annual Conference for Board of Accountancy Legal Counsel in Austin, bringing together 161 regulators and profession leaders to address emerging issues.







- U.S. International Qualifications Appraisal Board (IQAB) and Mexico's Instituto Mexicano de Contadores Públicos (IMCP) extend their Mutual Recognition Agreement through December 31, 2028.
- Formal response from NASBA urges the U.S. Department of Education to restore professional degree status for accounting.
- Accountancy Licensee Database (ALD) panel highlights Vision 2030 goals, fostering dialogue among executive directors on opportunities for collaboration and shared systems.

MAY 2026

- NASBA and AICPA approve revisions to the Statement on Standards for Continuing Professional Education Programs, with revised Standards effective beginning August 1, 2026.
- NASBA announces Katrina L. Salazar, CGMA, CPA, as its initial 2026–2027 vice chair nominee.



- Golf enthusiasts "take to the green" in support of the annual NASBA Center for the Public Trust (CPT) Golf Classic.
- CPA Exam candidates gather virtually on May 19 for Navigate CPA: Education, Licensure Pathways and Exam Success, an informative webinar designed to help candidates navigate their journey toward CPA licensure.
- Accounting professionals across the globe are celebrated for their dedication and contributions on National Accounting Day.

JUNE 2026

- NASBA hosts its 2026 Eastern Regional Meeting, June 9–11 in Rio Grande, Puerto Rico, and Western Regional Meeting, June 23–25 in Park City, Utah.
- AICPA and NASBA recognize top CPA Exam performers with the Elijah Watt Sells Award.
- The 2026 StudentCPT Leadership Conference welcomes 56 student leaders representing 26 colleges and universities.
- Puerto Rico's audit process and time-stamping requirements offer state boards a closer look at the jurisdiction's approach to audit oversight.



JULY 2026

- NASBA launches the External Relationship Assessment Task Force to evaluate organizational partnerships and ensure alignment with NASBA's mission and member boards.
- CPT forms the Young Professionals Advisory Council (CYPAC), giving emerging professionals a voice in conversations shaping the future of the accounting profession.
- NASBA introduces NASBot, its new AI-powered virtual assistant designed to help CPA Exam candidates quickly access trusted information about eligibility, applications and the Exam process.
- Collaboration with Canadian counterparts advances efforts to rework the Mutual Recognition Agreement (MRA) and strengthen the longstanding partnership.



AUGUST 2026

- NASBA launches its new Licensing System within the CPA Portal on August 3, allowing applicants in participating jurisdictions to submit licensure applications directly through the Portal.
- Three research teams receive 2026 Accounting Education Research Grants to study AI, auditing, private equity and financial reporting, while the 2027 Call for Proposals opens.
- The 2025 edition of *The NASBA Report: Candidate Performance on the Uniform CPA Examination* is released, providing jurisdiction and university-level analysis of the 87,660 candidates who tested during 2025.





- NASBA announces an updated 2026–2027 leadership slate, naming Katrina L. Salazar as chair nominee and J. Andy Bonner Jr., as vice chair nominee.

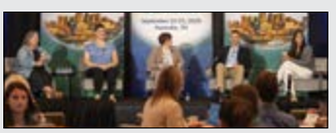
SEPTEMBER 2026

- NASBA and AICPA invite CPAs nationwide to participate in a profession-wide CPE survey, administered by ICF on behalf of its joint task force, to help inform the future of continuing professional education.
- CPA Mobile App celebrates its first anniversary with more than 80,000 downloads, reaching 80,345 as of September 8.
- NASBA's strategic planning effort moves into a new phase as hundreds of ideas generated by member and staff task forces are narrowed into potential strategic priorities.
- The 2026 National Registry Summit sells out, bringing CPE providers together in Nashville September 22–23 under the theme *Revising the Standards: A Remastered Sound for CPE*.

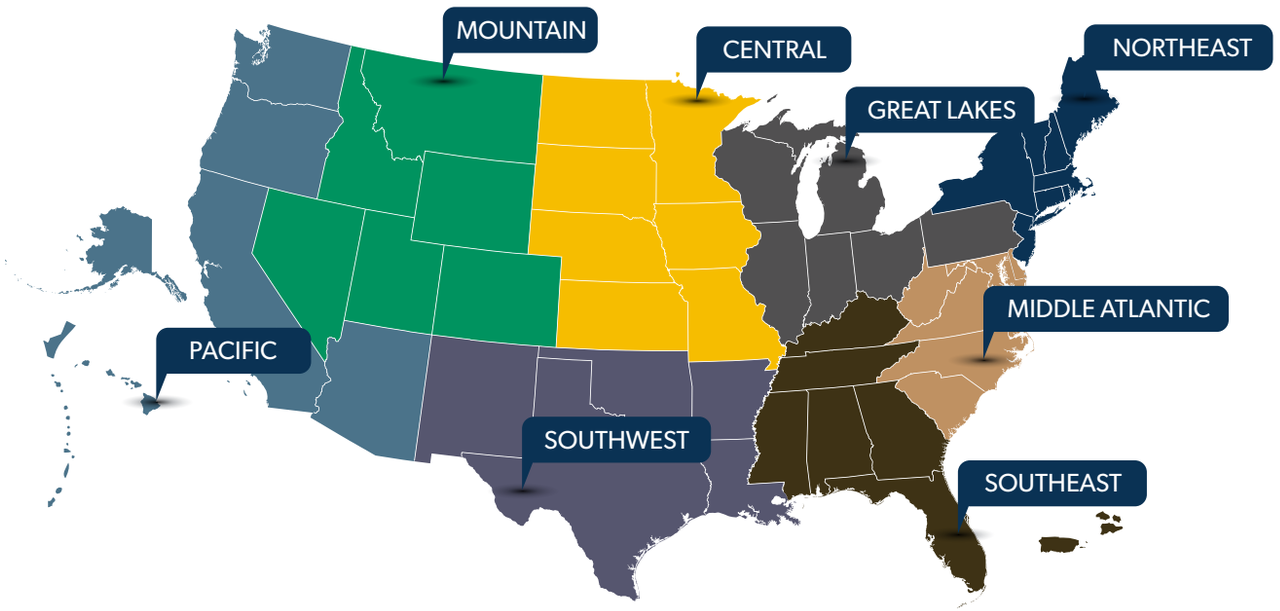








NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY



PACIFIC
Alaska
Arizona
California
CNMI
Guam
Hawaii
Oregon
Washington

MOUNTAIN
Colorado
Idaho
Montana
Nevada
Utah
Wyoming

SOUTHWEST
Arkansas
Louisiana
New Mexico
Oklahoma
Texas

CENTRAL
Iowa
Kansas
Minnesota
Missouri
Nebraska
North Dakota
South Dakota

GREAT LAKES
Illinois
Indiana
Michigan
Ohio
Pennsylvania
Wisconsin

SOUTHEAST
Alabama
Florida
Georgia
Kentucky
Mississippi
Puerto Rico
Tennessee
Virgin Islands

MIDDLE ATLANTIC
Delaware
District of Columbia
Maryland
North Carolina
South Carolina
Virginia
West Virginia

NORTHEAST
Connecticut
Maine
Massachusetts
New Hampshire
New Jersey
New York
Rhode Island
Vermont

Executive Staff and Directors

Kent A. Absec, Vice President, State Board Relations

Brenner Allen, Esq., Chief Legal Officer

Kyle Barrier, Associate Director, Client Services

Brant Beard, Chief Information Officer

Melissa Brennan, Chief of Staff

Lisa Dampf, Chief Human Resources Officer

William A. Emmer, CPA, Chief Operating Officer

Wendy S. Garvin, Executive Vice President

Cassandra A. Gray, Associate Director, Communications

Philip A. Groves, CPA, Director, Finance and Controller

Patricia Hartman, Director, Client Services

John W. Johnson, Vice President, Legislative and Governmental Affairs

Thomas G. Kenny, Chief Meetings & Events Officer

Christy Long, Associate Director, Human Resources

Jessica Luttrull, CPA, Director, Professional Standards and Research

Chris Mays, Associate Director, Client Services

Sedrik Newbern, CPT President & Chief Ethics Officer

Tyler Nelson, Vice President, Public Relations

James Polite, Director, Program Management

Morgan Scheel, Associate Director, Client Services

Erin Scruggs, Associate Director, National Registry

Erica Smith, CPA, Associate Director, Risk & Compliance

Amy Tongate, Director, Compliance Services

Troy A. Walker, CPA, Vice President & Chief Financial Officer

National Association of State Boards of Accountancy, Inc.

Independent Auditor's Report and Consolidated Financial Statements

July 31, 2026 and 2025

NASBA

National Association of State Boards of Accountancy

REPORT OF PRESIDENT & CHIEF EXECUTIVE OFFICER AND OF VICE PRESIDENT & CHIEF FINANCIAL OFFICER

September 25, 2026

We, Daniel J. Dustin, CPA, President & Chief Executive Officer and Troy A. Walker, CPA, Vice President & Chief Financial Officer, of the National Association of State Boards of Accountancy, Inc. ("NASBA"), jointly and severally, do hereby state and attest that:

To the best of our knowledge and belief, based upon a review of the consolidated financial statements of the National Association of State Boards of Accountancy, Inc. and subsidiaries at and for the years ended July 31, 2026 and 2025, including the notes thereto, as reported on by NASBA's independent auditors, LBMC, PC, such financial statements do not contain an untrue statement of a material fact as of the date hereof nor do such financial statements fail to state a necessary material fact that the absence of would make the financial statements misleading.

