

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

Minutes of the 102nd Annual Business Meeting

**JW Desert Ridge Marriott
Phoenix, AZ
Tuesday, November 3, 2009**

A duly called Annual Business Meeting of the National Association of State Boards of Accountancy, Inc., was held at the JW Desert Ridge Marriott in Phoenix, Arizona, on Tuesday, November 3, 2009.

1. Call to Order

The meeting was called to order at 8:45 a.m. Chair Thomas J. Sadler (Associate – Washington) presided. Mr. Sadler announced that Noel L. Allen (Legal Counsel – North Carolina) had agreed to serve as parliamentarian for the meeting.

2. Report of the Credentials Committee

E. Kent Smoll (Delegate – Kansas), Chair of the Credentials Committee, reviewed the additions and corrections to the registration list which had been distributed to all registrants and which indicated the designated voting representative for each member board in attendance. He noted that the list as corrected showed that 126 delegates (current members of State Boards) and 40 associates (former State Board members) from 52 jurisdictions were present. There was a total registration of 433, including delegates, associates, executive directors, legal counsel, spouses, guests and staff.

Mr. Smoll pointed out that under Article VI, Section 5 of NASBA's Bylaws, a quorum for the transaction of business of any meeting of the Association shall be one or more designated voting representatives from a majority of the member Boards. Mr. Smoll noted that the registration list, as corrected, showed 52 designated voting representatives from 52 member boards were in attendance.

In the absence of objection, the final registration list was accepted as evidence that a quorum was present. (A copy of the final registration list is appended to the official minutes.)

3. Approval of the Minutes of the 101st Annual Business Meeting

Secretary Gaylen R. Hansen (Delegate – Colorado) reported that the minutes of the Association's 101st Annual Business Meeting, held in Boston, MA, on October 28, 2008, had been distributed to all registrants. On a motion by Michael Weinschel (Delegate – Connecticut), seconded by Leonard R. Sanchez (Delegate – New Mexico) the minutes were approved as submitted.

4. Awards Presentations

NASBA Past Chair Welling W. Fruehauf (Associate – Pennsylvania) presented the William H. Van Rensselaer Public Service Award to Barton W. Baldwin, CPA (Associate – North Carolina) in recognition of his dedication to the improvement of state regulation of accountancy and his demonstrated excellence in leadership of the Association. Mr. Fruehauf thanked Mr. Baldwin for devoting his life to the profession,

having served as NASBA Chair 2001-02 and continuing to be actively involved in the work of NASBA's committees.

The NASBA Distinguished Service Award was presented by Mr. Fruehauf to Ellis M. Dunkum, CPA (Associate – Virginia). Mr. Fruehauf praised Mr. Dunkum for having led the Virginia Board of Accountancy to become a separate state agency, and for having continued to help the Virginia Board grow since he first became involved with the Board in 1996. Tyrone Dickerson (Delegate – Virginia) accepted the award on Mr. Dunkum's behalf.

The second annual Lorraine P. Sachs Standard of Excellence Award, honoring State Board executive staff leaders who have shown excellence in regulating and who have made a positive impact on the accounting profession, was presented by NASBA Vice President Emeritus Sachs to William Treacy (Executive Director – Texas). Ms. Sachs noted that Mr. Treacy had helped the Texas State Board of Public Accountancy become a self-directed, semi-independent board. He was also the first executive director to lead a NASBA Committee other than the Executive Directors Committee. Mr. Treacy said Ms. Sachs had been his "role model and mentor."

5. Report of the Nominating Committee

Samuel K. Cotterell (Delegate – Idaho) chair of the Nominating Committee, presented the slate of officers selected by the Nominating Committee. He asked each of the nominees to stand. Those nominated were:

Vice Chair.....Michael T. Daggett (AZ – Associate)

Directors-at-Large (three-year terms).....Walter C. Davenport (NC – Associate)

Mark P. Harris (LA – Delegate)

Carlos E. Johnson (OK - Delegate)

Regional Directors

Middle Atlantic.....Donald H. Burkett (SC – Delegate)

Great Lakes.....Claireen L. Herting (IL – Delegate)

Southwest.....David D. Duree (TX – Associate)

Southeast.....Kenneth R. Odom (AL- Delegate)

MountainHarry O. Parsons (NV – Delegate)

CentralTelford A. Lodden (IA – Delegate)

Pacific.....Laurie J. Tish (WA-Delegate)

NortheastMichael Weinshel (CT – Delegate)

Having received no additional nominations from the member Boards, Mr. Cotterell moved that all nominees named by the Nominating Committee be approved by acclamation of the voting delegates. The nominees were so approved.

6. Report of the Administration and Finance Committee

The NASBA Administration and Finance Committee met four times this year with NASBA executive, operational and financial management present, Treasurer Leonard R. Sanchez reported. He referred the meeting participants to the detailed management discussion of operations in the 2009 Annual Report. Mr. Sanchez said that NASBA had “a very good year,” as unrestricted net assets increased for the seventh year in a row. He reported the Administration and Finance Committee was satisfied with the organization’s performance.

