To provide a clear and coherent vision of INCPAS’ ability to create value in the short, medium and long term
# Table of Contents

Introduction .................................................................................................................................... 3  
Letter from Leadership ................................................................................................................ 5  
About INCPAS ................................................................................................................................ 7  
Governance ................................................................................................................................... 11  
Capitals & Business Model .......................................................................................................... 14  
Stakeholders ................................................................................................................................... 17  
Environment .................................................................................................................................. 20  
Strategy ......................................................................................................................................... 26  
Risks & Opportunities .................................................................................................................. 29  
Financials ....................................................................................................................................... 30  
Future Outlook .............................................................................................................................. 38  
Oversight Report ............................................................................................................................ 40

To improve the connectivity of data within the report, we have included symbols for each of the INCPAS capitals (see page 14). These symbols will appear throughout the report anywhere each capital is discussed.
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? The Indiana CPA Society has monitored the activities of the IIRC and provided feedback on the Integrated Reporting Framework. In an effort to help our members 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 a new and evolving concept, and this is our sixth 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 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 40 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 29 of this report.
I think it's fair to say that no organization in the U.S. has been able to execute their 2020 plans without a lot of adjustments.

COVID-19 and the tumult it caused could not have been predicted. In addition to the personal toll it has taken, it turned the work world upside down. The CPA profession is an integral part of the process of helping businesses manage, recover and even grow in many cases. I am proud to say the Society and its members have managed an extraordinary amount of work in dynamic and innovative ways.

While our focus at INCPAS was diverted to all things COVID-related for a short time, we quickly pivoted to focusing on our strategic objectives around the pipeline, advocacy, technology and expanded services by CPAs:

**Information:** With major news breaking daily—even hourly—we knew members were struggling with information overload. We replaced our biweekly CPA ePerspective eNewsletter with a daily 3@3 news bulletin. The top three news items each day are distributed at 3 p.m. It has been so well received we continue to do it. We also quickly added many free educational programs to help members through this time.

**Advocacy:** We achieved three key advocacy wins thanks to our relationships with legislators and regulators, advocacy teams and Indiana CPA-Political Action Committee contributors: CPA services were classified as essential; tax filing and payment deadlines were extended; and the business personal property tax deadline was extended. We also hosted eight virtual events with members and state legislators to strengthen our relationships and educate about the value of advocacy.

**Education:** We quickly moved all our education offerings online. We prioritized topics members needed and were able to provide hundreds of courses as Live Virtual CPE, so they could meet their licensing requirements in this 3rd year reporting cycle. We've had 3,693 members take advantage of our complimentary In the Know programs this year.

**Technology:** Prior to COVID-19, the Society's leadership had committed to focusing on helping members in small- and mid-sized firms embrace new technologies. The pandemic certainly prioritized this effort even further as firms moved quickly to work-from-home scenarios. INCPAS is embarking on a comprehensive survey to learn more about where our members are now and how we can help going forward.

**Networking:** Member posts in the Open Forum skyrocketed this year—up 154% from 2019. The most-discussed topics were the Paycheck Protection Program, Governor’s Executive Orders, tax filing deadline and payment extensions, and stimulus payments sent to the deceased. We also provided opportunities for young members to ‘get together’ through virtual trivia nights, roundtables, and lunch and learns.
“While the pandemic made 2020 a year challenging like no other, it also accelerated plans we’ve considered for years related to technology and delivery of programs and services.”

Pipeline and Diversity, Equity & Inclusion: Our popular annual INCPAS Scholars career awareness and mentoring program for underrepresented students will be virtual. We can continue to allow members to sponsor the program and give the students a great experience. A new initiative this year—CPA Week, aimed at sharing career information in high schools around Indiana—moved online and reached 19 cities; more than 700 students from 22 schools heard from 52 CPA member volunteers.

