

2025 ANNUAL REPORT

NASBA

TOGETHER

Strong Foundations
Brighter Futures

TOGETHER

STRONG FOUNDATIONS BRIGHTER FUTURES

Founded in 1908, NASBA serves as a forum for the nation's 55 State Boards of Accountancy, which administer the Uniform CPA Examination, license more than 653,000 Certified Public Accountants, and regulate the practice of public accountancy in the United States.

NASBA accomplishes 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. Guided by the theme **Together: Strong Foundations, Brighter Futures**, this report reflects how NASBA's collaborative efforts are strengthening the profession today while paving the way for a brighter, more resilient future.

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LETTER FROM NASBA LEADERSHIP

During the 117th NASBA Annual Meeting held in Orlando, FL, “Innovate, Collaborate, Succeed” was introduced as the theme for 2025. Guided by this theme, NASBA focused its energies and resources on both internal and external projects, which strengthened operations, enhanced product and service offerings available to Boards of Accountancy, and advanced the accounting profession.

Throughout the year, NASBA initiated a comprehensive diagnostic process that sought input from its board of directors, state board presidents/chairs and executive directors, and NASBA staff directors. Ninety percent of the Boards of Accountancy participated in the process, providing valuable insight to help shape NASBA’s future. The findings will help the board of directors and executive staff undertake a strategic planning process next year and define goals for the next three to five years, and beyond.

During 2025, NASBA strived to innovate both internally and externally. NASBA moved to a more vertical structure, promoting from within and empowering managers and supervisors to oversee daily operations. Staff from all levels of the organization were asked to participate and provide input into the various projects initiated in 2025. It is estimated that at least 80 percent of NASBA staff participated in these projects. In addition, a cohort of 41 managers and supervisors began a year-long leadership development and professional excellence training program. From this cohort, a “culture champions” team emerged to embed the program’s principles throughout NASBA’s operating units.

NASBA prioritized strengthening its relationships with executive directors and board members, recognizing the value of collaborative leadership in advancing the accounting profession and protecting the public. Through regular communications, networking opportunities, and engaging with the executive directors and board members, NASBA fostered a sense of shared purpose and trust among its key stakeholders.

Trust was further reinforced by NASBA’s outreach and collaboration with other key stakeholders in the profession. During the year, NASBA met with federal regulators and invited them to present at the Executive Director and Legal Counsel conferences; held discussions with international regulators, including continued negotiations on amendments to existing Mutual Recognition Agreements; met with state society executives; and participated in semi-annual Summit meetings with the AICPA.

NASBA has also begun implementing such projects as the new CPA Mobile App, a rewrite of the Accountancy Licensee Database, and the development of requirements for a new licensing system. Member engagement and collaboration on these projects have been both unprecedented and instrumental in bringing these initiatives to a successful completion. Executive directors and staff representing 25 State Boards of Accountancy volunteered their time and expertise in support of these projects.

The Uniform Accountancy Act (UAA) was amended in May to add an additional pathway to licensure and to recognize individual interstate mobility. More than 20 jurisdictions have adopted these changes to their accountancy statutes with more jurisdictions expected to introduce legislation updating their statutes in the coming year. As a result of this legislation, NASBA created a new webpage summarizing information on states that have signed into law new licensure pathways and NASBA re-launched the CPAmobility.org site, with a modernized, online resource that helps certified public accountants determine where and how they can practice across state lines.

Over the last two years, NASBA has held webinars and provided presentations at its meetings on the topic of private equity ownership of CPA firms. Chair Maria Caldwell established a Private Equity Task Force in spring 2025. Its charge is 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. The task force has met multiple times with its initial goal being the release of a white paper in fall 2025.

Another significant occurrence has been the evolution of artificial intelligence (AI) both in the global economy and within the accounting profession. NASBA has established a “sandbox” where three areas of the organization are taking their first steps into this developing area to determine what efficiencies, if any, can be gained using AI.

The second year of NASBA’s administration of the CPA Evolution-aligned Exam brought an increase in the number of candidate registrations and sections administered. NASBA staff focused internally on reducing application processing times for states in which NASBA processes candidate eligibility (CPA Examination Services). Over the last year, the time required to evaluate an application was reduced from approximately 10 weeks to 10 days for domestic evaluations and from 46 days to 22 days for international evaluations.

With several new executive staff in the organization, the internal Enterprise Risk Management Committee conducted a comprehensive review of NASBA’s risk management process. This process incorporated brainstorming sessions and quarterly meetings to discuss and evaluate organizational risks. These measures allow the management team to respond to new challenges as they arise.

The *NASBA Report: Candidate Performance on the Uniform CPA Examination* publication series was re-launched after a pause to focus on the successful launch of CPA Evolution. The report brought back important jurisdiction-level and university performance data to assist stakeholders.

As we reflect on the past year, it is clear that our collective efforts have established a strong foundation for the profession’s continued success. Through collaboration with State Boards of Accountancy, candidates, and professional organizations, we have advanced initiatives that both strengthen the regulatory framework and expand opportunities for future CPAs.

Looking ahead, **Together: Strong Foundations, Brighter Futures** will guide our work. This theme emphasizes the importance of building upon the achievements already in place while positioning NASBA and its member boards to meet the challenges of a rapidly changing profession. Our focus will remain on supporting our member boards and maintaining the integrity of professional licensure.

Maria E. Caldwell

Maria E. Caldwell, CPA
Chair, 2024-2025

Daniel J. Dustin

Daniel J. Dustin, CPA
President & Chief Executive Officer

Wendy S. Garvin

Wendy S. Garvin
Executive Vice President



From left to right: Daniel J. Dustin, Maria E. Caldwell and Wendy S. Garvin.



2024-2025 BOARD OF DIRECTORS

OFFICERS

Maria E. Caldwell, CPA
Chair

Nicola Neilon, CPA
Vice Chair

Stephanie M. Saunders, CPA
Past Chair

Katrina Salazar, CGMA, CPA
Secretary

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

EXECUTIVE DIRECTORS' LIAISON

Nancy Glynn, CPA

PRESIDENT & CEO

Daniel J. Dustin, CPA

DIRECTORS-AT-LARGE

Alison L. Houck Andrew, CPA
Director-at-Large

Barry M. Berkowitz, CPA
Director-at-Large

Stephen F. Langowski, CPA
Director-at-Large

Jason D. Peery, CPA
Director-at-Large

Michael Schmitz, CPA
Director-at-Large

Kenya Y. Watts, CPA
Director-at-Large

Gerald 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

Dan Vuckovich, CPA
Mountain Regional Director

Laurie A. Warwick, CPA
Middle-Atlantic Regional Director

NASBA

2024-2025 BOARD OF DIRECTORS



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

VOICES

2024 - 2025 NASBA REPRESENTATIVES

Serving on Regulatory Bodies & Professional Accounting Organizations

AICPA Accounting and Review Services Committee

Alison L. Houck Andrew

AICPA Auditing Standards Board

Michael Barton
Barry M. Berkowitz
Holly Engelhardt
David Holt

Carole McNees (2025)
G. Alan Skinner (2025)
Laurie J. Tish
Daniel Trujillo (2025)

AICPA Board of Examiners

Katrina Salazar (Chair)
Allan Cohen
Nicole Kasin
Marianne Perie (2025)
Simon Petrovik
Nadia Rogers
Emily Rollins
Jeannette P. Smith
Godson Sowah
Gerald Weinstein

AICPA Board of Examiners Content Committee

Gerald Weinstein

AICPA Board of Examiners Content Subcommittees

Sarah Borchers (2025)
Deidre Budhal
Keenan Cooper (2025)
Shane Warrick
Gerald Weinstein
Renee Vilano (2025)
Brian Whitlock

AICPA Board of Examiners State Board Committee

Nadia Rogers (Chair)
Nancy J. Corrigan
Bridgett Gagne
Mandy Harlow
Haley Lyons (2025)
Donna Oklok (2025)
Jason D. Peery
Luis Plascencia
Shane Warrick
Paul Ziga

AICPA National Peer Review Committee

Elizabeth Gantnier (Chair)
James Gero

AICPA Peer Review Board

Alan Long (2025)
Charles Prince

AICPA Peer Review Board Oversight Task Force

William Hunter Cook (Observer)

AICPA Professional Ethics Executive Committee

J. Andy Bonner, Jr.
Aron Dunn
Brendan Fitzgerald
Steve Platau (2025)
Kenya Y. Watts

Financial Accounting Foundation

Richard N. Reisig

Financial Accounting Standards Board Not-For-Profit Advisory Council

Jeanne Dee

Governmental Accounting Standards Advisory Council

William Blend (2025)

Public Company Accounting Oversight Board's Standards and Emerging Issues Advisory Group

Collen K. Conrad (Observer)
Jessica Luttrull (Observer, 2025)

COMMITTEES

The strength of NASBA lies in the dedication and expertise of its volunteers. Each year, more than 20 committees and task forces assemble the talent and commitment of professionals and staff to address the evolving needs of State Boards of Accountancy and the accounting profession. From shaping ethical standards and advancing accounting education to fostering inclusion and strengthening member board relations, the work of these groups builds a strong foundation for brighter futures. The following pages provide a glimpse of their impact, highlighting how these groups advanced the profession during 2024–2025.

Accountancy Licensee Database (ALD) Task Force
Administration and Finance Committee
Audit Committee
Awards Committee
Bylaws Committee
Communications Committee
Continuing Professional Education (CPE) Committee
CPA Examination Review Board
Education Committee
Enforcement Resources Committee
Ethics Committee
Examination Administration Committee
Executive Directors Committee
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
Uniform Accountancy Act Committee

ACCOUNTANCY LICENSEE DATABASE (ALD) TASK FORCE

Charge: Serve as an advisory task force to recommend additional appropriate uses of the Accountancy Licensee Database (ALD) for consideration by the state boards.

The Accountancy Licensee Database (ALD) Task Force collaborated closely with NASBA's ALD team on various projects over the course of the committee year. The Task Force continued to encourage boards to improve their ALD feeds to include all possible data types – focusing on including the NCID number in their data feeds in the past year. The Task Force reviewed the ALD rewrite business requirements compiled by the ALD team along with the ALD Vision 2020 document, providing feedback at the start of the ALD rewrite project. The Task Force met to review the user interface designs for the new ALD and CPAverify sites and discuss added functionality. The group also provided feedback and recommendations on the proposed API for CPAverify. Additionally, the Task Force has been charged with creating the ALD Vision 2030 document to outline the future goals and objectives for the ALD application.

Committee Chair:

J. Andy Bonner, Jr. (TN)

Members:

D. Boyd Busby (AL)
Dan Sweetwood (NE)
Viki A. Windfeldt (NV)
Jennifer Winters (NY)

Staff Liaisons:

Clint Blasengame
Amy Tongate

ADMINISTRATION AND FINANCE COMMITTEE

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

The NASBA Board of Directors relies on the Administration and Finance Committee in fulfilling its fiduciary responsibility to oversee operating, investing and mission-focused fiscal activities of the consolidated organization. The Committee, in conjunction with management and volunteer leadership, monitors financial activities and performance, reviews financial policies, and assesses the financial strength and stability of the organization.

In fulfilling its responsibilities, the Committee met in-person three times during the year in January, April and July and held one virtual meeting in September. During the meetings, actual results for fiscal 2025 were reviewed and compared to the Board of Director-approved operating and capital budgets. In addition, executive and financial management reported on operational and financial activities along with overall organizational activities. Management prepared a discussion and analysis for each meeting, which provided detailed explanations of comparisons to budget and the prior year. Current projections and variances to the budget were also provided and discussed with the Committee throughout the year. During the year, the Committee also received an update on the organization's financial risk assessment along with mitigation efforts through its financial strength and assets. Prior to the beginning of the next fiscal year, the Committee reviewed the fiscal 2026 operational and capital budgets prepared by management. The Committee recommended the budgets to the Board of Directors, which were approved.

The Investment Committee, a subcommittee of the Administration and Finance Committee, also held quarterly meetings during the year. The Investment Committee meets with the investment advisors during each meeting and considers the return and risk characteristics of NASBA's long-term investments, evaluates the investment advisor's performance related to the long-term fund, including fees, and monitors compliance with the Board of Director-approved Investment Policy Statement. The Investment Committee and advisors also performed an annual review of the Policy.

Committee Chair:

J. Andy Bonner, Jr. (TN)

Members:

Jimmy E. Burkes (MS)
Lori J. Druse (NE)
Michael Kintz (AL)
Chandra Lalvani (PA)
Nicola Neilon (NV)
Godson Sowah (MN)

Staff Liaisons:

Philip A. Groves
Troy A. Walker



AUDIT COMMITTEE

Charge: 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 46.

Committee Chair:

Wilhelmus J. Schaffers (AL)

Staff Liaisons:

Philip A. Groves
Troy A. Walker

Members:

Phillip Austin (IL)
Sanjay Bhakta (NM)
Bernita Demery (NC)
Tyrone E. Dickerson (VA)
Faye D. Miller (ND)
Leilani Rodrigo (IL)

From left to right: Janice L. Gray,
Faye D. Miller and Viki Windfeldt



Committee Chair:

Richard N. Reisig (MT)

Members:

Jimmy E. Burkes (MS)
Nancy J. Corrigan (CA)
Bobby R. Creech, Jr. (SC)
Tyrone E. Dickerson (VA)
Nicole Kasin (SD)
Lydia M. Washington (NY)

Staff Liaison:

Cassandra A. Gray

AWARDS COMMITTEE

Charge: 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.

The NASBA Awards Committee conducted its 2025 Call for Nominations from May 12 - June 30, 2025, and convened virtually on July 14, 2025, to review candidates for NASBA's highest honors—the William H. Van Rensselaer Public Service Award, the NASBA Distinguished Service Award and the Lorraine P. Sachs Standard of Excellence Award. After careful deliberation, the Committee presented its recommendations to the NASBA Board of Directors, which were approved at the Board's meeting on July 25, 2025.

The following distinguished leaders were selected as this year's honorees:

- Janice L. Gray, CPA (OK) – 2025 William H. Van Rensselaer Public Service Award
- Faye D. Miller, CPA (ND) – 2025 NASBA Distinguished Service Award
- Viki Windfeldt (NV) – 2025 Lorraine P. Sachs Standard of Excellence Award

Notably, Viki Windfeldt will become NASBA's first two-time awardee, having previously received the Lorraine P. Sachs Standard of Excellence Award in 2014.

NASBA awards celebrate 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 dedication reflects the highest values of NASBA and serves as an inspiration to peers nationwide.

The award recipients will be formally recognized during NASBA's 118th Annual Meeting, October 26–29, 2025, in Chicago, IL.



BYLAWS COMMITTEE

Charge: Review and consider best practices from various sources and recommend amendments to the Board of Directors for approval and subsequent vote by Member Boards.

The NASBA Bylaws Committee met three times during the 2024-2025 fiscal year to discuss potential revisions to the NASBA Bylaws. At the July 11, 2025, meeting, the Committee voted to recommend bylaws changes that would reduce the required adherence to *Robert's Rules of Order* to only the business session of annual meetings, rather than all NASBA meetings and NASBA committee, task force, working group, or other group meetings. Use of *Robert's Rules of Order* at all other gatherings would be optional, with a majority vote of a quorum of the gathering deciding to apply *Robert's Rules of Order*.

This change was suggested to align the bylaws to the practical needs of the organization and to allow flexibility for less formal proceedings when appropriate. It would still permit the organization to rely on *Robert's Rules of Order* to resolve any conflicts or questions that arise, as needed.

These proposed changes will help provide clarity for the noted committees and will be presented at the 118th Annual Meeting in October 2025.

Committee Chair:

Jason D. Peery (ID)

Members:

Susan I. Adams (TX)
Deidre N. Budahl (SD)
Edward C. David (NH)
Amanda Gavin (IL)
Larry Hunter (ID)
Thomas R. Weirich (MI)

Staff Liaison:

Brenner Allen

COMMUNICATIONS COMMITTEE

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

During the 2024–2025 committee year, the NASBA Communications Committee focused on equipping Boards of Accountancy with tools and insights to strengthen their outreach. The Committee highlighted current communications trends and encouraged boards to deliver key messages more creatively and effectively.

