

Tuesday, December 12, 2017
VBOA Board Meeting Agenda

Training Room 2
2nd Floor Conference Center
9960 Mayland Drive
Henrico, VA 23233
Phone: (804) 367-8505

- 10:00 a.m. Call to Order – **Matthew P. Boshier, Chair**
Security Briefing – **Patti Hambright, Administrative Assistant**
Determination of Quorum
Approval of December 12, 2017, Agenda
Approval of November 7, 2017, Board meeting minutes
Public comment period*
- 10:10 a.m. 1. Board Discussion Topics – **Wade A. Jewell, Executive Director**
- Proposed 2018 Legislation
 - Exam/Licensing/Enforcement System Overview
 - Peer Review Oversight Committee (PROC) Update
 - Proposed changes to Board Policy #5 (Publication of Board Disciplinary Action) – **Rebekah Allen, Enforcement Director**
- 11:15 a.m. 2. Executive Director’s Report – **Wade A. Jewell, Executive Director**
- General updates
 - October Board Report – **Mary T. Charity, Deputy Director for Operations**
 - October Financial Report – **Renai Reinholtz, Deputy Director for Finance and Administration**
- 11:30 a.m. 3. Committee Updates - **Matthew P. Boshier, Chair**
- NASBA Committee Updates, as available
 - NASBA Middle Atlantic Regional Director – **Stephanie S. Saunders, CPA**
 - NASBA Executive Director’s Committee – **Wade A. Jewell, Executive Director**
 - Including NASBA’s Reorganization Impact (AICPA) Task Force and Quick Poll
 - NASBA focus questions
- 12:00 p.m. Recess for Board lunch
- 1 p.m. 4. Additional Items for Discussion
- Carry over items/potential future topics
 - Adjudication Manual (February)
 - CPE guidelines for publications (February)
 - Use of confidential consent agreements (May)
 - CPE – VBOA/VSCPA discussions (May)
 - Trust Fund Reserve Policy (May)

- Regulation changes (on-going)
- Marijuana Laws/Guidance (on-going)
- North Carolina Dental Case (on-going)
- Sign Conflict of Interest forms
- Sign Travel Expense vouchers
- Future meeting dates –
 - January 18, 2018
 - February 8, 2018

1:15 p.m.

5. Closed Session
Enforcement – **Rebekah Allen, Enforcement Director**
 - Status of Open Cases
 - OAG updates
 - Board Order:
 - 2017-097-009D (Saunders and Moyers)
 - Consent Order:
 - 2017-039-016U (Saunders and Moyers)

3 p.m.

Adjournment

***Five-minute public comment, per person, on those items not included on the agenda.**

Persons desiring to attend the meeting and requiring special accommodations/interpretive services should contact the VBOA office at (804) 367-8505 at least five days prior to the meeting so that suitable arrangements can be made for an appropriate accommodation. The VBOA fully complies with the Americans with Disabilities Act.

**Board Meeting
November 7, 2017
Draft/Unapproved minutes**

The Virginia Board of Accountancy met on Tuesday, November 7, 2017, at Virginia Polytechnic Institute and State University, 150 Kent Street, Owens Hall (0223), Blacksburg, VA 24061.

MEMBERS PRESENT: Matthew P. Boshier, Esq., Chair
Susan Quaintance Ferguson, CPA, Vice Chair
William R. Brown, CPA
D. Brian Carson, CPA
Stephanie S. Saunders, CPA
Laurie A. Warwick, CPA

MEMBER ABSENT: Andrea M. Kilmer, CPA

LEGAL COUNSEL: Robert Drewry, Assistant Attorney General,
Office of the Attorney General

STAFF PRESENT: Wade A. Jewell, Executive Director
Mary T. Charity, Deputy Director for Operations
Renai Reinholtz, Deputy Director for Finance and Administration
Rebekah Allen, Enforcement Director
Kelli Anderson, Communications Manager
Nicholas R. Tazza, Assistant Manager, Licensing and Examination
Patti Hambright, CPE Coordinator and Administrative Assistant

**MEMBERS OF THE
PUBLIC PRESENT:** Kay P. Hunnings, Associate Dean for Administration, Pamplin College
of Business, Virginia Tech
Alfonzo Alexander, National Association of State Boards of
Accountancy Chief Relationship Officer and President of
NASBA's Center for Public Trust
Amy Mawyer, Vice President of Learning, Virginia Society of Certified
Public Accountants
Linda Newsom-McCurdy, CAE, Senior Director of Member Value,
Virginia Society of Certified Public Accountants
Molly Wash, CAE, Academic Engagement Director, Virginia Society of
Certified Public Accountants
Nadia A. Rodgers, Associate Professor of Practice & Director, MACIS
Program
Lynn Almond, Virginia Tech Faculty
Jean M. Lacoste, Virginia Tech Faculty

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John J. Maher, Virginia Tech Faculty
Julie Rosenberger, Virginia Tech Faculty
Kecia W. Smith, Virginia Tech Faculty
Mary Grace Franchi, WVTF Public Radio
More than 45 Virginia Tech students and faculty attended

CALL TO ORDER

Mr. Boshier called the meeting to order at 10:18 a.m.

SECURITY BRIEFING

Ms. Hambright provided the emergency evacuation procedures.

DETERMINATION OF QUORUM

Mr. Boshier determined there was a quorum present.

