

CPA VOICE

The Ohio Society of Certified Public Accountants

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Catch highlights of the 2013 Members Summit and Annual Meeting, featuring OSCPA's new President and CEO Scott D. Wiley, CAE starting on page 22.

Advocacy efforts impact budget bill

As an OSCPA member, you benefit from one of the top legislative affairs teams in the state. Ohio's latest biennium budget process demonstrates the importance of this member benefit.

If it weren't for OSCPA advocacy efforts, we could be facing an expanded tax on services, including accounting and many other previously untaxed services. The tax was ultimately pulled out of the bill, in part thanks to OSCPA's advocacy team.

Continued on page 2 ►

Employer mandate in health care act delayed until 2015

The business mandate for large employers to provide health insurance to its full-time employees has been deferred for one year, now taking effect in 2015.

Individuals, however, are still required to carry health insurance starting in 2014 or face penalties. State-based marketplaces or health exchanges are set to be in place by Oct. 1 to help people without access to coverage meet the requirement.

"We are on target to open the health insurance marketplace on Oct. 1 where small businesses and ordinary Americans will be able to go to one place to learn about their coverage options and make side-by-side comparisons of each plan's price and benefits before they make their decision," said Valerie Jarrett, President Obama's senior adviser and liaison to the business community, on the White House website.

The 2010 Patient Protection and Affordable Care Act requires large employers with more than 50 full-time employees to provide health insurance that meets minimum standards and tests of affordability or they will face penalties. Those penalties were originally set to start in 2014, but employers now have until 2015 to comply.

Continued on page 3 ►

Continued from **Cover** ▶

When the initial proposal was announced, OSCPA reached out to members for their input. Over 80% of respondents opposed an expanded sales tax on services.

OSCPA responded, and worked with legislators on options to promote job development and economic growth without hamstringing businesses. We connected legislators with CPA experts who worked behind the scenes to help them better understand the impact of various proposals.

Also, the CAT threshold was almost lowered from \$1 million to \$500,000. That would have hit many small businesses with hundreds if not thousands of dollars more in taxes.

OSCPA, together with several other leading state associations, sent a letter to Gov. Kasich regarding changes to the CAT. The opposition was consistent with OSCPA's longstanding position to oppose CAT exemptions or credits to the CAT in an effort to maintain the existing broad base and corresponding low rate.

The CAT threshold was not lowered. Instead, new minimum tax payments were set:

- Businesses with \$1 million to \$2 million in receipts will face an \$800 minimum.
- Businesses between \$2 million and \$4 million in receipts will face a \$2,100 minimum.
- Businesses with more than \$4 million in receipts will face a \$2,600 minimum.
- All business will be subject to a .26% rate on receipts over \$1 million in addition to the tiered minimum while those with \$150,000 to \$1 million in gross receipts would continue to pay a flat \$150.

For more details about the tax impact of the budget bill, visit the Governmental Affairs page at www.ohioscpa.com or contact the governmental affairs team at government@ohio-cpa.com.

Thanks to your membership, you have a team fighting for you in Ohio's Statehouse. Your membership fuels our efforts on behalf of Ohio CPAs and the business community. OSCPA has a story to tell, and legislators are listening. Thank you for your membership.

FASB proposes going concern disclosure improvements

FASB has issued a proposal intended to improve disclosures of uncertainties related to an organization's ability to continue as a going concern.

Under U.S. GAAP, financial statements are prepared under the inherent presumption that the reporting organization will be able to continue as a going concern. The going concern presumption is critical to financial reporting because it establishes the fundamental basis for measuring and classifying assets and liabilities.

The proposed guidance on the disclosure of going concern uncertainties would apply to all reporting organizations, including public companies, private companies, and nonpublic not-for-profit organizations.

Stakeholders are asked to review and provide comments on proposed Accounting Standards Update, Presentation of Financial Statements (Topic 205): Disclosure of Uncertainties about an Entity's Going Concern Presumption, by Sept. 24.

The proposal – including instructions on how to submit comments – and a FASB in Focus document are available on the FASB website.

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More businesses qualify under revised SBA standards

The Small Business Administration (SBA) increased size standards for 70 different businesses, meaning many more businesses qualify for SBA benefits starting July 22.

Qualifying businesses are eligible for SBA-guaranteed loans and government contracts required to go to small businesses.

Size standards define the maximum size at which a firm can still be considered a small business. The revised standards reflect changes in marketplace conditions and public comments that SBA received to the proposed rules.

To review the rules and public comments, go to www.regulations.gov. Each sector has a separate RIN number:

- Agriculture, Forestry, Fishing and Hunting – (RIN 3245-AG43).
- Finance and Insurance & Management of Companies and Enterprises – (RIN 3245-AG45).
- Arts, Entertainment and Recreation – (RIN 3245 AG36).
- Support Activities for Mining – (RIN 3245-AG44).

The SBA issued a white paper entitled “Size Standards Methodology” which explains how SBA establishes, reviews and modifies its receipts-based and employee-based small business size standards. This paper is available online at www.sba.gov/size. For the latest about SBA’s revisions to small business size standards, read the article “What’s New with Size Standards.”

IRS outlines recovery plan

The IRS deputy commissioner has released a report outlining plans to repair the damaged organization, especially in light of the recent scandal involving tax-exempt organizations.

The three-part report covers a wide range of areas Principal Deputy Commissioner Danny Werfel and his leadership team examined during the past month. The report cites actions to hold management accountable and identifies immediate steps to help put the process for approving tax-exempt applications back on track.

Werfel also outlines actions needed to protect and improve wider IRS operations, ranging from compliance areas to taxpayer service.

“The IRS is committed to correcting its mistakes, holding people accountable, and establishing control elements that will help us mitigate the risks we face,” Werfel said. “This report is a critical first step in the process of restoring trust in this critical institution. We have more work in front of us, but we believe we are on the right track to move forward.”

Employer mandate continued from cover

Small businesses with fewer than 50 employees are not subject to the requirement to provide health insurance. The law defines full-time employees as those who work 30 or more hours a week. To dodge the requirement, some businesses have threatened to cut employees’ hours to less than 30 a week.

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Record-setting demand projected for accounting graduates

Accounting graduates are enjoying an unprecedented level of demand from public accounting firms, with a record 40,350 accounting graduates hired in 2012 and 89% of those firms forecasting the same or increased hiring of graduates this year. This is according to the *2013 Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits* report by the AICPA.

For companies and firms who need newly minted accountants, the report found record numbers of accounting graduates, as well as the highest number of enrollments in undergraduate and graduate accounting programs on record, indicating a thriving pipeline of accounting talent.

“The historic growth in enrollments and degrees is a testament to the attractiveness of the accounting profession and the career opportunities it provides for students,” said Jeannie Patton, AICPA vice president, academics, professional pathways and inclusion.

Overall, the Trends report showed a 19.7% increase in accounting graduates over the previous survey, with 82,177 accounting degrees awarded in the 2011-2012 school year. Both undergraduate and graduate degrees are at their highest level in the 40 years the AICPA has been conducting the survey. In addition, the 240,380 accounting enrollments for the 2011-2012 school year in both bachelor’s and master’s degree programs represent an all-time high and demonstrate a continued strong interest in the accounting profession as a career choice.

The results of the Trends report are consistent with the findings of the Bureau of Labor Statistics 2012-2013 Occupational Outlook Handbook, which found that employment of accountants and auditors is expected to grow 16% from 2010 to 2020, representing an additional 190,700 jobs. The BLS Handbook notes that candidates with professional recognition, such as a CPA, as well as those with master’s degrees in accounting have an advantage in the job market.

The percentage of enrollments by ethnicity in the 2011-2012 academic year saw increases across the board compared to 2009-2010, the last time AICPA conducted the survey. Minority enrollment reached 33% at the BA level, up from

23.4%. Minorities comprised 38% of enrollments in master’s programs, an increase from 21.6, and minority enrollment in Ph.D. programs totaled 34.4%, greater than the 27.8% in the previous report. In addition, the 2013 Trends report found that minorities comprised 25% of employees at public accounting firms, up from 21% during the previous survey. Minority representation at the partner level increased to 10%, up from the 6% reported in the last survey.

Interesting talented students in the CPA profession and cultivating a more diverse workforce are top goals for The Ohio CPA Foundation, the charitable arm of The Ohio Society of CPAs. The Foundation and volunteers reach out to students from elementary school to college through programs including ACAP-Ohio, Student Ambassadors and the popular FETCH!® financial literacy program. Read more about what the Foundation does and how you can help support these important programs starting on page 42.

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Social Media Snapshot

Here's a taste of what's happening on OSCPA's social channels.

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Top 5 Facebook posts:



The Ohio Society of Certified Public Accountants
Volunteers at Faith Mission in Columbus participate in OSCPA's first CPA Day of Service!

Reach 572



The Ohio Society of Certified Public Accountants
200 CPAs attending this morning's PIU in Dayton! Like this if you've been to, or are planning on attending a PIU this spring!

Reach 462



The Ohio Society of Certified Public Accountants
Your 2013-2014 Executive Board!

Reach 441



The Ohio Society of Certified Public Accountants
OSCPA staff greeting members at this morning's Toledo PIU!

Reach 432



The Ohio Society of Certified Public Accountants
OSCPA members from Nisource & GBQ at Habitat for Humanity Restore today for #CPADayofService!

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Continuing education is getting better

Providing quality continuing education has always been a top priority for The Ohio Society of CPAs. As some of the state's leading business and financial executives, CPAs must remain knowledgeable and competent in a wide range of tax, accounting and business topics. And it's a requirement of maintaining a CPA license in Ohio.



That's where OSCPA believes there's a potential disconnect and a huge opportunity for the Society to provide more value in education delivery.

In our discussions with the Accountancy Board of Ohio and with our own members, it's clear that some in the profession are far too focused on simply meeting the 120-hour CPE reporting requirement rather than viewing it as an opportunity for ongoing learning that makes them a better professional. This is in direct contrast to the intent of the rule and a point of concern for the ABO and the Society's Executive Board and staff.

Some CPAs now think of CPE as a commodity and a chore. The proliferation of 'all you can consume' CPE for very low prices is feeding this trend but is not, in our opinion, a model that best serves the future of the CPA profession even if it satisfies a short-term need.

We must move beyond the mindset that easy-to-earn CPE is sufficient for maintaining a strong professional competency and edge.

Consider this fact: over the past three years, Ohio CPAs who are not members of OSCPA were nine times more likely to receive disciplinary action ranging from fines to revocation of their CPA license from the ABO. We believe there is a direct correlation between these findings and the continuing education CPAs choose to take.

As your professional society, we understand that education needs are changing. Every year, CPAs are asked to absorb and master a long list of new and complex tax laws, standards and government regulations. And taking time away from your everyday responsibilities to attend a full or two-day class to get up to speed on these changes isn't always possible.

That's why OSCPA continues to evolve our educational products, giving CPAs more choices for what they take and how it's delivered – all while ensuring that it meets higher standards for content, quality and learning.

So what does that mean for you?

The Ohio Society of CPAs is committed to providing an optimal learning experience, recognizing that every CPA's needs are unique and preferences for learning styles and formats vary from person to person.

For those who learn best in face-to-face environments, we will continue to offer many live, in-person seminars and conferences each year. Many sessions from these events are available afterward in the OSCPA online store.

We're expanding online learning opportunities to accommodate busy schedules and tighter budgets. OSCPA's

video classroom increases the variety of programs we can offer to more CPAs through webcast. High definition video and an interactive chat feature for remote participants ensures those tuning in have a quality experience similar to those sitting in the video classroom. These programs are taped and available on demand afterwards for the convenience of those who can't participate in the live broadcast.

Finally, OSCPA will soon introduce a new series of on-demand educational courses that move beyond our traditional online CPE models. They are developed by a panel of recognized subject experts and designed to

develop core competencies in key areas like tax, A&A, technology and professional development. The content is in-depth and robust, and delivered in a curriculum-based format. Successive courses will allow CPAs to define a clear cut educational plan for achieving higher competency and professional success in specific areas depending on career goals.

Best of all, you can take these courses on your own time, not just when and where they might be offered.

OSCPA is confident this direction will encourage more CPAs to embrace CPE as an opportunity for lifelong learning

and building the knowledge base needed to address today's business challenges. And we'll continue to keep our ear to the ground so that we are continually responsive to members' needs. What do you think?



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10 mid-year tax strategies for individuals and small-business owners

By Steve Gross, CPA and
Rudy Mayo, CPA

The summer is typically a time for individual taxpayers and small-business owners to take a deep breath while catching up on some recreational pursuits or other pleasurable activities. But there is precious little time to relax in the tax world. With that in mind, here are 10 mid-year tax strategies that might prove to be beneficial.

Tax ideas for individuals

Capital gains and losses:

For 2013 and thereafter, the American Taxpayer Relief Act of 2012 (ATRA) increases the 15% maximum tax rate for long-term capital gains to 20% for single filers with income above \$400,000 and joint filers above \$450,000. In addition, the top income tax rate for ordinary income is raised from 35% to 39.6% for these same tax filers. Keep in mind that short-term gains from assets held one year or less are taxed at ordinary income rates.

