Integrated Report

To provide a clear and coherent vision of INCPAS' ability to create value in the short-, medium- and long-term
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To improve the connectivity of data within the report, we have included symbols for each of the INCPAS capitals (see page 12). These symbols will appear throughout the report anywhere each capital is discussed.

*The Indiana CPA Society is referred to as INCPAS or the Society throughout the report.*
Introduction

ABOUT THIS REPORT

What is Integrated Reporting? The International Integrated Reporting Council (IIRC) defines Integrated Reporting (IR) as the language for sustainable business. It is the means by which companies communicate how value is created and will be preserved over the short-, medium- and long-term. This information is used principally by investors/stakeholders to support their capital allocation decisions. It involves a set of processes and activities, one result of which is a periodic “integrated report” communication about the way in which an organization’s strategy, governance, performance and prospects lead to the creation and preservation of value.

IR represents an evolution in corporate reporting, building on recent developments in financial and non-financial reporting. It is not designed to replace existing disclosures which provide useful detail to report users by helping to shine light on thinking and behavior within organizations. Organizations will be able to provide additional disclosures, and we anticipate that technological advances will assist both report preparers and users, supporting investor/stakeholder decision making by producing value-relevant information in an easily digestible way.

What is an Integrated Report? An Integrated Report is the most visible and tangible manifestation of Integrated Reporting. It is a comprehensive communication of the way in which an organization creates and preserves value in the short-, medium- and long-term.

Why is the Indiana CPA Society preparing an Integrated Report? In an effort to help our members and stakeholders gain a better understanding of Integrated Reporting, we believe it is a useful process to create our own report so our membership could see a report on an organization they know. Also, as supporters of the concept of Integrated Reporting, we believe it is important to show its value and our support by creating our own report.

Why is Integrated Reporting relevant for Indiana CPA Society members and their client and employer companies? Integrated Reporting is a more complete model of corporate reporting and facilitates the assessment of the value creation potential of an organization to investors, lenders, donors and other stakeholders. In our case, our Integrated Report is focused primarily on how we create value for our members, while also addressing the information needs of other stakeholders—including students, educators, business decision makers and other users of financial statements and CPA services to help them better understand the value of CPAs.
ASSURANCES

Integrated Reporting is an evolving concept, and this is our eighth year preparing an Integrated Report. Since Integrated Reporting is principles-based instead of standards-based, we are provided more leeway with regard to how the report is prepared and can customize it to best tell INCPAS' value creation story. Here are the areas we have focused on in our report:

- Various capitals (financial, intellectual, human, and social & relationship) that an organization uses or affects
- Our organization's business model
- Creation of value over time

We will look for feedback from stakeholder groups on an ongoing basis to understand what is important to them. We will ask stakeholder groups to give feedback to let us know what additional matters they want to see in this report as we move to the future to ensure that it is relevant to them.

The entirety of the report is approved by the INCPAS Board of Directors. Currently, there are not specific guidelines on providing assurance on an Integrated Report, as it is a new form of reporting. In January 2015, the INCPAS Board of Directors created a committee made up of two members of the Board of Directors and at least four members at large to serve as the Integrated Report Assurance Committee to develop a process for verifying the completeness and accuracy of the information included in this report. The Committee developed an assurance process and a series of checklists to be used annually to ensure that the report complies with IIRC Guidelines and that the information included in the report is fairly and accurately presented. In June 2015, the Board of Directors adopted a formal Integrated Report Oversight Policy. Per the policy, the Integrated Report Assurance Committee will execute the assurance process and then produce an oversight report to be shared with the Board of Directors on an annual basis. See page 39 for the Integrated Report Oversight Report.

Management has the responsibility to determine which matters are material. Per the definition established by the IIRC:

“A matter is material if, in the view of senior management and those charged with governance*, it is of such relevance and importance that it could substantively influence assessments of the primary intended report users with regard to the organization’s ability to create value over the short, medium and long terms.

In determining whether a matter is material, senior management and those charged with governance consider whether a matter substantively affects, or has the potential to substantively affect, the organization’s strategy, its business model, or one or more of the capitals it uses or affects in the short, medium or long term."

Based on this guidance, management, who consists of senior staff and the board of directors, assesses materiality. They primarily focus on review of the Risks and Opportunities and the assessment and review process for those risks and opportunities as defined on page 27 of this report.

*Those charged with governance=The Board of Directors
After a year of many reactive changes to help members through 2020, in 2021 we had asked ourselves: “What if moving forward doesn’t mean returning to what we knew? Instead, what if we take what we’ve learned, examine the new environment and adapt to make changes that work better for us now and long-term?”

Now with 2022 under our belts, we’re taking a moment to share what those adaptations looked like and how we plan to evolve in 2023.

**120-to-Sit Rule Change.** Effective November 2, 2022, students and candidates can sit for the CPA Exam at 120-credit hours—150-credit hours will still be required for licensure. This monumental win for the CPA talent pipeline was achieved through a lengthy, labor-intensive advocacy process, and it was well worth it. Not only for aspiring CPAs, but also for the employers who need access to talent faster.

**CPA Evolution.** The new CPA Exam will launch in January 2024, and INCPAS has ensured educators and students are informed of its progress. We’ve also kept relevant agencies on track with taking the steps necessary for Indiana to make this transition successfully. Among them is the aforementioned rule change, which also included the removal of CPA Exam section names and windows to allow for the upcoming shift in CPA Exam timeline and tests.

**Member Sections.** Last year, the INCPAS Board identified the lack of meaningful connections post-COVID as a key risk area both now and in the future, and encouraged staff to address this issue. Member Sections were the solution to 1) develop a more relationship-based member model, and 2) help members connect with each other while simultaneously addressing their key risk areas, identifying their opportunities and sharing ways technology can improve their workflows/workforce. We identified 5 Member Sections topics: Client Advisory Services, Corporate Finance, Not-for-Profit, Practice Management and Technology. Each Member Section includes 30 hours of tailored in-person and virtual CPE, exclusive networking events, a dedicated online resource hub and private online community. Our initial goal was 450 member section participants, and we quickly exceeded expectations—nearly doubling our goal with a total of 890 registrants.
Regardless of the complexity, the task—maintaining a pipeline of CPAs—is central to our mission.

So what’s next for 2023? Pipeline. Pipeline, pipeline, pipeline. In INCPAS Town Hall events, member meetings, community discussions and survey feedback from the five Member Sections: staff recruitment and retention emerged as the key concern.

Fewer high students are enrolling in college, and fewer students enrolled in college are pursuing an accounting degree or CPA license. For more on this, we encourage you to review the 2021 AICPA Trends Report and Center for Audit Quality Pipeline: Challenges & Opportunities Report.

Regardless of the complexity, the task—maintaining a pipeline of CPAs—is central to our mission. This year’s Board leadership has challenged itself to identify barriers to licensure; re-examine risks they pose to the profession and Society; and ultimately determine which strategic investments we should make in the future.