APPROVAL OF AGENDA

Upon a motion by Mr. Brown, and duly seconded, the members voted unanimously to approve the November 7, 2017, agenda as amended. The members voting “**AYE**” were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Saunders and Ms. Warwick.

APPROVAL OF MINUTES

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the October 12, 2017 Board meeting minutes as amended. The members voting “**AYE**” were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Saunders and Ms. Warwick.

APPROVAL OF CONSENT AGENDA

Upon a motion by Mr. Brown, and duly seconded, the members voted unanimously to approve the Consent Agenda as amended. The members voting “**AYE**” were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Saunders and Ms. Warwick.

PUBLIC COMMENT PERIOD

There were no public comments at this time.

**Board Meeting
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Draft/Unapproved minutes**

WELCOME

Ms. Hunnings welcomed the VBOA, Virginia Polytechnic Institute and State University (Virginia Tech) faculty and students and provided a brief overview of the educational programs available at Virginia Tech.

BOARD MEMBER/STAFF INTRODUCTIONS AND VBOA OVERVIEW

Mr. Boshier extended a thank you from the Board to Virginia Tech for hosting the Board meeting. Board members introduced themselves. Mr. Boshier introduced VBOA staff and provided a brief overview of the VBOA's mission and Board duties. Mr. Boshier fielded questions.

BOARD DISCUSSION TOPICS

Proposed 2018 Legislation

Mr. Jewell led the discussion regarding proposed 2018 legislation. Mr. Jewell provided the Board with an update to proposed 2018 legislation to include the single license renewal date for all Virginia CPAs.

Regulation changes

Ms. Allen led the discussion regarding regulatory changes. She provided a brief overview of the fast track and full standard rule making process for regulation changes. Ms. Allen presented feedback from the Department of Planning and Budget (DPB) on the fast track changes previously submitted. DPB proposed changes to the fast track amendments to ensure the regulations qualify for the fast track process. Discussion ensued and the Board tabled the matter to consult with counsel in closed session regarding recommended regulation changes for 18VAC5-22-20 and 18VAC5-22-90.

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to move forward with the section by section changes with the proposed fast track regulations for 18VAC5-22-80. The members voting "AYE" were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Saunders and Ms. Warwick.

Ethical Leadership: The True Sustainable Leadership/Ethical Leadership Training Resource

Mr. Alexander provided two PowerPoint presentations, and included discussions regarding the Student Center for the Public Trust (including college campus chapters whose mission is to promote ethical thinking in the developing character and conscience of students), and introduced the Board, staff, faculty and students to a new Ethical Leadership Training Resource Program made possible by the NASBA Center for Public Trust (CPT). The program addresses ethical issues and ethical behavior in business. Mr. Alexander fielded questions from Board members, Virginia Tech faculty and students.

**Board Meeting
November 7, 2017
Draft/Unapproved minutes**

RECESS FOR LUNCH 12:00 p.m.

RECONVENE 1:04 p.m.

Proposed changes to Board Policy #10 (Electronic Participation in VBOA Meetings)

Ms. Allen led the discussion regarding the proposed changes to Board Policy #10, which are needed to sync to recent and relevant statute changes. No public comment was received regarding the proposed changes to Board Policy #10 that had been posted to the VBOA website.

Upon a motion by Mr. Carson, and duly seconded, the members voted unanimously to accept the proposed changes to Board Policy #10 (Electronic Participation in VBOA Meetings) as presented. The members voting “**AYE**” were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Saunders and Ms. Warwick.

2018 Virginia-Specific Ethics Course Update

Mr. Jewell provided students with a brief overview of the Virginia-Specific Ethics course and its importance. Ms. Newsome-McCurdy of the VSCPA noted the content development of the 2018 Virginia-Specific Ethics Course was moving forward. She noted the 2017 Virginia-Specific Ethics Course had an overall above average rating from participants for content and material.

EXECUTIVE DIRECTOR’S REPORT

General Updates

Mr. Jewell presented the following general updates regarding the VBOA:

- Mr. Jewell noted the VBOA had signed a contract with a vendor for the new licensing/database project.
- Ms. Charity provided an update regarding letters, emails and phone calls made by Board staff regarding license renewals.
- Mr. Jewell noted the NASBA Reorganization Impact Task Force had a conference call scheduled for next week and would meet in Nashville, TN on December 4, 2017.

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September Board Report overview

Ms. Charity presented and fielded questions regarding the September 2017 Board Report.

September Financial Report overview

Ms. Reinholtz presented and fielded questions regarding the September 2017 Financial Report.

NASBA UPDATES

Mr. Boshier provided the Virginia Tech faculty and students an overview of the National Association of State Boards of Accountancy (NASBA). He noted NASBA as an association dedicated to enhancing the effectiveness of the country's 55 state boards of accountancy to effectively aid boards in their goal to protect the public. Mr. Boshier, Ms. Ferguson, Mr. Brown, Ms. Saunders and Mr. Jewell attended the NASBA annual meeting held from October 29 - November 1, 2017 in New York, NY. Breakout sessions were enjoyed by all participants.

Virginia Society of CPAs (Student Programs Overview)

Ms. Wash provided a PowerPoint presentation introducing Virginia Tech students to the many services and benefits membership with the VSCPA provides. Ms. Wash also noted the membership is free to students.

