

June 2026

KĀLĀ



*Hot Topics,  
Cool People*

MEMBERS MEETING





# Hot Topics, Cool People

June 19, 2026

2 - 4 pm



*Join us* at HSCPA's Elect & Engage on June 19 at the Prince Waikiki, our members' meeting and reception, and enjoy an afternoon of connection, insight, and celebration.

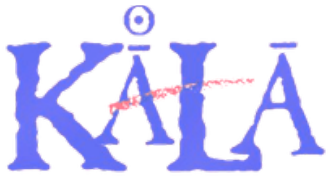
Get a quick issues update, learn how HSCPA is strengthening the future talent pipeline, and see how you can help shape what's next for our profession.

As a Members Only event, your registration directly supports our Student & Young Professionals initiatives – a simple way to invest in the next generation while spending time with your peers.

Expect lively conversations, meaningful connections, and a spread of hors d'oeuvres and libations. Come for the updates, stay for the camaraderie, and raise a glass to the future we're building together. [REGISTER!](#)

**Connect Today.  
Shape Tomorrow.**





The Official Publication of the  
Hawaii Society of  
Certified Public Accountants

June 2026

# This Issue

<b>Officers</b>		<b>AICPA Council</b>
President	Frank Kudo	Frank Kudo (Designated)
President-elect	Trisha Nomura	Darryl Nitta (Elected)
Vice President	Adrian Hong	Trisha Nomura (At-Large)
Secretary/Treasurer	Chad Funasaki	
Assistant Secretary	Grayson Nose	
<b>Directors * 2025-2027</b>		<b>Executive Director</b>
Ronald Heller		Kathy Castillo
Jill Ishimitsu		Administrative Assistant
Ed Nakano		Debbie Cortes
Darryl Nitta		
Natalie Taniguchi		
<b>Directors * 2024-2026</b>		<b>Hawaii Society of CPAs</b>
Chantal Mentzer (Kauai)		1000 Bishop Street, Suite 802
Norman Okimoto		P.O. Box 1754
Joel Peralto (Hilo)		Honolulu, HI 96806
		Tel: (808) 537-9475
		E-mail: <a href="mailto:info@hscpa.org">info@hscpa.org</a>
		Web: <a href="http://www.hscpa.org">www.hscpa.org</a>
<b>Immediate Past President</b>		
Ryan K. Suekawa		

President’s Aloha Message ..... **4**  
*By Dr. Frank Kudo*

Follow the Yellow  
Brick Road ..... **6**  
*By Tom Yamachika*

AICPA Spring Council  
Meeting ..... **8**

Virtual CPA Mock Exam ..... **9**

Why Caregiving May Be  
Accounting’s Next Talent  
Crisis ..... **10**  
*By Donny Shimamoto*

America’s “Hidden”  
Financial Statements ..... **12**  
*By Michael Doorley*

Y-CPA Buzz: Trading Seattle for  
Hawaii: Reflections from Leaving  
the “Big 4” ..... **14**  
*By Tayler Mori*

Norman’s Book Review ..... **16**

The Future  
of Accounting ..... **18**  
*By Bart Nichols*

HSCPA Mascots ..... **20**



This publication is designed to provide general information only, and should not be used as a substitute for professional advice. The authors and editors disclaim any liability for any loss or damage resulting from the use of any information or advice herein. Although a reasonable attempt has been made to be accurate, neither the HSCPA nor the authors and editors can guarantee that all information contained herein is correct as of the date of publication.

KALA (the Hawaiian word for money) is published periodically and is the official publication of the Hawai’i Society of Certified Public Accountants. Please direct all inquiries regarding editorial content to HSCPA, P.O. Box 1754, Honolulu, Hawai’i 96806.



# President's Aloha Message

## PUEO the Hawaiian Owl ... hoot!

About nine months ago, I was golfing with my brother when he pointed out an owl lying on the ground next to a hedge. I've never seen an owl up close before - only from a distance hovering over the fields in Kapolei in the early morning hours. The sight made me wonder when and why owls came to inhabit the Hawaiian Islands. I would think they belonged in the Midwest, flying above the corn and wheat fields, or deep within the forests of the U.S. In fact, most times owls are depicted living and hunting in the forest - or at least that's what I had always assumed.

Well, getting back to the owl on the golf course, I drove my cart over to see it up close, and what I saw amazed me. A large bird lay there with pristine feathers in shades of brown and white, with what looked like a tinge of yellow. It was such a beautiful creature, yet clearly something had attacked it as it lay lifeless beside what appeared to be a burrow in the ground, likely its nest.

After the golf game, I kept thinking of the owl and how it ended up in Kahala. My brother said it was a Hawaiian owl - a **Pueo**. At that moment when he said Pueo, it caught my attention. The institution that I teach at - UH West O`ahu - has a Pueo mascot - what a coincidence.

The next day, I decided to do some research about this bird and how it ended up in Hawaii. Researchers think that the bird flew in from the U.S. mainland around the same time the Polynesians settled in Hawaii, roughly 1000 CE. The Pueo is capable of long-distance flight, but what surprised me was learning that its mainland relatives typically nest in trees - not on the ground. That contrast made the Pueo's presence, and its ground burrow on the golf course, even more intriguing.

The Pueo nests in burrows on the ground, which makes it especially vulnerable to predators such as mongoose, cats and dogs. It feeds primarily on rodents and insects - a carnivorous species classified as a short-eared owl, known for its ability to fly long distances, even across the Pacific Ocean. Unlike its mainland relatives, which hunt mostly at night, the Pueo is active during the day, gliding over grasslands, open fields and volcanic slopes in search of prey. Researchers believe the Pueo adapted to life in Hawai'i by feeding on rats, rodents, small birds and insects that became abundant as the Hawaiian population settled in the Islands.