At NASBA's 2025 Regional Meetings, the Committee hosted Communications Breakfast Meetings, where NASBA staff, Committee members, and state board representatives shared resources and facilitated discussions on strategies for engaging licensees, CPA candidates, educators, CPA firms, State CPA Societies, partner organizations, and the public.

The Committee also partnered with NASBA's Communications Department to expand participation in the Communications & Outreach Program, which now supports nearly 45 state boards with complimentary creative services. These services include the production of newsletters, infographics, quick polls and surveys, annual letters, mass email campaigns, videos and signage, as well as social media consultation.

Looking ahead, the Committee plans to collaborate with the Legislative Support Committee to develop a public service announcement (PSA) as part of NASBA's Deregulation Toolkit, providing state boards with an additional resource to strengthen their advocacy and outreach.

Committee Chair:

Haley Lyons (OR)

Members:

Donald H. Burkett (SC)
Martrice Caldwell (IL)
Janice L. Culver (OH)
Mark Diehl, Jr. (AK)
John M. Griesbeck (TN)
Rachel Hanks (AK)
Rita M. Prince (AL)
Brooke Stegmeier (WA)
Susan M. Strautmann (WI)

Staff Liaisons:

Cassandra A. Gray
Thomas G. Kenny

CONTINUING PROFESSIONAL EDUCATION (CPE) COMMITTEE

Charge: 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.

The CPE Committee convened multiple times in 2024 and 2025 to oversee *The Statement on Standards for Continuing Professional Education (CPE) Programs* and to guide the operations of the National Registry of CPE Sponsors.

Supporting this effort was the CPE Standards Working Group, a sub-committee charged with drafting and refining proposed updates to the *Standards*. The Working Group held focused sessions in September and October 2024 to shape an initial draft and remained engaged throughout 2025 to address feedback and finalize recommendations.

The Committee's 2025 cycle began with a December 2024 introductory meeting to welcome members, review the Committee's role, and hear the Working Group's recommended updates. In January and February 2025, the Committee held detailed review sessions and approved revisions to present to the AICPA/NASBA Joint Committee. Committee members Roseann Abraham, Wade K. Watkins, and Chair Laurie A. Warwick represented the group at that Joint Committee meeting, where further changes were requested.

In May 2025, the Working Group incorporated this feedback and prepared a final draft. The full Committee reviewed and approved of these updates in June, advancing them once again to the Joint Committee. Following this, the AICPA and NASBA boards voted in July and August to release the draft for public exposure. The proposal was officially issued for public comment on September 17, 2025, during the National Registry Summit, with comments accepted until December 16, 2025.

The 2025 National Registry Summit held September 16–17 in Anaheim, CA, offered CPE program sponsors insights into adult learning trends, emerging technologies, and practical resources for implementing the updated *Standards*. Sessions highlighted advancements in instructional delivery, strategies for adaptability in professional learning, and the growing role of artificial intelligence in CPE programs.

Committee Chair:

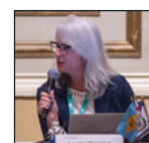
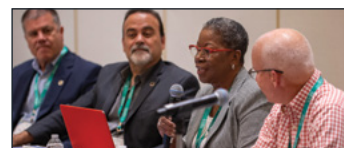
Laurie A. Warwick (VA)

Members:

Roseann Abraham (IL)
Patricia Batchelor (CA)
Dianna L. Burden (ID)
Gerald E. Denor (WI)
Donna Oklok (OH)
Angela L. Pannell (MS)
Daniel O. Trujillo (NM)
Gary L. Walker (MS)
Shane Warrick (AR)
Wade K. Watkins (UT)
John Wright (IN)

Staff Liaisons:

Erin Scruggs
Amy Tongate



CPA EXAMINATION REVIEW BOARD

Charge: 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.

The Committee met on four occasions during the year to plan, approve, monitor and finalize the CPA Examination Review. The Committee reduced costs and streamlined project tracking by transitioning to a new project management platform. The Committee continued the risk-based evergreen approach and enhanced the review process by analyzing and relying on independent audits and assessments of the CPA Examination environment, which reduced duplication of effort. The evaluation included observation of processes, inquiry and inspection of pertinent records.

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, 2024, through September 30, 2025. 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.

Committee Chair:

Faye D. Miller (ND)

Members:

A. Carlos Barrera (TX)
Robert L. Goldfarb (NY)
Raymond N. Johnson (OR)
Christi L. Olsen (NE)

Consultant:

Suzanne Lane

Staff Liaison:

Erica V. Smith



EDUCATION COMMITTEE

Charge: 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 met in January 2025 to review its charge and to establish a task force to evaluate proposals submitted for the NASBA Accounting Education Research Grants Program. A total of eight grant proposals were received. The task force met in March 2025 to review and discuss the submissions and to prepare recommendations for the full Committee's consideration.

In April 2025, the Committee convened to consider the task force's recommendations. Chair Houck Andrew provided an overview of the grant proposals received and the process followed by the task force. Task force members shared their perspectives on the proposals, and after discussion, the Committee approved a motion to recommend three proposals to the NASBA Board of Directors. At its April 2025 meeting, the Board approved the three recommended proposals.

In June 2025, the Education Committee met to discuss potential new research topics for the 2026 grant cycle. Four new topics were approved for implementation beginning in 2026:

- Adequacy of CPE Requirements
- The Impact of Private Equity on the Profession
- Changing Retirement to Aid Pipeline
- AI and the Impact on the Audit Function

The Committee also met in September 2025 to evaluate the feasibility of a rolling submission process for grant proposals. After extensive discussion, it was determined that a rolling proposal award would create challenges with notification timing, budgeting, and academic-year preparation. Educators expressed confidence that the current annual timeline continues to serve the program well.

Looking ahead, the Committee emphasized the importance of increasing researcher engagement in the topic-selection process. Additionally, the Committee would like to broaden outreach by soliciting input from NASBA members on future annual topics. This feedback could be gathered during regional director calls or regional meetings, ensuring responses are timely for the American Accounting Association (AAA) announcement and publication in August.

Committee Chair:

Alison L. Houck Andrew (DE)

Members:

Pamela Church (TN)
Ann Burstein Cohen (NY)
Tammy Gerszewski (ND)
Tanya G. Greenlee (SC)
Steve Grice (AL)
Michael Huotte (MT)
Paula Mann (CO)
Marc Moyers (VA)
Joseph Petito (MD)
Annette K. Pridgen (MS)
Priscilla Y. Romkema (SD)
Douglas W. Skiles (NE)

Staff Liaison:

Kyle Barrier

Committee Chair:

Melissa Ruff (NE)

Members:

Doug Aguilera (CA)
Louis J. Costanzo, III (WV)
G. Gregory Gilbert (TN)
John R. Helms (KS)
Kristi A. Justice (WV)
Douglas Moore (MN)
Eileen L. Poiani (NJ)
Angela Rudolph-Wiseman (VA)
Dan Sweetwood (NE)
Ryan Whitman (NV)
Alexandra Wilkinson (WY)

Staff Liaison:

Elizabeth Wolfe

ENFORCEMENT RESOURCES COMMITTEE

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

On behalf of enforcement efforts for State Boards of Accountancy, NASBA leaders visited federal agencies in Washington, D.C., in June 2025. Meetings were held with the Internal Revenue Service (IRS), the Public Company Accounting Oversight Board (PCAOB), the U.S. Trade Representative, the Securities and Exchange Commission (SEC), the U.S. Department of Education, Federal Student Aid, and Health & Human Services (HHS). Discussions focused on ways NASBA member boards and federal agencies can collaborate on disciplinary referrals. NASBA expressed interest in providing direct resources and contact information for its member boards, and the agencies expressed interest in potential future data sharing.

On July 15, 2025, the Committee hosted a webinar, *Defending a Licensee Before the Board: A View From the Defense Bar*, featuring Attorney Mark Brengelman. A second webinar followed on October 14 with Jennifer Clayton from the AICPA on Cooperative Enforcement Agreements. A Parliamentary Procedure Webinar is being planned for November.

The Committee published its first *Enforcement Alert*—an abbreviated version of the previous newsletter—on July 2, with articles on the DOL project, enforcement law updates, ALD mobility advice, and announcements on upcoming webinars and NASBA's June D.C. visit. A fall edition will feature articles on CPE cheating at Big Four firms and best practices for working with federal agencies on referral discipline.

Additional initiatives include revising the Communicating with Federal Agencies section of the Enforcement Tools website with updated contact information and steps for handling agency referrals, as well as adding past enforcement-focused webinars and conference sessions to the website for on-demand viewing, aimed to launch this fall.

In collaboration with the NASBA Center for the Public Trust (CPT), the Committee continues promoting the CPT's Ethical Leadership Training course as a disciplinary option for law and rule violations, with future promotion planned in upcoming webinars and editions of the *Enforcement Alert*.

On August 11–12, the Committee met at NASBA headquarters in Nashville, TN. The meeting consisted of webinar planning, discussions on website improvements, and potential future uses of the Accountancy Licensee Database. The Committee also reviewed and agreed to dismantle the Investigator and Expert Witness Pool, as there has not been a significant need for this resource in some time. The Committee will focus its efforts on its remaining projects in the coming year.



Committee Chair:

Kenya Y. Watts (OH)

Members:

Paul Balas (MI)
Barton W. Baldwin (NC)
Aron Dunn (KS)
Patty Faenger (MO)
James R. Mintert (MO)
D. Michael Payseur (NC)
Yolander Samuel-Deterville (VI)
Charles Selcer (MN)
Steven Smith (AL)
Jeffrey S. Strand (SD)
Lawrence A. Wojcik (IL)

Staff Liaison:

Jessica Luttrull

ETHICS COMMITTEE

Charge: *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.*

The 2024-2025 committee year was a busy period with the release of several projects from ethical standard-setters for public comment. The Ethics Committee met in January 2025 to discuss an exposure draft from the AICPA Professional Ethics Executive Committee (PEEC): *Proposed revisions related to simultaneous employment or association with an attest client*. The comment letter was written and forwarded to the Regulatory Response Committee.

The Committee met in May 2025 and again in early June 2025 to review and discuss the AICPA PEEC's discussion memorandum: *Potential revisions to the AICPA Code of Professional Conduct and guidance related to independence in alternative practice structures* and the consultation paper from the International Ethics Standards Board for Accountants (IESBA): *Collective Investment Vehicles and Pension Funds – Auditor Independence*, respectively. Comment letters on both projects were prepared and shared with the Regulatory Response Committee.

The Committee met a final time to discuss an exposure draft from the AICPA PEEC: *Proposed revisions related to engagements subject to the Statement on Standards for Attestation Engagements*. A comment letter was prepared on the exposure draft and forwarded to the Regulatory Response Committee.

Committee Chair:

Barry M. Berkowitz (PA)

Members:

Jamie Duman (ID)
Nicole Kasin (SD)
William T. Kelly (MS)
Angela Meggett-Strudwick (DC)
David Nance (NC)
Simon Petravick (IL)
David Sanford (GU)
Susanna Sharpe (SC)
Barrett E. Young, III (MD)

Staff Liaisons:

Patricia Hartman
James Polite

EXAMINATION ADMINISTRATION COMMITTEE

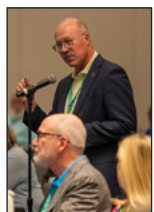
Charge: *Promote effective and efficient administration and operation of the Uniform CPA Examination.*

The Examination Administration Committee kicked off its meeting year on November 12, 2024, with a virtual meeting to discuss faster score releases in the upcoming year and limiting Exam attempts in each quarter for security purposes. The Committee met again virtually on May 28, 2025, to discuss faster score reporting, opening bulk scheduling to review course providers, and sending reminders to candidates with credit expiring June 30, 2025.

On September 9, 2025, the Committee met in Raleigh, NC. The agenda included NASBA updates regarding licensure pathways and mobility initiatives, operations and organizational updates, the CPA Mobile App launch and features, and artificial intelligence and technology initiatives. The Committee was especially excited about the App's launch as it is designed to mirror all functions within the legacy CPA Portal, provides candidates with direct access to their Notice to Schedule (NTS) and is accessible for download by both Android and Apple users. The Committee discussed the limited adoption of remote testing for high-stakes exams, citing security challenges and candidate preference for in-center testing. Prometric staff provided updates on Prometric Security, Channel and Candidate Experience, testing accommodations and candidate support. An update on the implementation of Prometric's Bulk Scheduling Program, its operational process, and challenges related to institutional participation was also provided. The AICPA provided an in-depth update on CPA Evolution, including Exam design, pass rates, candidate behavior and communication strategies, and an update of the development of a cloud-based driver— its timeline, accessibility features and the implications for test center infrastructure.

Further discussions centered on data collection and system transformation initiatives as well as master's degree value and firm hiring practices. In addition, the Committee asked NASBA to review and analyze current data collection practices to identify necessary data elements for tracking licensure pathways and pipeline impact.

Lastly, the three-party contract between NASBA, the AICPA, and Prometric has been extended through December 31, 2039, and bulk scheduling is being tested among several universities and Review Course Providers.



EXECUTIVE DIRECTORS COMMITTEE

Charge: Support Executive Directors in their roles with Boards of Accountancy.

The Executive Directors (ED) Committee is comprised of directors from each of NASBA's eight regional areas, aided by NASBA liaisons. The Committee was responsible for coordinating the 43rd Annual Conference for Executive Directors and Board Staff, held March 25-27, 2025, in Clearwater Beach, FL. The Committee made changes to the agenda format, which were well received by the executive director community. As customary, part of the agenda included joint sessions with the 29th Annual Conference for Board of Accountancy Legal Counsel, which was held on the same dates.

Throughout the year, executive directors continued to meet monthly via Zoom. These calls have become a very important communication tool for executive directors. Information is shared among state boards, and when requested, NASBA staff presents information that assists and informs call participants.

Another series of significant changes and regulatory challenges occurred this year. Certain issues/changes continue to be areas of constant focus and are frequent topics during the annual conference and on monthly calls. Among these issues/changes include how state boards are navigating the absence of uniformity across new pathways and the monitoring of states that have not yet proposed legislation. This year again saw legislation that could have significant impact on the profession and state boards. In addition, alternative practice structures, including private equity and ESOPs, remain a regulatory concern for Boards of Accountancy. All of these situations continue to require coordination, communication and careful monitoring across all jurisdictions.

Committee Chair:

Nancy Glynn (VA)

Members:

Lisa Benefield (LA)

D. Boyd Busby (AL)

Mandy Harlow (ND)

Martin Pittioni (OR)

Carla Ratchford (IL)

Roger Scarborough (FL)

Jennifer Winters (NY)

Staff Liaisons:

Kent A. Absec

Patricia Hartman



INCLUSION COMMITTEE

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

During the 2024–2025 term, the Inclusion Committee focused its efforts on two primary goals:

1. Continuing outreach to new NASBA Board members with enhanced engagement tools, including a welcome video and informational packet; and
2. Exploring partnerships with external organizations such as ALPFA and NABA to strengthen relationships that support shared talent pipeline objectives.

The Committee expanded its outreach to new Board of Accountancy members nationwide, encouraging their active participation in NASBA. The welcome process was refined and streamlined through updated communication templates for emails and calls. A new welcome video was also developed to provide a more personal introduction to NASBA, which contributed to greater engagement from new members.

In addition, the Committee collaborated with State CPA Society executives and representatives from NABA, Inc. and the Association of Latino Professionals for America (ALPFA) to build relationships and design programs that identify potential candidates for Board of Accountancy appointments. These partnerships also support efforts to promote the accounting profession among future generations. Two task force subcommittees were created to focus on opportunities for collaboration with both external organizations and state societies.

To help strengthen a more inclusive CPA candidate pipeline, the Committee continued its partnership with the NASBA Center for the Public Trust, expanding exposure to the accounting profession among students at Historically Black Colleges and Universities (HBCUs) nationwide. The Committee also invited a diverse group of students to serve as panelists at NASBA's 2025 Regional Meetings, where they shared their experiences and perspectives on the profession.

Finally, the Committee hosted a virtual fireside chat with educators serving on state boards from Mercy University (NY), Naugatuck Valley (CT), and Lipscomb University (TN). The conversation provided valuable insights into the evolving CPA pipeline and the perspectives of today's students. It was an enlightening and engaging discussion that will inform future initiatives.

