



# Nebraska Board of Public Accountancy

The Board is responsible for licensing and regulating Certified Public Accountants (CPAs) and Public Accountants (PAs) in Nebraska

## 2007 ANNUAL LETTER

### MESSAGE FROM BOARD CHAIR, *Mr. Jim R. Titus, Esq.*

As I begin my sixth year with the State Board, and second as Chair, I would like to take this opportunity to acknowledge our licensees who continue to work hard to provide accounting and financial services to the public. You should be proud and honored to provide these professional services at a high level of competence. By completing continuing education courses, undertaking reviews of your work, and striving to stay abreast of the ever-changing world of accounting, CPAs are at the forefront of putting the word “professional” in accounting.

One topic I would like to bring to your attention is Board travel. Currently, the Board allows its Board members to travel to two meetings a year held by the National Association of State Board’s of Accountancy (NASBA) The Nebraska Board historically has been an active member of NASBA and currently has members that participate on NASBA Committees. As Chair, I have encouraged all members to attend and be active within NASBA. Important topics including proposed “mobility” legislation, international standards, changing 150-hour education requirements, and continued review and development of the CPA examination require Board members to be educated and up to date as these topics are discussed within Nebraska.

Recently, the Nebraska State Auditor has questioned and expressed concern with Board travel including the destinations chosen by NASBA. We met with the auditor and expressed our opinion that Board members should be able to attend NASBA meetings to assist them in fulfilling their roles as a member of the Board.

The Board would appreciate your comments on their current travel policy. We are cognizant that the Board is funded by the fees you submit and carefully scrutinize our budget. If you have questions or would like to comment, please contact our Board office at 471-3595 or 1-800-564-6111 or send your email to [Dan.Sweetwood@nbpa.ne.gov](mailto:Dan.Sweetwood@nbpa.ne.gov).

As you can see, this is the Board’s new enhanced annual newsletter. I hope you find it informative and helpful. Our goal is to keep you informed of Board activity and requirements.

  
Jim R. Titus

*(From left to right)*  
Jim Titus, Chair,  
Jim Rieker, new member  
Dan Sweetwood, Executive Director



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### Center Insert:

QEP Volunteer Reviewer Application

## FROM THE EXECUTIVE DIRECTOR, *Dan Sweetwood:*

I hope you like the look of our new annual letter! The Board is always cognizant and hopeful that we communicate with our licensees and registrants. This includes information and news on our website at [www.nbpa.ne.gov](http://www.nbpa.ne.gov) and emphasizing that licensees and registrants are always welcome to address the Board at their meetings per Board regulation Title 288, Chapter 4.004.03B. On the website you will find the Board's current agenda and minutes. We strive to include detailed information in our minutes and I encourage you to review them to discover if an issue has arisen that might interest you or your firm. Also, current news releases are available to keep you up to date on Board activities including new legislation, rules, and enforcement actions.

To conclude, I must mention the hard work, dedication, and commitment I observe in your Board members. I can confidently indicate to you that your Board is functioning well due to your current members' ability to work together when discussing complicated issues involving legislation, rules, enforcement hearings, and other issues. Simply, they might disagree but still respect each other and staff when the meeting is over and the vote taken!!

Take care of yourself during the busy season in 2008 and never hesitate to contact our office if you have questions or concerns.



Dan Sweetwood



## THANKS and WELCOME!

Mr. William Nuckolls was recently honored for his two terms (eight years) of service to the Board at the Nebraska Society of CPAs annual meeting.. Bill was a valuable member and diligent in his review of Board minutes and disbursements as Board Secretary. Bill served on several committees and was Chair of the CPE Committee.

Mr. Jim Rieker was appointed to the Board by Governor Dave Heineman to serve a four year term as a public member. Jim is the President and CEO of Midwest Housing Equity Group, Inc. in Omaha.. Welcome Jim!!