The Hawaiian people associated the Pueo as a spiritual being, closely associated with chiefly and warrior traditions. The saying “ka pueo kani kaua” - the owl who sings of war - reflects its role as a protector, believed to warn warriors of danger and guide them in battle. Over generations, the Pueo became recognized as an “aumakua”, an ancestral guardian spirit linked to wisdom, divine protection, and the powerful forces that shape both warfare and leadership.

On Oahu, stories were told of Pueo chiefs or protectors in Manoa Valley. On Maui, the Pueo spirit is said to help guide lost souls safely home. Just seeing a Pueo during the day time is considered spiritually meaningful or symbolic.

The Department of Land and Natural Resources notes that it is difficult to determine the exact number of Pueo in the State, as it is very difficult to obtain an accurate population count. What scientists do know is that the Pueo species is in decline, largely due to habitat loss from urban development. On O’ahu, the Pueo is officially listed as an endangered species, and some estimates suggest that only about 800 Pueo owls remain on the island.

**So, here is the correlation:** the Board of Directors of the HSCPA is blessed with the spirit of the Pueo. It protects the profession from adverse legislation, offers wisdom by advancing the essential knowledge and skills needed to stay relevant, and faithfully guides the profession along a righteous and ethical path.

As my term as President comes to a close, I would like to thank Kathy Castillo, Executive Director, for her commitment, passion and insight. I am equally grateful to the HSCPA Board members, who have worked diligently to serve the CPA profession with integrity and purpose, demonstrating true leadership by giving of themselves for the benefit of our membership. I bid you farewell ... ***ka pueo kani kaua***.

*Aloha! Frank Kudo*



# TAX FOUNDATION OF HAWAII

Hawaii's Watchdog on Taxes & Government

TFH is the 'watchdog' for Hawaii taxpayers' money. To support TFH's mission, please donate [here](#).

## Follow the Yellow Brick Road

**In** our Hawaii legislative session, many bills are making the trek along the yellow brick road to... the fifth floor of the Capitol. Here are some of the more significant ones.

Senate Bill 3125, now Act 24, is this year's tax rate bill. The 2024 changes to the standard deduction are left intact. The tax bracket changes from the 2024 law are left in place for taxpayers making \$350,000 or less (for joint filers, \$175,000 single). For those making more, the tax brackets that apply this year will remain in effect. And there is a new 13% tax bracket for taxpayers making \$1 million or more (for joint filers, \$500,000 single). The Capital Goods Excise Tax Credit, the High Technology Business Investment Tax Credit, the Renewable Fuels Production Tax Credit, the Technology Infrastructure Renovation Tax Credit, and the Tax Credit for Research Activities were all given sunset dates in either 2028 or 2029. The Renewable Energy Technologies Credit (for photovoltaic installations, for example) is going to be available with an income limit (\$350,000 joint, \$175,000 single) and a statewide cap of \$40 million until it sunsets on January 1, 2031.

House Bill 2329 conforms our state tax law to provisions of the One Big

Beautiful Bill Act. But there are several notable omissions.

To start with, the federal code includes new provisions based on some of President Trump's campaign promises. Our bill does pick up "No Tax on Tips," which we previously reported on. It does not pick up "No Tax on Overtime," which we discussed here, nor does it allow the federal deduction for car loan interest. Enhanced standard deduction for senior citizens? We don't pick that up either, probably because we already allow an enhanced personal exemption for our kupuna.

The federal "Pease Limitation" started eating away at itemized deductions once a taxpayer reached a certain income level, disallowing more and more itemized deductions if the taxpayer's income was higher, until the taxpayer could use only 20% of the itemized deductions otherwise available. The One Big Beautiful Bill Act enacted a more taxpayer-friendly version of the limitation that disallows at most 2/37 of itemized deductions allowable, but for Hawaii tax purposes we are keeping the older, nastier version of the law, with the federal income thresholds that existed in – get this – 2009.

For charitable giving, our state tax bill conforms to the federal provisions allowing up to a \$1,000

(\$2,000 for joint filers) charitable deduction to be taken by folks who don't itemize their deductions, and it also incorporates the federal deduction floors. Thus, individuals can only take itemized charitable contribution deductions only to the extent that their contributions exceed 0.5% of adjusted gross income, and corporations are allowed charitable contribution deductions only to the extent that their contributions exceed 1% of taxable income.

And then there is Senate Bill 2921, the raid bill that was introduced to scoop excess balances from hundreds of special and revolving funds. The Conference Draft of the bill is the first one in which there are actual numbers. The bill targets 18 funds for a total haul of \$47 million, with the two largest victims being the tax administration special fund (\$23 million) and the beverage container deposit special fund (\$12 million). This raid bill is somewhat underwhelming, especially given lawmakers' focus earlier in the session on a \$430 million unencumbered balance in the University of Hawaii tuition and fees special fund, which was targeted in Senate Bill 2602 and which we wrote about here.

*Continued on page 7*

Senate Bill 2602 quietly died in conference.

For those interested in the state GET, income tax, and unemployment tax benefits for enterprise zones, [Senate Bill 2360](#) adds new qualifying activities, including biotechnology products, whether or not genetically engineered; medical and health care services, including home health care, specialized care practices, and health coaching; research and development activities in aerospace technology; and information technology design and production. In addition, the qualification period is extended from the current 7 years to 9 years. Those who are working in newly qualified fields should [check to see if they are in an enterprise zone](#) or wouldn't mind moving to one.

