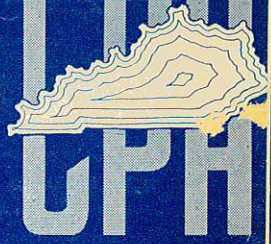


THE *Kentucky*
ACCOUNTANT



BULLETIN OF THE KENTUCKY SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Vol. 4

JUNE-JULY, 1952

No. 4

WESTERN KENTUCKY
CONFERENCE ON ACCOUNTING
SEPTEMBER 8 and 9

KENLAKE HOTEL

KENTUCKY LAKE STATE PARK

Sponsored by

THE KENTUCKY SOCIETY OF CERTIFIED PUBLIC
ACCOUNTANTS

THE KENTUCKY ACCOUNTANT

Published bimonthly by
**KENTUCKY SOCIETY OF
 CERTIFIED PUBLIC ACCOUNTANTS**

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 Louisville 2, Ky.

STOLLINGS T. DeJOURNETT, *Editor*

Vol. 4 June-July No. 4

THE KENTUCKY SOCIETY OF
 CERTIFIED PUBLIC ACCOUNTANTS

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Articles by members are solicited. Deadline for submission: 15th day of first month covered by issue for which submitted.

The President's Message . . .

Anyone elected to the office of president of a professional society, accepts such an honor with a recognition of the attendant responsibility to his profession that the office entails. In this respect, I certainly conform to pattern. The excellent service and accomplishments of a long line of predecessors will make it difficult for me to equal, let alone exceed, the record of past administrations.

Much of the actual work of your Society is carried on through committees, and it is through committee work that many members have an opportunity to serve their profession through the Society. While the selection of committees is a pleasant task for the President to perform, it does pose a number of problems. First, of course, there is the desire to select the best man for a particular job. Second, recognition must be given to younger and newer members of the Society who are ambitious to participate in society

work. Third, there must be a balancing, both geographically and by firms, of committee representation. Fourth, the work of certain committees continues through one administration into another and it is sometimes necessary to carry over a particular committee through a change of officers.

With a view toward making the most informed selection possible, I wrote to each member of the Society asking for an expression of committee preference. The response was most gratifying. Sixty-six members indicated a willingness to serve on committees. I thought you might be interested in a tabulation of the replies received, and am setting forth a summary thereof below, indicating the number of indications by first and second choices.

Committee	First Choice	Second Choice
Accounting and Auditing Procedure	7	5
Co-operation with Bankers	6	5
Co-operation with the Bar	4	0
Education	4	2
Federal Taxation	11	4
Governmental Accounting	0	2
Local Taxation	1	6
Natural Business Year	5	3
State Taxation	6	9
Membership and Admissions	4	5
Constitution and By-Laws	2	1
Entertainment	3	1
Meetings	0	1
Publications	1	1
Professional Ethics	5	8
Public Relations and Publicity	1	7
State Legislation	0	6

The broad distribution of preferences indicated above has made my job a much easier one. The tabulation does not include several cases wherein members replied that they would be willing to serve on any committee, nor does it account for many oral volunteers. It was not possible in all cases to appoint in accordance with preferences. For example, fifteen members wished to serve on the Federal Taxation Committee. Thus in some cases it was necessary to appoint a member to a committee other than one for which a preference had been expressed and in other instances it was not possible to make any appointment at all. Unfortunately, absences from the city prevented some members from sending in their selections in time to permit their being placed on a committee.

The members of this year's committees are set forth in another section of this bulletin. I have reviewed the committee appointments with the Board of Directors and have made changes which they have suggested. All committee chairmen have been notified of their appointment and very willing acceptance has been received from each. I am completely confident of the excellence of these committees and am certain that they will serve our Society in a way that we can move forward as we have in other years.

