



The MAPAN

“MAPA assists members in achieving success in the profession of accounting and taxation through the advocacy of practice rights and the promotion of high standards in ethics, education, and professionalism.”

Inside this issue:

President’s Message	1
Executive Director Report	2
Legislative Update	3
Peer Review	4
What’s New at Revenue	5
Cost Segregation	6 - 7

MAPA OFFICERS

President: Diane St Sauver, CPA

(320) 656-9021

diane@sartelltaxservice.com

Vice President: David Engelking, CPA

(651) 464-3231

david@deeltd.com

Secretary: Alycia Gilb, CPA

(218) 829-3501

alycia@brainerdcpa.com

Treasurer: Jacen Gondringer, CPA

(218) 829-3501

jacen@brainerdcpa.com

Past President: Eric Goddard, CPA

(507) 282-9488

eric@sghw.us

The MAPAN is the official publication of MAPA. The MAPAN is published four times annually. All articles must be submitted to the MAPA Office by the 5th of the month to be included in the following publication. Submit all articles and letters to the Editor.

MAPAN EDITOR

PO Box 301

Big Lake, MN 55309

Phone: (612) 366-1983

Fax: (763) 263-8020

info@mapa-mn.com

Website: www.mapa-mn.com

President’s Message



Hello Fellow MAPA Members!

In case you have lost track, MAPA has had 82 annual meetings over the course of its time. I was honored to be elected president at this most recent banquet and look forward to working with my fellow elected Board members to continue this tradition of assisting our members to achieve success.

I joined the world of public accounting in 2011 when I worked for a small business during tax season. The following year I worked for a different small business. Then in 2013 I accepted a position where I was given a list of clients and prepared the taxes for those clients. In late 2013 I received my CPA license and then bought the list that I had prepared the previous year. It was a scary thing going out on my own but for some reason, finding a consistent job in my small community was proving to be difficult. This has been the best decision of my life and with the help of MAPA, taking this on has been easier. I met a MAPA member at a CE class that I had found online. They took me under their wing and invited me to a MAPA CE class. I then joined MAPA and have become increasingly involved.

MAPA has been a big part in helping me network. Being a sole proprietor, I did not have someone down the hall I could go talk to with questions or to just pass ideas off. MAPA has been my down the hall help that I have needed with strange questions client have or what I need as a CPA. So, if you have those questions, please let us know so we can work together.

Are you enjoying your summer? I sure hope so. This is the time to reconnect with all that is important to you and to reorganize and refresh from that busy season. If you haven’t taken some time for yourself, do that now. “Almost everything will work again if you unplug it for a few minutes, including you.” –Anne Lamott 2. Reflect on all that you accomplished. Think about what you can improve and how MAPA can help. Please take a look at the upcoming seminars. With the changes in how we now need to operate over the last couple of years, MAPA has more options with short 1 -4-hour seminars and we cover more topics.

Kind Regards,

Diane St. Sauver, CPA
President

Executive Director's Report • Erin Nebben, EA



Greetings MAPA! Is it just me or has this summer gone by incredibly fast?! I hope that you all have had time to relax and unwind after what seems to have been never ending busy seasons the last couple of years.

MAPA has been busy this summer. In June we held our 82nd Annual Meeting and installed newly elected officers. Congratulations to our new President – Diane St. Sauver, Vice President – David Engelking, Secretary – Alycia Gilb and Treasurer – Jacen Gondringer. I would also like to sincerely thank Eric Goddard for his past two years serving as President of MAPA. Eric has been a fantastic leader to help MAPA navigate through the last couple of years. Another Board Member that deserves a huge thank you, would be Sandy Flom, who served as Treasurer of MAPA for the last at least 4-5 years. Thank you Sandy for all your hard work and making sure we got the bills all paid on time. Lastly, I would like to thank Jennifer Schutz who has been a huge help on the board and with many committees the last few years. Jennifer served as the Past President the last couple of years, and now with that we have a newly elected President, her time on the Board of Directors has come to an end. But, we are thrilled that Jennifer is still a part of the Peer Review and By Laws committees.