ADDITIONAL ITEMS FOR DISCUSSION

Carry Over Items/Potential Future Topics

- CPE guidelines for publications (February)
- Adjudication Manual (February)
- Use of confidential consent agreements (May)
- CPE – VBOA/VSCPA discussions (May)
- Trust Fund Reserve Policy (May)
- Regulation changes (on-going)
- Marijuana Laws/Guidance (on-going)
- North Carolina Dental Case (on-going)

Sign Conflict of Interest forms

Sign Travel Expense vouchers

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Future meeting dates

- December 12, 2017
 - January 18, 2018
 - February 8, 2018
-

ENFORCEMENT

Begin closed meeting

Upon a motion by Ms. Ferguson, and duly seconded, the members approved by unanimous vote the meeting be recessed and the VBOA immediately convene a closed meeting under the Virginia Freedom of Information Act for the provision of legal counsel and to consult with legal counsel on issues relating to probable litigation, and/or consider the status of all open Enforcement Cases, and cases listed on our agenda, a matter lawfully exempted from open meeting requirements under the ‘consulting with legal counsel’ and ‘disciplinary proceedings’ exemptions contained in Virginia Code § 2.2-3711(A)(7),(27). The following non-members will be in attendance to reasonably aid in the consideration of this topic: Wade A. Jewell, Robert Drewry and Rebekah Allen.

End closed meeting

Upon a motion by Ms. Ferguson, and duly seconded, the VBOA approved by unanimous vote that the closed meeting, as authorized by § 2.2-3712.A of the Code of Virginia, be adjourned and that the VBOA immediately reconvene in an open public meeting. WHEREAS, the VBOA has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision of the Virginia Freedom of Information Act; and WHEREAS, § 2.2-3712.A of the Code of Virginia requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law; NOW THEREFORE, BE IT RESOLVED that the VBOA hereby certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the VBOA.

CALL FOR VOTE:

Matthew P. Boshier, Esq. – Aye
Susan Quaintance Ferguson, CPA – Aye
William R. Brown, CPA – Aye
D. Brian Carson, CPA – Aye
Stephanie S. Saunders, CPA – Aye
Laurie A. Warwick, CPA – Aye

**Board Meeting
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VOTE:

Ayes: Six (6)

Nays: None

The following actions were taken as a result of the closed session:

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to accept the proposed fast track Department of Planning and Budget (DPB) recommended regulation changes for 18VAC5-22-20 and 18VAC5-22-90. The members voting “**AYE**” were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Saunders and Ms. Warwick.

Consent Orders:

Case # 2017-026-012U (Ferguson and Saunders)

Case # 2017-027-013U (Ferguson and Saunders)

Upon a motion by Ms. Warwick, and duly seconded, the members voted unanimously to approve the final Consent Orders as presented.

CALL FOR VOTE:

Matthew P. Boshier, Esq. – Aye

Susan Quaintance Ferguson, CPA – Aye

William R. Brown, CPA – Aye

D. Brian Carson, CPA – Aye

Stephanie S. Saunders, CPA – Aye

Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Six (6)

Nays: None

ADJOURNMENT

There being no further business before the VBOA, upon a motion by Mr. Boshier, and duly seconded, the meeting was adjourned by unanimous vote at 3:00p.m. The members voting **AYE** were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Saunders and Ms. Warwick.

**Board Meeting
November 7, 2017
Draft/Unapproved minutes**

APPROVED:

Matthew P. Boshier, Esq., Chair

COPY TESTE:

Wade A. Jewell, Executive Director

Board Policy #5

Publication of Board Disciplinary Action

TITLE:

EFFECTIVE DATE:

~~November 10, 2016~~[TBD](#)

AUTHORITY:

§§ 54.1-4402, 4403, 4413.3, 4413.4 and 4414 of the Code of Virginia

POLICY STATEMENT:

It is the policy of the Board to publish in its newsletter, to its website, and to the National Association of State Boards of Accountancy's CPAVerify and Accountancy Licensing Database the information of licensees against whom the Board has taken a disciplinary action ~~resulting in suspensions and revocations, and for other professional violations.~~

In publishing in its newsletter ~~The the~~ Board ~~publishes~~excludes the information of licensees found to be deficient in CPE credit-hours if there has been no in the event of a previous CPE deficiency or previous professional violation, or when disciplinary action does not results in suspension or revocation.

The Board also publishes in its newsletter and on its website information of unlicensed individuals and firms against whom the Board has taken a disciplinary action.

This policy is subject to change without notice.

APPROVAL AND REVIEW:

This Board policy was reviewed on ~~November 10, 2016~~[December 12, 2017](#).

SUPERSESION:

This Board policy replaces Board Policy #5 approved on ~~November 10, 2016~~[June 30, 2015](#).

**BOARD CHAIR AT
LAST REVIEW:**

~~James M. "Jim" Holland~~[Matthew P. Boshier, CPA](#)

**BOARD MEMBERS AT
LAST REVIEW:**

~~Susan Quaintance Ferguson, CPA~~[Matthew P. Boshier](#), Vice Chair
[William R. "Bill" Brown, CPA, MBA](#)
D. Brian Carson, CPA, CGMA
~~Susan Quaintance Ferguson, CPA~~
Andrea M. Kilmer, CPA, CFF, CGMA
Stephanie S. Saunders, CPA
Laurie A. Warwick, CPA

EXECUTIVE DIRECTOR:

Wade A. Jewell

Nov. 2, 2017

Matthew Boshier
Chair, Virginia Board of Accountancy
9960 Mayland Drive, Suite 402
Richmond, VA 23233

Dear Mr. Boshier:

On behalf of the 12,500 members of the Virginia Society of CPAs (VSCPA), the VSCPA Executive Committee (Committee) would like to thank the Virginia Board of Accountancy (VBOA) for requesting our feedback on proposed revisions to *Board Policy #5, Publication of Board Disciplinary Action* as presented at the Aug. 31, 2017 meeting of the VBOA. Specifically, the proposed changes indicate the VBOA would provide information regarding all disciplinary actions taken against licensees to the National Association of State Boards Accountancy's (NASBA) CPAVerify and Accounting Licensing Database.