KENTUCKY SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
Committees 1952-53

TECHNICAL COMMITTEES

Accounting and Auditing Procedure ✓

- Robert B. Lancaster, Chairman
- Milton H. S. Cooper
- Richard D. Riney
- Robert J. Titzl
- Joe H. Wallingford

Education ✓

- Robert D. Haun, Chairman
- Charles H. Hardesty
- William R. Hindman
- James R. Meany
- A. Davis Rufer

Local Taxation ✓ 2-18

- Fred H. Bower, Chairman
- E. T. Alexander
- James T. Carey
- Benjamin Goldfarb
- Henry M. Kauffmann

Federal Taxation ✓ 2-18

- Austin Gresham, Chairman
- Louis E. Acherson
- Earle B. Fowler
- Moses Master
- John C. Meredith
- Robert M. Warren

Natural Business Year ✓

- Charles M. Wheeler, Chairman
- M. B. Dameron
- Lawrence Long
- James J. Rousseau
- W. G. VonRoenn
- C. H. Webb

Co-operation with Bankers ✓

- Albert Christen, Chairman
- J. B. Brown
- Emmett W. Kottke
- Stanley P. McGee
- James C. Warren
- Harry Welenken

Governmental Accounting ✓

- Espy Bailey, Chairman
- John E. Brown
- Ray E. Gayheart
- T. H. Dowell
- John C. Heffner
- Clarence A. Veatch

State Taxation ✓ 2-18

- Bradley O. Turner, Chairman
- W. Frank Allen
- W. E. Bromley
- Eugene V. Bush
- P. Willett Hagan
- Harold B. Lindsay
- Howard M. May

Co-operation with the Bar ✓ 2-18

- Sam W. Eskew, Chairman
- Albert Christen
- C. R. Escott

INTERNAL COMMITTEES

Membership and Admissions ✓

- Joseph R. Wermeister, Chairman
- Joseph P. Jones
- Irvin L. Levitan

Meetings ✓

- Gordon Ford, Chairman
- Lyman H. Everly
- G. Byron Kirby
- I. Planck
- Irvin L. Wasserman

Publications ✓

- Robert J. Fitzpatrick, Chairman
- Herbert Lee Brown
- Irvin M. Imhof
- Rex B. Potter
- U. S. Whalin

Constitution and By-Laws ✓

- L. C. J. Yeager, Chairman
- Sam W. Eskew
- W. Waller Grogan
- Paul F. Halloran
- Robert Miller

Professional Ethics ✓

- Maurice Luker, Chairman
- James O. Boswell
- William Cotton, Sr.
- W. Kenneth Simpson
- Wilbur R. Williamson

SPECIAL COMMITTEES

Entertainment ✓

- John D. Lynch, Chairman
- John E. Corder
- Edgar A. Holloway
- George W. Howard, Jr.
- Harold B. Williams, Jr.

Public Relations and Publicity ✓

- John W. Kercher, Jr., Chairman
- Robert L. Collins
- Howard M. Jones
- Carl N. Kelley
- Harold E. Kelley
- Virgil P. Lary
- F. L. May
- Charles T. Mitchell
- Charles H. Oakley
- Charles S. Pipes
- Ralph H. Schuette
- Edwin F. Thorburn
- Duard N. Thurman
- Marvin H. Warren

Nominations

- Wilbur R. Williamson, Chairman
- Gordon Ford
- Austin Gresham
- W. Waller Grogan
- W. Kenneth Simpson

State Legislation ✓ 2-18

- Charles B. Compton, Chairman
- Robert L. Collins
- Edward M. Dooley
- Anthony Frerman
- James J. Marrs
- E. Ellis Sutton