## STATE BOARD MEMBERS

*(From left to right)*

Tom Obrist, CPA  
Doug Skiles, CPA, - Vice Chair  
Bill Nuckolls, Public member  
Kate King Wu, CPA  
Anne Fuhrman, CPA - Secretary  
Jim Titus, Public member - Chair  
Mike Wassinger, CPA  
Dick Zacharia, CPA

## CPA MOBILITY

If you are not aware, both the AICPA and NASBA have presented proposed legislation within the Uniform Accountancy Act (UAA) to allow a CPA to cross state borders to conduct engagements without notification or reciprocal licensure as long as the CPA's "principle place of business" remains within their original state. Both the AICPA and NASBA have agreed that the current system of licensure and notification is fragmented and confusing for mobile CPAs as they travel from one state to the next. Their goal is that substantially equivalent (150 hours of education, passed the CPA examination, and one year of experience) CPAs can conduct engagements in other states without licensure (in some cases the CPAs firm would require licensure based on the type of engagement and the location of the clients headquarters). To find more information about these recommended changes to the UAA and to review the actual draft documents, please go to [www.nasba.org](http://www.nasba.org).

Current Nebraska law within the Public Accountancy Act (PAA) allows for temporary practice under 1-163.

Your Board was presented the proposed changes by Mr. Ken Bishop, UAA Committee Task Force on Mobility, at their November 16th, 2007 meeting. The Board presented Mr. Bishop with several concerns regarding the proposed legislation. Mr. Bishop presented helpful information and answered several Board member questions. The Board accepted Mr. Bishop's offer to have the current PAA reviewed with possible draft language created to incorporate "mobility" within the PAA.

The Board's Legislative Committee plans on meeting with the Nebraska Society of CPAs leadership in May to discuss the proposed changes to the UAA.

It should be noted that Mr. William Strain, CPA, from Lincoln chaired the AICPA UAA Committee. He should be acknowledged for his dedication to this very important national project. Mr. Strain will also address the Board on "Mobility" at a future meeting.

If you have questions or an interest in the "Mobility" language, please contact Executive Director Dan Sweetwood at 471-3595 or 1-800-564-6111 or at [Dan.Sweetwood@nbpa.ne.gov](mailto:Dan.Sweetwood@nbpa.ne.gov).

## LICENSING COMMITTEE:

The legislation allowing CPA's to obtain a reciprocal certificate in Nebraska, who have "four in the previous ten years" as a licensed CPA in another jurisdiction, passed in January, 2007. The first "4 in 10" applications were processed in May. The law change basically equates experience with education.

Character and Fitness Standards, as a result of Rules Chapter 6 and 7 revisions, now appear on CPA Exam applications, certificate, and initial permit to practice applications.

Firm names continue to be an issue for Committee review. Item F was added to the Firm Guidelines (C and D were deleted) dealing with firm names as of the July 2007 Board meeting. Please refer to the Firm Guidelines, available on the Board's website, if you intend to change your firm name. The Committee's efforts have been to protect the public by approving names that are not-misleading as to services provided, number of CPAs employed, and other potentially confusing terminology. The Committee annually revokes certificates of permit holders, who have not renewed for three years per PAA 1-136 (3), following complaint and notice of hearing.

## CONTINUING PROFESSIONAL EDUCATION (CPE) COMMITTEE:

This was a BIG YEAR for CPE by submitting your CPE hours online. Nearly 50% of CPAs submitted online. At this adoption rate, we may be paperless soon. The ability to submit courses online can be used throughout the year. Please use this tool to track your CPE hours on an ongoing basis. **Your password to submit CPE will remain the same when you renew your permit to practice. It is very important to keep that password.**

The Committee reviewed 496 courses. In addition, to reviewing the courses submitted through Program Qualification forms the Committee allows National Association of State Boards (NASBA) approved courses. All courses and sponsors are reviewed annually.