The Committee discussed the proposed revisions during its Oct. 17, 2017 meeting, and we believe this change is a significant departure from current VBOA policy. Currently, the VBOA publishes disciplinary actions in its newsletter and on its website, and it excludes from publication minor CPE violations where no previous CPE deficiency or previous violation exists and where the violation does not result in suspension or revocation of a license. The proposed revisions to Board Policy #5 would require the VBOA to include these minor CPE violations in the information reported to NASBA, which would result in a disciplinary flag placed on the licensee's record within NASBA's Accounting Licensing Database, which is accessible by all state boards of accountancy, and CPAVerify, which is accessible by the public.

With regard to publication in NASBA databases, we strongly believe the VBOA should maintain its current publication policy and only report CPE violations where a previous deficiency or violation exists or where the violation results in suspension or revocation of a license. We are concerned that including these minor violations would be misleading to the public because no additional information is available through the VBOA website or newsletter on these violations, and it could result in speculation as to the severity of the violation.

We also believe national publication of minor CPE violations can be harmful to the reputation of licensees who simply have made a small mistake. Due to lack of context regarding the violation, the public or potential employers may view any violation as a reason not to hire a specific CPA. Also, members of the CPA community aware of CPAVerify could more easily use this information negatively against competitors. We feel CPAs with minor CPE violations are not harmful to the public and should not be forced into a competitive disadvantage.

Additionally, we believe the VBOA should research the types of disciplinary actions communicated to NASBA by other state boards of accountancy before determining which types of violations to report in Virginia. Otherwise, Virginia CPAs could be placed at an unfair disadvantage if other state boards do not report similar minor violations.

We sincerely thank you for the opportunity to comment on this issue of importance to Virginia's CPAs, and we appreciate your consideration of our concerns. If you have questions or would like to discuss any of these comments further, please contact me or VSCPA Vice President of Advocacy Emily Walker at (804) 612-9428 or ewalker@vscpa.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stephanie Peters".

Stephanie Peters, CAE
President & CEO
Virginia Society of CPAs

**NASBA ALD/CPAverify Participation CPE Discipline Data
(alphabetically by state/territory) as of 12/04/2017**

State/Territory	Participates in ALD/CPAverify?	Reports Discipline?	Reports CPE Discipline?	Discipline is public?
Alabama	Yes	Yes	Yes	Yes
Alaska	Yes	No	N/A	Received no response
American Samoa	No	N/A	N/A	N/A
Arizona	Yes	No	N/A	Yes
Arkansas	Yes	Only discipline that affects license status	No	Yes
California	Yes	Yes	Yes ²	Yes
Colorado	Yes	Yes	Yes	Yes ⁵
Connecticut	Yes	Yes	Yes	Yes
Delaware	No	N/A	N/A	Yes
District of Columbia	Yes	Yes	Yes	Yes
Florida	Yes	Yes	Yes	Yes
Georgia	Yes	Yes	No ¹	Yes ⁵
Guam	Yes	Yes	Received no response	Received no response
Hawaii	No	N/A	N/A	Yes
Idaho	Yes	Yes	Yes	Yes
Illinois	Yes	Yes	Yes	Yes ⁵
Indiana	Yes	Yes	Yes	Yes
Iowa	Yes	Yes	Yes	Yes
Kansas	Yes	Yes	Yes	Yes
Kentucky	Yes	Yes	No ¹	Yes
Louisiana	Yes	Yes	Yes	Yes
Maine	Yes	Yes	Yes	Yes
Maryland	Yes	Yes	Yes	Yes
Massachusetts	Yes	Yes	Received no response	Received no response
Michigan	No	N/A	N/A	Yes
Minnesota	Yes	Yes	Yes	Yes ⁵
Mississippi	Yes	Yes	No ¹	Yes
Missouri	Yes	Yes	Yes	Yes ⁵
Montana	Yes	Yes	Yes ⁴	Yes ⁵

