

The

# Kentucky

# Accountant

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**RE M I N D E R**  
**ANNUAL MEETING**  
 May 20 - 21, 1977  
 Executive Inn, Louisville

The program includes excellent technical sessions, the Annual Business Meeting and Installation Luncheon, receptions, a trip to Churchill Downs, a panel discussion on Professional Ethics presented by the Society's Ethics Committee and the State Board of Accountancy, and spouses' activity. **MAKE YOUR RESERVATION TODAY!!**

## President of Jerrico, Inc. To Speak at Awards Night Dinner Meeting

Mr. Warren W. Rosenthal, President of Jerrico, Inc. in Lexington, will be the guest speaker at the March 25 Awards Night Dinner Meeting. He is a leader in the food service industry and has been cited for merit by peers in that industry countless times. He has given freely of his time and expertise not only to the industry, but to the community as well.

The meeting will be held on Friday, March 25, 1977 at the Executive West in Louisville. A social hour will begin at 6:00 PM, followed by dinner at 7:00 PM and the meeting will start immediately following dinner.

Mr. Charles R. Hatton, President of the State Board of Accountancy, will recognize the 72 successful candidates from the November 1976 CPA examination and present certificates to those who have completed their experience requirement. Assistant Attorney General Martin Glazer will administer the oath of a Kentucky CPA to those receiving their certificates.

The Kentucky Society will present awards for outstanding achievements in passing the examination on the first attempt.

Please call or write the Society office for reservations as soon as possible.

## BAER FACTS

In a recent article in a Louisville paper, reference was made by the reporter to the number of women now entering the professional ranks. Interesting enough, accounting was not included — but the law, medicine and pharmacy were. I wondered if possibly we were excluded because there is no school of Accountancy at any of our state universities.

A bit of enlightenment from Bill Ecton of the University of Kentucky, who tells me female enrollment in the accounting program there has now reached one-third or more, and well over half of those students in accounting who earn "Dean's List," "Honors," or other recognition are women. But all of which would be relatively meaningless, Ecton continued "were it not for the fact that recruiters have recognized that they, the women, can be productive members of our profession."

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Charles Larson, President of the Missouri Society, unloaded on his peers in the latest issue of their newsletter . . . "the practicing CPAs that are so busy doing their audits, preparing their tax returns, and completing financial statements . . . are willing to sit back quiet and docile while the rest of the world turns their profession inside out and shapes it to their own liking." So — he and the Board of the Missouri Society decided to do something about it. They called for a meeting in St. Louis of all State Society Presidents. Twenty states showed up — from Connecticut, Oregon, Florida, etc. We spent the day discussing many problems now facing the profession. No quick and easy solutions were reached. But it was concluded that periodic meetings of this type should be held and that the results of such meetings should be conveyed to the AICPA leadership. The group felt that they could be the "voice" of the grassroots membership.

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Who do you know in Washington? That's the question the AICPA is asking.  
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**THE KENTUCKY SOCIETY  
 OF CERTIFIED  
 PUBLIC ACCOUNTANTS**

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## Computers & Information Systems Committee

Those interested in EDP reference books and materials may find it of interest to refer to pages 147-149 of the Bibliography in the AICPA study "Management Advisory Services by CPAs - A Study of Required Knowledge". This Bibliography was prepared by a task force on Management Advisory Services - Body of Knowledge and Examination, in conjunction with the MAS Executive Committee of the AICPA, and was published in 1976.

## Accounting Principles And Auditing Procedures

### More on the Conceptual Framework

Donald J. Zeman, Committee Chairman

The FASB Discussion Memorandum ranges far in attempting to stimulate consideration of a firm and lasting basis for financial reporting. Divided into three parts, the DM addresses nine major issues, then a number of sub-issues, in a logical but very detailed and subtle manner.