Now is a good time to assess your situation. Depending on the results, you might be inclined to harvest tax losses to offset gains or vice versa. Remember that capital losses for the year can offset capital gains, plus up to \$3,000 of ordinary income. Any remaining loss is carried over to next year. Investment decisions are further complicated by the new 3.8% Medicare surtax. Starting this year, this tax applies to the lesser of your “net investment income” or modified adjusted gross income above \$200,000 for single filers and \$250,000 for joint filers.

Vacation homes: If you rent out your vacation home when you are not using it, you can generally deduct your rental expenses against your rental income. However, if your personal use of the home exceeds the greater of 14 days or 10% of the time the home is rented, you cannot deduct a loss for the year. Make sure you stay within the tax law boundaries during the summer to avoid problems. If you spend the day at the home making repairs, it does not count as a “personal use” day, even if the rest of the family uses the home for other activities.

Charitable deductions of property: Generally, you can deduct the fair market value of property you donate to a qualified charitable organization if you have owned the property for more than one year. For example, if you decide to clean out the basement, attic or garage, you might give used clothing and furniture to charity and then claim a deduction. However, the property must be in good condition to qualify. Many organizations provide guidelines for establishing the fair market value of used property.

Energy credits: The residential energy credit, which had technically expired after 2011, has been reinstated and extended through 2013 by ATRA. Consider energy-saving installations this summer. The list of expenses available for the credit includes:

- Insulation materials
- Exterior windows and skylights
- Exterior doors
- Central air conditioners
- Natural gas, propane and oil water heaters or furnaces
- Hot water boilers
- Electric heat pump water heaters
- Certain metal roofs
- Biomass stoves
- Advanced main air-circulating fans



TAKEAWAYS

- ▶ Summer is a great time for individual taxpayers and small-business owners alike to consider helpful tax strategies.
- ▶ Individuals should look at capital gains and losses, vacation homes, charitable deductions of property, energy credits and estimated taxes.
- ▶ Business owners should consider business trips, business property, worker credits, business entertainment and even the company picnic.
- ▶ Be sure to get more information on your specific situation.

For 2013, the credit is equal to 10% of qualified expenses, up to a lifetime maximum of \$500. Other limits may apply.

Estimated taxes: To avoid penalties for tax underpayments, you must pay enough tax during the year through any combination of withholding and quarterly “estimated tax” payments. The tax law provides two popular safe harbor methods: You will not be assessed a penalty if you pay at least 90% of your current tax liability or 100% of the previous year’s tax liability (110% if your adjusted gross income was more than \$150,000). Depending on your situation, you might increase withholding now to qualify under a safe harbor method.

Tax ideas for small business owners

Business trips: When you travel away from home on business, you may deduct your travel expenses—including airfare, lodging and 50% of the cost of meals—if the primary purpose of the trip is business related. But the number of days spent on business versus pleasure is crucial, so be careful how you allocate your time. If your spouse accompanies you on the trip, his or her expenses are generally not deductible, but you can still deduct what it would have cost you to travel alone if that is more than half the cost.

Business property: Under Section 179 of the tax code, you may elect to currently deduct the cost of qualified business property purchased and placed in service during the year. The maximum deduction allowed for 2012 was \$500,000 (subject to a phase-out for acquisitions above \$2 million). Under ATRA, these limits are extended through 2013. Absent new legislation by Congress, the maximum allowance will

plummet to \$25,000 in 2014. ATRA also preserves 50% bonus depreciation on any remaining cost of qualified property your business places in service this year. The bonus depreciation tax break is generally scheduled to expire after 2013.

Worker credits: The Work Opportunity Tax Credit (WOTC) for hiring certain economically disadvantaged workers, which technically expired after 2011, was revived by ATRA retroactive to the 2012 tax year and extended through 2013. Normally, the WOTC is equal to 40% of the first \$6,000 of wages, for a maximum \$2,400 credit per qualified worker. However, if your firm hires qualified individuals age 16 or 17 for the summer, the credit is generally equal to 25% of the first \$3,000 of wages, for a maximum credit of \$750 per qualified worker. The summer credit for youths applies only to services performed between May 1 and September 15.

Business entertainment: Although country club dues are not deductible, a small business owner who entertains clients on the golf course or on the tennis court may still claim top-dollar write-offs. For instance, if you treat a client to a round of golf before or after a “substantial business discussion,” you can deduct 50% of the fees, club rentals, and your meals and drinks afterward. If the client is from out of town, the business discussion can take place the day before or after the golf outing.

Company picnic: Usually, deductions for business entertainment and meals are limited to 50% of the cost (see above). However, if you hold a summer picnic or barbecue for the entire workplace, your business can write off 100% of the cost. It will not jeopardize the deduction if you also invite a handful of business associates and social guests.

Northeast Ohio State & Local Tax Conference

July 25 | Cleveland | Course #44947

This all-day conference will focus on the core Ohio state and multi-state taxation topics. As the most comprehensive state and local tax conference in Ohio, it offers wide-ranging discussions of key taxation issues facing tax payers, businesses and tax professionals in Ohio and other states.

Summer Getaway CPE Conference

Aug. 9 | Sandusky | Course #44402

Experience a new and fun way to learn! Advance your career and strengthen your knowledge with a full day of CPE at the first EVER Summer Getaway CPE Conference at the Kalahari Resort and Waterpark in Sandusky, Ohio. Hear about the latest developments shaping the industry and fulfill your ethics requirement. Take advantage of this great new program and bring the family along for the trip!

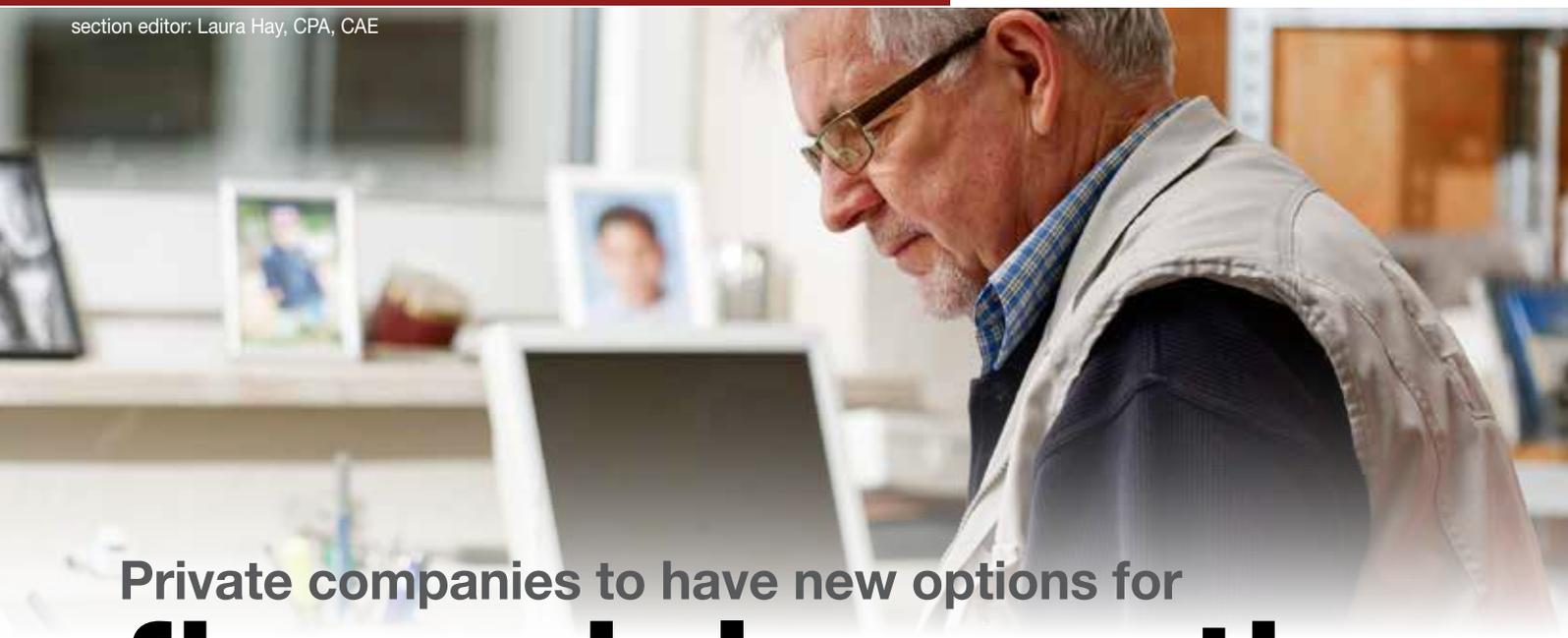
Oil & Gas Conference

Aug. 21 | Cleveland | Course #44635

Join us for our 2013 Oil & Gas Conference where questions on issues such as tax treatment of geological and geophysical expenditures, IDC and section 704(c) will be addressed. If you work in the oil & gas industry, have clients in the industry or landowners looking to you for advice this is the conference for you and an event you don't want to miss!

These are just 10 potential tax-saving opportunities available to taxpayers midway through the year. Be sure to get more information pertaining to your specific situation.

Steve Gross and Rudy Mayoz are CPAs with Skoda Minotti in Mayfield Village. For more information on Skoda Minotti's Tax Planning & Preparation Services group, call 440.449.6800.



Private companies to have new options for financial reporting

By Laura Hay, CPA, CAE

Change has arrived in private company accounting and financial reporting, as the FAF Private Company Council advances its first group of recommendations, and the AICPA issues a solution for private companies not requiring GAAP.

For companies that require financial statements prepared under U.S. GAAP, the Private Company Council (PCC) of the Financial Accounting Foundation (FAF) has identified its first three areas for exposure in which alternatives within GAAP might better serve the needs of private company financial reporting.

For companies that do not require GAAP financial statements, the AICPA Financial Reporting Framework for

Small- and Medium-Sized Entities (FRF for SMEs) became available starting June 10. The FRF for SMEs is intended to provide useful, relevant information in a simplified, cost-effective way for many in the small business community.

Private Company Council

The FAF Board of Trustees established the PCC in May 2012 to better address the needs of private companies in the accounting standard setting process.



TAKEAWAYS

- ▶ The PCC has identified its first three areas for exposure in which alternatives within GAAP might better serve the needs of private company financial reporting:
 - Relief from separately recognizing certain intangible assets acquired in a business combination.
 - Allowing for the amortization of goodwill and a simplified goodwill impairment model.
 - Allowing two simpler approaches to accounting for certain types of interest rate swaps when a private company intends to economically convert the interest rate on its debt.
- ▶ The FRF for SMEs is a special-purpose framework for entities that do not require GAAP. It is most appropriate for:
 - Owner-managers in need of reliable information confirming assessments of performance, what they owe/own, and cash flows.
 - Users who have direct access to management.
 - Companies that have no intention of going public.
- ▶ FRF for SMEs has faced recent challenges as national and state regulators investigate the applicability of state accountancy rules to this new framework.

A challenge for decades, multiple bodies had been convened to study and develop recommendations for a more cost-beneficial, consistent, relevant, and useful solution for private companies. In a joint effort of the FAF, FASB and AICPA, a Blue Ribbon Panel released a report in January 2011 identifying that:

- GAAP has value in the marketplace.
- Exceptions and modifications within GAAP should be identified for private companies on a cost-benefit basis.
- FASB and the Private Company Financial Reporting Committee process had not sufficiently achieved the goal of addressing the needs of private companies in the standard setting process.
- The panel recommended that a separate independent board within FAF be established to identify differences within GAAP for private companies.

After significant public input, the FAF established the PCC as a council rather than a separate board, with recommendations subject to FASB ratification, to preserve a “one-GAAP” system. The PCC was charged with:

- Developing criteria for determining whether and when exceptions or modifications to U.S. GAAP should be made for private companies.
- Applying that criteria to identify recommendations for exceptions and modifications to U.S. GAAP for private companies, which would be subject to public due process and FASB ratification.

In April, the FASB and PCC issued an Invitation to Comment, *Private Company Decision-Making Framework: A Guide for Evaluating Financial Accounting and Reporting for Private Companies*, with a comment period that ended June 21. The proposal provides a framework for deciding whether and when exceptions or modifications to U.S. GAAP should be made for private companies. Key elements of the proposal include:

- Identifying factors that differentiate the financial reporting considerations of private and public companies.
- Allowing industry specific guidance to be evaluated for relevance to financial statement users of private versus public companies.
- Allowing private companies to elect which recognition and measurement alternatives are appropriate (instead of an all-or-nothing approach).

The guide is not intended to be a new conceptual framework that would provide a new basis for preparing financial statements for private companies; rather, the guide is intended to augment the existing conceptual framework in providing additional considerations in making user-relevance and cost-benefit evaluations for private companies.

The PCC has held three public meetings, and added several items to its formal agenda. On May 7 at its third public meeting, the PCC approved exposure of three proposals for public comment in the following areas:

- Relief from separately recognizing certain intangible assets acquired in a business combination

MEGA Accounting & Auditing Conference

July 30 | Cincinnati | Course #44628

Aug. 8 | Cleveland | Course #44632

OSCPA's MEGA Accounting & Auditing Conference features sessions on fraud, IFRS, Yellow Book standards, financial reporting and more. Plus, there is a complete Internal Control Essentials track that covers many of the Committee of Sponsoring Organizations objectives.

Practicing Aspects of Compilation and Review

July 30 | Cincinnati | Course #45482

Aug. 8 | Cleveland | Course #45483

Get the tools you need for your compilation and review engagements. Learn the latest on SSARS and other standards that apply to compilation and review engagements as well as effective planning, performance, report preparation and how to make adequate disclosures.