Committee Chair:

Thuy T. Barron (WI)

Members:

Christonna C. Campbell (MI)

Amr S. Elaskary (OH)

Olivia Espinoza-Riley (TX)

Tod Etheredge (AL)

Deltrease Hart-Anderson (SC)

Janice Hodge (VI)

Gary R. Massey (NC)

Evelyn Rosier (GA)

Willie B. Sims, Jr. (MS)

Judy A. Thomas (CO)

Randa Vernon (OK)

Staff Liaisons:

Lisa Dampf

Sedrik Newbern



INTERNATIONAL QUALIFICATIONS APPRAISAL BOARD

Charge: 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.

Chair Sharon A. Jensen held an in-person International Qualifications Appraisal Board (IQAB) meeting on August 21, 2025. Among the topics discussed were the pending amendment and extension of the CPA Canada MRA, the legal opinions of CA Ireland and IAASA including the potential effect for an England MRA, and the status of Mutual Recognition Agreement (MRA) renewals for the South African Institute of Chartered Accountants (SAICA), Chartered Accountants Australia and New Zealand (CAANZ), and CPA Australia.

The Committee held a virtual meeting in May 2025. Additional task force meetings also took place in April and July. In addition to the in-person meeting topics, the most relevant topics from the 2024 – 2025 committee year are:

- The fully executed amended and restated CAANZ MRA in January 2025.
- The Committee voted to pursue the concept of a higher experienced based model of 5-7 years of post-qualification relevant accounting work experience. The new concept is being refined to include in the renewals.
- Task forces have been established for all MRA renewals.
- An extension to the MRA with Chartered Accountants Ireland (CAI) has been drafted in response to positive comments from the legal opinion regarding U.S. experience and the institute's authority for recognition.

Committee Chair:

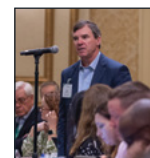
Sharon A. Jensen (MN)

Members:

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

Staff Liaisons:

Kyle Barrier
Patricia Hartman



LEGISLATIVE SUPPORT COMMITTEE

Charge: Develop legislative support strategies and tactics to assist the Director of Legislative and Governmental Affairs in supporting Board of Accountancy on legislative matters.

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 2025 legislative session, 1,209 bills were monitored; 256 had a direct impact on accounting profession regulation; and of these, 88 concerned anti-regulation.

Anti-regulatory organizations continue to develop and promote legislation designed to eliminate or significantly reduce occupational licensing regulations and oversight. If implemented, these could be severely detrimental to the protection of a public that relies heavily on the integrity of the accounting profession.

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. In addition, the Legislative Support Committee recently developed a "Deregulation Tool Kit" that contains materials to help boards mobilize against harmful deregulation legislation.

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.

Committee Chair:

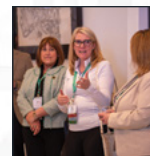
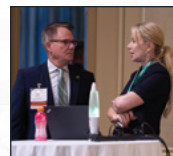
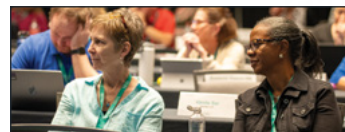
Katrina Salazar (CA)

Members:

Richard L. Bell (AR)
J. Earl Blackmon (AL)
Steven D. Britsch (ND)
Todd Dailey (SC)
Joseph S. Drew (DC)
Renee Foshee (TX)
Margaret Ann Gilmore (OH)
Carlos E. Johnson (OK)
James Minnix (OK)
Dale G. Mullen (VA)
Nick Myers (MO)
Yen Tu (CA)

Staff Liaison:

John W. Johnson



NOMINATING COMMITTEE

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

On May 6, 2025, the Nominating Committee met in Dallas, TX, to interview candidates for the 2025-2026 vice chair position. On July 9-10, 2025, the Nominating Committee met in Nashville, TN, to interview 21 candidates for regional director and director-at-large Board of Directors' positions. The Nominating Committee reconvened on September 12, 2025, to interview two additional candidates for the Middle Atlantic Regional Director position after the Committee's nominee withdrew their nomination.

The 2024-2025 Nominating Committee has nominated the following officers and directors to be voted on by the member Boards of Accountancy at the Annual Business Meeting in October 2025, in accordance with Article VII, Sections 7.2 and 7.3, and Article IV, Section 4.5, of NASBA's Bylaws.

Vice Chair

- J. Coalter Baker (TX – Associate)

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

First Term

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

Second Term

- Katrina Salazar (CA – Associate)

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

First Term

- Middle Atlantic: Robert Todero (DC – Delegate)

Second Term

- Central: Melissa Ruff (NE – Delegate)
- Great Lakes: Thuy T. Barron (WI – Delegate)
- Pacific: Haley Lyons (OR – Delegate)
- Southeast: Wilhelmus J. Schaffers (AL – Delegate)

Third Term

- Mountain: Dan Vuckovich (MT – Delegate)
- Northeast: Timothy F. Egan (CT – Delegate)
- Southwest: Jeannette P. Smith (TX – Delegate)

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

- J. Andy Bonner, Jr. (TN – Delegate)
- Jason D. Peery (ID – Delegate)
- Michael Schmitz (ND – Associate)

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

First Term

- Alison L. Houck Andrew (DE – Associate)
- Barry M. Berkowitz (PA – Associate)

Unexpired Term (third year of three-year term)

- Gerald Weinstein (OH – Associate)

Chair

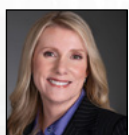
- Nicola Neilon (NV – Associate), 2024-2025 Vice Chair, will accede to the office of chair.

Past Chair

- Maria E. Caldwell (FL – Associate), will accede to the office of past chair upon the installation of Ms. Neilon as chair.



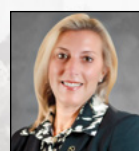
Baker



Neilon



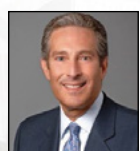
Caldwell



Andrew



Barron



Berkowitz



Bonner



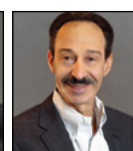
Egan



Lyons



Peery



Platau



Ruff



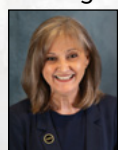
Salazar



Schaffers



Schmitz



Smith



Todero



Vuckovich



Warwick



Weinstein

Committee Chair:

Stephanie M. Saunders (VA)

Members:

Deirdre N. Budahl (SD)
Central Region

Dawn M. Carlson (IL)
Great Lakes Region

Manuel Cavazos, IV (TX)
Southwest Region

Kerry Eaton (NV)
Mountain Region

Robert L. Goldfarb (NY)
Northeast Region

Michael Kintz (AL)
Southeast Region

Brian R. Thomas (WA)
Pacific Region

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

Susan I. Adams (TX)
Alternate Southwest Region

Clayton J. Huffman (GA)
Alternate Southeast Region

Joseph Petito (MD)
Alternate Middle Atlantic Region

Michael M. Savoy (CA)
Alternate Pacific Region

John H. Schuyler (CT)
Alternate Northeast Region

Jeffrey S. Strand (SD)
Alternate Central Region

Susan M. Strautmann (WI)
Alternate Great Lakes Region

Brian Wallace (NV)
Alternate Mountain Region

Staff Liaisons:

Melissa Brennan
Daniel J. Dustin

Committee Chair:

Stephanie M. Saunders (VA)

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)
Dennis P. Spackman (UT)
Sandra A. Suran (OR)
Laurie J. Tish (WA)
David A. Vaudt (CT)
Michael D. Weatherwax (CO)

Staff Liaisons:

Colleen K. Conrad
Noël Dedmon
Wendy S. Garvin



PAST CHAIR ADVISORY COUNCIL

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

In conjunction with NASBA's 2024 Annual Meeting in Orlando, FL, the NASBA Past Chair Advisory Council met to discuss trending topics and receive updates regarding NASBA operations and finances, as well as the regulation of the accounting profession.

The 2024 NASBA Annual Report, containing the FYE July 2024 Financial Report, was distributed to all past chairs. Daniel J. Dustin shared his first organizational update as the new president and CEO of NASBA. He spoke about his transition into the role, including various staff hires and promotions, and NASBA's current efforts on behalf of Boards of Accountancy. Increased communication with boards and other stakeholders was also highlighted.

Executive Vice President and COO Colleen K. Conrad provided an operational update including an update on the transition to CPA Evolution and initial pass rates. She also highlighted the 20-year anniversary of Computer Based Testing along with the status of other Exam related projects. Pipeline initiatives and an IT update were also provided.

The Council had discussions on multiple trending topics including private equity investments in accounting firms, firm reorganizations to include ESOP plans, definition of attest as it relates to International Standards, competency-based experience and UAA exposure drafts, automatic mobility and legislative trends.

Past chairs serving in national standard-setter and oversight roles shared brief updates on relevant activities, plus a NASBA Center for Public Trust (CPT) update was provided by Past Chair Donald H. Burkett, who is the chair of the CPT.

Past Chair Telford A. Lodden was recognized at the conclusion of the meeting for his much-deserved selection as the recipient of NASBA's William H. Van Rensselaer Public Service Award at the 2024 Annual Meeting.



From left to right, Row 1: Daniel J. Dustin, Milton Brown, Barton W. Baldwin, and W. Michael Fritz. Row 2: Colleen K. Conrad, Mark Harris, Janice L. Gray, and Stephanie M. Saunders. Row 3: Richard N. Reisig, Telford A. Lodden, A. Carlos Barrera, Ken L. Bishop, Wendy S. Garvin and Samuel K. Cotterell. Row 4: David A. Costello, Gaylen R. Hansen, Laurie J. Tish, Carlos E. Johnson, Donny H. Burkett and John M. Green.

PEER REVIEW COMPLIANCE COMMITTEE

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

The Committee held its initial meeting in December 2024 to review its charge, receive an update on the most recent AICPA Peer Review Board (PRB) meeting and review the status of an ongoing project to update its 2015 Failed Report Guidance document for state boards.

In November 2024, the AICPA Peer Review Board approved Peer Review Standards Update No. 2, *Reviewing a Firm's System of Quality Management and Omnibus Technical Enhancements (PRSU No. 2)*. This update changed terminology and phrasing to conform with the Quality Management Standards. On behalf of the Committee, NASBA disseminated a notice to state boards on December 20, 2024, advising them that the changes in terminology could create inconsistencies in board law and rules.

The Committee met again in January 2025 to review proposed changes to the 2015 Failed Report Guidance document, including adding information on best practices for monitoring a firm's enrollment in the AICPA Peer Review Program. The document was retitled Deficient Reports and Monitoring Guidance and was published on the NASBA website on April 3, 2025, and distributed to member boards.

On September 15, 2025, the Committee met to prepare for the upcoming joint meeting with the AICPA's Oversight Task Force.

The primary focus of the joint meeting with the AICPA Oversight Task Force was for Committee members to hear an overview of a recently released PRB exposure draft titled *Proposed Peer Review Standards Update No. 3, Modernizing Peer Review Administration Requirements*, which seeks to enable the PRB to require firms in an alternative practice structure to have their peer reviews administered by the National Peer Review Committee. The Committee will meet in October to discuss the exposure draft and to provide input to NASBA's Regulatory Response Committee. The Committee continues to monitor the activities of the AICPA's Peer Review Board and the Oversight Task Force.

Committee Chair:

Michael Schmitz (ND)

Members:

William Blend (FL)
Sherry L. Chesser (AR)
Wm. Hunter Cook (NC)
Susan Eickhoff (MO)
Keri A. Ellis (PA)
Elizabeth Gantnier (NC)
James P. Gero (OH)
Janice L. Gray (OK)
David Holt (ND)
Charles R. Prince (MS)
Jay Tolsma (SD)
Viki A. Windfeldt (NV)
Jennifer Winters (NY)

Staff Liaison:

Wendy S. Garvin



PRIVATE EQUITY TASK FORCE

Charge: 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.

In May 2025, NASBA Chair Maria E. Caldwell established the Private Equity Task Force in response to the accelerating trend of private equity ownership in CPA firms and the many questions it raises related to how Boards of Accountancy regulate this ownership model to ensure public protection. Since its formation, the Task Force has held four virtual meetings and one in-person meeting. During the meetings, the Task Force identified key considerations for regulators around private equity investments, including but not limited to, CPA firm ownership requirements, independence, advertising, client confidentiality, use of title, and how these items may create risks to public protection.

Over the course of their meetings, the Task Force reviewed research by NASBA Legal staff on aspects of private equity in the accounting profession as identified in state board laws and rules. The Task Force also heard a presentation from the AICPA Professional Ethics Executive Committee staff on the work being done to address the influence of private equity in accounting firms and its implications for the AICPA Code of Professional Conduct. These meetings provided a basis of information that the Task Force believes would be of value to State Boards of Accountancy as these ownership structures continue to become more prevalent. To effectively assist and support state boards, the Task Force determined that a white paper should be developed to serve as an educational tool and reference guide for stakeholders.

The Task Force is preparing to share early insights and the white paper with stakeholders through a panel discussion at the 2025 NASBA Annual Meeting. This panel will provide an opportunity for state board leaders, and others, to engage directly with Task Force members on the challenges and opportunities presented by private equity investment in the profession.

Committee 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

Committee Chair:

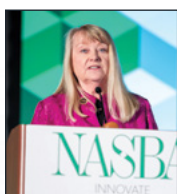
Stephen F. Langowski (NY)

Members:

Alan R. Augenstein (AZ)
 Andrew Blossom (NE)
 Suzanne Wood Bruckner (NM)
 Dawn M. Carlson (IL)
 David L. Cotton (VA)
 Robert F. Fay (OH)
 W. Michael Fritz (OH)
 Gaylen R. Hansen (CO)
 Richard Isserman (NY)
 Frederick R. Kostecki (MO)
 Carole McNees (MI)

Staff Liaison:

Jessica Luttrull



REGULATORY RESPONSE COMMITTEE

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

Committee Chair Stephen F. Langowski convened an in-person meeting in May 2025 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 signed by NASBA's chair and president and CEO prior to the letters' submissions 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 Replied
ASB	Proposed Statement on Auditing Standards – The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements	10/3/2025
PEEC	Proposed Revisions related to Engagement Subject to the Statements on Standards for Attestation Engagements	9/3/2025
IAASB	Proposed Narrow-Scope Amendments to IAASB Standards Arising from the IESBA's Using the Work of an External Expert Project	7/22/2025
IESBA	Request for Comment: Collective Investment Vehicles and Pension Funds – Auditor Independence	6/30/2025
ASB	Proposed Statement on Auditing Standards – External Confirmations	6/24/2025
FASB	Invitation to Comment: Agenda Consultation	6/23/2025
PEEC	Discussion Memorandum: Potential Revisions to the AICPA Code of Professional Conduct and Guidance related to Independence in Alternative Practice Structures	6/13/2025
ASB	Request for Comment – Proposed ASB Strategic Plan 2026-2030	6/4/2025
ASB	Proposed Statement on Standards for Attestation Engagements – Scope Limitations in a Review Engagement	5/22/2025
IAASB	Post-Exposure Consultation: Track 2 of the Listed Entity and PIE Project	3/27/2025
PEEC	Proposed Revisions related to Simultaneous Employment or Association with an Attest Client	3/11/2025
IRS	Proposed Changes to Treasury Department Circular 230	2/20/2025
ARSC	Proposed Statement on Standards for Accounting and Review Services– Applicability of AR-C Section 70 to Financial Statements Prepared as Part of a Consulting Services Agreement	12/16/2024
PEEC	Proposed Revised Interpretation – Section 529 Plans	10/17/2024

RELATIONS WITH MEMBER BOARDS COMMITTEE

Charge: 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 regional directors with the opportunity to share updates with member boards on the meetings of the NASBA Board of Directors, and to update participants on national issues related to the licensing and regulation of the public accountancy profession; pathways to licensure and pipeline; alternative practice structures and private equity; and the current deregulation environment. 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, the Committee planned and hosted the NASBA Regional Meetings in New Orleans, LA, and Philadelphia, PA. 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 alternative practice structures, artificial intelligence, cybersecurity, the Uniform CPA Examination and a panel discussion with current accounting students on their perspectives on the profession. 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 help identify areas where the Committee can help support state boards and to provide the Committee with insight for future FOCUS questions and/or areas of concentration in the future.

