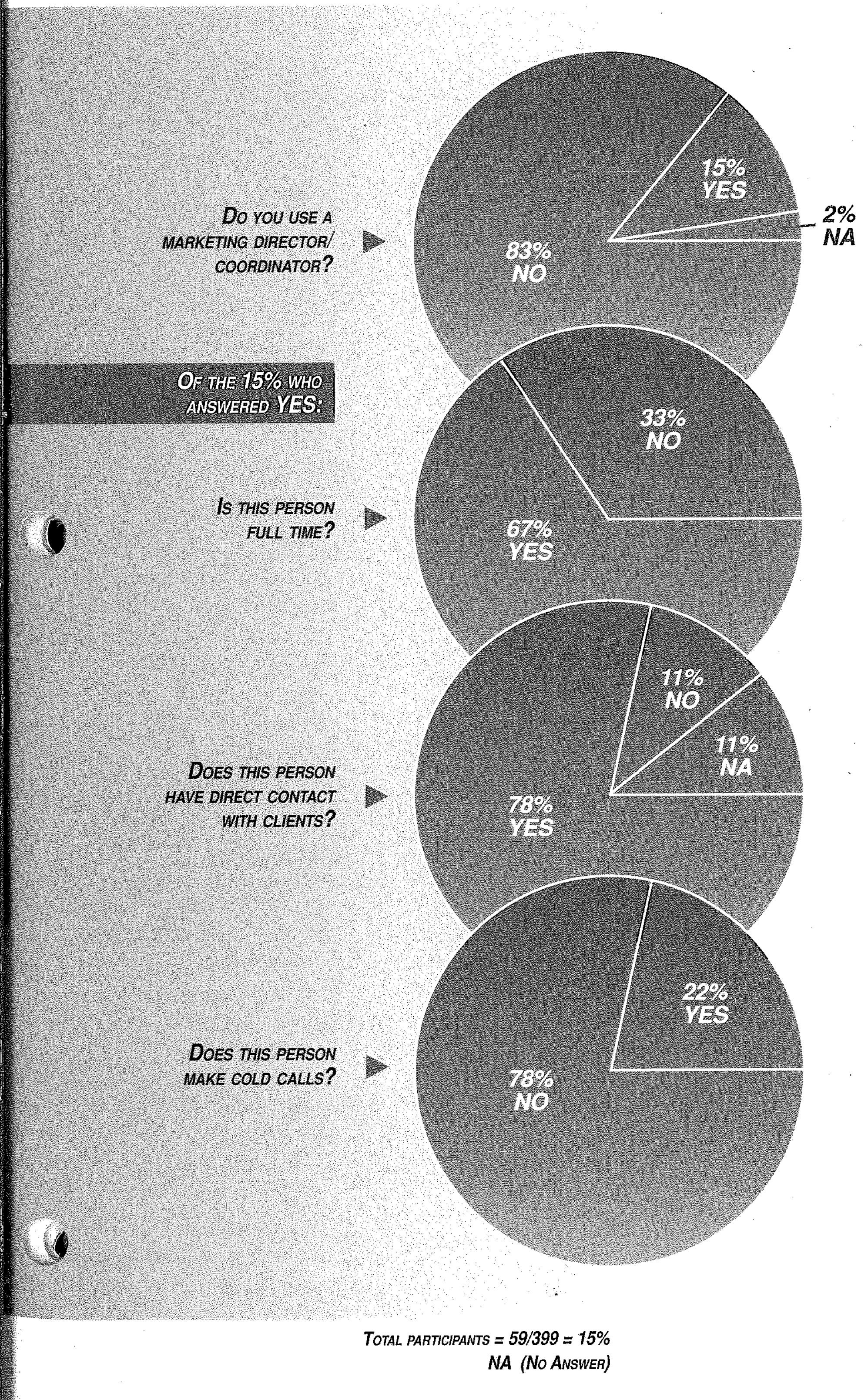
THE BOTTOM LINE

KENTUCKY SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

NOVEMBER/DECEMBER 1996



Marketing Survey results reported

by Bobby D. Webb, CPA, MAP Committee member

Marketing the CPA firm has changed dramatically in the past few years. Many of our current practitioners can remember when it was not only considered unprofessional and unethical to publicly "market" the CPA firm, the CPA profession, and the professional services which the profession offered, it was prohibited by regulation to perform direct, uninvited solicitation. We simply hung out our shingle (but not in too bold a fashion so as to avoid the charges of unprofessional and unethical behavior) and waited for the business to come to us, or existing clients might discreetly refer their business associates to us for professional services.

Not only have the types of services offered by the profession changed, today most CPA firms actively market their services to prospective clients in various ways. These marketing activities run the range of more traditional means such as existing client referral to the use of the latest technology in

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Government Auditing forum planned

by Gail A. Broady, CPA

The fall is a busy season for Society activities. Committees continue to focus on communicating opportunities, promoting the CPA image, and actively participating in the legislative process.

Communicating opportunities

The Conference for CPAs in Industry was a huge success. Once again, the committee had a program packed full of ideas and opportunities for CPAs to serve industries better. One of the best kept secrets is that this conference is open to all CPAs, not just those in industry.

Promoting the CPA image

The Public Relations Committee in conjunction with an independent consultant is evaluating the society's activities to promote the CPA image. The project is designed to give the Society ideas on how to further enhance the utilization of time and money to best promote the image of all CPAs. In today's marketplace, it is increasingly difficult for customers to differentiate between service providers. Whether the customer is an employer, the government, or a client, it is important for the customer to realize the value of a CPA. The CPA. Never Underestimate the Value.

The Society is working on a site on the world wide web. Soon, members and other Internet users will be able to access information on our own KSCPA web site. Due to the importance of this project, several committees are joining resources to make the site user friendly and an enjoyable place to visit. The web site will offer information to persons seeking the services of a CPA, and in addition, the site will be a membership resource with "members-only" information in some areas.

Active legislatively

The Society continues its efforts to be a voice for members in Frankfort. Representatives of the Society have recently met with various agencies in Frankfort. As a result of a meeting with State Auditor Ed Hatchett, he has coordinated a State Governmental Auditing Forum to bring together key leaders from the State Auditor's office, the Department of Local Government, the Department of Education, other interested departments, and the KSCPA. The goal of the forum is to work together to provide high quality audits. It is hoped this will be the beginning of a meeting on at least an annual basis of these key leaders in the state government audit arena.

In the meeting with the he Department of Local Government, Commissioner Bob Arnold indicated it is their goal to work with local governments to help ensure proper accountability of state funds. He expressed his appreciation to the Society for its willingness to work with the Department of Local Government.

In the meeting with Kyna Koch, director of the Division of Finance for the Department of Education, the focus was on school district audits. Topics of mutual concern included update of the audit guide, rewording of the audit contract, and auditor training, especially on the new MUNIS accounting system being implemented by school districts across the state. The KSCPA sent a fax alert on school district audits providing information on who to contact with questions, a reminder to call upon the Department of Education whenever they can be of assistance, and procedures to follow if unforeseen circumstances make it necessary to request an extension of the October 31 audit deadline.

We certainly sincerely appreciate each of these state leaders and their associates meeting with us to discuss ways we can work together to better serve the citizens of Kentucky. Each person welcomed us, provided us with helpful information, and was agreeable to establishing a more formalized ongoing dialogue.

> “ THE GOAL OF THE FORUM IS TO WORK TOGETHER TO PROVIDE HIGH QUALITY AUDITS.

Gail A. Broady, President

Members Support Society

I look forward to meeting many of you at upcoming chapter meetings this fall. Chapter meetings are an excellent opportunity to hear an update on activities, receive continuing professional education, and network with CPAs.

I am constantly amazed with the number of activities coordinated by chapters and committees on behalf of the CPAs in Kentucky. Supporting the CPAs in Kentucky may include paying your Society dues, contributions to the PAC, contributions to the Educational Foundation, serving on committees, being a key legislative contact person, serving as officer or board member, or being an active member in other areas. Whatever your investment in the Society, thank you for your support.

Technology Committee presents plan for Internet home page

by Ben Gratzer, Executive Director

The Executive Committee met on August 23 and the Board of Directors met on September 20, 1996 at the KSCPA headquarters.

At the two meetings combined, the following membership actions were considered: applications for membership were approved for 24 new student, eight associate and 34 regular members. In addition, five members were reclassified from associate to regular, two members were reinstated to membership and four members resigned.

The following Resolutions of Respect were approved for entry into the official minutes of the Society, with appropriate notification to the families involved:

- ***Edward J. Burke,*** PMT Services, Inc., Brentwood, TN
- ***Clarence A. Veach,*** Imhoff, Veach & Wilcoxson, Louisville
- ***James A. Bailer,*** individual practitioner, Edgewood

In addition to the Resolution of Respect, the KSCPA also makes a donation to the Educational Foundation scholarship fund on behalf of the deceased member, which donation is acknowledged to the member's family. Members wishing to make a similar donation to the Foundation are encouraged to do so.