The first part of the DM concerns the definition of the *elements* of financial statements, and takes five chapters to explore the many possible views on these elements. Part II, one chapter, concentrates on the *qualitative characteristics* of financial statements. Part III opens up the question of *attributes to be measured* to provide the most relevant and reliable information.

Although the DM "focuses" on financial statements of business enterprises, it invites comments from respondents interested in financial statements for any entity, including governmental, not-for-profit or similar organizations.

The elements of financial statements (assets, liabilities, revenues and expenses, etc.) have not yet been given final definitions; therefore, financial statements cannot satisfy their principal role. The DM asks, which elements "are the most fundamental and, therefore, control the definitions of the other elements?" This question sets apart two conceptual views of earnings: The "asset and liability" view and the "revenue and expense" view. From this first issue follow the next basic questions on financial reporting elements.

While the DM contains no conclusions, the nature and basis for a particular element of financial statements could very well change from those we understand and use now. For instance, will the matching concept be done away with? Will exchangeability become a necessary characteristic of an asset?

While many of the questions raised are subtle and complex, broad impact on financial reporting can be expected. It will be a brand new ball game for nearly all reporting entities (and CPAs). More later.

## Education and Memorial Foundation Contributions

The Education and Memorial Foundation acknowledges with appreciation the recent contributions received from the following firms and individuals:

George H. Reed & Co. - in memory of H. C. Waldrop and Doris F. Gulick.

Thomas K. Baer - in memory of R. C. Baum.

Alexander Grant & Company - in memory of William J. Graham, Jr.

Potter & Company

James R. Meany & Associates - in memory of Mrs. Amalie Pilie.

## Election Results

Ballots which were mailed to all members in February have been counted by members of the Accounting Principles and Auditing Procedures Committee and the results are announced here for the information of the membership.

Elected to serve three-year terms as at-large members of the Board of Directors, beginning with the 1977 Annual Meeting, were: *Robert T. Counts*, Churney and Counts, Louisville; *Marvin L. Fishman*, Arthur Young & Co., Louisville; *J. Lane Peck*, Peck & Milford, Paducah; *J. Donald Riney*, Riney, McKee & Co., Owensboro and *Donald J. Zeman*, Peat, Marwick, Mitchell & Co., Louisville.

## Public Relations

The Public Relations Committee, chaired by *John N. Craft*, has once again offered 30 tax tips on tape to radio stations throughout the state. Listed below are the 39 stations who agreed to participate in this effort to further inform the general public of helpful tax hints.

If your local station is listed, you might wish to express your appreciation to the station manager should occasion arise. If it's not listed, please let us know so we can add them to the list next year.

City	Station
Albany	WANY
Benton	WCBL
Bowling Green	WBGN
Bowling Green	WKCT/WDNS
Bowling Green	WLBJ
Cadiz	WKDZ
Campbellsville	WTCO
Central City	WNES
Columbia	WAIN

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## Chapter Activities

**NORTHERN KENTUCKY** — The Northern Kentucky Chapter, in conjunction with the Northern Kentucky Chamber of Commerce, presented a seminar on the "Tax Reform Act of 1976" to local businessmen in the area. The seminar was held on March 2, 1977 at the Quality Inn Riverview in Covington.

**WEST KENTUCKY** — The West Kentucky Chapter will hold Legislative Appreciation Night on April 28, 1977.

The Chapter has also announced that their Annual Outing will be held on June 3 and 4, 1977 at Lake Barkley Lodge in Cadiz.

The technical program for this two-day meeting will feature a presentation by the Society's Management of an Accounting Practice Committee. A limited number of sleeping rooms are being held at Barkley Lodge for any Society member wishing to join the West Kentucky Chapter at this meeting.

## New Tax-Help Program

The Members in Commerce, Education & Government Committee has developed a new program to benefit Society members during the tax season.

The Committee is keeping a file on members who are interested in part-time work in preparing tax returns. A file is also being kept on firms who would like to hire part-time help for the tax season.