Summer Getaway CPE Conference

Aug. 9 | Kalahari Resort and Waterpark, Sandusky | Course #44402

NEW! Advance your career and strengthen your knowledge with a full day of CPE at the first EVER Summer Getaway CPE Conference at the Kalahari Resort and Waterpark in Sandusky, Ohio. A variety of current topics will be presented by the profession's leading speakers. You'll learn about the latest developments shaping the industry and you'll be able to fulfill your ethics requirement. Take advantage of this great new program and bring the family along for the trip! If you decide to stay the night on August 8, OSCP can offer a special room rate and four waterpark passes that start at noon on the 8th and are good for all day on the 9th. You can even extend your stay for the weekend at a reduced rate as well!

Accounting and Auditing

section editor: Laura Hay, CPA, CAE

- Allowing for the amortization of goodwill and a simplified goodwill impairment model.
- Allowing two simpler approaches to accounting for certain types of interest rate swaps when a private company intends to economically convert the interest rate on its debt.

Public exposure is the first step in a process toward FASB ratification.

FRF for SMEs

The FRF for SMEs is a special-purpose framework for entities that do not require GAAP. The framework focuses on simplicity and cost-effectiveness, but provides a more robust and consistent solution than previous applications of other comprehensive

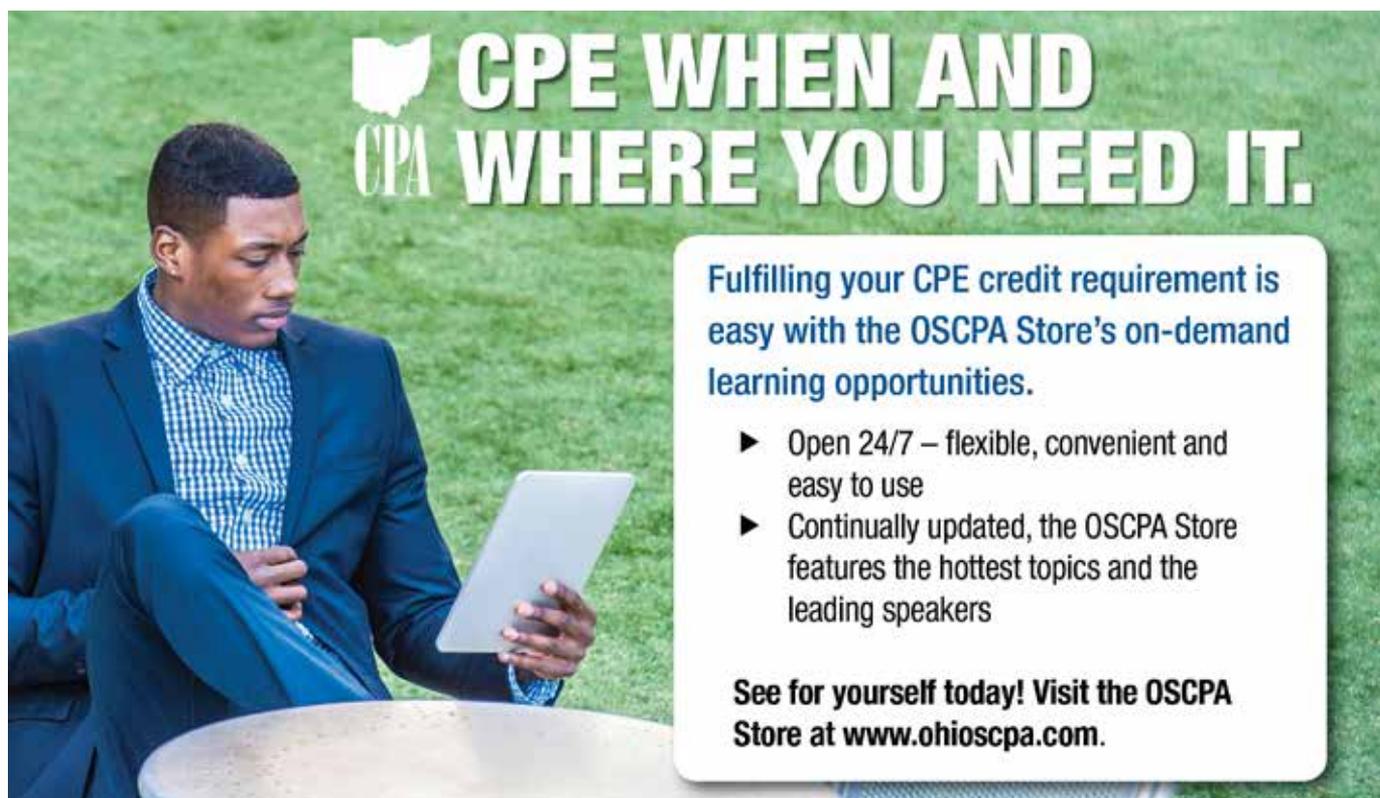
bases of accounting (OCBOA). Blending traditional methods of accounting with some accrual income tax methods, the framework:

- Emphasizes historical cost over fair value.
- Does not require consolidation of variable-interest entities.
- Does not require accounting for deferred income taxes and uncertain tax positions.
- Leases and goodwill would follow traditional accounting approaches more closely aligned with how they are accounted for on an income tax basis.

Characteristics of organizations for which FRF for SMEs is most appropriate include:

- Owner-managers in need of reliable information confirming assessments of performance, what they owe/own, and cash flows.
- Users who have direct access to management.
- Companies that have no intention of going public.
- The framework is not intended for not-for-profits.

The framework is one self-contained document, developed by a working group of CPA professionals and AICPA



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“ Now that the FRF for SMEs has been released, NASBA and many state boards are researching the applicability of state accountancy laws to this new framework. ”

staff experienced in working with small- to medium-sized private entities. The guidance is non-authoritative and is available for use immediately.

While the majority of comments received from the CPA preparer and user community were supportive, NASBA encouraged the AICPA to withdraw the proposal to give the PCC process the chance to work "singularly, and without confusion." Now that the FRF for SMEs has been

released, NASBA and many state boards are researching the applicability of state accountancy laws to this new framework.

What about IFRS for SMEs?

While the option already exists for reporting under international standards for small- and medium-sized entities, it has not gained broad market acceptance in the U.S. Some unique needs such as LIFO inventory, U.S. income taxes, and some of the more

traditional accrual methods adopted by the FRF for SMEs may provide for greater ease of transition.

Laura Hay, CPA, CAE is COO of The Ohio Society of CPAs and staff liaison to the Accounting & Auditing Committee. She can be reached at lhay@ohio-cpa.com or 800.686.2727, ext. 322.

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10 big issues CFOs are facing right now

By Lee Terry, J.D.

From late-night television to enticingly headlined blogs, it seems as if everybody has his or her own Top 10 list these days. CFOs should be no exception.

A list of the top issues currently affecting CFOs provides perspective for finance chiefs. It reassures some that their own issues are not unique, while alerting others to emerging problems. Overall, it allows CFOs to view their own companies from a different, enlightened perspective. These items are not ranked in order of importance, nor are they applicable to every CFO. Every list reflects the maker's perspective and experiences.

[Here is my list of the top 10 issues affecting CFOs:](#)

10

Managing the costs of the Patient Protection and Affordable Care Act

There is still debate about how the PPACA will impact health care costs in the overall economy. But most CFOs don't care about the macroeconomic debate; they just want to keep their own company's health insurance costs down. It will not be easy.

9

Dealing with constantly changing FASB standards and tax laws

Since Jan. 1, FASB has issued five new pronouncements on topics ranging from allocation of joint and several liability arrangements to reclassified comprehensive income. Up to 10 previously announced FASB updates will first become applicable to 2013 financial statements. On the tax side, changes in income, capital gains and dividend tax rates, caps on itemized deductions, estate tax exemptions, and

other aspects of the "fiscal cliff" tax deal and the PPACA will make 2013 a challenging tax year.

8

Preventing bribery and other corrupt practices

For the past few years, the SEC and the Department of Justice have vigorously enforced the Foreign Corrupt Practices Act's anti-bribery provisions. The DOJ's November 2012 official guidance as to which practices actually violate the FCPA was supposed to reduce the anxiety of U.S. firms doing business overseas. Frankly, it hasn't helped that much.

7

Expanding the business without increasing risk

This is the age-old dilemma of all successful companies. Expansion could boost revenue and profit. But it also could lead to higher expenses, great forecasting uncertainty and other risks.



TAKEAWAYS

The top issues affecting CFOs include:

- ▶ Choosing IT solutions that make or save money.
- ▶ Raising new capital for the business.
- ▶ Instituting fraud prevention systems and internal controls.
- ▶ Managing the costs of the Patient Protection and Affordable Care Act.
- ▶ Preventing bribery and other corrupt practices.
- ▶ Expanding the business without increasing risk.
- ▶ Dealing with constantly changing FASB standards and tax laws.
- ▶ Balancing legal risk and legal expense.
- ▶ Reducing costs without decreasing output.

LEARNING OPPORTUNITIES

Summer Getaway CPE Conference

Aug. 9 | Sandusky | Course #44402

Experience a new and fun way to learn! Advance your career and strengthen your knowledge with a full day of CPE at the first EVER Summer Getaway CPE Conference at the Kalahari Resort and Waterpark in Sandusky. Hear about the latest developments shaping the industry and fulfill your ethics requirement. Take advantage of this great new program and bring the family along for the trip!

Financial Institutions Conference

Aug. 13 | Columbus | Course #44387

Find out the latest on how financial institutions are transforming for today's challenges. Learn about the regulatory environment from the bank's perspective, the strength of the national and regional economic outlook, how to use the online community in the workplace and much more. The Financial Institutions Conference will help you look to the future and analyze and survive the challenges of today.



6

Choosing IT solutions that make or save money

We all have heard the horror stories of the incredibly expensive but nonfunctional, hardware upgrade, or the horrific cost overruns in software conversion projects. But we also have seen once-prosperous, cutting-edge companies lose huge chunks of their business when they fall behind technologically. Making decisions on when and how to upgrade can give a CFO plenty of sleepless nights.

such as those mirroring early completion bonuses in building construction contracts, can help get lawyers and clients on the same page financially. Unfortunately, the incentives of the lawyer on the other side of the case cannot be controlled, so litigation remains a wild-card expense.

5

Instituting fraud prevention systems and internal controls

Dealing with these issues today entails a lot more than protecting cash drawers and securing bank account statements. Today there are threats from cyber-thieves of every ilk, creating previously unheard-of risks such as rerouting of goods en route, raiding online bank accounts and wholesale identity fraud.

3

Reducing costs without decreasing output

This could be the ultimate, oversimplified job description for a CFO. Even if it were the only task a CFO had on his or her plate, it still would be an extremely challenging job.

4

Balancing legal risk and legal expense

Lawsuits that drag on for months or years can be bottomless pits of expense. Creative fee arrangements,

2

Raising new capital for the business

Raising any kind of new capital, including bank loans, has been brutally difficult for the past several years. While things are loosening up, the longest distance in the world continues to be the space between an investor's pen and his or her checkbook.

1

Improving shareholder return on investment without reducing CFO compensation

Yes, this last one is a joke—but it's only funny because it has a grain of truth in it. Lowering the salary and benefits paid to the CFO by, say, \$25,000 does, in fact, improve the company's profitability by \$25,000. A CFO always has to find "better" alternatives to that particular cost savings or else find a bigger and better company willing to pay well-deserved compensation.

Lee Terry, J.D., "A top 10 list of issues CFOs are facing right now," CPA Insider, April 22, 2013. Copyright American Institute of CPAs. All rights reserved. Reprinted with permission. Terry is an attorney who practices corporate and securities law, spending most of his time counseling CFOs and CEOs on their companies' legal and business problems.

Health care exchanges 101: Public vs. private

By Rob Peirce

In last month's issue of *CPA Voice*, I focused on defining what an exchange is and the exchange model that Ohio has elected to pursue. This month's column focuses on the differences between public and private exchanges and key points employers should consider when evaluating an exchange model for their employees.

Public vs. private exchange

The primary differences between public and private exchanges are the subsidies and plan offerings on the exchange; individual subsidies will only be available on the individual public exchange. Likewise, small business tax credits will only be available on the small business health options plan (SHOP) exchange.

Public exchanges

The plans offered on the public exchange will be the platinum, gold, silver and bronze plans, often referred to as the medal plans. Respectively the medal plans will cover 90%, 80%, 70% and 60% of covered expenses.

Like the individual exchange, the SHOP exchange, which is for small employers, will also offer the medal plans. Ohio has defined small business as employer organizations with 2-50 employees until 2016 when that number jumps to 2-99. This means that any organization with 51 or more employees will not be eligible for the SHOP in 2014.

Premium tax credit eligibility

Federal Subsidies

Family Income as % of FPL	Maximum Premium Cost as a % of Family Income
< 133 %	2.0 %
133 – 150 %	3.0 – 4.0 %
150 – 200 %	4.0 – 6.3 %
200 – 250 %	6.3 – 8.05 %
250 – 300 %	8.05 – 9.5 %
300 – 400 %	9.5 %

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Familiar carriers will participate in both the individual and SHOP exchanges. Plan designs and subsequent costs are not yet known. Ohio is expected to release the plan offerings and rates this fall.