On August 23, 1996, the Executive Committee:

- President ***Gail Broady*** reported that a CPA had contacted the Society regarding steps to follow when being denied an audit contract for a school district President Broady provided additional background information and informed the Board that the Governmental Accounting Committee had been informed of the situation.
- approved the expenditure of $2670 plus airfare to bring public relations consultant Mark Luetke to Louisville to assess the progress made since the Communications Audit.
- approved the Public Relations Committee's proposed budget for participation in the AICPA's 1996 Image Enhancement Campaign, which calls for a total expenditure this year of $38,125.

On September 20, 1996, the Board of Directors:

- heard a report from Society Society Legislative Consultant Roy Strange who provided an update on recent events in Frankfort, as well as his outlook for the state legislature and congressional elections to take place in November.
- approved a policy that would ban the introduction of concealed weapons into the Society building, to include the training facilities. The policy would apply to employees of the Society as well as to members or other persons using the Society training facilities.
- heard a report on a meeting representatives of the Society had with the Auditor of Public Accounts, Ed Hatchett, in Frankfort. Among the topics discussed was the possibility of a conference, conducted under the auspices of the State Auditor, that would bring together the various agencies of state government that control the performance of audits conducted by private CPA firms. The Society would also send representatives to the conference, with the intent of having a dialogue with the state agencies that would improve communications between the public and the private sectors and with the overall goal of improving the quality of auditing services performed for units of local government throughout the state. Among the other state agencies to be invited would be the Department of Local Government and the Finance Division of the Department of Education.
- heard a report from ***John Stucky***, chair of the Technology Committee who outlined the ongoing plans by the Society to establish a home page on the Internet. He reported that two other committees, Public Relations and Membership Resources and Information, were working with his committee to jointly develop the home page. He then outlined the details of a proposal being made by Microsoft to all state CPA societies, The proposal involves Microsoft giving a CPA society a great deal of computer hardware and software, as well as technical assistance in developing and operating a home page on the Internet. The exchange would be a commitment by the societies to allow Microsoft to advertise on the home page.The board approved the overall concept of establishing a homepage on the Internet and to authorize the Executive Committee to enter into an agreement between the Society and Microsoft.
- heard from ***David Anneken***, president and Susan Stopher, executive director of the State Board of Accountancy. David mentioned that the regulations governing the administration of the CPA examination under a "non-disclosed" format have now been finalized. He also reported that a total of 864 candidates had applied to sit for the November 1996 examination

  In addition, he reported that only 44 firms that are not members of either the AICPA or a state CPA society have disclosed that they perform auditing services and are thus subject to peer review, These 44 firms have been referred to the Society to obtain a peer review as now required by law.
- ***Tom Cooper***, past-president of the KSCPA, and a member of the Board of Directors of the AICPA reported that the AICPA Board of Directors made some major amendments to the criteria for accreditation of CPAs in the area of business valuations. The experience necessary to earn and maintain accreditation will now be measured by involvement in business valuation engagements, rather than by a method of hours of experience. The hope is that, as amended, the program will be more acceptable to small and medium-sized CPA firms. Also, the new title that would be earned by those meeting the criteria for accreditation would be "Business Valuation Appraiser."

  Although no formal vote was taken, it appeared that a majority of the Board members present approved of the new criteria and would support the adoption by the AICPA of such a program.
- ***Ted Stiles*** updated the Board on the progress of the AICPA's special committee that is studying the concept of assurance services

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MAP committee survey results (continued from cover)

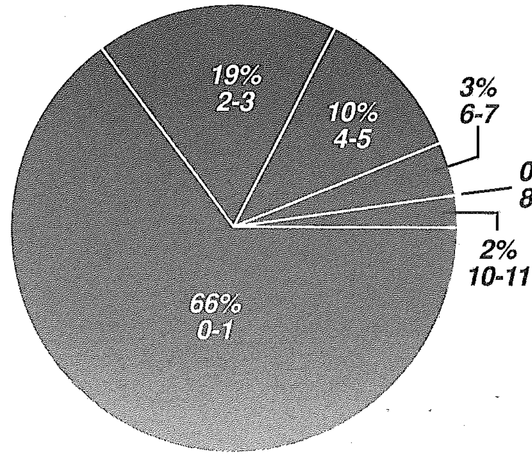
internet home page development. In addition, the AICPA has developed and implemented a national marketing program to enhance the public image of the CPA profession and ostensibly to draw attention to the profession, i.e. to market the profession.

Because the advent of marketing the CPA firm is a relatively new development in terms of the life span of the profession and the methods of doing so are still evolving, the KSCPA MAP Committee recently developed a short marketing related survey to gauge the marketing efforts of the profession in Kentucky. The survey was faxed to 399 randomly selected public practice units throughout the state. Fifty nine participants responded, representing a 15 percent response rate.

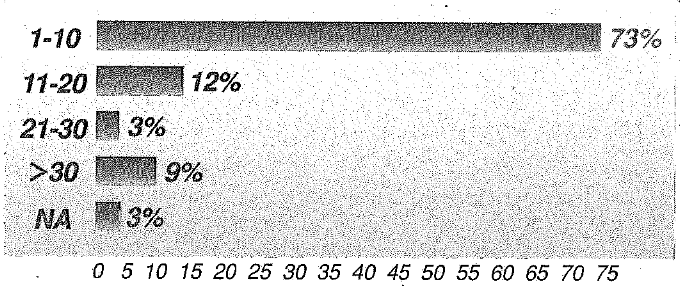
One of the newer methods of marketing the CPA firm is the addition of a marketing director to the professional staff. While a relatively small number of survey respondents currently have a marketing director, it is expected this method of practice development will gain wider acceptance, even among the smaller, single office practices. If your firm is considering the addition of a marketing director, a suggested resource is *How to Hire a Marketing Director and Make It Work*, published by The Association for Accounting Marketing. To order a copy (product number 090415) call the AICPA order department at (800) 862-4272.

While certainly not a scientific survey, the committee believes the survey provides a representative sample of the types of marketing activities your peers in the public accounting profession are undertaking. The MAP committee is also developing a related discussion session which we hope to make available to the local chapters throughout the state. The discussion session will be designed to more expansively address marketing activities and opportunities to which the survey referred. Watch future issues of *The Bottom Line* for announcements regarding the availability of discussion sessions and discussion leaders.

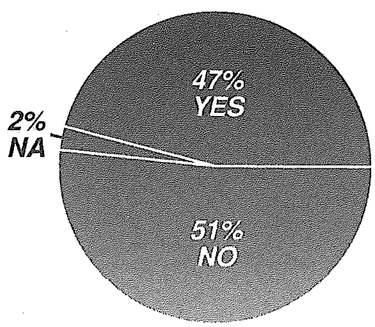
WHAT PERCENT OF YOUR GROSS REVENUES IS YOUR MARKETING BUDGET?



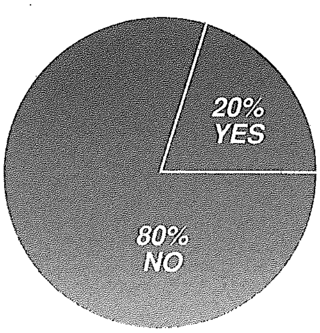
NUMBER OF PROFESSIONAL STAFF INCLUDING PARTNERS IN YOUR FIRM



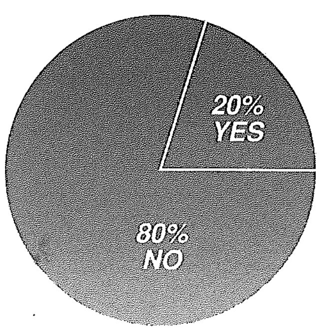
DO YOU UTILIZE BROCHURES?



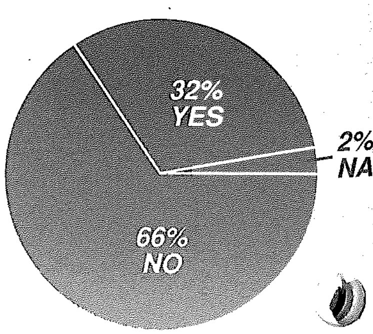
DO YOU OR OTHER CPAS IN YOUR FIRM MAKE COLD CALLS?



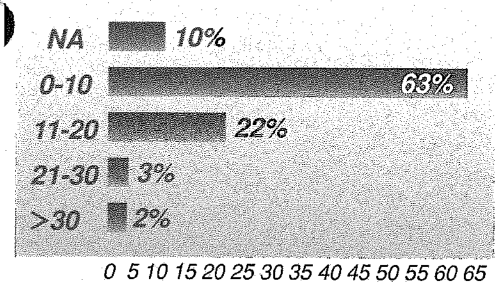
DO YOU HAVE A WRITTEN MARKETING PLAN?