Courtney Kincaid, CAE
President & CEO

Diane Sturek, CPA, MAcc
Chair
About INCPAS

WHO WE ARE

The Indiana CPA Society is a statewide professional association representing nearly 7,000 CPAs and accounting professionals who are transforming business in Indiana. We serve the public interest as well as our members. We function as an advocate for the profession through education, public awareness, government relations and promotion of high ethical standards. Programs and services offered by us are designed to meet the needs that have been identified for our diverse membership.

WHO OUR MEMBERS ARE

On June 30, 2022, we had 6,508 total members (6,215 dues paying members and 271 free student members) representing the full spectrum of accounting professionals and future accounting professionals. We have members who work for small local CPA firms, mid-size regional CPA firms, large international CPA firms, Fortune 500 companies, small private companies, not-for-profit organizations, and professors at colleges and universities across the state. Additionally, we have members who are college students, CPA candidates and other non-CPAs working in the profession, as well as retired CPAs who are still interested in the profession. The Society does not track ethnic diversity data on members.

MEMBERSHIP PROFILE

INCPAS represents nearly 7,000 members.
OUR VISION, MISSION AND VALUES

VISION
Home of the most trusted professionals, locally...globally.

MISSION
Enhance the professional success of our members while:
• Respecting the public interest.
• Encouraging and facilitating the adherence to high ethical and professional standards.
• Facilitating relationships that will benefit our members.
• Promoting a better understanding of services rendered by CPAs.
• Representing our profession.

VALUE PROPOSITION
The Indiana CPA Society connects, protects and develops all CPAs and aspiring CPAs through trusted relationships and resources. We're with you at every step of your career.

CORE VALUES
• Integrity – The Society Board of Directors and members conduct themselves with honesty and adherence to high standards of professional ethics.
• Advocacy – The Society exists to protect and promote the value of the CPA credential and to represent members on issues that are important to the profession and the public.
• Knowledge – The Society is the first and best resource for CPAs. We broker knowledge about important issues and future trends, as well as help members share knowledge with each other about the profession and their careers.
• Leadership – The Society strives for perpetual improvement and thought leadership in order to provide the best service to members.
• Community – The Society is the professional home for CPAs and CPA candidates and fosters collegiality, inclusiveness, networking, idea-sharing and continuous learning.

PUBLIC INTEREST FILTERS
In addition to our vision, mission, value proposition and core values, we have also developed public interest filters. These filters were created to be applied to decisions made at all levels of the organization—from the Board of Directors to the staff—to ensure that every resource (financial and non-financial) is allocated properly.

In 2011, the Board of Directors created the following Public Interest Filters that are applied to all decision making for the organization.

Does it:
• Help our members provide current and future services with integrity, competency and quality?
• Focus on services, programs and initiatives that members/ firms/companies cannot do on their own, or that would not be as effective if undertaken on their own?
• Represent something members value and enhance member’s success?
• Align with value proposition, core values, vision and mission statements?
Governance

The Board of Directors is responsible for:
- Identifying and prioritizing issues.
- Setting strategy.
- Approving budgets.
- Acting as ambassadors for the Society.

Under the direction of the CEO, the staff is responsible for:
- Identifying issues and trends.
- Implementing strategy.
- Determining financial resources needed to implement strategy and preparing budgets.
- Communicating with the members and other stakeholders.
- Acting as ambassadors for the Society.

INCPAS GOVERNANCE SYSTEM

Revolves around the Board of Directors, who lead the value creation process by developing a strategic plan that fulfills the Society’s mission for our members. The Board utilizes the various councils and committees to gain insight and feedback.
INDIANA CPA SOCIETY BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

CHAIR
Diane L. Sturek, CPA, MAcc
Indiana University Kelley School of Business, Indianapolis

VICE CHAIR
Kyle A. Simmerman, CPA
BGBC Partners, LLP

CHAIR-ELECT
Carrie B. Minnich, CPA, MAcc
DWD CPAs and Advisors

VICE CHAIR
Lisa D. Tressler, CPA
RBSK Partners PC

VICE CHAIR
Melanie D. King, CPA
The Hagerman Group

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Corbin L. Miller, CPA, CGMA
Insight Accounting Group, PC

Colby J. Chamberlain, CPA
Pile CPAs

Jennifer A. Neal, CPA, CGMA
Church of God Ministries

Douglas C. Fahrnow, CPA, CGMA
Somerset CPAs and Advisors

JoAnna F. Simek, CPA, MST
FORVIS

Trevor K. Gregory, CPA
PwC LLP

Michael L. Still, CPA
EY

PUBLIC MEMBERS

Mandy M. Parris
JPMorgan Chase

Ron Pelletier, CBCP, CCFE, CISA, CISSP
Pondurance
INDIANA CPA SOCIETY STAFF

EXECUTIVE
Courtney Kincaid, CAE
President & CEO
Stacey Wilson, CAE
Chief Operating Officer
Mary McKinzie
Executive Administrator

ADVOCACY
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Vice President – Advocacy
Ali Paul, CAE
Vice President – Pipeline & Outreach
Aaron Tellez
Pipeline & Outreach Associate

COMMUNICATIONS
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Vice President – Communications
Katie Kirkton
Creative Manager
Lindsay Mason
Graphic Designer
Elise May
Communications Coordinator

FINANCE & TECHNICAL SERVICES
Jenny Norris, CPA, CGMA, CAE
Chief Financial Officer
Katy Edmonds
Staff Accountant

MEMBER SERVICES & PROFESSIONAL DEVELOPMENT
Nichole Favors
Vice President – Member Services
Christina Pristasch
Manager – Systems & Learning Operations
Jenna Whalen
Membership Manager
Tierra Bush
Conference & Member Event Associate
Miriam Rivera
Member Services Associate
Capitals & Business Model

HUMAN CAPITAL

The Society staff of 17 has almost 205 years of combined experience at the organization, with an average tenure of just over 12 years. The Society introduced a new CEO in 2021 who was promoted from within the organization, maintaining continuity in staff. They also have six Certified Association Executives (CAEs) and one CPA-CGMA. Training is a major focus for staff. Personnel policy states staff is to take 40 hours of training per year. This allows staff the opportunity to train through networking with association peers and receive specialty training in various areas to best serve members and their evolving needs. In order to retain a staff that has had no turnover in the past year, the Society focuses on employee health and well-being through a total benefits package that includes an employee assistance program along with comprehensive insurance and retirement benefits and a flexible time off schedule.

Volunteer members are also critical to our success as an organization. We have an established leadership succession process to help find future leaders for the organization. Programs are also in place to develop both emerging and current leaders. Members are given the chance to get involved in the Society through several volunteer opportunities. We also work hard as an organization to ensure there is a strong pipeline of future CPAs to maintain the profession into the future. We work with members to provide outreach to students in high school and college to get them interested in the profession and to inform them of the opportunities available as CPAs. A particular area of emphasis has been the diversity initiative focusing on underrepresented students.

Five new member sections were created in 2022 to allow members the opportunity to join groups that focused on Technology, Not-for-Profit Accounting, Corporate Finance, Client Advisory Services and Practice Management. These networks were created to offer unique learning and networking opportunities exclusively to their members.

