

The Board of the Texas State Board of Public Accountancy is holding a meeting by online video conference call pursuant to §551.127 of the Open Meetings Act. The public may attend the meeting in-person at the office of the Board which is located at 505 E. Huntland Drive, Suite 370, Austin, Texas 78752. The Presiding Officer of the Board will be present at the 505 E. Huntland Drive location for the entirety of the meeting. In the alternative, the public may attend the meeting virtually using the following link.

Topic: Board Meeting

Time: Mar 21, 2024 10:00 AM Central Time (US and Canada)

<https://www.zoomgov.com/j/1601611799?pwd=U3NvK2puOVRycGs3dW1nSUIlSlpNdz09>

Meeting ID: 160 161 1799

Passcode: 997750

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Meeting ID: 160 161 1799

Texas State Board of Public Accountancy Meeting Schedule

	March 20, 2024		March 21, 2024
COMMITTEE	Qualifications	Peer Review/Executive	Board
TIME	10:00 AM	1:30 PM	10:00 AM
PLACE	HYBRID	HYBRID	HYBRID
LIAISON	HILLER	BROOKS/TREACY/SCHWIMMER-STAGGS	TREACY

ADAMS ¹			✓
CRAWFORD ¹		✓	✓
ESPINOZA-RILEY ¹		✓	✓
FOSHEE ¹	✓ (chair)		✓
GARCIA ¹		✓ (peer review chair)	✓
GRANT ¹		✓	✓
HARTMANN ²	✓		
HOLUP ¹		✓	✓
LAMBERT ²		✓	
McADAMS ²		✓	
PENÄ ²		✓	
MERKET ¹			✓
NEUHOFF ¹			✓
PITMAN ²	✓		
SEEFELD ¹		✓ (executive chair)	✓ (chair)
SMITH ¹	✓	✓	✓
VALLÉS-PANKRATZ ¹	✓		✓
WILLIS ²	✓		
WARREN ¹			✓
ZOLTON ²	✓		

¹ Board Member

² Advisory Member

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

BOARD MEETING AGENDA

MARCH 21, 2024

I.	CALL TO ORDER AND ROLL CALL – 10:00 A.M., MARCH 21, 2024	I-1
II.	APPROVAL OF THE JANUARY 18, 2024 BOARD MEETING MINUTES	II-1
III.	PUBLIC COMMENT.....	III-1
IV.	CONSIDERATION OF REPORT AND RECOMMENDATIONS OF THE JOINT EXECUTIVE AND PEER REVIEW COMMITTEES.....	IV-1
	A. Discussion, consideration, and possible action on the Peer Review Oversight Board annual report for 2023	
	B. Review and possible action on the Board's financial statements	
	C. Budget Plan for Fiscal Year 2025	
	D. IT Report	
	E. Firm Late Fee Discussion	
	F. Review of NASBA/AICPA matters:	
	<ul style="list-style-type: none"> • NASBA dates of interest <ul style="list-style-type: none"> a. 29th Annual Conference for Board of Accountancy Legal Counsel March 25 – 27, 2024, Nashville, TN b. 42nd Annual Conference for Executive Directors and Board Staff March 25 – 27, 2024, Nashville, TN c. Western Regional Meeting June 25-27, 2024, Omaha, NE d. 117th Annual Meeting October 27-30, 2024, Orlando, FL 	
	G. Review of general correspondence	
	H. Announcement of Ad Hoc Nominating Committee for the selection of Assistant Presiding Officer	
V.	CONSIDERATION OF REPORT AND RECOMMENDATIONS OF THE PEER REVIEW COMMITTEE MEETING.....	V-1
	<ul style="list-style-type: none"> • See Agenda Item IV-A. 	
VI.	CONSIDERATION OF REPORT FROM THE QUALIFICATION COMMITTEE MEETING.....	VI-1
	A. Report on the Applicant Reassessment Program	

- A. Report on the Applicant Reassessment Program
- B. Report on the NASBA Experience Learn and Earn Program (ELE)
- C. Report on the Board's Rules of Professional Conduct Exam required for certification
- D. Report on the NASBA Professional Licensure Task Force Concept Exposure
- E. Report on the Standards for the Texas Community Colleges to receive the Board's designation – Qualifying Educational Credit for CPA Examination
- F. Report on the Application of Intent submitted by applicant – 0290521
- G. Review of correspondence from NASBA

VII. CONSIDERATION OF REPORT AND RECOMMENDATIONS FROM THE BEHAVIORAL ENFORCEMENT COMMITTEEVII-1

February 29, 2024

- A. Dismissal – Insufficient Evidence
 - 1. Investigation Nos. 23-10-09L & 23-10-10L
 - 2. Investigation Nos. 23-12-07L & 23-12-08L
 - 3. Investigation No. 23-10-11L
 - 4. Investigation Nos. 24-01-06L & 24-02-01L
 - 5. Investigation Nos. 23-08-08L & 24-08-09L
 - 6. Investigation No. 23-12-02L
- B. Request for Reinstatement
 - Investigation No. 02-11-10L
- C. Other – Status report

VIII. CONSIDERATION OF REPORT AND RECOMMENDATIONS FROM THE TECHNICAL STANDARDS REVIEW COMMITTEE.....VIII-1

January 31, 2024

- A. Dismissal – Insufficient Evidence
 - 1. Investigation No. 23-02-08L
 - 2. Investigation No. 23-10-01L
 - 3. Investigation No. 23-11-05L
 - 4. Investigation No. 23-11-09L
- B. Modify – Scope Limitation
 - Investigation No. 22-01-02A
- C. Other – Status Report

IX.	DISCUSSION, CONSIDERATION, AND POSSIBLE ACTION ON AGREED CONSENT ORDERS AND ADMINISTRATIVE DISCIPLINARY ACTIONS.....	IX-1
A.	<u>Behavioral Enforcement Committee</u>	
	<ul style="list-style-type: none"> Investigation Nos. 23-11-01L & 23-11-02L 	
	<u>Technical Standards Review Committee</u>	
	<ol style="list-style-type: none"> Investigation Nos. 23-06-06L & 23-06-07L Investigation Nos. 23-07-06L & 23-07-07L Investigation Nos. 23-07-08L & 23-07-09L Investigation No. 23-07-11L Investigation No. 23-07-12L Investigation No. 23-10-02L 	
B.	<u>Administrative Disciplinary Actions</u>	
	<ol style="list-style-type: none"> Investigation Nos. 23-10-10001 - 23-10-10061 Investigation Nos. 23-11-10001 - 23-11-10066 Investigation Nos. 23-10-10062 - 23-10-10227 Investigation Nos. 23-11-10067 - 23-11-10225 Investigation Nos. 23-10-10228 - 23-10-10243 Investigation Nos. 23-11-10226 - 23-11-10241 	
X.	ADOPTION OF BOARD RULES	X-1
	<ol style="list-style-type: none"> 501.62 (<i>Other Professional Standards</i>) 521.9 (<i>Certificate Fee</i>) 	
XI.	REVIEW OF FUTURE MEETINGS/HEARING SCHEDULES.....	XI-1
XII.	ADJOURNMENT	XII-1

<p style="text-align: center;">Agenda Item I Call to Order and Roll Call March 21, 2024</p>
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- I. **DISCUSSION:** The meeting will be called to order, *en banc*, by video conference or in-person at 10:00 a.m., March 21, 2024 in the Board's office, at which time the roll will be called.

RECOMMENDATION: None required

SUGGESTED MOTION: None required

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<p style="text-align: center;">Agenda Item II Approval of the January 18, 2024 Minutes March 21, 2024</p>
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- I. **DISCUSSION:** The enclosed minutes of the January 18, 2024 Board meeting were kept in accordance with established procedures and reflect the business conducted.

RECOMMENDATION: The staff recommends that the minutes of the January 18, 2024 Board meeting be approved as submitted/amended.

SUGGESTED MOTION: That the minutes of the January 18, 2024 Board meeting be approved as submitted/amended.

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Texas State Board of Public Accountancy

January 18, 2024

The Texas State Board of Public Accountancy met by video conference and in-person from 10:03 a.m. until 11:25 a.m. on January 18, 2024. A notice of this meeting containing all items on the agenda, in accordance with *Section 551.127* of the *Texas Government Code* was filed with the Office of the Secretary of State at 2:28 p.m. on January 9, 2024. (TRD #2023-000136) (ATTACHMENT 1)

Board Members Present

Susan I. Adams, CPA
Kimberly D. "Kim" Crawford, CPA
Olivia Espinoza-Riley, CPA
Treasurer
Renee D. Foshee, Esq., CPA
Ray R. Garcia, CPA
Executive Committee
Member-at-Large
Jamie D. Grant
Executive Committee
Member-at-Large
Jill A. Holup
Executive Committee
Member-at-Large
Kevin J. Koch, CPA
Assistant Presiding Officer
Sherri B. Merket
Debra D. Seefeld, CPA
Presiding Officer
Sheila M. Vallés-Pankratz
Susan M. Warren, CPA

Members Absent

Thomas Neuhoff, CPA
excused
Jeannette P. Smith, CPA
Secretary, excused

Others Present

Kenneth Besserman, Esq.
Brenda Compagnone
Charles Cooley, CPA
Mary Valerie Reeves
Mark Vane

Staff Present

Paulette Beiter, Esq.
Marissa Brooks
Nicole Duran, CPA
Rhonda Fellner
J. Franco
Ann Hallam, PMP
J. Randel Hill, Esq.
Donna Hiller
John Moore, Esq.
Brian O'Neal
Marisa Rios
Lorna Schwimmer-Staggs, CPA
William Treacy
Dan Weaver

- I. Ms. Seefeld, Presiding Officer, called the meeting to order at 10:03 a.m. Mr. Treacy called roll and declared a quorum.

Ms. Seefeld moved to excuse the absences of Ms. Smith, and Mr. Neuhoff from the Board meeting. Mr. Koch seconded the motion and it passed unanimously. At this time, Ms. Seefeld announced the resignation of Himesh Gandhi, Esq., effective Jan. 17, 2024.

- II. Ms. Seefeld, Presiding Officer, moved to approve the November 9, 2023 Board meeting minutes as presented. Ms. Espinoza-Riley seconded the motion and it passed unanimously.

- III. After a call for public comments, there were no comments from the public.

- IV. Ms. Seefeld, Presiding Officer, reported on the January 17, 2024 (video conference and in-person) Executive Committee meeting.