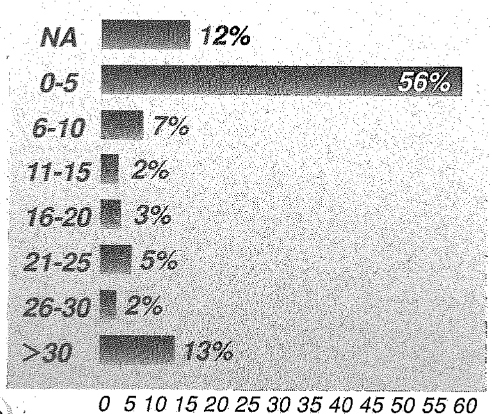
DO YOU USE VOICE MAIL?



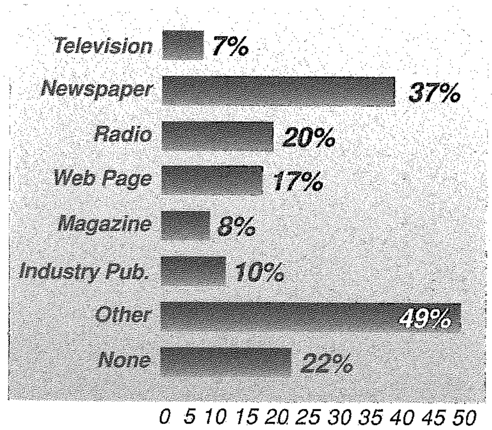
What percentage of total revenue growth did you have last fiscal year?



What percentage of your growth do you attribute to your marketing efforts?



What types of advertising do you use?



List your two most effective marketing activities:

Seminars

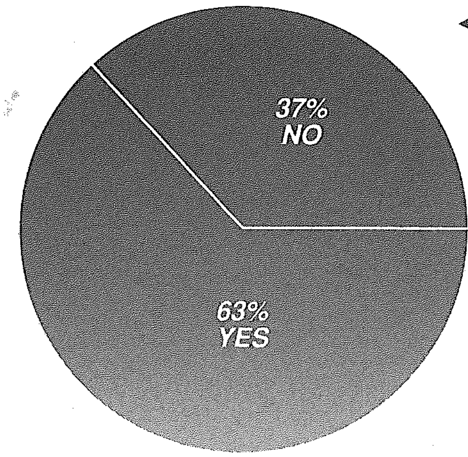
Newsletters

List your two least effective marketing activities:

Advertising

Cold Calls

Do you utilize a firm newsletter?



Of the 63% that answered YES:

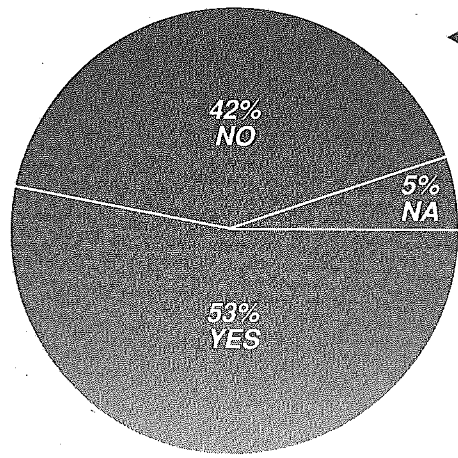
What type of industry do you use?

General = 70%
Industry Specific = 43%
Topic Specific = 11%
Other = 3%
NA = 8%

How is the newsletter developed?

Internally =16%
Purchased = 49%
Both = 30%
NA = 3%

Do you offer incentives to employees to acquire new business?



Descriptions given for those that answered YES:

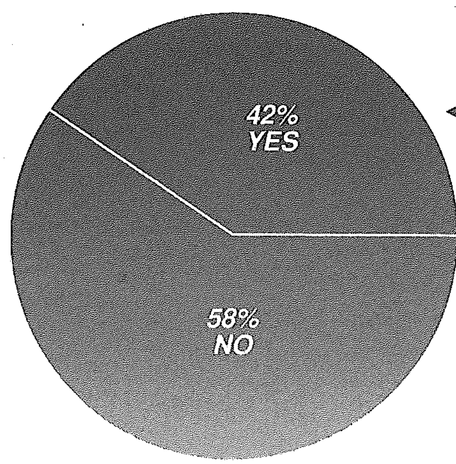
Most answered a percentage of fees ranging from 10-30%

Some answered a bonus each year as long as the firm serves the client

Some answered a percentage to decrease over 3 year period

Monthly drawing for $100.00

Do you sponsor or cosponsor seminars?



Of the 42% that answered YES:

Give the number participated in during the past year:

NA = 20%
1 = 12%
2 = 20%
4, 5, 8 & 15 = 8% each
3, 7, 50 & 10 = 4% each

Capitation affects physician compensation

by Reed Tinsley, CPA, Partner, Practice Management Consultant, O'Neal, McGuinness, Houston, TX

(Editor's note: Tinsley will be a speaker at the Health Care Conference on December 2.)

As capitation grows, it will have a direct impact on many current physician compensation formulas. This is particularly true if the current formula is productivity based. The reason is because the incentives in both systems are at opposite ends of the spectrum. Incentives in productivity compensation formulas encourage high utilization, patient competition, individual goals, specialization, and a "sell, sell" attitude. In a capitated environment, the incentives are to optimize the use of practice resources, lower costs, control utilization, satisfy patients, practice quality medicine, reduce specialization, and emphasize preventive healthcare. The incentives in a system whereby the doctors are paid equally fall somewhere in between these two extremes. Whenever a compensation formula has to be changed due to an increase in capitation revenues, it is thus very important to build into the new formula the incentives necessary to reward the doctors who truly manage the delivery of healthcare.

As capitation grows, there are many different types of transitional models to choose from. Again, we stress the importance of developing a system that builds into it the capitation incentives described above. One model is to allocate fee for service (FFS) and capitated revenues on FFS equivalent. Another is to allocate FFS revenues based on doctor production and divide capitated revenues equally. A third model is to allocate FFS revenues based on production and allocate capitated revenues based upon the number of lives assigned to each physician. This model is mainly applicable to primary care groups since these doctors are "penalized" whereas specialists are not. In other words, employees do not choose a specialist when they sign up initially with an HMO insurance product.

> "IF DOCTORS KNOW THEY WILL SHARE IN THE PRACTICE'S BOTTOM LINE, IT FORCES THEM TO WORK TOGETHER TO DO WHAT IS NECESSARY TO CREATE A HEALTHY BOTTOM LINE TO DIVIDE UP AMONG THEMSELVES.

Some larger groups designate certain doctors as "capitated" physicians. The problem with this model is that it doesn't work well at all in smaller group practices and it can be very divisive. Also, it is hard to imagine true integration within a practice when this type of system is put into place. One more model is a combination of models utilizing two pools of income, FFS and capitation. The FFS pool is allocated on actual collections. Capitation is allocated on actual capitation. Revenues are totaled and direct and indirect costs are subtracted to equal total physician compensation. A bonus pool could be added to this type of formula system.

The goal of any group practice should be to design a capitation-based formula whereby all of the doctors are working together to control utilization, minimize costs, eliminate competition, and improve the bottom line. Arguably the best way to do this is to pay the doctors a base salary and divide up any net income (i.e., bonus pool) based upon a set number of capitation-based incentives. In many cases, practices in transition will set the base salary at the doctors' prior year's base. However, this is only a starting point, and the salary should be set based upon a tightly prepared financial cash projection. If all doctors are receiving a based salary, this should minimize competition for patients. If doctors know they will share in the practice's bottom line, it forces them to work together to do what is necessary to create a healthy bottom line to divide up among themselves.

The next step is to develop a set of criteria that will be used as a basis to split up and distribute the net income of the practice (or bonus pool if this methodology is selected). The following are the most common: contribution to profitability; risk sharings; cost per patient; performance - leadership, effort, efficiency, administrative duties, workload; contribution to the group; patient satisfaction; seniority; referral patterns; utilization - bed days, tests ordered, etc.; and quality/outcomes. These criteria can be used to begin the process; ultimately it will be the physicians themselves who decide what is important to them and their group.

Unfortunately there is no such thing as a perfect compensation plan. This is especially true when groups begin to experiment with or encounter capitation. The best advice we can give is to emphasize the incentives discussed in this article, design a formula that is unique to your group, and remember the group is more important than the individual.

Across the Board

(continued from page 3)

as an emerging area of practice growth for CPAs. Ted summarized the information contained in a 48-minute video just produced by the AICPA on this subject, entitled, "Assurance Services: The Opportunities."

- *Nancy Davis* delivered a progress report on the special joint committee of the AICPA and NASBA that is looking into the question of how the profession will be regulated in the future. The lack of uniformity between states as to licensing requirements frequently makes it very difficult for individuals to move from one state to another. Thus, there has been discussion on the need for some type of a national certification program.
- The next meeting of the Executive Committee will be at 12 noon on Tuesday, October 29, 1996, in the Society building. The Board of Directors will meet on Thursday, November 14, at 12 noon, in the Society building.

Intangible Tax Update

As you are probably aware, there has not been a decision in the *St. Ledger v. Revenue Cabinet* case. We are waiting for a ruling by the Kentucky Supreme Court.