Committee Chair:

Jeannette P. Smith (TX)
Southwest Regional Director

Members:

Thuy T. Barron (WI)
Great Lakes Regional Director

Hayley Lyons (OR)
Pacific Regional Director

Timothy F. Egan (CT)
Northeast Regional Director

Melissa Ruff (NE)
Central Regional Director

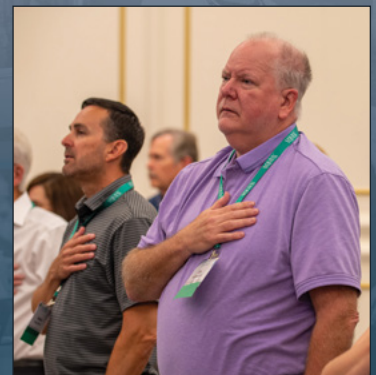
Wilhelmus J. Schaffers (AL)
Southeast Regional Director

Dan Vuckovich (MT)
Mountain Regional Director

Laurie A. Warwick (VA)
Middle Atlantic Regional Director

Staff Liaisons:

Kent A. Absec
John W. Johnson



STANDARD-SETTING AND PROFESSIONAL TRENDS ADVISORY COMMITTEE

Charge: 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 had five meetings in the committee year. Committee Chair Timothy F. Egan virtually convened the initial meeting in December 2024 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 2025 began with information sharing on the NASBA/AICPA 2025 exposure draft related to Proposed UAA Changes as well as the AICPA PEEC's discussion memorandum on alternative practice structures. The primary agenda topic was to review and solicit input on the FASB's Invitation to Comment (ITC) – *Agenda Consultation*. A draft letter was prepared and shared with NASBA's Regulatory Response Committee in the development of NASBA's response to the ITC, which was submitted in June 2025.

The Committee met virtually in May 2025 to review and discuss key standard-setting processes of the primary standard-setting bodies to the U.S. accounting profession. The conversation of the key standard-setting processes continued during the August 2025 meeting as well as consideration of potentially disruptive trends in the profession for monitoring. Topics included deregulation efforts across the country; alternative pathways to licensure; disruption of substantial equivalency and mobility; alternative practice structures; and CPE requirements.

The Committee held its last meeting as a face-to-face meeting at the end of September 2025 in Nashville, TN, where proposed updates to the key standard-setting processes matrix, including supporting rationale for assessments, were reviewed, discussed and confirmed among the Committee members. In addition, the Committee heard updates from NASBA staff liaisons on recent standard-setting and professional association meetings as well as conducted a brainstorming session on disruptive and potentially disruptive trends/areas of concern involving the regulation of the CPA profession, including topics such as CPE requirements and use of Artificial Intelligence (AI) and AI Assurance.

Committee Chair:

Timothy F. Egan (CT)

Members:

Billy M. Atkinson (TX)
Jillian S. Brown (OH)
Kate Dixon (WA)
Matthew J. Howell (MI)
Clayton J. Huffman (GA)
Raymond N. Johnson (OR)
Lunetta Kwan (MA)
G. Alan Long (KY)
Joseph Maffia (NY)
Kristopher Musselman (DE)
Steven M. Platau (FL)

Staff Liaisons:

Wendy S. Garvin
Jessica Luttrull



STATE SOCIETY RELATIONS COMMITTEE

Charge: Provide state societies a platform to inform boards and NASBA about issues of importance to the regulation of the profession and enhancing 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 2024-2025:

- **Pathways and Mobility** – Due to the fact the majority of the jurisdictions that filed mobility legislation in 2025 are not in alignment with section 23 of the Uniform Accountancy Act (UAA), awareness and concern have been raised over the impact this will have on Mobility. At a time when the validity of substantial equivalency is being questioned within the profession, the State Society Relations Committee has taken an active role in assisting with this critical component to Mobility and its unique place in accountancy.
- **CPA Pipeline** – NASBA leadership regards the CPA pipeline as having a strong public protection nexus and continues to work with State CPA Societies to strengthen the pipeline, both in the number of CPAs entering the profession and, in the diversity represented across that population.
- **Deregulation** – With legislation being filed to eliminate the Board of Accountancy in one state—and eliminating or reducing continuing professional education in other states—the State Society Relations Committee 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 43rd Annual Conference for Executive Directors and Board Staff. For the eleventh consecutive year, the 2025 conference brought together these key leaders and counterparts to participate in sessions that covered 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.

Committee Chair:

Ronald A. Gitz (LA)

Past Chair:

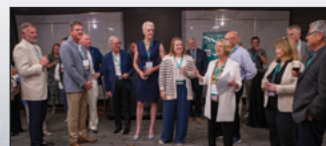
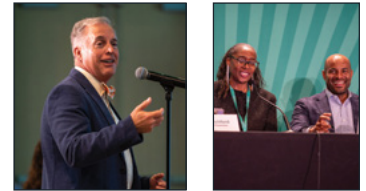
Jeannine Birmingham (AL)

Members:

Robert Doyle (MI)
Allen Lloyd (MT)
Rebekah Olson (MD)
Jodi Ann Ray (TX)
Boyd Search (GA)
Joni Sundquist (NE)
Oliver Yandle (AZ)

Staff Liaison:

John W. Johnson



UNIFORM ACCOUNTANCY ACT COMMITTEE

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

Committee Chair:

Dan Vuckovich (MT)

Members:

J. Coalter Baker (TX)
Megan E. Durst (OH)
Telford A. Lodden (IA)
G. Alan Long (KY)
Michael E. Mixon (GA)
Kevin N. Monroe (TN)
Ashley Plyushko (OK)
Nadia Rogers (VA)
Gerald Weinstein (OH)

Staff Liaisons:

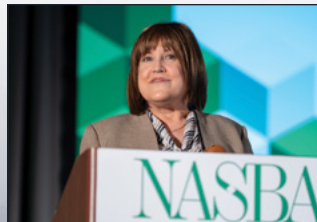
Kent A. Absec
John W. Johnson

The NASBA Uniform Accountancy Act (UAA) Committee met seven separate times during the year and met seven additional times as part of the Joint NASBA-AICPA UAA Committee. The Joint UAA Committee had released an exposure draft on changes to Section 5, *Qualifications for a Certificate as a Certified Public Accountant*, which would add an additional pathway to licensure and Section 23, *Substantial Equivalency* to address mobility. With the comment period ending on December 30, 2024, the Joint UAA Committee then began reviewing the comments and ultimately decided to recommend to the respective Board of Directors for NASBA and AICPA they needed to continue to work on language with a goal of re-exposing new language.

The Committee met frequently after January 1, 2025, to discuss the changes to the UAA that would need to be considered to Section 5 and Section 23. After numerous meetings, the Joint UAA Committee voted to approve new language for exposure with a 60-day comment period, which was issued on March 4, 2025. At the conclusion of the comment period, the Committee members again reviewed the comments and recommended that the language be approved and that the Ninth Edition of the UAA be published, which would add a new pathway to licensure and move to an individual-based model for mobility.

The Board of Directors for NASBA and AICPA approved the recommendation from the Joint UAA Committee and the Ninth Edition of the UAA was published in July 2025.

Members of the NASBA UAA Committee, in collaboration with UAA Committee members representing the AICPA, also worked on a project to help define the processes and procedures for the Joint UAA Committee moving forward.





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

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

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.

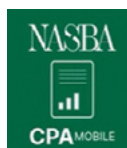
CPA PORTAL

CPA Portal is NASBA's headquarters for the Uniform CPA Examination, serving all CPA Examination candidates. 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 useful

information on a variety of Exam-related topics, from how the Exam is scored to testing in international locations.

NASBA CPA MOBILE APP

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.



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

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 excellent and reliable customer service to applicants throughout the entire licensing process. NASBA also offers a service to state boards requiring CPE auditing assistance for the purposes of renewal and/or annual audits.



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.

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.



CLIENT SERVICES

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 (CPAC) and Instituto Mexicano de Contadores Publicos (IMCP), Chartered Accountants Ireland (CAI), 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.



UNDECIDED EVALUATION

The Undecided Evaluation service aims to guide candidates along a clear path to the CPA Exam, offering a comprehensive understanding of how their education is viewed by the U.S. Boards of Accountancy. The Undecided Evaluation will equate the candidate's international education to the U.S. equivalence and suggest up to three jurisdictions that may provide them the best opportunity to qualify for the CPA Exam and for licensure. The candidate may use one of the recommendations to apply for a jurisdiction-specific International Credential Evaluation prior to applying to sit for the CPA Exam.

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. This option, called Education Verification, allows candidates who experience difficulty in obtaining official documentation the option of submitting copies of their original documents via email. NIES will then confirm with the source if these documents are authentic, saving candidates the inconvenience of having their 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



COMMUNICATIONS
& OUTREACH



463
Email
Campaigns



49
Meetings
and
Conferences



250K+
Social Media
Followers



170
Videos
Produced



6M+
Website
Views

NASBA's Communications Department offers complimentary creative services to Boards of Accountancy that are 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. A total of 45 Boards of Accountancy currently participate in the Communications & Outreach program.



NASBA REPORT ON THE CPA EXAM

NASBA began gathering data on Uniform CPA Exam candidates in 1982 and has published reports on candidate performance on the Exam 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 of candidates taking the Uniform CPA Examination. Published annually, *NASBA Report* publications feature an easy-to-read format and include university rankings, cohort tracking and multi-year trending data, all in a single publication. This information, available only from NASBA, offers the best overview of CPA Examination trends from around the world, and at the jurisdiction and university level. 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. A total of 53 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 55 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 the various CPA and firm licensing laws and rules among all Boards of Accountancy. The Accountancy Licensing Library (ALL) helps remove the complexity from the CPA license and firm registration process for busy accounting professionals. This valuable resource contains comprehensive and accurate 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 learning providers listed on the National Registry of CPE Sponsors. Video tutorials, newsletters, sample forms, best practices and online applications are all part of the site. Looking for CPE to meet your requirements? Visit *NASBAregistry.org* to search through more than 25,000 courses to find just what you need. Searches can even be narrowed by date, location, subject area, number of credit hours, CPE provider, delivery method, and more. With all the different continuing education options available, *NASBAregistry.org* makes finding the exact CPE course faster and easier.



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 more efficiently and effectively 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 15 boards currently using the *CPE Audit Service* to assist with CPE reporting and conducting audits of their professionals' compliance with their CPE requirements.

COMPLIANCE SERVICES

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

Generally, mobility permits a certified public accountant (CPA) who is licensed and in good standing in their home state to practice public accountancy across state lines without obtaining an additional license in their desired mobility state. 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.

CPAmobility.org

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.

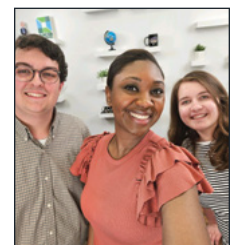
KEY PERSON CONTACT

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.

This fiscal year, as the NASBA Center for the Public Trust (CPT) celebrates its 20th Anniversary, the organization took a major shift in working with student programming. This new vision and approach has yielded positive impacts, driving growth and expansion for StudentCPT chapters, enhancing engagement with students, and strengthening the organization's presence on college and university campuses. The CPT also began analysis to launch young professional programming to address the needs for mentoring and ethical decision-making. Working alongside NASBA leadership and members, CPT Board members and other partners, the CPT continued to work with state boards in the professional Ethical Leadership Training, 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 and now connects students in 55 chapters across 25 states and U.S. territories.

STUDENTCPT TIERS

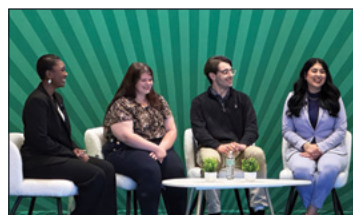
The CPT has traditionally provided programming through StudentCPT chapters, with student leaders nominated for the StudentCPT Leadership Conference. However, the CPT was often asked to present on campuses without chapters, and many institutions participated in the Ethical Leadership Certification Program and the *Ethics in Action* Video Competition independently. As a result, the CPT engaged students nationwide who were ineligible for the conference, and the impact and breadth of this exposure to students was not fully captured. In fall 2024, the CPT launched StudentCPT Tiers—Pioneer, Champion and Ambassador—creating three pathways for institutions to engage with the CPT in ways that best support their students.

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 the National Association of Black Accountants (NABA) for the Balance Sheet Bash 2025. 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

As the CPT continues to shape the ethical values and principles of college students, the CPT enrolled 5,816 college students in the Ethical Leadership Certification Program this past fiscal year. The CPT's current learning management system uses mobile optimization for course delivery, engages learners through gamification elements and provides professors with enhanced class reporting features. The CPT remains committed to using cutting edge technology to educate and empower ethical leaders.





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 23-25, 2025, in Philadelphia, PA, creating opportunities for 59 student leaders from 36 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, and sessions on topics including Strategic Networking, Strengths Based Leadership and Being Empowered on Campus.

ETHICS IN ACTION VIDEO COMPETITION

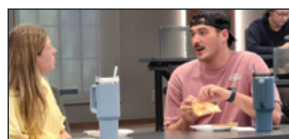
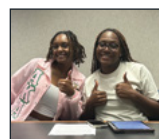
The 2025 *Ethics in Action* Student Video Competition continued to help spread the importance of ethical decision-making through the lens of college students. This national competition allowed students to creatively share their views on ethics and accountability in business. The 2025 competition received 54 videos from 15 colleges and continues to be an effective tool to teach business ethics to students. This year's winning teams represented Jackson State University, Youngstown State University, Wake Forest University, and Pepperdine University.

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 2024–2025, 111 professionals completed the program. 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 is expanding, with discussions underway in additional states. Designed to strengthen ethical decision-making in professionals, the program can be tailored to each board's needs. These partnerships will help advance the CPT's goals of developing ethical leaders, generating revenue to support StudentCPT programming, and expanding the training to all 55 U.S. jurisdictions.

CPT PARTNERS - 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 Kentucky Society of CPAs and Dean Dorton. The CPT's partnership with Baruch College as cohosts of the 19th Annual Ensuring Integrity: Audit Conference hosted more than 165 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.



BOARD OF DIRECTORS 2024-2025

Donald H. Burkett, CPA, CPT Chair
David A. Costello, CPA, CPT Life Director
Larry W. Bridgesmith, ESQ., CPT Life Director
Milton Brown, PA, CPT Life Director
James Alderson, CPA
Barry M. Berkowitz, CPA
Jennifer Bouchard
Jen Cryder, CPA

W. Michael Fritz, CPA
William Latham, Ph.D.
Delbert Madison
Sean P. Mcvey, CPA
Kymberly Messersmith
Kent Noble
Kelly Richmond Pope, PhD, CPA

CPT Staff

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

NASBA YEAR IN REVIEW 2024-2025

October 2024



Inspired by the theme, “Innovate-Collaborate-Succeed,” President and CEO Daniel J. Dustin delivers his first State of NASBA Address during NASBA’s 117th Annual Meeting in Orlando, FL.



Incoming NASBA Chair Maria E. Caldwell lists mobility and licensure pathways, state board deregulation and the impact of private equity firms on CPA firms as key issues of concern for NASBA and member boards during her inaugural address.



NASBA honors Jimmy Burkes, Doreen Johnson and Telford Lodden for their contributions to Boards of Accountancy, NASBA and the accounting profession.



Wendy S. Garvin joins the NASBA executive team as executive vice president.

November 2024

Enforcement Training Webinar Series launches to inform member boards on topics ranging from Supreme Court Cases Impacting Regulatory Boards to ADA Testing Accommodations.

November 2024 (continued)

NASBA introduces Bulk Scheduling Program to colleges, universities and CPA firms in collaboration with AICPA and Prometric.



ARPL hosts webinar featuring a recap of 2024 activities and insight into the 2025 landscape.

December 2024

Public comment periods close for the CPA Competency-Based Experience Pathway and Uniform Accountancy Act (UAA) exposure drafts.

NASBA Center for the Public Trust closes out the year with 5,997 Ethical Leadership Certification Program student participants.



NASBA and its Peer Review Compliance Committee offer guidance to state boards on important changes made to Peer Review Standards Update No. 2 (PRSU No. 2).