Agents and navigators will be available to help individuals and small employers interested in public exchange options.

Subsidies

Subsidies are available for individuals earning 133%-400% of the federal poverty level who don't have access to qualified employer coverage. Qualified employer coverage has two distinct aspects. First, the coverage must cover at least 60% of covered expenses, i.e., it must offer coverage levels that are equivalent to a bronze plan or better. Second, the employee's contribution toward the employee only/single tier of coverage cannot exceed 9.5% of that

employees W-2 income. If an employer fails to meet these requirements, they will be stung with a \$3,000 penalty per applicable employee. Above is a scale that outlines the subsidy available to eligible individuals.

Private exchanges

Private exchanges will offer employer groups more choices than the medal plans found on the public exchanges. Additionally, employers using a private exchange as their vehicle to offer employer-sponsored coverage will be able to provide employees with a greater choice of plans than what they can offer today. For example, an operating private exchange model in Ohio available to employers with 51-99 employees, allows as many as six different plan options. For those employers with 100+ employees this same exchange model will allow for up to eight different plan options.

In the near future private exchanges offerings will go beyond medical coverage and offer products such as dental, vision, life and disability products.

As a result of the additional offerings on private exchanges, the employee decision support tools will be considerably more robust than what is available on the public exchanges.

Adding to the appeal of a private exchange is the defined contribution concept. This model enables employers to define their health insurance spend. This approach is really nothing new, it's very similar to a cafeteria plan model. The defined contribution approach allows employers to set a fixed employer contribution. By way of

multiple plan options, employees can now use their employer contribution to cover the cost of a plan they want to enroll in. If the employer monies don't cover 100% of the cost of coverage, the employee pays the additional premium. Employees like the defined contribution because it gives them the power of the purse and the ability to elect the most appropriate plan for their needs.

Exchange considerations

First and foremost, make sure your employer works with a benefits professional that can help guide your company through the constantly changing benefits landscape.

When debating between a public or private exchange consider the following:

- How many plan choices do you want to provide employees?
- Is there an opportunity for administrative efficiencies?
- Does your organization qualify for small business tax credits on the SHOP?
- What carriers are available?
- How will your organization effectively communicate the options to employees?

Rob Peirce joined Oswald Companies in 2005 as a benefits and risk management consultant. His primary focus is working with middle market companies on their strategic process, employee engagement and cost improvement of health insurance and benefit deliverables. He works with The Ohio Society to develop insurance programs for its membership. For more information on Oswald Companies and health care reform, visit www.ohioscpa.com/Oswald.

Comparison of Marketplaces (Exchanges)

Public and Private Marketplaces

Exchange Type	Public: Individual	Public: SHOP	Private
Plan types	Individual	Group	Group
Plan offerings	Medical	Medical	Medical plus ancillary
Carriers	FFE: Open	FFE: Open	ER chooses from available options
Decision support tools	Plan comparison	Plan comparison	Sophisticated
Support	Navigators, Agents	Navigators, Agents	Many options available
Administration	Personal payment Federal subsidy	Employer payment Possible tax credit	Many options (No credits or subsidies)

90% of service businesses will fail within the first five years

Good marketing could have saved many of them

OSCPA Communications Staff

As a CPA, you know how to be an exceptional accountant; your talent, skill and hard work have earned you the title “CPA.” The big challenge is to succeed at getting clients. You can’t just count on referrals from friends and family. You have to be out in the marketplace with a message that attracts people to your practice.

According to Alexa McAllister, Romine CPAs & Associates’ director of development, demonstrating the value of your firm is vital to its success.

“Marketing is imperative,” McAllister said. “Without marketing, a firm does not have a perspective, a story or a voice to differentiate that practice from the rest.”

Growing a business is about trust and likeability, and building authentic relationships will pave the way to

earning a client’s dedication. You don’t need to have a typical extrovert’s personality to be a great business developer. You just need to be a good listener – someone who clearly cares about helping people meet their goals.

Hill Barth & King LLC developed a marketing program based on building relationships.

“Marketing is crucial because it centers on communication,” said Chris Allegretti, Managing Principal/Chief Executive Officer. “It’s all about the personal relationships that we develop both within the confines and auspices of our office walls and beyond them, out into the world in our private lives.”

“We preach that marketing and practice development are synonymous and that they both begin and end with open, direct and respectful communication. Our general house rule is that marketing is everyone’s responsibility and that it is key to sustainable growth and development.”

Once the value was recognized, Hill Barth & King quickly expanded its marketing group.

“Over the course of the past decade, we have grown our marketing department from virtually non-existent to a one-man show to a corporate team of three professionals that now includes an emphasis on internal and external communications,” Allegretti said.

“We have recently finalized a firm-wide awareness plan that includes a marketing template for each of our offices that will be tailored to every specific region and location we serve.”

Practices that can’t afford the expense of a full-time marketing staff have other options.

You can use affordable outside resources to devise a simple plan for public relations and marketing, like *Book Yourself Solid* by Michael Port. The book is written with small professional service providers in mind,



TAKEAWAYS

- ▶ Marketing is imperative for accounting firms of all sizes and types.
- ▶ Building authentic relationships will help build your business.
- ▶ Successful public relations strategies can result in win-win situations for the firm and the client.
- ▶ You can build a marketing department or use affordable outside resources.
- ▶ OSCPAs provide a free **CPA Image Kit**, a great how-to guide that covers types of media and building the key components of a marketing campaign.



LEARNING OPPORTUNITIES

Northeast Ohio State & Local Tax Conference

July 25 | Cleveland | Course #44947

This all day conference will focus on the core Ohio state and multi-state taxation topics. As the most comprehensive state and local tax conference in Ohio, it offers wide-ranging discussions of key taxation issues facing tax payers, businesses and tax professionals in Ohio and other states.

Summer Getaway CPE Conference

Aug. 9 | Sandusky | Course #44402

Advance your career and strengthen your knowledge with a full day of CPE at the first EVER Summer Getaway CPE Conference at the Kalahari Resort and Waterpark in Sandusky. Learn about the latest developments shaping the industry and fulfill your ethics requirement. Take advantage of this great new program and bring the family along for the trip!

and includes three modules: foundation building, establishing trust and credibility and an easy-to-use, seven-part self-promotion strategy.

Another great resource comes free of charge. The Ohio Society of CPAs provides a free **CPA Image Kit** – a great how-to guide to understanding and building the key components of a marketing campaign. The Image Kit includes many free templates for a plan, newsletters and ads you can download and customize. The comprehensive **CPA Image Kit** covers several vital subjects:

Paid media is the general term for any print, electronic, broadcast or electronic advertising on which your business spends money. Paid media gives you control over where and when your message appears.

Social media is the use of sites such as Facebook, LinkedIn and Twitter to spread awareness and connect with customers “on the ground.”

Businesses are increasingly turning to the social sphere as a venue for promoting their business.

“We believe that keeping a finger on the

pulse of social media is crucial and have stepped up our efforts toward usage of vehicles such as Tweeting, blogging and utilizing LinkedIn to pursue prospective leads,” Allegretti said.

Owned media includes brochures, flyers or any other type of informational publications you create to promote your business.

Earned media, or media relations, is the process of appealing to local reporters to build your practice’s reputation. Different from advertising, public relations should be approached with the intent of providing news or valuable information while downplaying any sales messages. The goal is to become a credible source for media and a financial expert in your community – a winning combination that’s sure to translate into more business.

Romine CPAs & Associates focuses its efforts on this earned media, McAllister said.

“I find that press mentions in various mediums – TV, radio and print – are the most powerful tools when building our firm’s brand,” she said. “The success stories of our clients are our best

marketing tool, we focus on sharing those stories with publications in the client’s industry.”

McAllister added that successful public relations strategies can result in win-win situations for the firm and the client. She shared an example of how Romine CPAs & Associates helped an auto body shop restructure its tax and savings strategies. The firm then shared that success story with trade publications in the auto industry.

“Now, we have the opportunity to create a dialogue with other auto shop owners to ensure they are not making the same mistakes,” McAllister said. “It is a win for our group and a win for the client featured.”

The fact remains that 90% of service businesses will fail within the first five years. However, an effective marketing strategy put in action can help your business be among the 10% that thrive.

Why you need to be on Google+

By Jacob Miles Prystowsky

Google+, Google's social network, got a big update this year at Google I/O, Google's conference for software developers and technology enthusiasts.

Amid a whirlwind of other innovations and announcements from the technology powerhouse were 41 distinct updates to Google Plus itself, from the underpinning architecture all the way up to its interface and mobile apps.

Although sometimes incorrectly painted as merely a Facebook or Twitter competitor, the updates to G+ further underscore Google's dominance in data and services, traits increasingly recognized as even more important than design or features in creating an engaging and useful user experience. As usual with Google, many of the changes also harnessed the company's powerful machine learning algorithms to deliver engaging user-customized experiences based upon the wealth of data Google has accrued.

Here are some of the more exciting and visible changes to Google+ in this iteration of its development:



- A unified, multi-column layout across mobile devices (phones, tablets) and non-mobile ones (laptops and other large-screened computers) in a “Pinterest-ified” flowing set of interactive tiles.
- Automatic hashtagging for content discovery. Google's algorithms are intelligent enough to apply tags like #EiffelTower if you post a picture (and nothing more) of the landmark, too, or sniff out when you're talking about #Taxes and apply that tag as well. A single click from this point is enough to dive into a world of related relevant content as well, driving up engagement and networking with users with similar interests.
- A unified, cross-platform messaging app. Google is working on merging all of their chat services into one, and they're keeping the “Hangouts” name from the videoconferencing feature

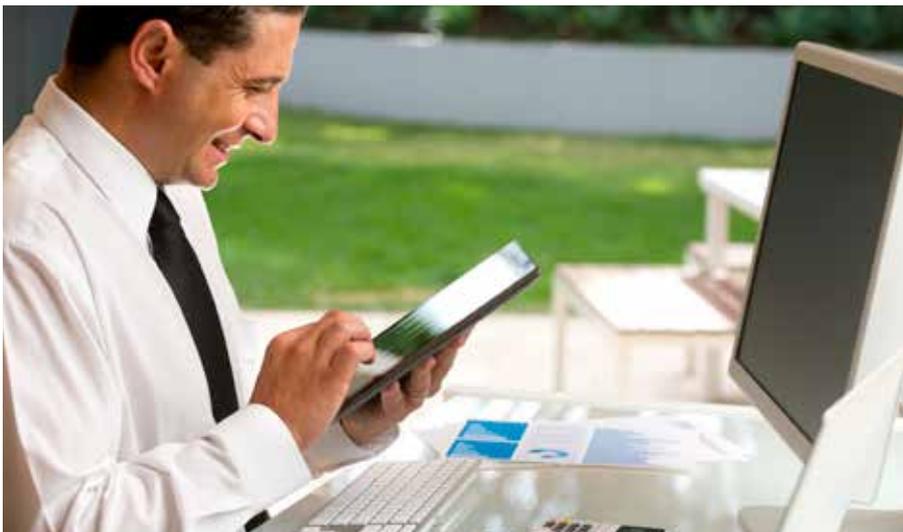
of the same name that Plus already had. For the new Hangouts, think Apple's iMessage meets SMS meets Facebook Messenger meets Skype Pro, for free, and it works everywhere.

- A slew of improvements to photo sharing, including:
 - o Tripled storage space for full-size photos: 15 GB, up from five, for free (and cheaply expandable).
 - o “Auto Enhance,” an intelligent image enhancement algorithm that appears to borrow technology from Google's recent Nik Software acquisition. When uploading photos, users will have the option to have their photos intelligently corrected — to the extent that Google can selectively smooth the skin of your smiling aunt in one part of a photo while increasing the contrast and saturation of the clouds directly behind her in the same image, and remove noise everywhere.
- “Auto Awesome,” a suite of technologies that will do everything from animate a quick succession of photos in time, to create automatic “highlights” of albums (choosing the sharpest photos, eliminating duplicates, and preferring photos with happy people or interesting



TAKEAWAYS

- ▶ Google recently gave its social network, Google+, 41 distinct updates.
- ▶ Google's dominance in data and services allow it to do things competitors such as Facebook or Twitter cannot do. These include:
 - Automatic hashtagging for content discovery.
 - A unified, cross-platform messaging app.
 - Several photo sharing enhancements, such as automatic quality correction.
- ▶ You owe it to yourself to check out G+, as it positioned to be very influential in the future.



LEARNING OPPORTUNITIES

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Aug. 9 | Sandusky | Course #44402

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landmarks), to even stitching together entirely new photos of all happy people by combining multiple group shots in which, in each, not everyone remembered to flash their pearly whites at the same time — and more.

As Google continues to tie Plus into its catalog of products, the degree to

which users (including companies) use Google's social network will continue increasing in correlation to how they are treated as relevant topic authorities and social influencers. (For instance, positive reviews can influence how prominently a company is listed on Google Maps, and strong social interactions can influence how prominently an author is displayed

in Google Search.) If you haven't already joined the social network, you owe it to yourself to do so. It's far more than just another place for pictures of cats.

Circle OSCPA on Google+ at google.com/+OSCPA.

Jacob Prystowsky is a data analyst/developer at The Ohio Society of CPAs.

TECH TEST



How well do you know Microsoft Word ?

Take this test and find out now!