Committees within MAPA can play a huge part of our success as an Organization. Currently, we have a few committees that are in need of volunteers. If you have ever thought of giving back to your profession and volunteering with MAPA, now is the time! MAPA is looking for volunteers to specifically help with our Legislative Committee and Student Conference Committee. If you are interested in learning more about opportunities to volunteer with MAPA, please contact me!

It's almost time for fall and winter CPE classes. We have a variety of online and in person classes still to choose from. We are looking forward to seeing you either in person or online this fall. Upcoming events are listed on the home page of our website, as well on page 7 of this newsletter.

Thank you all for your continued support of MAPA!

Accounting & Auditing Student Conference

Are you interested in a being an exhibitor at the upcoming Accounting & Auditing Student Conference on September 27th?

As an exhibitor you:

- Engage with some of Minnesota's brightest accounting students.
- Find top candidates for your entry-level accounting positions and internships.
- Develop your company's positive image as an employer of choice among highly recruited accounting students.
- Build awareness of your company with a profile in the conference app and an exhibitor page on the website.
- Have the opportunity to reserve private interview space to conduct on-site interviews (additional cost).

More information can be found at: www.studentconf.org

Legislative Update • Troy Olsen

Primary Election Day – August 9

With the 2023 Legislative Session in the rear-view mirror, Minnesota's politicians are turning their attention to election day in November. This is a redistricting year and boundaries to every one of the 201 legislative districts, eight congressional districts, and most local office holders have changed in some way to reflect shifts in Minnesota's population.

On Tuesday August 9, primary election contests were held to narrow the field of candidates who will appear on the November ballot. The more prominent primary election contests included races for party nominations for attorney general and congressional districts. There were also numerous primary contests in state House, state Senate seats.

Voter turnout for primary election day is usually significantly less than turnout on election day in November. According to Secretary of State Steve Simon, turnout in 2022 just surpassed 18% of eligible voters, which is relatively strong for a primary election, but slightly lower than turnout in 2020 and 2018.

A high-level analysis of the primary election results reveals that incumbents facing primary challenges generally fared well and advanced to the November General Election by defeating their primary opponents.

For a recap of the August 9 primary election results, and additional information which includes local primary races [click here](#).

Minnesota 1st Congressional District

Republican Brad Finstad won a special election to fill the remaining months of the late Rep. Jim Hagedorn's term in southern Minnesota's 1st Congressional District.

Finstad won the election by nearly 5,000 votes, or about 52% to 48%, over Democratic candidate Jeff Ettinger and will be sworn into the U.S. House of Representatives later in August.

In a rare election occurrence, both Finstad and Ettinger also won primary elections on August 9th and will again face each other in the November general election.

General Election Day – November 8

As we move closer to Election Day, here are some resources that will provide information on where to vote, how to register, and what is on the ballot for voters. Note that some information will not be updated until 45 days before Election Day.

[Register to vote](#)
[Minnesota Poll Watch](#)
[What's on your ballot](#)

MAPA members can watch their email in-boxes for Ewald Consulting's 2022 Election Guide which will be sent to members closer to Election Day.

Minnesota State Board of Accountancy

In the next few weeks, the [Minnesota State Board of Accountancy](#) will be proposing changes to Administrative Rules governing MAPA members. Watch for additional information on these proposed changes and for opportunities to provide comment to the Board in future email updates.

MAPA Legislative Committee

Do you enjoy watching the legislative process? Would you like to increase your legislative activity and/or assist in reviewing proposed legislation? If so, consider joining MAPA's Legislative Committee.

Contact Erin Nebben for more details.

As always, please do not hesitate to contact me with questions and/or comments.