We have had several calls concerning refund claims. Practitioners can protect their client's potential right to a refund by a timely filing. Per KRS 134.590(2) *"No refund shall be made unless application for same is made in each case within two (2) years from the time payment was made."* Most taxpayers pay their intangible tax prior to December 31 of each year.

The Kentucky Society of CPAs has been suggesting that in order to secure your claim to a refund that you mail a letter to the Division of State Valuation, Department of Property Taxation, Kentucky Revenue Cabinet, Frankfort, KY 40620. Be sure that you mail it certified return receipt requested. Be sure to include the taxpayer's name, address and social security number. This request should be signed by the taxpayer unless you have secured a power of attorney.

Alex Rose, Kentucky Revenue Cabinet, states that a "Stay of Collection for '96 taxes" has been filed. The Kentucky Supreme court has *NOT* ruled on this stay. We will have the latest information on our Fax-on-Demand, document number 806 when it is received by this office.

Chapters are gearing up

The **Barren River Chapter** held its annual Student Night on Monday, October 21, 6 p.m. at the Greenwood Inn, Scottsville Road, Bowling Green. ***Doug Sumner***, president-elect of the Kentucky Society of CPAs, was the featured speaker. Firms and companies were invited to bring promotional brochures.

The Bluegrass Chapter met October 23, at noon, at the Coach House Restaurant in Lexington. Dave Baker, WKYT-TV sports anchor, was the guest speaker.

The Eastern Kentucky Chapter will hold its annual Student Night on November 15 in Pikeville. Students from Morehead University, Pikeville College and Alice Lloyd College will be their guests.

The Green River Chapter held a special night out on October 25 at Riverpark Center in Owensboro. Members relaxed and enjoyed a catered dinner while the Theatre Workshop of Owensboro presented "Tony and Tina's Wedding." It was a great opportunity to visit the Riverpark Center, enjoy great food, company and entertainment all within the sight of the beautiful Ohio River.

The Louisville Area Chapter held their Student Luncheon at the Society's Education Center on September 13. It had a casual atmosphere with soft drinks and pizza. Door prizes were given to participants. The next chapter meeting was a 2 hour CPE program on "Business Protocol and Communication for the CPA," held on October 17, 3-5 p.m. at the Society's Education Center, 45 people attended.

The Northern Kentucky Chapter held their Student Night on October 22 at the Four Seasons Country Club in Crestview Hills. Students from Northern Kentucky University and Thomas More College attended. Guest speaker was ***Gail Broady***, president of the Kentucky Society of CPAs. Gail is a partner with JC Holland and Company in Bowling Green. Chapter members turned out in record numbers to greet the profession's future members.

On October 31, the **Southeast Kentucky Chapter** hosted an eight hour CPE program entitled "Current Developments in Federal Taxation." It included the most up to date information available on new tax developments.

The West Kentucky Chapter held their Student Night on October 24 at Murray State University, Curris Center. ***Gail Broady***, president, was the guest speaker. She updated members on current issues affecting the profession. Firms and companies were encouraged to bring promotional brochures for display.

Chapter Meeting Dates and Agendas

Barren River:
Nov. 12, 1996
Business Leaders Night

Bluegrass:
Nov. 21, 1996
Students Night, Marriott Resort, Lexington (CPE)
Jan. 16, 1997 Annual Business Meeting & Business Leader's Night, Marriott Resort, Lexington (CPE)
April TBA, 1997 Keeneland

Eastern Kentucky:
Nov. 1, 1996 Tax Legislation and Current Developments in Federal Tax (8 hrs. CPE, Prestonsburg
Nov. 15, 1996 Student Night, Landmark Inn, Pikeville
Jan. 17, 1997 Annual Business Meeting & CPE, Ashland
May 23, 1997 Golf Outing, Paintsville

Green River:
Oct. 1, 1996 Annual Update for Accountants and Auditors (8 hrs. CPE), Owensboro
Oct. 25, 1996 Dinner Theatre Outing, Riverpark Center, Owensboro
Oct. 30, 1996 Tax Legislation and Current Developments in Federal Tax (8 hrs. CPE), Owensboro
Nov. 12, 1996 Student Night, Moonlight Bar-B-Que, Owensboro
Dec. 3, 1996 Annual Business Meeting & CPE

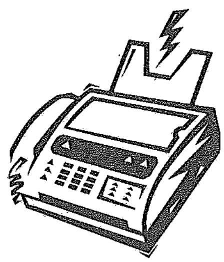
Louisville:
Dec. 12, 1996 CPE, Tax Update
Jan. 8, 1997 Breakfast Meeting, Annual Business Meeting and CPE (Practice Management)
May TBA, 1997 a luncheon in conjunction with the Chamber of Commerce (Strategic Planning)

Northern Kentucky:
Nov. TBA, 1996 Business Meeting
Dec. 11, 1996
Annual Business Meeting
May 1997 Chamber of Commerce Business Showcase
May 1997 Golf Outing

Southeast Kentucky:

West Kentucky:
Nov. TBA,
1996 Bankers & Attorneys

KSCPA Fax-on-Demand Document Index



When you use the FAX on Demand program, available 24 hours a day, members can call a toll free number and receive information on the latest CPE offerings, CPE registration, member benefits, speeches and other Society programs. All you need is access to a fax machine and a touch tone phone.

If you would like information on something which we haven't included please call and let us know. We will be including an index in future issues of *The Bottom Line*. Our FAX on Demand number is (800) 4-KY-CPAs (459-2727). In Louisville, you may dial 329-5790.

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Pop, pop, fizz, fizz ... Oh what a relief this is!

by Roger Johnson, CPA

At a recent Peer Review Committee meeting (report acceptance body), a committee member commented that he had personally witnessed CPAs from non-national firms (small, or local firms), in a public forum or setting, all but crucify a member of the Financial Accounting Standards Board (FASB). You and I have directed our share of criticism toward the FASB, indirectly at least. No doubts, it was deserved to a degree. I have never believed there should be "big-GAAP" and "little-GAAP," choosing instead to naively believe that reasonable generally accepted accounting principles (GAAP) can be established that apply to all companies. After all, relief from many of the otherwise-onerous GAAP requirements is possible by issuing financial statements on a basis of accounting other than GAAP (i.e., tax basis). However, this opinion is not always available.

> "For the first time I can remember in a twenty-three year career, I applaud the FASB.

In the judgment of many "small firm" practitioners, one of the most useless FASB pronouncements ever released is Statement of Financial Accounting Standards (SFAS) No. 107, *Disclosures about Fair Value of Financial Instruments.* Omitted or incomplete fair value disclosures are a frequently seen finding in peer reviews. Let's not delve into the argument of whether or not fair value disclosures are relevant to *some* companies' financial statements and, for the sake of brevity, agree that they are. (I believe this is true.) Respondents to the 1990 exposure draft that preceded SFAS No. 107 suggested that some small, nonpublic, or predominantly nonfinancial entities should be excluded from the statement's scope because fair value information would likely be useless. The FASB (in 1990) considered the costs and benefits of fair value disclosures, and concluded that excessive costs did not have to be incurred to comply with the disclosure requirements. Right. "Smaller" entities were given a delayed implementation date. This was somehow thought to compensate for whatever costs might be necessary to implement SFAS No. 107, but of course gave no thought to who might have to ultimately bear the cost. Paragraph 79 of SFAS No. 107 actually states "the overall benefits of the information might be less [for small entities] than for larger entities." How observant.

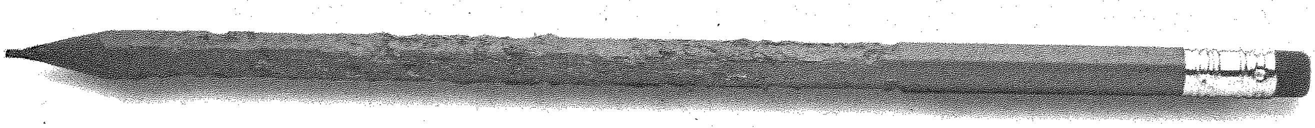
Enough with the cynicism! For the first time I can remember in a twenty-three year career, I applaud the FASB. On September 20, 1996, the FASB issued an exposure draft of a proposed statement of financial accounting standards. The proposed statement, *Elimination of Certain Disclosures about Financial Instruments by Small Nonpublic Entities,* would amend SFAS No. 107. Fair value disclosures prescribed in SFAS No. 107 would become optional for entities that meet all the following criteria:

- The entity is a nonpublic entity
- The entity's total assets are less than $10 million on the date of financial statements.
- The entity has not held or issued any derivative financial instruments as defined in FASB Statement No. 119, *Disclosures about Derivative Financial Instruments and Fair Value of Financial Instruments,* during the reporting period.

The statement, if adopted as proposed, will not change the requirements of SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities,* and SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations.* The exposure draft defines "nonpublic entity" in the expected way. The statement will be effective on the issuance date, and fair value disclosures may be omitted from previously issued financial statements presented in comparative form.