And, for those interested in the motion picture and TV production credit, [Senate Bill 2580](#) makes several important changes. An additional 5% is allowed to productions that have at least 80% local hires. The per-production cap is raised from \$17 million to \$20 million, where unused production cap is allowed to carry over to the following year. Productions with \$60 million or more in production spending are exempt from the cap altogether. Productions for a streaming platform qualify. And the bill legislatively nullifies a troublesome interpretation of the General Excise Tax, stated in [Tax Information Release 2024-04](#), that had dramatically increased production payroll costs.

Stay tuned for further news on the bills advancing toward the Land of Oz.



Tom Yamachika is President of the Tax Foundation of Hawaii - the 'watchdog' that keeps an eye on Hawaii's taxes. Tom is also the owner of Aloha State Tax, a small law firm with emphasis on State taxes. Prior to going solo and the TFH, Tom was a principal with Accuity LLP where he managed the tax consulting practice, including quality and risk management and practice development.



**WAI EA**  
Ward Village



**#1002 \$3,500,000**  
2 BD, 2.6 BA Intr Size: 1,880 ft<sup>2</sup> 176 m<sup>2</sup> Pric: 2  
Views: City, Coastline, Diamond Head, Ocean & Sunrise



**KO`OLANI**  
Kaka'ako



**#2808 \$1,590,000**  
2 BD, 2 BA Intr Size: 1,618 ft<sup>2</sup> 141 m<sup>2</sup> Pric: 2  
Views: City, Coastline, Diamond Head & Ocean

Please call May or Jack : **808 532 3330**



**John "Jack" Tyrrell**  
Chairman & CFO  
Principal Broker, CRS, CRB  
CPA (not in public practice)  
Lic. # RB-19880

C: 808.306.6933

[www.jtchawaii.com](http://www.jtchawaii.com) Ala Moana Hotel - Lobby, 410 Atkinson Drive, Suite 1F6 Honolulu, HI 96814



WARD VILLAGE  
Top Performing Agent for  
Units & Sales Volume  
2014



WARD VILLAGE  
Top Performing Agent for  
Units & Sales Volume  
2015



**JACK TYRRELL & COMPANY**  
A Real Estate Brokerage Corporation

# AICPA SPRING COUNCIL MEETING

## Highlights

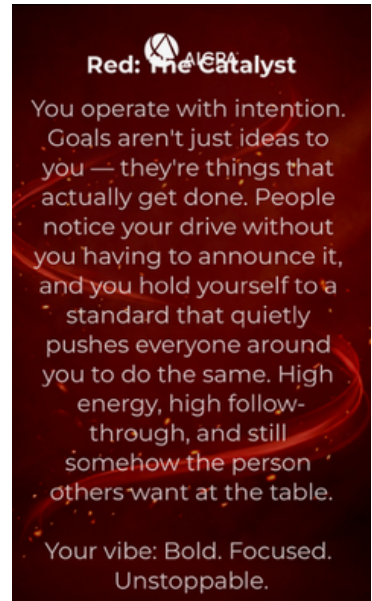
The Hawaii AICPA Council delegation recently joined peers from across the country at the Spring Meeting of Council in New Orleans, where conversations centered on shaping the future of accounting and finance, strengthening the human edge in an automated world, and advancing the CPA Trust campaign to elevate the value of the credential for those who rely on CPA services. The campaign is also a meaningful opportunity to celebrate the profession alongside our members and CPA employers.

Here at home, that momentum continued through HSCPA's collaboration with the Center for Accounting Transformation as we co-hosted the Hawaii Visioning Workshop—a forward-looking, Hawaii-specific session exploring what accounting and auditing should look like across our islands in the years ahead.

The conversation is far from over. Your voice matters. Share your ideas, your concerns, and your hopes for the profession's future in Hawaii. Join us at [Elect & Engage](#) on June 19 at the Prince Waikiki to be part of the dialogue, or send your thoughts anytime to [info@hscpa.org](mailto:info@hscpa.org).

Shaping the future of the profession takes more than one perspective. Join professionals from across Hawaii as we focus on what comes next for accounting and auditing.

our aura reading



**Red: The Catalyst**

You operate with intention. Goals aren't just ideas to you — they're things that actually get done. People notice your drive without you having to announce it, and you hold yourself to a standard that quietly pushes everyone around you to do the same. High energy, high follow-through, and still somehow the person others want at the table.

Your vibe: Bold. Focused. Unstoppable.



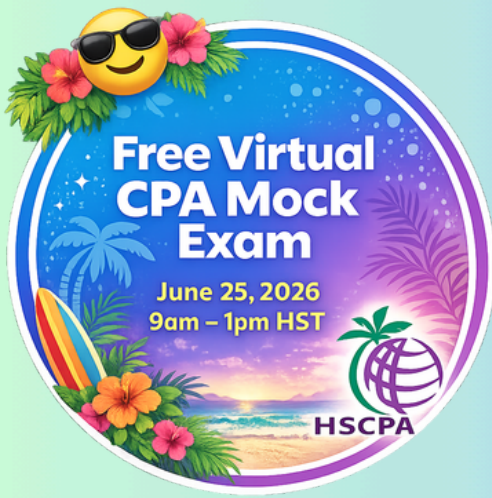
Retiring after 29 years, Dana Rubenstein of the Delaware Society of CPAs



Kathy Castillo, Frank Kudo, Trisha Nomura



NOLA must-have - nothing like having coffee & beignets at Cafe du Monde



Are you — or someone you know — planning to sit for the CPA Exam soon? This is your chance to put those skills to the test and see just how Exam-ready you are. Test it out on June 25, 2026!