INTELLECTUAL CAPITAL

Knowledge – As an organization, we strive to facilitate opportunities for our members to collaborate and share knowledge, whenever possible. We also work to be a key resource for members regarding issues and trends impacting the CPA profession. We have an online community to allow our members to share their knowledge through discussion boards, libraries and blogs. Additionally, the INCPAS Board of Directors is actively engaged in monitoring emerging issues. The Board discusses an emerging professional issue at every meeting and analyzes its impact on the Society and its members.

The Society also works with strategic partners and other subject matter experts to share their knowledge and expertise with members at conferences and learning events as speakers, and through blogs, articles and other resources.

Brand Reputation – Our aspiration is that the Indiana CPA Society name stands for quality, trust, integrity, leadership and lifelong learning. We strive to emphasize those ideals in everything we do as an organization. They are woven into our strategy, mission, vision and value proposition. Our ultimate goal is that the Society and our members become the most trusted business resources and advocates in Indiana. The Society works to position our members as trusted business advisors through all of our advertising efforts and participates in various activities to show the value of CPAs as trusted business advisors for entrepreneurs.
SOCIAL & RELATIONSHIP CAPITAL
The Society has built a full spectrum of relationships with groups including our members, students and educators, regulators and legislators, employers, clients, users of financial statements, other organizations and our sponsors. We strive to leverage these relationships to a collective good that will benefit all parties while protecting the integrity of the profession and the interests of the public. Additionally, the Society has and is continuing to develop networking opportunities to allow members in similar fields an opportunity to discuss issues unique to their practice. Those opportunities range from our various conferences to special events and member network groups.

FINANCIAL CAPITAL
The Board has established a financial reserve policy to ensure long-term financial strength for the organization. The goal for the financial reserve is to hold 3–6 months of operating capital in reserve. Additionally, it is the intent to operate each annual budget cycle with an operating surplus to enable the maintenance of that reserve.
## BUSINESS MODEL

<table>
<thead>
<tr>
<th>Capital</th>
<th>Inputs</th>
<th>Activities</th>
<th>Outputs</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Human</strong></td>
<td>People—members, staff</td>
<td>Professional development, diversity and inclusion initiatives, student outreach, committees, volunteer member activities</td>
<td>Skilled members and staff, future CPAs, increased diversity</td>
<td>More competent CPAs, satisfied members and volunteers, diversity awareness, low employee turnover, a staff with the skills to fulfill INCPAS’ mission and serve member needs</td>
</tr>
<tr>
<td><strong>Intellectual</strong></td>
<td>Knowledge (members and staff), brand reputation, governance structure</td>
<td>Risk management, information sharing which includes Town Halls, In the Know webinars, online community</td>
<td>Issue awareness, knowledge sharing, thought leadership</td>
<td>Collaboration, informed members who are up to date on the latest trends and issues impacting the profession</td>
</tr>
<tr>
<td><strong>Social &amp; Relationship</strong></td>
<td>Member relations, relations with other stakeholders</td>
<td>Networking and collaboration at conferences and member events and through the online community, ethics enforcement, advocacy with governmental and regulatory bodies, advocacy and awareness building with academics and students, and with businesses and financial statement users</td>
<td>Ethical behavior, compliance with standards, increased understanding of legislative and regulatory processes, strong member connections, success working with legislators and regulators</td>
<td>Collaboration, enhanced awareness of CPAs and their value, a favorable legislative and regulatory environment</td>
</tr>
<tr>
<td><strong>Financial</strong></td>
<td>Dues, fees and sponsorships along with invested reserves</td>
<td>Fiscally responsible budgeting, cost management</td>
<td>Cash flow from operations</td>
<td>Financial stability, business sustainability</td>
</tr>
</tbody>
</table>

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**BUSINESS MODEL**
WHO WE ARE ACCOUNTABLE TO AND WHAT IS IMPORTANT TO THEM

**Stakeholder** – A party that can affect or be affected by the actions of the business as a whole. We further breakdown as primary and secondary to show the level of importance of the stakeholder group.

**Business Partner** – A party a business cooperates with to create increased value.

<table>
<thead>
<tr>
<th>Stakeholder/ Business Partner/ Other</th>
<th>Why we engage</th>
<th>How we engage</th>
<th>The value created for the stakeholder</th>
<th>The value for INCPAS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Members (resident/candidate)— Primary Stakeholder</strong></td>
<td>INCPAS exists to serve the needs of its members. Each of the programs and services provided is designed to meet the needs that have been identified for our diverse membership.</td>
<td>The services we provide are offered to aid members through their entire career, from CPA Exam candidate to retirement. We engage members regularly through surveys and gather input from committees and other groups to ensure we understand their current needs.</td>
<td>Tools and resources to guide them through their careers, uphold the integrity of the profession, enhance value of the CPA designation, provide advocacy, a forum to connect, share experiences and have fun, and a trusted network of professionals to enable intelligent collaboration.</td>
<td>Our members are why we exist. As an organization we take pride in being able to help members.</td>
</tr>
<tr>
<td><strong>Regulators (Board of Accountancy, Indiana Professional Licensing Agency (IPLA), Department of Revenue (DOR), IRS) and legislators— Primary Stakeholder</strong></td>
<td>To facilitate access between members and legislators and regulators and to uphold the integrity of the profession.</td>
<td>Through advocacy groups and staff contact, INCPAS works directly with the Indiana DOR, IPLA and other regulators. INCPAS also facilitates direct communication between members and legislators and regulators to aid them in understanding the impact of their regulatory or legislative proposals on our profession and on users of CPA services.</td>
<td>Connection to CPAs and a better understanding of the impact of the issues they are addressing.</td>
<td>Involvement in the regulatory and legislative processes allowing INCPAS to serve as the voice for Indiana CPAs.</td>
</tr>
<tr>
<td><strong>College Educators— Primary Stakeholder</strong></td>
<td>To enable a strong pool of incoming CPA candidates into the profession.</td>
<td>Educators Network and an annual Educators Conference to share relevant information with educators.</td>
<td>Connection to the profession.</td>
<td>Connection to future CPAs.</td>
</tr>
<tr>
<td>Stakeholder/ Business Partner/Other</td>
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<tr>
<td>College Accounting Students—Primary Stakeholder</td>
<td>To show college students the opportunities available to them once they enter the workforce and the importance of attaining the CPA designation.</td>
<td>Campus visits by members, free student membership, scholarships, networking events.</td>
<td>Connection to the profession and awareness of the career opportunities within the profession.</td>
<td>Connection to future CPAs.</td>
</tr>
<tr>
<td>High School “audience” (students, teachers, counselors, administrators, parents)—Primary Stakeholder</td>
<td>To enable a strong pipeline of candidates into college accounting programs.</td>
<td>INCPAS Scholars program, CPA Week with CPA visits to high school classrooms, high school student membership.</td>
<td>Awareness of the profession and of career opportunities within the profession.</td>
<td>Opportunity to influence students into the CPA profession.</td>
</tr>
<tr>
<td>AICPA—Secondary Stakeholder</td>
<td>To enhance member services and avoid duplication of effort.</td>
<td>Joint ethics enforcement, peer review, advocacy efforts, and resources for knowledge sharing and advocacy and lobbying efforts.</td>
<td>Conduit to grassroots members.</td>
<td>A national voice for INCPAS and INCPAS members.</td>
</tr>
<tr>
<td>Employers (public accounting/corporate finance/government/education)—Secondary Stakeholder Also a Primary Stakeholder if the employer is a CPA Firm member of INCPAS</td>
<td>To help employers better understand the value of the CPA designation and of having CPAs as employees within their organization.</td>
<td>We strive to provide relevant professional development that is needed by CPAs in all types of business environments. Additionally, we work with legislative/regulatory agencies to help to enable a stable business environment.</td>
<td>Advocacy, access to information, a forum for members, and professional development for employees.</td>
<td>Access to the employees.</td>
</tr>
<tr>
<td>Business Decision Makers (CEOs, CFOs, owners, etc.)—Secondary Stakeholder</td>
<td>This is part of our efforts to respect the public interest and enhance the value of the CPA designation.</td>
<td>Public relations.</td>
<td>Advocacy, access to information, better understanding of CPA services.</td>
<td>Opportunity to promote the value of CPAs.</td>
</tr>
<tr>
<td>Other Accounting Professional Organizations—Secondary Stakeholder</td>
<td>To enhance member services and avoid duplicate effort.</td>
<td>Collaboration.</td>
<td>Ability to enhance value to members.</td>
<td>Ability to enhance value to members.</td>
</tr>
<tr>
<td>Stakeholder/ Business Partner/Other</td>
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<tr>
<td>Users of Financial Statements prepared by CPAs (the public)—Secondary Stakeholder</td>
<td>This is part of our efforts to respect the public interest and enhance the value of the CPA designation and promote a better understanding of services rendered by CPAs.</td>
<td>Public relations.</td>
<td>Better understanding of the value of CPAs and the services and skills they provide.</td>
<td>It helps to position CPAs as proven business advisors and enhances their value.</td>
</tr>
<tr>
<td>Clients/Potential Clients—Secondary Stakeholder</td>
<td>This is part of our efforts to respect the public interest and enhance the value of the CPA designation and promote a better understanding of services rendered by CPAs.</td>
<td>Public relations.</td>
<td>Better understanding of the value of CPAs and the services and skills they provide.</td>
<td>It helps to position CPAs as proven business advisors and enhances their value.</td>
</tr>
<tr>
<td>Corporate Sponsors—Business Partner</td>
<td>To facilitate access for our members.</td>
<td>Sponsors are given opportunities to share knowledge and network with our members to help to enable our members' professional success.</td>
<td>Access to a targeted market and an ability to strengthen existing relationships.</td>
<td>Revenue stream to offset expenses. Content and resources to share with members.</td>
</tr>
<tr>
<td>Vendors/CPE Providers—Business Partner</td>
<td>To enhance the professional success of our members.</td>
<td>Vendors/CPE providers provide the educational offerings to our members—we rely on them to ensure accurate and relevant educational opportunities.</td>
<td>Access to a targeted market and an ability to strengthen existing relationships.</td>
<td>Quality product and course offerings for our members.</td>
</tr>
</tbody>
</table>
Environment