The Committee is reviewing non-technical courses as allowed for CPE. Research is being conducted to determine potential limitations of hours per renewal period. CPE Guidelines requirements are being reviewed and the necessary changes will be made. All Active Permit Holders will be notified of any changes.



## EDUCATION & EXAM COMMITTEE (E & E):

Overall, the computer based CPA exam has been very successful and well accepted by candidates. The Committee wants to remind firms who have people sitting for the exam to be sure to review the CPAES exam tutorial available on [www.CPA-Exam.org](http://www.CPA-Exam.org) for mechanical processes involved in an online application.

The AICPA Practice Analysis Oversight Group surveyed firms to gather information on knowledge and skills needed by CPAs that should be part of the exam content. Board staff and Board members have visited the four CPA exam sites to observe exam procedures.

The NASBA Education Committee, on which NBPA Member Doug Skiles serves, has been revising Chapters 5-1 & 5-2 of the UAA. The Education Advisory Committee (EAC), made up of educational institution representatives, has reviewed the proposed changes and is in the process of providing feedback to the E & E Committee.

*“The Board’s EAC meets annually in October to discuss education requirements and issues with Board members.”*



### EAC Members present (From left to right)

Jack Armitage, UNO  
James Koehn, Chadron State College  
Vaughn Benson, Wayne State College  
Mike Wassinger, Board member  
Doug Skiles, Chair, Board member  
Kate King Wu, Board member  
Paul Shoemaker, UNL  
Courtney Baillie, Wesleyan  
Dave Emery, Darst & Associates, PC

## QUALITY ENHANCEMENT PROGRAM:

### The Committee determined the following six issues were the most common problems on 2007 reports:

1. SOP 01-6 Accounts Receivables incomplete disclosures;
2. Material overdrafts not moved to liabilities;
3. Using tax depreciation on GAAP financial statements without proper disclosures;
4. Contractor disclosures incomplete regarding – uncompleted jobs and back log, lack of allocation of indirect expenses;
5. Incorrect wording in compilation and review reports;
6. Governmental audit reports omitted references to opinion units;

### Reminders from the Committee:

- Review your internal quality control procedures as related to reports being issued; the licensed owner of the firm is ultimately responsible for all reports issued by the firm.
- When providing services to specialized industries, applicable CPE courses and reference libraries are very important.

## WE NEED YOUR HELP!

In 2008, we will need QEP reviewers. You **can** earn up to 8 CPE hours a day and your firm will receive \$100 per day to help defray expenses. It's a great educational tool to take back to your practice. Enclosed is an application if you wish to participate. **Thank you to QEP reviewers for making our program a success.**

## ENFORCEMENT COMMITTEE:

Your Enforcement Committee continues to review complaints submitted to the Board by the public, CPAs, and other agencies. After review and response from the CPA, the Committee can decide to recommend the complaint be closed, direct staff to gather additional information, and later can determine and recommend a formal complaint be filed in the matter before the Board.

If you are notified a complaint has been filed against you or your firm, do not hesitate to contact the Board office if you have any questions and/or concerns. It is strongly recommended you provide as much information as possible with your response.

Please contact Dan Sweetwood at (402) 471-3595 or at [Dan.Sweetwood@nbpa.ne.gov](mailto:Dan.Sweetwood@nbpa.ne.gov).

To review the current Public Accountancy Act and Title 288 Rules please go to: [www.nbpa.ne.gov](http://www.nbpa.ne.gov)