Whenever a request is received, the Committee is matching up that request with the proper files and mailing this information to the person or firm.

Chairman *Bruce Hotz* feels that this program will grow in scope every season as more and more Society members begin to take advantage of it.

If you still need help for the tax season or would like to work on tax returns on a part-time basis, please send the Society office a brief job outline or a resume containing your job experience as it relates to this type of work.

## Federal Tax Note

The Committee on Federal Taxation is providing each issue of *The Kentucky Accountant* a brief comment on a tax subject believed to be of interest to members. Because this material is intended for accomplished professionals, little in the way of background material is provided. For this reason, and because the tax laws are subject to change, the Committee recommends that these comments be used with care.

Resolving a conflict between various U.S. Courts of Appeals, the United States Supreme Court determined that an accrual-basis employer's secured promissory note was not a deductible contribution to a pension or profit-sharing plan under Section 404(a) of the Code. *Don S. Williams Co. vs Commissioner*, 77-1 USTC ¶9221.

## BAER FACTS

(Continued from page 1)

*Nolen Allen*, our resident politician, is Kentucky's representative on the committee trying to assemble a Key Man strike force. The purpose is short range, to quickly inform our congressmen of the facts relating to the current attack on our profession. (By the way, don't miss the article in *Forbes*, March 15 issue which does come to our defense.) *Nolen* informs me he has most of Kentucky's Washington residents covered, but that there are a couple that none of us profess to know well. If you have not informed us previously of your personal or professional relationship with a senator or representative, please notify us immediately.

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Speaking of the AICPA, they are looking for members who want to get involved in committee work. All officers and directors of the Kentucky Society have been contacted, but if others are interested, and they should be, please contact *Ben Gratzner* or me for the biographical form which the AICPA is requesting be completed.

## Continuing Professional Education

At the special request of our Committee on Members in Commerce, Education and Government, we have scheduled a two-day seminar on *Financial Forecasting Concepts and Techniques* for March 24-25, 1977. This AICPA course will teach a member in practice or industry how to develop a financial forecast manually. Areas to be covered include mechanics of forecasting, developing assumptions and external data, and choosing appropriate models and techniques.

Space is still available. For reservations, call the Society office as soon as possible.

All members are reminded that the CPE Reporting Forms were due to be returned to the office by February 1, 1977. To date, approximately 400 forms have been returned which is only about 25% of the eligible membership. If you lost your form, please call the office for additional copies.

## Meet The New Members

*Bobby G. Adkins*, born in Hazard, is a graduate of the University of Southern Florida. He is on the staff of Methodist Evangelical Hospital in Louisville.

*James H. Embry* was born in Louisville and graduated from the University of Louisville. He is an individual practitioner at 5219½ Dixie Highway in Louisville.

*Barry A. Levitt*, born in Dover, New Hampshire, is a graduate of Cornell University. He is on the staff of GTE Sylvania in Winchester.

*O. Weldon Luginbyhl, Jr.* was born in Perryton, Texas and graduated from the University of Houston. He is an individual practitioner on South Lake Drive in Prestonsburg.

## Public Relations

(Continued from page 3)

Eminence . . . . .	WSTL
Fort Knox . . . . .	WSAC
Grayson . . . . .	WGOH
Harrodsburg . . . . .	WHBN
Hartford . . . . .	WLLS
Hazard . . . . .	WKIC
Hopkinsville . . . . .	WHOP
Jenkins . . . . .	WREM
Lexington . . . . .	WLAP
Louisville . . . . .	WKLO/WCSN
Madisonville . . . . .	WFMW
Mayfield . . . . .	WNGO/WXID
Maysville . . . . .	WFTM
Middlesboro . . . . .	WFXV
Monticello . . . . .	WFLW/WKYM
Morehead . . . . .	WMKY
Mt. Sterling . . . . .	WMST
Neon . . . . .	WNKY
Paducah . . . . .	WKYX/WKYQ
Paducah . . . . .	WPAD
Pikeville . . . . .	WPKE
Pineville . . . . .	WANO
Prestonsburg . . . . .	WDOC
Richmond . . . . .	WCBR
Russell Springs . . . . .	WJRS/WJKY
Shelbyville . . . . .	WCND
Somerset . . . . .	WSFC/WSEK
Stanford . . . . .	WRSL
Vanceburg . . . . .	WKKS
Vanclave . . . . .	WMTC