The FASB revisited the benefits and costs issues, and concluded the "practicability" provisions of SFAS No. 107 (that is, fair value disclosures had to be presented only where "practicable to estimate") were useful in reducing costs of complying. However, considerable input (i.e., complaints) from "public accountants who serve small nonpublic entities" convinced the FASB that the costs of documenting compliance with SFAS No. 107, including the basis for concluding that estimating fair value is impracticable, is "not insignificant."

The American Institute of Certified Public Accountants' (AICPA) Technical Issues Committee (TIC) was responsible for influencing the FASB, resulting in the exposure draft. Several TIC committee members has themselves been approached by practitioners representing small and medium-sized firms. Earlier TIC appeals to the FASB for relief had been rejected. However, a patient and professional approach eventually persuaded the FASB to act in the best interests' of most CPA firms, and their clients. That's good news! Our AICPA and other small firms' advocacy groups are working for the local practitioners!



Conference for CPAs in Industry judged a great success

"Great conference!"

"Excellent job in topic selection. For the first time, I can honestly say I wanted to attend all concurrent sessions."

"Keep up the good work."

What are they talking about? The 13th annual Conference for CPAs in Industry, held on September 16-17 at the Holiday Inn-Hurstbourne in Louisville. A near capacity crowd attended.

"Pond is terrific."

This year's conference included nationally renown author Jonathan Pond, whose Personal Financial Planning Handbook is considered the definitive professional reference in personal finance. Pond, who was the keynote speaker on the conference's first day, received an overall rating of 4.62 out of 5.0 for his presentation "Finding Financial Freedom with Jonathan Pond." He shared techniques on achieving financial security under current economic and market conditions.

"Will Fleenor saved me several days of reading to locate and sift out the information he presented."

For the third straight year Will Fleenor of K2 Enterprises wowed the crowd with ways to use the Internet in business. This very enlightened group gave Will an overall rating of 4.78.

"Gwen Tilton was great and Jack Dyer makes a dull subject interesting."

Tilton gave an up-to-the minute address on tax changes and how they will affect businesses and Dyer presented our annual accounting update.

These are just a few of the most frequently stated comments received on the conference evaluation forms. The Members in Industry Committee would like to thank all the speakers for their great contributions and all the participants for all their constructive comments. We're already planning next year's conference and the committee gives tremendous weight to participants requests and suggestions. So, while your constructively critical comment may not have quoted in this article, you can rest assured that they will be taken to heart so that next year's conference, scheduled for September 22-23, 1997, will be even better.

Next month the committee will release the results of the financial executive compensation and benefits survey.

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Department of Property Taxation
Division of State Valuation
Frankfort, KY 40620

1996
TANGIBLE PERSONAL
PROPERTY TAX RETURN
Property assessed January 1, 1996

FOR OFFICIAL USE ONLY
County code Locator number
T___ / _____

Page 2 SCHEDULE D

Other Tangible Personalty Not Listed Elsewhere

	Description	Taxpayer's	For Office

SCHEDULE A Page 2

Tangible Personal Property Subject to Full State Local Rates

LINE #	AGE	CLASS I	CLASS II	CLASS III

Pricing Policy - 1997 Edition

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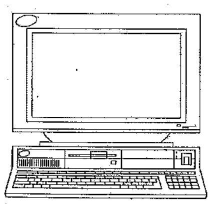

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Congratulations to new CPAs

At the Fall Awards Banquet on September 20 at the Hyatt Regency in Louisville, 40 new CPAs were sworn in by Assistant Attorney General Richard Carroll.

Honorable Mention Awards

These candidates passed all parts of the May 1996 CPA Examination on the first attempt:

Nancy J. Clark
Seth Michael Darnell, Sr.
Jennifer Lynne Ehrhardt
Anne Clay Ferring
Lisa K. Figg
John Jefferson Gilmore
Paul Douglas Goforth
Camille Celeste Gray
Cynthia Barbara Hubble
Mary Margaret Kelly
Richard Ryan Lykins
Faye Hinton Macy
Brian J. Mortellaro
Irina Novikov
Judith E. Rainey
Regina L. Rogers
Brian J. Sizemore
Elizabeth Thompson Waggoner
Roxanne Walden
Walter T. Watts, Jr.

Kentucky Society Award:

Paul M. Hetrick

New CPAs

Jack L. Amburgey, II
University of Kentucky
Jack L. Amburgey, PSC
Hazard

Neil Brent Anderson
University of Kentucky
Hunter Manufacturing Group, Inc.
Lexington

Julie M. Asher
Eastern Kentucky University
Cabinet for Health Services
Frankfort

Mary J. Bergman Barkley
Union College
Hardman, PSC
Lexington

Aadarsha Basavarajurs
Bangladore University
Louisville

Franklin C. W. Black
Western Kentucky University
Baird, Kurtz & Dobson
Bowling Green

Jeffrey Guy Browning
University of Louisville
Flynn Brothers Contracting, Inc.
Louisville

Cynthia L. Childress
University of Louisville
Carpenter & Mountjoy, PSC
Louisville

Amy M. Daly
Eastern Kentucky University
Kentucky Department of Education
Frankfort

Paul S.Ellis
University of Kentucky
Thurman, Campbell & Co.
Clarksville, TN

Joe Adam Gabbard
Centenary College of Louisiana
McCauley, Nicolas & Co., LLC
Jeffersonville, IN

Gregory T. Hayden
Indiana University Southeast
Ernst & Young, LLP
Louisville

Donald Leon Henderson
Western Kentucky University
Baird, Kurtz & Dobson
Bowling Green

Christopher A. Hoover
Brescia College
Charles T. Mitchell Company
Frankfort

Mary Margaret Kelly
University of Kentucky
LG&E
Louisville

Paul M. Kirtley
University of Kentucky
J.C. Holland & Co., PSC
Russellville

Peggy Suzzanne Leidolf
Indiana University Southeast
Clark Memorial Hospital
Jeffersonville, IN

Martin Liggett
Roosevelt University
Department of Treasury
Fort Mitchell

Elena Beatty Marquette
University of Louisville
Deloitte & Touche, LLP
Louisville

Michael Loyd Marquette
University of Louisville
LG &E
Louisville

Barry J. Mattingly
University of Louisville
LG&E
Louisville

Nathan E. Moutoux
University of Southern Indiana
Eskew & Gresham, PSC
Louisville

Nicholas R. Nelson
University of Kentucky
Thomas Industries, Inc.
Louisville

Mark John Obenchain
Otterbein College
Ashland Inc.
Lexington

Joy L. Payne
Kentucky Wesleyan College
York, Neel & Company, LLP
Morganfield

Brenda L. Raleigh
University of Louisville
Grover Greweling & Co., PSC
Louisville

Jennifer Hassell Ringstaff
University of Louisville
Louis T. Roth & Co., PLLC
Louisville

Kathryn A. Shackleford-Maggard
Eastern Kentucky University
Auditor of Public Accounts
Frankfort

Richard Carl Shields
University of Kentucky
Potter & Company, LLP
Lexington

Brian J. Sizemore
Kentucky Wesleyan College
Republic Bank & Trust
Louisville

Yolanda Kay Smith
Murray State University
The Broadhurst Group, Inc.
Louisville

Rex Alan Soulsby
Southern Illinois University, Carbondale
Reed & Co., PSC
Mayfield

Alex Michelle Space
University of Kentucky
Coopers & Lybrand, LLP
Lexington

Sally S. Spielvogel
University of Kentucky
Faulkner & King, PSC
Mt. Sterling

Debra Lee Stearman
University of Louisville
Debra Stearman
Greensburg

John M. Taylor III
Kennesaw State College
Taylor, Polson & Company, PSC
Glasgow

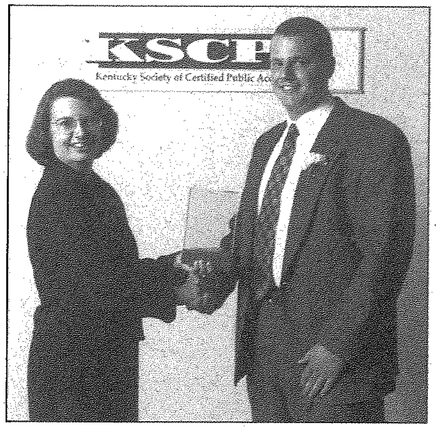
Noel Christian Turner
Morehead State University
Brown & Dougherty, PSC
Lexington

Connie Lou Amburgey Vorbeck
Eastern Kentucky University
Cloyd, Simons and Company, PSC
London