7. Report of the Audit Committee

Audit Committee Chair Walter C. Davenport (Associate – North Carolina) reported the Committee had met twice during the year, in September going over the draft of its report which could be found in the NASBA 2009 Annual Report on pages 48-59. The Committee met with the audit firm's partner, manager and senior, both with and without NASBA management present. There were no problems or disagreements with the outside auditors, who gave NASBA an unqualified report and were complimentary of NASBA's executive management and finance department.

After reviewing the firm's qualifications and fees, the Committee decided to recommend to the Board of Directors that Lattimore Black Morgan & Cain, PC, of Brentwood, TN, be retained as NASBA's auditors for the coming year, which the Board agreed to at its October meeting.

8. Report of the Bylaws Committee

Bylaws Committee Chair Claireen L. Herting (Delegate – IL) reported the Bylaws Committee had met and proposed some technical changes to the current Bylaws, but had subsequently determined to table those proposed amendments so that the Committee can continue to work on them and discuss them with the member Boards at the June 2010 Regional Meetings.

9. Report of the President

NASBA President and Chief Executive Officer David A. Costello explained the Annual Meeting's theme of "Doors" represents the doors of opportunity that are open to NASBA. He introduced Ronald J. Rotaru (Executive Director – OH) and Senior Vice President Ken L. Bishop, calling them the "gurus of mobility" as they had worked with the states promoting mobility legislation, which was either in place or moving ahead in 45 jurisdictions. He then introduced William Treacy (Executive Director – TX) and Director of Governmental, International and Professional Relations Linda L. Biek to highlight the mutual recognition agreements the NASBA/AICPA International Qualifications Appraisal Board had developed with other countries' accounting bodies and the international meetings where NASBA had represented the State Boards. Next, Executive Vice President Joseph T. Cote and AICPA Vice President – Examination Craig N. Mills joined President Costello on stage to note their talks on extending the computer-based-testing agreement and on administering the Uniform CPA Examination outside the United States. Finally, Center for the Public Trust (CPT) Board Chair Milton Brown (Associate – NJ) came up to speak about the student CPT chapter that had been opened at David Lipscomb University and how others are being planned.

President Costello concluded that all these projects "exude energy." He encouraged the State Board members to continue offering him creative and innovative ideas, as they present new doors for NASBA to open.

10. Report of the Executive Directors

Executive Directors Committee Vice Chair Daniel Sweetwood (Executive Director – NE) presented the report prepared by Committee Chair Edith Steele (Executive Director – OK). He stated the 27th Annual Executive Directors Conference was held in Jacksonville, FL, and included a lively discussion of the international administration of the Uniform CPA Examination, a summary of the new Enforcement Committee’s activities, and presentations from representatives of HUD and the IRS. Their 2010 conference will be held in Nashville, TN. The Committee developed a summary list to let all states know when State Board meetings will be held. Mr. Sweetwood said the ability to communicate among State Boards has been aided by executive directors’ networking at NASBA meetings, involvement in NASBA committees and participating in Quick Polls. He recommended a State Board executive director be appointed to each of NASBA’s committees.

11. Report of Professional Credential Services

PCS Board Chair Milton Brown reported PCS, a wholly owned subsidiary of NASBA, is a for-profit organization that is being run as a for-profit organization. It has become an international service organization as its business has grown in Guam and Puerto Rico. Fifty-two professions are now being served by PCS. In five years, PCS revenue had increased by \$5.8 million, Mr. Brown reported. PCS continues to renew its contracts forged in 2002 and to add new clients, he said.

Management Administrative Services (MAS), under the direction of President Denise Hanley, has been added as part of PCS and is doing well, Mr. Brown stated. It is moving into association management.

12. Report of the Center for the Public Trust (CPT)

Incoming PCS Board Chair Larry W. Bridgesmith noted that CPT had entered its fifth year. Through the CPT, Mr. Bridgesmith said NASBA is answering the question, “What are you doing about this culture of ethical decline?” CPT has held 20 conferences, established its “Being a Difference” award program and launched its first student chapter, with chapters at Rutgers University and Elon College being planned.

Mr. Bridgesmith said the CPT intends to be an organization that incentivizes change. He asked for the meeting attendees to offer their support to the CPT’s efforts.

13. Call to the 2010 Annual Meeting

NASBA Chair 2009-10 Billy M. Atkinson (Associate – TX) asked the State Boards to make plans to attend NASBA’s 103rd Annual Meeting to be held October 25-27, 2010 at the Hyatt Regency Riverwalk, in San Antonio, Texas.

14. Adjournment

There being no additional new business, the meeting was adjourned at 11:39 a.m.