Troy Olsen
 Government Relations Consultant
 1000 Westgate Dr., Suite 252 | St. Paul, MN 55114
 p: 763.381.7894 | troyo@ewald.com | www.ewald.com



Peer Review • Jennifer Schutz, CPA

Good News in Peer Review

According to the AICPA audit quality has greatly improved and peer reviewers are catching more issues in peer review. Peer reviews have also gotten more consistent and results aren't as dependent on your peer reviewer's judgement. The AICPA also has many tools available on their website that are available to non-AICPA members.

What does this mean for the small firm or sole practitioner? It means that we need to make sure we are staying on top of our game, following standards, and doing things correctly.

One of the best ways to do this is to keep up on relevant CPE, especially when there is a change in accounting or auditing standards. Subscribe to the notification services offered by your practice aid providers, read articles published in accounting publications, and make sure your practice aids are current and up-to-date. Even using the most current versions of PPC can leave you behind the eight ball if the materials haven't been updated for recent changes.

Another good way to make sure your engagements are up to standards, properly performed, and documented is to read the instructions on your practice aids. You do not need to complete every checklist and practice aid for each engagement but you need to make sure you are covering all of the required areas.

If you do not want to read the instructions many practice aid providers offer short webinars that go over how to properly complete the practice aids. Understanding how to properly use the practice aids is a time saver and worth the effort – even if you have been performing engagements for 20+ years. Tips and tricks are often included which led to efficiencies especially in smaller engagements.

Be mindful of your work and the work performed by staff.

In compilations make sure the report is correctly modified for the correct basis of accounting, omission of disclosures and statement of cash flows, supplementary information, and independence impairment.

In review engagements not having: analytical expectations; a set analytical threshold; analysis and conclusion of items exceeding the set threshold; and inquiries can all cause a nonconforming engagement and potentially a non pass peer review.

In audits, risk assessment continues to be an area of focus – all of the pieces need to connect and tell a cohesive story for each individual audit. Having one standard firm wide risk assessment where control risk is assessed as high used for every single engagement is not proper risk assessment.

On all engagements – document important decisions including non-attest services, going concern issues, and revenue recognitions.

**WANTED:
ACCOUNTING
PRACTICE**

Established expanding CPA firm specializing in small business looking to acquire accounting and tax practices in the Minneapolis/St. Paul metro area. If you have a write-up practice for small businesses, I am very interested. Please call Gary at 952-484-4343 or email: ghaworth@haworthco.com

What's New at Revenue • Minnesota Revenue



Like most businesses and state agencies, we returned to regular business hours and in-person services earlier this year. While we're very happy to be

offering services in person again, we're also learning from over two years of pandemic-impacted work to find new ways to improve phone and online options, as well as our in-person services. As always, thank you for all you do to help Minnesotans accurately prepare and file their taxes.

Legislative Session

This year's legislative session ended without a major tax bill being enacted. While a special session seems unlikely at this point, be sure to check our [Tax Law Changes page](#) and [subscribe to our Tax Law Changes email list](#) to get the latest information.

New Calendar Available

You can now find a list of major state tax deadlines conveniently in one place on the Minnesota Department of Revenue's website. Our new [Tax Due Dates calendar](#) lists major due dates by month for all Minnesota taxes.

New Local Sales, Use, and Excise Taxes

Norman County will implement a new 0.5% transportation tax. The tax applies to sales and purchases on or after July 1, 2022. This revenue will fund transportation projects within the county.

St. Peter will implement a new 0.5% sales and use tax. The tax applies to sales and purchases on or after July 1, 2022. This revenue will fund the construction of a new fire station.

To stay up-to-date on new local sales, use, and excise taxes, see our [Local Sales Tax Information page](#).

About the MAPAN: *The MAPAN is published 4 times per year for the members of MAPA by the Minnesota Association of Public Accountants, 111 Lake Street North, PO Box 301, Big Lake, MN 55309. Phone: 612-366-1983 Fax: 763-263-8020 Email: enebben@vidmanagementllc.com Website: www.mapa-mn.com Unless stated, comments in this publication do not necessarily reflect the endorsement or opinion of MAPA. The publisher is not responsible for statements made by the authors, contributors or advertisers. The publisher reserves the right to final approval of editorial and advertising copy in this publication.*

MAPAN Advertising Specs: The following types of advertisements will be accepted from MAPA members: Sale or purchase of a practice; person seeking employment; or potential internships. Ads will be run for up to three issues at no charge. Additional ad placements will cost \$100 per listing per month for up to 10 lines. Email enebben@vidmanagementllc.com with questions.

