

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

Highlights of the Board of Directors Meeting

January 19, 2024 – St. Thomas, USVI

At a duly called meeting of the Board of Directors of the National Association of State Boards of Accountancy, held on Friday, January 19, 2024, in St. Thomas, USVI, the Board took the following actions:

- Unanimously approved the minutes of the October 27, 2023, with corrections and October 31, 2023, Board of Directors meetings.
- Unanimously approved the November 2023 NASBA financial statements as recommended by the Administration and Finance committee and presented by Treasurer J. Andy Bonner, Jr. (TN) and Vice President and Chief Financial Officer Troy A. Walker.
- Unanimously approved amendments to the Uniform Accountancy Act Model Rules as recommended by the UAA Committee.
- Unanimously approved the appointment of James Alderson, Jenn Bouchard, W. Michael Fritz, and Dr. Kelly Richmond Pope to the NASBA Center for Public Trust (CPT) Board of Directors.
- Heard a report from Chair Stephanie Saunders (VA) on the activities of the Executive Committee and its meeting with the Relations with Member Boards committee.
- Heard a report from Vice Chair Maria Caldwell (FL) on her activities during the past quarter. She reported that planning had begun for the 2024-2025 committee year.
- Heard an organizational update from President and CEO Ken Bishop and Executive Vice President and Chief Operating Officer Colleen K. Conrad.
- Director of Client Services Patricia Hartman reported on CPAES activities and the transition to launch the CPA Evolution-aligned exam on January 10, 2024.
- Vice President, State Board Relations Daniel J. Dustin provided an update on recent state board-related activities and the activities of the AICPA National Pipeline Advisory Group. He also provided an update on legislative issues.
- Alfonzo Alexander, President, CPT, updated the Board of Directors on recent activities, including the status of StudentCPT chapters, the Ethical Leadership Certification Program and a professional audit integrity conference held at Baruch College.
- Heard alerts from various committees including the Relations with Member Boards committee and the Bylaws committee.

The next meeting of the NASBA Board of Directors will be held on April 26, 2024, in Las Vegas, NV.

Distribution: State Board Chairs/Presidents, Members and Executive Directors, NASBA Board of Directors and Committee Chairs, and NASBA Staff Directors

National Association of State Boards of Accountancy, Inc.

Meeting of the Board of Directors

October 27, 2023 – New York, NY

Call to Order

A meeting of the Board of Directors of the National Association of State Boards of Accountancy was called to order by Chair Richard N. Reisig at 9:00 a.m. EDT on Friday, October 27, 2023.

Chair Reisig asked President and Chief Executive Officer Ken L. Bishop to report on the meeting's attendance.

Report of Attendance

President and CEO Ken Bishop reported the following were in attendance:

Officers

Richard N. Reisig, CPA (MT), Chair
Stephanie M. Saunders, CPA (VA), Vice Chair
W. Michael Fritz, CPA (OH), Past Chair
Maria E. Caldwell, CPA (FL), Treasurer
Nicola Neilon, CPA (NV), Secretary

Directors-at-Large

J. Coalter Baker, CPA (TX)
Jack Anderson Bonner, Jr., CPA (TN)
Jimmy E. Burkes, CPA (MS)
Stephen F. Langowski, CPA (NY) 9:28 a.m.
Jason D. Peery, CPA (ID)
Katrina Salazar, CPA (CA)
Kenya Y. Watts, CPA (OH)

Regional Directors

Nancy J. Corrigan, CPA (CA), Pacific Regional Director
Lynn V. Hutchinson, CPA (LA), Southwest Regional Director
Vikki G. Nunn, CPA (WY), Mountain Regional Director
Michael Schmitz, CPA (ND) Central Regional Director
Willie B. Sims, CPA (MS), Southeast Regional Director
Gerald Weinstein, CPA (OH), Great Lakes Regional Director
Arthur M. Winstead Jr., CPA (NC), Middle Atlantic Regional Director

Executive Directors' Liaison, John E. Patterson (OH), Executive Director, Accountancy Board of Ohio,