Members Present

Renee D. Foshee, CPA
Ray R. Garcia, CPA
Jamie D. Grant
Jill A. Holup
Kevin J. Koch, CPA
(in-person)
Thomas Neuhoff, CPA
Olivia Espinoza-Riley, CPA
(in-person)
Debra D. Seefeld, CPA
Committee Chair (in-person)

Member Absent

Jeannette P. Smith, CPA
excused

Staff Present

Marissa Brooks
Rhonda Fellner
Ann Hallam, PMP
J. Randel Hill, Esq.
Donna Hiller
Brian O'Neal
Marisa Rios
Lorna Schwimmer-Staggs, CPA
Lori Shaw
William Treacy
Daniel Weaver

- A. Ms. Espinoza-Riley, Treasurer, presented the Board's financial statements. Mr. Koch moved to approve the Board's financial statements as presented. Ms. Crawford seconded the motion and it passed unanimously.

- B. Ms. Seefeld presented the Board's Equal Employment Opportunity Report - CY 2023.
- C. Mr. Treacy presented the Board's Historically Underutilized Businesses (HUB) Expenditure Summary.
- D. Ms. Seefeld reported on the following NASBA/AICPA matters:
 - NASBA dates of interest
 - a. 29th Annual Conference for Board of Accountancy Legal Counsel
March 25 – 27, 2024, Nashville, TN
 - b. 42nd Annual Conference for Executive Directors and Board Staff
March 25 – 27, 2024, Nashville, TN
 - c. 2024 Western Regional Meeting June 25-27, 2024, Omaha, NE
 - d. 117th Annual Meeting October 27-30, 2024, Orlando, FL
- E. Ms. Seefeld reported on general correspondence coming to the Board's attention.
- V. Mr. Koch, Interim Chair, reported on the January 17, 2024 (video conference and in-person) Rules Committee meeting.

Members Present

Susan Adams, CPA
Renee Foshee, CPA
Ray Garcia, CPA
Kevin Koch, CPA
Interim Chair
Debra Seefeld, CPA
ex officio
Susan Warren, CPA

Members Absent

Himesh Gandhi, Esq.
Jeannette P. Smith, CPA
excused

Staff Present

Paulette Beiter, Esq.
J. Randel Hill, Esq.
Donna Hiller
John Moore, Esq.
Marisa Rios
Lorna Schwimmer-Staggs, CPA
Lori Shaw
William Treacy
Daniel Weaver

- A. Ms. Merket moved that the Board authorize the executive director to publish the proposed amendments to Board *Rule 501.62 – Other Professional Standards*. Ms. Espinoza-Riley seconded the motion and it passed unanimously. **(ATTACHMENT 2)**
- B. Ms. Crawford moved that the Board authorize the executive director to publish the proposed amendments to Board *Rule 521.9 – Certificate Fee*. Ms. Vallés-Pankratz seconded the motion and it passed unanimously. **(ATTACHMENT 3)**
- C. Mr. Koch reported that the next Rules Committee Meeting will be March 20, 2024 at 1:30 p.m.
- VI. Ms. Foshee, Qualifications Committee Chair, reported on the January 17, 2024 (video conference and in-person) Qualifications Committee meeting:

Members Present

Renee Foshee, Esq, CPA
Committee Chair
Caroline Hartmann, CPA
Marshall Pitman, Ph.D., CPA
Debra D. Seefeld, CPA
(in-person)
Sheila M. Vallés-Pankratz
Veronda F. Willis, CPA

Members Absent

Kevin J. Koch, CPA
Jeannette P. Smith, CPA
Kathy Zolton, CPA

Others Present

Margie Beck
Kenneth Besserman, Esq.
Ellen Glazeman

Staff present

Ann Hallam, PMP
J. Randell Hill, Esq.
Donna Hiller
Kyle McGaw
Brian O'Neal
Marisa Rios
Lori Shaw
William Treacy

- A. Ms. Foshee reported that 112 individuals had requested reinstatement of CPA Exam credits through the Applicant Reassessment Program and these were approved. Twelve of the individuals have completed all sections of the CPA Exam as a result of the reinstatement, and have applied for CPA certification.
- B. Ms. Foshee reported on the new CPA Exam format launched on January 10, 2024 and as of January 16, 2024, 2,142 exams have been taken. The exams were given without incident in the U.S., Japan, Korea, India and the Middle East. The committee was notified that the testing center on the campus of Midwestern State University will close on March 29, 2024. Prometric is looking for another partner in the Wichita Falls, Texas area to establish a testing center.
- C. Ms. Foshee reported on the EY Career Path Accelerator Program offered through the Hult International Business School. Ms. Foshee motioned to accept credit from EY Career Path Accelerator Program for Bachelor Degree candidates. Ms. Espinoza-Riley seconded the motion and it passed unanimously.
- D. Ms. Foshee reported that the Task Force will schedule a meeting soon to consider the Board's Rules of Professional Conduct Exam.
- E. Mr. Treacy reported on the NASBA Professional Licensure Task Force Concept Exposure.
- VII. Mr. Koch reported on the following Behavioral Enforcement Committee meetings:

October 18, 2023 (Video conference and in-person)

Members Present

Susan I. Adams, CPA
Bennett Allison, CPA
Patrick Durio, CPA
Phillip D. Johnson, CPA
Kevin J. Koch, CPA
Robert Ogle, CPA
Jeannette P. Smith, CPA
Committee Chair

Member Absent

Jill A. Holup

Staff Present

Paulette Beiter, Esq.
J. Randel Hill, Esq.

A. Dismissals – Voluntary Compliance

Ms. Crawford moved to dismiss the following investigations due to insufficient evidence of a violation of the *Act* or the *Rules*. Mr. Garcia seconded the motion and it passed. The BEC committee members did not participate in the vote.

- Investigation Nos. 23-06-11L¹ and 23-06-12L¹

B. Other – the committee considered other matters during this meeting; however, these matters did not require Board action at this time.

January 4, 2024 (Video conference)

Members Present

Susan I. Adams, CPA
Bennett Allison, CPA
Patrick Durio, CPA
Phillip D. Johnson, CPA
Kevin J. Koch, CPA
Robert Ogle, CPA
Jeannette P. Smith, CPA
Committee Chair

Staff Present

Paulette Beiter, Esq.
J. Randel Hill, Esq.
John Moore, Esq.

A. Dismissals – Insufficient evidence

Ms. Merket moved to dismiss the following investigations due to insufficient evidence of a violation of the *Act* or the *Rules*. Mr. Garcia seconded the motion and it passed. The BEC committee members did not participate in the vote.

1. Investigation Nos. 23-10-12L¹ and 23-10-13L¹
2. Investigation Nos. 23-10-07L¹ and 23-10-08L¹
3. Investigation Nos. 23-09-05L¹ and 23-09-06L¹

- B. Other – The committee considered eight other matters during this meeting; however, these matters did not require Board action at this time.

VIII. Mr. Garcia, Technical Standards Review Committee Chair, reported on the following committee meetings:

September 27, 2023

Members Present

Douglas Koval, CPA
Jamie Grant
Debra Seefeld, CPA
ex officio
Juliet Williams, CPA
Sheila Vallés-Pankratz

Members Recused

Kimberly Crawford, CPA
Ray R. Garcia, CPA
Committee Chair
Dilliana Stewart, CPA
Susan Warren, CPA

Staff Present

J. Randel Hill, Esq.
John Moore, Esq.

- A. Dismissal – Insufficient evidence

Mr. Koch moved to dismiss the following investigation due to insufficient evidence of a violation of the *Act* or the *Rules*. Ms. Holup seconded the motion and it passed. The TSR committee members did not participate in the vote.

- Investigation No. 22-09-44L²

- B. Other - The committee considered 20 other matters during its meeting; however, these matters did not require Board action at this time.

November 29, 2023

Members Present

Kimberley Crawford, CPA
Ray R. Garcia, CPA
Committee Chair
Jamie D. Grant
Dillianna M. Stewart, CPA
Susan Warren, CPA
Juliet Williams, CPA

Members Absent

Shelia Vallés-Pankratz
Douglas Koval, CPA

Staff Present

J. Randel Hill, Esq.
John Moore, Esq.

- A. Dismissal – Insufficient evidence

Mr. Koch moved to dismiss the following investigation due to insufficient evidence of a violation of the *Act* or the *Rules*. Ms. Merket seconded the motion and it passed. The TSR committee members did not participate in the vote.

- Investigation No. 23-07-10L²

- B. Modify – Limit Scope

Ms. Foshee moved to modify the limitation on scope to allow the respondent to perform attest services for non-governmental entities. Ms. Adams seconded the motion and it passed. The TSR committee members did not participate in the vote.

- Investigation No. 03-03-32L²

IX. The Board took the following actions on agreed consent orders (ACOs), and administrative disciplinary actions.

A. **AGREED CONSENT ORDERS (ACO)**
BEHAVIORAL ENFORCEMENT COMMITTEE (BEC)

Ms. Crawford moved to approve the following ACOs as presented. Ms. Warren seconded the motion and it passed. The BEC Board members did not participate in the vote.

- | | | |
|-------------------------------|--|--------------------------------|
| 1. Investigation Nos.: | 23-08-02L¹ & 23-08-03L¹ | Hometown: Plano, Texas |
| Respondents: | Fei-Fei Catherine Fang | Certificate No.: 027452 |
| | Fei-Fei Catherine Fang (Firm) | Firm Lic. No.: T01705 |
| Rule Violation: | 501.74(b) | |
| Act Violation: | 901.502(6) | |

Respondents entered into an ACO with the Board whereby Respondents would be Reprimanded. In addition, Respondents must pay an administrative penalty of \$1,000 and \$778.79 in administrative costs within 30 days of the date of the Board Order. Respondents shall refund the Complainant \$200 within 30 days of the date of the Board Order.

Respondents failed to obtain a signed Form 8879 before filing a tax return.

- | | | |
|-------------------------------|--|---------------------------------|
| 2. Investigation Nos.: | 23-07-02L¹ & 23-07-03L¹ | Hometown: Houston, Texas |
| Respondents: | Edward Mitchell Gardner & | Certificate No.: 019215 |
| | Edward M. Gardner PC | Firm Lic. No.: C06356 |
| Rule Violation: | 501.74(b) | |
| Act Violation: | 901.502(6) | |

Respondents entered into an ACO with the Board whereby Respondents would be Reprimanded. In addition, Respondents must pay an administrative penalty of \$1,000 and \$778.79 in administrative costs within 30 days of the date of the Board Order. Respondents shall reimburse Complainant \$300 within 30 days of the date of the Board Order for costs Complainant incurred getting a return corrected.

Respondents failed to properly report a client's Qualified Charitable Distribution.

- | | | |
|-------------------------------|--|----------------------------------|
| 3. Investigation Nos.: | 23-06-01L¹ & 23-06-02L¹ | Hometown: McKinney, Texas |
| Respondents: | John Ramon Gramstad & | Certificate No.: 114317 |
| | Gramstad, CPA LLC | Firm Lic. No.: C10669 |
| Rule Violations: | 501.74(b), 501.93, 501.83, 501.82 | |
| Act Violation: | 901.502(6) | |

Respondents entered into an ACO with the Board whereby Respondents would be Reprimanded. In addition, Respondents must pay an administrative penalty of \$2,500 and \$935.20 in administrative costs within 30 days of the date of the Board Order. Respondents shall complete eight hours of continuing professional education (CPE) in the area of practice management within six months of the date of the Board Order.