January 2025

The CPA Evolution-aligned Exam celebrates one year of successful administration on January 10, 2025.

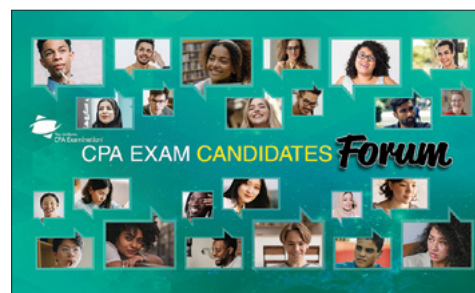


Colleen K. Conrad ends her 13-tenure as NASBA executive vice president and chief operating officer and enters retirement on January 31, 2025.

NASBA and the AICPA chart new territory—bringing CPA Exam testing to Bermuda.

NASBA kicks off the new year by hosting webinars on CPA Evolution and Establishing Employee Stock Ownership Plans (ESOPs).

February 2025



NASBA’s CPA Candidates Facebook Forum reaches 25K members—proof that the path to CPA is better together.

AICPA and NASBA advance public protection-focused and market-responsive model licensure legislation.



Daniel J. Dustin informs stakeholders about NASBA’s latest initiatives during the debut of the NASBA Update Interview Series.

AICPA releases 2024 pass rates for the CPA Exam.

March 2025

CPA Exam candidates tune in for an expert-led webinar exploring the Exam and its new Discipline sections.

NASBA and the AICPA call for public comment on proposed changes to the profession’s model law - paving a new route to CPA licensure.

Vice President of State Board Relations Kent Absec joins the conversation on CPA Pathways to Licensure at the American Accounting Researchers and Educators Conference.

NASBA YEAR IN REVIEW 2024-2025

April 2025

Peer Review Compliance Committee issues Updated Deficient Report and Monitoring Guidance.

Enforcement Resources Committee releases 2025 first quarter report.

NASBA Board approves funding for three Accounting Education Research Grant proposals totaling \$25,000.

May 2025

J. Coalter Baker of Texas nominated as NASBA's vice chair candidate for 2025-2026.



NASBA celebrates accounting professionals in honor of National Accounting Day.

Paving the way for the next generation, AICPA and NASBA approve model legislation for new CPA licensure path.

CPT supporters tee off at Nashville's Hermitage Golf Course for the annual CPT Golf Classic.

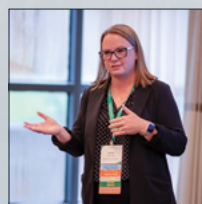


June 2025

NASBA regional directors bring energy and emerging topics to two stand-out Regional Meetings in New Orleans and Philadelphia.



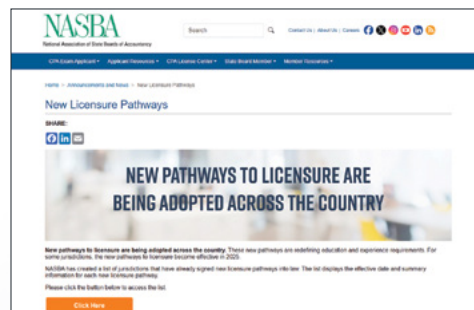
NASBA's Communications Committee hosts Breakfast Meetings that spark ideas, celebrate successes, and encourage innovative outreach among member boards.



The 2025 StudentCPT Leadership Conference, held June 23–25, in Philadelphia, PA, enlightens students from 36 colleges and universities across the nation.

July 2025

NASBA debuts a new online resource to follow CPA licensure pathway adoption across the U.S. via nasba.org.



The Experience, Learn & Earn Pilot Program announces it will conclude at the end of 2025, marking a milestone in experiential learning.

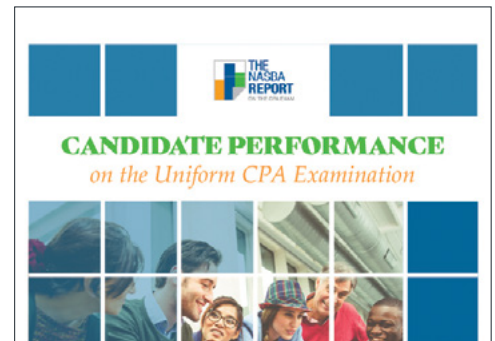
NASBA and AICPA Publish Ninth Edition of the Uniform Accountancy Act (UAA).

August 2025

The Accountancy Licensee Database (ALD) confirms 653,408 actively licensed CPAs as of August 2025 (as reported by 53 of the 55 U.S. jurisdictions).

**653,408
Licensed CPAs**

Research teams from Jackson State University and the University of Wisconsin-Madison are named recipients of NASBA's 2025 Accounting Education Research Grants. Call for 2026 proposals opens.

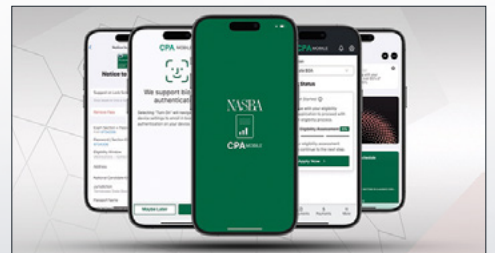


The release of *The NASBA Report: Candidate Performance on the CPA Examination (2024 Edition)* reveals how candidates performed in year one of the CPA Evolution Exam.

The NASBA Nominating Committee sets the stage for 2025–2026 with its newly announced slate of nominees.

September 2025

"Unlocking Excellence: Elevating Standards" set the tone for the 2025 National Registry Summit, held September 16-17, in Anaheim, CA.



NASBA launches CPA Mobile App to give CPA Exam candidates a convenient, mobile-friendly way to prepare for, apply to, and stay informed about the Uniform CPA Examination—anytime, anywhere.

CPAMobility.org relaunches with a modernized and user-friendly interface, simple, state-by-state search functionality, concise summaries, and easy navigation.

AICPA and NASBA seek public input on proposed revisions to the CPE Standards through December 16, 2025.

EXECUTIVE STAFF AND DIRECTORS

Kent A. Absec	Vice President, State Board Relations
Brenner Allen, Esq.	Chief Legal Officer
Kyle Barrier	Associate Director, International Evaluation Services
Lisa Dampf.....	Chief Human Resources Officer
William A. Emmer, CPA	Chief Operating Officer
Cheryl Farrar	Chief Information 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 Communications 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
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 Auditors'
Report and Consolidated
Financial Statements**

July 31, 2025 and 2024



National Association of State Boards of Accountancy

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

September 24, 2025

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, 2025 and 2024, 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



National Association of State Boards of Accountancy

REPORT OF MANAGEMENT

September 24, 2025

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

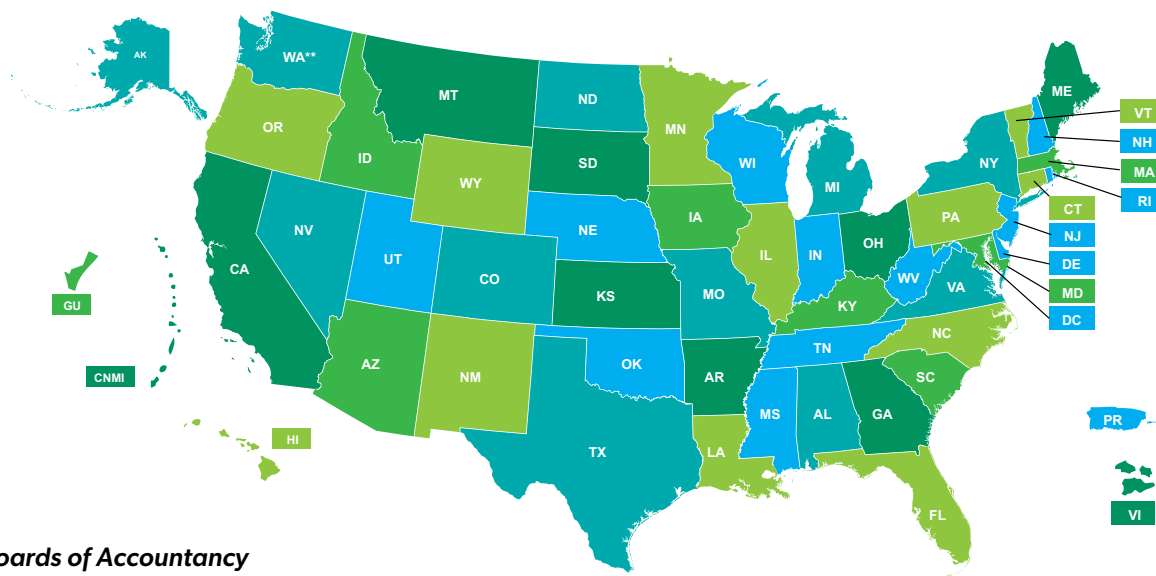
Phil Groves

Philip A. Groves, CPA
Director of Finance and Controller

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC. MANAGEMENT'S DISCUSSION AND ANALYSIS—FISCAL 2025

MISSION AND OPERATIONS

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 (Boards).



The Fifty-five Boards of Accountancy

This long-standing mission has built the foundational support by which NASBA assists and works alongside the Boards. NASBA serves its mission through supporting the Boards in the protection of the public. This is accomplished by significantly enhancing the Boards' ability to regulate. NASBA's executive management and staff align the level of mission activities and support to objectives defined in NASBA's strategic plan which is periodically updated based on current conditions and needs of the Boards. These areas of importance and emphasis to Boards provide direction on resource spending by management. They are guiding principles for leadership of the organization when committing resources either through commencing new services or through continued supporting activities.

These areas of importance also provide a framework for operating services related to the CPA Examination and compliance activities, including licensing, on behalf of Boards. Operating services also include maintaining continuing professional education (CPE) standards which is an important requirement for the regulation of licensees. These services create financial resources which allow NASBA to assist Boards in their vital responsibilities of regulation and enforcement in their ultimate role of public protection. Mission-related Member Services by NASBA include the Board-supporting services of the Accountancy Licensee Database, Accountancy Licensing Library, CPE Audit Service, the monitoring of legislation and governmental activities that impact regulation of the profession, peer review, mobility, licensing pathways, relationships with the Boards, and other various support and services.

An essential component of NASBA's mission is the funding for committees and conferences. There were a total of twenty-four committees and one

task force included in Member Services during fiscal 2025 that focused on topics to enhance the effectiveness of CPA regulation. The focus of these committees and task force includes ethics, education, inclusion, standard setting and professional trends, CPE, Board communication, peer review, private equity ownership in CPA firms, and enforcement resources for the member Boards. NASBA facilitated conferences which integrate both in-person and virtual attendance, for the Boards' use. This includes the Annual Meeting, the Eastern and Western Regional Meetings, and conferences for the Boards' executive directors and legal counsel.

Activities of the NASBA Center for the Public Trust (CPT) are also a component of Member Services expense. CPT is a nonprofit, public benefit entity which exists to develop, empower, and promote ethical leadership. This is accomplished by equipping current professionals and preparing students (future professionals) with tools to make principled decisions via thought-provoking seminars, conferences and virtual training platforms which simulate real-world situational ethical decision making. CPT has established Student Center for the Public Trust (StudentCPT) chapters at fifty-five colleges and universities as of July 31, 2025, with an additional four chapters since this date. In addition to StudentCPT chapters, CPT hosts an annual StudentCPT Leadership Conference where over fifty students from across the country hear from nationally recognized speakers focusing on topics like accountability, strengths-based leadership, emotional intelligence and other relevant topics as the student prepares to enter the workforce. Through keynote presentations, group projects and roundtable discussions, students develop critical leadership skills that allow them to be better leaders on campus and in the workplace. In total, CPT impacted students at approximately three hundred different college campuses during fiscal 2025.

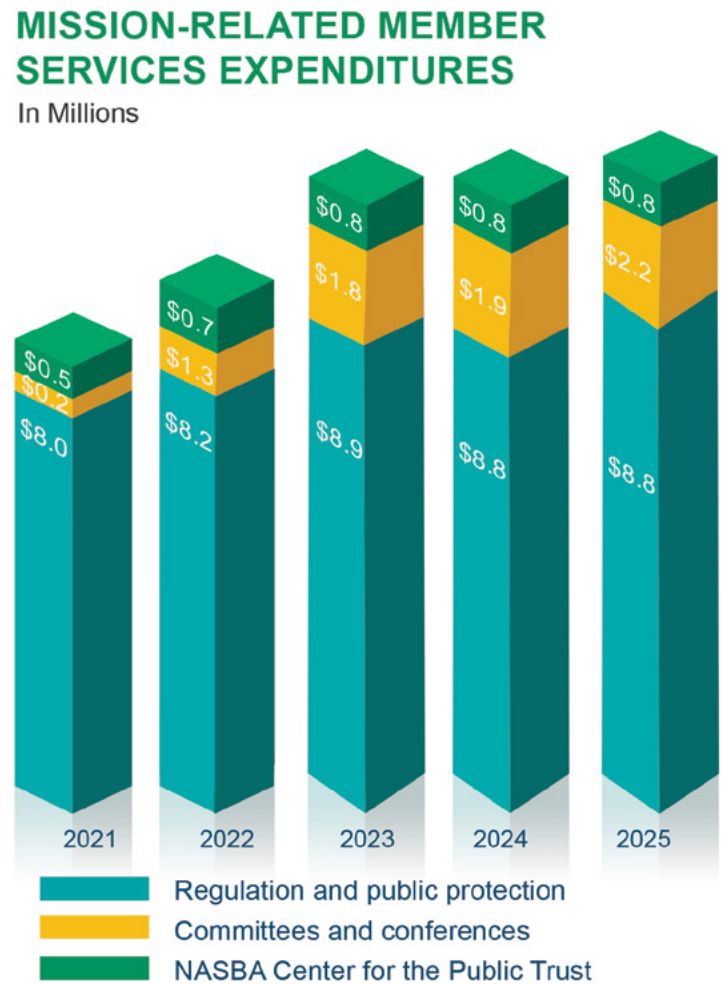
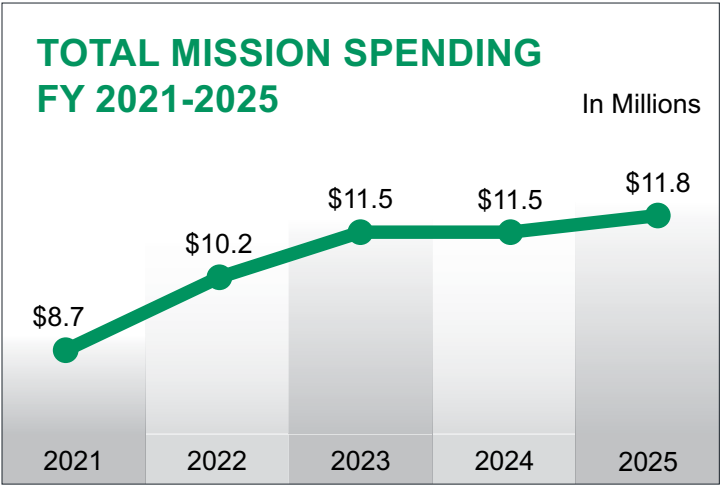
NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS—FISCAL 2025

FISCAL 2025 SUMMARY

Fiscal 2025 continued its priority of increased spending on mission-related Member Services activities over the prior year. The current fiscal year represents the highest amount of expenditures towards these services. Member-services represent services provided directly to, or on behalf of, Boards outside of examination, licensing, and CPE-sponsored programs. New and increased efforts during fiscal 2025 include discussions with various stakeholders regarding improved methods for NASBA to serve the Boards, assistance with CPA pathways and mobility efforts, new support towards professional standards’ research related to regulation by Boards, and improved reporting for Boards. In addition, NASBA provided an improved experience for attendees at its various conferences. NASBA continued its focus on ethics through its financial support of CPT.

During the first part of fiscal 2025, the transition period related to CPA Evolution ended. CPA Examination candidate volume began returning to its normal state beginning January 1, 2025, following a lower-volume period caused by the transition during calendar 2024. Total CPA Examination candidate volume for fiscal 2025 is shown in the chart on the following page. The examination service areas focused on an improved experience for candidates during the fiscal year. Processing time for candidates improved across a multitude of examination areas during the course of fiscal 2025. The development of a CPA Examination candidate mobile application, as discussed in the following paragraph, also highlights an enhanced overall experience.