We have reviewed the contents of this statement with the Chair of the Audit Committee of NASBA.

Daniel J. Dustin

Daniel J. Dustin, CPA
President & Chief Executive Officer

Troy A. Walker

Troy A. Walker, CPA
Vice President & Chief Financial Officer

NASBA

National Association of State Boards of Accountancy

REPORT OF MANAGEMENT

September 25, 2026

The management of the National Association of State Boards of Accountancy, Inc. and subsidiaries is responsible for the preparation, integrity and objectivity of the consolidated financial statements included in this annual report. These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America applied on a consistent basis and present fairly in all material respects the Association's changes in net assets, financial position and cash flows.

Management has established and maintains internal controls designed to give reasonable assurance of the integrity and objectivity of financial reporting, that assets are safeguarded, and that transactions are executed in accordance with appropriate authorizations and recorded properly. Internal controls include the careful selection of employees and members of the management team, the proper segregation of duties, and the communication and application of formal policies and procedures that are consistent with high standards of accounting and administrative practices. The concept of reasonable assurance is based on the premise that the cost of internal controls should not exceed the benefits derived.

The Board of Directors, through its Audit and Administration and Finance Committees, reviews financial and accounting policies, practices and reports, and monitors the system of accounting and internal controls and the competence of persons performing those functions. The Audit Committee also oversees the scope and results of independent financial audits and any comments on the adequacy of internal controls and quality of financial reporting. The independent auditors render an objective, independent opinion on management's financial statements, and have direct access to the Audit Committee with and without the presence of management.

The Board of Directors also has adopted and monitors personnel policies designed to ensure that employees of the National Association of State Boards of Accountancy, Inc. and subsidiaries are free of any conflicts of interest.

Daniel J. Dustin

Daniel J. Dustin, CPA
President & Chief Executive Officer

Wendy S. Garvin

Wendy S. Garvin
Executive Vice President

Troy A. Walker

Troy A. Walker, CPA
Vice President & Chief Financial Officer

Philip A. Groves

Philip A. Groves, CPA
Director of Finance and Controller

MEMBERS AND MISSION

The mission of the National Association of State Boards of Accountancy, Inc. ("NASBA") is to enhance the effectiveness and advance the common interests of the Boards of Accountancy ("Member Boards"). NASBA advances this mission through two primary areas: mission-related Member Services and operating services.

First, mission-related Member Services support Member Boards in their central role of protecting the public through the licensing, regulation and enforcement of CPAs and firms. These services include monitoring legislative and governmental developments that affect accountancy regulation; maintaining resources that allow Member Boards to share current CPA and firm licensing and disciplinary information and provide accurate information to the public; and providing support in areas such as peer review, mobility, enforcement and research. NASBA also dedicates staff and resources to strengthening relationships with Member Boards, understanding their evolving needs and identifying additional ways to support their work.

Member Board volunteers also contribute their knowledge and experience through NASBA committees and task forces. During fiscal 2026, 27 committees and task forces addressed current and emerging issues affecting CPA regulation and Member Boards. Topics range from ethics, education, inclusion, accounting standards, professional trends, continuing professional education, private equity ownership in CPA firm structures, peer review, and enforcement for the Member Boards' consideration. The Strategic Planning Task Force was also established during the year to focus on strengthening NASBA, better serving Member Boards, and positioning NASBA for future success. NASBA's meetings and conferences further bring together Member Board staff and volunteers to share information and discuss trending issues affecting regulation and the profession.

Ethics also remains an important focus for NASBA and its Member Boards. Fiscal 2026 marked the 20th anniversary of the NASBA Center for the Public Trust (CPT), a nonprofit public benefit entity focused on developing, empowering and promoting ethical leaders. CPT provides ethics education and training that equips professionals with tools to make principled decisions in real-world situations. In addition, the mission of CPT is accomplished by developing future professionals (current college students) with the ethical foundation needed as they prepare to enter the workforce. At July 31, 2026, its Student Center for the Public Trust (StudentCPT) program had chapters at 61 colleges and universities, an increase of six during the fiscal year. In addition, over 5,000 students participated in CPT's Ethical Leadership Certification Program, an online program focused on ethical decision-making. CPT also hosted its annual StudentCPT Leadership Conference for 56 students from across the country and U.S. territories. During fiscal 2026, CPT impacted more than 6,000 students across 113 college campuses through StudentCPT chapters, speaking engagements and other programs.

NASBA's second primary area is operating services, principally related to the CPA Examination, licensing and compliance. These services include candidate application and credential-evaluation support, licensing services and programs that assist Member Boards in maintaining continuing professional education standards. These operational services are captured in Examination, licensing and related services in the consolidated statements of activities.

As a significant part of examination services, NASBA operates the National Candidate Database on behalf of all Member Boards, providing a centralized source of information for CPA Examination candidates. NASBA also provides application processing and credential-evaluation services for candidates in 36 Member Board jurisdictions, along with international academic evaluation and other licensing-related services for various jurisdictions.

Revenue generated by NASBA's operating services funds substantially all mission-related Member Services expenditures.



FINANCIAL OVERVIEW

Fiscal 2026 demonstrated NASBA's ability to increase investment in services for Member Boards while continuing to strengthen its financial position. Resources were directed toward licensing-related technology, faster CPA Examination candidate processing, and expanded enforcement and compliance support for Member Boards.

Total program revenue increased 3.0% to $44.0 million, while program expenses increased 6.6% to $40.4 million. This increase in expenses is a direct result of management's, along with the oversight of the Administration and Finance Committee and Board of Directors, dedication to providing additional resources to the Member Boards. Even with increased spending, program revenue exceeded program expenses by $3.6 million, which helps provide for the financial future of the organization and Member Boards.

Mission-related Member Services spending reached $12.6 million in fiscal 2026, marking a historic high for investment in this area. Consistent investment performance of the long-term fund also contributed to the fiscal 2026 results, with $7.8 million in investment income.

Together, these results contributed to an $11.4 million increase in net assets. NASBA ended fiscal 2026 with $112.1 million in total net assets, providing continued capacity to support Member Boards, invest in future needs and respond to changing operating and economic conditions.

Fiscal Year 2026 at a Glance
In Millions

$44.0
Program Revenue

$40.4
Program Expenses

$12.6
Mission-Related Services

$11.4
Increase in Net Assets

$112.1
Net Assets

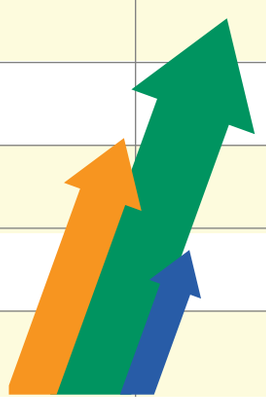
INVESTING IN THE MISSION

NASBA continued to direct more resources toward services provided to, and on behalf of, Member Boards in support of their public protection responsibilities.

As discussed, expenses for mission-related Member Services reached $12.6 million in fiscal 2026, an increase of $0.8 million from fiscal 2025. Spending included $9.2 million for regulation and public protection, $2.4 million for committees and conferences, and $1.0 million for CPT and other activities. Over the five-year period presented, mission-related Member Services spending increased from $10.2 million in fiscal 2022 to $12.6 million in fiscal 2026, reflecting NASBA's continued commitment of resources to work that supports Member Boards and public protection.

Mission-Related Member Services Spending - Fiscal Year 2022-2026
In Millions

	Regulation and Public Protection	Committees and Conferences	NASBA Center for the Public Trust	Total Mission Spending
2026	$9.2	$2.4	$1.0	$12.6
2025	$8.8	$2.2	$0.8	$11.8
2024	$8.8	$1.9	$0.8	$11.5
2023	$8.9	$1.8	$0.8	$11.5
2022	$8.2	$1.3	$0.7	$10.2



OPERATING RESULTS

PROGRAM REVENUE

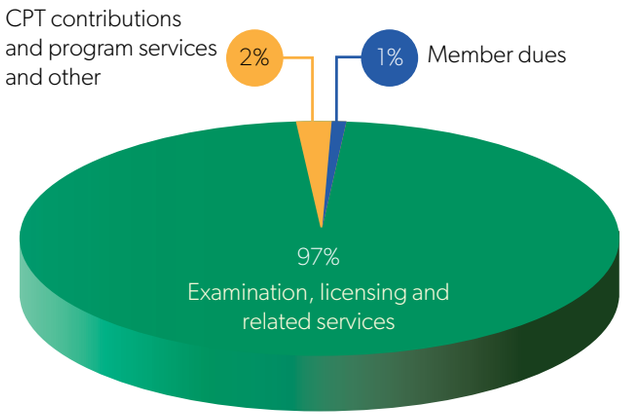
Program revenue grew 3.0% to $44.0 million in fiscal 2026 as compared to fiscal 2025, led by NASBA's core examination, licensing and compliance services.

Examination and licensing revenue increased 3.4% to $36.6 million, while Compliance services revenue increased 3.5% to $5.9 million. Member dues totaled $0.3 million, CPT contributions and program revenue totaled $0.5 million, and other revenue totaled $0.7 million.

Examination activities remained NASBA's largest revenue source at 72% of fiscal 2026 revenue, followed by Compliance Services at 13%, International Evaluation Services at 8% and Licensing at 3%. Member dues represent the smallest source of revenue to NASBA at 1% of total revenue.