Respondents failed to exercise due professional care when addressing or failing to address the franchise tax with their client for whom they prepared a corporate business return. Respondents failed to substantively respond to requests for information from the Board, practiced under a name other than the name in which the firm was licensed and used language suggesting a specialization on the firm's website.

4. **Investigation Nos.:** 23-07-13L¹ & 23-07-14L¹
Respondents: John Ramon Gramstad &
Gramstad, CPA LLC
Rule Violation: 501.74(b)
Act Violation: 901.502(6)

Hometown: McKinney, Texas
Certificate No.: 114317
Firm Lic. No.: C10669

Respondents entered into an ACO with the Board whereby Respondents would be Reprimanded. In addition, Respondents must pay an administrative penalty of \$1,000 and \$778.79 in administrative costs within 30 days of the date of the Board Order. Respondents shall complete eight hours of technical CPE in the area of multistate tax.

Respondents failed to exercise due professional care when taking a tax position, the client did not understand and without proper support from the client.

5. **Investigation No.:** 23-07-01L¹
Respondent: Kathy Havard
Rule Violation: 501.91
Act Violation: 901.502(6)

Hometown: Huntington, Texas
Certificate No.: 076990

Respondent entered into an ACO with the Board whereby Respondent would be Reprimanded. In addition, Respondent must pay \$700.58 in administrative costs within 30 days of the date of the Board Order and must attend Accountants Confidential Assistance Network meetings for 24 months.

Respondent failed to properly report past criminal actions to the Board.

TECHNICAL STANDARDS REVIEW COMMITTEE (TSR)

Mr. Koch moved to approve the following ACOs as presented. Ms. Holup seconded the motion and it passed. The TSR Board members did not participate in the vote.

- **Investigation Nos.:** 23-05-02L² & 23-05-03L²
Respondents: Jerry Charles Haynes and Haynes
& Associates, P.C.
Rule Violations: 501.60, 501.61, 527.4
Act Violations: 901.159, 901.502(6), 901.502(11)

Hometown: Roanoke, Texas
Certificate No.: 035592
Firm Lic. No.: C05772

Respondents entered into an ACO with the Board whereby Respondents would be Reprimanded. Respondents would also be assessed an administrative penalty of \$6,500 and administrative costs of \$931.93 to be paid in 12 monthly installments beginning February 15, 2024. In addition, Respondents would be placed on limited scope requiring Respondents to obtain pre-issuance reviews for any audits, compilations and reviews until Respondent Firm passes its next peer review. The pre-issuance reviewer chosen by the Respondents must be approved by the Chair of the Technical Standards Review Committee.

Respondents failed to meet generally accepted auditing standards and generally accepted accounting principles in an audit of a not for profit corporation. Respondents also issued audited financial statements for clients while the Respondent firm was not properly enrolled in the American Institute of Certified Public Accountants Peer Review Program.

B. ADMINISTRATIVE DISCIPLINARY ACTIONS

Ms. Warren moved to approve the following Administrative Disciplinary Actions as presented. Mr. Koch seconded the motion and it passed unanimously.

1. **Respondents: In the Matter of Disciplinary Action Against Certain Licensees for Nonpayment of Licensing and Late Fees for Three Consecutive License Periods**

The Respondents failed to pay their licensing fees for three consecutive license periods. Respondents, although properly notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends that the certificate of each Respondent

still not in compliance be revoked without prejudice. Each Respondent may regain his or her certificate by paying all license fees and late fees and by otherwise coming into compliance with the *Act*. Respondents violated *Act Section 901.502(4) (failure to pay license fees for three consecutive years)*. **(ATTACHMENT 5)**

No Board committee considered these actions.

Investigation Numbers

1. 23-08-10001 - 23-08-10070
2. 23-09-10001 - 23-09-10077

2. Respondents: In the Matter of Disciplinary Action Against Certain License Holders for CPE Delinquencies

The Respondents failed to comply with CPE reporting requirements found in Chapter 523 of the *Rules* and *Act Section 901.411 (Continuing Professional Education)*. The Respondents, although provided with a preliminary report and having been notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends that the license of each Respondent not in compliance be suspended for a period of three years, or until he or she complies with the licensing requirements of the *Act*, whichever is sooner. Additionally, staff recommends a \$100 penalty be imposed for each year a Respondent is not in compliance with the Board's CPE requirements. Respondents violated Board *Rules 501.94 (Mandatory CPE)* and *523.111 (Required CPE Reporting)*, and *Act Section 901.411*. **(ATTACHMENT 6)**

No Board committee considered these actions.

Investigation Numbers

3. 23-08-10071 - 23-08-10247
4. 23-09-10078 - 23-09-10251

3. Respondents: In the Matter of Disciplinary Action Against Certain Certificate Holders for Failure to Complete License Notice

The Respondents failed to complete their license renewal notices in accordance with Board *Rule 515.3 (License Renewals for Individuals and Firm Offices)*. Respondents, although properly notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends the certificate of each Respondent not in compliance be revoked without prejudice until such time as the Respondent complies with the requirements of the *Rules* and the *Act*. Respondents violated *Act Section 901.502(12) (Violations of Board Rules)*. **(ATTACHMENT 7)**

No Board committee considered these actions.

Investigation Numbers

5. 23-08-10248 - 23-08-10276
6. 23-09-10252 - 23-09-10274

- X. Ms. Vallés-Pankratz moved to adopt the following Board *Rules* as presented. Ms. Merket seconded the motion and it passed unanimously. **(ATTACHMENT 8)**

1. 511.52 (*Recognized Institutions of Higher Education*)
2. 511.53 (*Evaluation of International Education Documents*)
3. 511.58 (*Definitions of Related Business Subjects to take the UCPAE*)
4. 511.59 (*Definition of 120 Semester Hours to take the UCPAE*)
5. 511.60 (*Qualified Accounting Courses Prior to January 1, 2024 to take the UCPAE*)
6. 511.80 (*Granting of Credit*)
7. 511.87 (*Loss of Credit*)
8. 511.164 (*Definition of 150 Semester Hours to Qualify for Issuance of a Certificate*)
9. 515.5 (*Reinstatement of a Certificate or License in the Absence of a Violation of the Board's Rules of Professional Conduct*)
10. 515.11 (*Licensing for Military Service Members, Military Veterans, and Military Spouses*) (*Repeal*)
11. 516.1 (*Definitions*) (*New*)

12. 516.2 (*Licensing for Military Service Members and Spouses*) (*New*)
13. 516.3 (*Licensing for Military Veterans*) (*New*)
14. 516.4 (*Accounting Practice Notification by Military Service Members and Spouses*) (*New*)

XI. Ms. Seefeld reviewed the meeting schedule for the year.

XII. Ms. Seefeld moved to adjourn the meeting at 11:25 a.m., Ms. Espinoza-Riley seconded.

ATTEST:

Debra D. Seefeld, CPA, Presiding Officer

Jeannette P. Smith, CPA, Secretary

¹*Ms. Adams, Ms. Holup, and Mr. Koch recused themselves from participating in this matter.*

²*Ms. Crawford, Mr. Garcia, Mr. Grant, Ms. Vallés-Pankratz, and Ms. Warren recused themselves from participating in this matter.*

**Agenda Item III
Public Comment
March 21, 2024**

- I. **DISCUSSION:** Persons wishing to offer public comment to the Board will be given an opportunity to do so at this time.

RECOMMENDATION: None required

SUGGESTED MOTION: None required

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<p style="text-align: center;">Agenda Item IV Report of the Joint Executive and Peer Review Committees March 20, 2024</p>
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- A. Discussion, consideration, and possible action on the Peer Review Oversight Board (PROB) annual report for 2023 including a recommendation to continue the Texas Society of CPAs and the AICPA/National Peer Review Committee (NPRC) as approved peer review sponsoring organizations.
- B. Review and possible action on the Board's financial statements
- C. Budget Plan for Fiscal Year 2025
- D. IT Report
- E. Firm Late Fee Discussion
- F. Review of NASBA/AICPA matters:
 - NASBA dates of interest:
 - a. 29th Annual Conference for Board of Accountancy Legal Counsel
March 25 – 27, 2024, Nashville, TN
 - b. 42nd Annual Conference for Executive Directors and Board Staff
March 25 – 27, 2024, Nashville, TN
 - c. Western Regional Meeting, June 25-27, 2024, Omaha, NE
 - d. 117th Annual Meeting, October 27-30, 2024, Orlando, FL
- G. Review of general correspondence
- H. Announcement of Ad Hoc Nominating Committee for the selection of Assistant Presiding Officer

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<p style="text-align: center;">Agenda Item IV Report of the Joint Executive and Peer Review Committees March 20, 2024</p>
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- A. Discussion, consideration, and possible action on the Peer Review Oversight Board (PROB) annual report for 2023, including a recommendation to continue the Texas Society of CPAs and the AICPA/National Peer Review Committee (NPRC) as approved peer review sponsoring organizations.

DISCUSSION: John Michael Waters, PROB member, will report on the TXCPA and AICPA/NPRC review evaluations. The 2023 annual report is provided on the following pages.

RECOMMENDATION: To accept the report as presented to the Peer Review Committee and approve the continuation of the TXCPA and AICPA/NPRC as approved sponsoring organizations.

SUGGESTED MOTION: To accept the report as presented to the Peer Review Committee and approve the continuation of the TXCPA and AICPA/NPRC as approved sponsoring organizations.

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TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY PEER REVIEW OVERSIGHT BOARD

Annual Report for 2023 on the Continuing Oversight of Sponsoring Organizations Approved by the TSBPA to Administer Peer Reviews

The Peer Review Oversight Board (PROB) was established under the provisions of the Texas Administrative Code, Title 22, Rule 527.7(c) and is retained by the Texas State Board of Public Accountancy (TSBPA) to monitor sponsoring organizations that have been approved by the TSBPA to administer peer reviews under the auspices of the AICPA Peer Review Program for firms that are licensed or registered in the State of Texas. During 2023, the Texas Society of CPAs (TXCPA) and the AICPA/National Peer Review Committee (NPRC) were the only sponsoring organizations approved by the TSBPA.

EXECUTIVE SUMMARY – CONCLUSIONS

As described in this report, PROB recommends continuance of both the AICPA/NPRC and the TXCPA as the approved sponsoring organizations for peer reviews of Texas CPA firms.