The launch of various information technology (IT) projects during fiscal 2025 were an important part of the activities of NASBA. The largest of these in terms of costs was the NASBA CPA Mobile App. This application is designed to give CPA Examination candidates a convenient, mobile-friendly way to prepare for, apply to, and stay informed about the CPA Examination. It brings essential tools and services to candidate’s mobile devices with real-time updates and easy access to critical documents. It was designed to make the path to CPA licensure easier for candidates. Another important IT tool for Boards is an improved Accountancy Licensee Database. This improved software adds a modern layout along with updated functionality and reporting for use by Boards in the regulation of CPAs across jurisdictions. During fiscal 2025, development began on a new licensing software system used to assist Boards in the processing of candidates for licensure after passing the CPA Examination. This project is scheduled for completion in the latter part of fiscal 2026. Finally, other artificial intelligence (AI) improvements were implemented to assist in processing candidates for the CPA Examination.

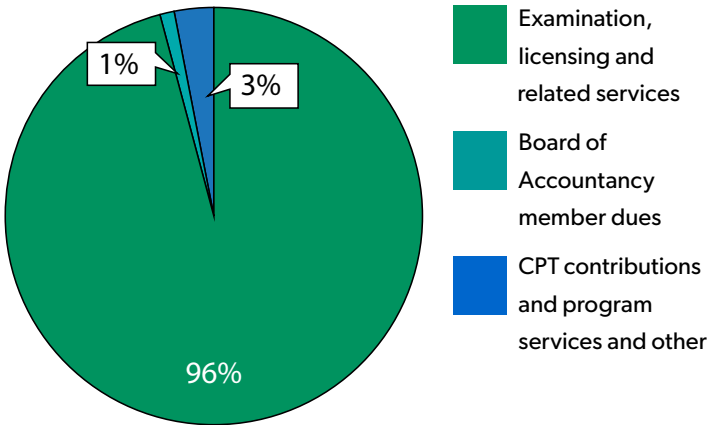


NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS—FISCAL 2025

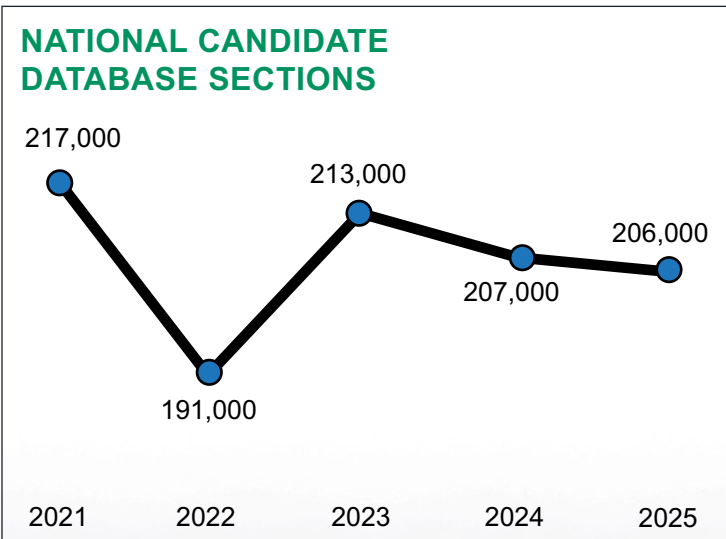
PROGRAM REVENUE

The funding for Member Services spending is generated through several revenue channels. The chart to the right shows the revenue sources as reflected in the consolidated statements of activities. Program revenue by activity is shown on the following page. Essentially all NASBA’s revenue (96% in fiscal 2025 and 97% in 2024) originates from examination, licensing and related services. The smallest percentage of total revenue (1% in both fiscal 2025 and 2024) stems from Board member dues. CPT contributions and program services along with other mission-related services, such as conference fees, comprise the remaining 3% (2% in fiscal 2024) of total revenue.

NASBA’s capabilities assist Boards and staff in their administrative tasks of initial licensing of CPAs. Examination and licensing revenue derives from fees for evaluating the credentials of individuals progressing towards CPA licensure and performed on behalf of the respective Boards. Services like application processing, credential evaluation, and score reporting are provided to candidates seeking licensure for the thirty-six Boards served as of July 31, 2025. Examination and licensing revenue also includes fees related to the operation of the National Candidate Database, a global, central information repository for all CPA Examination candidates. Through this database, NASBA assists in the processing of candidates testing in all locations. Once a candidate passes the CPA Examination, additional NASBA licensing services may also be provided to CPA candidates on behalf of some Boards. Along with the revenue directly related to the processing of candidates into the CPA Examination network, NASBA earns revenue related to academic evaluations of international-based education credentials.



In fiscal 2025, 206,000 examination sections were processed through the National Candidate Database. Included in this total are 26,000 sections related to candidates choosing to test at international locations.



NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC. MANAGEMENT’S DISCUSSION AND ANALYSIS—FISCAL 2025

PROGRAM REVENUE (CONTINUED)

Through the National Registry of CPE Sponsors (CPE Registry), NASBA provides support to the Boards’ mission and to CPA licensees professional competency by identifying quality CPE providers that meet nationally accepted standards for development, presentation, measurement and reporting of educational programs. Revenue is generated by evaluating CPE providers who pledge to meet stringent CPE program standards. To be approved, learning providers must demonstrate that the professional competence of a participating CPA is enhanced by the programs offered. As a part of this service, the National Registry Summit is held annually, in September, and focuses on CPE standards, improved delivery methods and increased learning effectiveness. NASBA also provides services in which entities receive CPA licensee-specific information about their employees’ CPE compliance by jurisdiction. All of this revenue is included in Compliance services as shown in program revenue.

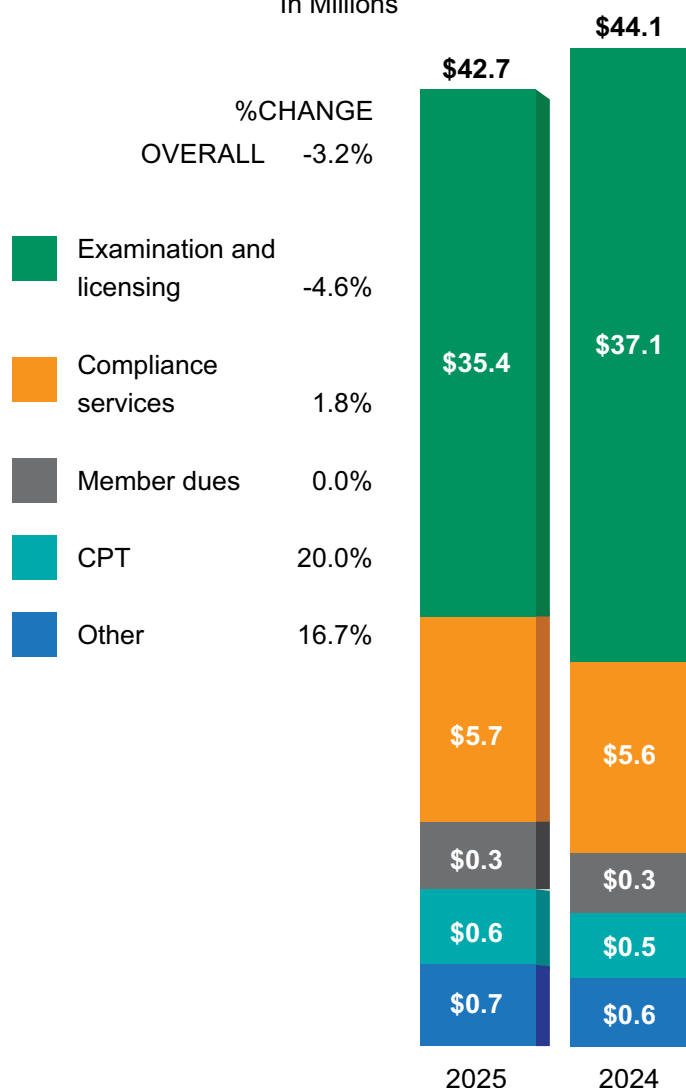
Member dues, CPT-related revenue (contributions and program services), and other revenue such as conference fees are included in Member services, dues and other revenue in the consolidated statements of activities.

Total revenue decreased by 3% in fiscal 2025 as compared to fiscal 2024. All of this decrease is in the examination-related activities and primarily relates to ancillary revenue sources outside of application fees. Although examination-related revenue was lower in fiscal 2025 than fiscal 2024, the percentage of candidates that tested after receiving their notice-to-schedule was higher in fiscal 2025 than prior years which is a benefit to Boards. This is most likely the result of improved efforts by the operations staff to assist and encourage candidates through the examination process.

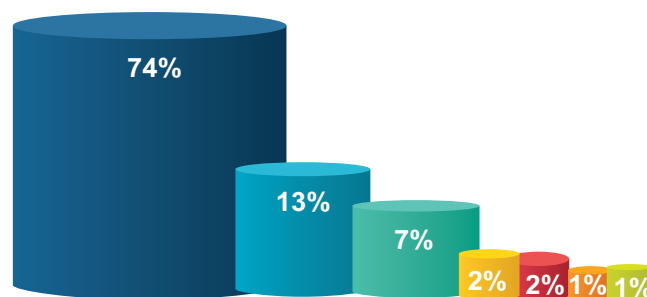
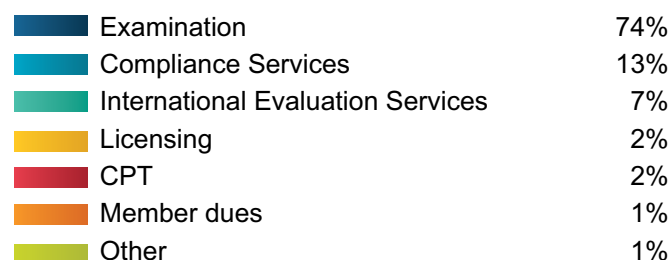
Compliance services and other revenue sources increased from the prior fiscal year. This includes an increase in CPE Registry sponsors and financial support for CPT.

PROGRAM REVENUE

In Millions



REVENUE BY ACTIVITY



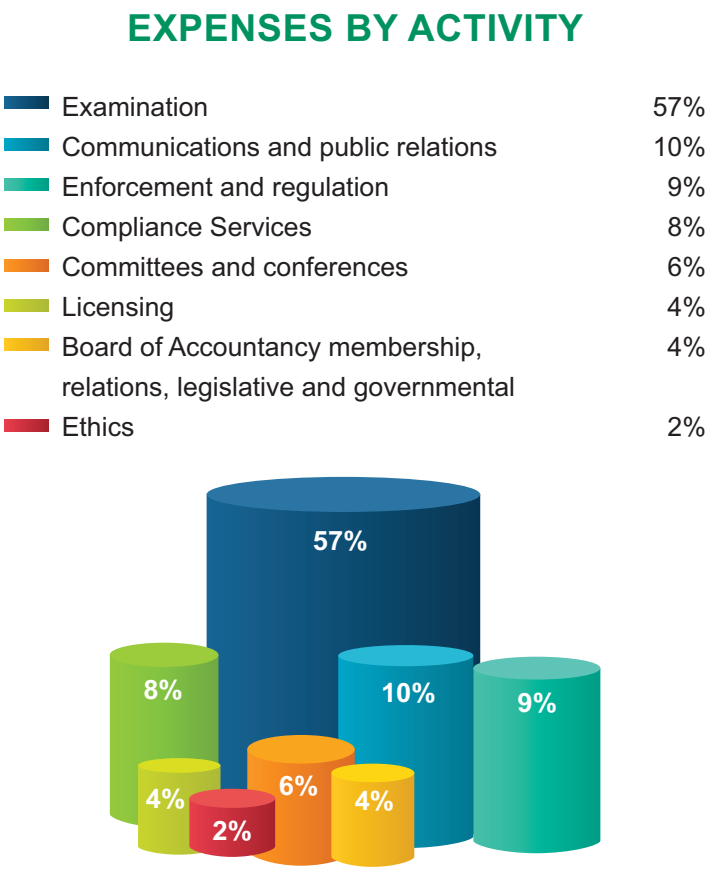
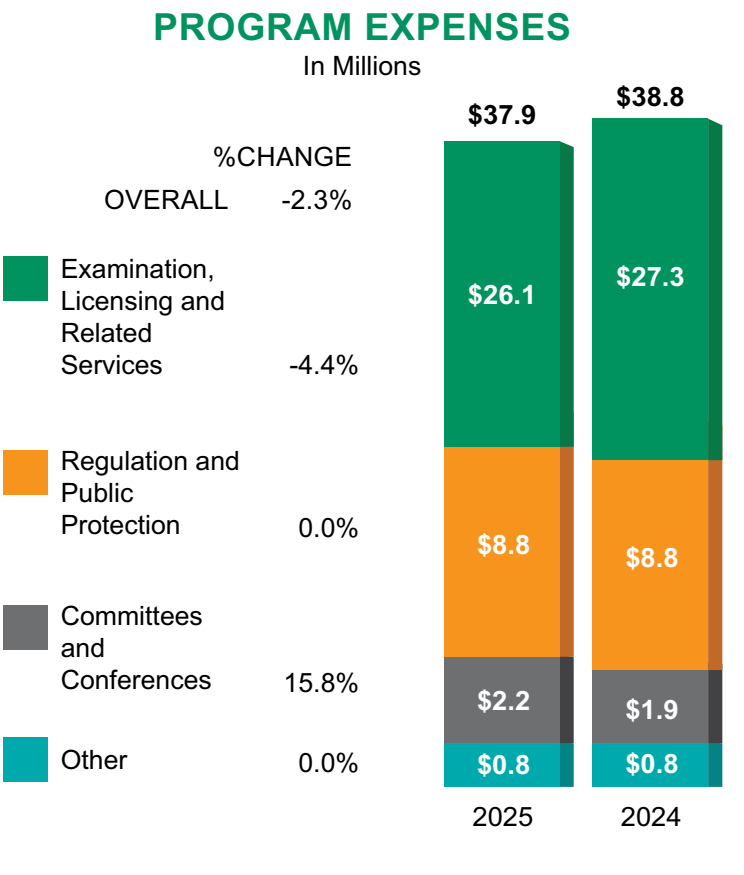
NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS—FISCAL 2025

PROGRAM EXPENSES

Total consolidated program expenses decreased by 2.3% from \$38.8 million in fiscal 2024 to \$37.9 million in fiscal 2025. This is a decrease of \$0.9 million.

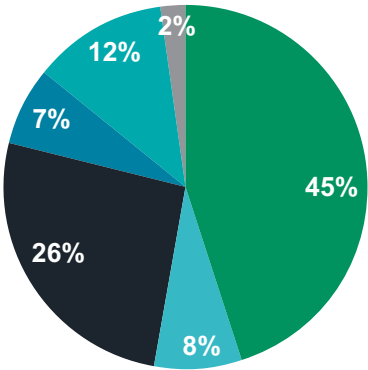
The primary components of this decrease are expenses related to salaries and benefits along with depreciation and amortization. One-time expenses related to staff transitions were incurred in fiscal 2024. In addition, the completion of the Gateway and CPA Examination Services software projects in fiscal 2024 resulted in additional one-time amortization for these software development costs that were not incurred in fiscal 2025. Travel and meeting-related expenses for conferences and committees increased in fiscal 2025 from the prior year. All other expense captions generally tracked the prior year.

Aside from the expense categories discussed in the previous paragraph, and as shown in the consolidated statements of functional expenses, the amount of expenses by function for fiscal 2025 followed the prior year. Overall, total operating expenses for NASBA during fiscal 2025 were incurred on the below programs and services.