**NASBA ALD/CPAverify Participation CPE Discipline Data
(alphabetically by state/territory) as of 12/04/2017**

State/Territory	Participates in ALD/CPAverify?	Reports Discipline?	Reports CPE Discipline?	Discipline is public?
Nebraska	Yes	Yes	Yes	Yes
Nevada	Yes	Yes	Yes	Yes
New Hampshire	Yes	Yes	Yes	Yes
New Jersey	Yes	Yes	Yes	Yes
New Mexico	Yes	Yes	No	Yes
New York	Yes	No	No	Yes
North Carolina	Yes	Yes	Yes	Yes
North Dakota	Yes	Yes	No ¹	Yes
Northern Mariana Islands	Yes	No	N/A	Received no response
Ohio	Yes	Yes	Yes ³	Yes
Oklahoma	Yes	Yes	Yes	Yes ⁵
Oregon	Yes	Yes	Yes	Yes
Pennsylvania	Yes	Yes	Yes	Yes
Puerto Rico	Yes	Yes	Received no response	Received no response
Rhode Island	Yes	Yes	Yes	Yes
South Carolina	Yes	Yes	Yes	Yes ⁵
South Dakota	Yes	Yes	Yes	Yes ⁵
Tennessee	Yes	Yes	Yes	Yes
Texas	Yes	Yes	Yes	Yes
U.S. Virgin Islands	Yes	No	N/A	Received no response
Utah	No	N/A	N/A	Yes ⁵
Vermont	Yes	Yes	Received no response	Yes
Virginia	Yes	Yes	Depends on deficiency	Yes ⁵
Washington	Yes	Yes	No ¹	Yes
West Virginia	Yes	Yes	Yes	Yes
Wisconsin	Yes	Yes	Does not require CPE	Yes
Wyoming	Yes	Yes	Yes	Yes ⁵

NASBA ALD/CPAverify Participation CPE Discipline Data
(alphabetically by state/territory) as of 12/04/2017

State/Territory	Participates in ALD/CPAverify?	Reports Discipline?	Reports CPE Discipline?	Discipline is public?
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¹ CPE deficiencies deemed administrative, non-disciplinary matters in this jurisdiction

² CPE deficiencies are deemed administrative, non-disciplinary matters in this jurisdiction; however, lying on renewal applications in addition to CPE deficiencies does result in discipline

³ Discipline is imposed in this jurisdiction for failing to respond to a CPE audit

⁴ CPE deficiencies are deemed non-disciplinary, but do get reported to NASBA's ALD/CPAverify systems as actions affecting the license status

⁵ This jurisdiction's board has the authority to enter into discipline that is not publicly disclosed. Depending on the jurisdiction's laws, the

Virginia Board of Accountancy
FY17 Board Report
As of October 31, 2017

REPORT CATEGORIES	FY2018 - YTD as of 10/31/17	FY2017 - YTD as of 10/31/16	Fiscal Year Ending 6/30/17	Fiscal Year Ending 6/30/16	Fiscal Year Ending 6/30/15	Fiscal Year Ending 6/30/14
LICENSEES						
Individuals:						
Number of Active, licensed CPAs	25,889	24,109	25,452	24,648	24,791	25,467
Number of Active - CPE Exempt, licensed CPAs (a)	1,403	1,219	1,326	1,158	898	
Number of Active - Renewal Fee Delinquent (<12 months), licensed CPAs	474	2,187	933	1,516	1,142	881
Total Number of Licensed CPAs	27,766	27,515	27,711	27,322	26,831	26,348
Number of out-of-state licensees	8,324	8,196	8,290	8,152	8,086	8,160
Reinstatements - Individuals	62	27	92	79	106	107
Number of new CPA licenses issued	470	470	1,378	1,322	1,240	1,345
Net change in number of expired/voluntary surrendered licenses (>12 months)	415	277	989	831	757	624
Firms:						
Number of Active, licensed CPA firms	1,149	1,076	1,123	1,092	1,115	1,147
Number of Active - Renewal Fee Delinquent (<12 months), licensed CPA firms	25	87	44	65	71	71
Total Number of Licensed CPA Firms	1,174	1,163	1,167	1,157	1,186	1,218
Reinstatements - Firms	3	2	5	5	0	5
Number of new CPA firm licenses issued	26	20	65	29	40	38
Net change in number of expired/voluntary surrendered firm licenses (>12 months)	19	14	55	58	72	50
EXAM CANDIDATES						
Number of first time candidates applying to sit for CPA exam	457	570	1,819	2,136	1,904	1,860
ENFORCEMENT						
Number of complaints	37	99	82	145	84	74
Types of complaints:						
Unlicensed activity	16	19	45	41	24	16
Other disciplinary matters	21	80	37	104	60	58
CPE COMPLIANCE REVIEWS						
Number of CPE audits selected	993 (b)	539	2,022	1,578	1,088	971
Status of CPE Compliance Reviews:						
# of CPE audits resulting in compliance	588	248	1,594	1,291	819	800
# of CPE deficiencies	65	47	428	286	269	171
# of CPE deficiencies resulting in surrender of license	4	2	51	30	17	7
# of CPE deficiencies resulting in suspension of license	0	4	24	19	19	10
# of CPE audits open/pending review	340	244	0	1	0	0
BUDGET/EXPENDITURES						
Total YTD expenditures	\$639,412	\$541,008	\$1,727,506	\$1,642,512	\$1,424,978	\$1,366,765
Total fiscal year budget	\$2,799,421	\$2,414,828	\$2,414,828	\$1,886,458	\$1,648,449	\$1,648,384
% of expenditures vs. budget	22.8%	22.4%	71.5%	87.1%	86.4%	82.9%

NOTES:

(a) The Active - CPE Exempt status became effective on July 1, 2014.

(b) CPE audits selected through October 2017.