Southern States Accounting Conference

- William Cotton, Sr.
- W. Kenneth Simpson
- Wilbur R. Williamson

JOHN S. FITZPATRICK

Roster of Membership, 1952-53

Kentucky Society of Certified Public Accountants

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 Adams, William E.
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 Allen, W. Frank
 Ashcraft, Arthur L.
 Aubrey, Laurence J.
 Authenrieth, David L.
 Bailey, Espy
 Baker, R. T.
 Banet, Howard O.
 Barnett, L. C.
 Beal, L. C.
 Behler, Walter F.
 Bell, John L.
 Bergmann, Stanley H.
 ✓ Bernstein, Sylvain K.
 Bird, Philip L.
 Bishop, Erle W.
 Boswell, James O.
 Bottorf, H. W., Jr.
 Bowden, E. A.
 Bower, Fred H.
 Briscoe, U. G.
 Broadwater, James B.
 ✓ Brock, Elvin C.
 Bromley, W. E.
 ✓ Brown, A. Luke
 Brown, Herbert Lee
 Brown, J. Bernard
 ✓ Brown, John E.
 Buckler, Joseph L.
 Bush, Eugene V.
 Carey, James T.
 Cecil, James C., Jr.
 ✓ Christen, Albert
 Churney, Marvin L.
 Circle, Russell R.
 ✓ Collins, Robert L.
 Compton, Charles B.
 ✓ Conder, Joseph M.
 Cooper, Milton H. S.
 Corder, John E.
 ✓ Cotton, William
 Cox, Henry A.
 Davis, Gabriel T.
 Denhardt, J. G., Jr.
 Diersen, Joseph H.
 Dodson, George A.
- Dooley, Edward M.
 Dowell, T. H.
 Elbert, Norbert F.
 Erskine, Charles W.
 Escott, C. R.
 Eskew, Orion T., Jr.
 ✓ Eskew, Sam W.
 ✓ Everly, Lyman H.
 ✓ Fish, Henry S.
 ✓ Fitzpatrick, Robert J.
 ✓ Ford, Gordon
 Fortune, Helen H.
 Fowler, Earle B.
 French, Allen R.
 French, Curtis J.
 Frerman, Anthony
 Fritz, George S.
 ✓ Galloway, Allen R.
 Gant, John S.
 Gayheart, Ray E.
 Glore, Harold W.
 Glover, William J.
 Goldfarb, Benjamin
 Graas, Emil P.
 Grady, Russell S.
 ✓ Gresham, Austin H.
 Greweling, Grover C.
 Groeber, John E.
 Grogan, W. Waller
 Guffey, Curtis E.
 Guthrie, John H.
 ✓ Hagan, P. Willett
 Hager, Nat H.
 Hall, Gaylord C.
 Halloran, Paul F.
 Hammack, W. Franklin
 Hammer, William D.
 ✓ Hardesty, Charles H.
 Harris, Orville D.
 Hastings, Katherine K.
 Hatcher, Hudson
 Hatton, Charles R.
 ✓ Haun, Robert D.
 Heeb, Carl J.
 Heller, E. W.
 Hifner, William A., Jr.
 Hill, Holmes B.
 Hincks, Herbert O.
- Hindman, William R.
 Hitchcock, Richard Lee
 Holland, James C.
 Holloway, Edgar Austin
 Howard, George W., Jr.
 Howard, Oliver O.
 Hughes, Robert K.
 Hunter, J. A.
 ✓ Huss, J. Wesley
 Imhof, Irvin W.
 Johnson, Huet L.
 Johnston, Honshell K.
 ✓ Jones, Howard M.
 Jones, Joseph P., Jr.
 Kane, Kenneth S.
 Kauffmann, Henry Martin
 Kellerman, A. M.
 Kelley, Carl N.
 ✓ Kelley, Harold Eugene
 ✓ Kercher, John W., Jr.
 Kieffer, Fred J.
 Kirby, G. Byron
 Koerner, John W.
 ✓ Kottke, Emmett W.
 Lancaster, Robert B.
 Lary, Virgil P.
 Laslie, William O.
 Leavell, William H.
 Lee, Morris A.
 ✓ Levitan, Irvin L.
 Lindell, Thomas Leslie, Jr.
 Lindsay, Harold B.
 ✓ Long, Lawrence
 ✓ Luker, Bernard J.
 Luker, Maurice
 Lutkemeier, Elizabeth Mae
 Lynch, James T.
 ✓ Lynch, John D.
 Lynn, A. J.
 Lyverse, Sam W.
 MacDonald, F. Edward
 McCroskey, G. Lane
 McGee, Stanley P.
 McIntire, L. B.
 ✓ McIntyre, John W.
 McMullen, M. B.
 McReynolds, John V., Jr.
 Magel, John E.
- Damm*