AICPA/NPRC

In accordance with the provisions of the Texas Administrative Code, Rule 527.7(d)(1), the PROB has reviewed the most recent published oversight report related to the NPRC (issued May 11, 2023). In general, NPRC peer reviews cover firms who audit public clients. Peer reviews of those firms are not administered by the TXCPA. **PROB has determined that, based upon the conclusions in the NPRC oversight report, we recommend the continuance of the AICPA/NPRC as a sponsoring organization within the requirements stipulated in the Texas Administrative Code, Rule 527.9.**

TEXAS SOCIETY OF CPAs (TXCPA)

TXCPA's Peer Review Committee and its Report Acceptance Bodies (RABs)

In accordance with the provisions of the Texas Administrative Code, Rule 527.7(d)(2)A, members of the PROB attended all 2023 meetings of the TXCPA's Peer Review Committee and its Report Acceptance Bodies (RABs). Most RAB meetings were conducted remotely over Zoom. In addition, TXCPA held two face-to-face RAB meetings in Dallas, in conjunction with full TXCPA Peer Review Committee meetings. PROB members attended both of these in-person meetings on May 8, 2023 and December 12,

2023. Using the criteria listed below to generate a risk-based sample of peer reviews processed by the TXCPA throughout 2023, PROB members performed in-depth reviews of all RAB documents for those peer reviews that were selected in the sample. The criteria included:

1. Reviews conducted by Team Captains and Review Captains on a TXCPA watch list, whose past performance has been problematic in the performance of and reporting on the results of peer reviews in accordance with peer review standards.
2. Fail reports.
3. Pass with Deficiencies reports.
4. Reviews in which the current report showed a dramatic improvement from a Fail report or Pass with Deficiencies report in the prior peer review.
5. Reviews in which the current report revealed a dramatic deterioration to a Fail report or Pass with Deficiencies report for firms that had previously received a Pass report.
6. Reviews conducted by Association Formed review teams.
7. Reviews conducted by Team captains who perform a large number of peer reviews.
8. Other randomly selected peer reviews.

A special emphasis was placed on problematic peer reviewers (category 1 above). PROB's risk-based selection for that category included 21 peer reviews conducted by reviewers who are on TXCPA's watch list. 43 other reviews and a corrective action were selected throughout the year, covering each of the above categories 2 through 8.

For the sample of peer reviews described above, PROB members reviewed in detail all of the same documents that were presented to the RAB, consisting of peer review reports and the peer review documentation that had been prepared by the reviewers plus summary documents and conclusions prepared by TXCPA's technical reviewers. The PROB members listened to the TXCPA RABs' deliberations regarding these reviews and considered whether the conclusions were consistent with AICPA Peer Review Standards. In addition to the peer reviews that were specifically included in the sample selection for detailed oversight, PROB members also perused summary-level documentation and listened to RAB discussions covering substantially all the other peer reviews processed by the TXCPA during 2023.

During 2023, the TXCPA's RABs considered and acted upon 174 System Reviews and 194 Engagement Reviews, for a total of 368 peer reviews. PROB members oversighted in detail 26 System Reviews (15%) and 37 engagement Reviews (19%), for a total of 63 reviews (aggregating 17% of all peer reviews). In addition, TXCPA's RABs considered and acted upon 109 other actions pertaining to delayed acceptances, amendments to corrective actions that had been previously assigned to reviewed firms, and discussions regarding whether to refer certain potentially noncooperative firms to AICPA for formal hearings. PROB members oversighted in detail 1 such RAB action and also observed

substantially all of the discussions of the others. In aggregate, PROB members oversighted in detail more than 13% of all 2023 TXCPA RAB decisions. During RAB meetings, PROB members were permitted to comment on peer reviews that had been selected for in-depth oversight or those as to which they may have developed a question; however, PROB members had no vote in any RAB decisions. Assignment of PROB members to RABs was made in such a way as to avoid independence or familiarity conflicts with the peer reviews being discussed.

The results of Texas peer reviews accepted by TXCPA during 2023 were:

Pass: 82%

Pass with Deficiencies: 10%

Fail: 8%

To perform their oversight procedures, PROB members utilized internally developed checklists that were designed by PROB to facilitate appropriate considerations in assessing whether the TXCPA peer review program is being administered in accordance with the AICPA Peer Review Standards.

We did not disagree with any final RAB conclusions that we observed, and we believe that the ultimate peer review ratings accepted by TXCPA were appropriate. We noted that the TXCPA's technical staff and the RAB members were knowledgeable about both their responsibilities and the technical aspects of the peer reviews that were presented, and that they devoted a suitable amount of time to fully discuss each peer review.

Other TXCPA Oversight Considerations

In addition to attending the TXCPA RAB and Peer Review Committee meetings, PROB members also attend TXCPA Reviewer Evaluation Committee meetings. These meetings are held three times each year to focus on problematic peer reviewers, especially identification of individuals placed on TXCPA's watch list. We noted that tardy peer reviewers were identified and that no new peer reviews were being scheduled for those individuals until they became current. During 2023, the Reviewer Evaluation Committee met in March, August and November and PROB members attended all of those meetings. We also noted that the full TXCPA Peer Review Committee further discusses those reviewers who are on the watch list twice each year.

PROB members monitor TXCPA reports that track the status of CPA firms who are overdue on their peer reviews (this is further monitored by AICPA). PROB noted that TXCPA has, when warranted, appropriately advised AICPA to drop certain firms from the Peer Review Program for noncooperation with the Program.

PROB members monitored the technical content of AICPA and TXCPA peer reviewer forums.

During 2023, PROB also reviewed and relied upon various outside oversight reports including:

- AICPA Peer Review Program Report on Oversight, a 40-page detailed summary issued April 17, 2023 by the AICPA Peer Review Program's Oversight Task Force pertaining to TXCPA's administration of the AICPA Peer Review Program.
- TXCPA's Plan of Administration to Administer Peer Reviews in 2024 and AICPA's most recent (May 4, 2023) written approval of TXCPA's 2023 Plan of Administration.
- Administering Entity Benchmark Summaries issued by AICPA's Peer Review Board and the underlying 13-14-page benchmark reports submitted by TXCPA to AICPA every four months, along with related AICPA approvals.
- TXCPA Annual Report on Peer Review Activities issued March 22, 2023 and related AICPA approval.
- RAB observation reports issued by AICPA's Peer Review Board (AICPA periodically oversights specific RAB sessions). The most recent reports covered AICPA observations on January 9, 2023 and September 18, 2023.
- Reports on independent evaluations of TXCPA's safeguards over improper bias due to familiarity threats. Such safeguards include procedures to avoid improper acceptance bias arising from situations such as familiarity with high volume reviewers or reviews performed by Peer Review Committee and RAB members, or overreliance on technical reviewers. To obtain these evaluations, TXCPA participates in familiarity cross reviews with other AICPA-approved administering entities. In 2023, three such reviews were conducted. They were performed by the Peer Review Alliance (the administering entity for Illinois, Indiana, Iowa, Kentucky, South Carolina, West Virginia and Wisconsin) in April and October 2023 and by the Pennsylvania Institute of Certified Public Accountants in August 2023. Each of the three 2023 reports concluded that TXCPA is appropriately complying with its Familiarity Threat Policies and Procedures.
- Administrative Oversight Visit report by TXCPA on procedures conducted regarding the TXCPA Peer Review Department / Committee in accordance with the *AICPA Peer Review Program Oversight Handbook*.

Conclusions Regarding TXCPA

Based upon the results of the oversight procedures performed by PROB members and the additional oversight procedures performed by AICPA and other parties, in our opinion the TXCPA is administering its peer review program in accordance with the standards promulgated by the AICPA Peer Review Board and the rules of the TSBPA. **We recommend that the TSBPA should continue to approve and rely upon TXCPA as a peer review sponsoring organization.**

Additional Comments

As was also true in 2022, fewer peer reviews were again processed by TXCPA in 2023 compared to the years prior to COVID. Some of this appears to have arisen from ongoing delays in receiving completed reviews, some of which were related to firms that continued to run behind in completing reviewable engagements. Some firms reported ongoing slowdowns in being able to access their clients' underlying records because certain clients apparently were still not back up to speed. There has been a decline in the number of CPA firms issuing reviewable engagements (nationally as well as in Texas). As a result of mergers and acquisitions, retirements, and the level of professional standards overload, some CPA firms have ceased performing reviewable accounting and auditing engagements. A previously predicted increase in the number of peer reviews during 2023 did not materialize and it remains unknown whether the future pace will accelerate to former levels. At its December 12, 2023 meeting, the TXCPA Peer Review Committee noted that there were still 84 Texas firms with 2023 peer review due dates for which the peer review workpapers had not yet been submitted for technical review and that 246 Texas peer reviews due in 2024 and 2025 were in various stages of scheduling.

There continues to be an ongoing national shortage of reliable peer reviewers. As of December 2023, the pool of Texas peer reviewers has continued to shrink. It was reported at TXCPA's December 2023 Peer Review Committee meeting in Dallas that there are only 40 to 50 active peer reviewers remaining in Texas. At one time there had been approximately 200 peer reviewers in Texas and at the end of 2022 TXCPA had reported approximately 54 listed reviewers, although it was noted at that time that some of them might not be active or performed only a few peer reviews.

In past annual reports, PROB has expressed concerns about the PRIMA software developed by the AICPA to administer the scheduling and processing of peer reviews. We recognize that AICPA has gradually made some functional improvements to PRIMA which have slightly reduced the difficulty reviewed firms and peer reviewers have experienced in navigating through the process. Because PRIMA is not intuitive for a reviewed firm that needs to use it at only three-year intervals, a burden of interruptions and wasted time falls upon many reviewers when the reviewed firms seek assistance.

We do not have verifiable data as to whether this situation is a factor in causing some reviewers to limit or cease their peer review activity.

TSBPA PEER REVIEW OVERSIGHT BOARD

A handwritten signature in blue ink that reads "Robert D. Goldstein, CPA". The signature is written in a cursive style.

Robert D. Goldstein, CPA, Chair
J. Michael Waters, CPA
Thomas A. Akin, CPA

Houston, Texas
January 12, 2024

<p style="text-align: center;">Agenda Item IV Report of the Joint Executive and Peer Review Committees March 20, 2024</p>
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B. Review and possible action on the Board's financial statements.

DISCUSSION: Ms. Espinoza-Riley, Treasurer, will present the Board's financial statements.

RECOMMENDATION: The staff recommends that the Board's financial statements be approved as presented.

SUGGESTED MOTION: That the Board's financial statements be approved as presented.