Members Absent

Richard S. Silverman, CPA (NH) Northeast Regional Director

Staff

Ken L. Bishop, President and Chief Executive Officer

Colleen K. Conrad, CPA, Executive Vice President and Chief Operating Officer

Michael R. Bryant, CPA, Senior Vice President and Chief Financial Officer

Daniel J. Dustin, CPA, Vice President, State Board Relations

Thomas G. Kenny, Chief Communications Officer

Troy Walker, CPA, Chief Accounting Officer

Alfonzo Alexander, Chief Ethics and Diversity Officer and President, Center for the Public Trust

Guests

Alison L. Houck Andrew – Director-At-Large Nominee

Barry M. Berkowitz – Director-At-Large Nominee

Timothy F. Egan - Northeast Regional Director Nominee

Jeannette P. Smith – Southwest Regional Director Nominee

Dan Vuckovich – Mountain Regional Director Nominee

Laurie A. Warwick – Middle Atlantic Regional Director Nominee

D. Boyd Busby - Executive Directors Committee Chair, 2023-2024

President Bishop announced there was a quorum present.

Approval of Minutes

Secretary Nicola Neilon presented the minutes of the July 21, 2023, meeting. Ms. Neilon asked if there were any revisions. Being none, Ms. Neilon moved that the July 21, 2023, minutes be accepted. Ms. Salazar seconded, and the motion passed.

Report of the Chair

Chair Richard N. Reisig welcomed all and asked that everyone introduce themselves. He reported that he had updated the Executive committee about his activities for the last quarter that included, meeting with Eamonn Siggins, Chief Executive of CPA Ireland; attending the AICPA Fall Council meeting; participating in the AICPA's National Pipeline Advisory Group (NPAG); and engaging in Financial Accounting Foundation (FAF) Board of Trustees activities. He noted that the Executive committee did not need to meet with the Relations with Member Boards committee this quarter, and he thanked Ms. Hutchinson for chairing the committee and the regional directors for their efforts at the regional meetings. He reported that Ms. Salazar would be the incoming chair of the AICPA Board of Examiners next May.

Report of the Vice Chair

Vice Chair Stephanie M. Saunders referred the board to the many external appointments listed on page 7 of the annual report and noted that she had participated in many committee meetings and regional conference calls during the past year and reported that several boards had

discussed the efforts of the Pipeline task force. She thanked staff for their assistance with committee assignments and noted that most volunteers received their first or second choice of committee assignments. She focused on placing current state board members and newly appointed board members on committees. Ms. Saunders also reported that she had been working on proposed members of the President & CEO Selection committee. The list of members together with their bios would be shared with the board members before their October 31 meeting and she asked that they reach out with any questions or concerns.

Report of the President & CEO

President Ken L. Bishop welcomed the nominees for the 2023-2024 Board of Directors and provided contact information.

Executive Vice President and Chief Operating Officer Colleen Conrad provided an organizational update highlighting recent staff-related events and staffing updates. Ms. Conrad also discussed other recent staff-related events, including an active shooter training session, revitalizing the employee lunch with the CEO program, contributions to community charity events through the Community Reinvestment committee, and an employee Sunshine Day lunch.

President Bishop recognized Michael Bryant, Senior Vice President and Chief Financial Officer for his more than 25 years' service to NASBA. He highlighted many of Mr. Bryant's activities including overseeing financial functions, facility management, participation on the IT Security Council and serving as a founding member and CFO for the Center for Public Trust for several years.

President Bishop referred to an increase in the frequency of AICPA-NASBA staff leadership summits that provide an opportunity for frank discussions of issues with the goal of finding middle ground. President Bishop also reported on his recent trip to the University of Missouri, where he spoke with students and faculty and met with representatives of the Missouri Society of CPAs. He also noted that Alfonzo Alexander, Chief Ethics and Diversity Officer had been named the Chair of the PhD Project. Ms. Conrad highlighted recent staff participation and presentations at the recent Beta Alpha Psi annual meeting and also at the American Accounting Association (AAA) annual meeting. Discussions at AAA focused on the growth of CPT chapters, NASBA services, and the NASBA Accounting Education Research Grant program. Ms. Conrad also updated the board members on relevant topics at the AICPA's fall council meeting.