RESIDENT—Continued

Marrs, James J.
 Master, Moses
 May, F. L.
 May, Howard M.
 Meany, James R.
 ✓ Meredith, John C.
 Miller, John S.
 ✓ Miller, Robert
 Mitchell, Charles T.
 Monroe, V. G.
 Moore, Jerry L.
 Moore, Milton G.
 Nale, Willis C.
 Nauman, A. J.
 Nichols, Lowell
 Oakley, Charles H.
 Oldham, M. Durbin
 ✓ Paris, J. C.
 Peart, Harry C., Jr.
 Petot, John S., Sr.
 Pipes, Charles B.
 Planck, I.
 Potter, Rex B.
 Queenan, James F.
 Quirey, C. Myrton, Jr.
 Rafalske, Medard F.
 Reich, Charles S.
 Reisz, John A.
 Reverman, Philip J.
 Rice, Charles O.
 Rice, L. C.
 Riedel, Joseph R.
 ✓ Winey, Richard D.

Robinson, Charles Omer
 Roth, Louis T.
 Rousseau, James J.
 Rowland, Henry T.
 Rufer, A. Davis
 Samuels, Sylvan
 Schildt, Clement F.
 Schloemer, Lewis A.
 Schneider, F. C., Jr.
 Schuette, Ralph H.
 Searcy, K. E.
 Selby, W. D.
 Settle, Greene Adam, Jr.
 Sewell, Hughes V.
 Shawler, William M.
 ✓ Simpson, W. K.
 Sneed, David L.
 ✓ Snider, Harold G.
 Sorbo, Louis S.
 Southall, Wallace B., Jr.
 Steltenpohl, Joseph A.
 Stocker, Joseph G.
 Stuart, Marc C., Jr.
 Sutton, E. Ellis
 Tatgenhorst, E. C.
 Taylor, Harrar W.
 Thomas, Guy R.
 Thompson, A. C.
 Thompson, Charles L.
 Thorburn, Edwin F.
 Thorp, W. Walter
 Thurman, Duard N.

✓ Titzl, Robert J.
 Turner, Bradley O.
 Van Overbeke, Frank, Jr.
 Veatch, Clarence A.
 Vollertsen, Richard E.
 ✓ Von Roenn, W. G.
 Waldman, Max
 Walker, Frank S.
 Walker, James Wade
 Wallen, Wallace
 Wallingford, Joe H.
 ✓ Warren, James C.
 Warren, Marvin H.
 Warren, Robert M.
 ✓ Wasserman, Irvin L.
 Watson, Fay
 Webb, C. H.
 Weiss, Seymour
 Welenken, Harry
 ✓ Wermeister, Joseph R.
 Wetterer, Robert H.
 Wetterer, William S.
 Whalin, U. S.
 ✓ Wheeler, Charles M.
 ✓ Williams, Fonda G.
 Williams, Harold B., Jr.
 ✓ Williamson, Wilbur R.
 Wood, Everett C.
 Woodcock, Horace D.
 Wooldridge, Joseph T.
 ✓ Yeager, L. C. J.
 Youngblood, Melvin B.

Nichols, John W. M.

Williams, G. Leon

NON-RESIDENT

Altes, Edward F., Jr. ✓
 Andersen, Charles J.
 Babin, Paul W.
 Boone, Larry I.
 Burris, C. H.
 Cannatti, Joseph R.
 Conrad, Robert K.
 Couch, E. Theodore
 Crouch, William P.
 Gouwens, Estey W.
 Harris, Robert W.
 Houston, Harry A.
 Jackson, William W.

Kimbrough, J. Garland
 McArthur, Earl I.
 McKenney, W. Foster
 Morris, Paul V.
 Mosher, Roy G.
 Phagan, Knox B.
 Phillips, Clifford L.
 Putnam, L. L.
 Sweeney, John W.
 Swarmstedt, Charles W.
 Woolsey, Alvin E.
 Wright, Charlton C.