VIRGINIA BOARD OF ACCOUNTANCY
FINANCIAL REPORT
FY18 BUDGET vs. ACTUAL EXPENSES
AS OF OCTOBER 31, 2017

<u>Expenditure Type</u>	<u>FY18 Operating Budget</u>	<u>FY18 YTD Expenditures</u>	<u>% Expended</u>	<u>FY17 YTD Expenditures</u>	<u>FY16 YTD Expenditures</u>	<u>FY15 YTD Expenditures</u>
Salaries & Benefits	1,320,796	448,380	33.9%	1,103,143	999,185	901,488
Total Salaries & Benefits	\$ 1,320,796	\$ 448,380	33.9%	\$ 1,103,143	\$ 999,185	\$ 901,488
Contractual Services						
1209 Charge Card Purchases (not distributed)	-	-	---	-	-	-
1211 Express Services	-	45	---	-	-	-
1214 Postal Services	12,500	3,484	27.9%	7,975	9,144	9,049
1215 Printing Services	5,500	2,247	40.9%	5,245	4,163	3,296
1216 Telecommunications - VITA	13,000	985	7.6%	12,272	10,021	7,256
1217 Telecommunications - Nonstate	-	-	---	600	-	30
1219 Inbound Freight	450	8	1.8%	418	858	436
1221 Organization Memberships (primarily NASBA)	7,250	6,600	91.0%	7,250	7,030	6,690
1222 Publication Subscriptions	4,900	171	3.5%	4,730	5,254	370
1224 Training - Courses, Workshops, Conferences	8,900	2,738	30.8%	8,914	8,566	12,638
1227 Training-Transportation, Lodging, Meals, Incidentals	11,500	7,776	67.6%	10,933	16,123	2,264
1228 Employee IT Training Courses/Workshops and Conferences	100	-	0.0%	91	91	91
1242 Fiscal Services (Credit Card Merchant Fees)	55,000	15,433	28.1%	53,790	47,883	44,753
1243 Attorney Services (Including OAG)	51,736	25,868	50.0%	24,844	36,671	27,744
1244 Mgmt. Services - NASBA/special accommodations - IT Support	78,500	5,201	6.6%	75,641	64,564	10,085
1246 Public Info/Public Relations (subscriptions)	5,100	300	5.9%	5,015	1,756	590
1247 Legal Services (Includes court reporting services)	13,500	3,204	23.7%	12,977	10,306	9,079
1248 Media Services	-	-	---	-	235	-
1249 Recruitment Advertising	-	-	---	-	-	905
1252 Electrical Repair/Maintenance	-	-	---	90	-	485
1253 Equipment Repair/Maintenance	-	-	---	-	-	50
1257 Plant Repair & Maintenance Services	-	-	---	-	-	89
1263 Clerical / Temp Services	2,754	2,754	100.0%	2,475	-	-
1264 Food and Dietary Services	2,500	639	25.5%	2,156	2,170	3,115
1265 Laundry & Linen Services	-	-	---	25	-	-
1266 Manual Labor Services (Includes shredding services)	1,200	130	10.8%	1,122	380	736
1267 Production Services	-	-	---	-	1,771	1,500
1268 Skilled Services	-	-	---	-	960	7,407
1272 VITA Pass Thru Charges (SA Maintenance, IT Upgrades, and new system costs)	547,552	32,722	6.0%	122,620	87,475	78,203
1273 Info Mgmt Design and Development Services (Project Manager)	144,870	-	0.0%	-	-	599
1275 Computer Software Maintenance	-	-	---	-	43,200	43,227
1278 VITA Information Technology Infrastructure Services	108,832	35,554	32.7%	90,483	118,041	98,143
1279 Computer Software Development Services (Data Conversion)	65,900	-	0.0%	-	-	-
1282 Travel - Personal Vehicle	7,000	1,377	19.7%	6,980	5,926	4,691
1283 Travel - Public Carriers	700	-	0.0%	589	543	1,032
1284 Travel - State Vehicles	1,000	-	0.0%	619	1,347	698
1285 Travel - Subsistence and Lodging	1,500	537	35.8%	1,250	1,749	6,484
1288 Travel, Meal Reimburse - Not IRS Rpt	1,000	459	45.9%	730	917	1,626
Total Contractual Services	\$ 1,152,744	\$ 148,230	12.9%	\$ 459,834	\$ 487,145	\$ 383,359
Supplies and Materials						
1311 Apparel Supplies	-	-	---	248	842	-
1312 Office Supplies	5,000	1,632	32.6%	4,338	6,726	3,923
1313 Stationery and Forms	2,500	737	29.5%	2,214	2,249	2,271
1323 Gasoline (Enterprise vehicles)	400	69	17.3%	155	308	60
1335 Packaging and Shipping Supplies	970	197	20.3%	958	715	280
1342 Medical & Dental Supplies	50	-	0.0%	260	48	32