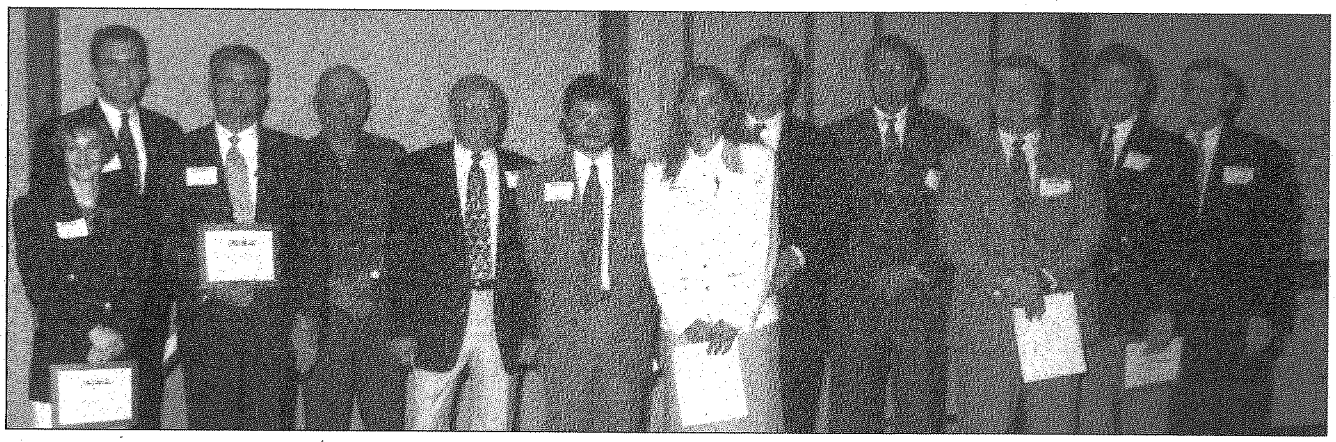
Remona Lynn Wade
Troy State University
Creel, Bryan and Gallagher
Ft. Walton Beach, FL

Candice Crae Weafer
Brescia College
Gaither Rutherford & Co., LLP
Evansville, IN

Phil Bond receives his Public Service Award from Gail Broady.



Paul Hetrick was honored for receiving the highest grades in Kentucky on the May 1996 CPA Examination.



These happy people are parents or spouses CPAs who were honored "Chips off the old Block" at the banquet. The certificate was presented to any new CPA who was the offspring or spouse of a certified public accountant.

Recent tax law changes have wide reaching impact

By Michael D. Reed, Senior Tax Manager, Eskew & Gresham, PSC, Lexington, Kentucky

The month of August proved to be one of the most significant time periods in the world of taxes since the passing of the Revenue Reconciliation Act of 1993. In a matter of days, Congress passed four laws all of which have significant tax ramifications: the Small Business Job Protection Act, the Health Insurance portability and Accountability Act of 1996, the Personal Responsibility and Work Opportunity Reconciliation (Welfare Reform) Act of 1996 and the Taxpayer Bill of Rights 2. In all, these four new laws provide tax practitioners with some excellent opportunities to help clients in planning and anticipating the impact on their personal and business tax situations. Some of the more significant provisions are discussed in this article.

For tax years beginning after 1996 Congress has provided a nonrefundable tax credit of up to $5,000 of qualified adoption expenses per child. The maximum credit increases to $6,000 in the case of a child with a special need. The credit is phased out as AGI increases from $75,000 to $115,000. Also, employees are entitled to an exclusion from their income of $5,000 of adoption expenses per eligible child ($6,000 for special needs children) when amounts are paid or incurred by an employer under a qualified adoption assistance program. This credit will expire on December 31, 2001.

The expired employer-provided education assistance program has been extended retroactively from January 1, 1995, through May 31, 1997. However, after June 30, 1996, the income exclusion does not apply to graduate-level courses.

Beginning in 1997, a maximum deductible contribution of up to $2,000 for each spouse (filing a joint return) is allowed for IRAs as long as the combined compensation for both spouses exceeds the contributed amount (even if only one spouse had compensation).

The combined plan limit, which is an overall limit on the annual contributions and benefits that applies to a participant in both a defined benefit plan and a defined contribution plan, has been repealed for limitation years beginning after 1999. The 15 percent excise tax on excess distributions from qualified plans, tax-sheltered annuities, and IRAs has been suspended until the repeal of the combined plan limits takes effect.

The special rule permitting a fair market deduction on contributions of qualified appreciated stock to a private foundation have been extended through May 31, 1997.

The deduction for a self-employed person's health insurance costs will increase [illegible]m 30 percent of eligible costs to 40 percent in 1997; to 45 percent in 1998 through 2002; to 50 percent in 2003; to 60 percent in 2004; to 70 percent in 2005; and to 80 percent after 2005.

The exclusion for punitive and compensatory damages received because of personal injury or sickness has been modified. The law now clarifies that damages received for a non-physical injury or sickness cannot be excluded from income.

Beginning in 1997, businesses with 50 or fewer employees, self-insured individuals, and/or uninsured individuals will be eligible to participate in a four-year experiment using Medical Savings Accounts (MSAs). Participants will utilize health benefits that combine the purchase of a high-deductible annual health insurance policy (to cover catas[illegible]phic illnesses) and contributions to an MSA. Contributions are deductible, earnings on the account aren't taxed to the contributor, and amounts withdrawn to pay medical bills aren't taxed to the contributor. Amounts remaining in MSA's at the end of the year may remain in the account tax-free and do not have to be forfeited. The program will be limited to 750,000 participants.

Qualified long-term care insurance for chronically ill individuals will be treated as an accident and health insurance contract. Amounts received under contracts issued after 1996 will generally be excludable from income as amounts received for personal injury and sickness up to certain limits.

Also, expenses for qualified long-term care services may be treated as medical expenses and deducted as itemized deductions subject to the 7.5 percent of AGI limit.

Beginning in 1997, the portion of equipment purchases that are able to be expensed under Section 179 will increase to $18,000. This amount will increase to $18,500 in 1998; $19,000 in 1999; $20,000 in 2000; $24,000 in 2001 and 2002; and $25,000 for tax years beginning after 2002.

The expired Targeted Jobs Tax Credit has been replaced by the Work Opportunities Tax Credit. Employers may claim a 35 percent credit on the first $6,000 of first year wages paid to qualifying individuals beginning October 1, 1996.

The expired Research and Development credit has been extended and modified for the period July 1, 1996 through May 31, 1997.

The rule requiring businesses with more than $50,000 in tax deposits in 1995 to begin making deposits electronically has been delayed until July 1, 1997.

Several significant provisions affecting S corporations including the number of permissible Shareholders being increased from 35 to 75; an expansion of the definition of who can be an S corporation shareholder to include charities, ESOP's, retirement plans and electing small business trusts; S corporations may also own 80 percent or more of a C corporation and can have wholly owned S corporation subsidiaries. Certain banks may also be able to elect S corporation status for tax years beginning after 1996.

EDI — Auditor's friend or foe?

by John McGaw, KPMG Peat Marwick LLP

(Editor's Note: The technical aspects of the following article are based primarily on Audit Implications of EDI, published by the American Institute of Certified Public Accountants in cooperation with the Canadian Institute of Chartered Accountants.)

Visualize a business transaction that from order to payment requires no paper documents and limited human intervention from either party. Now image auditing a series of such transactions. If you need some time to determine your approach, think quickly. Your clients may already be replacing conventional paper-based transactions with the electronic exchange of information.

Although electronic data interchange, commonly referred to as EDI, is not a new technology, its recent growth is transforming the way companies do business, and accordingly the way that we as practitioners should conduct our business. Recognizing the "EDI can be a culture shock for auditors," the AICPA and CICA conducted a study to identify the opportunities and challenges presented to the auditor by EDI. The study resulted in the publication of Audit Implications of EDI.

EDI Overview

EDI represents the exchange of business documents from one entity's computer application to another entity's computer application. Purchase orders, shipping and receiving acknowledgments and invoices represent the more common documents that are being replaced by EDI. It is important to note that faxes and email do not represent EDI transactions as they facilitate the electronic exchange of information between two individuals rather than two computer applications.

EDI begins with a trading partner agreement between the two parties that identifies the terms and conditions that will govern the future transactions. For each transaction the originating entity's business application creates an electronic document, such as a purchase order (PO). An EDI translator formats the PO into an agreed-upon EDI data format or "electronic envelope" that can be transmitted electronically. Much like traditional paper mail, the electronic envelope has a specific ID to identify the intended trading partner's electronic mailbox. The receiving party periodically retrieves the contents of their electronic mailbox, and an EDI translator converts the electronic envelope into a PO that can be processed by the receiver's accounting system.

The majority of EDI transactions are transmitted across value-added networks or VAN's. These third parties provide, for a fee, a network that receives, stores and forwards EDI transactions for trading partners. Large automakers and governments have established point-to-point connections or private networks with trading partners that eliminate the need for VAN's, although, at much higher initial costs.

Business Benefits and Risks

As EDI eliminates the printing, mailing and subsequent receipt, manual processing and storage of traditional paper documents, significant benefits are created. Including -

- Elimination of costly data entry and related key punch errors.
- Cost efficiencies created by lower inventory levels, improved production scheduling, improved cash management and more effective purchasing.
- Reduced paperwork and related storage costs.
- Quick response and access to information.
- Better communications and customer service.

> "EDI REPRESENTS A NEW METHOD OF CONDUCTING BUSINESS.