While the pandemic made 2020 a year challenging like no other, it also accelerated plans we’ve considered for years related to technology and delivery of programs and services. The expression “necessity is the mother of invention” is top of mind. The need to provide value to members in new and different ways gave us the opportunity to think creatively to serve our members and meet our mission.

Jennifer Briggs, CAE
INCPAS President & CEO

Erland Porter, CPA
Chair
About INCPAS

WHO WE ARE
The Indiana CPA Society is a statewide professional association representing over 7,100 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, 2020, we had 7,110 total 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.

GENDER (DUES PAYING MEMBERS)

60% MALE
40% FEMALE
When age data is not provided, Exam pass date is used when available.

ORGANIZATION TYPE
(DUES PAYING MEMBERS)

* Includes not-for-profit organizations
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
Transforming Business
We:
• Advocate and protect on behalf of our members.
• Build bridges to the profession.
• Transform the profession to be truly competency-based.
• Enhance the value of the CPA designation.
• Uphold the integrity, trust and pride of the profession.
• Respond to the changing role of the CPA.
• Guide members through their careers.
• Create a trusted network of professionals and environment for collaboration.
• Leverage technology and innovation to develop strategies for long-term success.

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?

DECISION

Does it fulfill the mission?

Does it fit with our vision?

Does it pass the public interest filters?

Does it fit with our values?
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
Erland C. Porter, CPA
Thrivent Financial

VICE CHAIR
Carrie B. Minnich, CPA, MAcct
Dulin, Ward & Dewald, Inc.

CHAIR-ELECT
Barry K. Hall, CPA, CGMA
Kruggel Lawton CPAs

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

VICE CHAIR
Jeremy E. Gallion, CPA
EY

DIRECTORS

Jacob T. Buehler, CPA
Dauby O’Connor & Zaleski, LLC

Melanie D. King, CPA
The Hagerman Group

Douglas C. Fahrnow, CPA, CGMA
Somerset CPAs, PC

Kyle A. Simmerman, CPA
BGBG Partners, LLP

Matthew F. Howard, CPA
Indiana Limestone Company/Polycor West

Lisa D. Tressler, CPA
RBSK Partners PC

PUBLIC MEMBER

Mandy M. Parris
JPMorgan Chase
INDIANA CPA SOCIETY STAFF

EXECUTIVE
Jennifer Briggs, CAE
President & CEO
Courtney Kincaid, CAE
Vice President – Strategic Initiatives
Mary McKinzie
Executive Administrator

ADVOCACY
Sherrill Rude, CAE
Vice President – Advocacy
Ali Paul, CAE
Director – Diversity & Outreach

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

FINANCE & TECHNICAL SERVICES
Jenny Norris, CPA, CGMA, CAE
Vice President – Finance
Katy Edmonds
Staff Accountant

MEMBER SERVICES & PROFESSIONAL DEVELOPMENT
Stacey Wilson, CAE
Vice President – Member Services
Nichole Favors
Director – Learning & Collaboration
Jessica Bowyer, CAE
Strategist – Online Learning & Community
Sarah Townsend
Membership & Volunteer Manager
Gretchen Meitzler
Receptionist/Administrative Assistant
Christina Pristasch
Senior Member Services Associate
Miriam Rivera
Member Services Associate
Stacy Thomas, CMP
Conference & Member Event Associate
Jenna Whalen
Volunteer & Member Services Associate
HUMAN CAPITAL

We strive to maintain a staff that can meet the evolving needs of our members. The staff has a combined 213 years of experience at the Indiana CPA Society. The staff also has eight Certified Association Executives (CAEs). The staff is acknowledged regularly by the Indiana Society of Association Executives for outstanding programs, including an award of excellence in 2019 for our innovative communications.

We assess both member needs and staff performance, and provide staff with the training and tools necessary to best serve the members. Each staff member is given a specific set of objectives annually to give direction and define expectations. Staff is also cross trained to ensure that someone is always available to assist members with any questions or issues they may have.

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. Members are given the chance to get involved through a number of volunteer opportunities. We also work hard as an organization to ensure that 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 minority students.