President Bishop spoke of a recent meeting held with CPA Ireland and CA Ireland. He also discussed recent events in Canada where two provincial associations had decided to disassociate themselves with the national organization, CPA Canada. He also provided an update on recent events with the Financial Reporting Council (FRC) and the Institute of Chartered Accountants of England and Wales (ICAEW).

Ms. Conrad reported that the cutover to two new IT systems went well, and the projects were completed on time and on budget. She provided an overview of the transition to the new exam in January 2024. She also provided an overview of possible projects focused on

implementing artificial intelligence (AI) solutions at NASBA and reported that a generative AI use policy was being developed.

Ms. Conrad reported that outreach continues to exam candidates who have notices to sit but who have not yet scheduled to sit for an exam section. She reported that exam volume was already 77% higher than last year. She also reported that a pilot of the Experience, Learn and Earn program will launch in January at Tulane University and a AAA symposium where participants discussed the image of the profession, outreach to high school students, community colleges, and the importance of the principles of accounting course in attracting students to the profession.

Ms. Conrad reported on the status of the adoption of the revised conditional credit rule and the Credit Relief Initiative by the boards of accountancy. She also reported that plans were underway to catch-up on the publication of the Candidate Performance books that ceased after 2019 to focus resources on the CPA Evolution initiative.

Vice President, State Board Relations, Daniel Dustin, reported on recent interactions with the boards of accountancy, noting that boards are taking advantage of the capabilities of virtual meetings to invite he and other NASBA staff to provide input during board of accountancy meetings. He reported that he was recently invited by a board of accountancy to provide virtual testimony on proposed rule changes. President Bishop provided an update on recent discussions with state societies about their proposed legislation to create additional pathways to licensure and the impact the legislation would have on substantial equivalency and mobility. President Bishop also mentioned the creation of the AICPA's National Pipeline Advisory Group, noting that Chair Reisig and Vice President Dustin were named as participants.

Alfonzo Alexander, President, Center for the Public Trust (CPT), provided an update on the status of CPT activities. He reported that the CPT would be holding a "Cuffed for a Cause" fundraiser during this year's annual meeting. He also reported that there are 54 active chapters with plans to establish chapters in California and Iowa in the coming months. He also reported that six of 20 chapters had been started on the campuses of Historically Black Colleges and Universities.

Ms. Conrad provided an overview of the current year award winners: Distinguished Service Award – Tyrone Dickerson (VA); Lorraine Sachs Award – Kent Absec (ID); and the William H. Van Rensselaer Public Service Award – Ted Long (OH).

Thomas Kenny, Chief Communications Officer, updated the board members on future board of directors' meeting dates and locations.

Report of the Administration and Finance Committee

Treasurer Maria Caldwell began the committee report by reporting that the committee had held three face-to-face meetings and had met once virtually during the committee year. The committee met in September to review the fiscal year-end actual financial statements as compared to the July projected internal financial statements; to review the reconciliation of internal financial statements to the audited financial statements; and to respond to committee member comments

regarding the audited financial statements. She also reported that the investment committee met with its outside advisors the previous week.

Senior Vice President and Chief Financial Officer Michael Bryant began his presentation by emphasizing that the fair market value of NASBA's investments is calculated as a point in time. He highlighted this statement by comparing the investment results for the third quarter of calendar year 2022 to the third quarter of calendar year 2023. On September 30, 2022, investments totaled \$45.4 million, down \$5.7 million from the year before. In contrast, on September 30, 2023, investments totaled \$49.7 million, an increase of \$4.3 million.

He then referred the board to the independent auditors' report and audited financial statements on page 39 of the NASBA annual report. He reported that the current year increase in net assets was \$7.8 million. Total program revenue increased by \$4.1 million, or 12%, over the prior year, driven primarily by higher exam section volume, while total program expenses increased by \$2.3 million, or 7.2%, over the prior year. The net operating excess for fiscal year 2023 was \$4.0 million.

Mr. Bryant expressed his gratitude for being able to serve NASBA as, over his tenure, he had grown both professionally and personally. He thanked the Board, members of the A&F and Audit Committees and Mr. Bishop for the opportunity to be a part of NASBA's noble pursuit of protecting the public by supporting the good work done by the State Boards of Accountancy.