WHAT IS HAPPENING IN OUR ENVIRONMENT

In order to be responsive and add value for our members, INCPAS strives to keep up with the evolution of the CPA profession locally, nationally and globally so that we can keep members informed of the changes that could impact them. We share news and information in all of our communications to members and provide free In the Know webinars on emerging professional issues.

Almost every facet of the profession we serve is seeing change right now. From technology, legislation, regulation, reporting requirements and demographics—change is everywhere.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADVOCACY. There are always regulatory and statutory changes both at the state and national level that will impact the profession. For example: there is a current national effort to eliminate licensure for professions. Additionally, it is constantly more challenging to get access to legislators and regulators to talk about issues because there are so many organizations vying for their attention.</td>
<td>The Indiana CPA Society retains a professional lobbyist at the state level to stay involved in the legislative process and have a positive impact on legislative issues including the 120-to-sit rule that could impact our members, the profession and the clients and organizations they serve. The Society has formed advocacy groups utilizing members to work directly with legislators and regulators to improve processes and resolve issues that could have an impact on the profession.</td>
</tr>
<tr>
<td>TECHNOLOGY. Changes are impacting how we communicate with our members and how we provide professional development. They are also providing more opportunities to facilitate access for our members to news and information and to each other as resources for knowledge sharing. Cybersecurity threats impact us as well and we monitor and implement safeguards to minimize risk.</td>
<td>The Indiana CPA Society has worked to incorporate technology news, success stories and resources through our communications efforts, conferences and professional development courses to increase members’ awareness of the changes in technology that can have an impact on the profession. The Society accelerated our utilization of technology to offer educational opportunities online using simulcasting and webinars.</td>
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<tr>
<td>REPORTING. Reporting standards continue to change, and new reporting frameworks are being developed, largely in efforts to increase transparency and make it easier for users of financial statements to understand. ESG (Environmental Social and Governance) is an example of a reporting area gaining support from regulators and stakeholders.</td>
<td>The Indiana CPA Society has been monitoring reporting changes, communicating them to members and offering educational opportunities related to the changes. When appropriate, the Society forms member groups to provide feedback to regulatory agencies about proposed standards changes. Additionally, the Society wrote this report to provide an example of new reporting frameworks.</td>
</tr>
<tr>
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<tr>
<td>DIVERSITY, EQUITY AND INCLUSION. The population demographics of Indiana are growing more diverse, and the profession’s demographics are not keeping up with the rest of the population. In order to maintain relevance, the CPA profession needs to become more diverse.</td>
<td>The Indiana CPA Society has been actively engaged in increasing diversity in the profession for several years. The Society has created a Diversity Advisory Council whose main function is to look at ways to increase diversity in the profession in Indiana. The Society also has developed an INCPAS Scholars program and CPA Weeks, designed to introduce high school students to the accounting profession. See page 26 for statistics. INCPAS President and CEO Courtney Kincaid has signed the <a href="https://www.ceoaction.com/">pledge</a> for the CEO Action for Diversity &amp; Inclusion, the largest CEO-driven business commitment to advance diversity and inclusion within the workplace. The Society engages with DEI experts to develop additional resources and training for members.</td>
</tr>
<tr>
<td>PROFESSIONAL DEVELOPMENT. Members have embraced virtual learning. Between convenience to their schedules and travel savings in time and dollars this has simply become the expectation.</td>
<td>INCPAS will continue to offer shorter courses and offerings in a virtual format. Streaming conferences will be explored more moving forward and when classes are offered in person, the focus will be on true collaboration through a case-study format.</td>
</tr>
<tr>
<td>MEMBERS. Society members themselves are changing too, and we must adapt the organization to suit their wants and needs. It’s becoming more challenging to attract and retain young members and also members who move from public accounting to corporate finance jobs. Market share has declined recently as more CPAs retire and maintain a license but not their membership.</td>
<td>The Indiana CPA Society is continually working to serve the needs of all members. In response to recent trends, recruitment of successful CPA Exam passers is a focus, as is connecting members in corporate finance with networking opportunities and offering membership options. The Society also increased its focus on member events and programming related to young professionals and their career goals.</td>
</tr>
<tr>
<td>INNOVATION. All of the changes happening in technology, reporting and globalization are having a great impact on the profession. CPAs will have to innovate to remain relevant in the future.</td>
<td>The Indiana CPA Society’s Board of Directors had a task force explore innovation in 2016, and as a result, published a paper on the CPA’s role in leading innovation. The Society continues to focus on innovations in the profession and share them with members through 3@3 news bulletins and In the Know webinars.</td>
</tr>
<tr>
<td>CONNECTING MEMBERS. Members are looking for meaningful ways to connect and collaborate with peers.</td>
<td>The Indiana CPA Society has created member networks to allow members to have a forum to meet and interact with peers. In 2022, the Society launched 5 member sections to allow members to learn and connect with peers in specific interest groups. Nearly 900 members have joined a member section.</td>
</tr>
</tbody>
</table>
### CPA PIPELINE