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TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

Financial Overview

For the 5 Months Ending January 31, 2024

Annual Budget						
	Actual	Annual Budget	Variance	Percent Remaining	Target	Variance
Revenues - YTD	\$ 3,640,085	\$ 7,915,233	\$ 4,275,148	54.01%	58.33%	4.32%
Expenditures - YTD	\$ (2,617,975)	\$ (7,133,388)	\$ 4,515,413	63.30%	58.33%	4.97%
Net - YTD	1,022,110	781,845	\$ 240,265	-30.73%	58.33%	89.06%
Transfer Out - SDSI annual payment	\$ (293,060)	\$ (703,344)	\$ (410,284)	58.33%	58.33%	0.00%
Net Increase/(Reduction) in Fund Balance	\$ 729,050	\$ 78,501	\$ 650,549	-828.7%	58.33%	-887.05%
<p>Revenues: See <i>Revenue Budget Summary</i> for additional information</p> <ul style="list-style-type: none"> ● Revenue collected over budget by 4.32% <ul style="list-style-type: none"> ➔ Sponsor, firm, exam, and other collections revenues are over budget - see Revenue Budget Report <p>Expenditures: See <i>Expenditure Budget Summary</i> for additional information</p> <ul style="list-style-type: none"> ● Expenditures under budget by 4.97% <ul style="list-style-type: none"> ➔ See <i>Expenditure Budget Summary</i> for discussion of budget items. 						

Revenues and Expenditures and Changes in Fund Balance				
	Current Year	Prior Year	Difference	% Difference
Beginning Fund Balance 9/01/2023	\$ 6,888,289	\$ 5,728,242		
Revenues	3,640,085	3,176,393	463,692	14.6%
Expenditures	(2,639,835)	(2,586,148)	53,687	2.1%
Other Financing Sources (Uses)	(293,708)	(294,363)	(654)	-0.2%
Ending Fund Balance 1/31/24	<u>\$ 7,594,831</u>	<u>\$ 6,024,124</u>		
net increase/(reduction) in FB	\$ 706,541	\$ 295,882		
Budgeted Ending Fund Balance	\$ 5,599,836	\$ 5,521,335		
* EXH II expenditures include FY 22 and 23 expenditures of \$21,860.40.				

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
Performance Measures
For the 5 Months Ending January 31, 2024

Performance Measures:

	Sept. 23-Nov. 23	Dec. 23-Feb. 24	Mar. 24-May 24	June 24-Aug. 24				
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	YTD	Target	%	FY 23
Exam Related Measures:								
Individuals examined within one quarter	3,187				3,187	9,932	32%	9,488
Sections taken	4,250				4,250	13,903	31%	12,563
Average sections taken per individual per quarter	1.33				1.33	1.40	95%	1.32
Licensing Related Measures:								
Number of individuals licensed	78,206				not cumulative	78,490	100%	78,270
Number of business facilities licensed (firms) ^a	8,449				not cumulative	8,328	101%	8,509
Peer Review Related Measures:								
Number of accounting firms subject to peer review	1,837				not cumulative	1,700	108%	1,859
Number of Peer Reviews Conducted	118				118	566	21%	614
Percentage of accounting firms reviewed	6.4%				6.4%	33%	19%	33.0%
Percentage of accounting firms receiving favorable review	85.6%				85.6%	83.8%	102%	79.3%
Number of peer reviews examined by the Peer Review Oversight Board	118				118	566	21%	614
Sponsor Review Program Related Measures:								
Number of CPE Sponsors Reviewed	50				50	143	35%	116
Number of CPE Sponsors Subject to Review	442				not cumulative	418	106%	403
Enforcement Related Measures:								
Administrative:								
Open violations, beginning	1,384				1,384			1,387
Violations opened	755				755			4,935
Violations closed	(1,047)				(1,047)			(4,909)
Previous quarter adjustment	(7)				(7)			(29)
Open violations, ending	1,085				1,085			1,384
Average time for complaint resolution (days)	136.2				136.2	125.1	109%	117.3
Disciplinary:								
Open violations, beginning	406				406			344
Violations opened	193				321			443
Violations closed	(187)				(211)			(277)
Previous quarter adjustment	(4)				(4)			(104)
Open violations, ending	408			-	512			406
Average time for complaint resolution (days)	156.0				156.0	207.9	75%	265.2

^a This measure is the number of Registered Accounting Firms not Practice Units. The number of Practice Units is used for estimating revenue because Firms may have more than one Practice Unit.

^b Case numbers are estimates based on best available data, subject to additional review of violation coding. Rule changes over time may affect coding.

Texas State Board of Public Accountancy
Revenue Budget Report
From September 1, 2023 - January 31, 2024

Account Title	Current Month's Revenue	YTD Revenue	Total Budget	Variance	% Budget Remaining	Versus Target
						58.33% F (U)
CPA License	\$ 534,456.75	\$ 2,507,529.75	\$ 5,738,522.09	3,230,992.34	56.3%	2.0%
CPE Sponsor Review	20,650.00	125,900.00	206,735.74	80,835.74	39.1%	19.2%
Firm Office License	90,394.60	434,893.35	816,352.28	381,458.93	46.7%	11.6%
Late Payment Fees	42,591.70	168,753.76	364,078.28	195,324.52	53.6%	4.7%
Application of Intent - Evaluation Fee	7,440.00	35,680.00	73,691.10	38,011.10	51.6%	6.8%
Transfer of Credit IN	200.00	1,200.00	4,057.03	2,857.03	70.4%	-12.1%
Exam Eligibility Fee - AUD	7,560.00	29,445.00	61,807.83	32,362.83	52.4%	6.0%
Exam Eligibility Fee - FAR	10,740.00	28,650.00	55,676.98	27,026.98	48.5%	9.8%
Exam Eligibility Fee - REG	6,960.00	23,040.00	59,909.09	36,869.09	61.5%	-3.2%
Exam Eligibility Fee - BEC	0.00	36,015.00	22,646.64	(13,368.36)	-59.0%	117.4%
Exam Eligibility Fee - BAR	1,050.00	1,680.00	15,097.76	13,417.76	88.9%	-30.5%
Exam Eligibility Fee - ISC	1,035.00	1,455.00	15,097.76	13,642.76	90.4%	-32.0%
Exam Eligibility Fee - TCP	945.00	1,725.00	15,097.76	13,372.76	88.6%	-30.2%
Exam Fees	35,930.00	158,890.00	323,081.95	164,191.95	50.8%	7.5%
Certificate Fee	8,600.00	39,400.00	92,726.20	53,326.20	57.5%	0.8%
Reciprocal Registration	4,800.00	25,400.00	73,850.29	48,450.29	65.6%	-7.3%
Temporary Practice	0.00	0.00	0.00	0.00	N/A	N/A
Direct Administrative Costs - Enforcement	0.00	13,421.96	41,829.28	28,407.32	67.9%	-9.6%
Voided Warrants	0.00	0.00	0.00	0.00	N/A	N/A
Transfer of Credit - OUT	680.00	3,640.00	9,147.07	5,507.07	60.2%	-1.9%
Interest Income	31,074.68	142,634.60	200,000.00	57,365.40	28.7%	29.7%
Interest on Judgments	0.00	0.00	0.00	0.00	N/A	N/A
Sales of Lists/Miscellaneous Copies/NSF Fees	30.00	45.00	1,112.00	1,067.00	96.0%	-37.6%
Lettering of Replacement CPA Certificate	150.00	600.00	3,390.90	2,790.90	82.3%	-24.0%
AICPA Regrades	480.00	520.00	0.00	(520.00)	N/A	N/A
Reimbursements - 3rd Party (Reimbursements from TBAE IAC)	3,691.31	18,456.55	44,406.60	25,950.05	N/A	N/A
Other Collections	49,505.99	244,118.11	466,462.34	222,344.23	47.7%	10.7%
Total Revenue	\$ 773,529.04	\$ 3,640,084.97	\$ 7,915,232.68	\$ 4,275,147.71	54.0%	4.32%

Texas State Board of Public Accountancy
Expenditure Budget Report
From September 1, 2023 - January 31, 2024