Chief Accounting Officer Troy Walker recognized Mr. Bryant for his leadership of the finance department over the last 16 years. He also highlighted the staffing changes within the finance department related to Mr. Bryant's retirement, new hires and promotions. Looking toward the fiscal year 2024 results, Mr. Walker spoke about the impact the current increased volume in exam sections followed by the anticipated decline in exam sections after the January 1, 2024, CPA Examination change will have on revenue in fiscal year 2024. He noted that the occurrence was considered in the current year budget.

Report of the Audit Committee

Mr. Schmitz reported that the committee met on September 21 with NASBA staff and the auditors. During the meeting, it was reported by NASBA's Chief Ethics and Diversity Officer and by NASBA's Chief Legal Officer that there were no issues or outstanding litigation. Also, during that meeting, Mr. Bryant provided a report related to the audit. He noted that questions from the two committees reviewing the audited financial statements had been answered by Mr. Bryant and Mr. Walker. The audit firm reported that they did not have any concerns and no internal control deficiencies were reported related to the fiscal year 2023 audit. Mr. Schmitz reported that the committee had completed its checklist of responsibilities based on the Audit Committee Charter and that it had discharged its duties. The committee recommended that the audit report for NASBA's financial statements be approved by the board of directors. He also reported that the committee recommended the reappointment of LBMC, PC as the auditors for fiscal year 2024.

Mr. Schmitz made a motion for the board to ratify the Executive committee's acceptance of the July 31, 2023, audited financial statements. The motion was seconded by Mr. Langowski and was unanimously approved.

Mr. Schmitz next made a motion for the board to ratify the Executive committee's acceptance of the Audit committee's recommendation to appoint LBMC, PC as the independent auditors for the fiscal year ending July 31, 2024. The motion was seconded by Ms. Corrigan and was unanimously approved.

Mr. Schmitz followed the committee report by asking the board members to complete and sign conflict of interest forms for the upcoming year.

Appointment of 401(k) Trustee

President Bishop noted that with Mr. Bryant's retirement, there is a need to appoint a new trustee to NASBA's 401(k) plan effective November 1, 2023. He recommended that Troy Walker be appointed a trustee.

Ms. Salazar made a motion to appoint Troy Walker a trustee of NASBA's 401(k) plan. The motion was seconded by Mr. Bonner and was unanimously approved.

Report of the Committee on Relations with Members Boards

Ms. Hutchinson provided an update on the committee's meeting on October 26. The committee discussed the recent regional conference calls. Topics included the adoption of the 30-month conditional credit window, the Experience, Learn and Earn program, and possible legislation. The committee also discussed the responses to the 3rd quarter FOCUS questions, an upcoming ARPL webinar, the AICPA's Facilitated State Board Access program available to boards of accountancy, and board outreach. She also highlighted discussion items for the upcoming regional breakout sessions during the 116th NASBA annual meeting.

Report of the Uniform Accountancy Act Committee

Ms. Neilon reported the Uniform Accountancy Act committee had met to discuss proposed changes to UAA Model Rules 7.4 and 7.5 regarding the Facilitated State Board Access program. The proposed amendments resulted from joint meetings between a task force of the Peer Review Compliance committee and AICPA peer review staff. The proposed language would update the Model Rules to help executive directors and board of accountancy staff obtain peer review documents and objective information. Ms. Neilon requested that the board consider approving the proposed amendments for a 60-day comment period ending on January 2, 2024.

Ms. Neilon moved to approve an exposure draft proposing amendments to UAA Model Rules 7.4 and 7.5. Ms. Nunn seconded, and the motion was approved.

Ms. Neilon also discussed a recent question regarding a candidate's ability to sit for a different discipline section under the new examination format prior to receiving their failing score

for the first discipline section taken. She reported that after reaching out to the CBT Administration committee for input, it was determined that the question would be added to the exams frequently asked questions.