May I preface my report by saying that it has been an honor to serve as your president for the year of 1951-52. I shall not be so presumptuous as to try to claim credit for our achievements during the past year for to do so would be amiss. The Board of Directors composed of Louis E. Ackerson, John E. Brown, Robert L. Collins, William Cotton, Sr., Sam W. Eskew, Gordon Ford, Waller Grogan, J. Wesley Huss, Joseph P. Jones, Jr., V. G. Monroe, Jess C. Paris, W. Kenneth Simpson, Harry Welenken, and Charles M. Wheeler were ever ready with their advice and counsel. Also, I wish to express my appreciation for the splendid co-operation of the membership. It has been this unity of thought and action that has made possible our gains of the past year. It is hoped that the new president will have the same spirit of co-operation that you have given me.

Reports have been received from several committees and this report includes only a summary of your Society's activities during the year.

Meetings

During the past year, it was our privilege to listen to addresses by such outstanding men as Merle Robertson, President of the Liberty National Bank and Trust Company; Hon. John R. Moreman, Judge of the Kentucky Court of Appeals; Merle Miller, Indianapolis attorney; Hon. H. Clyde Reeves, Commissioner of Revenue of the Commonwealth of Kentucky; Bart Brown, Vice-President of the Citizens Fidelity Bank and Trust Company; and Neil Dalton, Director of Public Relations for the Courier-Journal and Times.

The attendance at each of the meetings was exceptionally good. The committee working under the direction of Louis Ackerson, chairman, and including James O. Boswell, Charles Compton, Rex Potter and A. Davis Rufer, did a very commendable job.

The Kentucky Accountant

Six issues of THE KENTUCKY ACCOUNTANT were published during the past year. Several members prepared articles for publication which lessened the work of this committee. Some members have suggested that the bulletin be published monthly instead of bi-monthly beginning in September. Your counsel on this idea is solicited. The members of this committee are: Robert J. Titzl, chairman, Claude I. Cohon, and Irwin L. Wasserman.

Southern States Accounting Conference

Your Society participated in the Southern States Accounting Conference which was held in Savannah, Georgia, June 8 to 11. Kenneth Simpson presented an excellent talk on compensation and partnership agreements. William Cotton and your President also attended the Conference.

Public Relations

The Committee on Public Relations and Publicity was very active. A speakers bureau was organized and fifteen known addresses by members were given before civic clubs, other professional organizations, to college student groups, on television and radio and many others. We thank the members who have given of their time, talent and money to make this venture successful.

The committee mailed approximately 10,000 pamphlets entitled "Your Certified Public Accountants Responsibility" to small businesses in Kentucky. The money to pay for this initial program was obtained from voluntary contributions by the members.

Other activities included the distribution of income tax transcripts to fifteen radio stations during the tax season; the distribution of Rosters of the 1952 General Assembly; numerous press releases; co-operating with the Educational Committee in the beginning of a seminar, composed of college educators and accountants to develop a better understanding between accounting instructors of the colleges and the practitioners.

The members of this committee are: Mr. J. W. Kercher, Jr., Chairman, Robert Collins, Frank VanOverbeke, Jr., and Jess C. Paris.

Entertainment

The Christmas Party at the Seelbach Hotel and the annual outing at Owl Creek Country Club are evidence of the work of the entertainment committee. I think we will all agree that each year these events get better and better and the attendance is so good that available facilities are too small. The committee responsible for our pleasure is: John Lynch, chairman, Harold Gore, George Howard, Joseph Wermeister, and Harold B. Williams, Jr.

Professional Ethics

A report of the activities of this committee probably can best be illustrated by quoting a paragraph from the written report filed by the committee. It is as follows:

"It is my personal opinion that the practice of accountancy in Kentucky is on a high plane and I believe that this is borne out by the small number of complaints that are directed to the Committee on Ethics."

The members were: Austin Gresham, chairman; A. Frerman, Carl Heeb, Maurice Luker, and Robert Miller.

International Accounting Congress

Kentucky is proud to be represented at the Congress by Sam Eskew. I am looking forward to his return and a personal report from him.

Education

The outstanding achievement of this committee was the organization of the first seminar of executives and accounting instructors of the colleges of Kentucky and practicing accountants, held in Lexington. The purpose of the annual meeting is to find ways to increase interest in accounting at the student level, exchange ideas regarding education and to foster a close relationship of the accounting profession with the educational institutions. It is possible the accounting profession might be helpful in accounting curriculum study and planning. So effective was the first meeting that the educators requested a fall meeting to continue this program. Of course, all this activity was assisted by the public relations committee.