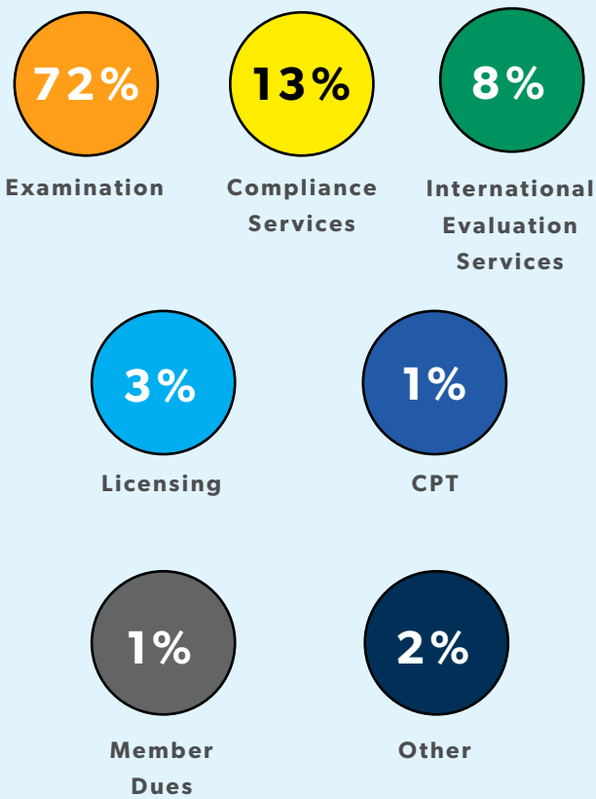
CPA Examination candidate activity increased during the fiscal year. Approximately 220,000 CPA Examination sections were processed through the National Candidate Database, compared with approximately 206,000 in fiscal 2025, an increase of nearly 7%.

Program Revenue Overview

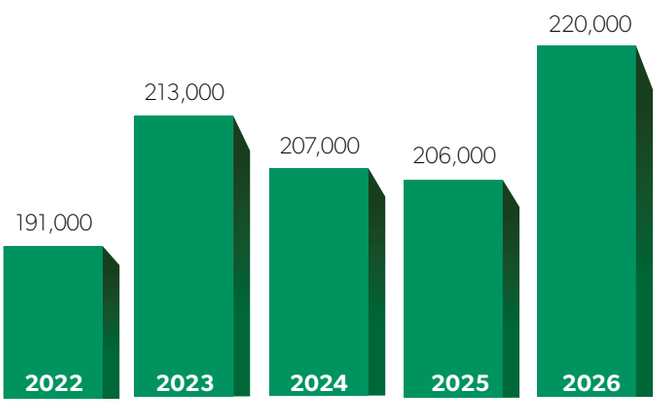


	% Change	In Millions	
		2026	2025
TOTAL	3.0%	$44.0	$42.7
Examination and licensing	3.4%	$36.6	$35.4
Compliance services	3.5%	$5.9	$5.7
Member dues	0.0%	$0.3	$0.3
CPT	-16.7%	$0.5	$0.6
Other	0.0%	$0.7	$0.7

Revenue by Activity



National Candidate Database Sections



OPERATING RESULTS

PROGRAM EXPENSES

Program expenses increased 6.6% to $40.4 million in fiscal 2026. The increase reflects additional resources directed toward Member Board support, including licensing-related technology, candidate processing, and enforcement and compliance activities.

Examination, licensing and related services expenses totaled approximately $27.8 million, up 6.5%. Within the total Member Services expenses, regulation and public protection expenses increased approximately 4.5% to $9.2 million, while committees and conferences increased approximately 9.1% to $2.4 million.

Compensation and related costs represent 45% of total expenses. Technology and professional services represent 26%, followed by occupancy, depreciation and amortization at 12%, conferences, meetings and travel at 7%, and credit card and other program service costs at 7%. The increase in depreciation and amortization primarily reflects software development projects completed in fiscal 2025 and placed into service, including candidate-facing applications and broader technology modernization.

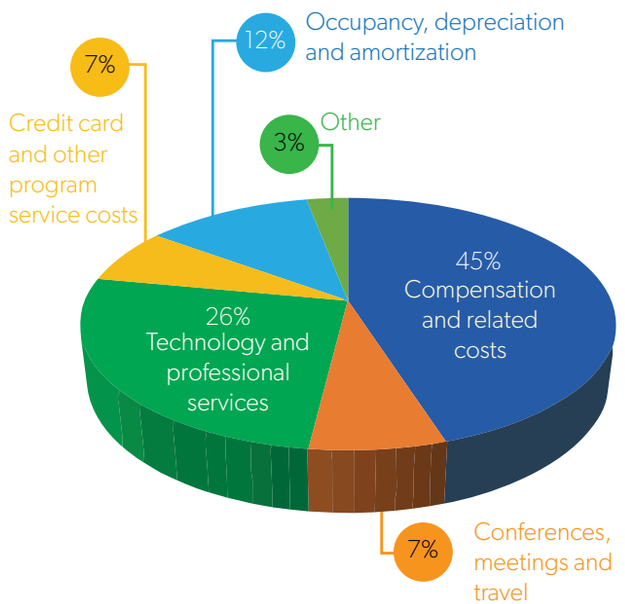
Program Expenses

	% Change	In Millions	
		2026	2025
TOTAL	6.6%	$40.4	$37.9
Examination, Licensing and Related Services	6.5%	$27.8	$26.1
Regulation and Public Protection	4.5%	$9.2	$8.8
Committees and Conferences	9.1%	$2.4	$2.2
Other	25.0%	$1.0	$0.8

Expenses by Activity

- 56% **Examination**
- 11% **Enforcement and Regulation**
- 9% **Communications and Public Relations**
- 8% **Compliance Services**
- 6% **Committees and Conferences**
- 5% **Licensing**
- 3% **Board of Accountancy Membership, Research, Relations, Legislative and Governmental**
- 2% **Ethics**