Account Title		Current Month's Expenditures	YTD Expenditures	YTD Encumbrances	Total Budget	Budget Remaining	% Budget Remaining	% Variance vs. Target	\$ Variance vs. Target
								58.3% F (U)	
F0410	Debt Service - Interest	2,850.40	14,363.45	0.00	33,107.82	18,744.37	56.62%	-1.72%	(568.53)
L1001	Sal & Wages - Comp. Per Diem	200.00	1,400.00	0.00	18,900.00	17,500.00	92.59%	34.26%	6,475.00
S&W	Salaries & Wages	281,964.29	1,375,750.64	0.00	3,727,653.28	2,351,902.64	63.09%	4.76%	177,438.23
M9000	Payroll Related Costs (IC)	91,434.00	446,959.68	0.00	1,051,473.76	604,514.08	57.49%	-0.84%	(8,845.61)
N2004	Prof Fees - Court Reporters	0.00	0.00	0.00	1,241.60	1,241.60	100.00%	41.67%	517.33
N2005	Prof Fees-Legal Svcs-OAG & OLC	0.00	2,940.00	0.00	262,500.00	259,560.00	98.88%	40.55%	106,435.00
N2007	Prof Fees - Fin/Acctg. Svcs.	0.00	0.00	0.00	34,545.42	34,545.42	100.00%	41.67%	14,393.93
N2008	Prof Fees - Expert Witnesses	1,400.00	11,597.50	0.00	263,245.91	251,648.41	95.59%	37.26%	98,088.30
N2009	Prof Fees - PROB	4,616.55	22,039.93	0.00	54,289.99	32,250.06	59.40%	1.07%	580.90
N2010	Prof Fees - SOAH	0.00	15,626.52	0.00	42,000.00	26,373.48	62.79%	4.46%	1,873.48
N2011	Prof Fees - Computer	5,225.00	45,625.00	0.00	224,562.36	178,937.36	79.68%	21.35%	47,942.65
N2019	Prof Fees - Other	0.00	2,675.00	0.00	3,675.00	1,000.00	27.21%	-31.12%	(1,143.75)
N2022	PF - SRP - Review	375.00	11,749.75	0.00	9,059.79	(2,689.96)	-29.69% B	-88.02%	(7,974.84)
P2001	Travel-In State-Board Mbrs.	298.42	1,931.69	0.00	36,749.98	34,818.29	94.74%	36.41%	13,380.80
P2002	Travel-In State-Employees	0.00	290.49	0.00	4,492.11	4,201.62	93.53%	35.20%	1,581.22
P2003	Travel-In State-Adv Comm Mbrs	0.00	0.00	0.00	3,126.84	3,126.84	100.00%	41.67%	1,302.85
P2021	Travel-Out-of-State-Bd. Mbrs.	0.00	1,711.08	0.00	9,144.33	7,433.25	81.29%	22.95%	2,099.06
P2022	Travel-Out-of-State-Employees	0.00	4,611.71	0.00	10,275.40	5,663.69	55.12%	-3.21%	(330.29)
Q2001	Material & Supplies	28,363.35	53,110.04	0.00	67,630.61	14,520.57	21.47% A1	-36.86%	(24,930.62)
Q2005	Matls/Supp - Office Meter Post	0.00	20,000.00	0.00	63,087.25	43,087.25	68.30%	9.96%	6,286.35
Q2006	Matls/Supp - Bulk Rate Postage	0.00	0.00	0.00	1,000.00	1,000.00	100.00%	41.67%	416.67
Q2009	Matls/Suppl - Other Postage	0.00	0.00	0.00	300.00	300.00	100.00%	41.67%	125.00
R2001	Communication & Utilities	11,580.99	29,063.53	0.00	75,600.00	46,536.47	61.56%	3.22%	2,436.47
S2001	Repairs & Maint-Annual Conts.	0.00	59,174.20	0.00	91,284.79	32,110.59	35.18% A2	-23.16%	(21,138.87)
S2005	Repairs & Maintenance - Other	0.00	19,688.05	0.00	9,895.60	(9,792.45)	-98.96% C	-157.29%	(15,564.88)
T2001	Rentals & Leases-Furn/Eqpt	2,179.78	10,677.63	0.00	31,243.73	20,566.10	65.82%	7.49%	2,340.59
T2004	Rentals & Leases-Furn/Eqpt SIC	0.00	4,086.50	0.00	13,125.00	9,038.50	68.86%	10.53%	1,382.25
T2013	Rental & Leases-Other Space	1,562.85	5,312.32	0.00	12,078.60	6,766.28	56.02%	-2.31%	(279.57)
T2015	Rental & Leases - SIC	1,733.00	4,816.00	0.00	12,600.00	7,784.00	61.78%	3.44%	434.00
T2019	Debt Service Principal - RTU Lease	27,236.56	136,076.60	0.00	328,817.62	192,741.02	58.62%	0.28%	930.74
U2001	Printing & Reproduction	0.00	4,083.12	0.00	56,989.18	52,906.06	92.84%	34.50%	19,662.37
U2002	Printing of Board Report	0.00	1,716.79	0.00	12,172.49	10,455.70	85.90%	27.56%	3,355.08
W2001	OOE - Membership Fees	0.00	6,500.00	0.00	10,681.00	4,181.00	39.14%	-19.19%	(2,049.58)
W2003	OOE - Registration Fees	300.00	5,150.00	0.00	15,217.31	10,067.31	66.16%	7.82%	1,190.55
W2005	OOE - Temporary Support Svcs	7,063.12	23,615.21	0.00	50,000.00	26,384.79	52.77%	-5.56%	(2,781.88)
W2007	OOE - Freight/Delivery Svc.	140.44	575.18	0.00	2,655.34	2,080.16	78.34%	20.01%	531.21
W2009	OOE - Convention Center Labor	0.00	1,530.00	0.00	4,200.00	2,670.00	63.57%	5.24%	220.00
W2013	OOE - Employee Awards	113.59	113.59	0.00	1,241.58	1,127.99	90.85%	32.52%	403.74
W2014	OOE - Witness Fees & Invest Cost	0.00	0.00	0.00	2,000.00	2,000.00	100.00%	41.67%	833.33
W2020	OOE - Other Fees & Charges	5,393.53	40,333.48	0.00	60,966.87	20,633.39	33.84%	-24.49%	(14,930.62)
W2021	OOE - TX Online Processing Fees	35,518.97	86,188.47	0.00	190,182.91	103,994.44	54.68%	-3.65%	(6,945.59)
W2027	OOE - Statewide Cost Alloc. (IC)	2,017.25	10,086.25	0.00	24,206.98	14,120.73	58.33%	0.00%	(0.01)
W2028	OOE - SORM Assessments	0.00	2,552.42	0.00	8,974.35	6,421.93	71.56%	13.23%	1,186.89
W2029	PUB - Public Assistance Pymts	0.00	134,253.00	0.00	140,965.65	6,712.65	4.76% D	-53.57%	(75,517.31)
X5005	Capital Outlay-Computer	0.00	0.00	0.00	56,227.49	56,227.49	100.00%	41.67%	23,428.12
Report Total		\$ 511,567.09	\$ 2,617,974.82	\$ -	\$ 7,133,387.94	4,515,413.12	63.30%	4.97%	

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
Budget Variance Explanations
For the 5 Months Ending January 31, 2024

Ref.	Budget Item	Budget	Actual	Difference	Budget Remaining	Explanation
	Operating Budget	\$ 7,133,388	\$ 2,617,975	\$ 4,515,413.12	63.30%	budget remaining versus 58.3% target level
A1	Material & Supplies	\$ 67,631	\$ 53,110.04	\$ 14,520.57	21.47%	These expenditure categories are higher due to including annual contracts paid early in the year.
A2	Repairs & Maint-Annual Conts.	\$ 91,285	\$ 59,174.20	\$ 32,110.59	35.18%	
B	PF - SRP - Review	\$ 9,060	\$ 11,749.75	\$ (2,689.96)	-29.69%	Variance due to decreased in-house reviews following a retirement and permanent staff reduction. In-house reviews increased after the first quarter, and expenditures for outsourced reviews are expected to stay low for the remainder
C	Repairs & Maintenance - Other	\$ 9,896	\$ 19,688.05	\$ (9,792.45)	-98.96%	Variance due to construction of a copy room.
D	PUB - Public Assistance Pymts	\$ 140,966	\$ 134,253.00	\$ 6,712.65	4.76%	The public assistance payment is a one-time payment at the beginning of the year.

Texas State Board of Public Accountancy
Exhibit A-1 - Balance Sheet - All General and Consolidated Funds
January 31, 2024

	Scholarship Fund		Operating Fund	
	(1000)	(0858)	(1009)	Total
	U/F (1002)	U/F (7106, 6106)	U/F (1009, 2858)	(EXH I)
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash on Hand	\$ 1,350.00	\$ 250.00	\$ 16,118.00	\$ 17,718.00
Cash in Bank - Treasury Safekeeping Trust	\$ 200.00	236.00	4,242.01	4,678.01
Cash in State Treasury	\$ -	59,012.47	1,192,720.71	1,251,733.18
Repurchase Agreement - Treasury Safekeeping Trust	\$ 3,131,837.49	1,017,237.95	6,862,682.35	11,011,757.79
Accounts Receivable	-	-	1,120.00	1,120.00
Due From Other Funds	-	-	-	-
Prepaid Item	-	-	-	-
Consumable Inventories	-	-	-	-
Total Current Assets	<u>3,133,387.49</u>	<u>1,076,736.42</u>	<u>8,076,883.07</u>	<u>12,287,006.98</u>
Non-Current Assets:				
Non-Current Refundable Deposits			37,009.76	37,009.76
Total Noncurrent Assets			<u>37,009.76</u>	<u>37,009.76</u>
Total Assets	<u>\$ 3,133,387.49</u>	<u>\$ 1,076,736.42</u>	<u>\$ 8,113,892.83</u>	<u>\$ 12,324,016.74</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities:				
Payables From:				
Accounts Payable	\$ -	\$ -	\$ 47,672.55	\$ 47,672.55
Payroll Payable	-	-	353,873.63	353,873.63
Refunds Payable	-	-	292.00	292.00
Due To Other Funds	\$ -	-	117,224.00	117,224.00
Funds Held for Others	\$ 3,133,387.49	-	-	3,133,387.49
Total Current Liabilities	<u>3,133,387.49</u>	<u>-</u>	<u>519,062.18</u>	<u>3,652,449.67</u>
Non-Current Liabilities:				
Interfund Payables	-	-	-	-
Total Non-Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>3,133,387.49</u>	<u>-</u>	<u>519,062.18</u>	<u>3,652,449.67</u>
FUND FINANCIAL STATEMENT-FUND BALANCES				
Fund Balances (Deficits):				
Nonspendable				-
Committed:				-
Board Policy Reserve			2,836,691.00	2,836,691.00
Board Policy Contingency Fund			2,250,000.00	2,250,000.00
Other		1,076,736.42	2,508,139.65	3,584,876.07
Total Fund Balances	<u>-</u>	<u>1,076,736.42</u>	<u>7,594,830.65</u>	<u>8,671,567.07</u>
Total Liabilities and Fund Balances	<u>\$ 3,133,387.49</u>	<u>\$ 1,076,736.42</u>	<u>\$ 8,113,892.83</u>	<u>\$ 12,324,016.74</u>

The accompanying notes to the financial statements are an integral part of this statement.

UNAUDITED

Texas State Board of Public Accountancy
Exhibit A-2 - Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances – All General and Consolidated Funds
For the 5 Months Ending January 31, 2024

	Scholarship Fund		Operating Fund		Memorandum Only			
	General Revenue							
	(0858)	(1009)	Total	(0858)	(1009)			
	U/F (7106, 6106)	U/F (1009, 2858)	(EXH II)	U/F (6106, 7106)	U/F (1009, 2858)	Total FY 23	Difference	
				FY 23	FY 23			
REVENUES								
Federal Grant Pass-through Revenue (GR)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Licenses, Fees & Permits :								
Licenses, Fees	\$ 281,792.85	3,301,921.86	\$ 3,583,714.71	282,585.64	2,956,416.32	3,239,001.96	344,712.75	A
Exam Fees	-	158,890.00	158,890.00		115,650.00	115,650.00	43,240.00	B
Other License, Fees & Permits	-	3,640.00	3,640.00		4,434.00	4,434.00	(794.00)	
Sales of Goods and Services	-	-	-		-	-	-	
Interest and Investment Income	22,969.15	142,634.60	165,603.75	14,669.87	58,398.62	73,068.49	92,535.26	C
Other	20,846.20	32,998.51	53,844.71	5,193.38	41,493.99	46,687.37	7,157.34	D
Total Revenues	325,608.20	3,640,084.97	3,965,693.17	302,448.89	3,176,392.93	3,478,841.82	486,851.35	
EXPENDITURES								
Salaries and Wages	-	1,389,362.33	1,389,362.33		1,354,917.82	1,354,917.82	34,444.51	
Payroll Related Costs	-	447,932.13	447,932.13		429,741.11	429,741.11	18,191.02	
Professional Fees and Services	-	112,493.70	112,493.70		106,049.57	106,049.57	6,444.13	E
Travel	-	9,589.99	9,589.99		12,879.06	12,879.06	(3,289.07)	F
Materials and Supplies	-	73,110.04	73,110.04		84,367.42	84,367.42	(11,257.38)	G
Communication and Utilities	-	29,113.19	29,113.19		27,866.70	27,866.70	1,246.49	
Repairs and Maintenance	-	78,862.25	78,862.25		34,359.94	34,359.94	44,502.31	H
Rentals & Leases	-	25,177.13	25,177.13		25,634.14	25,634.14	(457.01)	
Printing and Reproduction	-	8,022.23	8,022.23		3,955.29	3,955.29	4,066.94	I
Claims and Judgments	-	-	-		-	-	-	
Other Expenditures	-	181,493.63	181,493.63		226,037.82	226,037.82	(44,544.19)	J
State Pass Through Expenditures	289,735.02	-	289,735.02	315,115.09	-	315,115.09	(25,380.07)	
Intergovernmental Payments	170,341.00	-	170,341.00	157,309.00	-	157,309.00	13,032.00	
Public Assistance Payments	-	134,253.00	134,253.00		134,253.00	134,253.00	-	
Debt Service:								
Principal	-	136,076.60	136,076.60		130,051.45	130,051.45	6,025.15	
Interest	-	14,349.00	14,349.00		16,034.95	16,034.95	(1,685.95)	
Amortization	-	-	-		-	-	-	
Capital Outlay	-	-	-		-	-	-	
Depreciation Expense	-	-	-		-	-	-	
Total Expenditures/Expenses	460,076.02	2,639,835.22	3,099,911.24	472,424.09	2,586,148.27	3,058,572.36	41,338.88	
Excess (Deficiency) of Revenues								
Over Expenditures	(134,467.82)	1,000,249.75	865,781.93	(169,975.20)	590,244.66	420,269.46	445,512.47	
OTHER FINANCING SOURCES (USES)								
Sale of Capital Assets	-	-	-		-	-	-	
Net Change in Reserve for Inventories	-	-	-		-	-	-	
Sale of Capital Assets	-	-	-		-	-	-	
Transfers In (Note 1.F.)	519,098.49	3,621,077.74	4,140,176.23	534,714.69	3,654,478.02	4,189,192.71	(49,016.48)	
Transfers Out (Note 1.F.)	(519,108.49)	(3,914,786.04)	(4,433,894.53)	(534,784.69)	(3,948,840.52)	(4,483,625.21)	49,730.68	
Gain (Loss) on Sale of Capital Assets	-	-	-		0.00	-	-	
Total Other Financing Sources and Uses	(10.00)	(293,708.30)	(293,718.30)	(70.00)	(294,362.50)	(294,432.50)	714.20	
SPECIAL ITEMS								
EXTRAORDINARY ITEMS								
Net Change in Fund Balances	(134,477.82)	706,541.45	572,063.63	(170,045.20)	295,882.16	125,836.96	446,226.67	
FUND FINANCIAL STATEMENT-FUND BALANCES								
Fund Balances--Beginning	1,211,214.24	6,888,289.20	8,099,503.44	1,218,622.17	5,728,242.19	6,946,864.36	1,152,639.08	
Fund Balances, 9/1/2023 as Restated	1,211,214.24	6,888,289.20	8,099,503.44	1,218,622.17	5,728,242.19	6,946,864.36	1,152,639.08	
Appropriations Lapsed	-	-	-	-	-	-	-	
Fund Balances-- January 31, 2024	\$ 1,076,736.42	\$ 7,594,830.65	\$ 8,671,567.07	\$ 1,048,576.97	\$ 6,024,124.35	\$ 7,072,701.32	\$ 1,598,865.75	