VIRGINIA BOARD OF ACCOUNTANCY
FINANCIAL REPORT
FY18 BUDGET vs. ACTUAL EXPENSES
AS OF OCTOBER 31, 2017

<u>Expenditure Type</u>	<u>FY18 Operating Budget</u>	<u>FY18 YTD Expenditures</u>	<u>% Expended</u>	<u>FY17 YTD Expenditures</u>	<u>FY16 YTD Expenditures</u>	<u>FY15 YTD Expenditures</u>
<u>Supplies and Materials, continued</u>						
1352 Custodian Repair & Maintenance	-	-	---	41	48	-
1353 Electrical Repair/Maintenance Materials	-	-	---	8	22	-
1362 Food & Dietary Supplies	575	49	8.5%	561	260	395
1363 Food Service Supplies	150	-	0.0%	107	15	7
1364 Laundry & Linen Supplies	-	-	---	24	-	18
1373 Computer Operating Supplies	7,100	935	13.2%	7,004	3,402	3,963
Total Supplies & Materials	\$ 16,745	\$ 3,619	21.6%	\$ 15,919	\$ 14,635	\$ 10,951
<u>Transfer Payments</u>						
1413 Awards & Recognition	1,000	-	0.0%	863	717	575
1415 Unemployment Compensation	-	-	---	-	-	4,512
1418 Incentives	300	-	---	410	-	-
Total Transfer Payments	\$ 1,300	\$ -	0.0%	\$ 1,273	\$ 717	\$ 5,087
<u>Continuous Charges</u>						
1512 Automobile Liability Insurance	231	-	0.0%	231	231	231
1516 Property Insurance	1,224	-	0.0%	1,224	1,224	1,224
1534 Equipment Rentals	8,500	1,523	17.9%	8,460	4,865	5,277
1539 Building Rentals - Non-State Owned Facilities	90,400	30,126	33.3%	88,126	76,350	77,951
1541 Agency Service Charges (DOA, PSB, DHRM, LVA & eVA)	36,326	30	0.1%	36,071	32,411	31,893
1551 General Liability Insurance	188	-	0.0%	188	188	188
1554 Surety Bonds	40	-	0.0%	40	40	40
1555 Worker's Compensation	1,000	-	0.0%	968	978	857
Total Continuous Charges	\$ 137,909	\$ 31,679	23.0%	\$ 135,308	\$ 116,287	\$ 117,661
<u>Equipment</u>						
2216 Network Components	1,200	236	19.6%	1,117	530	-
2217 Other Computer Equipment	500	102	20.4%	300	744	1,830
2218 Computer Software Purchases (new system software licenses)	149,050	-	0.0%	2,157	3,556	140
2223 Exhibit Equipment	-	-	---	-	-	698
2224 Reference Equipment	50	-	0.0%	26	181	-
2231 Electronic Equipment	175	-	0.0%	164	-	-
2232 Photographic Equipment	552	552	100.0%	845	-	-
2233 Voice and Data Transmission Equipment	-	-	---	-	1,691	120
2238 Electronic and Photo Equipment Improvements (Board Rooms)	-	6,125	---	-	-	-
2261 Office Appurtenances (Blinds, Carpet, etc.)	500	-	0.0%	-	880	331
2262 Office Furniture	15,000	149	1.0%	3,375	14,385	2,068
2263 Office Incidentals	2,750	341	12.4%	2,646	1,627	792
2264 Office Machines	-	-	---	928	821	10
2268 Office Equipment Improvements	150	-	0.0%	129	129	445
2271 Household Equipment	-	-	---	342	-	-
Total Equipment	\$ 169,927	\$ 7,505	4.4%	\$ 12,030	\$ 24,543	\$ 6,433
TOTAL ALL EXPENSE TYPES	\$ 2,799,421	\$ 639,412	22.8%	\$ 1,727,506	\$ 1,642,512	\$ 1,424,978
APPROPRIATION - CHAPTER 836	\$ 1,917,446					
2016-2018 Biennium Caboose Bill Decision Package Appropriation Requests	\$ 881,975					
Total Projected Appropriation	\$ 2,799,421					

**VIRGINIA BOARD OF ACCOUNTANCY
FINANCIAL REPORT
CASH BALANCE
As of October 31, 2017**

	Operating Fund (09226)		Special Fund (02020)	
	FY2018 - YTD as of 10/31/17	FY2017 - YTD as of 10/31/16	FY2018 - YTD as of 10/31/17	FY2017 - YTD as of 10/31/16
Beginning Fund Balance July 1:	\$ 511,346	\$ 507,753	\$ 3,677,602	\$ 2,807,901
YTD Revenue Collected *	905,008	778,175	11,211	8,089
Accounts Payable **	109	0	0	0
Interfund Cash Transfers In/(Out), based on September 30th balance	(267,307)	(84,473)	267,307	84,473
Interfund Cash Transfers In/(Out), based on December 31st balance	0	0	0	0
Interfund Cash Transfers In/(Out), based on March 31st balance	0	0	0	0
Interfund Cash Transfers In/(Out), based on June 26 balance	0	0	0	0
YTD Expenditures	(639,412)	(541,008)	0	0
Cash Balance before annual transfers	\$ 509,745	\$ 660,447	\$ 3,956,120	\$ 2,900,463
Annual Cash Transfers:				
Transfers to Central Service Agencies ***	\$0	(\$10,155)	\$0	\$0
Transfers for repayment of deferred contributions to the VRS ****	\$0	\$0	\$0	\$0
Cash Balance after transfers	\$ 509,745	\$ 650,292	\$ 3,956,120	\$ 2,900,463

* Includes Interest Earnings - Per Virginia Acts of Assembly - Chapter 732 - §3-3.03 -Approved April 10, 2016, the State Comptroller shall allocate revenue for interest earnings in FY2016. Interest Earnings have not been allocated since FY2010.

** Prior to October 1, 2014 and the implementaton of the Commonwealth's new financial accounting and reporting system (Cardinal) all payments immediately reduced cash when processed (in CARS). The new Cardinal financial system operates on a modified accrual basis and Cash balances are not affected until the voucher's due date. The Cardinal system generates an offsetting entry to a liability account (accounts payable) when the voucher is processed. Once the voucher due date arrives, the payment is made, the liability is relived and cash is now reduced.

*** Non-general fund Transfers required by Virginia Acts of Assembly Part 3-1.01F for expenses incurred by central service agencies due on or before June 30.