Expenses by Function

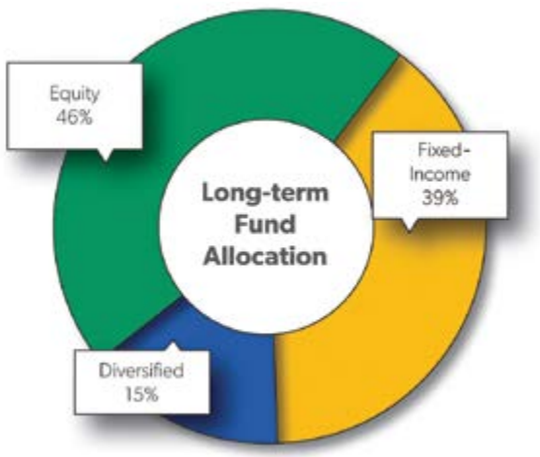


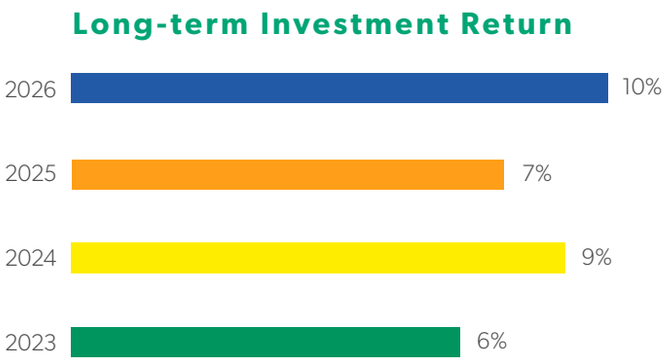
FINANCIAL STRENGTH AND RESILIENCE

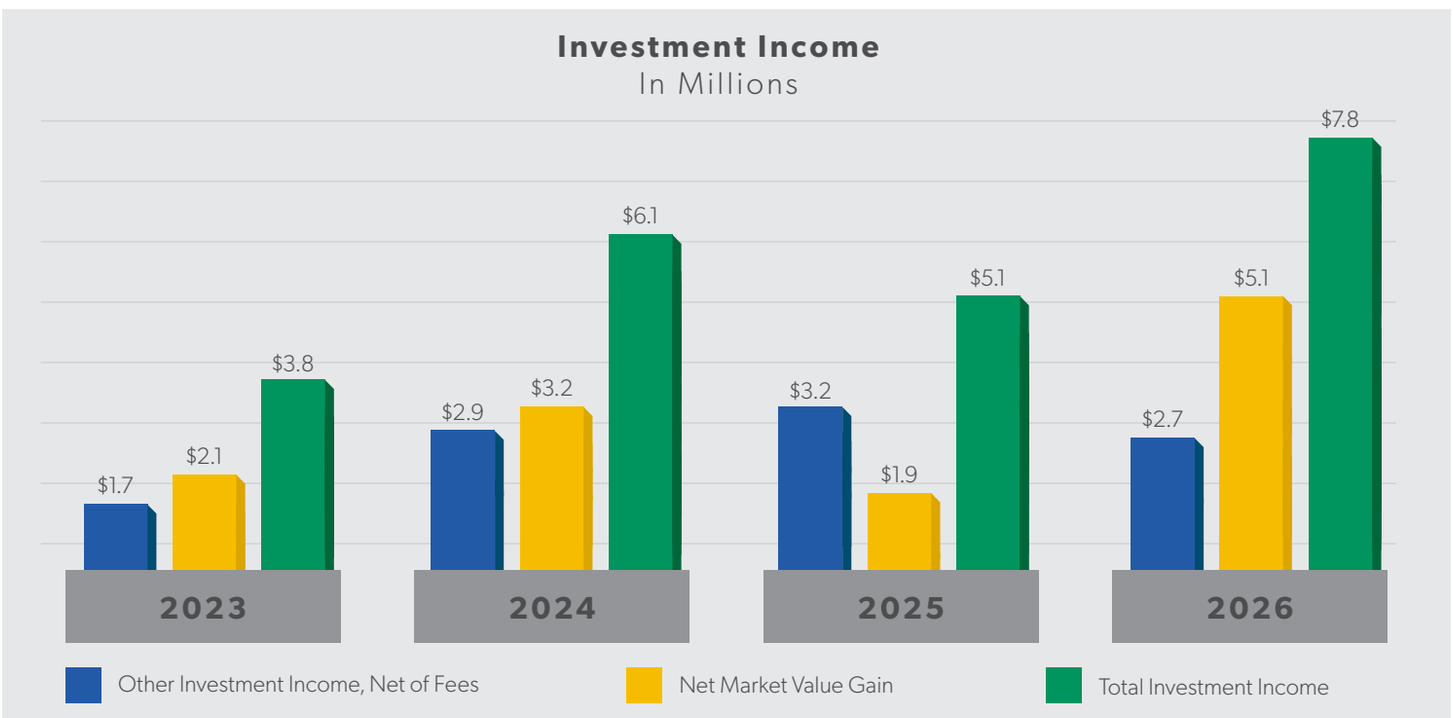
NASBA's investment securities, which represent the long-term fund, provide liquidity, stability and the capacity to continue supporting Member Boards through changing economic and operating conditions. These resources support continuity of the mission-related Member Services and operating services that Member Boards rely on from NASBA. Maintaining the long-term fund balance helps NASBA continue those services in support of the Member Boards during periods of short-term economic or operational uncertainty and provides flexibility to respond to unforeseen needs without disrupting current operations.

At July 31, 2026, NASBA held $71.1 million in investment securities, compared with $64.1 million at the end of fiscal 2025. The portfolio remained diversified, with approximately 46% invested in equities, 39% in fixed-income investments and 15% in diversified investments.

NASBA's long-term investment portfolio generated a return of 10% during fiscal 2026. Total investment income was $7.8 million, including $5.1 million in net market value gains and $2.7 million of other investment income, primarily interest and dividends, net of fees.





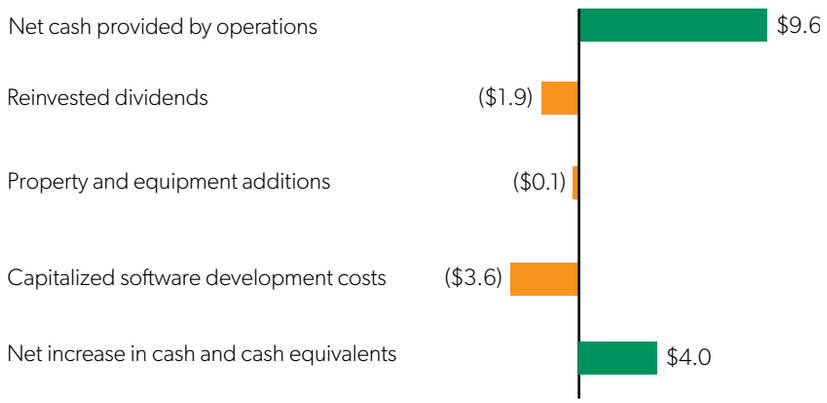


CASH FLOW AND LIQUIDITY

Positive operating cash flow allowed NASBA to fund current operations while continuing to invest in technology, infrastructure and long-term financial resources. Net cash provided by operating activities totaled $9.6 million in fiscal 2026.

During the year, NASBA used $3.6 million for capitalized software development, $1.9 million for reinvested dividends, and approximately $0.1 million for property and equipment additions. After these uses of cash, cash and cash equivalents increased by $4.0 million, reflecting NASBA's ability to fund current operations and invest in future capabilities while preserving liquidity.

Cash Provided (Used)
In Millions



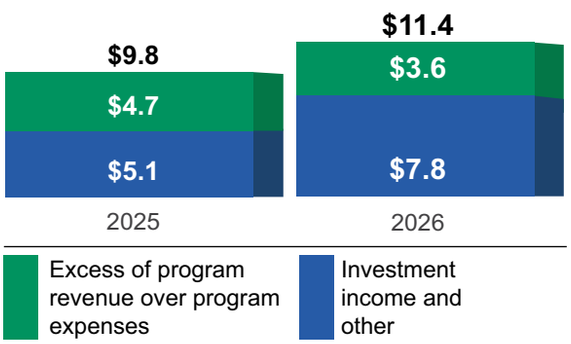
YEAR-END FINANCIAL POSITION

NASBA recorded an $11.4 million increase in net assets during fiscal 2026, compared with a $9.8 million increase in fiscal 2025. $3.6 million of the fiscal 2026 increase came from program revenue exceeding program expenses, while $7.8 million resulted from investment income and other activity.

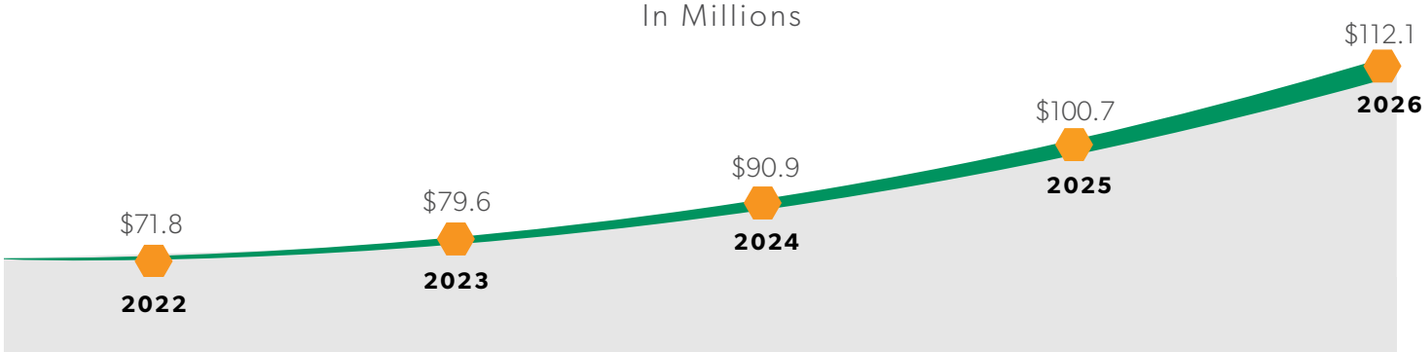
NASBA ended fiscal 2026 with $112.1 million in net assets. Over the past five fiscal years, net assets have increased from $71.8 million in fiscal 2022 to $112.1 million in fiscal 2026.

NASBA remains focused on supporting Member Boards, improving services and responding to their evolving needs and challenges. During fiscal 2026, that commitment was reflected in increased mission-related Member Services spending, continued investment in technology and other organizational capabilities, and strategic planning for the future. NASBA's financial position provides the capacity to meet current obligations, continue investing in services and technology, and support Member Boards over the long term. This financial strength helps NASBA remain a cornerstone of support for Member Boards as it continues building for the future.

Increase in Net Assets
In Millions



Net Assets Five-Year Trend
In Millions



NASBA

National Association of State Boards of Accountancy

REPORT OF AUDIT COMMITTEE ***September 25, 2026***

To the Board of Directors of the
National Association of State Boards of Accountancy, Inc.

The Audit Committee (the "Committee") of the National Association of State Boards of Accountancy, Inc. for the year ended July 31, 2026, was charged by the Board of Directors with the responsibility for oversight of the annual independent audit of the consolidated financial statements.

In connection with the discharge of its responsibility,

- Prior to commencement of the year-end audit work, the Committee met with the independent auditors to discuss (1) the overall scope and specific plans for the conduct of the audit, (2) the performance of agreed-upon procedures related to the escrow accounts and (3) the accounting, reporting and internal control processes and procedures of the National Association of State Boards of Accountancy, Inc.;
- The Committee reviewed the Audit Committee Charter (the "Charter"), which governs the Committee's scope of responsibilities and actions, assessed the need for Charter changes, and approved changes for recommendation to the Board of Directors;
- The Committee received presentations from the organization's Chief Information Officer and virtual Chief Information Security Officer summarizing the information technology security program in place;
- The Committee discussed with senior management the enterprise risk management program, including the process for monitoring and mitigating risks, along with receiving updates from the organization's Chief Legal Officer and Chief Ethics Officer;
- The Committee reviewed with senior management internal controls and the application of accounting principles as applied to its financial reporting;
- After the completion of the audit, the Committee, along with members of senior management, met with the independent auditors to discuss the results of the audit and the agreed-upon procedures, and, without senior management present, the Committee discussed privately with the independent auditors any matters of concern of the independent auditors; and
- The Committee met privately with senior management to discuss and consider the credentials, fees and performance of the independent auditors and made a recommendation to the Board of Directors as to the appointment of an independent audit firm for the year ending July 31, 2027.

Based on the above, the Committee believes that the annual independent audit and agreed-upon procedures were properly completed, management has maintained adequate systems and controls and followed the appropriate procedures related to financial accounting and reporting, and the Committee has fulfilled its duties in accordance with the Charter for the year ended July 31, 2026.