The pipeline of future CPAs is being heavily impacted by declining college enrollments and competition between majors. Fewer students are majoring in accounting.

The Indiana CPA Society is working to engage with students at both the high school and college level to expose them to the opportunities within the accounting profession through various programs like CPA Week throughout high schools across Indiana and various other programs including scholarships through the Indiana CPA Educational Foundation.

### TECHNOLOGY

Technology is a fast-growing, fast-moving area of change. It is changing how CPAs work and how they communicate with clients. Technologies like artificial intelligence and bots and new areas of practice like data analytics and cybersecurity are a few examples.

The Indiana CPA Society monitors news, changes, trends (particularly in areas like cybersecurity and automation) related to the profession, and works to provide information through our communications channels and educational offerings. Additionally, the Indiana CPA Society has developed specific strategic initiatives to increase technology awareness and utilization in small- and medium-sized firms.

### CPA PIPELINE

Firms continue to seek qualified staff to fill positions. More firms are hiring non-CPAs to fill positions in firms as they deal with advanced technologies, Robotic Process Automation and data analytics.

The Indiana CPA Society works with members to understand pipeline issues and facilitates communication between members and educators to help schools better align to meet the needs of the profession. We have specific programs to enhance the pipeline, including CPA Weeks and INCPAS Scholars. We worked to enable the 120-to-sit rule change to allow students to sit earlier for the CPA Exam.

### DIVERSITY, EQUITY AND INCLUSION

Not only is this an issue for INCPAS, but also an issue for our members. Our members are seeing more diversity in their clientele and future clientele. In order to be relevant and to attract those future clients, our members’ firms need to ensure that they are addressing diversity to ensure that they have the best opportunities to connect with their clients, and younger staff in most firms expect a more diverse culture to match changes in state demographics.

In addition to its work to attract more minorities to the profession, the Indiana CPA Society also works to educate and inform members about diversity, equity and inclusion to help them to create and maintain a more diverse workforce. As noted previously, the Society is engaging a DEI expert to help develop resources and training to help members.
<table>
<thead>
<tr>
<th>Issue</th>
<th>Response</th>
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</table>
| **TRANSPARENCY IN REPORTING.**  
There is pressure for our members to increase transparency in reporting—to move away from traditional financial reporting and into a more detailed reporting that expands beyond strictly financial information. ESG reporting, which includes integrated reporting, sustainability reporting and other more comprehensive reporting models, is emerging and will continue to evolve. | The Indiana CPA Society monitors the issues related to transparency and providing news on the latest changes in financial reporting to our members. ESG (environmental, social and governance) reporting is gaining support from stakeholders and regulators and is a key reporting area the Society is monitoring.                                                                                                                                                                                                 |
| **EXPANDING ROLE OF THE CPA.**  
CPAs in both public accounting and in corporate finance are seeing their roles expand beyond traditional financial reporting roles, into advisory strategic planning, big data analysis and other areas. | The Indiana CPA Society works to educate and inform members of the changing expectations from clients and employers as to the expanded role they expect CPAs to play. INCPAS is also focusing on the expanded skillset required for this expanded role by offering educational opportunities through traditional CPE and the CPA Center of Excellence® competency-based course offerings.                                                                                                                                 |
| **A CHANGING WORKFORCE.**  
Firms are in a unique position now to have multiple generations of workers in the current workforce. This poses an interesting dynamic in the workforce that employers must deal with to handle the generational differences. Technology has enabled a more mobile workforce that no longer has to be bound to working in a traditional office environment, and we all experienced it this year. Using cloud technologies, employees can access software and data from any location. The “gig economy” is starting to expand into professional service fields as well, so firms and companies need to be prepared for the impact of having gig workers. Employee expectations are also changing. Employees want flexibility, work-life balance and wellness initiatives in their workplace. Continued flexibility in where they work. | The Indiana CPA Society monitors all of these trends and issues and works to communicate news and information to members to help provide them tools to be better equipped to deal with these changes within their firms and companies. The Society also offers professional development opportunities to educate members about workforce trends.                                                                                                                                 |
| **CHANGING SKILLSETS.**  
Members are reporting it is difficult to hire and/or promote people with strong soft skills, such as communication, leadership and critical thinking. | The Indiana CPA Society has spent the last few years establishing and benchmarking a set of CPA core competencies, along with the tools to measure and enhance them.                                                                                                                                                                                                                                                                                                                                                             |
<table>
<thead>
<tr>
<th>Issue</th>
<th>Response</th>
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<tbody>
<tr>
<td><strong>REGULATORY BURDENS.</strong> Members are facing an increasing regulatory burden. This is impacting members both in public accounting and in corporate finance, creating more and stricter reporting requirements.</td>
<td>The Indiana CPA Society works to aid members when possible to minimize the burden of regulatory changes, and facilitates communications between members and regulators to help resolve issues.</td>
</tr>
<tr>
<td><strong>GLOBALIZATION.</strong> Globalization is creating changes for our members. Accounting standards and practices are becoming more global and our clients’ business reach is also becoming global. They often have to learn multiple sets of standards to satisfy their clients’ business needs.</td>
<td>The Indiana CPA Society monitors trends and news related to globalization and the changes in standards and practices within the profession and works to communicate these changes to members.</td>
</tr>
<tr>
<td><strong>EXPANDED SERVICES.</strong> Client advisory services, cybersecurity, sustainability and ESG reporting are examples of new areas of practice where attestation could be required, and CPAs are well suited to take on these new opportunities.</td>
<td>The Indiana CPA Society monitors these areas and works to educate members on the opportunities available and shares resources from the AICPA and other sources.</td>
</tr>
<tr>
<td><strong>PROFESSIONAL ISSUES AND CONCERNS.</strong> There is a constant news feed of issues impacting the profession filling members’ inboxes.</td>
<td>The Indiana CPA Society works to filter the news and highlight the important issues members need to focus on, specifically through our 3@3 news bulletin. Additionally, the Indiana CPA Society offers free one-hour In the Know webinars throughout the year to inform members and in-person Town Hall events.</td>
</tr>
<tr>
<td><strong>LICENSURE THREATS.</strong> Groups are recommending legislative changes nationwide that would be detrimental to CPAs’ ability to provide professional services to the organizations and clients they represent, and not be in the best interest of the public.</td>
<td>The Indiana CPA Society is working with legislators and regulators and in conjunction with other licensed professions to stop threatening legislation.</td>
</tr>
<tr>
<td><strong>CPA EVOLUTION.</strong> The AICPA and NASBA are working to evolve the CPA Exam to broaden the appeal to a wider audience, hoping to attract students with an interest in data analytics and other specialties to the profession, especially as CPA firms hire more non-CPAs.</td>
<td>Indiana CPA Society is monitoring these activities and sharing relevant information with members, including firms, educators and students and regulators.</td>
</tr>
<tr>
<td><strong>TALENT.</strong> The profession continues to struggle to attract and retain talent. There is much competition from other professions who offer higher starting salaries and more flexibility, the labor pool is shrinking due to lower birth rates and retirement and a myriad of other factors which will continue into the next decade.</td>
<td>The Society has ramped up efforts at the high school and college level to draw more students to the profession and continues to communicate to members the importance of adapting to the current and future workforce to attract and retain talent in the profession.</td>
</tr>
</tbody>
</table>
Strategy