Through our partnership with Surgent CPA Review, the HSCPA is once again offering a FREE opportunity for students and CPA candidates to gauge their readiness for the CPA Exam. The Exam includes the three core sections — AUD, FAR, and REG — plus one discipline of your choice: BAR, ISC, or TCP.

During the 4-hour session, participants will select the Exam section they want to try. After completing the mock exam, they'll receive a score report highlighting strengths and areas needing improvement — a valuable roadmap for focused studying before the real CPA Exam.

This exclusive opportunity is available to HSCPA members, their staff, and student members. Advance registration is required. Additional registration details can be found [here](#).

## Hawaii Practices for Sale

**Hilo CPA Practice - \$703K gross.** Revenue nicely mixed between profitable tax (43%), accounting/bookkeeping (36%), and payroll (22%). Turn-key opportunity ideal for an experienced CPA; **Kailua CPA Practice - \$256K gross.** Highly-profitable with cashflow to the owner of nearly 80%. Balanced revenue mix: 56% monthly bookkeeping, 44% tax services and businesses generate 70% of total revenue. For more information, please call 1-800-397-0249 or visit [www.APS.net](http://www.APS.net) to see listing details and register for free email updates.

**Thinking of Selling Your Practice?** Accounting Practice Sales is the leading marketer of accounting and tax practices in the world. We have a large pool of buyers looking for practices as well as the experience to help you find the right fit for your firm and negotiate the best price and terms. To learn more about our risk-free and confidential services, call Ryan Pannell with The Holmes Group at 1-800-397-0249 or email [Ryan@apsholmesgroup.com](mailto:Ryan@apsholmesgroup.com).



25+ years and 301 practices sold in 2025!

# IS IT TIME FOR...

- ✓ Family
- ✓ Life
- ✓ A Change

## Time to SELL?



DELIVERING RESULTS - ONE PRACTICE AT A TIME



Ryan Pannell  
[Ryan@APS.net](mailto:Ryan@APS.net)

800-397-0249  
[www.APS.net](http://www.APS.net)



# Caught in the Middle: Why Caregiving May Be Accounting's Next Talent Crisis

## Transformation Trends

*With Donny Shimamoto, CPA.CITP, CGMA*

***As accounting organizations focus on retention and leadership development, many may be overlooking one growing reality affecting professionals across the workforce: caregiving.***

The accounting profession has spent years discussing staffing shortages, burnout, flexibility, and leadership pipelines. But another issue may quietly be influencing all of them. Many professionals today are balancing demanding careers alongside major caregiving responsibilities — raising children, supporting aging parents, or managing both simultaneously. And increasingly, they are doing so during the very years when organizations hope to develop future leaders.

That reality is the focus of the Accounting MOVE Project's 2026 research theme, "Caught in the Middle," which examines how caregiving responsibilities may be reshaping advancement and retention across the profession. Importantly, this conversation extends far beyond public accounting firms alone. Professionals across business and industry, government, education, consulting, and nonprofit

organizations are navigating similar challenges. And many organizations are beginning to realize that belonging and workplace culture may play a bigger role in retention than previously understood.



### **Belonging Matters More Than Terminology**

Over the past several years, organizations have debated language around workplace culture, inclusion, and professional support. But for many professionals, the terminology matters far less than lived experience.

- Do people feel supported when navigating difficult life seasons?
- Can they access flexibility without fear of career penalties?

- Do leaders demonstrate empathy and understanding?
- Can professionals continue advancing while balancing personal responsibilities?

Those questions directly influence whether people remain engaged and envision long-term futures within their organizations. Professionals who feel respected and understood are more likely to stay, contribute, and grow.

That's why belonging has become such an important conversation. Not because it is trendy, but because it affects retention, leadership development, and organizational resilience.

### **A Leadership Pipeline at Risk**

Many organizations are already seeing signs of strain among experienced professionals managing caregiving responsibilities. Some reduce hours. Some step away from advancement opportunities. Others leave entirely.

“

*When professionals feel they truly belong, they are more likely to stay, grow, and lead.*

Often, it is not because they lack ambition or capability. Instead, the systems around them may no longer align with modern realities. Historically, many career models assumed professionals had relatively consistent availability during peak advancement years. Today, many mid-career professionals are simultaneously managing leadership responsibilities and caregiving obligations. When organizations fail to adapt, they risk losing highly experienced team members at critical stages of development. That affects succession planning, institutional knowledge, client continuity, and long-term stability.

The Accounting MOVE Project has long studied advancement through the lens of Money, Opportunity, Vital Supports, and Entrepreneurship – the “MOVE” framework. This year’s caregiving focus recognizes that career growth cannot be separated from the realities professionals face outside of work.

### **Culture Matters More Than Policy**

Many organizations have implemented flexible work arrangements in recent years. While flexibility remains important, policies alone do not automatically create belonging. Professionals often say flexibility exists “on paper” while workplace culture discourages actually using it. Some fear being viewed as less committed if they establish caregiving boundaries. Others worry stepping back temporarily could permanently affect advancement opportunities. That’s why leadership behavior matters.

Organizations that retain talented professionals often create cultures where support is visible and normalized. Leaders openly acknowledge caregiving realities, evaluate performance based on contribution rather than visibility alone, and demonstrate healthy boundaries themselves. Those actions help create environments where professionals feel they can succeed without hiding significant parts of their lives.