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. In 2014, we launched the CPA Center of Excellence® online community as a means 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 and has written several white papers over the last few years on issues that are impacting the profession now and that will be issues as we move into the future. Those white papers include The Future of Competency, Integrated Reporting, Hyper-specialization and Core Competencies for CPAs.

Brand Reputation – Our aspiration is that the INCPAS 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 INCPAS and our members become the most trusted business resource 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

INCPAS 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 INCPAS 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>Human</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>Intellectual</td>
<td>Knowledge (members and staff), brand reputation, governance structure</td>
<td>Risk management, information sharing which includes CPA Conversations, In the Know webinars, CPA Center of Excellence® 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>Social &amp; Relationship</td>
<td>Member relations, relations with other stakeholders</td>
<td>Networking and collaboration at conferences and member events and through the CPA Center of Excellence® 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>Financial</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>
Stakeholders

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.

<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>Members (resident/candidate)—Primary Stakeholder</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>Regulators (Board of Accountancy, Department of Revenue, IRS) and legislators—Primary Stakeholder</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 Dept. of Revenue, 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>College Educators—Primary Stakeholder</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>
<td>Why we engage</td>
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</tr>
<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.</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, CPA visits to classrooms.</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/ industry/ 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>
<td>Why we engage</td>
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</tr>
<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 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.</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>REPORTING.</td>
<td>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.</td>
</tr>
<tr>
<td>ADVOCACY.</td>
<td>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>
</tr>
<tr>
<td>TECHNOLOGY.</td>
<td>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.</td>
</tr>
</tbody>
</table>

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.

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 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.

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 in 2019, but really ramped it up in 2020.
<table>
<thead>
<tr>
<th>Issue</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>DIVERSITY AND INCLUSION.</strong> 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. INCPAS President and CEO Jennifer Briggs has signed the pledge for the CEO Action for Diversity &amp; Inclusion, the largest CEO-driven business commitment to advance diversity and inclusion within the workplace.</td>
</tr>
<tr>
<td><strong>PROFESSIONAL DEVELOPMENT.</strong> Members are looking for more effective ways to learn and professional development is starting to see a number of changes, from trends like nano-learning to more impactful changes like competency-based education.</td>
<td>The Indiana CPA Society has worked to be a leader in the push for competency-based education since publishing The Future of Competency white paper in 2012. New courses are being developed in new formats, including case study, to provide a better learning experience for members, and we continue to look at delivery mechanism, to provide the best and most convenient experience for members. Because of the pandemic, all learning was moved to virtual during the past year, and we look forward to being able to provide more of a hybrid experience going forward, with both virtual and in person learning. In 2020 we began offering Micro-credentials.</td>
</tr>
<tr>
<td><strong>MEMBERS.</strong> 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 industry 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 industry 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><strong>INNOVATION.</strong> 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. In addition, the Society has created an Innovation Advisory Council to study innovation and look for ways the Society can help members with innovation.</td>
</tr>
</tbody>
</table>
### Issue

**CONNECTING MEMBERS.**  Members are looking for meaningful ways to connect and collaborate with peers.

**Response**

The Indiana CPA Society has created member networks to allow members to have a forum to meet and interact with peers. An example of one group is a not-for-profit CFO peer group that meets bimonthly to have round table discussions and idea exchanges on a variety of topics.

---

**COVID-19 PANDEMIC.**  Covid-19 has created disruption to Indiana CPA Society operations due to government limitations on event capacity and social distancing guidelines.

**Response**

We followed our disaster preparedness plan and because we had transitioned to cloud based systems and were agile, staff was able to move quickly to remote working and continue to function and service members. Contingency plans were developed to move member events and education to a virtual environment. We continue to monitor the financial impact on the organization, but forecasts look stable.