In addition to the radio tax tips, the Committee has also distributed five newspaper articles offering tax advice on filing 1976 Federal Income tax returns to over 150 Kentucky newspapers.

## Allen Named Federal Key-Person Coordinator

*Nolen C. Allen* has been designated by the Society as our Federal Legislative Key Person Coordinator. In this capacity, Nolen will provide liaison between the Society Board of Directors, the membership-at-large and the Washington office of the AICPA.

In December each member received a questionnaire on which you were asked to tell us of your contacts with federal legislators. This information has been compiled at the AICPA Washington office and requests for assistance will be channeled to individual members through the state's Key Person Coordinator.

Nolen, who served as Society President in 1966, is also responsible for keeping the membership informed on the current situation in Washington as it will affect the accounting profession. He is available to speak to chapter meetings, provided the request is received a reasonable length of time in advance.

## Firms and Firm Changes

*J. William Lindemeyer* has opened an office for the practice of public accounting under his own name. It is located at 202 S. First Avenue in LaGrange.

*Richard A. Stetson, Jr.*, formerly associated with Brown, Stewart & Company in Louisville, has accepted a position with Kaelin & Byrne, PSC in Jeffersonville, Indiana.

### NEW — USED — NEW — USED

Tax Court Vols 1-63

Cumulative Bulletins

1919-1974 & 1954-1975

Write: C. Chuck Hardin  
Box 1304, Lex., Ky. 40501

**Two Louisville CPAs** with 11 years experience wish to purchase practice or associate with a retirement-minded practitioner in Louisville or surrounding counties. Reply in confidence to Box 77-6, *The Kentucky Accountant*.

## Around The State

*Wayne Stratton* was one of a panel of financial experts that spoke to members of the Shelbyville Business and Professional Women's Club. The topic was "Women and Their Finances" and was given on February 14, 1977.

*Michael E. Wilson* spoke on February 17, 1977 to the Covington Latin School's Career Day students. His presentation was on "Public Accounting as a Profession".

*Armand L. Ostroff* spoke at the February 22 meeting of the City Salesman's Club in Louisville. The topic of his speech was "An Overview of the Tax Reform Act of 1976".

Members of the Kentucky Colonel Chapter of the American Business Women's Association heard *James W. Smith* speak on January 25 at the Red Carpet Inn in Bowling Green. His topic was the 1976 Tax Reform Act.

*Sharetta L. Coleman* spoke at the February 14, 1977 meeting of the Pikeville Business and Professional Women's Club. She presented a program on income tax in general.

*William E. Bottoms* was the instructor at the March 5, 1977 workshop presented by the Community Service Office of Prestonsburg Community College. The workshop was aimed towards individuals who fill out their own tax forms.

*Robert H. Woollard* spoke on intermediate and long-range financial planning at a meeting of the Louisville chapter of the Planning Executives Institute. The meeting was held on March 3, 1977 in Louisville.

**CPA** — four years with Big 8 and six years industrial accounting experience; seeking to associate or purchase the practice of a retirement or expansion-minded practitioner(s) at the limit of their current practice. Will consider all offers in Kentucky with immediate or short-term partnership potential. Please send inquiries to Box 77-5, *The Kentucky Accountant*.

**Established CPA firm** wishes to purchase small PA or CPA practice in Lexington, Kentucky area. Terms: Cash or deferred. Write in confidence to Box 76-17, *The Kentucky Accountant*.