## FAQ's / TIDBITS:

- 1.) Check for the current application form: Be sure to check the NBPA website for the most current application forms. In the past two years, fees have changed for some applications. As a state agency, the Board cannot accept checks for the wrong amount. The application and incorrect fee check must be returned to the applicant, delaying the application process.
- 2.) During the year issues may arise that result in revisions to the Board's Title 288 Rules and Regulations. Please be aware that "things change." The Board office will attempt to inform you of changes through the annual letter, the Nebraska Society of CPAs newsletter, or other means. 2006-2007 Title 288 Rule changes specific to Board Committee's are noted under the Committee heading in this newsletter.
- 3.) How many hours do I need to renew my permit? CPE hours required for renewal of your permit to practice equal 80 hours over TWO years, including 4 hours of ethics. Do not confuse the required 80 hours over two years with other derivatives such as 40 hours per year, with 20 hours of self study. Ethics hours may be taken in increments not all in one four hour block. CPE must be reported by January 31 each year. Please refer to the most recent edition of the CPE Guidelines on the Board's website.
- 4.) How do I go from inactive registration status to active permit holder? Reinstatement from inactive to active permit holder requires communication with the Board office. Based on your birth year, your licensing period does NOT change, and effects the years for CPE reinstatement reporting. Reinstatement requires careful timing, and Board staff will be happy to assist you through the process.
- 5.) Reminder: Title 288 Rules Chapter 5 007.06 state that "Each certificate holder shall notify the Board in writing (or via the Board's website) within 30 days of any change of address or change of employment."
- 6.) How do I report problems or issues experienced with CPA Exam Services (CPAES) in the CPA exam process? Please contact the Board office if you have serious complaints during the exam process that have not been resolved through the Candidate Care service.



## 2006 ACTIVE PERMIT HOLDER'S

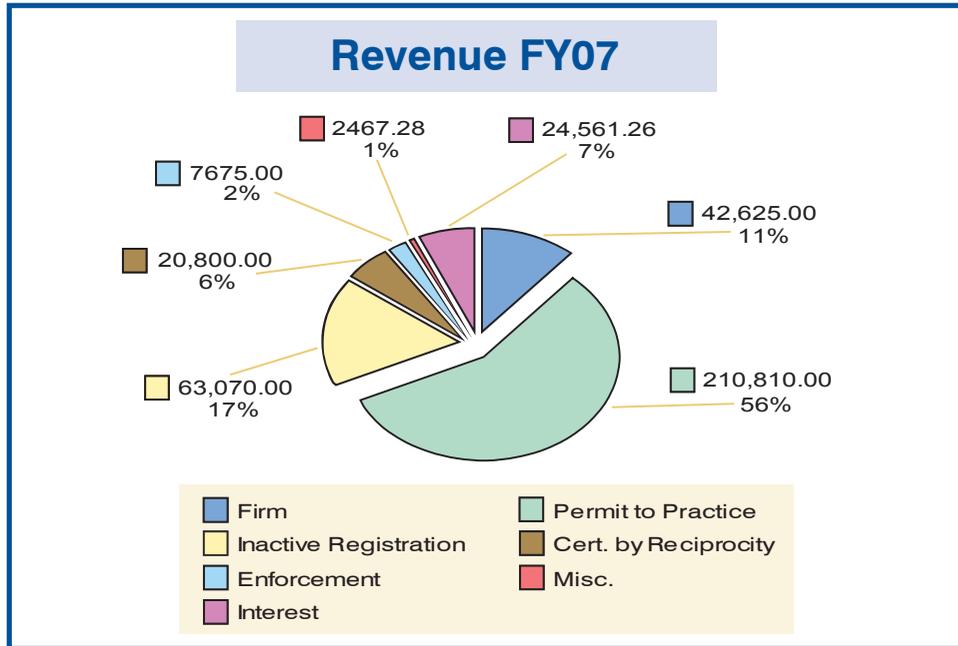
Listed are the number of the 2006 Active Permit Holder's by location.