---

### WHAT IS HAPPENING IN OUR MEMBERS’ ENVIRONMENT

<table>
<thead>
<tr>
<th>Issue</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TECHNOLOGY.</strong> 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.</td>
<td>The Indiana CPA Society monitors trends and news related to the profession and the changes that are occurring and works to provide awareness through our communications efforts and educational opportunities. Additionally, Indiana CPA Society has developed specific strategic initiatives to increase technology awareness and utilization in small and medium sized firms.</td>
</tr>
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</table>

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<table>
<thead>
<tr>
<th>Issue</th>
<th>Response</th>
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<tbody>
<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>Issue</td>
<td>Response</td>
</tr>
<tr>
<td>-------------------------------------------</td>
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</tr>
<tr>
<td><strong>A CHANGING WORKFORCE.</strong></td>
<td>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.</td>
</tr>
<tr>
<td>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.</td>
<td></td>
</tr>
<tr>
<td><strong>CPA PIPELINE.</strong></td>
<td>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.</td>
</tr>
<tr>
<td>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.</td>
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<tr>
<td><strong>REGULATORY BURDENS.</strong></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>Members are facing an increasing regulatory burden. This is impacting members both in public accounting and in industry, creating more and stricter reporting requirements.</td>
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</tr>
<tr>
<td><strong>TRANSPARENCY IN REPORTING.</strong></td>
<td>The Indiana CPA Society monitors the issues related to transparency and providing news on the latest changes in financial reporting to our members.</td>
</tr>
<tr>
<td>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. Integrated reporting, sustainability reporting and other more comprehensive reporting models are emerging and will continue to evolve.</td>
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</tr>
<tr>
<td><strong>CHANGING SKILLSETS.</strong></td>
<td>As a result, INCPAS has spent the last few years establishing and benchmarking a set of CPA core competencies, along with the tools to measure and enhance them.</td>
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<tr>
<td>Members are reporting it is difficult to hire and/or promote people with strong soft skills, such as communication, leadership and critical thinking.</td>
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<tr>
<td>Issue</td>
<td>Response</td>
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</tr>
<tr>
<td><strong>DIVERSITY AND INCLUSION.</strong> 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.</td>
<td>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 and inclusion to help them to create and maintain a more diverse workforce.</td>
</tr>
<tr>
<td><strong>EXPANDING ROLE OF THE CPA.</strong> CPAs in both public accounting and in industry are seeing their roles expand beyond traditional financial reporting roles, into advisory strategic planning, big data analysis and other areas.</td>
<td>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.</td>
</tr>
<tr>
<td><strong>NEW AREAS OF PRACTICE.</strong> Cybersecurity, sustainability and integrated 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 e-newsletter. Additionally, the Indiana CPA Society started offering free one-hour In the Know webinars throughout the year to inform members.</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>COVID-19 PANDEMIC.</strong> The pandemic has been disruptive to all members in public accounting and in industry as they deal with significant business disruption, changing tax deadlines and numerous government relief programs, including PPP loans and CARES Act.</td>
<td>The Indiana CPA Society developed a daily 3@3 news bulletin highlighting significant news for CPAs to be aware of. Additionally, we worked with state agencies to help get extensions and relief for members to meet deadlines for their clients and businesses, and we were able to get CPAs listed as essential workers in Indiana.</td>
</tr>
<tr>
<td>Issue</td>
<td>Response</td>
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</tr>
<tr>
<td>CPA EVOLUTION.</td>
<td>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>
</tr>
<tr>
<td></td>
<td>Indiana CPA Society is monitoring these activities and sharing relevant information with members, including firms, educators and students and regulators.</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?
## 2020–21 INDIANA CPA SOCIETY STRATEGIC PLAN