The Society’s strategic plan is evaluated by the Board of Directors on an annual basis to ensure the objectives and goals are relevant to the issues impacting our members and the profession as a whole. The Board monitors status through regular informational updates from staff on progress towards achieving goals.

As the Board reviews objectives and goals on an annual basis, it asks the following questions:

1. What do we want or need to achieve? What do we expect?

2. For who?

3. Why?

4. What is the goal or expectation? How do we define success?
## 2022–23 INDIANA CPA SOCIETY STRATEGIC PLAN

### Vision
"Home of the most trusted professionals, locally ... globally."

### Objectives

<table>
<thead>
<tr>
<th>Key Results Areas</th>
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<tbody>
<tr>
<td><strong>Vision</strong></td>
</tr>
<tr>
<td>Protect the CPA profession in Indiana.</td>
</tr>
<tr>
<td>Maintain 65% market share among active CPAs living and/or working in Indiana.</td>
</tr>
<tr>
<td>Attract and retain an ethnically and racially diverse pool of talented individuals to the CPA profession.</td>
</tr>
<tr>
<td>Raise awareness of the CPA profession and the role of INCPAS among High School students.</td>
</tr>
<tr>
<td>Facilitate vital connections among members to advance in the adoption of technologies, resulting in increased efficiency and evolving services.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key Results Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objectives</strong></td>
</tr>
<tr>
<td>1. CPAs remain a licensed profession.</td>
</tr>
<tr>
<td>2. Members better understand the value of INCPAS advocacy efforts.</td>
</tr>
<tr>
<td>3. Indiana administrative code does not create unnecessary barriers and evolves to fit changing professional needs.</td>
</tr>
<tr>
<td>4. The INCPAS legislative agenda reflects more careful consideration of legislation affecting members and their organizations today and into the future.</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Key Results Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key Results Areas</strong></td>
</tr>
<tr>
<td>1. Indiana licensees are INCPAS members.</td>
</tr>
<tr>
<td>1. The CPA workforce in Indiana is diverse.</td>
</tr>
<tr>
<td>2. Employers are aware of the importance of allyship.</td>
</tr>
<tr>
<td>3. Employers commit to creating inclusive environments.</td>
</tr>
<tr>
<td>1. Students enroll in college accounting programs.</td>
</tr>
<tr>
<td>2. High school students become members of INCPAS, serving as a pipeline of future talent.</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>Key Results Areas</th>
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<tbody>
<tr>
<td><strong>Key Results Areas</strong></td>
</tr>
<tr>
<td>1. INCPAS shares positive, easy-to-understand stories/examples of successful technology implementation.</td>
</tr>
<tr>
<td>2. Meaningful connections are created between members related to technology initiatives.</td>
</tr>
<tr>
<td>3. Staff at small- to medium-sized firms are able to navigate the necessary culture shifts and change management necessary to adopt emerging technologies.</td>
</tr>
<tr>
<td>4. Members in corporate finance become strategic business leaders in their organizations.</td>
</tr>
<tr>
<td>5. New levels of services are being provided, as members successfully manage a shrinking pipeline.</td>
</tr>
<tr>
<td>6. Members understand and have the resources necessary to provide advisory and consulting services.</td>
</tr>
</tbody>
</table>
STRATEGIC OBJECTIVES

- Pipeline
  - Membership
  - Emerging Technologies
  - Advocacy
- Changing Role
  - Diversity, Equity & Inclusion
  - Expanded Services
- Strategy
  - Emerging Technologies
  - Changing Role
STRATEGIC RESULTS 2021–22

**90%** retention of overall members in 2021 dues renewal.
*ASAE Benchmark is 85%*

**69%** of active licensees in Indiana are INCPAS members.
*ASAE Benchmark is 47%*

**890** members joined Member Sections.

Members earned **6,030** free CPE hours from In the Know webinars and CPA Center of Excellence self-study courses.

**77%** of legislators are matched with a CPA Advocate.

**$36,356** raised in PAC Contributions in CY 2021 from 618 members.
*In 2020, 604 members gave $33,155.*

**79** presentations

**1,796** students reached in high schools

Indiana CPA Educational Foundation awarded **$13,000** in scholarships to students studying accounting at Indiana colleges and universities.

Generated **$123,887** in advertising, sponsorship, and commissions revenue (*up from $95,282 in 2021*).

**$68,000** raised to support 2021–22 Scholars program.

*from American Society of Association Executives 2018 Benchmarking in Association Management Report. Benchmark=professional association with $1–4.9 million budget*
Risks & Opportunities

Organizationally, we look at risk and opportunities on a regular basis, monitor activities and scan our environment to ensure we are aware of potential threats or opportunities. The Board has established a risk assessment framework that is reviewed by the INCPAS Finance Committee on an annual basis. That framework includes the following tools:

1. Risks are identified relative to each of the IR capitals, each strategic objective and operations.
2. Identified risks and opportunities are further analyzed. The risk/opportunity analysis includes analyzing the potential impact of a specific risk/opportunity, the likelihood of the event actually occurring.
3. Mitigation efforts are identified for each risk during the review process.
4. Key Performance Indicators and other key measurements are monitored for significant variances from both budgeted/expected results and against past performance.

Below is the matrix of risks. The largest risk areas are tied to membership and professional development, and the loss of revenue from a decline in either area. Key mitigation efforts in both areas are tied to monitoring trends in members and CPE enrollments, watching for risk areas and engagement with members and attendees to better understand why changes are occurring.

INCPAS has many opportunities now and in the future. To learn more about INCPAS opportunities, see the INCPAS Future Outlook on page 37.

INCPAS RISK MATRIX
Financials

To see our complete audited financial statements, please visit incpas.org/Financials. Here are some highlights of our financial performance over the last five years. Additionally, we have provided a table of our financial performance compared to other similarly structured state CPA societies to benchmark our financial performance against our peers.