**** Non-general fund transfer required by 2017 Virginia Acts of Assembly, Chapter 836, Part 3-1.01 II.1 for the expedited repayment of deferred contributions to the Virginia Retirement System authorized in Chapter 732, 2016 Acts of Assembly (for FY17 only).

**VIRGINIA BOARD OF ACCOUNTANCY
FINANCIAL REPORT
FY2018 - REVENUE BY FEE TYPE
Source: VBOA Licensing System (MLO)**

Fee Type	FY2018 - YTD as of 10/31/17	FY2017 - YTD as of 10/31/16	Fiscal Year Ending 6/30/17	Fiscal Year Ending 6/30/16	Fiscal Year Ending 6/30/15
(a) Pre-Evaluation of Transcripts Application Fee	\$ -	\$ -	\$ -	\$ 3,975	\$ 13,800
(b) Re-Exam Application	\$ 96,140	\$ 108,125	\$ 333,960	\$ 369,945	\$ 320,765
(c) Renewal Fee	\$ 33,460	\$ 42,400	\$ 115,480	\$ 61,220	\$ -
Reinstatement Fee	\$ 747,320	\$ 599,360	\$ 2,086,540	\$ 1,864,290	\$ 1,849,935
Duplicate Wall Certificate Fee	\$ 19,200	\$ 15,125	\$ 45,775	\$ 35,450	\$ 40,750
License Verification Fee	\$ 875	\$ 625	\$ 1,775	\$ 1,750	\$ 1,825
CPA Exam Score Transfers	\$ 7,800	\$ 6,812	\$ 20,487	\$ 19,963	\$ 21,550
Failure to Respond to Board Requests	\$ 750	\$ 850	\$ 2,075	\$ 2,075	\$ 2,225
Administrative Fee	\$ -	\$ 3,200	\$ 5,100	\$ 4,300	\$ 2,200
Bad Check Fee	\$ -	\$ 1,500	\$ 5,100	\$ 4,100	\$ 10,129
	\$ -	\$ 50	\$ 50	\$ 100	\$ 50
Total Revenue	\$ 905,545	\$ 778,047	\$ 2,616,342	\$ 2,367,168	\$ 2,263,229
(d) Net Revenue per Commonwealth Accounting and Reporting System (Cardinal)	\$ 902,170	\$ 776,552	\$ 2,604,132	\$ 2,378,598	\$ 2,263,479
(e) Difference	3,375	1,495	12,210	(11,430)	(250)

NOTES:

- (a) Effective October 15, 2015, VBOA no longer collected fees for Pre-Evaluation of Transcripts.
- (b) Effective January 5, 2016, VBOA implemented the Re-Exam Application fee.
- (c) Renewal Fee also includes associated late fees.
- (d) Net Revenue per Cardinal reported above includes only revenue received from regulatory fees.
- (e) Revenue Totals from the VBOA Licensing System (MLO) will not always match Revenue collected and reported on the VBOA Cash Report (Cardinal), due to timing differences in dates transactions are posted into each system and pending adjustments.

**VIRGINIA BOARD OF ACCOUNTANCY
FINANCIAL REPORT
ACCOUNTS RECEIVABLE
AS OF OCTOBER 31, 2017**

	FY2018 - YTD as of 10/31/17	FY2017 - YTD as of 10/31/16	Fiscal Year Ending 6/30/17	Fiscal Year Ending 6/30/16	Fiscal Year Ending 6/30/15
Fines levied/collected/receivable:					
\$ amount of fines levied	\$ 83,075	\$ 60,899	\$ 187,925	\$ 284,528	\$ 199,075
\$ amount of fines collected	\$ 81,358	\$ 77,685	\$ 198,771	\$ 252,626	\$ 206,367
\$ OAG Fees	\$ -	\$ -	\$ -	\$ 342	\$ 371
\$ Discharged	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Current fines receivable (< 365 Days)	\$ 21,059	\$ 34,752	\$ 25,442	\$ 51,538	\$ 220,724
Outstanding Written-off receivables (=> 365 Days) (a)	\$ 597,500	\$ 576,150	\$ 591,400	\$ 576,150	\$ 374,719

NOTE:

(a) All accounts uncollected after one year are deemed uncollectible, are written off of the VBOA's financial account records, and are no longer recognized receivables for financial reporting purposes; however, the legal obligation to pay the debt still remains.

NASBA “Reorganization Impact of the AICPA” Quick Poll

3. Has your Board of Accountancy (BOA) discussed the impact of the American Institute of Certified Public Accountants' (Institute) reorganization and re-branding in your jurisdiction?

- Yes
- No

4. If no, when do you plan to discuss this issue?

5. Please describe the importance of the reorganization and re-branding of the Institute and the formation of the Association of International Certified Professional Accountants (Association) to your BOA?

6. Have your BOA members or licensees expressed confusion about the reorganization and re-branding?

- Yes
- No

7. If yes, please describe concern(s) expressed:

8. Have your BOA Members or licensees expressed political concerns with the reorganization or re-branding?

- Yes
- No

9. If yes, please describe those concerns:

10. Have your BOA members or licensees expressed legislative or legal concerns with the reorganization or re-branding?

- Yes
- No

11. If yes, please describe those concerns:

12. Have your BOA members or licensees expressed contractual or legal concerns?

- Yes
- No

13. If yes, please describe those concerns:

14. Please share any additional concerns, comments or questions from you or your BOA.