### **The Opportunity Ahead**

The good news is that the accounting profession has repeatedly demonstrated resilience and adaptability. The profession successfully navigated remote work transitions, technological disruption, regulatory changes, and increasing client complexity. It can also evolve in how it supports people.

That evolution may become increasingly important as organizations compete for talent and work to strengthen leadership pipelines for the future. The organizations that recognize caregiving as a workforce reality – rather than a temporary inconvenience – may ultimately be better positioned to retain experienced professionals and build stronger cultures.

Because when professionals feel they truly belong, they are more likely to stay, grow, and lead.



### **Learn More:**

The [Accounting MOVE Project](#) helps organizations benchmark advancement, retention, and workplace culture trends affecting the accounting profession. The 2026 research theme, “Caught in the Middle,” focuses on caregiving and leadership pipeline challenges.

# America's "Hidden" Financial Statements: Why the Federal Government's Financial Report Matters

by Michael Doorley, CPA

*Each year*, the federal government publishes one of the most comprehensive financial reports in the world, yet most Americans—and financial professionals—have little awareness that it exists.

On March 19, the U.S. Treasury released the [Financial Report of the United States Government for Fiscal Year 2025](#). The Financial Report presents audited, accrual-based financial statements for the federal government. It resembles the annual report of a large corporation, containing consolidated financial statements, management discussion and analysis, notes to the financial statements, required supplementary information, and an independent auditor's report issued by the Government Accountability Office (GAO).

For CPAs, the report should feel familiar. It applies many of the same accounting concepts used in private-sector reporting, including accrual accounting, liability recognition, sustainability analysis, internal controls, and audit reporting. Yet despite its significance, the report remains largely absent from mainstream financial discussions, media coverage, and public policy debates.

## Constitutional Origins and Modern Financial Reporting

Federal financial accountability has been embedded in the nation's framework since the adoption of the Constitution. Article I, Section 9, Clause 7 requires that "a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time."

This requirement is fulfilled primarily through cash-based reporting centered on annual receipts, expenditures, and deficits. As the federal government expanded throughout the twentieth century, however, the limitations of cash-based reporting became increasingly apparent. Programs such as Social Security, Medicare, federal pensions, and veterans' benefits created long-term obligations that were not fully reflected in annual budget measures.

After decades of discussions, Congress enacted the Chief Financial Officers Act of 1990. The Act established CFO positions at major federal agencies. And required annual, audited, consolidated accrual-based financial statements for the government. The first audit was for fiscal year 1997.

## Budget Deficit Versus Net Operating Cost

One of the most important concepts within the Financial Report is the distinction between the federal budget deficit and net operating cost.

Public discussion almost always focuses on the annual cash-based budget deficit which reflects how much the government must borrow during a fiscal year. While useful for evaluating short-term financing needs, it does not capture the long-term economic effects of government operations.

The Financial Report instead emphasizes net operating cost, an accrual-based measure defined in the report as the government's "bottom line." Under accrual accounting, expenses are recognized when incurred rather than when cash payments are made. This includes changes in long-term liabilities and future obligations that may not require immediate cash expenditures.

The difference between the two measures can be substantial.

For fiscal year 2025:

- Budget deficit: \$1.8 trillion
- Net operating cost: \$2.1 trillion before reversal of illegally collected tariffs

The difference was even more dramatic in fiscal year 2022:

- Budget deficit: \$1.4 trillion
- Net operating cost: \$4.2 trillion

For CPAs, the distinction is significant. In private-sector reporting, evaluating financial performance without considering accrued liabilities would provide an incomplete picture of economic reality. Yet discussions of federal finances focus almost exclusively on cash-based measures.

### **The Federal Balance Sheet and Long-Term Sustainability**

The report's consolidated balance sheet provides additional insight into the government's long-term fiscal position.

For fiscal year 2025, the federal government reported:

- Total assets of \$6 trillion (exclusive of Stewardship and Heritage Assets)
- Total liabilities of \$48 trillion
- Negative net position of \$42 trillion

Among the largest liabilities are publicly held debt and accrued interest. And federal employee pensions, and veterans' benefits of \$15 trillion.

The report includes the present value shortfall for Social Security and Medicare over a 75-year horizon of \$88 trillion, an increase of \$10 trillion from the prior year. Although these projections are not recorded as

liabilities under federal accounting standards, they provide important context regarding long-term fiscal sustainability.

Throughout the report, the government repeatedly warns that current fiscal policies are "unsustainable." These warnings are not political commentary. They are formal disclosures contained within audited financial statements.

### **Continuing Audit Challenges**

Since fiscal year 1997, the GAO has consistently issued disclaimers of opinion.

The reasons include material weaknesses in internal controls over financial reporting, scope limitations including at the Department of Defense, insufficient audit evidence, and ongoing challenges involving accounting systems and interagency balances.

Importantly, many individual federal agencies do receive unmodified opinions. However, the scale and complexity of consolidating the entire federal government continue to present substantial reporting challenges.

### **Why This Matters to CPAs**

Arguably, the Financial Report remains one of the most comprehensive yet underutilized financial documents in America. It provides a broader and more complete perspective on the government's financial condition

than cash-based budget measures alone.

For CPAs, the report serves as a real-world case study in accrual accounting, long-term liability recognition, financial transparency, internal controls, and audit complexity. It also demonstrates the importance of understanding the difference between cash-based budgeting and accrual-based financial reporting when evaluating financial sustainability.