Cost Segregation • Activity Grouping

The definition of an activity and whether a group of activities is treated as a single activity depends on facts and circumstances. The taxpayer can use "any reasonable method" to determine whether one or more trade or business activities constitute an appropriate "economic unit" for measuring gain or loss and thus may be treated as a single activity. The regulations list the following factors as those given the greatest weight in determining whether activities constitute an economic unit: (1) similarities and differences in types of business; (2) extent of common control and ownership; (3) geographic location; and (4) interdependencies between the activities (e.g., the extent to which the activities purchase or sell goods between or among themselves, involve products or services that are normally provided together, have the same customers or employees, or are accounted for with a single set of books).

Once the election to aggregate activities is made, the taxpayer may not regroup the activities unless the original grouping was clearly inappropriate or the facts and circumstances have changed so that the original grouping is no longer appropriate. Because the 3.8% net investment income tax (3.8% NIIT) may cause taxpayers to reconsider their previous grouping determinations, individuals may regroup their passive activities when they are initially subjected to the 3.8% NIIT. For this purpose, the determination whether the 3.8% NIIT would apply is made without regard to the effect of regrouping. An individual taxpayer may regroup his or her activities for any tax year that begins during 2013 if the 3.8% NIIT applies. A taxpayer may regroup activities impacted by the 3.8% NIIT only once, and a regrouping will apply to the tax year for which the regrouping is done and all subsequent years.

A rental activity cannot be grouped with a trade or business activity unless either activity is insubstantial when compared to the other activity. Furthermore, real property rentals and personal property rentals cannot be grouped together and

treated as a single activity. However, where the provision of personal property is made in connection with the rental of real property (e.g., providing furniture for a rental apartment), a grouping of the activities is permitted. The IRS reserves the right to regroup any activities if the taxpayer's grouping fails to reflect economic reality and one of the primary purposes for the original grouping was to avoid the restrictions of IRC Sec. 469.

Under Rev. Proc. 2010-13, written disclosure statements are required to be filed with the tax return for the year in which two or more activities are grouped together for the first time (essentially serving as the election to group those activities), or for a year in which changes are made to existing groupings, including when a new activity is added to an existing group. See the sample election statement for the information required in the disclosure.

Who Can Elect

Individuals, closely held and personal service C corporations, S corporations, partnerships, estates and trusts. Activities are grouped at the entity level, but shareholders or partners can group those activities with other activities they conduct individually or through other pass-through entities. However, a shareholder or partner may not treat activities grouped by a pass-through entity as separate activities.

When to Elect

By the due date, including extensions, of the return for the year in which (1) two or more activities are first grouped together, (2) a new activity is added to an existing group, or (3) an existing group is regrouped. The disclosure requirements under Rev. Proc. 2010-13 are effective for tax years beginning on or after January 25, 2010.

How to Elect

By attaching a statement to the return, no disclosure is required to be made by pre-existing groupings that remain unchanged. Partnerships

Cost Segregation ~ Continued from Page 6

and S corporations are also not subject to the requirements of Sections 4.02 (new groupings), 4.03 (addition of new activities), or 4.04 (regroupings) of Rev. Proc. 2010-13. Instead, partnerships and S corporations must comply with the disclosure instructions for grouping activities provided for on Form 1065 (U.S. Return of Partnership Income) and Form 1120S (U.S. Income Tax Return for an S Corporation), respectively. Generally, compliance with the applicable form requires disclosing the entity's groupings to the partner or shareholder by separately stating the amounts of income and loss for each grouping conducted by the entity on attachments to the entity's annual Schedule K-1. Disclosure of the groupings disclosed by the entity under Sections 4.02, 4.03, and 4.04 of Rev. Proc. 2010-13 are not required unless the partner or shareholder (1) groups together any of the activities that the entity