Perhaps more significant than any of the benefits listed above, EDI represents a new method of conducting business. It's not only about eliminating documents but about developing strategic relationships with customers and suppliers to promote a more efficient supply chain.

Unfortunately, certain increased risks associated with EDI implementation accompany the benefits. Including -

- Total computer systems dependence, including the cost of training and implementation.
- Potential loss of confidentiality as data is transmitted over external networks.
- Reliance on VAN's and trading partners' systems.
- Reduction in internal control structure as the number of people is reduced.
- Potential loss of management and audit trails.
- Electronic evidence and other legal issues created by the loss of paper, documents and signatures.

Implications to Audit Practitioners

Just as EDI creates benefits and risks for our clients, it impacts auditors as well. Whether the impact is beneficial or detrimental depends on the way that we approach EDI. The reduction or loss of the traditional paper audit trail is obvious; however, the audit impact of EDI goes well beyond documents. Auditors must further understand their client's business, related transactions and controls over those transactions. Through this increased understanding, audits will benefit from the technologies that support EDI transactions. Audit Implications of EDI recognizes these opportunities and provides guidance to practitioners for implementing them.

Electronic filing seminars scheduled

More and more tax practitioners are offering their clients the advantages of electronic filing — acknowledgement of acceptance (and immediate notification of problems), a virtually error-free return, and direct deposit.

Chances are if you already do tax returns on a computer, you can file them electronically at very little extra cost. Kentucky filers can transmit state and federal returns at the same time.

So far in 1996, we have received 227,000 electronic returns from Kentucky and 391,000 returns from Tennessee. Continued growth is projected for 1997.

The deadline for applications for new electronic filers is December 1. Call Betty Martin at the IRS in Nashville at (615) 736-7319 to apply and to sign up for one of the Kentucky-Tennessee area Electronic Filing Seminars listed below. Three hours of CPE credit are offered for CPAs and Enrolled Agents who attend.

November	**5**	*9-12 noon, Bank One, 201 East Main, Lexington, KY*
	6	*9-12 noon, 7219 Dixie Highway, Louisville, KY*
	7	*9-12 noon, 7300 Turfway Road, Florence, KY*
	13	*9-12 noon, 330 DeLoach, University of Memphis, Memphis, TN*
	19	*9:30 a.m. - 12:30 a.m., 1001 Broad St., Chattanooga, TN*
	20	*1-4 p.m., Candy Factory, 408 10th Ave., Knoxville, TN*
	21	*9-12 noon, Nashville Tech, 120 White Bridge, Nashville, TN*
December	**4**	*1-4 p.m., 2001 Bayard Park Dr., Evansville, IN*

Please check your company records

We moved to our new headquarters a little over one year ago. However, many of you have not yet changed our address in your company records for sending in CPE registrations, dues payments, etc. Please be sure that your accounts payable departments have our correct address in their record. Thank you.

Please send all **mail** to: Kentucky Society of CPAs, P.O. Box 436869, Louisville, KY 40253-6869.

		Non-Member Fee	Member Fee
November, 1996			
12	The 1996 Tax Legislation and Update Seminar KSCPA Education Center, Louisville	$185	$160
12	Getting the IRS Off Your Client's Back: Installment Agreements Offers in Compromise Bankruptcy and Other Strategies KSCPA Education Center, Louisville	250	225
12	Inventory Balancing Cost Control Financial Reporting & Tax Valuation Harley Hotel, Lexington	235	210
20-22	*Kentucky Institute on Federal Taxation Executive West, Louisville	260	260
25	Accounting Software Update Executive West, Louisville	99	99
December, 1996			
2	Estate and Gift Taxation Simplified KSCPA Education Center, Louisville	215	190
2	*Health Care Conference Holiday Inn-Hurstbourne, Louisville	175	150
3	Tax and Financial Aspects of Retirement KSCPA Education Center, Louisville	215	190
4	Tax Consequences of the Purchase and Sale of Business KSCPA Education Center, Louisville	215	190
5	Cash Flow Statement Preparation Presentation and Use KSCPA Education Center, Louisville	235	210
6	Compilation and Review Engagements: A Practical Approach KSCPA Education Center, Louisville	240	215
9-10	Individual Income Tax Returns Workshop Holiday Inn-Hurstbourne, Louisville	370	320
10	*Media Training Workshop KSCPA Education Center, Louisville	225	200
11	Governmental Auditing and Accounting Update KSCPA Education Center, Louisville	215	190
12	Unique Tax Aspects of S Corporations: Stock Redemptions Liquidations and Tax Free Reorganizations Harley Hotel, Lexington	250	225
12	Nonprofit Auditing and Accounting Update KSCPA Education Center, Louisville	215	190
13	Tackling Tough Tax Topics in Nonprofit Organizations Harley Hotel, Lexington	250	225
13	Yellow Book: Government Auditing Standards KSCPA Education Center, Louisville	215	190
16	Advanced Topics for Today's Controller: 1996 Edition KSCPA Education Center, Louisville	260	235
January, 1997			
3	*Kentucky State Tax Conference Holiday Inn-Hurstbourne, Louisville	165	140
6	PPC's Federal Tax Update Holiday Inn-North, Lexington	195	170
6	Mastering the Fundamentals of Estate Planning KSCPA Education Center, Louisville	220	195
7	Current Trends in Estate Planning - Sophisticated Applications KSCPA Education Center, Louisville	220	195

* Conferences and special events

Kentucky State Tax Conference Scheduled for January 3

The State and Local Taxation Committee in cooperation with the Kentucky Revenue Cabinet, will present the **Kentucky State Tax Conference,** January 3, 1996, at the Holiday Inn-Hurstbourne, Louisville.

The conference, which will again offer CPAs eight hours of CPE credit, will include the following topics: "Individual Income Tax," "Corporate Income and License Tax," "Financial Institution Franchise Tax," "Audits of CPA Practices on Sales and Use Tax," "Sales and Use Tax Update," "Kentucky Inheritance Tax," "Tangible and Intangible Property Tax," "Nexus," and "State and Local Tax Incentives."

Don't miss this opportunity to obtain the very latest in Kentucky tax information. Member discount fee is $140 and the non-member fee is $165. No early discount will apply. You may register on the CPE Registration Form in *The Bottom Line* or on the special brochure you will be receiving in the mail soon.

KSCPA CPE Registration Form

Please use photocopies of this form for additional registrations
Please Type or Print

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Firm ______________________
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Phone 502-266-5272 In Kentucky 800-292-1754 FAX 502-261-9512

Early Discount: All paid registrations received by the KSCPA more than 10 days prior to seminar date are eligible for $25 discount. Early discount does not apply to conferences, special events or Kentucky Institute on Federal Taxation.

How do you get your name in print? If you've changed jobs, or received an award, or made a speech, or been quoted in the newspaper, let us know about it. Just drop a line to "People," The Bottom Line, KSCPA, 1735 Alliant Avenue, P.O. Box 436869, Louisville, KY 40253-6869.

Members in Motion

Kathy Barber and **Dana Wilson**, Eskew & Gresham, PSC, Louisville and **Kristi May**, Eskew & Gresham, PSC Lexington, have accepted the position of staff accountant ... Eskew & Gresham, PSC, Louisville announces the following promotions: **Jim Gravitt**, **Ann Seelmeyer** and **Steve Traughber** were promoted to manager. **Lenny Gant** was promoted to supervisor. **Nathan Moutoux** and **Jason Stockton** were promoted to senior ... **Mike Keene** and **Mark Vogt**, Republic Bank, Louisville, have been promoted to senior vice presidents ... Baird, Kurtz & Dobson, Bowling Green, announces the addition of **Jason Stockton** as senior accountant and **Lisa Crowe** as staff accountant ... **Peggy A. Chinn**, McCauley, Nicolas & Company, LLC, Jeffersonville, IN, has been promoted from senior accountant to supervisor ... **David W. Prewitt**, **Jill T. Baldwin**, Mary Pat Brady, and **Gail Carter** have joined Dean, Dorton & Ford, PSC as associates ... Strothman & Company PSC, Louisville, announces the following promotions: **Steve Caldwell** and **Nancy Vuckson** to senior accountants; **Lisa Powell** and **Kristie Saffer** to accounting supervisors; and, **Terri Cummings**, **Jeanna Jones** and **Lisa Vanzant** to advanced staff accountants.

From the podium

Mike Grinnan, McCauley, Nicolas & Company, LLC, Louisville, spoke to the American Society for Training and Development on the "choice of legal entity" and other tax aspects of individuals entering into the consulting business ... **Theodore C. Stiles**, Stiles, Clauson & Burba, Elizabethtown, recently spoke to the Hometowners, a club for people over 50 years old, on the basics of estate taxes, as well as individual income taxes.