- Dues paying membership has been declining since prior to 2018.
- Market share is currently 69%, which is better than average for professional associations (see page 26).
- Older members retiring is a factor in declining membership.
- Younger members leaving public accounting for corporate finance or other careers and dropping membership is another factor in the decline.
- The pipeline of students entering the profession is declining, which indicates that future growth of membership is unlikely.
- The Society is looking at other revenue sources such as advertising and sponsorships to offset the loss of revenue from dues. A consulting firm has been retained to help restructure sponsorships to make them more appealing to business partners and increase revenue.
CPE TRENDS

• The downward trend in CPE numbers is expected to continue due to an increased number of alternative sources for CPE. To help minimize the financial impact of this, the Society has begun to collaborate with other states to share costs and explore other cost saving measures.

• 2021 was the first year of the reporting cycle and first years traditionally have lower CPE numbers.

• CPE total registrations grew significantly in 2020 because CPE offerings transitioned to primarily 1-, 2- and 4-hour courses as opposed to mainly 8-hour courses as in previous years. This transition is the result of offering more courses in a virtual format and shorter hours being preferred for virtual courses.

• CPE total hours credited increased slightly over 2019 due to 2020 being the final year of the reporting cycle.

• Total hours credited are down significantly from 2017 and prior due to changes in offerings, primarily the elimination of Professional Issues Updates (PIUs).

• Unique registrants have been declining since 2015, with the largest drop occurring between 2017 and 2018 when the PIUs were eliminated.

• Member utilization has been steady per reporting cycle, hovering around 49% for the most recent cycle vs 63% for the previous cycle. Utilization declined from cycle to cycle because of elimination of PIUs.
**UNIQUE REGISTRANTS (# OF INDIVIDUALS)**

- 2015: 4,635
- 2016: 4,563
- 2017: 4,390
- 2018: 3,374
- 2019: 3,390
- 2020: 3,084
- 2021: 2,589

**MEMBER UTILIZATION**

Unique member registrants divided by licensed membership

- 2015: 64%
- 2016: 62%
- 2017: 63%
- 2018: 48%
- 2019: 50%
- 2020: 49%
- 2021: 43%
Revenues have gradually declined since 2018. Professional development has shown the greatest decline.

Indiana CPA Society ceased to administer the Peer Review program in 2019.

Other income in 2020 and 2021 increased due to Employee Retention Credits.
Expenses fluctuations are primarily tied to professional development registration totals.

2020 and 2021 expenses declined due to inability to hold in-person events or education.
• Total assets have held relatively steady since 2018 (excluding right of use assets).
• Net assets have held relatively steady since 2018.
COMPARATIVE OF THE INDIANA CPA SOCIETY AND OTHER STATE CPA SOCIETIES

The data on page 36 compares select data of state societies extracted from 2020 Form 990 tax returns (many state societies have June 30 fiscal year ends, so this was the most recent comparable data available.) This data was compiled from states listed below for the purpose of providing a benchmarking average to compare against the Indiana CPA Society.

Comparisons

• The Indiana CPA Society’s breakdown of revenues between dues and professional development is higher than average for dues and lower for professional development. Total compensation as a percentage of total expenses is close to the average of the states (see chart on the next page).

• Total assets are slightly greater than average. Indiana adopted lease standards that cause an increase in total assets compared to the few states who rent office space.

• Indiana has revenues and expenses that are less than the average of the other selected states.

• The Indiana CPA Society is more reliant on dues as its primary source of income compared to other states. The larger percentage of income from dues should equate to more stability in income year over year, since dues revenue is more stable year over year than professional development due to the cyclical nature of professional development.

• On the expense side, the largest single expense category for all CPA societies is total compensation. The Indiana CPA Society is in line with the average of the other state societies. Indiana’s total compensation expense as a percentage of total expenses is 50.88%. The average of the selected states was 47.10%.

• With regard to Net Assets, Indiana holds a lower than average amount of funds as net assets. Our policy is to hold 3–6 months of operating expense in reserves, and we currently are holding approximately three months of expenses in reserves. The lower Net Assets can be tied to the lower total assets due to not owning a building. A stable liquidity position means that we can adapt to any unexpected negative financial issues that could arise during the year.
Based on Most Recently Available Form 990 Tax Returns

<table>
<thead>
<tr>
<th></th>
<th>Average</th>
<th>High</th>
<th>Low</th>
<th>Indiana</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$6,138,425</td>
<td>$8,777,770</td>
<td>$2,544,833</td>
<td>$4,519,090</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$6,009,088</td>
<td>$9,010,756</td>
<td>$2,337,242</td>
<td>$3,890,506</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>$129,334</td>
<td>$725,407</td>
<td>-$680,357</td>
<td>$628,584</td>
</tr>
<tr>
<td>Dues as a % of Total Income</td>
<td>43.68%</td>
<td>61.97%</td>
<td>26.92%</td>
<td>52.94%</td>
</tr>
<tr>
<td>Professional Development as a % of Total Income</td>
<td>44.46%</td>
<td>64.82%</td>
<td>28.98%</td>
<td>35.64%</td>
</tr>
<tr>
<td>Peer Review as a % of Total Income</td>
<td>3.38%</td>
<td>6.44%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Total Compensation Expenses as a % of Total Expenses</td>
<td>47.10%</td>
<td>64.23%</td>
<td>36.47%</td>
<td>50.88%</td>
</tr>
<tr>
<td>Total Assets*</td>
<td>$6,253,894</td>
<td>$7,748,102</td>
<td>$2,600,228</td>
<td>$7,103,615</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$2,667,969</td>
<td>$5,627,359</td>
<td>$260,256</td>
<td>$4,528,719</td>
</tr>
<tr>
<td>Net Assets or Fund Balance</td>
<td>$3,585,925</td>
<td>$6,206,973</td>
<td>$1,795,194</td>
<td>$2,574,896</td>
</tr>
</tbody>
</table>

States Compared (surrounding states and similarly sized states with similar operating structures)

- Indiana
- Kentucky
- Maryland*
- Michigan*
- Minnesota
- North Carolina*
- Ohio*
- Virginia*

*Total Assets are higher for Maryland, Michigan, North Carolina, Ohio, and Virginia because they own buildings, and do not rent.
Future Outlook

As we look to the future, we will continue to promote a commitment to excellence by leadership, membership and our staff. As an organization, we do not anticipate changes to the core of what we do. We anticipate we will continue to operate under our existing business model, utilizing the same mission, vision and value proposition. The ultimate measure of our success will be if we are able to realize our vision: “Home of the most trusted professionals, locally ... globally.”

With all of the change that is occurring both in our profession and the overall environment we operate in, we anticipate there will be some changes both in what we do and in how we do it, but our core function will remain the same.