IN STATE CPA'S					
City/Town	Count	City/Town	Count	City/Town	Count
Ainsworth	1	Ft. Calhoun	4	Peru	1
Albion	3	Fullerton	1	Pilger	3
Alliance	9	Geneva	1	Plainview	1
Alma	2	Gering	10	Plattsmouth	4
Ashland	3	Gothenburg	5	Randolph	1
Atkinson	1	Grand Island	55	Ravenna	1
Auburn	4	Gresham	1	Raymond	2
Aurora	17	Gretna	13	Republican City	1
Bancroft	1	Hastings	30	Roca	1
Beatrice	10	Henderson	2	Rulo	1
Beemer	1	Hickman	3	Schuyler	2
Bellevue	18	Holbrook	1	Scottsbluff	25
Benkelman	1	Holdrege	7	Scribner	1
Bennington	8	Imperial	3	Seward	7
Bertrand	1	Indianola	1	Shelton	1
Big Springs	1	Kearney	33	Sidney	2
Blair	6	Kimball	1	South Sioux City	7
Bloomfield	1	Laurel	1	Spalding	1
Boys Town	1	Lavista	9	Springfield	1
Broken Bow	3	Lemoyne	1	St. Helena	1
Butte	1	Lexington	4	Stanton	1
Central City	3	Lincoln	310	Stromsburg	1
Chadron	9	Lyons	1	Sumner	1
Clarkson	1	Madison	1	Superior	1
Clatonia	1	Malcolm	1	Sutton	1
Clearwater	2	McCook	17	Syracuse	1
Cody	1	McCool Junction	1	Thurston	1
Colon	1	Minatare	1	Union	1
Columbus	23	Minden	3	Utica	1
Cortland	2	Mitchell	1	Valentine	6
Cozad	2	Nebraska City	6	Valley	2
Crete	6	Neligh	1	Wahoo	1
Curtis	2	Norfolk	39	Wakefield	1
Dannebrog	1	North Loup	1	Waterloo	1
David City	2	North Platte	31	Wausa	1
Deshler	2	O'Neill	7	Waverly	1
Dodge	3	Oakland	1	Wayne	3
Eagle	2	Ogallala	9	Weeping Water	1
Elkhorn	17	Omaha	666	West Point	1
Elmwood	1	Ord	7	Winnetoon	1
Elwood	1	Osceola	1	Wisner	1
Fairbury	3	Osmond	1	Wood River	1
Falls City	6	Oxford	1	York	13
Firth	2	Palmer	1		
Franklin	1	Panama	1		
Fremont	32	Papillion	25		
<b>Total Nebraska</b>			<b>1646</b>		

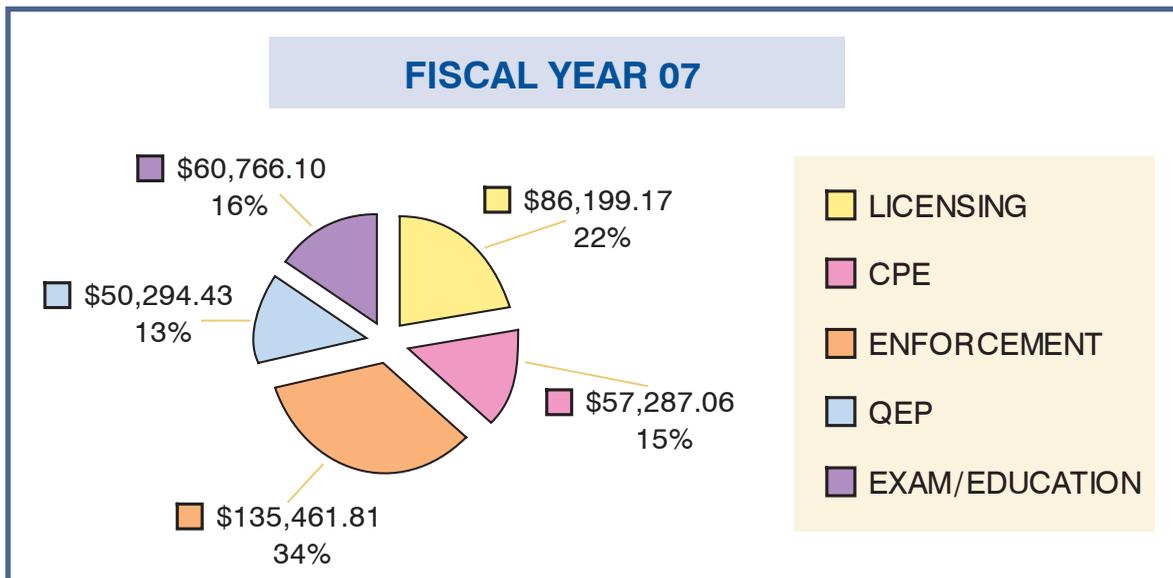
OUT OF STATE CPA'S	
Arizona	11
Arkansas	2
California	9
Colorado	38
Connecticut	7
District of Columbia	2
Florida	11
Georgia	4
Idaho	1
Illinois	28
Indiana	5
Iowa	95
Kansas	34
Kentucky	2
Maine	1
Maryland	2
Massachusetts	1
Michigan	2
Minnesota	31
Mississippi	1
Missouri	31
Montana	2
New Jersey	4
New York	3
North Carolina	3
North Dakota	8
Ohio	3
Oklahoma	2
Oregon	2
Pennsylvania	3
South Carolina	2
South Dakota	15
Tennessee	5
Texas	19
Virginia	8
Wisconsin	11
Wyoming	10
<b>Total Out of State</b>	<b>418</b>