Firms & Firm Changes

Chilton & Medley, PLC has been invited to be a charter member of the CPA Healthcare Network, which is located in Kansas City, MO. Chilton & Medley PLC is the only firm in the Louisville region invited to participate in the network ... **Martha E. Jones** has become the newest owner/shareholder at Dean, Dorton & Ford, PSC, Lexington ... **J. Morgan Nutt** has become a shareholder in the firm of Hart & Associates in Louisville. He was formerly with Thomas Industries ... The firm of Michael T. Cook, CPA, CNE, Louisville, has recently earned the Novell Gold Partnership distinction.

At the AICPA

Robert R. Hill, Eskew & Gresham, PSC, Louisville, has been appointed to the national Board of Examiners of the AICPA. Hill will be one of eight that will oversee the National Uniform CPA Examination.

At NASBA

The National Association of State Boards of Accountancy announces the following national committee appointments: **John Craft** for Long Range Planning, **Susan Stopher** and **Asa Hord** for Examinations, and **David Anneken** for CPE.

In the Community

James M. Ratliffe, retired managing partner of Coopers & Lybrand, has been named as the interim Louisville Chamber of Commerce CEO.

In Memoriam

James A. Bailer
Erlanger

Jimmy W. Monroe
Louisville

If you are active in a particular community, government or civic organization, have been instrumental in founding, developing programs, or directing a major turnaround of a charitable group, or if you have recently received an award for your community involvement, please let us know about it. Send us a note to "People," The Bottom Line, KSCPA, P.O. Box 436869, Louisville, KY 40253-6869.

GATLINBURG RETREAT, booking now for fall/winter, prestigious "summit" condo, breathtaking view, pools (indoor/outdoor), Jacuzzi/ steam room, fireplace, sleeps six, two baths, equipped kitchen. Call (502) 423-0233 or 896-2302.

CONSIDERING OPENING AN OFFICE? Selling furniture, equipment, software and supplies along with a small client base. Assume one year office lease and copier lease. Phone (502) 429-0057 in Louisville.

OFFICE CONDOMINIUMS: FOR SALE OR LEASE. Newly constructed with profession image on Taylorsville Road in Louisville. 1188 square feet and up. Some immediate occupancy is available. Contact Dennis Ott, (502) 948-0500.

EXPANDING CPA FIRM IN ELIZABETHTOWN seeking an accountant with two or more years experience in tax. Flexible schedules, full or part time during tax season. Send resume to Stiles, Carter & Burba, PSC, 2901 Ring Road, Elizabethtown, KY 42701.

LEXINGTON FIRM seeking CPA with strong small business and tax background with good client development and computer skills. Also with an interest in a future equity position. Reply to The Bottom Line, Box 96-8.

EXPERIENCED ACCOUNTANTS wanted for progressive, regional accounting firm with offices in Evansville, IN and Owensboro, KY. Outstanding opportunities for professionals at all levels with two or more years experience in tax, audit and management consulting. Flexible schedules, full-time or part-time positions are available for professionals wanting challenge, variety and opportunity. Reply in confidence to: Riney, Hancock & Co., PSC, 2900 Veach Road, Owensboro, KY 42303.

STROTHMAN & COMPANY PSC seeks experienced CPAs at the senior to manager level. This is an excellent opportunity for personal growth and professional advancement. Individual must have a cooperative spirit, compassion for people, health ambition and positive track record. Send resume to Strothman & Company, PSC, 1600 Waterfront Plaza, Louisville, KY 40202.

WANTED: EXPERIENCED ACCOUNTANTS. Growing, prominent regional accounting firm continually seeks outstanding public accounting professionals with a minimum of two years experience in audit and/or tax. Desire full-time professionals as well as those seeking part-time or flexible work schedules. If you desire challenge, variety and unlimited potential for advancement in the field of public accounting, send resume to: Amy McCurdy, Eskew & Gresham, PSC, 2500 Meidinger Tower, Louisville, KY 40202 (502) 584-2500, (502) 585-1647 FAX.

NORTHERN KENTUCKY CPA FIRM is expanding and needs qualified professionals with audit and tax experience to assist in its growth. If you are interested in this opportunity in Northern Kentucky, pleae send your resume to Rankin, Rankin & Co., 1717 Dixie Highway, Suite 600, Ft. Wright, KY 41011.

FLEXIBILITY. Growing, progressive CPA firm in Lexington is looking for accountants wanting to work on a seasonal and/or part-time basis. Need experience in tax preparation or auditing. We offer a professional and pleasant work environment with an excellent salary and benefits package. Please send confidential resume to Director of Human Resources, Dean, Dorton & Ford, 106 W. Vine St., Suite 600, Lexington, KY 40507 or fax (606) 255-2341.

NEEDED: EXPERIENCED ACCOUNTANTS. Growing Louisville area accounting firm needs CPAs and CPA candidates with three to seven years tax and auditing experience. Excellent working environment and benefit package. Salaries commensurate with abilities. Please send confidential resumes to Sue Irwin, Louis T. Roth & Co., PLLC, 2100 Gardiner Lane, Suite 207, Louisville, KY 40205.

GROWING LOCAL CPA FIRM seeks CPA with a least three years experience to help replace retiring partner. An excellent opportunity for an energetic individual with background in small business and taxation and talent for client development. Reply to M. Gregory Cecil, 3044 Breckinridge Lane #104, Louisville, KY 40220.

LOCAL CPA IN GRAYSON looking for accountants with two years experience. Send resume to Danny Meenach, Kimbleton, Hampton & Meenach, PSC, P.O. Box 1044, Grayson, KY 41143-1044.

LEXINGTON CPA FIRM seeks experienced professional with strong audit and tax background. Excellent opportunity. Send resume to McCord and Associates, PSC, 2465 C. Nicholasville Road, Lexington, KY 40503.

RETIREMENT MINDED PARTNERS - PRACTICE FOR SALE, Lexington, KY. Fully computerized, primarily tax practice with write-up, review, audit and other accounting clients. Annual fees $400,000 plus staff of six, including two partners. Price $500,000, including all equipment. Partners will continue on per-diem basis. Reply to The Bottom Line, Box 96-1.

CENTRAL KENTUCKY CPA FIRM looking for small to medium size firm or individual practice to purchase. Will consider association with individual considering retirement. Reply in confidence to The Bottom Line, Box 96-10.

Guidelines for Classifieds

Advertisements must be submitted prior to the tenth of the month prior to the issue date.

Cost is 50 cents per word ($30.00 minimum). Add $5.00 for blind box ads. Send requests in writing to The Bottom Line, P.O. Box 436869, Louisville, Kentucky, 40253-6869. You will be billed when the ad appears.

The way we were

10 years ago ...

CompuFest still a success ... Approximately 3,000 people attended the show, a drop from 3,400 last year. The '86 show had 64 booths while CompuFest '85 had 95 booths. ...44 percent of the attendees were employed in the service industry and 17 percent were in manufacturing and distribution.

(from The Bottom Line, November 1986)

15 years ago ...

After consulting with the Ethics Committee, the recommendation is that the Committee will disclose, on a monthly basis to the Executive Committee, the general nature of any charges under investigation. However, the Committee felt that being required to disclose names of members under investigation or names of persons making complaints would hamper their efforts and they recommend that they not be required to do so.

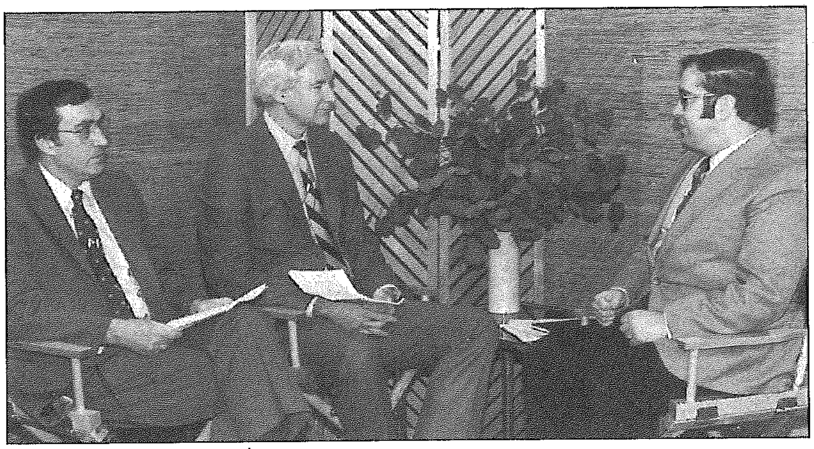
(from Board of Director Minutes, December 1981)

25 years ago ...

[in response to letter to the editor]

The Education and Memorial Foundation of the Kentucky Society of Certified Public Accountants was created over ten years ago with an initial grant of $500.00 from the Southern States Conference of Certified Public Accountants to be used for "educational" purposes. ... In February the trustees announced a scholarship program which would apply to high school seniors attending Kentucky colleges and also internships in public accounting for scholarship recipients during the summers following their sophomore year.

(from The Kentucky Accountant, November 1971)



Robert S. Cohen (center), Hisle & Company, Lexington and a state Revenue Cabinet representative, Elwood Harris (left) were interviewed by WTVQ in Lexington in April 1983.

KSCPA
Kentucky Society of Certified Public Accountants

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