The accounting profession has long emphasized transparency, comparability, and informed decision-making. The AICPA has supported efforts to increase awareness of federal financial reporting, including bipartisan legislation such as the Fiscal State of the Nation Act, which would require annual presentations to Congress of the government's audited financial statements.

CPAs are positioned to explain the distinctions between budget deficits, net operating costs, liabilities, and long-term obligations in a way that is objective and understandable to the public. The information exists. The question may simply be why more people—including CPAs—are not paying attention to it.

Michael Doorley, a CPA explaining the audited financial statements of the United States government and Founder U.S. Debt Forum.  
mikedoorley@gmail.com



By  
Tayler Mori



## Trading Seattle for Hawai'i:

### Reflections from Leaving the "Big 4"

After nearly a decade of working at the Big 4 on the mainland, I made the decision to return home to Hawai'i and join a local public accounting firm. The move represented both a personal and professional transition - one shaped by evolving priorities, changing career goals, and a renewed appreciation for the place I grew up.

The Big 4 model is structured to develop deep technical expertise, with clearly defined roles, industry alignment, and engagement teams that vary in size. This was further supported by dedicated internal training resources, including, but not limited to, programs tailored to different levels, industries, and technical areas.

While this is not always typical, it provided exposure to different teams and working styles across the firm.

#### Why I Made the Move

The decision to return to Hawai'i developed gradually over time. After spending 13 years away from home,

I began to reassess my priorities. Family played a central role, along with a desire to build a local professional network earlier in my career.

Professionally, I was seeking change and greater continuity in my work. A particularly demanding busy season further reinforced the

importance of long-term sustainability and balance. These factors ultimately led me to pursue a transition that better aligned with both my personal priorities and long-term professional goals.

#### Transition to a Local Firm

I joined a local Hawai'i firm as an Audit Senior Manager, working primarily with nonpublic and government entities, industries that were largely outside my prior area of expertise. Transitioning into

While the Big 4 provided a strong technical foundation and exposure to a wide range of complex accounting and auditing matters, my experience at a local firm has offered a different perspective on the accounting profession—one that emphasizes breadth, adaptability, and relationships. For CPAs considering a similar path, the transition offers both meaningful opportunities and important considerations.

#### Life in the Big 4

Over the course of nine years at the Big 4, I worked in audit with a primary focus on the technology, media, and telecommunications (TMT) sector, progressing to the role of Senior Manager. This experience provided me with exposure to a number of large, complex, public and private organizations that operate in dynamic, fast-paced environments.

*Each path offers distinct advantages, and the right choice depends on individual priorities.*

This structure, while effective in developing deep technical expertise, can also result in a more specialized experience. For the majority of my time at the Big 4, I was staffed on large, recurring engagements that provided consistency and the opportunity to build deeper institutional knowledge. Toward the latter part of my tenure, changes in client portfolios led to fewer recurring roles, and I supported a range of teams across various offices without a consistent 'home' engagement.

these industries required significant personal investment to develop the technical knowledge needed to obtain a level of proficiency comparable to my prior experience in the TMT industry.

Compared to my prior experience, this role involves more direct engagement in all phases of the audit, as well as closer, hands-on involvement in coaching team members. It also includes contributions to firm operations such as internal inspections, software evaluations, and scheduling, areas that were more functionally separated at the Big 4.

## Challenges and Adjustments

The transition to a local firm involved a number of professional adjustments. Among them was the need to adapt the audit approach I had developed in the Big 4 to align with my current firm's audit methodology, while continuing to

maintain audit quality and compliance with professional standards.

Beyond these technical adjustments, practical considerations such as differences in compensation, cost of living, and professional norms were also among the challenges associated with the transition. While these were anticipated, experiencing them firsthand required a degree of recalibration as I adjusted to both a new professional environment and a different pace of life.

## Hawai'i Work Culture and Client Relationships

In Hawai'i, business is relationship driven. Client interactions tend to be more personal, and trust and respect are central to professional relationships. The local culture reflects an "*aloha first, business second*" approach that emphasizes connection and community. This dynamic has influenced how I approach client interactions, reinforcing the importance of

building trust and relationships alongside delivering technical expertise.

## Reflection and Perspective

The most rewarding aspect of this transition has been the opportunity to live and work in Hawai'i. Having grown up here, it was easy to take that experience for granted; however, returning has brought a deeper appreciation for the community, lifestyle, and the ability to build both personal and professional roots in a place that feels like home.

At the same time, I continue to value the relationships built during my time in the Big 4, where long hours and shared experiences fostered strong professional connections. Maintaining those relationships has been an important reminder that each stage of my career has contributed meaningfully to my development, both professionally and personally.

## Closing Thoughts

The decision to transition from the Big 4 to a local firm in Hawai'i was both professional and personal. Each path offers distinct advantages, and the right choice depends on individual priorities.

# Norman's BOOK REVIEW



## THE COMING DISRUPTION

by Fred Voccola



HSBC eliminated 20,000 jobs (10% of workforce), Amazon dropped 30,000 jobs, Intuit shrank their workforce by 17%, and so on. Why are profitable and large companies getting skinnier instead of increasing their headcount? Two words ... **Artificial Intelligence (AI)**. These companies are shredding more traditional jobs and loading up on AI related positions. This trend will continue and affect all companies, big and small. Heck, it will affect everyone and everything ... consultants, accountants, lawyers, government, health care, how wars are waged, etc.

As the author states at the outset, *"AI is the single most important development in the history of our species. AI changes how the world changes."*

This book stands out as one of the most essential reads for understanding how business and society are transforming – and what the near future, and beyond, will look like. There is no time to wait because **SPEED** is king now. A big shout out to Glenn and Debbie Furuya of Leadership Works for recommending this book to my credit union's leadership. Glenn and Debbie are always at the forefront of what businesses need to be successful.