Respectfully submitted,

The Audit Committee
National Association of State Boards of Accountancy, Inc.

Wilhelmus J. Schaffers

By: Wilhelmus J. Schaffers, CPA, Chair

Other Members of the Committee:
Sanjay Bhakta, CPA
Bernita Demery, CPA
Francisco A. Fernandez, CPA
Chandra Lalvani, CPA
Faye D. Miller, CPA
The late Brian R. Thomas, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
National Association of State Boards of Accountancy, Inc.
Nashville, Tennessee

Opinion

We have audited the accompanying consolidated financial statements of the National Association of State Boards of Accountancy, Inc. and subsidiaries, which comprise the consolidated statements of activities and functional expenses for the years ended July 31, 2026 and 2025, the related consolidated statements of financial position as of July 31, 2026 and 2025, and consolidated cash flows for the years then ended, and the related notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the changes in the net assets of the National Association of State Boards of Accountancy, Inc. and subsidiaries for the years ended July 31, 2026 and 2025, their financial position as of July 31, 2026 and 2025, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the National Association of State Boards of Accountancy, Inc. and subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the National Association of State Boards of Accountancy, Inc. and subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the National Association of State Boards of Accountancy, Inc. and subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the National Association of State Boards of Accountancy, Inc. and subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

LBMC, PC

Brentwood, Tennessee
September 25, 2026

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
For Years Ended July 31,
In Thousands

	2026	2025
Program Revenue		
Examination, licensing and related services	$ 42,518	$ 41,098
Member services, dues and other revenue	1,458	1,562
Total program revenue	43,976	42,660
Program Expenses		
Examination, licensing and related services	27,831	26,078
Member services:		
Regulation and public protection	9,237	8,788
Committees and conferences	2,352	2,210
Other	998	803
Total program expenses	40,418	37,879
Excess of Program Revenue Over Program Expenses	3,558	4,781
Net Assets Released from Restrictions	27	24
Postretirement Benefit Credit (Cost)	49	(84)
Investment Income	7,770	5,093
Increase in Net Assets Without Donor Restrictions	11,404	9,814
Change in Net Assets with Donor Restrictions		
Contributions and investment income	31	14
Net assets released from restrictions	(27)	(24)
Increase (Decrease) in Net Assets With Donor Restrictions	4	(10)
Increase in Net Assets	11,408	9,804
Net Assets, Beginning of Year	100,685	90,881
Net Assets, End of Year	$ 112,093	$ 100,685

See Accompanying Notes to Consolidated Financial Statements

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
For Years Ended July 31,
In Thousands

	Examination, licensing and related services	Member services	Total
2026			
Compensation	$ 9,580	$ 4,268	$ 13,848
Benefits, taxes and other employee costs	3,063	1,056	4,119
Professional services	5,732	2,134	7,866
Conferences and meetings	128	1,621	1,749
Travel	115	1,106	1,221
Technology	1,803	868	2,671
Credit card and other program service costs	2,825	27	2,852
Occupancy	1,045	382	1,427
Depreciation and amortization	2,803	704	3,507
Office	319	112	431
Other	418	309	727
Total	$ 27,831	$ 12,587	$ 40,418

	Examination, licensing and related services	Member services	Total
2025			
Compensation	$ 9,073	$ 3,886	$ 12,959
Benefits, taxes and other employee costs	3,076	1,019	4,095
Professional services	5,426	2,139	7,565
Conferences and meetings	149	1,557	1,706
Travel	62	1,021	1,083
Technology	1,562	788	2,350
Credit card and other program service costs	2,699	31	2,730
Occupancy	1,192	393	1,585
Depreciation and amortization	2,302	660	2,962
Office	259	103	362
Other	278	204	482
Total	$ 26,078	$ 11,801	$ 37,879

See Accompanying Notes to Consolidated Financial Statements

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
July 31,
In Thousands

	2026	2025
Assets		
Current Assets		
Cash and cash equivalents	$ 30,533	$ 26,544
Receivables, net	1,402	1,126
Prepaid expenses	880	1,317
Total current assets	32,815	28,987
Investments and Other Assets		
Investment securities, at fair value	71,109	64,114
Investment in affiliate	884	884
Other assets	411	365
Total investments and other assets	72,404	65,363
Property and Equipment	8,462	8,682
Less accumulated depreciation and amortization	7,053	6,591
Net property and equipment	1,409	2,091
Operating lease right-of-use assets	1,836	3,070
Software Development Costs	28,205	25,253
Less accumulated amortization	12,296	9,537
Net software development costs	15,909	15,716
Total assets	$ 124,373	$ 115,227
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	$ 6,722	$ 7,111
Deferred revenue	2,710	2,881
Operating lease liabilities	1,659	1,679
Other current liabilities	73	77
Total current liabilities	11,164	11,748
Long-term Liabilities		
Operating lease liabilities	836	2,430
Other long-term liabilities	280	364
Total long-term liabilities	1,116	2,794
Total liabilities	12,280	14,542
Net Assets		
Without donor restrictions	111,720	100,316
With donor restrictions	373	369
Total net assets	112,093	100,685
Total liabilities and net assets	$ 124,373	$ 115,227

See Accompanying Notes to Consolidated Financial Statements

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For Years Ended July 31,
In Thousands

	2026	2025
Operating Activities		
Cash received for services	$ 45,428	$ 44,415
Cash received for membership dues	308	310
Cash received from donors to NASBA Center for the Public Trust	267	278
Interest and dividends received	2,841	3,376
Cash paid to employees, vendors and others	(37,526)	(36,082)
Cash paid for operating leases	(1,703)	(1,726)
Cash received from examination candidates for examination parties	56,092	52,536
Cash paid to escrow accounts for examination parties	(56,103)	(52,950)
Net cash provided by operating activities	9,604	10,157
Investing Activities		
Property and equipment additions	(73)	(286)
Capitalized software development costs	(3,636)	(2,616)
Purchases of investment securities	(13,340)	(21,154)
Proceeds from sale of investment securities	11,438	15,918
Other	(4)	(14)
Net cash used by investing activities	(5,615)	(8,152)
Net Increase in Cash and Cash Equivalents	3,989	2,005
Cash and Cash Equivalents, Beginning of Year	26,544	24,539
Cash and Cash Equivalents, End of Year	$ 30,533	$ 26,544

See Accompanying Notes to Consolidated Financial Statements

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS, CONTINUED
For Years Ended July 31,
In Thousands

	2026	2025
Reconciliation of increase in net assets to net cash provided by operating activities:		
Increase in net assets	$ 11,408	$ 9,804
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	748	764
Amortization of software development costs	2,759	2,198
Gains on investment securities	(5,093)	(1,882)
Noncash lease expense	1,234	1,272
Impairment of software development costs	30	-
Loss on disposals of property and equipment	7	34
(Gains) losses on endowment fund investment securities	(27)	1
Changes in assets and liabilities		
(Increase) decrease in:		
Receivables	(276)	151
Prepaid expenses and other assets	422	(119)
Increase (decrease) in:		
Accounts payable, accrued and other liabilities	177	(585)
Deferred revenue	(171)	(48)
Operating lease liabilities	(1,614)	(1,433)
Net cash provided by operating activities	$ 9,604	$ 10,157
Supplemental Disclosures		
Accrued capitalized software development costs	$ 1,119	$ 1,773
Noncash recognition of operating lease right-of-use assets in exchange for new operating lease liabilities	$ -	$ 161

See Accompanying Notes to Consolidated Financial Statements

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization and Nature of Operations

The National Association of State Boards of Accountancy, Inc. (the "Association") is a nonprofit, voluntary membership association of the Boards of Accountancy in the fifty states of the United States of America, the District of Columbia, Guam, the Commonwealth of the Northern Mariana Islands, Puerto Rico and the U.S. Virgin Islands.

The Association provides examination, licensing and related services including programs and activities which facilitate or assist Boards of Accountancy in fulfilling their responsibilities related to the qualifying of candidates for the Certified Public Accountant ("CPA") license. In addition, the Association assists Boards of Accountancy and licensees with the ongoing maintenance of licenses. Services to Boards of Accountancy and licensees include identifying quality continuing professional education providers that meet nationally accepted standards for development, presentation, measurement and reporting of educational programs. The Association also provides a public forum to facilitate discussion and provide information and support to Boards of Accountancy in their regulatory and enforcement roles.

The Association is the sole member of the NASBA Center for the Public Trust ("CPT"), a subsidiary organized as a nonprofit, public benefit corporation. The Association is also the sole member of Aequo International, LLC ("Aequo"), a Delaware single-member limited liability company.

Note 2. Significant Accounting Policies

Basis of presentation

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Principles of consolidation

Included in these consolidated financial statements are the accounts of CPT and Aequo. All inter-entity accounts and transactions of the Association and its subsidiaries (collectively "NASBA") are eliminated in consolidation.

Newly adopted accounting pronouncements

In July 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2025-05, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets ("ASU 2025-05"), which introduces a practical expedient and an accounting policy election for entities applying Accounting Standards Codification ("ASC") Subtopic 326-20, Financial Instruments – Credit Losses: Measured and Amortized Costs. In accordance with ASU 2025-05, entities may elect a practical expedient that assumes that conditions at the initial measurement do not change for the remaining life of the asset. NASBA prospectively adopted ASU 2025-05 effective August 1, 2025. Aside from changes in the disclosures related to receivables and credit policies, there were no impacts on the consolidated financial statements for fiscal 2026.