Tech Test By J. Carlton Collins, CPA

1

How do you temporarily hide page breaks, footers, headers and excess white space in Word?

2

How do you create a table of contents that updates itself as the document changes?

3

How do you split the screen in Word?

4

How do you create columns so your document reads like a newspaper?

5

What is the shortcut for inserting a comment?

(You can read Carlton's monthly technology column as it appears in the Journal of Accountancy here: www.CarltonCollins.com)

Answers:
 1. In Print layout view, double-click the area between two pages, or in Word 2013 select Read Mode.
 2. Highlight each paragraph heading in the body and then from the References tab, select Add Text, Level 1. When you are done, position your cursor where you want the table of contents to appear and from the References ribbon select Table of Contents, and select the format you desire.
 3. Select Split from the View ribbon, then click and drag to split to the position desired.
 4. From the Page Layout ribbon select Columns, and set the number of columns you desire.
 5. ALT+CTRL+M.



Four trends to follow for Ohio CPAs

Along with death and taxes, change is one of the guaranteed truths of life. OSCPA explored some of the game changers on the horizon as part of this year's Members Summit & Annual Meeting.

"We excel at thinking outside the box, and our challenge is to keep doing so even as the environment around us continues to transform dramatically," said OSCPA Past Chair Brendan Fitzgerald, CPA at the beginning of the Members Summit.

Here are four trends to follow to stay on top of your game:

Ohio's economic rebound

The economy impacts all of us. After years of grabbing us by the neck, there seems hope that the fingers are loosening, and the outlook seems especially promising in Ohio.

The opening session at the Members Summit featured economist Michael Brandl, Ph.D., assistant clinical professor of finance at The Ohio State University.

Brandl predicts a boom in technology, medicine or energy. He also said Ohio's well-educated workforce and solid infrastructure, puts the state in a position to take advantage of such a boom, especially in the medical or energy sectors.

However, the problem right now is there's too much U.S. capital going to unproductive uses – we need to move it to our entrepreneurs. Brandl said most growth comes from small and medium-sized entities, not large companies. We need to flow funding to small business to foster innovation.

Brandl is also concerned about global imbalances, especially the way China is manipulating currency. While some companies are benefiting from the cheap goods, it could be an asset bubble that might pop, especially as work starts moving to India instead. Brandl is hoping China will engage in the global economy more.

Another potential concern is our antiquated economic incentive system.

"Encouraging debt made sense in the post-World War II era, but we don't live in 1947 anymore," Brandl said. "Too big to fail is not a new concept. The result of those bailouts is a perversion of the economic incentives."

If the global imbalances are corrected, and domestic financial incentives straightened out, Brandl predicts the manufacturing sector will benefit, which is ultimately good news for Ohio.

Ohio's manufacturing sector was flagged as a key player in the nation in Ball State University's

2013 Manufacturing and Logistics Report Card. Ohio earned an "A" in Manufacturing and Logistics Industry Health, as well as Global Reach. However, the state's tax climate received only a "C-."

Also contributing to these economic shifts are changes in generational attitudes. Younger adults aren't valuing home ownership like others have in the past. They don't expect anything from Social Security. Brandl wonders if this could be the generation that rebels against consumerism and places a priority on saving.

This is good news, as household debt has been a big driver of U.S. debt. People need to save more to drive economic growth.

Changes in staffing

Economic upswings and generational shifts also stand to impact staffing in almost all sectors. As the economy improves, people fearful of leaping into an unknown job situation are starting to dip their toes into the talent pool.

Couple that trend with departing baby boomers, and your company could start seeing a lot of turnover.

The Members Summit's second general session featured Rick Crossland, MBA, executive business coach on building a culture of accountability to engage

“ Ohio may still be distinguished across the nation as the place with the crazy tax system. ”



employees and achieve organizational goals. Companies will face increasing pressure to retain the “A” players they have and hire “A” players as turnover picks up.

Crossland asked the audience, “Of the people you have right now, how many would you enthusiastically rehire?”

Meanwhile, a mis-hire could cost up to \$1.5 million once the cost of wasted initiatives, mistakes, disruption, recruiting, compensation and lost revenue are added.

Health care headaches

Employers also need to understand their health care options and have a plan, according to Todd Miller, senior vice president at the Oswald Companies. The Affordable Care Act is here to stay, so employees should act now.

Miller presided over a well-attended and lively discussion of anticipated requirements of health care reform.

“You’ll need to communicate – to your team internally, and to employees,” Miller said. “... It’s really important that you have a strong communications strategy so you don’t open the floodgates up later.”

He predicted that organizations with fewer than 50 employees could see an 85% increase in insurance rates in 2014.

To help members understand their options and weigh the decisions ahead, OSCPA is offering a daylong seminar and webcast focusing on the intricacies of the health care requirements. *The Health Care Reform Act – Critical Tax and Insurance Ramifications* is Aug. 8. Oswald and Seniority Benefit Group will cover general health care and a Medicare update in the morning. The AICPA will cover tax implications and strategies in the afternoon. Register now at <http://store.ohioscpa.com/>.

Ohio tax reform

Here’s a trend more famous than change for its constancy: taxes.

OSCPA staff and representatives worked closely with legislators to avoid an expanded tax on services in Ohio’s new biennium budget. OSCPA was successful in its fight on behalf of members.

However, the fight to reform Ohio’s municipal income tax structure continues. Ohio stands out from surrounding states for having more than 500 different municipalities, each with their own definitions and forms for tax compliance.

The patchwork of rules and regulations hinders Ohio business growth. OSCPA’s goal is meaningful, common sense reforms to help Ohio’s economy flourish. HB 5, a bill that would bring Ohio much

needed relief, is stuck in the House Ways and Means Committee. OSCPA has been pushing to get the bill out of gridlock and onto a vote. During the summer recess, please contact Committee Chair Peter Beck, CPA at 614.644.6027 urging him to bring HB 5 to a vote.

You can also contact your legislator explaining the need for municipal income tax reform using our convenient letter writing tool at www.votervoice.net/OHIOSCPA/Campaigns/32083/Respond.

As OSCPA has pushed for municipal income tax reform, we have won the ears of many legislators by showing them that CPAs offer a valuable perspective on what is best for Ohio’s business community.

During his presentation at the Annual Meeting, OSCPA President & CEO Scott Wiley, CAE illustrated how Ohio CPAs have a story to tell.

“Ohio may still be distinguished across the nation as the place with the crazy tax system,” Wiley said. “We need legislators to understand how the current municipal tax system impacts their constituents. They need to hear from the experts who know – they need to hear from CPAs.”

See more from this year’s Members Summit and Annual Meeting on pages 29-35.



2012-2013 Annual Report

The past year has been one of the most interesting of my CPA career. I had the honor of serving as your Chair during the first major leadership transition in 20 years. In December, J. Clarke Price, CAE, retired after 40 years with the Society. Clarke guided our organization through numerous industry firsts and was instrumental in OSCPA becoming a leading state CPA society with national influence.

In February, we welcomed Scott D. Wiley, CAE as OSCPA's new President and CEO. Scott is an accomplished association executive who brings strategic vision, proven leadership experience and a great deal of enthusiasm to the role. The Executive Board worked closely with Clarke and Scott to ensure a smooth transition and I'm happy to report that the Society's momentum never wavered.

This was critical because our profession and business environment are evolving dramatically in ways that will affect all CPAs. Our goal is to help members understand and prepare for these challenges and strike when opportunities arise. At the core of that is our ability to leverage strong legislative relationships to push for action on important issues.

The looming fiscal cliff was a case in point. As national public tension mounted around the inaction in Congress, the Society explored ways CPAs could offer their expertise. OSCPA leaders discussed the issue with Congressman Pat Tiberi (R-Ohio) who encouraged CPAs to continue speaking out,

noting our financial acumen is both respected and valuable to elected leaders. The Society's Executive Board also sent a letter to members in Congress urging them to put aside partisan agendas and work collaboratively toward federal tax reform. We continue to offer help through our Ohio delegation in Congress, approaching these discussions with the knowledge that what happens in Washington has a huge impact on Ohio's residents and economy.

OSCPA worked on a number of key developments at the Ohio Statehouse and kept our priority focus on two goals—municipal tax reform and advocating against an expanded sales tax base to include professional services.

OSCPA formed and is leading the Municipal Tax Reform Coalition of 30 organizations in Ohio. We've earned the strong support of Representatives Cheryl Grossman

(R-Grove City) and Michael Henne (R-Clayton), who are the lead sponsors on this issue. We've appreciated their commitment as we worked to draft House Bill 5 which was introduced in January as a priority bill. If passed, it will achieve greater uniformity in how Ohio's 600 local entities levy and administer personal income taxes. We are working to move the bill out of the House and into the Senate this summer.





This winter, Ohio's biennial budget proposal was unveiled with a plan to tax more professional services. OSCPA sprang to action quickly. We surveyed members and found over 80% of Ohio CPAs opposed an expanded sales tax on services, believing the proposed cuts for small businesses would not counter the higher negative impact of a broader sales tax.

The Society was among the first groups to testify. By educating legislators, we were successful in helping to remove the sales tax expansion from the bill. Realizing that Ohio faces serious fiscal realities, OSCPA offered our help to elected officials and recently convened a task force of retired CPAs to study alternative tax reforms that will support vital state services yet not unduly burden our citizens.

Committee activity remained strong this year with a number of national standards projects underway. We're grateful to our hundreds of volunteers who donated their time and expertise to provide input on behalf of Ohio's CPA profession.

This was in addition to weathering another challenging tax season brought on by the 2012 passage of the American Taxpayer Relief Act. This caused a late start to the filing season as well as conformity issues between the Ohio Revised code and federal tax code. OSCPA worked closely with legislators, the Ohio Department of Taxation and the Kasich administration to pass HB 28 in March,

eliminating the conformity issues and saving CPAs and taxpayers from making complex adjustments on state returns.

One development that OSCPA cheered was the U.S. District Court decision to legally block the IRS from enforcing its plan to license and regulate tax return preparers. CPAs were already exempt from the licensing and testing requirement, thanks to a strong push by The Ohio Society of CPAs and the AICPA. We share the IRS goal of improving taxpayer compliance and promoting ethical conduct among preparers. But we felt strongly that an additional class of licensed tax preparers would not accomplish that goal.

Continuing education is an important value you receive as a member of The Ohio Society of CPAs. We understand you have a choice of where to purchase your CPE and are committed to remaining a leading provider for Ohio CPAs. The Ohio Society made significant investments in technology to improve the breadth and access to quality professional education and resources. We've steadily increased the menu of live video webcast programs. This gives CPAs who don't have the time or budget to travel the same experience as those attending in person, from any mobile device. It also



means we can offer you more programs delivered by quality instructors at an affordable price. Those programs are being broadcast live from the new OSCPA video studio, where we offer a variety of one, two, four and eight-hour programs that do more than help you earn your 120 hours of CPE. We bring you timely knowledge and breaking news to sharpen your skills as a CPA. We are also expanding our on demand content so that you have access to CPE opportunities at your convenience.

We are experiencing the same challenges with declining enrollments as many of our peer associations. Part of that is a generational trend—fewer younger CPAs are participating in professional associations than in the past. As more members reach retirement age, it will be critical to engage younger CPAs in the important work of your Society.

OSCPA is working closely with our Young CPA board to appeal to a younger and more diverse CPA membership. We've launched new community service initiatives to involve CPAs and the Society actively in local communities where they live and work. And we've formed a new Women's Initiatives Committee to provide resources and programs that support the career goals of women CPAs who make up more than half of the profession.

CPAs are operating in challenging times. But The Ohio Society, with 21,000 members, is a powerful ally in your professional and business circles. Thank you for the opportunity to serve and be your voice.

Brendan P. Fitzgerald CPA
Brendan P. Fitzgerald, CPA
Chair, OSCPA Executive Board

Ohio Society of CPAs leads on programs for the profession and the public





The Ohio Society is working to address different needs of members and build a more engaged and diverse profession for the future. The new Women's Initiatives Group and CPA Day of Service are two examples of how OSCPA is offering unique experiences that blend the personal and professional interests of CPAs.



Today, CPAs need options in course formats, content, and delivery methods. OSCPA was one of the first state CPA societies to invest significantly in on demand education to supplement in-person offerings. A new video studio has doubled the number of live, on demand courses taught by top-notch experts. It features a full classroom and the latest technology to deliver a nearly 'in person' experience to remote participants at an attractive price.



Teaching Ohioans how to manage money is an important service CPAs provide. In 2012, nearly 1,500 volunteers taught the FETCH![®] game to more than 12,000 elementary students.