### About Fred Voccola

Fred is an entrepreneur, philanthropist, builder, scaler and industry disrupter. In addition to being co-founder, CEO and current Vice Chairman of Kaseya, he is also Chairman and CEO of Simpro Group. He has used AI - and continues to use it - to reshape entire industries, redefine how companies operate, restructure teams, accelerate decision-making, and outmaneuver/crush



competitors. His writing style mirrors how he leads: **direct, bold, fast-moving, and unapologetically real**. I can definitely attest to that. I had to "buckle up" my brain because the book was riveting, uncomfortable, insightful and thought-provoking all at once. I immediately started thinking about my credit union and what we must do to stay relevant now and survive the future.

The following are some insights from the book to give you a feel of the 285- page book, and why you should read it, if what I've said so far haven't convinced you already.

### AI First or AI Laggards

You are either AI First or an AI Laggard. You are in a battle for AI adoption at scale ... in your workflows, culture, products and workers mindset. Who will be the

one to use AI to build the fastest, leanest, most productive organization in history? The companies that make the leap will dominate their industries, while the rest slowly bleed relevance.

### New Leadership Profile

The successful leader in the AI world is a disruptor of the status quo and has an entrepreneurial mindset, because in this new world, hesitation is fatal, and comfort is the enemy. Traits of this new leader are: thrives in urgency, drives action opposed to building consensus, makes decisions with incomplete information, is comfortable replacing people

quickly, communicates relentlessly and without sugarcoating, and sees disruption as a constant, not an event.

### Spotting An Entrepreneur in Your Company

You must look past job titles and instead focus on behaviors.

Employees with entrepreneurial DNA take ownership for problems no one else wants, find ways to cut through red tape and deliver results, consistently volunteer for messy, undefined projects and deliver outcomes where others stall, experiment with new tools, especially AI, without being told, etc.

### You Are Dying ...

You are dying if you're built for hierarchy instead of entrepreneurship and outcomes, because the AI First world doesn't reward who you were, it exposes who you are.

### Ferrari Never Leaves the Garage

AI is the engine. Entrepreneurial leaders are the drivers. Without the right structure, the Ferrari never leaves the garage.

### AI = Exponential Capability with No Incremental Cost

AI is such a game changer because it is unlimited talent with **zero increased marginal cost**. It's like having a team of the world's best specialists at your fingertips,

24/7, **for free!** AI doesn't sleep, eat, complain, need benefits, or gets distracted. It instantly combines the collective knowledge of humanity with real-time problem solving for you on demand. It is the most powerful force-multiplier in human history! It is the ultimate productivity engine, capable of delivering decades or even centuries of progress in months. But how do you have this "army" of experts deliver the outcome you want? The answer is ... **prompting**.

### Prompting

Prompting is the communication paradigm of the AI First era. It is **articulating** the result you want, **providing** the right context and constraints, and **refining** the message until the output matches your vision. Prompt literacy and proficiency will separate the relevant worker from the irrelevant one. The best prompters not only save time, they save millions and win markets.

### Job Function Projections

Per McKinsey, Goldman Sacs, the World Economic Forum studies, and the author, 60-70% of today's white-collar roles will permanently be eliminated. The majority of repetitive, process-heavy jobs will also vanish. For example, in **Accounting and Finance**, 80% of routine roles will be gone. Only strategic CFO-level and niche financial advisory roles will survive. In **Legal**, 70% of paralegal

and case-prep roles will disappear. Litigation and negotiation remain, but slimmed down.

In contrast, manual jobs grow exponentially in prestige and pay, supported by new types and structures of unionization. Society flips its prestige pyramid: "dirty hands" jobs become the new white-collar dream.

### Author's Gift

In addition to the "why" and "what" of AI being the most important transformation in history, the author addresses the "how" of making your organization AI First and successful in this new world.

He devotes one chapter to a field manual for AI First success, which is his gift to us. He covers the seven steps to AI First, as opposed to being obsolete. They are Leadership Commitment and Communication, Benchmark the Baseline, Software Vendor Assessment and Selection, Flatten the Organization, Move Non-Linearly, Drive Accountability Down to the Individual Level, and HR as the Tip of the Spear.

As the author states at the end of his book, **AI is unstoppable**. AI First is happening now. For the first time in human history, literally everything – all aspects of our lives will be affected. The choice is binary: **AI First – or AI Finished**.





# THE FIRMS THAT WILL LEAD THE FUTURE OF ACCOUNTING

By Bart Nichols of Boomer Consulting, Inc.

The accounting profession is entering a significant period of change. Technology is evolving rapidly. Client expectations are shifting. Talent dynamics are becoming more complex. And many firms are preparing for the largest leadership transition they've ever experienced.

For firm leaders, these changes raise an important question: What will separate the firms that thrive from those that struggle in the years ahead?

**The answer is not simply technology, size or even technical expertise.** Leading firms will have leaders who learn, adapt and evolve faster than the profession around them.

**A profession in transformation** For decades, the accounting profession operated within a relatively stable model. Firms built their reputation on technical expertise. Compliance services provided steady demand and career paths followed a predictable progression.

Today, that model is evolving. Automation and artificial intelligence are reshaping routine work, reducing the time spent on manual processes and allowing professionals to focus on higher-value insight and advisory services.

At the same time, clients increasingly expect accountants to

serve as strategic advisors. They turn to professionals for help interpreting financial data, navigating uncertainty, and making better business decisions.