does not group together, (2) groups the entity's activities with activities conducted directly by the partner or shareholder, or (3) groups the entity's activities with activities conducted through other Section 469 entities. Pursuant to Reg. 1.469-4(d) (5) (i), a shareholder or partner may not treat activities grouped together by a Section 469 entity as separate activities. In addition, the new disclosure rules do not apply to qualifying individuals who have made the real estate professional election [under IRC. Sec. 469(c) (7) (A) and Reg. 1.469-9 (g)] to group all rental real estate activities into a single activity.

Jodi Nielsen • 651-210-1921
National Senior Account Executive
jodi.nielsen@costsegregation.com
www.superiorcostsegregation.com

2022-2023 Seminar and Event Schedule

Additional seminars may be added to this schedule

8/24/2022	Crypto-Currency, Tech/Security & Emerging Economy Issues	8am - 4pm	8	Webinar
9/20-9/21/2022	Business Tax In Depth	8am - 4pm	16	Plymouth,
10/26/2022	20% Flow Through QBI Deduction	12pm - 2pm	2	Webinar
11/3/2022	Federal Tax Update - Individuals	8am - 4pm	8	Plymouth,
11/16/2022	AICPA & Circular 230 Ethics	8am - 12pm	4	Plymouth,
11/17/2022	MN Tax Update	8am - 12pm	4	Webinar
11/21-11/22/2022	1040 Tax In Depth	8am - 4pm	16	Webinar
12/8-12/9/2022	1040 Tax In Depth	8am - 4pm	16	Plymouth,
12/19-12/20/2022	1040 Tax In Depth	7am - 3pm	16	Webinar
12/19-22 & 12/27-30	8 Nights of 1040 Tax In Depth	5pm - 7pm	16	Webinar
1/11/2023	Federal Tax Update - Business	11am - 7pm	8	Webinar
1/12-1/13/2023	1040 Tax In Depth	8am - 4pm	16	Plymouth.



111 Lake Street North
PO BOX 301
Big Lake, MN 55309

Phone: 612-366-1983
Fax: 763-263-8020
Email: info@mapa-mn.com

We're on the Web!
www.mapa-mn.com

MAPA Committee Chairpersons 2022

Advisory

Eric Goddard
eric@sghw.us
(507)282-9488

ByLaws

Jennifer Schutz, CPA
schutzcpa@outlook.com
(651)302-1491

Communications, MAPAN, Technology, and Public Relations

Nick Kellner
nick@sghw.us
(507)282-9488

Contract Review

Eric Goddard
eric@sghw.us
(507)282-9488

Annual Meeting

Virginia A. Bruns, CPA, EA
vbruns@terningco.com
(763)263-3300
Ellen Stebbins, EA
eestebbins@frontiernet.net
(507)583-6601

Ethics

Tim Robinson, CPA
trobenson@phbcpa.com
(320)286-5552

Legislative/ MN SBOA Liaison

Volunteers Needed

Membership

David Engelking, CPA
david@deeltd.com
(651)464-3231

IRS and State Tax Liaison

Jacen Gondringer
jacen@brainerdcpa.com
(218)829-3501

Nominating

Eric Goddard
eric@sghw.us
(507)282-9488

Peer Review

Mark Hemerick, CPA
mhemerickcpa@gmail.com
(320)587-2255

Scholarship

Debra Yerys, EA
dyerys@aol.com
(612)272-3434

Seminar

Virginia A. Bruns, CPA, EA
vbruns@terningco.com
(763)263-3300
Darrel D. Terning, CPA, EA
dterning@terningco.com
(320)587-4916

Strategic Planning

Volunteers Needed

Student Conference

Kaitlyn Nebben
knebben@terningco.com
(763)263-3300
Add'l Volunteer Needed

Find us on Facebook & Instagram!



Minnesota Association of
Public Accountants