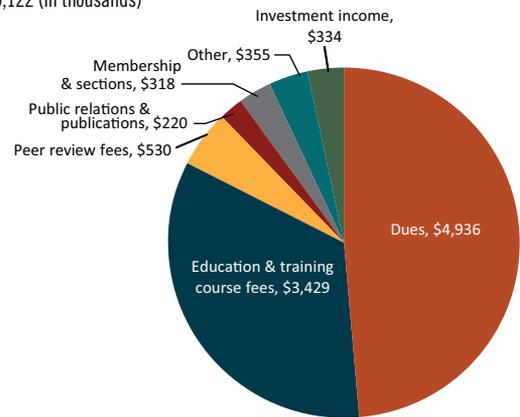
The Ohio Society of Certified Public Accountants Consolidated Statement of Financial Position

April 30, 2013 - (With Comparative Totals at April 30, 2012)

ASSETS	2013	2012
Cash and cash equivalents	\$ 9,000	\$ 586,000
Accounts receivable, net	48,000	40,000
Pledges receivable - Centennial Campaign, net	100,000	285,000
Pledges receivable - other	16,000	-
Prepaid expenses and deposits	146,000	136,000
Prepaid pension	-	361,000
Investments	6,318,000	5,630,000
Property, net	<u>1,364,000</u>	<u>1,412,000</u>
TOTAL ASSETS	<u>\$ 8,001,000</u>	<u>\$ 8,450,000</u>
LIABILITIES & NET ASSETS		
LIABILITIES		
Short term borrowings	\$ 102,000	\$ -
Accounts payable & accrued liabilities	610,000	989,000
Accrued pension	209,000	-
Deferred revenue	811,000	1,139,000
Mortgage payable	<u>905,000</u>	<u>1,011,000</u>
Total liabilities	<u>2,637,000</u>	<u>3,139,000</u>
NET ASSETS		
Unrestricted	\$ 2,743,000	\$ 2,949,000
Temporarily restricted	307,000	276,000
Permanently restricted	<u>2,314,000</u>	<u>2,086,000</u>
Total net assets	<u>5,364,000</u>	<u>5,311,000</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 8,001,000</u>	<u>\$ 8,450,000</u>

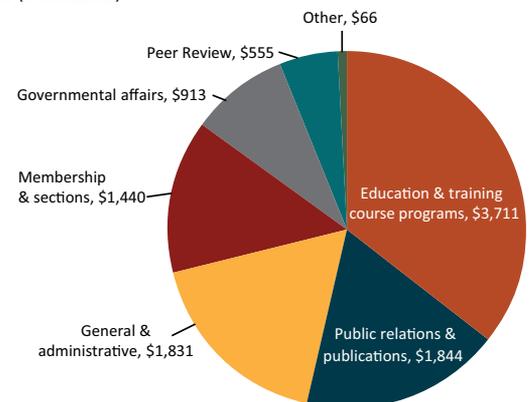
2012-2013 Total Operating Revenue

\$10,122 (in thousands)



2012-2013 Total Operating Expenses

\$10,360 (in thousands)



The Ohio Society of Certified Public Accountants Consolidated Statement of Activities

Year Ended April 30, 2013
(With Comparative Totals for April 30, 2012)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2013 Total	2012 Total
REVENUE					
Dues	\$ 4,936,000	\$ -	\$ -	\$ 4,936,000	\$ 4,807,000
Education & training course fees	3,429,000	-	-	3,429,000	3,243,000
Peer review fees	530,000	-	-	530,000	624,000
Investment income (loss), net	334,000	-	-	334,000	(19,000)
Membership & sections	318,000	-	-	318,000	296,000
Other	237,000	-	-	237,000	209,000
Public relations & publications	220,000	-	-	220,000	210,000
Foundation contributions	25,000	93,000	-	118,000	173,000
Released from restrictions - scholarships	-	34,000	(34,000)	-	-
Released from restrictions - net assets	<u>75,000</u>	<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>10,104,000</u>	<u>52,000</u>	<u>(34,000)</u>	<u>10,122,000</u>	<u>9,543,000</u>
EXPENSES					
Education & training course programs	3,711,000	-	-	3,711,000	3,633,000
Public relations & publications	1,844,000	-	-	1,844,000	1,726,000
General & administrative	1,831,000	-	-	1,831,000	1,337,000
Membership & sections	1,440,000	-	-	1,440,000	1,154,000
Governmental affairs	913,000	-	-	913,000	779,000
Peer review	555,000	-	-	555,000	582,000
Interest	42,000	-	-	42,000	66,000
Foundation scholarships	<u>24,000</u>	<u>-</u>	<u>-</u>	<u>24,000</u>	<u>3,000</u>
Total expenses	<u>10,360,000</u>	<u>-</u>	<u>-</u>	<u>10,360,000</u>	<u>9,280,000</u>
(Decrease) increase from operating activity before non-operating activity	<u>(256,000)</u>	<u>52,000</u>	<u>(34,000)</u>	<u>(238,000)</u>	<u>263,000</u>
NON-OPERATING ACTIVITY					
Centennial Campaign - contributions	-	-	-	-	23,000
Contributions	-	-	100,000	100,000	-
Investment gain (loss), net	-	29,000	162,000	191,000	(1,000)
Released from restrictions - Centennial Campaign	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) from non-operating activity	<u>50,000</u>	<u>(21,000)</u>	<u>262,000</u>	<u>291,000</u>	<u>22,000</u>
CHANGE IN NET ASSETS	(206,000)	31,000	228,000	53,000	285,000
NET ASSETS - BEGINNING OF YEAR	<u>2,949,000</u>	<u>276,000</u>	<u>2,086,000</u>	<u>5,311,000</u>	<u>5,026,000</u>
NET ASSETS - END OF YEAR	<u>\$ 2,743,000</u>	<u>\$ 307,000</u>	<u>\$ 2,314,000</u>	<u>\$ 5,364,000</u>	<u>\$ 5,311,000</u>

The accompanying condensed financial statements are derived from the Society's audited financial statements, which received an unqualified opinion from Maloney + Novotny LLC. A complete copy of these financial statements is available by contacting **CPAnswers** at 888.959.1212, or by email at cpanswers@ohio-cpa.com.

Financial Results

The summary financial report includes the accounts of The Ohio Society of CPAs (the Society), The Ohio CPA Foundation (the Foundation), and The Concerned CPA Network (the Network). Total assets on a consolidated basis are \$8,001,000 at April 30, 2013. The \$577,000 decrease in cash and cash equivalents is driven by the payout of deferred compensation, new CEO search costs, and a decrease in deferred revenue (based on timing of payments). Collections for the Foundation Centennial Campaign remain strong, resulting in a decrease of \$185,000 in the net receivable. This year the Foundation established a new endowment for \$100,000 in honor of the outgoing CEO J. Clarke Price. Remaining pledges receivable at April 30, 2013 totaled \$16,000. The increase in prepaid expenses and deposits results from the timing of payments. The decrease in prepaid pension and increase in accrued pension is due to the Society's projected benefit obligation exceeding the fair value of plan assets, driven largely by a change in the discount rate from 6.25% to 4.25%, based on current market conditions. Improved market performance coupled with additional funding of the portfolio yielded an increase in investment balances of \$688,000.

Total liabilities are \$2,637,000 at April 30, 2013. Increase in short-term borrowings resulted from line of credit draws to meet short-term cash needs due to the cyclical nature of the Society's cash flows. Declines in accounts payable and accrued liabilities resulted from the timing of goods and services received, particularly the payout of deferred compensation and fewer education and training department accruals at year end. The decrease in deferred revenue is due to timing of dues payments (fewer paying prior to May 1 based on mailing date) and CPE registrations (fewer prior to May 1 due to upgrade of the online catalog).

For the year ended April 30, 2013, total operating revenue and expenses on a consolidated basis are \$10,122,000 and \$10,360,000, respectively. Slight increases in membership

revenue (due to the Society's small but frequent dues increase policy) and education and training registrations revenue were offset by CEO search costs, the new Society video studio, various governmental lobbying initiatives, and the pension discount rate adjustment. Before investment gains and non-operating activities, the decrease in net assets was \$572,000.

- Membership renewals experienced a slight decrease; however, retention and recruitment activities were strong and targeted throughout the year, resulting in over 2,100 new and reinstated members. Members continue to value the Society's protection and promotion of the CPA credential, quality professional development, timely news, and advocacy on behalf of the accounting profession.
- The education & training department (E&T) experienced a slight increase in conference and seminar registrations, but a negative variance compared to budgeted revenue due to the offering of discounted registrations to various targeted groups. Expense savings and improved webcasting capabilities partially offset this variance.
- The Society's new, dedicated video studio significantly expands the Society's capability to deliver timely news and education (CPE) to more members. The multi-use classroom space can be used to pre-tape programs for the Society's on-demand CPE and news channels or to webcast live programs to a broader segment of members who may not have the time or budget to travel.
- The increase in governmental affairs spending was due to the Society's lobbying efforts including the Ohio sales tax initiative and municipal tax reform.

FINANCIAL OUTLOOK

The operating budget for 2013-2014 includes a \$5,000 increase in net assets. The Society has met its reserve requirement policy as of April 30, 2013.

The Ohio Society of Certified Public Accountants 2013-2014 Operating Budget

Year Ending April 30, 2014 - (in thousands)

Revenue		Expenses	
Dues.....	\$ 5,006	Education & training course programs.....	\$ 4,025
Education & training course fees.....	3,884	Public relations & publications.....	1,620
Peer review fees.....	527	General & administrative.....	1,367
Public relations & publications.....	195	Membership.....	1,547
Sections.....	215	Governmental affairs.....	814
Other.....	<u>102</u>	Peer review.....	<u>551</u>
Total revenue.....	<u>\$ 9,929</u>	Total expenses.....	<u>\$ 9,924</u>
		Increase in net assets.....	<u>\$ 5</u>

section editor: Gary Hunt

Robert G. Zunich installed as chair of OSCPAs Executive Board



Robert G. Zunich, CPA/ABV with Barnes Wendling CPAs, Inc., Sheffield Village was installed as the 2013-2014 Chair of the Board on June 18 at part of The Ohio Society of CPAs Annual Meeting.

"I'm committed to supporting our continued push for legislative action and making sure CPAs have a key role in discussions on issues shaping our state's business environment," Zunich said upon installation.

"I appreciate the opportunity to serve as your Chair and look forward to working with you to create even greater visibility for CPAs as strategic advisors leading Ohio to new levels of growth," Zunich added.

Zunich also called for more young CPAs to get involved in the Ohio Society.

"It will take you places!" Zunich emphasized.



The Ohio Society of CPAs' 2013-2014 Executive Board:

First row (left to right): Teresa S. Haught, CPA, ArtsWave, Cincinnati; Chair-Elect Mark A. Van Benschoten, CPA, Rea & Associates, Inc., Dublin; Margaret A. Gilmore, CPA, Ohio Dominican University, Columbus; John J. Venturella, CPA, Clark Schaefer Hackett & Co., Middletown; **Second row (left to right):** Vice Chair, Finance Phillip L. Wilson, CPA, Hill Barth & King LLC, Boardman; Ron Antal, CPA, MST, Research Credit Group, Stow; Marie A. Brilmyer, CPA, SS&G, Inc., Akron; Past Chair Brendan P. Fitzgerald, CPA, Sustin Bartell Waldman & Fitzgerald Ltd., Cleveland; **Third row (left to right):** Kathleen M. Hoover, CPA, Corbets & Associates, Solon; Chair Robert G. Zunich, CPA/ABV, Barnes Wendling CPAs, Inc., Sheffield Village; William Chorba, III, CPA, CGMA, NineSigma Inc., Beachwood; Robert A. Bosak, CPA, Kaplan Trucking Company, Cleveland; **Fourth row (left to right):** Glenn A. Roberts, CPA, Hoover & Roberts Inc., Eaton; Kent D. Pummel, CPA/ABV CVA, Clark Schaefer Hackett & Co., Springfield; Christopher J. Dean, CPA, GBQ Partners LLC, Columbus; Scott D. Wiley, CAE, The Ohio Society of CPAs, Dublin; **Not pictured:** Kenneth M. Haffey, CPA, CVA, Skoda Minotti CPAs, Mayfield Village

2012-2013 Award Winners

Gold Medal for Meritorious Service to the Accounting Profession

Mark B. LaPlace, CPA



Over the past 33 years, Mark LaPlace has established a legacy of service to the accounting profession. Early in his career, LaPlace worked with Price Waterhouse for 12 years before dedicating more than two decades to GBQ Partners, LLC. He currently serves as the Director of Tax Services.

LaPlace is a 30-year member of OSCP. Since 1990, he has filled numerous leadership positions including both as the chair of the Executive Board and vice president of the Executive Committee. Currently, LaPlace chairs the Ohio CPA/PAC Board of Trustees and sits on OSCP's Thought Leaders committee.

LaPlace has also advanced the profession through his involvement in other organizations. He recently concluded a seven-year term with the Accountancy Board of Ohio, where he served as its chair in 2010. LaPlace is an active member of AICPA and has served as treasurer for numerous political campaigns and community organizations. His achievements and commitment to developing the CPA profession garnered him a spot on the 2010 list of Ohio's Most Influential CPAs, and have now earned him OSCP's highest honor.

Outstanding Member Volunteer

Scott D. Gill, CPA, MT

The Ohio State University



Gill was chosen as one of two recipients of the Outstanding Member Volunteer award for his dedicated work with OSCP's municipal tax reform efforts. A former, long-time city tax administrator, Gill provided valuable input through countless hours of negotiation between OSCP and the Municipal Tax Reform Coalition and local government representatives.

Gill has extensive experience in both the private and public sectors. He is corporate tax manager at The Ohio State University. Prior to that he was the tax administrator for the City of Upper Arlington. Gill is currently serving his third term on the Regional Income Tax Board of Trustees and has been a member of the Ohio Municipal Task Force since 2003. He also has served as president of the Greater Ohio Association of Tax Administrators. Gill has been an OSCP member for 27 years and serves on both the Mega Tax Conference Planning Committee and Tax Legislation Policy committees.