These changes are a fundamental shift in how value is delivered in the profession. Many industry observers believe CPA firms will look dramatically different within the next decade as technology, talent dynamics and client expectations continue to reshape the profession.

## **The real challenge isn't technology**

Much of the conversation about the future of accounting focuses on technology, including artificial intelligence, automation, cloud platforms and data analytics.

These tools are undeniably important. But technology alone does not determine a firm's success. Leadership does.

Technology decisions require strategic thinking. Talent development requires strong culture and mentorship. Advisory services require new ways of engaging clients.

These changes happen when leaders intentionally guide their firms through transformation. And that kind of leadership requires more perspective than ever before.

## **Leadership has become more complex**

The role of firm leadership has expanded dramatically over the past decade. Managing partners and firm leaders must now balance multiple strategic priorities at once, including:

- Developing future leaders
- Modernizing technology infrastructure
- Building advisory capabilities
- Creating cultures that attract and retain top talent

Each of these priorities influences others. Technology impacts efficiency and client service. Leadership influences culture and retention. Strategy determines where firms invest time and resources.

The interconnected nature of these challenges means that leaders need a broader perspective, and it's difficult to develop that perspective in isolation.

## **The risk of leading in isolation**

Historically, many firm leaders relied primarily on internal experience when making strategic decisions. They evaluated opportunities within their firm, then tested ideas through internal discussions and finally learned through trial and error.

That approach worked in a slower-moving environment. But the pace of change today makes isolated decision-making increasingly risky.

Major technology investments can shape operations for years; strategic shifts toward advisory require

cultural transformation; and leadership transitions affect the firm's long-term stability. The cost of getting these decisions wrong has increased.

Which means leaders must find ways to learn faster and make better-informed choices.

### **Winning leaders are fast learners**

When we look across industries outside the accounting profession, we see that the organizations that succeed in periods of change are rarely those with the most resources. They're the ones whose leaders learn the fastest.

Fast learning allows organizations to:

Identify opportunities earlier

- Avoid costly mistakes
- Adapt strategies as conditions evolve
- Implement new ideas with confidence

In accounting firms, this kind of accelerated learning often comes from perspective. Perspective gained through experience, exposure to new ideas and conversations with leaders who have faced similar challenges. And those conversations are a powerful catalyst for growth.

The power of peer perspective Leadership inside an accounting firm can be surprisingly isolating. Managing partners carry the weight of strategic decisions. Practice leaders balance client demands with team development. Emerging leaders prepare for responsibilities they have never held before.

Yet across the profession, many

firms are asking the same questions:

- How should we approach leadership succession?
- Which technology investments will deliver the greatest impact?
- How do we retain and develop talented professionals?
- What services will define the next generation of accounting firms?

When leaders begin sharing their experiences openly with peers who understand these challenges, the learning curve shortens. A firm considering a major technology initiative can learn from another firm that has already navigated that process. A leadership team exploring new service offerings can gain insight from firms that have already expanded in those areas.

**Instead of experimenting** independently, leaders gain access to the collective experience of the profession.

### **Learning together accelerates the profession**

Peer collaboration accelerates the profession as a whole. Ideas spread faster. Best practices evolve more quickly. Leaders gain confidence as they navigate complex decisions.

When firm leaders learn together, the entire profession becomes stronger. And in an environment where change is constant, collective learning is a valuable advantage.

### **The firms that will lead the future**

The firms that will lead the future of accounting are the ones whose leaders remain curious:

- Leaders who actively seek perspective

- Leaders who invest in developing their people
- Leaders who recognize that growth requires continuous learning.

These leaders understand that the future of accounting will be built by firms that evolve intentionally, guided by leaders willing to learn from others' experiences.

In today's environment, the greatest competitive advantage a firm can develop is the ability to learn, adapt and grow faster than the pace of change around it.

### **Moving forward together**

For decades, the accounting profession has thrived on a culture of collaboration and shared knowledge. As the profession continues to evolve, that collaborative spirit will become even more important.

The challenges ahead, from technology transformation to leadership development to talent strategy and advisory growth, are too complex for any firm to navigate alone. But together, the profession holds extraordinary collective wisdom. And the leaders who tap into that shared perspective will shape the next chapter of accounting.

Because the firms that will lead the future are the ones whose leaders never stop learning.

**Bart Nichols** is a Solutions Advisor at Boomer Consulting, where he works closely with accounting firms of 200 employees and under, helping them get the most value out of Boomer's peer communities. With a master's degree and certification as an Associate Certified Coach through the International Coaching Federation, Bart brings both structure and depth to every client interaction.

# ADOPT YOUR HSCPA Ailo AND STUDY BUDDY!

Smarter than your syllabus. Cuter than a Labubu.  
And available to HSCPA members for a limited time!\*

Meet **Ailo** and **Study Buddy** - official mascots of the HSCPA. Whether you're a student, a CPA, or just a fan of ridiculously adorable plushies for a bag, backpack, or desk companion, now's your chance to own them and spark joy.

## What makes them special?



**Ailo** - HSCPA's Chief Friend Officer (CFO) - part plushie, part AI, all ❤️ - is built on bytes and driven by purpose for a profession evolving with technology and heart.

**Study Buddy** is brains, beats and built-in vibes. Wrapped in a hoodie and wired into lo-fi loops, Study Buddy keeps your energy high and stress low.



They're HSCPA-branded sparking charm and fun!

\*\*Ailo ... Accounting Is Limitless Opportunities



Clip 'um  
Keep 'um  
Gift 'um