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

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Key Results Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Be the #1 resource for members in small - to medium-sized firms for awareness and adoption of emerging technologies.</td>
<td>1. INCPAS shares positive, easy-to-understand stories/examples of successful technology implementation</td>
</tr>
<tr>
<td>Protect the CPA license in Indiana.</td>
<td>2. Meaningful connections are created between members related to technology initiatives</td>
</tr>
<tr>
<td>Encourage and communicate with members to expand services offered.</td>
<td>3. Staff at small - to medium-sized firms are able to navigate the necessary culture shifts through developing communication, decision making, strategic planning, critical thinking, leadership and collaboration skills</td>
</tr>
<tr>
<td>Recruit and retain a strong pipeline of CPAs who are lifelong learners while emphasizing the need for diversity and inclusion in the profession.</td>
<td>1. CPAs remain a licensed profession</td>
</tr>
<tr>
<td></td>
<td>2. Members better understand the value of INCPAS advocacy efforts</td>
</tr>
<tr>
<td></td>
<td>3. INCPAS supports broadening the spectrum of work tied to the CPA license</td>
</tr>
<tr>
<td></td>
<td>1. CPAs embrace their expanded role in business</td>
</tr>
<tr>
<td></td>
<td>1. The CPA workforce in Indiana is ethnically diverse</td>
</tr>
<tr>
<td></td>
<td>2. High school students are aware of the CPA profession and fill pipeline</td>
</tr>
<tr>
<td></td>
<td>3. INCPAS professional development continuously evolves to meet the needs of a changing workforce in delivery and content</td>
</tr>
</tbody>
</table>
STRATEGIC RESULTS 2019–20

90% retention of overall members in 2020 dues renewal.

68% of active licensees in Indiana are INCPAS members.

70% of successful Exam Candidates are INCPAS members.

*ASAE Benchmark is 85%

*ASAE Benchmark is 47%

38.5% of members engaged on the CPA Center of Excellence® Online community in 2020.

80% of legislators are matched with a CPA Advocate.

Launched LEARNING CONCIERGE program in 2019 to help members better fill their learning needs.

11 members used and registered for 121.5 hours of education.

Raised $33,756 in PAC Contributions in CY 2019 from 577 members.

In 2018, 636 members gave $36,369.

74% of members view themselves as the go-to in their organization for real-time information,

68% for data analytics and interpretation and

77% for integrated reporting.

63% of INCPAS Scholars alumni are pursuing an accounting/business degree. Up from 62% in 2019.

46% of INCPAS Scholars alumni are eligible to sit for the CPA exam upon graduation. Up from 44% in 2019.

$70,000 Raised to support 2019–2020 Scholars program from 21 organizations. This includes two new sponsor firms.


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 38.
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.

Membership has gradually declined over the past five years. Market share is currently 68% which is better than average for professional associations. See page 28. As older members retire, the Society needs to find ways to get new CPAs to join and to retain members as they move from public accounting to industry, particularly those under 35, who have been a source of attrition over the last few years. We have several strategic initiatives dedicated to those goals. See page 27.

CPE registrations rise and fall through the three years of the reporting cycle. Registrations are up for the 2020 forecast due to higher registration totals for the In the Know webinars. Seminar registrations declined for 2020 due to Covid-19.
*Note: Hours credited declined in 2018 when Professional Issues Updates (PIUs) ended. The PIUs were replaced with In the Know webinars which initially had lower utilization. Additionally, we strategically reduced the number of courses offered starting in 2018 and into 2019 so we could focus on more relevant topics. We have begun to offer more alternative learning opportunities, including lunch and learn sessions on specialized topics. Member utilization and unique registrants have increased in 2019 as awareness grows about the new offerings. 2020 numbers are down for utilization and total hours due to Covid-19 and our inability to offer in-person classes. As we look to the future, we plan to change our offerings to better meet member needs and expectations. We anticipate that as we move into the post-Covid future that registration and utilization numbers will stabilize but not grow because of increased competition.
Revenues have gradually declined since 2018. Professional development has shown the greatest decline.
Expense fluctuations are primarily tied to professional development registration totals.
Total assets have increased gradually since 2015. INCPAS adopted lease accounting standards in 2019.
Net assets without restriction have grown since 2015. INCPAS adopted lease accounting standards in 2019.
COMPARATIVE OF INCPAS AND OTHER STATE CPA SOCIETIES

The data on page 37 compares select data of state societies extracted from 2018 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

• INCPAS’ 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 very 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.