Outstanding Ohio Accounting Educator

Dr. Sandra B. Richtermeyer, CPA, CMA

Xavier University



Richtermeyer is a professor and chair of the Department of Accountancy at Xavier University. Prior to joining Xavier in 2004, she held positions at the Institute of Management Accountants, University of Wyoming, University of Colorado at Denver and University of Colorado at Boulder. She also has over 15 years of experience in public accounting and business and industry.

Richtermeyer has continually pushed for the advancement of student learning, and allied herself with OSCP student outreach efforts, including the Student Ambassador Program. Her commitment to teaching has been widely recognized through awards including the 2011 Educator of the Year award from the American Women's Society of CPAs and two Outstanding Professor of the Program awards at Xavier. In addition, Richtermeyer has advanced the field through her leadership in organizations including the Educational Foundation for Women Accountants, Institute of Management Accounts, Beta Alpha Psi International, American Accounting Organization, the Lean Accounting Summit and the Committee of Sponsoring Organizations of the Treadway Commission.

Outstanding Member Volunteer

Thomas M. Zaino, CPA, JD
Zaino Hall & Farrin LLC



Zaino earned one of two Outstanding Member Volunteer awards for his commitment and dedication to OSCPA's municipal tax reform initiative. Zaino has worked closely with OSCPA and the Municipal Tax Reform Coalition to draft both HB 601 in 2012 and HB 5, currently in the Ohio House Ways & Means committee, and educate legislators and city officials about

the technical reforms in the legislation. In addition, he testified on behalf of both bills.

Zaino is the managing member and founder of Zaino Hall & Farrin LLC. He is a long-time member of OSCPA's Tax Legislation Policy Committee and a former member of the Executive Board. He is actively involved in the Ohio State Bar Association, the Ohio Chamber of Commerce, American Bar Association and the Independent SALT Alliance. Zaino was Ohio Tax Commissioner from 1999-2003 and served on the Governor's Blue Ribbon Task Force for Financing Student Success. His achievements have been recognized by the Ohio House of Representatives, Ohio Senate and Ohio Department of Development.

Outstanding Ohio Two-Year Accounting Educator

John F. Bongorno, CPA, M.Acc.
Cuyahoga Community College



As part of a family of educators and CPAs, Bongorno has dedicated 25 years to teaching accounting and business information at the college level. He serves as assistant professor at Cuyahoga Community College where he began in 1999. Previously, he also taught at John Carroll University and Stark State College of Technology. Bongorno takes an innovative

approach to teaching, and draws on his professional experience with Cleveland-area companies to enhance student learning. Bongorno was nominated recently for the 2013 Excellence in Teaching Award at Tri-C. In addition to his commitment to teaching, Bongorno helps students through his work with programs like OSCPA's ASPIRE! Diversity in Accounting program, and is a member of The Ohio CPA Foundation Programs Committee. Bongorno is the second recipient of the Outstanding Ohio Two-Year Accounting Educator award.

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**Member support is critical to the success
of the Foundation's career awareness and
financial literacy programs.**

Your \$50 dues check-off contribution ensures that FETCH! reaches more classrooms this fall and that students understand the benefits of becoming a CPA through programs like ACAP-Ohio, Student Ambassadors and Accounting Career Days.

When you pay your OSCPA membership dues, please check off for FETCH! and The Ohio CPA Foundation. Or, contribute now at www.OhioCPAFoundation.org. Your gift will make a difference!



Investing in the Future



For more information or to make your contribution online, please visit www.OhioCPAFoundation.org.

OSCPA changes the game at 2013 Members Summit & Annual Meeting



Leaders and members from across the state gathered to discuss the major trends impacting the future of Ohio and the accounting profession at OSCPAs Members Summit & Annual Meeting.

General sessions covered economic trends and opportunities for Ohio, plus details on enhancing productivity through culture and employee performance.

Todd Miller, senior vice president at the Oswald Companies, presided over a well-attended and lively discussion of health care reform. He predicted that organizations with fewer than 50 employees could see an 85% increase in insurance rates in 2014.

“Things will be significantly different than what you are used to, and this is going to cause a significant shock if you have fewer than 50 employees,” he said.

Popular presenter Leah Donti with Advantage Montreal Seminars detailed changes in revenue recognition and lease accounting.

“Everyone has revenue, and [almost] everyone has leases,” Donti said. “These changes impact us all.”

See more photos on OSCPAs Flickr stream at www.flickr.com/photos/oscpa/

Mark your calendars

for next year’s Members
Summit & Annual meeting,
June 17, 2014

Reception honors award winners, supports Ohio CPA/PAC



YCPA Board members Jen Fisher, Jessie Wright, Alyss Carpenter and John Garrity mingle with other leaders in the profession.

The evening before the Members Summit, Society leaders and members gathered to honor this year's OSCPA award winners while raising money to support OSCPA's legislative efforts.

The Ohio Society's Executive Board attended, along with the Young CPA Board.

Reception proceeds went to Ohio CPA/PAC, which supports candidates who understand and support issues important to OSCPA members. Ohio CPA/PAC is an important part of our successful legislative track record and particularly the Society's recent record of success. To learn more about how you can support Ohio CPA/PAC, contact our governmental affairs staff at government@ohio-cpa.com.



Outstanding Member Volunteer Scott Gill (second from left) talks with a fellow attendee while OSCPA Past Chair Brendan Fitzgerald (center) discusses the future of the profession with Ohio CPA Foundation trustee Jerry Esselstein (right).



YCPA Board member Daniel Clark discusses issues in the profession with OSCPA President & CEO Scott Wiley.



OSCPA Outstanding Volunteer Member Scott Gill speaks with other 2013 reception attendees.



OSCPA Director of Tax Policy Amy Mignogna and OSCPA member Adam Garn discuss economic policy.

Ohio CPA/PAC Silent Auction adds excitement to Members Summit



One of the highlights of the Members Summit is the Ohio CPA/PAC Silent Auction. Attendees bid on sports packages, golf getaways, jewelry, electronics and more. All of the proceeds help OSCPAC support business-minded legislators committed to issues important to Ohio CPAs and businesses.

Members Summit Sponsors



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Former priest now helps others as a CPA

By Ashley Hofer



From the priesthood to a life in accounting, OSCP member Bob Wardega, CPA would be the first to admit he has taken an unconventional route to his current position at the I-X Center in Cleveland.

The common thread to both careers has been a desire to help others.

In addition to his day job, Wardega serves on the planning committee for the Cleveland Accounting Show and helps local organizations with bookkeeping.

He said his interest in accounting actually began during the 14 years he worked as a Catholic priest. At his last placement, he went beyond simple bookkeeping tasks to play a significant role in managing the church's finances.

"I was a little surprised that I liked to do it," he said, noting that most priests try to avoid such work.

When Wardega reached a point in his life when he felt he needed to change professions, he thought back to that finance work.

"I asked, 'What did I like to do that I wanted to keep on doing?'" Wardega said. "And a finance approach to life was something I wanted to take a shot at."

Wardega spent three years taking evening and weekend accounting courses at Cleveland State University, and his dedication helped him pass the CPA exam in 1992. After working in the financial departments of several religious organizations, Wardega joined the I-X Center staff in 2002.

Wardega said the career change required an adjustment, as he had to get used to fixed schedules and deadlines.

He said two people played a fundamental role in developing his career: a teacher at Cleveland State University and an auditor friend. The help – ranging from support to discussion – has since inspired Wardega to do the same for others.

"I wouldn't be here if it weren't for these people in my life," he said. "The least I can do is give back something that's been given to me."

Wardega has given his time by serving on the Ohio Accounting Show-Cleveland committee since 2003. He said his positions as both an I-X Center employee and planning committee member have given him a unique perspective. Not only does he take the committee's suggestions back to the Center, he also learns more about the event planning industry than he normally would in his day-to-day duties.

"In a sense, I wear both hats," he said.

He also said he is appreciative of OSCP's growing efforts to develop volunteerism in its membership, saying that it provides "an outlet for the people to give back what's been given to them."

Wardega said his 14 years in the priesthood give him a unique outlook on the accounting profession, and he sees ample opportunities for CPAs to give back.

"I think I try to pay more attention to people that are in need," he said. "I've always had an interest and concern for people who were in need that didn't have access to services. ... Those (values) will never go away."

Scholarship Day recognizes Ohio's top accounting students

Several of the state's most accomplished accounting students spent an afternoon with OSCPA members demonstrating their awareness and understanding of issues facing the profession. Competing for a scholarship award of \$3,000, candidates expressed their knowledge through a series of interviews with member judges.

Lauren Romick, a senior studying accounting and international business at Kent State University, received first place honors as the 2013 Scholarship Day award recipient.

"We were all so nervous to hear the results. We spent a month preparing for the event. I was very shocked and excited when I heard my name," Romick said. "I couldn't believe that I won!"

A second standout candidate, Brendan Karchner, was named runner-up. Karchner, a senior studying business administration with a specialization in accounting at The Ohio State University, was awarded a \$1,500 scholarship.

"I was very excited when I was chosen for the award. It was an honor to be named to the top five and be invited to Scholarship Day with such a deserving group, let alone be picked to receive additional scholarship money. It was a great experience and I'm so happy that I was able to be involved," Karchner said.

Earlier this year, each participant won a \$2,000 award as part of The Ohio



CPA Foundation's annual statewide scholarship program, making them eligible to compete for the additional award. During Scholarship Day, students engaged in a series of fast-paced, individual interviews with OSCPA members who served as judges for the event. Candidates completed the interview process by answering questions before a panel comprised of all of the judges.

"All of the candidates for Scholarship Day were extremely well prepared this year," said member judge, Sharon Reisman, CPA. "Their answers to our questions were both insightful and thought provoking."

"I learned a lot about The Ohio Society of CPAs, the CPA profession, and current issues facing public accounting," Romick said. "I really enjoyed speaking with the professionals about community service and our role as the future of the profession."

Romick will graduate in May 2014 and

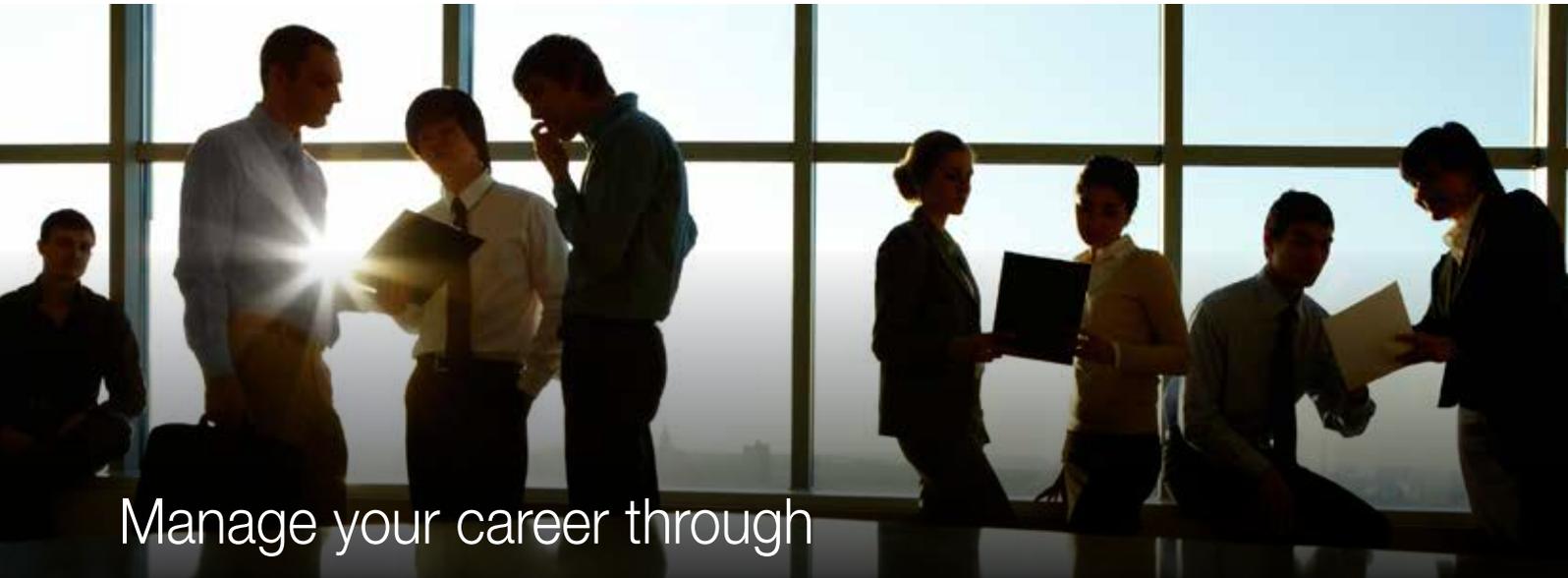
hopes to complete all four sections of the CPA Exam soon after. She plans to work in public accounting in Cleveland where she intends to make partner.