A License Fees are higher due to the individual licensee fee increase from \$75 to \$87.

B Exam fee revenue increases are due to increase in YTD exam eligibility fees and AOI fees received, presumably as a result of the 2024 exam change.

C Interest Income is higher due to higher interest rates as well as a larger overnight repurchase agreement pool.

D Other revenue are higher due to higher scholarship reimbursements and Direct Administrative Costs. The increase is offset by \$17K of interest on judgments from FY2023

E Professional fees and services were higher due to more computer programming services. Higher SRP Review Fees and Expert Witness Fees were offset by lower SOAH, OAG & OLC fees.

F Travel was lower due to lower overall YTD travel expenditures.

G Materials and Supplies are lower due to significantly lower YTD office meter machine postage; offset by higher non-capitalized equipment and computer software purchases.

H Repairs and Maintenance are higher due to higher software maintenance costs and the construction of a copy room.

I Printing and Reproduction are higher due to printing of the revised Public Accountancy Act and more early printing of forms.

J Other Expenditures are lower due to a lower early SWCAP estimate based on last year's allocation accounting for the agency's move from a state-owned building.

The accompanying notes to the financial statements are an integral part of this statement.

UNAUDITED

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

SCHEDULE B

STATEMENT OF PENALTIES ASSESSED \ CONTRIBUTIONS

For the 5 Months Ending January 31, 2024

				ADMIN PENALTY	RTN CK FEES OVERPMT/INT	
				DAC		TOTAL
				19160	37700	19920/31100
				STATUS		
BEGINNING BALANCE - September 1, 2023				\$6,474.80	\$9,927.60	\$69.57
ADD: Penalties Assessed \ Contributions:						\$16,471.97
Trappio, Mark	Sep-23			425.60		425.60
Jackson, Leslie Louise	Oct-23			786.52	990.00	1,776.52
Fei Fei, Catherine Fang	Nov-23			778.79	1,000.00	1,778.79
Gramstad, John Ramon (01L)	Nov-23			935.20	2,500.00	3,435.20
Gramstad, John Ramon (13L)	Nov-23			778.79	1,000.00	1,778.79
Gardner, Edward Mitchell	Nov-23			778.79	1,000.00	1,778.79
Ernst & Young	Nov-23			4,171.00	3,000,000.00	3,004,171.00
Burgess, Shannon Scott	Dec-23			914.65	10,000.00	10,914.65
Chesebro, Richard Francis	Dec-23			3,852.62		3,852.62
TOTAL PENALTIES ASSESSED \ CONTRIBUTIONS				13,421.96	3,016,490.00	0.00
LESS: Payments Received:						3,029,911.96
Trappio, Mark	Sep-23	PIF	(425.60)			(425.60)
Perry, Coe Marcus	Oct-23	PP		(1,050.00)		(1,050.00)
Houston, Charles	Oct-23	PP		(250.00)		(250.00)
Jackson, Leslie Louise	Oct-23	PIF	(786.52)	(990.00)		(1,776.52)
Houston, Charles	Nov-23	PP		(250.00)		(250.00)
Fei Fei, Catherine Fang	Nov-23	PIF	(778.79)	(1,000.00)		(1,778.79)
Gramstad, John Ramon (01L)	Nov-23	PIF	(935.20)	(2,500.00)		(3,435.20)
Gramstad, John Ramon (13L)	Nov-23	PIF	(778.79)	(1,000.00)		(1,778.79)
Gardner, Edward Mitchell	Nov-23	PIF	(778.79)	(1,000.00)		(1,778.79)
Ernst & Young	Nov-23	PIF	(4,171.00)	(3,000,000.00)		(3,004,171.00)
Fleming, Douglas	Nov-23	PP		(900.00)		(900.00)
Houston, Charles	Dec-23	PP		(250.00)		(250.00)
Fleming, Douglas	Dec-23	PIF		(677.95)		(677.95)
Burgess, Shannon Scott	Dec-23	PIF	(914.65)	(10,000.00)		(10,914.65)
Chesebro, Richard Francis	Dec-23	PIF	(3,852.62)			(3,852.62)
Perry, Coe Marcus	Dec-23	PP		(750.00)		(750.00)
Houston, Charles	Jan-24	PP		(250.00)		(250.00)
TOTAL PAYMENTS RECEIVED				(13,421.96)	(3,020,867.95)	0.00
Adjustments:						(3,034,289.91)
TOTAL ADJUSTMENTS				0.00	0.00	0.00
Referred to OAG Enforcement for Collection:						
TOTAL REFERRED TO ENFORCEMENT				0.00	0.00	0.00
ENDING BALANCE - January 31, 2024				\$6,474.80	\$5,549.65	\$69.57
						\$12,094.02

Note: PIF = Paid in Full , PP = Partial Payment, and REF=Refund

¹Note: Full reinstatement for payment after referral to the OAG

Texas State Board of Public Accountancy
Accounting Student Scholarship Payments FY 24
State Universities

For the 5 Months Ending January 31, 2024

	FY 2024
BEGINNING FUND BALANCE - September 1, 2023	\$ 1,211,214.24
Total Scholarship Fund Revenue	\$ 325,608.20
State Pass Through Expenditures (EXH A-2)	
State University Payments:	
Angelo State University	\$ 7,800.00
Tarleton State University	\$ 5,000.00
Texas A&M University	\$ 63,200.00
Texas A&M University - San Antonio	\$ 1,000.00
Texas State University - San Marcos	\$ 13,865.97
Texas Tech University	\$ 24,000.00
Texas Woman's University	\$ 11,700.00
University of Houston	\$ 33,382.05
University of Houston - Clear Lake	\$ 8,000.00
University of Houston - Downtown	\$ 10,500.00
University of North Texas at Dallas	\$ 2,000.00
University of Texas at Austin	\$ 54,700.00
University of Texas at Dallas	\$ 21,000.00
University of Texas at El Paso	\$ 12,000.00
University of Texas at San Antonio	\$ 9,000.00
University of Texas Rio Grande Valley	\$ 10,587.00
University of Texas at Tyler	\$ 2,000.00
Total State University Payments	\$ 289,735.02
State University Refunds:	
Total State University Refunds	-
State Pass Through Expenditures (EXH A-2)	\$ 289,735.02
Intergovernmental Payments (EXH A-2)	
Junior College/ Private University Payments:	
Austin Community College	\$ 6,750.00
Baylor University	\$ 45,200.00
Dallas Baptist University	\$ 11,081.00
Dallas County Community College District	\$ 4,760.00
Houston Baptist University	\$ 3,500.00
Houston Community College System	\$ 2,000.00
Letourneau University	\$ 10,000.00
Lubbock Christian University	\$ 11,400.00
Our Lady of the Lake - San Antonio	\$ 3,000.00
Southern Methodist University	\$ 7,500.00
Texas Christian University	\$ 42,000.00
Trinity University	\$ 10,500.00
University of Dallas	\$ 3,650.00
University of the Incarnate Word	\$ 5,000.00
Wayland Baptist University	\$ 4,000.00
Total Junior College/ Private University Payments:	\$ 170,341.00
Junior College/ Private Univ. Refunds:	
Total Junior College/ Private University Refunds:	\$ -
Intergovernmental Payments (EXH. A-2)	170,341.00
Other Financing Sources/Uses	
Transfers In	405,070.27
Transfers Out	(405,080.27)
Total Other Financing Sources/Uses (EXH. A-2)	\$ (10.00)
ENDING FUND BALANCE - January 31, 2024	\$ 1,076,736.42

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
Professional Fee and Legal Contracts

		FY 2024			
Contract Number	Contractor	Contract Term	Budget	Contract Amount	FY 24 Hourly Rate
TSR CONSULTANTS			\$ 263,246		
24-005	Harper & Pearson Company, P.C.	09/01/23-08/31/24		\$50,000	\$350/\$175/\$110
24-004	Belen Briones, CPA	09/01/23-08/31/24		\$5,000	\$240
24-006	Peter Delvecchia, CPA			\$25,000	\$240/\$180/\$100
24-007	William Patrick Cantrell, CPA, JD			\$10,000	\$350/\$225/\$65
	Unallocated Budget		173,246		
	Total			\$90,000	
PEER REVIEW CONSULTANTS			\$ 54,290		
24-001	John Michael Waters, CPA	09/01/23-08/31/24		\$26,400	\$200
24-002	Robert Goldstein, CPA	09/01/23-08/31/24		\$26,400	\$200
24-003	Thomas Akin, CPA	09/01/23-08/31/24		\$26,400	\$200
	Unallocated Budget		(24,910)		
	Total			79,200	
OFFICE OF THE ATTORNEY GENERAL			\$ 15,000		
C-00688	Office of the Attorney General	09/01/23-08/31/24		\$15,000	
	Unallocated Budget		-		
	Total			\$15,000	
STATE OFFICE OF ADMIN HEARINGS			\$ 42,000		
360-24-457	SOAH	09/01/23-08/31/25		\$15,627	*
	Unallocated Budget		26,373		
	Total			\$15,627	
OAG Contracts: INDEPENDENT CONSULTANT CONTRACTS (SOAH Litigation)			\$ 247,500		
2023-457-0043	The Dove Firm PLLC - Chesebro	1/18/23-11/30/23		\$20,000	\$350/\$225
2024-457-0031	The Dove Firm PLLC	09/01/23-08/31/24		\$60,000	\$350/\$225
	Unallocated Budget		167,500		
	Total			\$80,000	
INTERNAL AUDIT			\$ 34,545		
	To be determined				
	Unallocated Budget		34,545		
	Total			\$0	
Total Budget			\$ 656,581		
Total Contracts				\$279,827	
Total Unallocated Budget			\$ 376,754		

*SOAH Contract is for \$31,253.04 for 2 years.