Report of the CPE Committee

Mr. Sims reported on the committee's work related to proposed revisions to the CPE Standards that were last updated in 2019. The proposed revisions were exposed for public comment in December 2022 for a 90-day comment period and nineteen comment letters were received and reviewed by the committee. Being a joint document of the AICPA and NASBA, both boards of directors will need to approve the recommended changes. It is anticipated that the AICPA board of directors will consider the recommended changes at its next meeting. The effective date of the revised CPE Standards and Fields of Study document is expected to be January 1, 2024.

Ms. Salazar made a motion to approve the recommended revisions to the CPE Standards and the Fields of Study document. Ms. Watts seconded, and the motion was approved.

Report of the Regulatory Response Committee

Mr. Langowski provided background on the internal and external sources of the exposure drafts and subsequent comment letters drafted by or reviewed by the committee. He reported the committee has had a lot to do over the last two years and that the committee has represented NASBA well. He encouraged the regional directors to be engaged in the process by soliciting feedback from their boards of accountancy and by attending Regulatory Response committee meetings. President Bishop reiterated the importance of board of accountancy input via the regional directors.

Other Committee Reports

Ms. Salazar provided an update on Diversity committee activities including a September 28 meeting, diversity, equity and inclusion virtual training, board of accountancy training, resource development through website updates and inclusion at the NASBA annual meeting.

Mr. Patterson thanked the board for his opportunity to act as liaison to the board for the Executive Directors committee during the past year and he welcomed Mr. Busby as his successor. Mr. Patterson noted that many boards are working toward the adoption of the 30-month conditional credit window and the implementation of the credit relief initiative.

Policy Discussions

AICPA National Pipeline Advisory Group

Chair Reisig provided an overview of the advisory group of which he and Mr. Dustin are members. Six working groups had been established, including: pre-college; college to graduation; substantial equivalency; 1-5 years' experience; national survey; and diversity, equity & inclusion.

The broad-based advisory group will touch all stakeholders to identify key leak points and determine their causes. The goal is to report back to AICPA Council in May 2024.

Relationships Impact of Pipeline Discussions

Vice Chair Saunders noted that providing input on key initiatives is essential because it is important for NASBA and the boards of accountancy to be part of the discussions. It is also important to not damage relationships with stakeholders as part of those discussions.

Increased 120/150 Legislative Threat/Reaction

President Bishop led a discussion about recent legislative proposals in several jurisdictions and if passed, their impact on substantial equivalency and mobility and the CPAs licensed in those jurisdictions.

New Education Concepts

Vice Chair Saunders announced that she would be forming a Professional Licensure Task Force whose charge would be to consider new concepts for CPA licensure that may be included in the UAA to update the current licensure model. She anticipates an update at the January board of directors meeting with presentations at the regional meetings in June. The goal is to reach consensus on possible new educational concepts.

Other/New Business

None

Future Meetings

Chair Reisig referred the board to future meeting dates included in the board binder. The next meeting will be held January 19, 2024, in St. Thomas, Virgin Islands.

Final Comments

Chair Reisig thanked those board members whose terms were expiring for their input and guidance through their terms on the board of directors. He also thanked John Patterson for his efforts representing the executive directors and Michael Bryant for his more than 25 years working at NASBA.

Adjournment

Chair Reisig adjourned the meeting of the board of directors at 3:52 pm EDT.

National Association of State Boards of Accountancy, Inc.

Meeting of the Board of Directors

October 31, 2023 – New York, NY

1. Call to Order

A meeting of the Board of Directors of the National Association of State Boards of Accountancy was called to order by Chair Stephanie Saunders at 11:42 a.m. EDT on Tuesday, October 31, 2023.

Chair Saunders asked President Ken L. Bishop to report on the meeting's attendance.