In September 2025, FASB issued ASU No. 2025-06, Intangibles – Goodwill and Other – Internal-use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-use Software ("ASU 2025-06"), which amends certain aspects of the accounting for and disclosure of software costs under ASC 350-40, Intangibles – Goodwill and Other – Internal-use Software ("ASC 350-40") to modernize the guidance to reflect the software development approaches currently used. In accordance with ASU 2025-06, entities start capitalizing software development costs when management has authority and is committed to funding the software project and it is probable that the project will be completed and the software will be used to perform the function intended. In addition, the disclosure requirements in ASC 360-10, Property, Plant, and Equipment – Overall, require capitalized costs to be disclosed according to ASC 350-40 regardless of how they present those costs in the financial statements. NASBA prospectively adopted ASU 2025-06 effective August 1, 2025. Aside from changes in the disclosures related to software development costs, there were no impacts on the consolidated financial statements for fiscal 2026.

Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassification

Certain prior year information has been reclassified to conform to the current year presentation. This reclassification had no effect on net assets or changes in net assets as previously reported.

Cash and cash equivalents

Cash equivalents include investments in money market funds that invest in government-backed securities and U.S. Government obligations with original maturities, or remaining maturities when acquired, of 90 days or less. Cash and cash equivalents are maintained at a level to meet anticipated operating needs in financial institutions which management believes are financially strong. Bank deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") up to certain limits. Cash may, at times, exceed the FDIC insurance limits. At July 31, 2026, no portion of the balance exceeded this limit. NASBA has not experienced any losses due to exceeding the FDIC insurance limits and management believes that NASBA is not exposed to any significant credit risk related to cash and cash equivalents.

Note 2. Significant Accounting Policies (Continued)

Receivables and credit policies

Receivables are generally uncollateralized obligations arising from various contractual agreements for examination services. Collection is anticipated within 30 days unless otherwise specified. Receivables also include unconditional written promises to contribute to CPT ("pledges") which are recorded in the year the promise is made. Pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Contributions receivable are discussed more fully in Note 3.

NASBA's financial assets that are subject to the estimation of expected credit losses are primarily comprised of trade receivables. NASBA considers trade receivables to be at low risk of non-collection due to the historically high collection rate. Effective August 1, 2025, NASBA has elected the practical expedient for estimating the expected credit losses for trade receivables in accordance with ASU 2025-05, which assumes that the risk characteristics of trade receivables assessed by evaluating the historical credit losses associated with each aging bucket have not changed over the reporting period. The allowance was $1,000 at July 31, 2026.

During fiscal 2025, NASBA elected to estimate the expected credit losses for trade receivables by using the aging method, which estimates the expected credit losses by evaluating the historical credit losses associated with each aging bucket. The allowance was $1,000 at July 31, 2025. Based on the aging method and the consideration of other financial factors and conditions, no adjustment was made to the allowance during fiscal 2025.

Additionally, management has determined that no allowance was required for CPT contributions receivable at July 31, 2026 and 2025.

Prepaid expenses

Prepaid expenses consist primarily of prepaid insurance premiums, equipment maintenance contracts, subscription services, and travel and meeting costs. The asset is expensed in the period to which the benefit applies.

Investment securities

NASBA generally invests all resources in excess of anticipated working capital requirements in U.S. Treasury and Federal Agency obligations, corporate obligations, certificates of deposit, fixed income and equity investment funds, and pooled accounts which may contain diversified investments. Investments are made in accordance with an investment policy approved by the Board of Directors. Under the investment policy, the investment securities are required to meet certain criteria as to allowable asset classes and the composition of investments within those classes. Risk characteristics of the portfolio are managed via three primary asset classes of equity, fixed income and diversified investments. The diversified asset class contains investments whose returns generally are not correlated with those of the equity and fixed income asset classes. The diversified asset class is intended to provide risk-versus-return characteristics that are beneficial to the portfolio. NASBA's investments are carried at fair value. These investments are discussed more fully in Note 4.

CPT's donor-restricted endowment funds are invested in accordance with a policy approved by the CPT Board of Directors and are invested in equity, fixed income and diversified securities.

Securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with investment securities, it is reasonably possible that changes in their value will occur in the near term and that such changes could be material to the consolidated financial statements.

Investment in affiliate

NASBA's investment in an affiliate is accounted for as an investment in an equity security of a nonpublic entity without a readily determinable fair value. It is carried at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. NASBA reviews the investment in affiliate on a regular basis to determine if the investment is impaired. Factors such as the investee's earnings and revenue outlook, liquidity and management ownership are considered in its review. If management's assessment indicates that an impairment exists, NASBA estimates the fair value of the equity investment and recognizes in current earnings an impairment loss that is equal to the difference between the fair value of the equity investment and its carrying amount. NASBA also reviews any observable transactions related to its securities that are similar and which might indicate a change in fair value at the date of the transaction. This investment is discussed more fully in Note 6.

Property and equipment

Property and equipment acquired are stated at cost. Assets are either depreciated using the straight-line method over their estimated useful lives or, in the case of leasehold improvements, amortized over the shorter of their useful life or the term of the lease. The estimated useful lives range from 2 to 5 years for office and computer equipment and 8 to 12 years for furniture. The cost of property and equipment is recorded in the consolidated statements of financial position until the asset is disposed. Repair and maintenance costs are expensed as incurred. Property and equipment are discussed more fully in Note 7.

Note 2. Significant Accounting Policies (Continued)

Software development costs

Costs associated with the development of software for internal use are capitalized and amortized over the software's useful life which ranges from 5 to 12 years. Amortization begins when the software is ready for its intended use. Software development costs are recorded in the consolidated statements of financial position until the software is no longer used. Software development costs are discussed more fully in Note 8.

Leases

A determination of whether an arrangement is or contains a lease occurs at the inception of the contract. A contract is or contains a lease if the contract conveys the right to control the use of the identified asset for a period of time in exchange for consideration. The right to control is determined to exist when there is the right to obtain substantially all of the economic benefit from the use of the identified asset and the right to direct the use of the identified asset. Operating lease liabilities are measured at the present value of the future minimum lease payments for the term of the lease. Right-of-use ("ROU") assets are measured at the initial measurement of the operating lease liability and adjusted for lease incentives received and deferred rent liabilities. The risk-free rate is used to determine the present value measurement. Lease renewals are included in the lease term when it is reasonably certain the renewal will be exercised. Lease expense is recognized on a straight-line basis over the lease term. Variable lease payments are included in expense in the period in which the obligation is incurred. NASBA has elected the practical expedient to not separate lease from non-lease components. Leases are discussed more fully in Note 9.

Realization of nonfinancial assets

Nonfinancial assets, which include property, equipment, ROU assets and software development costs, are reviewed for impairment. Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, the asset is adjusted to its estimated fair value.

Net assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. All net assets with donor restrictions are associated with CPT and are discussed more fully in Note 10.

Revenue recognition

Revenue for the Association from examination, licensing and related services primarily consists of various fees from individuals seeking to qualify for the CPA license. The Association facilitates the Boards of Accountancy by evaluating the credentials of individuals at various milestones in the process leading to licensure as a CPA. Similar services are provided by Aequo for certain professions other than CPAs. In addition, revenue for the Association is generated by evaluating continuing professional education ("CPE") providers that meet established standards for education programs. Revenue from these services is mostly recognized over time as progress towards completion of the evaluations are made, as this measures the value of the service transferred to the customer. For most of these services, there is one performance obligation associated with the fee from the customer which represents the transaction price. For those with multiple performance obligations, the total fee is representative of each separate standalone price.

To determine the transaction price of examination, licensing and related services that also includes variable consideration, an estimated amount of variable consideration is determined at the outset of the contract utilizing the expected value method. NASBA constrains (reduces) the estimated variable consideration such that it is probable that a significant reversal of previously recognized revenue will not occur throughout the life of the contract. When determining if variable consideration should be constrained, management considers whether there are factors outside of NASBA's control that could result in a significant reversal of revenue by considering the likelihood and magnitude of a potential reversal of revenue. These estimates are re-assessed each reporting period as required.

Note 2. Significant Accounting Policies (Continued)

Revenue recognition (Continued)

Also included in revenue from examination, licensing and related services is a service provided by the Association in which the customer receives CPA licensee-specific information about the customer's employees' CPE compliance by jurisdiction. Multiple services may be provided to the customer but, in total, represent a single performance obligation. Revenue for this service is recognized ratably over time using the straight-line method as the service is generally provided daily.

Revenue for the Association from member services, dues and other revenue consists primarily of a subscription service containing jurisdictional laws and rules governing CPAs, membership dues and conference fees. Each of these services represents a separate, single performance obligation. For both the subscription service and membership dues, revenue is recognized over time using the straight-line method as the performance obligations are satisfied. Conference fees are recognized at a point in time when the event is held.

Also included in revenue from member services, dues and other revenue are the program services of CPT. These services primarily represent online training courses which are recognized at a point in time when access is provided to the customer.