EXPENSES BY FUNCTION

- Compensation and related costs
- Conferences, meetings and travel
- Technology and professional
- Credit card and other program services costs
- Occupancy, depreciation and amortization
- Other



NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS—FISCAL 2025

INVESTMENTS

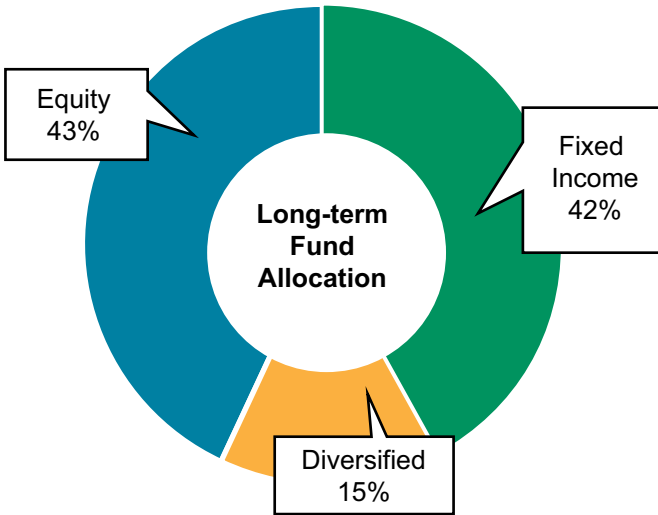
NASBA has long-term investment securities which provide liquidity for NASBA in the event funds are needed for significant capital endeavors, an economic downturn, or other disruptive events. The target allocation of the Board of Director-approved Investment Policy Statement is conservatively positioned. The long-term fund is a foundational cornerstone of the strong financial viability the organization has built over many years in support of the Boards. As discussed earlier in this MD&A and throughout the Annual Report, NASBA provides many services directly to and on behalf of the Boards at no cost to the Boards. The long-term fund provides financial stability for the organization. The Boards should feel confident that NASBA will continue to be available to provide this significant number of services regardless of short-term economic conditions. The long-term fund balance also allows leadership to make mission-minded resource decisions without negative impacts to current operational activities.

Under the Investment Policy Statement, long-term investment securities are directed at the discretion of an investment advisor who is under the oversight of the NASBA Administration and Finance Committee along with the Investment Committee, a subcommittee of the Administration and Finance Committee. Of the total investment securities balance at July 31, 2025, 42% is invested in lower-risk investment securities such as federally insured certificates of deposit, U.S. Treasury and Federal Agency securities, corporate bonds with a rating of investment grade or better, other fixed income mutual funds, separately managed fixed income accounts and money market mutual funds.

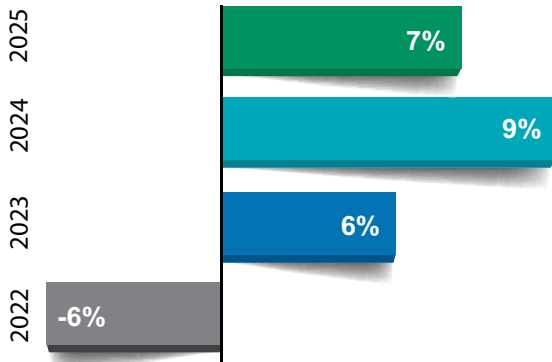
Equity funds, which are similarly allocated at 43% of the total long-term fund at July 31, 2025, are invested in a variety of mutual funds and managed fund accounts. These include large-cap, mid-cap, small-cap, and international stocks with various growth versus value style orientations for diversification within the equity class. The smallest class allocation in the long-term fund is the diversified asset class which includes investments which have risk versus return characteristics that are not correlated to the equity or fixed income markets. These securities serve an intended purpose of helping to lower the overall volatility of the total portfolio during turbulence in the equity and fixed income markets. These represent 15% of the July 31, 2025 balance. The allocation percentages at the end of fiscal 2025 are consistent with the percentages at the end of the prior year. More information regarding these investment securities is provided in Note 4 of the consolidated financial statements.

NASBA continues to have a nominal ownership percentage in a company that includes the operations of a former wholly-owned subsidiary. This investment is shown as Investment in affiliate in the consolidated statements of financial position.

The total investment securities balance at July 31, 2025 was \$64.1 million. This is an increase from the \$57.0 million balance at July 31, 2024. The chart on the right shows the net investment income for fiscal 2025 of \$5.1 million. This includes the net market value gain of \$1.9 million and \$3.2 million of other investment income consisting primarily of dividends and interest, net of fees in fiscal 2025. The long-term fund investment return for fiscal 2025 was approximately 7% which is in line with the target allocation of the fund.

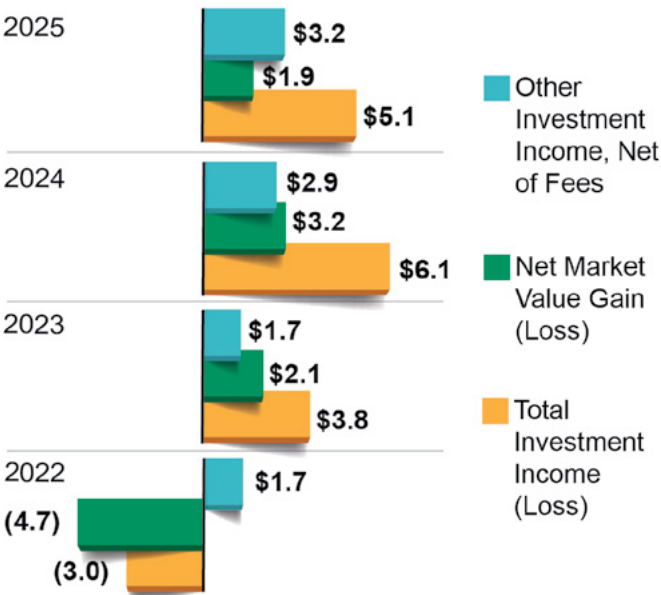


Long-term Investment Return



INVESTMENT INCOME

In Millions



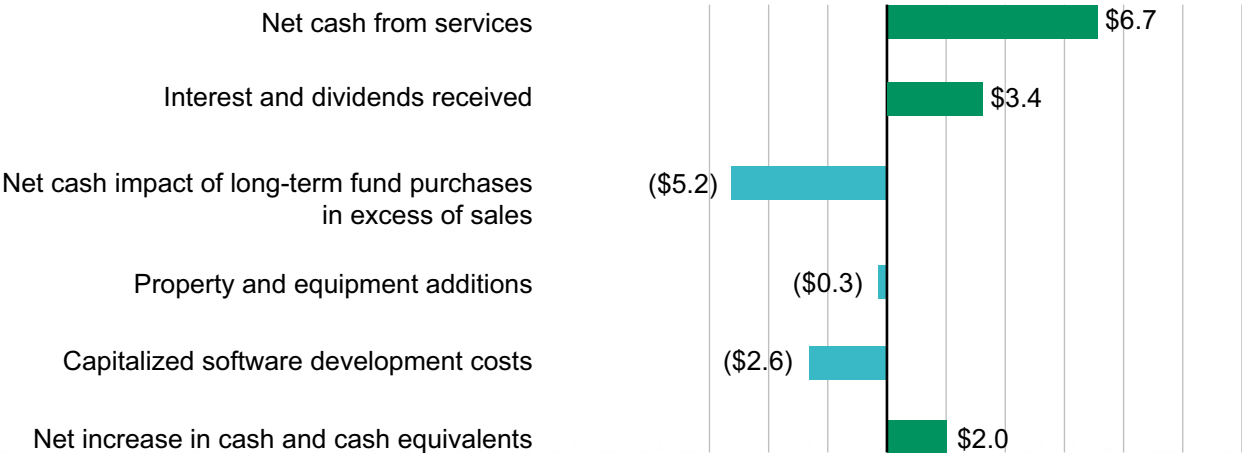
NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS—FISCAL 2025

CASH FLOW, FINANCIAL POSITION AND LIQUIDITY

The cash and cash equivalents balance at July 31, 2025 was \$26.5 million. This represents an increase of \$2.0 million in fiscal 2025. This net increase in cash is primarily related to cash received during the fiscal year for operations greater than cash paid for expenses. Of the net cash provided by operations, \$3.4 million is interest and dividend received. \$3.1 million of this amount was subsequently reinvested during the fiscal year. The increase in cash from operations also results from \$2.2 million and \$0.8 million of non-cash software amortization and property, plant, and equipment depreciation expenses, respectively. This current year expense is from cash used for software development costs and property, plant and equipment purchases in prior years. An additional \$2.9 million was spent on new software development costs during fiscal 2025. This includes \$2.6 million that was capitalized and \$0.3 million that was expensed. In addition to the cash expenditures, an additional \$1.8 million of software development costs were accrued but unpaid as of July 31, 2025. The most significant of the aforementioned projects in terms of cost is the CPA Mobile App which totaled \$4.0 million, including accrued amounts.

Note 5 of the consolidated financial statements details the \$91.1 million of financial assets available for general expenditure in fiscal 2026. This includes both the cash and cash equivalents balance and specific details of the \$63.7 million investment securities balance available for general expenditure in the near term. Although available, management does not anticipate at this time the need to liquidate any long-term assets to meet cash needs during fiscal 2026.

CASH PROVIDED (USED)
In Millions



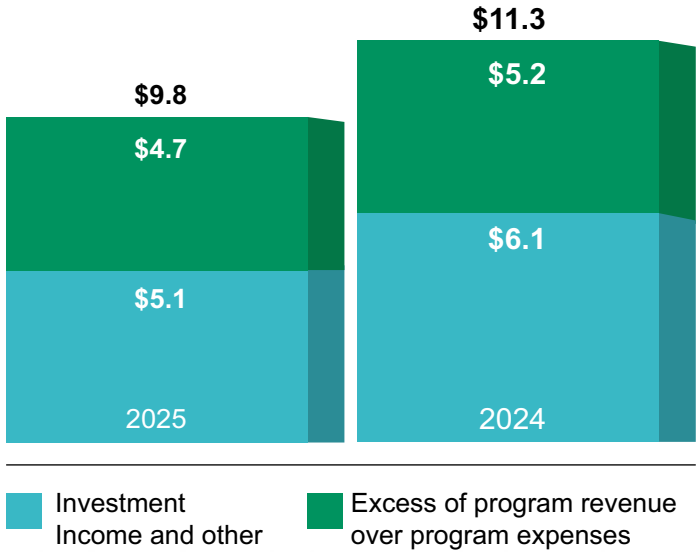
NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS—FISCAL 2025

NET ASSETS

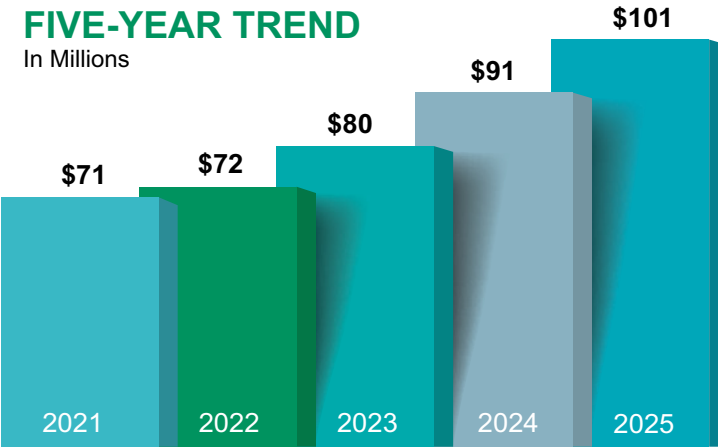
The total increase in net assets for fiscal 2025 was \$9.8 million. The change in net assets for both fiscal 2025 and fiscal 2024 are shown below in the chart. The increase in net assets for both fiscal years is benefited by steady CPA Examination candidate volume and market gains for investment securities. Included in investment income and other for both years presented is the postretirement benefit cost.

During fiscal 2025, NASBA focused on enhanced support, improved services, and understanding of the current needs and challenges of the Boards. NASBA maintained its high level of support through mission-related Member-services expenditures. NASBA shows its continued emphasis on improving the abilities of and providing support to Boards through the significant and important IT projects during fiscal 2025. In addition to those started during fiscal 2025, many new projects for Boards are planned for fiscal 2026. NASBA’s financial foundation helps continue to provide and fund new services and projects for Boards. It also solidifies NASBA’s financial stability for the future. Although NASBA has a significant and long history that has developed a strong foundation, the current leadership has shown the commitment to using NASBA’s resources towards building an even stronger foundation and that a bright future for the Boards and organization remains ahead.

CHANGE IN NET ASSETS
In Millions



NET ASSETS
FIVE-YEAR TREND
In Millions





National Association of State Boards of Accountancy

REPORT OF AUDIT COMMITTEE

September 24, 2025

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, 2025, 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, and assessed the need for Charter 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 security program in place for the National Association of State Boards of Accountancy, Inc.;
- 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;
- 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, 2026; and
- The Committee utilized a compliance tool to self-assess the execution of its responsibilities as specified in the Charter and reviewed its own performance during the year.

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, 2025.

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

Phillip Austin, CPA

Sanjay Bhakta, CPA

Bernita Demery, CPA

Tyrone E. Dickerson, CPA

Faye D. Miller, CPA

Leilani Rodrigo, CPA



INDEPENDENT AUDITORS' 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, 2025 and 2024, the related consolidated statements of financial position as of July 31, 2025 and 2024, 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, 2025 and 2024, their financial position as of July 31, 2025 and 2024, 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 Auditors' 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.

Auditors' 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 auditors' 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 24, 2025

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

	2025	2024
Program Revenue		
Examination, licensing and related services	\$ 41,098	\$ 42,706
Member services, dues and other revenue	1,562	1,432
Total program revenue	42,660	44,138
Program Expenses		
Examination, licensing and related services	26,078	27,301
Member services:		
Regulation and public protection	8,788	8,781
Committees and conferences	2,210	1,943
Other	803	820
Total program expenses	37,879	38,845
Excess of Program Revenue Over Program Expenses	4,781	5,293
Net Assets Released from Restrictions	24	24
Postretirement Benefit Cost	(84)	(80)
Investment Income	5,093	6,077
Increase in Net Assets Without Donor Restrictions	9,814	11,314
Change in Net Assets with Donor Restrictions		
Contributions and investment income	14	25
Net assets released from restrictions	(24)	(24)
Increase (Decrease) in Net Assets With Donor Restrictions	(10)	1
Increase in Net Assets	9,804	11,315
Net Assets, Beginning of Year	90,881	79,567
Adoption of Credit Losses Standard	-	(1)
Net Assets, End of Year	\$ 100,685	\$ 90,881

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
2025			
Compensation	\$ 9,073	\$ 3,886	\$ 12,959
Benefits, taxes and other employee costs	3,076	1,019	4,095
Conferences and meetings	149	1,557	1,706
Travel	62	1,021	1,083
Technology	1,562	788	2,350
Professional services	5,426	2,139	7,565
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
Marketing and community support	18	65	83
Other	260	139	399
Total	<u>\$ 26,078</u>	<u>\$ 11,801</u>	<u>\$ 37,879</u>

	Examination, licensing and related services	Member services	Total
2024			
Compensation	\$ 9,953	\$ 3,885	\$ 13,838
Benefits, taxes and other employee costs	2,785	965	3,750
Conferences and meetings	120	1,328	1,448
Travel	75	1,064	1,139
Technology	1,669	840	2,509
Professional services	5,586	2,073	7,659
Credit card and other program service costs	2,484	27	2,511
Occupancy	1,226	427	1,653
Depreciation and amortization	2,820	661	3,481
Office	343	77	420
Marketing and community support	13	68	81
Other	227	129	356
Total	<u>\$ 27,301</u>	<u>\$ 11,544</u>	<u>\$ 38,845</u>

See Accompanying Notes to Consolidated Financial Statements

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

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 26,544	\$ 24,539
Receivables, net	1,126	1,277
Prepaid expenses	1,317	1,219
Total current assets	28,987	27,035
Investments and Other Assets		
Investment securities, at fair value	64,114	56,996
Investment in affiliate	884	884
Other assets	365	331
Total investments and other assets	65,363	58,211
Property and Equipment	8,682	8,808
Less accumulated depreciation and amortization	6,591	6,205
Net property and equipment	2,091	2,603
Operating lease right-of-use assets	3,070	4,181
Software Development Costs	25,253	20,864
Less accumulated amortization	9,537	7,339
Net software development costs	15,716	13,525
Total assets	<u>\$ 115,227</u>	<u>\$ 105,555</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 7,111	\$ 5,785
Deferred revenue	2,881	2,929
Operating lease liabilities	1,679	1,607
Other current liabilities	77	50
Total current liabilities	11,748	10,371
Long-term Liabilities		
Operating lease liabilities	2,430	3,935
Other long-term liabilities	364	368
Total long-term liabilities	2,794	4,303
Total liabilities	14,542	14,674
Net Assets		
Without donor restrictions	100,316	90,502
With donor restrictions	369	379
Total net assets	100,685	90,881
Total liabilities and net assets	<u>\$ 115,227</u>	<u>\$ 105,555</u>