**Key action areas into the future will likely be:**

<table>
<thead>
<tr>
<th>Key Action Area</th>
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<tbody>
<tr>
<td><strong>Advocacy.</strong> With an increase in regulation and legislation, our role in serving as advocates for the profession will be even more critical, particularly in dealing with issues like threats to licensure. Through the work of the Advocacy Council we will look to take a more active role within Indiana to assist legislators and regulators to make more informed decisions about professional and business issues.</td>
</tr>
<tr>
<td><strong>Emerging technology and innovation.</strong> The Indiana CPA Society’s Board of Directors had a task force explore innovation in 2016, and as a result, published a paper on the CPA’s role in leading innovation. The Society continues to study innovation and look for ways to help members keep up with emerging trends.</td>
</tr>
<tr>
<td><strong>Pipeline.</strong> We will aggressively work at both the high school and college levels to attract students to the profession. As the profession changes, we will work with firms and educators to communicate the necessary skills needed to be a CPA.</td>
</tr>
<tr>
<td><strong>Expanded services.</strong> With all the other changes happening around them, CPAs will have the opportunity to expand their role in serving their clients and employers. We will monitor trends and emerging issues to keep members up to date and work to provide training in the skills needed to fill their expanded role in business. The CPA Center of Excellence® has already developed a series of courses to enhance skills.</td>
</tr>
<tr>
<td><strong>Diversity, Equity and Inclusion.</strong> We will continue to provide programs and learning opportunities to increase diversity and promote inclusion initiative for our members and the profession.</td>
</tr>
<tr>
<td><strong>Knowledge sharing and collaboration.</strong> Advances in the application of technology will change the way CPAs work in the future. We will monitor trends in this area and work to create awareness and develop higher level skills in CPAs so they can use technology to enable their success in the future as technology changes the work environment. We have made it a strategic priority to be the number one resource for members in small to medium sized firms for awareness and adoption of emerging technologies, so we will increase efforts in those areas in the coming years.</td>
</tr>
</tbody>
</table>
Key Action Area

**Talent and the changing workforce.** We will communicate workforce trends and skills needed to our members. We will continue to emphasize succession planning as we see the Baby Boomer generation of members retiring. Indiana CPA Society staff developed their own set of staff core competencies focusing on member service, knowledge sharing and collaboration, resource management, compliance, and problem solving and empowerment. Staff members regularly discuss these competencies to ensure that all staff understands and abides by them in their daily work. We will also work to help firms balance the need for both CPAs and non-CPAs on their professional staffs and continue to emphasize to students the importance of attaining a CPA license as they enter the profession.

**Education.** We will advocate for changes to the current accounting educational model in order to break down barriers to entry into the profession. We will support a competency-based approach for accounting education.

**CPA continuing education.** We will monitor the delivery method for professional development—as member needs change, the delivery method will need to change as well. We will monitor member needs and the technologies available to us to ensure we are utilizing the most effective means of providing professional development to our members.

**Globalization and the marketplace.** As businesses expand their reach to a worldwide market, CPAs will need to have resources to help deal with the complexities of the broader marketplace. We will work to connect members with resources to help understand those complexities and enable them to better serve their clients.

**Emerging issues/thought leadership.** We will continue to monitor emerging issues that will have an impact on the profession to keep our members informed about the issues and their possible effects. We will also publish white papers on issues as appropriate to provide more in-depth insight. We will react to and inform our members and others on issues that will impact the profession and the services provided by CPAs.

**Promoting the value of the CPA.** We will continue to promote the value of the CPA to all of our stakeholders and protect the CPA license. Our efforts will focus on attracting and retaining people in the profession and promoting the value of CPAs to business leaders.

**CPA Evolution.** We will monitor the efforts of AICPA and NASBA in this area and inform our members, educators and students of relevant news about CPA Evolution.
Oversight Report

December 19, 2022

The INCPAS Integrated Report Assurance Committee has reviewed the INCPAS Integrated Report dated December 19, 2022. This is not a full external independent review of the IR, but a review by Stakeholders to assure that the report complies with the IR Framework, validate the reasonableness of assumptions and test the accuracy of data included in the report. INCPAS financial results reported are excerpted from the INCPAS audit report, which is hyperlinked to this report.

incpas.org/Financials

The committee is made up of:

Christopher Bolles, CPA
Colby Chamberlin, CPA
Erica Crowell, CPA
Christina Eakins, CPA, CIA, CRMA
Doug Fahrnow, CPA, CGMA
April Huey, CPA
Andrew McGuire, CPA
John Minnich, CPA, CGMA, MAcct

The committee's review consisted of the following:

Developed and reviewed checklists to confirm that the INCPAS IR complied with the IR framework developed by the IIRC.

The report contained information that addressed each of the content elements:

- Organizational overview and external environment: What does the organization do and what are the circumstances under which it operates?
- Governance: How does the organization's governance structure support its ability to create value in the short-, medium- and long-term?
- Business model: What is the organization's business model?
- Risks and opportunities: What are the specific risks and opportunities that affect the organization's ability to create value over the short-, medium- and long-term, and how is the organization dealing with them?
- Strategy and resource allocation: Where does the organization want to go and how does it intend to get there?
- Performance: To what extent has the organization achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals?
- Outlook: What challenges and uncertainties is the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?
- Basis of presentation: How does the organization determine what matters to include in the integrated report, and how are such matters quantified or evaluated?
• The report followed the guiding principles included in the IR framework.

• Strategic focus and future orientation: An integrated report should provide insight into the organization's strategy, and how it relates to the organization's ability to create value in the short-, medium- and long-term, and to its use of and effects on the capitals.

• Connectivity of information: An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organization's ability to create value over time.

• Stakeholder relationships: An integrated report should provide insight into the nature and quality of the organization's relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests.

• Materiality: An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short-, medium- and long-term.

• Conciseness: An integrated report should be concise.

• Reliability and completeness: An integrated report should include all material matters, both positive and negative, in a balanced way and without material error.

• Consistency and comparability: The information in an integrated report should be presented: (a) on a basis that is consistent over time; and (b) in a way that enables comparison with other organizations to the extent it is material to the organization's own ability to create value over time.

The content items included in the report properly addressed materiality:

• Description of the materiality determination process

• Sufficiency of the description to assess the robustness of the process

• Identification of key personnel involved in identification and prioritization of material matters

• Identification of the governance body with oversight responsibility for the IR

There was connectivity of information throughout the report, including:

• Connecting past to present to future

• Connection between quantitative and qualitative information

• Connectivity between content the various content elements (governance, business model, strategy, etc.)

• Connectivity between performance and financial outcomes

• Connectivity between capitals

• Connectivity between risks/opportunities and strategy
The report addressed each category of Capitals, appropriate elements of the Capital were included in the report, and the metrics used to measure the capital were fair and reasonable. The categories are:

- Financial
- Intellectual
- Human
- Social & relationship

The content items of the report were also reviewed by the committee for accuracy and reasonableness. The committee conducted a review of data used to prepare the report, and engaged in discussions with senior management and staff to further verify accuracy and reasonableness.

Based on the review of the report, the INCPAS Integrated Report Assurance Committee concludes that the report:

- Reasonably addresses the required content elements.
- Properly follows the IIRC’s guiding principles for Integrated Reporting.
- Suffiently addresses materiality.
- Has reasonable connectivity.
- Addresses the organization’s capitals reasonably.
- Includes content that is accurate and reasonable in stating the organization’s ability to create value over the short, medium and long term.

Sincerely,

Doug Fahrnow, CPA, CGMA
Committee Chair