• INCPAS 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. INCPAS is in line with the average of the other state societies. Indiana’s total compensation expense as a percentage of total expenses is 42.99%. The average of the selected states was 43.68%.

• 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.
<table>
<thead>
<tr>
<th>Based on 2018 Income Tax Returns</th>
<th>Average</th>
<th>High</th>
<th>Low</th>
<th>Indiana</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$6,378,522</td>
<td>$8,659,250</td>
<td>$2,542,738</td>
<td>$4,467,395</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$6,347,679</td>
<td>$8,648,612</td>
<td>$2,324,543</td>
<td>$4,674,597</td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>$30,843</td>
<td>$260,677</td>
<td>-$346,511</td>
<td>-$207,202</td>
</tr>
<tr>
<td>Dues as a % of Total Revenue</td>
<td>42.25%</td>
<td>57.04%</td>
<td>25.14%</td>
<td>55.30%</td>
</tr>
<tr>
<td>Professional Development as a % of Total Revenue</td>
<td>46.88%</td>
<td>69.04%</td>
<td>33.87%</td>
<td>35.54%</td>
</tr>
<tr>
<td>Peer Review as a % of Total Revenue</td>
<td>2.84%</td>
<td>4.69%</td>
<td>0.00%</td>
<td>1.12%</td>
</tr>
<tr>
<td>Total Compensation Expenses as a % of Total Expenses</td>
<td>43.68%</td>
<td>58.77%</td>
<td>33.90%</td>
<td>42.99%</td>
</tr>
<tr>
<td>Total Assets *</td>
<td>$5,970,631</td>
<td>$8,316,670</td>
<td>$2,533,107</td>
<td>$6,775,740</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$2,545,690</td>
<td>$5,302,042</td>
<td>$400,726</td>
<td>$5,302,042</td>
</tr>
<tr>
<td>Net Assets or Fund Balance</td>
<td>$3,424,941</td>
<td>$5,547,058</td>
<td>$1,473,698</td>
<td>$1,473,698</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 North Carolina, Ohio, Michigan, Maryland 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:

- **Talent and the changing workforce.** We will continue our effort to ensure a strong pipeline of CPAs through both our student and diversity initiatives. Additionally, we will seek ways to promote the accounting profession to those already in the workforce looking to change careers. We will also continue to emphasize succession planning as we see the Baby Boomer generation of members retiring. INCPAS 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 advocate for a more competency based approach for accounting education.

- **CPA continuing education.** We will continue monitoring discussions about the future of competency as it relates to professional development. 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.

- **Advocacy.** 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.

- **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.
Knowledge sharing and collaboration. We will continue to develop tools for our members to enable knowledge sharing and collaboration, including member networks and our online member community, the CPA Center of Excellence®. Members are becoming more specialized in practice areas and businesses, and it is important for them to have access to peers in their field, and to have access to members outside their specialty to gain insights and expertise on specific subject matters.

Emerging technology and innovation. 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.

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.

Changing role of the CPA. 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.

Promoting the value of the CPA. We will continue to promote the value of the CPA to all of our stakeholders.

Diversity and Inclusion. We will continue to provide programs and learning opportunities to increase diversity and promote inclusion initiative for our members and the profession.

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.
December 9, 2020

The INCPAS Integrated Report Assurance Committee has reviewed the INCPAS Integrated Report dated December 9, 2020. 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
Erica Crowell, CPA
Christina Eakins, CPA, CIA, CRMA
Derek James, CPA
Melanie King, CPA
Andrew McGuire, CPA
John Minnich, CPA, CFRM, CGMA, MAcct
Diane Sturek, CPA-inactive, MAcc
Mark Yoder, CPA

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.
- Sufficiently 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,

Diane L. Sturek, CPA-inactive, MAcc
Committee Chair