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

	2025	2024
Operating Activities		
Cash received for services	\$ 44,415	\$ 46,871
Cash received for membership dues	310	299
Cash received from donors to NASBA Center for the Public Trust	278	182
Interest and dividends received	3,376	3,039
Cash paid to employees, vendors and others	(36,082)	(37,067)
Cash paid for operating leases	(1,726)	(1,694)
Cash received from examination candidates for examination parties	52,536	50,542
Cash paid to escrow accounts for examination parties	(52,950)	(51,374)
Net cash provided by operating activities	10,157	10,798
Investing Activities		
Property and equipment additions	(286)	(267)
Capitalized software development costs	(2,616)	(2,927)
Purchases of investment securities	(21,154)	(13,562)
Proceeds from sale of investment securities	15,918	11,678
Other	(14)	(4)
Net cash used by investing activities	(8,152)	(5,082)
Net Increase in Cash and Cash Equivalents	2,005	5,716
Cash and Cash Equivalents, Beginning of Year	24,539	18,823
Cash and Cash Equivalents, End of Year	\$ 26,544	\$ 24,539

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

	<u>2025</u>	<u>2024</u>
Reconciliation of increase in net assets to net cash provided by operating activities:		
Increase in net assets	\$ 9,804	\$ 11,315
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	764	769
Amortization of software development costs	2,198	2,712
Gains on investment securities	(1,882)	(3,170)
Noncash lease expense	1,272	1,230
Loss on disposals of property and equipment	34	3
(Gains) losses on endowment fund investment securities	1	(16)
Changes in assets and liabilities		
(Increase) decrease in:		
Receivables, net	151	781
Prepaid expenses and other assets	(119)	(243)
Decrease in:		
Accounts payable, accrued and other liabilities	(585)	(563)
Deferred revenue	(48)	(494)
Operating lease liabilities	(1,433)	(1,526)
Net cash provided by operating activities	<u>\$ 10,157</u>	<u>\$ 10,798</u>
Supplemental Disclosures		
Accrued capitalized software development costs	<u>\$ 1,773</u>	<u>\$ -</u>
Noncash recognition of operating lease right-of-use assets in exchange for new operating lease liabilities	<u>\$ 161</u>	<u>\$ -</u>

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.

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.

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. From time to time, cash exceeds the FDIC insurance limit. At July 31, 2025, 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.

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. NASBA has 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 and 2024. Based on the aging method and the consideration of other financial factors and conditions, no adjustment was made to the allowance during fiscal 2025. This estimate will be re-assessed each reporting period. Additionally, management has determined that no allowance was required for CPT contributions receivable at July 31, 2025 and 2024.

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.

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Significant Accounting Policies (Continued)

Investment securities (continued)

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.

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 long-lived assets

Long-lived assets, which include property, equipment 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.

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Significant Accounting Policies (Continued)

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 are 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.

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 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

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 2024:

(In thousands)	Revenue from contracts with customers	Other sources of revenue
Examination, licensing and related services	\$ 42,706	\$ -
Member services, dues and other revenue	1,222	210
Total Revenue	\$ 43,928	\$ 210

Total revenue from contracts with customers recognized over time was \$40,883,000 and \$42,350,000 for fiscal 2025 and 2024, respectively. Total revenue from contracts with customers recognized at a point in time was \$1,539,000 and \$1,578,000 for fiscal 2025 and 2024, 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, \$96,000 and \$100,000 at July 31, 2025, July 31, 2024 and August 1, 2023, respectively, and are included in receivables, net, in the consolidated statements of financial position.

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Significant Accounting Policies (Continued)

Revenue recognition (continued)

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 \$2,881,000, \$2,929,000 and \$3,423,000 at July 31, 2025, July 31, 2024 and August 1, 2023, 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.

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, 2025 and 2024 total \$49,000 and \$90,000, 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, 2025 and 2024, 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.

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

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

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

Note 4. Fair Value Measurement (Continued)

The fair value of investment securities at July 31, 2024 is as follows:

(In thousands)	Level 1	Level 2	Total
Assets in the Fair Value Hierarchy:			
Mutual Funds			
Equity securities	\$ 12,983	\$ -	\$ 12,983
Fixed income securities	2,674	-	2,674
Diversified investments	1,042	-	1,042
Money market	1,183	-	1,183
Total mutual funds	17,882	-	17,882
Exchange-traded Funds			
Equity securities	5,968	-	5,968
Total exchange-traded funds	5,968	-	5,968
Separately Managed Accounts			
Equity securities	5,301	-	5,301
Fixed income securities	883	-	883
Total separately managed accounts	6,184	-	6,184
U.S. Government and Other Debt Obligations			
Certificates of deposit	-	953	953
Treasury securities	-	7,675	7,675
Federal agency securities	-	1,710	1,710
Corporate bonds	-	8,994	8,994
Total U.S. government and other debt obligations	-	19,332	19,332
Managed Pool Accounts			
Diversified investments	-	1,028	1,028
Total managed pool accounts	-	1,028	1,028
Total assets in fair value hierarchy	\$ 30,034	\$ 20,360	50,394
Investments measured at NAV as a practical expedient:			
Diversified investments			6,602
Total Investment Securities			\$ 56,996

NASBA has three investment funds which are measured at NAV as a practical expedient totaling \$300,000 and \$397,000 at July 31, 2025 and 2024, 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, of up to approximately six years from the end of fiscal 2025. 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 \$146,000 and \$5,000 at July 31, 2025 and 2024, respectively. NASBA committed to contribute a total of \$500,000 to this fund. At July 31, 2025, \$360,000 of the total commitment remains and the commitment period is open for approximately two years from the end of fiscal 2025. The fund has a strategy of investing in financially distressed companies. Distributions will be made periodically over a period, including extensions, of up to approximately nine years from the end of fiscal 2025. In addition, six other investments totaling \$9,071,000 and four other investments totaling \$6,200,000 were measured at NAV as a

practical expedient at July 31, 2025 and 2024, 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.

NASBA's nonfinancial assets include property, equipment, ROU assets and software development costs. If certain triggering events occur, a resulting asset impairment would require that the nonfinancial asset be recorded at fair value. During fiscal 2025 and 2024, 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, 2025 and 2024 is \$186,000 and \$173,000, 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.

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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)	2025	2024
Cash and cash equivalents	\$ 26,544	\$ 24,539
Receivables, net	1,126	1,277
Investment securities, at fair value	64,114	56,996
Investment in affiliate	884	884
Endowment fund (included in other assets)	186	173
Total financial assets	92,854	83,869
Investment securities with liquidity horizons greater than one year	(446)	(402)
Investment in affiliate	(884)	(884)
Donor-imposed restrictions on CPT financial assets	(369)	(379)
Financial assets available to meet cash needs for general expenditures within one year	\$ 91,155	\$ 82,204

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, \$26,575,000 and \$24,072,000 of long-term investment securities at July 31, 2025 and 2024, respectively, are invested in lower risk fixed income and money market securities. In addition, \$37,093,000 and \$32,522,000 are invested in securities which could be liquidated within one year at July 31, 2025 and 2024, 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 \$446,000 and \$402,000 at July 31, 2025 and 2024, 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 2025 or 2024.

Note 7. Property and Equipment

Property and equipment at July 31 consists of the following:

(In thousands)	2025	2024
Office and computer equipment	\$ 2,406	\$ 2,536
Furniture	1,903	1,899
Building and leasehold improvements	4,373	4,373
Total Property and Equipment	8,682	8,808
Accumulated depreciation and amortization	(6,591)	(6,205)
Net Property and Equipment	\$ 2,091	\$ 2,603

Note 8. Software Development Costs

The estimated amortization expense of in-service software development costs for the succeeding five fiscal years at July 31, 2025 is as follows in thousands:

Fiscal 2026	\$ 2,148
Fiscal 2027	2,148
Fiscal 2028	2,114
Fiscal 2029	1,902
Fiscal 2030	1,227

NASBA also has unamortized in-progress software development costs of \$4,389,000 that were capitalized at July 31, 2025. The software development projects to which these costs relate are anticipated to be completed during fiscal 2026. The expected annual amortization expense of the in-progress software development costs after completion is approximately \$850,000.

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 9. Leases

NASBA has leases for office space in Nashville and Guam under operating leases. The lease agreements require 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. During fiscal 2025, an option to extend the Guam office space lease was extended through December 2025. The future lease renewal options for Nashville are not included in the lease term used to determine the lease liability. NASBA had a New York office lease that ended in fiscal 2024.

Lease expense from operating leases was \$1,585,000 and \$1,693,000 in fiscal 2025 and 2024, respectively, including \$180,000 and \$294,000, respectively, of variable lease costs.

The weighted-average lease terms and discount rates for the operating leases are 2.47 years and 2.65%, respectively, for fiscal 2025, and 3.48 years and 2.64%, respectively, for fiscal 2024.

Lease liability maturities under the office space leases as of July 31, 2025 are as follows in thousands:

Fiscal 2026	\$	1,703
Fiscal 2027		1,683
Fiscal 2028		865
Total lease payments		4,251
Less imputed interest		142
Total Lease Liability	\$	4,109

NASBA had a sublease agreement for its New York office space under an operating lease. Sublease income from this operating lease was \$37,000 in fiscal 2024, and is included in occupancy expense in the consolidated statements of functional expenses. The sublease expired in fiscal 2024. There are no rental payments to be received in the future from the sublease.

Note 10. Net Assets with Donor Restrictions

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

(In thousands)		2025		2024
Purpose-restricted	\$	183	\$	206
Endowment fund		186		173
Total Net Assets with Donor Restrictions	\$	369	\$	379

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, 2025 and 2024, respectively, are \$1,486,000 and \$1,214,000.

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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, 2025 and 2024, these escrow funds amounted to approximately \$21,000,000. These funds are held in depository accounts. At July 31, 2025, 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 retirement plan amounted to \$792,000 and \$699,000 for fiscal 2025 and 2024, 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, 2025 and 2024, the accumulated postretirement benefit obligation was determined by an independent actuarial valuation to be \$441,000 (\$364,000 in other long-term liabilities and \$77,000 in other current liabilities) and \$418,000 (\$368,000 in other long-term liabilities and \$50,000 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 cost and the change in the benefit obligation:

(In thousands)	2025	2024
Components of net periodic cost:		
Service cost	\$ 5	\$ 7
Interest cost	18	15
Actuarial loss	66	65
Net periodic cost	89	87
Plan participants' contributions	29	6
Benefits paid	(95)	(15)
Net change in benefit obligation	23	78
Benefit obligation at beginning of year	418	340
Benefit Obligation at End of Year	\$ 441	\$ 418

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 12. Retirement Plan and Other Postretirement Benefits (Continued)

The discount rate used to value the obligation was 4.79% in fiscal 2025 and 2024. The assumed medical trend rate is 7.50% graded down to 6.60% over a period of 3 years and the assumed dental trend rate is 4.0% per annum. The actuarial loss of \$66,000 in fiscal 2025 is the result of 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 \$66,000 in fiscal 2025 and \$9,000 in fiscal 2024. The following table shows approximate actuarial projections of expected future postretirement benefit payments in thousands:

Fiscal 2026	\$	77
Fiscal 2027		88
Fiscal 2028		100
Fiscal 2029		48
Fiscal 2030		38
Fiscal 2031 through 2035		95

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 \$17,434,000 (including cost of living adjustments) over the remaining term of the IT Agreement and related Statement of Work.

NASBA has commitments for subscription and information technology hosting services. The total remaining commitment for these services is \$357,000 at July 31, 2025.

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)	2025	2024
Statutory federal income tax benefit	\$ (15)	\$ (15)
State income taxes	(4)	(5)
Change in valuation allowance	19	20
Income Tax Benefit	\$ -	\$ -

The deferred income tax asset consists of the following:

(In thousands)	2025	2024
Deferred income tax asset	\$ 427	\$ 408
Valuation allowance	(427)	(408)
Net Deferred Income Tax Asset	\$ -	\$ -

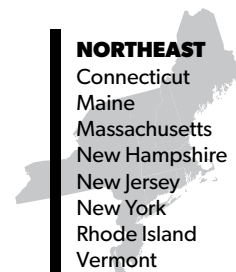
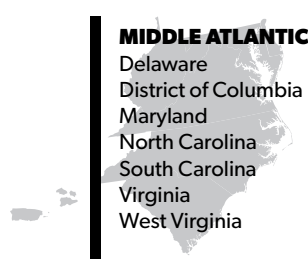
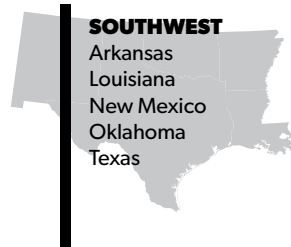
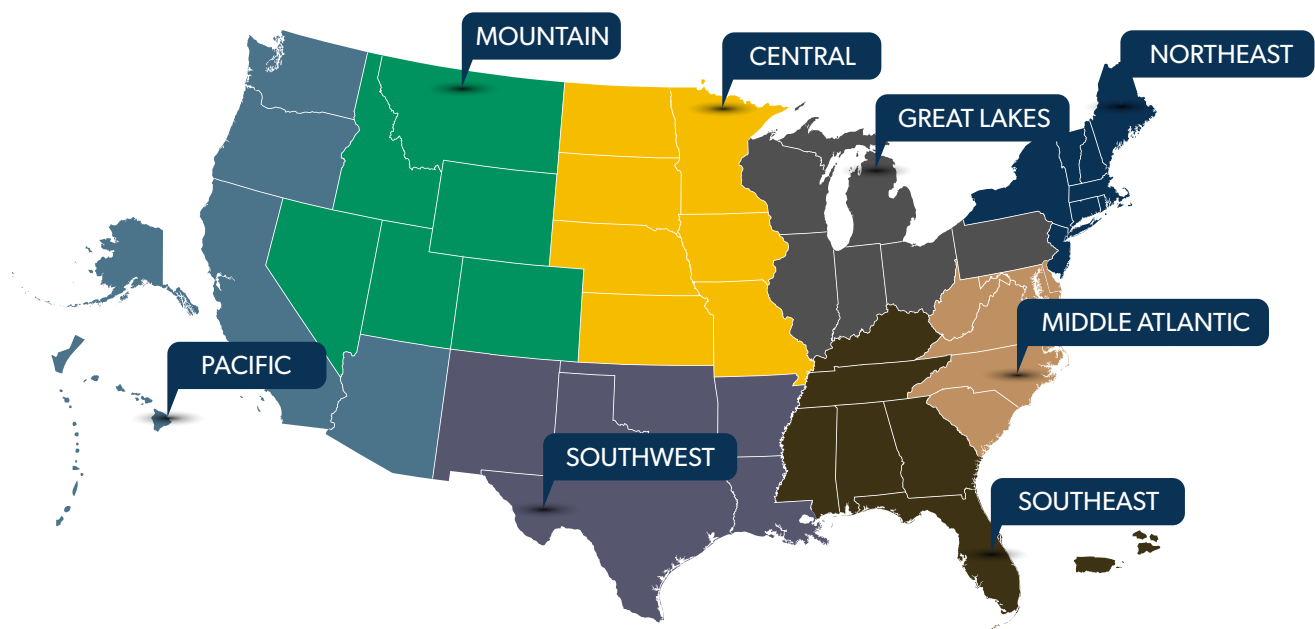
At July 31, 2025, Aequo had federal and state net operating loss carryforwards of \$1,545,000. The net operating losses generally carryforward indefinitely for federal tax purposes and expire at various dates beginning July 31, 2030 for state tax purposes. The deferred tax asset relates primarily to 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, 2025 and 2024. 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 2022.

Note 15. Subsequent Events

Management has evaluated all material events and transactions that occurred from July 31, 2025 through September 24, 2025, 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.

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY



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