## Board Revenue for Fiscal Year 2007

The Board is a Non-Code Agency within State Government. Board funds are derived from licensing fees as determined by the Board by February 1st of each year\*. After creation of a recommended budget by the Board, funds are appropriated by the Nebraska Legislature as recommended by the Governor.



The Board currently has five programs as outlined below. The Chart shows generally where Board funds were utilized by program in FY2007.



\* No State General Funds are used to support the Board



# LICENSING STATISTICS 2007

Report on permits/registrations issued from July 1, 2007 to January 1, 2008:  
 Prior year's statistics are given for comparison purposes.

	2006-08	2007-09
CPA Permits	1087	1066
CPA Inactive Regs.	725	790
<b>Total:</b>	<b>1812</b>	<b>1856</b>
	2006-07	2007-08
Partnerships	20	20
Professional Corporations	207	202
Limited Liability Companies	59	48
Limited Liability Partnerships	35	32
Sole Proprietorships	234	287
<b>Total:</b>	<b>555</b>	<b>589</b>

Certificate/Permit Status Changes:	
Certificate Revocation for Permit Non- Renewal per PAA 1-137:	18
Inactive – Retired Status:	17
Voluntary Surrender of Certificate:	17
Reinstatement to Active Permit:	17
Enforcement Cases	
New Cases opened in 2007	9
Discipline Issued in 2007	5
Open Cases Dismissed in 2007	8

**Board Members**  
 Jim Titus – Chair– Lincoln, NE  
 Doug Skiles, CPA – Vice Chair – McCook, NE  
 Anne Fuhrman, CPA - Secretary – Omaha, NE  
 Richard Zacharia, CPA – Omaha, NE  
 Tom Obrist, CPA – Lincoln, NE  
 Kate King Wu, CPA– Omaha, NE  
 Michael Wassinger, CPA – Hastings, NE  
 Jim Rieker – Omaha, NE

**Staff**  
 Dan Sweetwood, Executive Director  
 Jo Lowe, Administrator  
 Kelly Ebert, Administrative Assistant

**Contact Information**  
 P.O. Box 94725, Lincoln, NE 68509  
 140 N. 8th Street, Suite 290, Lincoln, NE 68508  
 (402) 471-3595 or (800) 564-6111  
 Fax (402) 471-4484  
 Website: [www.nbpa.ne.gov](http://www.nbpa.ne.gov)

# FEBRUARY

The Annual Register listing 2007  
 licensed CPAs and CPA Firms in Nebraska  
 will be available early in February. Please contact  
 the Board office for your complimentary copy.



Board of Public Accountancy  
 P.O. Box 94725  
 Lincoln, NE 68509

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