The committee continued its organization of the internship program. The quarter system used by most of the colleges is a deterrent to rapid growth of the program and ways must be found to make it possible for accounting students to obtain practice during their college careers. The members of this committee are: Robert J. Fitzpatrick, chairman, Lyman H. Everly, Robert D. Haun, James R. Meany, and W. Kenneth Simpson.

Kentucky Institute On Accounting

The annual Kentucky Institute on Accounting was held in Lexington on May 22-23, 1952. The committee under the able leadership of Robert Haun presented an excellent program. The attendance was larger than the attendance during the 1951 Institute but the quality of the program merits more patronage.

Membership

At the beginning of the past year, we had 235 resident members and 32 non-resident members. As of May 31, 1952 we had 259 resident members and 31 non-resident members. This is an increase of 23 in membership for the year. It is with deep regret that we record the loss of two of our very active members by death during the year. Joseph M. Baillee and W. J. Wells, both of Louisville.

The members of the membership and admission committee are: John E. Brown, chairman, Irwin Imhof and Lawrence Long.

Federal Taxation

Members of this committee met with the Institute Committee on Federal Taxation in

New York in January to consider the Reorganization plan of the Bureau of Internal Revenue. The committee is composed of Waller Grogan, chairman, Gordon Ford, Moses Master, Harrar W. Taylor, and Bradley O. Turner.

Accounting and Auditing Procedure

The State Board of Accountancy has requested the committee to examine the financial records of the State Board for the period from Sept. 1, 1948 through May, 1952. The committee has agreed to accept the engagement because of the change in administration of the executive offices.

The report on the annual audit of the records of the Society for the fiscal year has been received. A copy of the statement of income and expense is being sent to the members. The members of the committee are: G. Byron Kirby, chairman, Herbert L. Brown, John E. Corder, Robert B. Lancaster, I. Planck, and B. J. Luker.

Executive Office

Just about a year ago, it became apparent the activities of the Society and the State Board had increased to the extent that full time administration of the affairs of these two organizations was required. Consequently, Stollings De Journett of Huntington, W. Va., was employed to begin work January 2, 1952, under the guidance of Earle Fowler. The Executive Committee, composed of the representatives of the State Board and the Society, made arrangements for the new offices which were opened May 1 in the Kentucky Home Life Building with Stollings De Journett becoming full time executive secretary on that date.

In connection with the establishment of the new offices, a state accountancy library was started. We are indebted to several members for their generous gifts of books, tax services, and other material. It is hoped the library will continue to grow and the members will avail themselves of this service.

I am proud of the accomplishments of the Kentucky Society. It ranks high in respect and esteem on the national level as well as in Kentucky. Too few of our members furnish the imagination, foresight and energy which have made our progress possible. It needs the assistance of every member to carry on the big job that lies ahead.

W. R. WILLIAMSON

CPA COACHING COURSE

The Division of Adult Education of the University of Louisville will offer a CPA Coaching Course again this year.

The courses to be included in this are Auditing, Law, Theory, and Problems. They will begin on August 21 and 22, and will end just prior to the CPA Examinations on approximately October 27.

This course will be limited to those people who are eligible to sit for the CPA Examinations in November or May.

For further information contact Dr. William C. Huffman, Director of the Division of Adult Education at the University of Louisville.

ONE OF THE FEW ADVERTISING MEDIA AN ACCOUNTANT MAY EMPLOY IS THE USE OF A DIGNIFIED ENGRAVED LETTERHEAD. TO MANY PERSONS, YOUR LETTERHEAD IS YOUR ONLY MEANS OF ACQUAINTANCE, FOR YOU MAY NEVER KNOW THEM EXCEPT BY CORRESPONDENCE. IT PAYS TO PRESENT A DIGNIFIED APPEARANCE. THE ADDITIONAL COST OF ENGRAVING IS NEGLIGIBLE.

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