2. Report of Attendance

President and CEO Bishop reported that a quorum was present:

Officers

Stephanie M. Saunders, CPA (VA), Chair

Maria E. Caldwell, CPA (FL), Vice Chair

Richard N. Reisig, CPA (MT), Past Chair

Directors-at-Large

Alison Houck Andrew, CPA (DE)

Barry Berkowitz, CPA (PA)

Jack Anderson Bonner, Jr., CPA (TN)

Stephen F. Langowski, CPA (NY)

Nicola Neilon, CPA (NV)

Jason Peery, CPA (MT)

Katrina Salazar, CPA (CA)

Kenya Y. Watts, CPA (OH)

Regional Directors

Nancy J. Corrigan, CPA (CA), Pacific Regional Director

Timothy Egan, CPA (CT), Northeast Regional Director

Michael Schmitz, CPA (ND), Central Regional Director

Willie B. Sims, Jr., CPA (MS), Southeast Regional Director

Jeannette Smith, CPA (TX), Southwest Regional Director

Dan Vuckovich, CPA (MT), Mountain Regional Director

Laurie Warwick, CPA (VA), Middle Atlantic Regional Director

Gerald Weinstein, CPA (OH), Great Lakes Regional Director

Boyd Busby, CPA (AL), Executive Directors' Liaison

Staff

Ken L. Bishop, President and Chief Executive Officer

Colleen K. Conrad, CPA, Executive Vice President and Chief Operating Officer

Michael R. Bryant, CPA, Senior Vice President and Chief Financial Officer

Daniel J. Dustin, CPA, Vice President, State Board Relations
Troy Walker, CPA, Chief Accounting Officer
Melissa Brennan, Executive Assistant to the President and CEO

3. Elections of Board Officers

Chair Saunders reported that Executive Vice President and Chief Operating Officer Colleen Conrad would serve as parliamentarian for the meeting.

As called for in Bylaws Section 4.3.4, Chair Saunders asked for nominations for NASBA Treasurer 2023-2024.

Mike Schmitz nominated Director-at-Large Jack Anderson Bonner, Jr., seconded by Alison Houck Andrew.

Nicola Neilon nominated Director-at-Large Jason Peery, seconded by Stephen Langowski.

Following a vote of the board of directors, Chair Saunders announced that Jack Anderson Bonner, Jr. was elected to serve as Treasurer for 2023-2024.

As called for in Bylaws Section 4.3.4, Chair Saunders asked for nominations for NASBA Secretary 2023-2024.

Jason Peery nominated Director-at-Large Nicola Neilon. The nomination was seconded by Jack Anderson Bonner, Jr. As there were no additional nominations, Chair Saunders called for the election of Ms. Neilon by acclamation. All approved.

4. Election of Director-At-Large

Chair Saunders reviewed the policies to be followed to fill the vacancy in the position of Director-At-Large. A nominee would need a majority of board member votes (10) to be elected to fill the vacancy. Chair Saunders's vote would be held in escrow to break a tie. If no nominee received a majority of the votes, the nominee receiving the fewest votes would be eliminated and the board would vote again. This procedure would be followed until a nominee received a majority of the votes. Board members were instructed to cast their votes via ballot to Ms. Conrad and Ms. Brennan, who would tabulate the votes and notify Chair Saunders of the winner.

Chair Saunders opened the floor for nominations to fill the position of Director-At Large.

Nicola Neilon nominated Chandra Lalvani, seconded by Barry Berkowitz

Jason Peery nominated Lynn V. Hutchinson, seconded by Nancy Corrigan

Willie B. Sims nominated Wilhelmus J. Schaffers, seconded by Jack Anderson Bonner, Jr.

Jason Peery nominated Arthur M. Winstead, Jr., seconded by Jack Anderson Bonner, Jr.

Richard N. Reisig nominated Fred Briggs, seconded by Dan Vuckovich

Following a vote of the board of directors, Chair Saunders announced that Chandra Lalvani was elected to fill the Director-At-Large position.

5. President & CEO Selection Committee

Chair Saunders referred the board members to her October 28 email that provided the names and bios of the proposed selection committee and in which she had asked the members of the board of directors to reach out with any concerns about the proposed members of the selection committee. Chair Saunders noted that no concerns were expressed, and she asked for board approval of the selection committee.

Mr. Schmitz moved to approve the appointment of the selection committee; Mr. Berkowitz seconded, and the motion passed.

5. Adjournment

There being no additional business, on a motion by Mr. Berkowitz, seconded by Mr. Bonner, the meeting was adjourned at 12:03 p.m. EDT.