The following is the amount of revenue recognized in the consolidated statements of activities from contracts with customers and other sources of revenue for fiscal 2026:

(In thousands)	Revenue from contracts with customers	Other sources of revenue
Examination, licensing and related services	$ 42,518	$ -
Member services, dues and other revenue	1,212	246
Total Revenue	$ 43,730	$ 246

The following is the amount of revenue recognized in the consolidated statements of activities from contracts with customers and other sources of revenue for fiscal 2025:

(In thousands)	Revenue from contracts with customers	Other sources of revenue
Examination, licensing and related services	$ 41,098	$ -
Member services, dues and other revenue	1,324	238
Total Revenue	$ 42,422	$ 238

Total revenue from contracts with customers recognized over time was $42,165,000 and $40,883,000 for fiscal 2026 and 2025, respectively.

Total revenue from contracts with customers recognized at a point in time was $1,565,000 and $1,539,000 for fiscal 2026 and 2025, respectively.

NASBA accounts for taxes collected from customers and remitted to governmental entities on a net basis.

Unconditional contributions to CPT are recognized as revenue when the contribution or pledge is received. Contributions with a condition stipulated by the donor are recognized as revenue when CPT substantially meets the condition.

NASBA primarily receives payment in advance at the time the services are requested by the customer. In all other instances, NASBA receives payment from customers based on billing schedules established in its contracts. NASBA's right to consideration that is unconditional and has been invoiced is considered to be a receivable. Contract assets include amounts for which NASBA has a right to consideration in exchange for goods or services that NASBA has transferred to the customer but has not invoiced. These contract assets total $97,000, $97,000 and $96,000 at July 31, 2026, July 31, 2025 and August 1, 2024, respectively, and are included in receivables, net, in the consolidated statements of financial position.

Deferred revenue in the consolidated statements of financial position represents contract liabilities for which NASBA has received consideration and is obligated to transfer goods or services to the customer. These contract liabilities total $2,710,000, $2,881,000 and $2,929,000 at July 31, 2026, July 31, 2025 and August 1, 2024, respectively.

Management and administrative costs

Management and administrative costs are allocated to program expenses based principally on the personnel devoted to the program.

Income taxes

The Association is exempt from U.S. federal ("federal") and state income taxes under the provisions of Internal Revenue Code Section 501(c)(6) and applicable state tax statutes. CPT is exempt from federal and state income taxes under the provisions of Internal Revenue Code Section 501(c)(3) and applicable state tax statutes. The Association and CPT are subject to tax on any income unrelated to their exempt purposes unless that income is otherwise excluded by the Internal Revenue Code. Aequo has elected to be taxed as a corporation. Aequo accounts for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to the estimated tax benefit of carryforwards and differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. In assessing the realization of deferred income tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized. Valuation allowances are provided if, based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Income taxes are discussed more fully in Note 14.

Note 2. Significant Accounting Policies (Continued)

Contributed services

Many individuals contribute significant amounts of time to NASBA's activities. The value of these individuals' services is not recorded in the consolidated financial statements because such services would typically not be purchased by NASBA if they had not been provided by contribution. Meeting and travel expenses for these individuals are reimbursed.

Note 3. Contributions Receivable

Contributions receivable, consisting of pledges to CPT, at July 31, 2026 and 2025 total $28,000 and $49,000, respectively. These amounts are due in less than one year at their respective dates. Contributions receivable are included in receivables, net, in the consolidated statements of financial position.

Note 4. Fair Value Measurement

Authoritative guidance clarifies the definition of fair value, establishes a framework for measuring fair value and expands the disclosures for fair value measurement. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to Level 1 inputs that represent unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 inputs are directly or indirectly observable inputs other than quoted prices included in Level 1. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, and inputs other than quoted prices that are observable for the asset or liability. Level 3 inputs are unobservable inputs and have the lowest priority.

At July 31, 2026 and 2025, the valuation method used to determine fair value for Level 1 investment securities is the last reported sales price on the last business day of the fiscal year reported by the active markets in which the individual securities are traded. The valuation methods used for Level 2 investment securities are estimates using market-based measurements, such as quoted prices for similar assets, executed trades and yield curves, for U.S. Government and other debt obligations and, for managed pool accounts, the net asset value ("NAV") as reported by the investment company which is derived from the value of the underlying investments. There have been no changes in the valuation methods used.

Certain investments are measured at NAV as a practical expedient to estimate fair value, and therefore, have not been classified in the fair value hierarchy. The fair value amounts presented in the following tables are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated statements of financial position.

The fair value of investment securities at July 31, 2026 is as follows:

(In thousands)	Level 1	Level 2	Total
Assets in the Fair Value Hierarchy:			
Mutual Funds			
Equity securities	$ 14,177	$ -	$ 14,177
Fixed income securities	2,895	-	2,895
Diversified investments	1,291	-	1,291
Money market	1,246	-	1,246
Total mutual funds	19,609	-	19,609
Exchange-traded Funds			
Equity securities	12,945	-	12,945
Total exchange-traded funds	12,945	-	12,945
Separately Managed Accounts			
Equity securities	5,779	-	5,779
Total separately managed accounts	5,779	-	5,779
U.S. Government and Other Debt Obligations			
Treasury securities	-	10,382	10,382
Federal agency securities	-	1,790	1,790
Corporate bonds	-	11,566	11,566
Total U.S. government and other debt obligations	-	23,738	23,738
Total assets in fair value hierarchy	$ 38,333	$ 23,738	62,071
Investments measured at NAV as a practical expedient:			
Diversified investments			9,038
Total Investment Securities			$ 71,109

Note 4. Fair Value Measurement (Continued)

The fair value of investment securities at July 31, 2025 is as follows:

(In thousands)	Level 1	Level 2	Total
Assets in the Fair Value Hierarchy:			
Mutual Funds			
Equity securities	$ 11,279	$ -	$ 11,279
Fixed income securities	3,694	-	3,694
Diversified investments	363	-	363
Money market	1,086	-	1,086
Total mutual funds	16,422	-	16,422
Exchange-traded Funds			
Equity securities	10,775	-	10,775
Total exchange-traded funds	10,775	-	10,775
Separately Managed Accounts			
Equity securities	5,605	-	5,605
Total separately managed accounts	5,605	-	5,605
U.S. Government and Other Debt Obligations			
Treasury securities	-	8,411	8,411
Federal agency securities	-	2,594	2,594
Corporate bonds	-	10,790	10,790
Total U.S. government and other debt obligations	-	21,795	21,795
Total assets in fair value hierarchy	$ 32,802	$ 21,795	54,597
Investments measured at NAV as a practical expedient:			
Diversified investments			9,517
Total Investment Securities			$ 64,114

NASBA has three investment funds which are measured at NAV as a practical expedient totaling $276,000 and $300,000 at July 31, 2026 and 2025, respectively. These funds have a strategy of investing in real estate, natural resources, power generation assets, financially distressed companies, and other private equity opportunities. Distributions will be made periodically over a period, including extensions, up to approximately five years from the end of fiscal 2026. Additional contributions may be required at the discretion of the investment manager up to the total commitment of $750,000 during the distribution period. NASBA has an additional investment fund which is measured at NAV as a practical expedient totaling $238,000 and $146,000 at July 31, 2026 and 2025, respectively. NASBA committed to contribute a total of $500,000 to this fund. At July 31, 2026, $286,000 of the total commitment remains and the commitment period is open for approximately one year from the end of fiscal 2026. The fund has a strategy of investing in financially distressed companies. Distributions will be made periodically over a period, including extensions, up to approximately eight years from the end of fiscal 2026.

In addition, six other investments totaling $8,524,000 and $9,071,000 were measured at NAV as a practical expedient at July 31, 2026 and 2025, respectively. These were invested with investment companies in which redemption is typically either permitted on a quarterly or monthly basis. The total amount of all requested redemptions for each period may be limited. For one of the investments, shares that have not been outstanding for at least one year will be repurchased at 98% of the transaction price.

During fiscal 2026 and 2025, NASBA did not measure any nonfinancial assets at fair value or recognize any amounts in the consolidated financial statements related to changes in fair value for nonfinancial assets.

The fair value of investment securities in CPT's endowment fund at July 31, 2026 and 2025 is $217,000 and $186,000, respectively. The securities are Level 1 mutual funds and exchange-traded funds. They are included in other assets in the consolidated statements of financial position.

Note 5. Liquidity and Availability

The following schedule reflects NASBA's financial assets as of July 31, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of this date:

(In thousands)	2026	2025
Cash and cash equivalents	$ 30,533	$ 26,544
Receivables, net	1,402	1,126
Investment securities, at fair value	71,109	64,114
Investment in affiliate	884	884
Endowment fund (included in other assets)	217	186
Total financial assets	104,145	92,854
Investment securities with liquidity horizons greater than one year	(514)	(446)
Investment in affiliate	(884)	(884)
Donor-imposed restrictions on CPT financial assets	(373)	(369)
Financial assets available to meet cash needs for general expenditures within one year	$ 102,374	$ 91,155

Annual operating and capital expenditures, along with other liabilities and obligations, are anticipated to be funded primarily through cash received for services. NASBA invests excess cash in both short-term and long-term investment securities based on the anticipated time horizon of general expenditure requirements. As more fully described in Note 4, $27,879,000 and $26,575,000 of long-term investment securities at July 31, 2026 and 2025, respectively, are invested in lower risk fixed income and money market securities. In addition, $42,716,000 and $37,093,000 are invested in securities which could be liquidated within one year at July 31, 2026 and 2025, respectively. If circumstances required expenditures that could not be funded through current financial assets, investment securities could be sold to meet the need. The remaining $514,000 and $446,000 at July 31, 2026 and 2025, respectively, is invested in securities with redemption limitations.