A special thanks to the following OSCPA members for volunteering as Scholarship Day judges:

- **Jim Bronder, CPA**,
The University of Northwestern Ohio
- **Jerry Esselstein, CPA**,
Jerry L. Esselstein Company, LLC
- **Peter Margaritis, CPA**,
Peter A. Margaritis, LLC
- **Sharon Reisman, CPA**,
Clark Schaefer Hackett

Congratulations to all of the 2013 Ohio CPA Foundation scholarship recipients:

- **Logan Holman**, Xavier University
- **Brenden Karchner**, The Ohio State University
- **Lauren Romick**, Kent State University
- **Lida Shen**, John Carroll University
- **Emily Topp**, Grove City College
- **Michael Yee**, Miami University



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Janice Worthington

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Steve Martin

Resumes 101

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Janice Worthington

Hire like a Pro

Nov. 19 | Noon | Webcast
Janice Worthington

Maximizing your career

Dec. 10 | 2 p.m. (webinar)
Janice Worthington



Janice Worthington helping a student.





OSCPA Spotlight Events

MEGA Accounting & Auditing Conference

July 30 | Cincinnati | Course #44628

August 8 | Cleveland | Course #44632

Designed for all CPAs in business and individual practitioners with an interest or specialization in accounting and auditing, OSCPAs MEGA A&A Conference is a fantastic opportunity to get the latest in fraud, IFRS, Yellow Book standards, financial reporting and more. Plus, there is a complete Internal Control Essentials track that covers many of the Committee of Sponsoring Organizations objectives.

- Review the current status of the IASB and FASB convergence projects
- Get an update on U.S. GAAP
- Receive an in depth review of risk assessment and fraud
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- Take a look at the changing landscape of financial reporting

Summer Getaway CPE Conference

Aug. 9 | Kalahari Resort and Waterpark, Sandusky |

Course # 44402

NEW! Advance your career and strengthen your knowledge with a full day of CPE at the first EVER Summer Getaway CPE Conference at the Kalahari Resort and Waterpark in Sandusky, Ohio. A variety of current topics will be presented by the profession's leading speakers. You'll learn about the latest developments shaping the industry and you'll be able to fulfill your ethics requirement. Take advantage of this great new program and bring the family along for the trip! If you decide to stay the night on August 8, OSCPAs can offer a special room rate and four waterpark passes that start at noon on the 8th and are good for all day on the 9th. You can even extend your stay for the weekend at a reduced rate as well!

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ACAP-Ohio shows students the social side of accounting

The recent ACAP-Ohio program can be measured by the stereotypes it proved wrong for the participants; among them, that accounting is a boring desk job and that the profession is not diverse.

Perhaps most importantly, the program helped convince 45 high school students from around Ohio that they could have – and enjoy – a successful career in accounting.

Among them was Jasmine Winston of Northland High School in Columbus, who said she had thought about studying accounting in college, but didn't really know what it was all about.

"This is an opportunity to really know what it is and be able to talk to people who are going to be able to break it down for me," Winston said. "I've

learned here that accounting is a very social career field. You don't sit in a cube all day and type on your computer."

The Accounting Careers Awareness Program (ACAP-Ohio) is a career development program designed specifically for minority high school students. It is essentially a weeklong accounting camp held each June at The Ohio State University's Fisher College of Business for a select group of students, who attend informative workshops, interactive discussions, corporate tours and mentoring sessions by minority CPAs and business leaders.

"This program has served a critically important role in helping students understand and experience all that the accounting profession has to offer," said Karen West, OSCPA's vice president of academic and career awareness and director of The Ohio CPA Foundation.

"It's amazing to see the students' transformation from when they arrive on Sunday to when they leave on Friday. Their professionalism, their openness – and their excitement for accounting for so many of them – grows each day."

Winston said she was surprised to learn there were many types of accounting jobs, and they often involve working with others.

"To me that was so surprising. I really thought that someone gave them information, they fixed it and then they handed it back," Winston said.

Stevontay Davis, a student at Taft High School in Cincinnati, said he had been considering a career in criminal justice. He was intrigued to learn that accounting is a career option with applications in many fields, including law enforcement.



“an amazing opportunity”

“Most people, if they don’t know anything about accounting, the first thing they would think is you’re at a desk all day with a pencil just writing and calculating numbers,” Davis said. “That’s not true.

“I really think accounting could be a good path for me.”

Albert Damsi, a student at Perrysburg High School near Toledo, called ACAP-Ohio “an amazing opportunity,” and said he had taken 10 pages of notes in just the program’s first two days.

“The things I have learned have opened my mind,” Damsi said. “I am so focused now on accounting and finance and the business field.”

But he added that the topics covered – from building a stronger resume to interviewing to dining etiquette – will serve students well no matter their eventual career choice.

“Those are skills we’ll need our entire life,” Damsi said. “As all our presenters are telling us, any freshman or high school student in general who comes to this program is a huge step ahead of others.”

Mica Caine, a student at Pickerington North High School near Columbus, said she enjoyed attending ACAP-Ohio with a diverse group of her peers.

“I love meeting new people, so that’s been fun,” Caine said. “With a group like this, you can have conversations that are deeper – like academics and your aspirations and your careers – and people don’t judge you about it.”

She also appreciated that the sessions that students attended were not just lectures, but were interactive.

“The lineup of speakers is very clever and engaging,” Caine said. “If someone is thinking about attending, they should definitely apply because you learn so much. You meet new people, you network and you just get a taste for what professionalism is.” ACAP-Ohio, now in its 18th year, is presented by The Ohio CPA Foundation, The Ohio Society of CPAs and the National Association of Black Accountants (NABA), and students attend at no cost thanks to the support of sponsors and donors. For more information, contact Jerad Wood, OSCPAs student initiatives and fundraising coordinator, at jwood@ohio-cpa.com or 800.686.2727, ext. 315

ACAP-Ohio \$500 College Scholarship Recipients

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Mica Caine

*Pickerington North High School, Pickerington
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- | | | | | | | | | | |
|----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 1. | (a) | (b) | (c) | (d) | 7. | (a) | (b) | (c) | (d) |
| 2. | (a) | (b) | (c) | (d) | 8. | (a) | (b) | (c) | (d) |
| 3. | (a) | (b) | (c) | (d) | 9. | (a) | (b) | (c) | (d) |
| 4. | (a) | (b) | (c) | (d) | 10. | (a) | (b) | (c) | (d) |
| 5. | (a) | (b) | (c) | (d) | 11. | (a) | (b) | (c) | (d) |
| 6. | (a) | (b) | (c) | (d) | 12. | (a) | (b) | (c) | (d) |

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10 Mid-year tax strategies for individuals and small business owners

1. For 2013 and thereafter, the American Taxpayer Relief Act of 2012 increases the maximum tax rate for long term capital gains to ___% for single filers with income above \$400,000 and joint filers above \$450,000.

- A. 10%
- B. 18%
- C. 20%
- D. 15%

2. Which of the following was not identified as one of the 10 mid-year tax strategies for individuals and small-business owners?

- A. Selective personal use of a vacation home.
- B. Donations of property held for more than one year
- C. Taking advantage of the health care credits available to small businesses.
- D. Judicious use of business entertainment

Private companies to have new options for financial reporting

3. What was the Blue Ribbon Panel's verdict on GAAP?

- A. GAAP needs to be revised
- B. GAAP is not as effective as it should be
- C. GAAP has value in the marketplace
- D. GAAP has value, but is too costly to implement for smaller firms

4. The Private Company Council (PCC) was charged with developing criteria for determining whether and when exceptions or modifications to U.S. GAAP should be made for _____

- A. Small Businesses
- B. Publicly traded corporations
- C. Non Profits
- D. Private companies

5. Key elements of the proposal titled Private Company Decision-Making Framework include:

- A. Allowing private companies to elect recognition and measurement alternatives that are appropriate (instead of an all or nothing approach).
- B. Disallowing the use of industry specific accounting guidance for private companies.
- C. Developing criteria for determining when exceptions or modifications to U.S. GAAP will be implemented.
- D. Identifying factors that differentiate the financial reporting considerations of public and governmental entities.

6. According to the author, the financial reporting framework blends traditional methods of accounting with some accrual income tax methods, in the end emphasizing historical cost over _____

- A. Replacement cost
- B. Fair value
- C. Lower of cost or market
- D. Other comprehensive bases of accounting

7. According to the author, organizations for which FRF for SMEs is most appropriate include:

- A. Companies where owner-managers are in need of reliable information for confirming assessments of performance, for determining what they owe/own, and their cash flows
- B. Users of financial information who have direct access to management
- C. Companies that have no intention of going public
- D. All of the above

Top 10 issues CFOs are facing right now

8. Which of the following is not one of the items included in the author's top ten list of issues currently facing CFOs?

- A. Managing the costs of the Patient Protection and Affordable Care Act
- B. Dealing with constantly changing FASB standards and tax laws
- C. Preventing bribery and other corrupt practices
- D. Growing the top line in a risk adjusted manner

Ninety percent of service businesses will fail within the first five years

9. Growing a business is about _____ and _____

- A. Money; profits
- B. Marketing; advertisement
- C. Creating awareness; brand recognition
- D. Trust; likeability

10. The book *Book Yourself Solid* includes three modules. Which of the following is not one of these three modules?

- A. Foundation building
- B. Establishing trust and reliability
- C. A seven part self-promotion strategy
- D. Establishing trust and credibility

11. Which of the following is defined to include "brochures, flyers or any other type of information publications a company creates to promote its business"?

- A. Earned media
- B. Paid media
- C. Owned media
- D. Social Media

Why You Need to Be on Google+

12. Which of the following represents one of the improvements made to Google's photo sharing?

- A. Google doubled the storage space for full size photos – 10GB up from 5.
- B. "Auto Enhance" is now available for intelligently correcting your photos.
- C. "Auto Awesome" is now available which allows the user to shoot and edit photo albums.
- D. Google increased the length of time that photos can be stored – now allowing for lifetime photo sharing.

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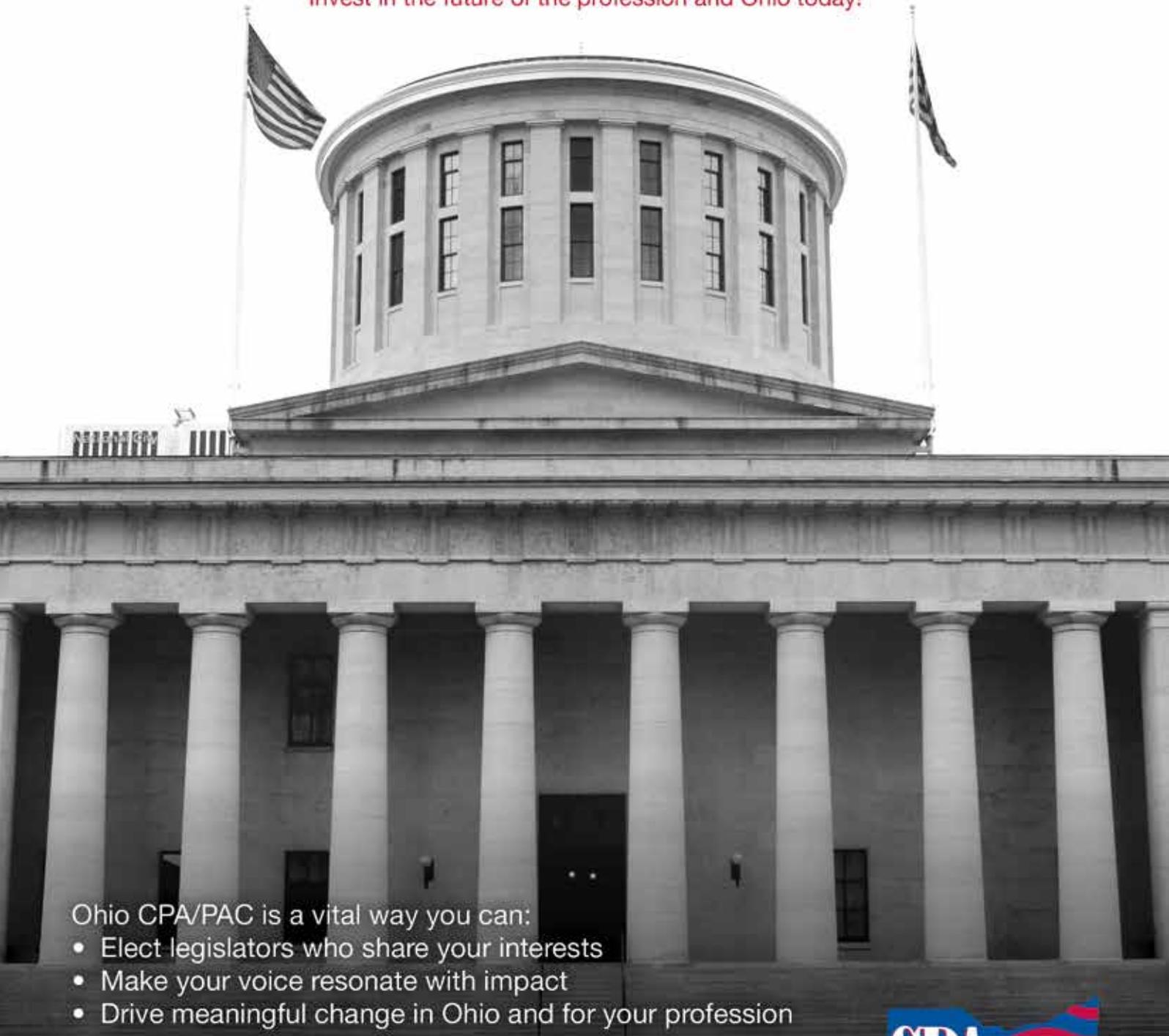
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