Note 6. Investment in Affiliate

NASBA holds an equity interest in a privately held limited liability company which is accounted for as described in Note 2. No impairment or observable price changes were deemed present and no adjustment to the carrying value was made in fiscal 2026 or 2025.

Note 7. Property and Equipment

Property and equipment at July 31 consists of the following:

(In thousands)	2026	2025
Office and computer equipment	$ 2,281	$ 2,406
Furniture	1,808	1,903
Building and leasehold improvements	4,373	4,373
Total Property and Equipment	8,462	8,682
Accumulated depreciation and amortization	(7,053)	(6,591)
Net Property and Equipment	$ 1,409	$ 2,091

Note 8. Software Development Costs

Software development costs at July 31 consists of the following:

(In thousands)	2026	2025
CPA examination	$ 20,173	$ 19,782
Compliance	5,590	4,972
Licensing	2,412	460
Other	30	39
Total Software Development Costs	28,205	25,253
Accumulated amortization	(12,296)	(9,537)
Net Software Development Costs	$ 15,909	$ 15,716

Note 9. Leases

NASBA has a lease for office space in Nashville under an operating lease. The lease agreement requires NASBA to pay for operating expenses and property taxes, which are variable amounts based on actual costs incurred during each calendar year. Variable costs are not included in the determination of the ROU assets or lease liabilities.

The Nashville office space lease ends in January 2028. NASBA has the option to renew this lease for two five-year terms at the end of each current lease term. The future lease renewal options for Nashville are not included in the lease term used to determine the lease liability. During fiscal 2025, NASBA exercised an option to extend an office space lease in Guam. This lease ended in December 2025.

Lease expense from operating leases was $1,427,000 and $1,585,000 in fiscal 2026 and 2025, respectively, including $113,000 and $180,000, respectively, of variable lease costs.

The weighted-average lease terms and discount rates for the operating leases are 1.5 years and 2.64%, respectively, for fiscal 2026, and 2.47 years and 2.65%, respectively, for fiscal 2025.

Lease liability maturities under the office space leases as of July 31, 2026 are as follows in thousands:

Fiscal 2027	$	1,683
Fiscal 2028		865
Total lease payments		2,548
Less imputed interest		53
Total Lease Liability	$	2,495

Note 10. Net Assets with Donor Restrictions

Net assets with donor restrictions at July 31 have donor-imposed restrictions as follows:

(In thousands)	2026	2025
Purpose-restricted	$ 156	$ 183
Endowment fund	217	186
Total Net Assets with Donor Restrictions	$ 373	$ 369

In accordance with the Uniform Prudent Management of Institutional Funds Act, the contributions received for the endowment fund are included in net assets with donor restrictions.

Net assets without donor restrictions include the net assets without donor restrictions of CPT, which as of July 31, 2026 and 2025, respectively, are $1,717,000 and $1,486,000.

Note 11. Agreements to Provide Examination Services

Effective January 1, 2025, NASBA entered into a Master Services Agreement (the "Agreement") with Prometric, Inc. ("Prometric"), a company that provides technology-enabled testing services, and the American Institute of Certified Public Accountants ("AICPA") to jointly deliver a computerized uniform CPA examination (the "examination"). Pursuant to the Agreement, a Statement of Work was entered into between NASBA, Prometric, and the AICPA ("Prometric SOW"). The Prometric SOW initial term will expire on December 31, 2034, unless terminated earlier, and will automatically renew for one additional five-year period unless any party notifies the other parties at least two years prior to the expiration of the initial term of such party's intent not to renew the Prometric SOW. Also pursuant to the Agreement, a Statement of Work was entered into between NASBA and the AICPA ("AICPA SOW"). The AICPA SOW initial term will expire on December 31, 2039, unless terminated earlier, and will automatically renew for consecutive two-year renewal periods until either NASBA or the AICPA notifies the other at least two years before the expiration of the current term. Unless terminated, the Agreement will continue with respect to the parties as long as either the Prometric SOW or AICPA SOW is in effect.

Under the terms of the Agreement, NASBA operates and maintains a National Candidate Database which serves as a gateway for all examination candidates. The Agreement allows for NASBA to recover the costs to develop and maintain the National Candidate Database, including all the candidate-related operations and functions, and costs of providing examination review services and communications with Boards of Accountancy on examination matters.

NASBA also collects the Prometric and AICPA fees from candidates related to the examination. These funds are held in escrow accounts and are disbursed when services are provided. At July 31, 2026 and 2025, these escrow funds amounted to approximately $24,000,000 and $21,000,000, respectively. These funds are held in depository accounts. At July 31, 2026, no portion of the escrow funds balance held in depository accounts exceeded FDIC insurance limits. Escrow funds and the related obligations are not reported in the consolidated financial statements because they do not represent assets or obligations of NASBA.

Note 12. Retirement Plan and Other Postretirement Benefits

NASBA maintains a 401(k) plan which allows employee and employer contributions for all full-time employees meeting specified requirements. Expenses related to NASBA's funding of the 401(k) plan amounted to $844,000 and $792,000 for fiscal 2026 and 2025, respectively. NASBA funds its obligation through annual contributions made after the end of the December 31 plan year and generally pays all fees related to the plan.

NASBA has made available limited postretirement medical benefits for certain management-level employees with five years of service and a minimum age of sixty years. Eligibility is closed to future participants. At July 31, 2026 and 2025, the accumulated postretirement benefit obligation was determined by an independent actuarial valuation to be $353,000 ($280,000 in other long-term liabilities and $73,000 in other current liabilities) and $441,000 ($364,000 in other long-term liabilities and $77,000 in other current liabilities), respectively, and is included in the consolidated statements of financial position.

The following table sets forth the components of net periodic postretirement benefit (credit) cost and the change in the benefit obligation:

(In thousands)	2026	2025
Components of net periodic (credit) cost:		
Service cost	$ 3	$ 5
Interest cost	17	18
Actuarial (gain) loss	(66)	66
Net periodic (credit) cost	(46)	89
Plan participants' contributions	32	29
Benefits paid	(74)	(95)
Net change in benefit obligation	(88)	23
Benefit obligation at beginning of year	441	418
Benefit Obligation at End of Year	$ 353	$ 441

The discount rate used to value the obligation was 5.27% and 4.79% in fiscal 2026 and 2025, respectively. The assumed medical trend rate is 8.00% graded down to 5.75% over a period of 3 years and the assumed dental trend rate is 4.0% per annum. The actuarial gain of $66,000 in fiscal 2026 is the result of an increase in the discount rate, a change in the health care cost trend rate and differences in expected versus actual experience.

The obligation will be funded on a cash basis through partial payment of medical insurance plan premiums for a five-year period at each eligible employee's retirement date. Employer contributions were $41,000 in fiscal 2026 and $66,000 in fiscal 2025. The following table shows approximate actuarial projections of expected future postretirement benefit payments in thousands:

Fiscal 2027	$ 73
Fiscal 2028	89
Fiscal 2029	33
Fiscal 2030	26
Fiscal 2031	22
Fiscal 2032 through 2036	126

Note 13. Commitments

In fiscal 2019, NASBA entered into a multi-year Managed IT Services Agreement ("IT Agreement") to outsource most of the information technology services to a third party. Under the IT Agreement, the vendor will perform the majority of application and infrastructure services. During fiscal 2023, NASBA entered into an additional Statement of Work under the IT Agreement to add information technology security services to the other services performed by the vendor. Absent the exercise of certain termination options that NASBA has, the aggregate contractual payments would be $12,195,000 (including cost of living adjustments) over the remaining term of the IT Agreement and related Statement of Work.

NASBA has commitments for subscriptions and information technology hosting services. The total remaining commitment for these services is $377,000 at July 31, 2026.

It is expected that, in the normal course of business, commitments that expire will be renewed or replaced by other commitments.

Note 14. Income Taxes

The actual income tax benefit for Aequo differs from the amounts computed by applying the federal income tax rate to income before income taxes as a result of the following:

(In thousands)	2026	2025
Statutory federal income tax benefit	$ (9)	$ (15)
State income taxes	(3)	(4)
Change in valuation allowance	12	19
Income Tax Benefit	$ -	$ -

The deferred income tax asset consists of the following:

(In thousands)	2026	2025
Deferred income tax asset	$ 439	$ 427
Valuation allowance	(439)	(427)
Net Deferred Income Tax Asset	$ -	$ -

At July 31, 2026, Aequo had federal and state net operating loss carryforwards of $1,589,000. The net operating losses generally carryforward indefinitely for federal tax purposes and expire at various dates beginning July 31, 2031 for state tax purposes. The deferred tax asset relates primarily to federal and state net operating loss carryforwards. The valuation allowance is provided primarily for the net operating loss carryforwards that management has determined have not reached the "more likely than not" threshold for realization.

NASBA has adopted the recognition requirements for uncertain income tax positions and believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on NASBA's consolidated financial position, results of operations or cash flows. Accordingly, no liability is recognized for taxes, interest or penalties related to uncertain tax positions at July 31, 2026 and 2025. It is NASBA's policy to recognize interest and penalties related to income tax matters in other expense. In general, NASBA is no longer subject to examinations by federal and state tax authorities for income tax returns before fiscal 2023.

Note 15. Subsequent Events

Management has evaluated all material events and transactions that occurred from July 31, 2026 through September 25, 2026, which is the date that the consolidated financial statements were available to be issued. There were no significant subsequent events that required adjustments to or disclosure in the consolidated financial statements.

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