<p style="text-align: center;">Agenda Item IV Report of the Joint Executive and Peer Review Committees March 20, 2024</p>
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C. Budget Plan for Fiscal Year 2025

DISCUSSION: Ms. Espinoza-Riley, Treasurer, will discuss the Board's Budget Plan for Fiscal Year 2025.

RECOMMENDATION: None by staff

SUGGESTED MOTION: None by staff

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TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
Operating Budget Projections 2024-2028

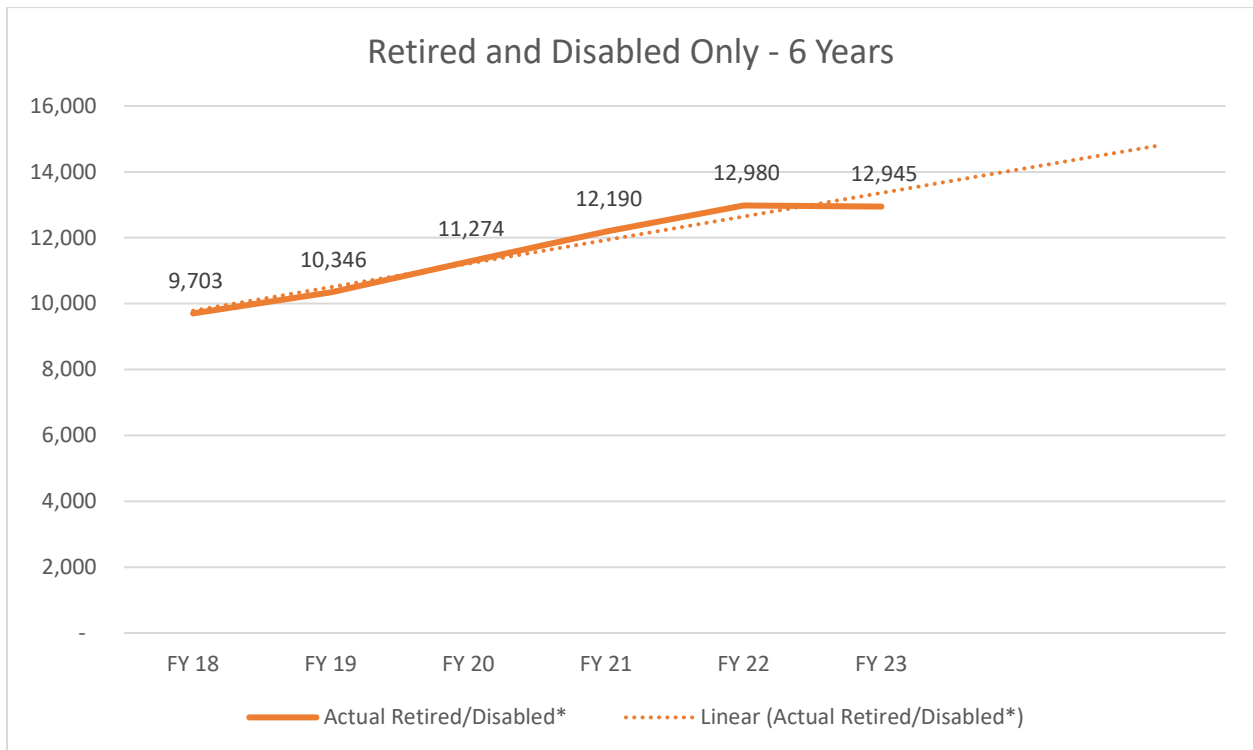
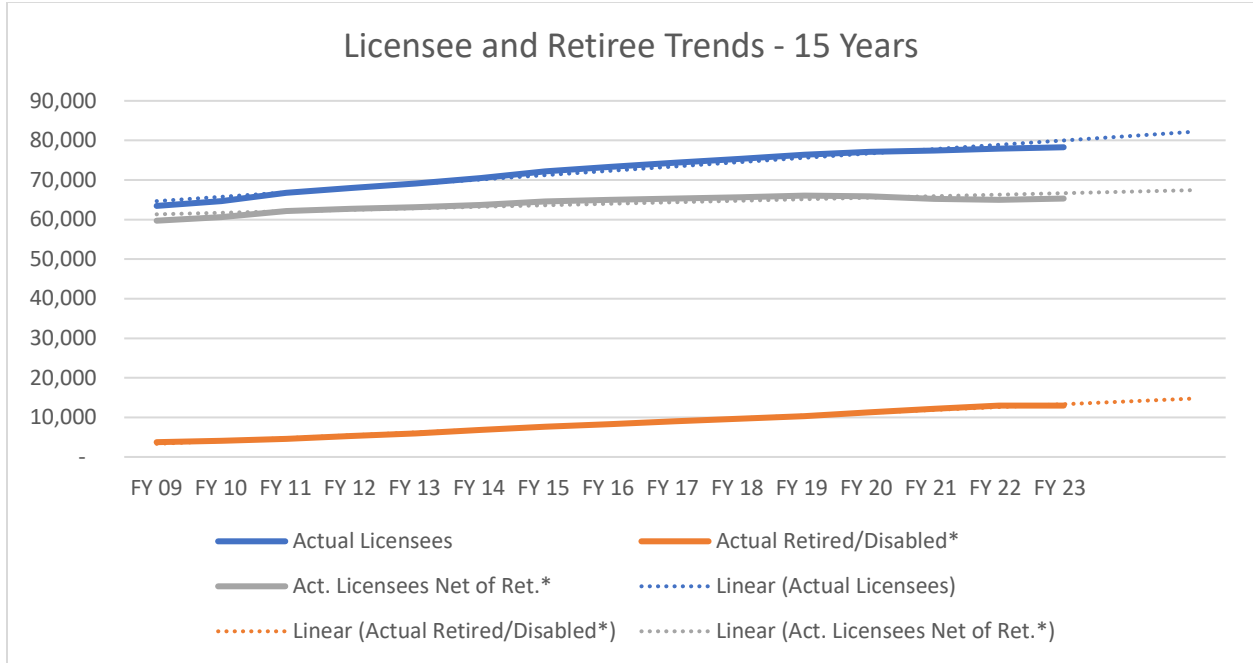
		ACTUAL			PROJECTED					
		Revenue factors		1.768%	0.341%	0.536%	-0.232%	-0.232%	-0.232%	-0.232%
Change Fee Amounts Here		Exp. factors	2.00%	5.00%	5.00%	3.50%	3.50%	3.50%	3.50%	3.50%
		FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Licence Fee		\$ 65	\$ 60	\$ 75	\$ 87	\$ 87	\$ 104	\$ 106	\$ 96	\$ 94
Retired/Disabled Fee		\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
Firm License Fee		\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60
Firm Organizaton Fee	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2 - 5	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
	6 - 9	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
	10 - 49	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20
	50 +	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25
Exam Application of Intent Fee		\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20
Exam Section Fee (per part)		\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15

	FY 21 Actual	FY 22 Actual	FY 23 Actual	FY 24 Budget ¹	FY 25 Budget ²	FY 26 Budget ²	FY 27 Budget ²	FY 28 Budget ²	FY 29 Budget ²
Estimated Revenue	\$ 6,691,684	\$ 6,333,325	\$ 7,532,542	\$ 7,915,233	\$ 8,162,076	\$ 9,254,019	\$ 9,355,990	\$ 8,667,828	\$ 9,068,593
Estimated Expenditures	\$ (5,152,896)	(8,896,229)	(5,669,151)	(7,133,388)	(8,365,275)	(9,043,508)	(8,731,876)	(8,089,821)	(8,321,556)
Adj for GASB 87 Implementation		3,367,839							
Excess (Deficiency) Revenues Over Expenditures	1,538,787	804,935	1,863,391	781,845	(203,199)	210,511	624,114	578,007	747,036
Adjustment for Revised Estimates									
Estimated Transfers Out	(703,344)	(703,344)	(703,344)	(703,344)	(703,344)	(703,344)	(703,344)	(703,344)	(703,344)
Current Year Surplus/Deficit	835,443	101,591	1,160,047	78,501	(906,543)	(492,833)	(79,230)	(125,337)	43,692
Beginning Fund Balance	4,791,208	5,626,651	5,728,242	6,888,289	6,966,790	6,060,247	5,567,413	5,488,184	5,362,847
Ending Fund Balance	5,626,651	5,728,242	6,888,289	6,966,790	6,060,247	5,567,413	5,488,184	5,362,847	5,406,539
Board Policy Estimated Fund Balance	2,341,568	3,277,401	2,470,632	2,836,691	3,144,663	3,314,221	3,236,313	3,075,799	3,133,733
Board-Designated Contingency Fund				2,250,000	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000
Surplus/Defict over Board Policy	3,285,083	2,450,841	4,417,657	1,880,099	665,584	3,192	1,871	37,047	22,806
Ending Fund Balance	5,626,651	5,728,242	6,888,289	6,966,790	6,060,247	5,567,413	5,488,184	5,362,847	5,406,539
Proof - Must Equal Zero	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Estimated Fund Balance Reserve Based on 25% of Expenditures PLUS Transfer Out AND PLUS \$350,000 Enforcement Reserve (effective FY 2019 through 2023): Effective FY 2024, an additional \$2.25 million is proposed to the Board to be designated as a reserve contingency fund*:									
Expenditures - estimated	\$ 5,152,896	\$ 8,896,229	\$ 5,669,151	\$ 7,133,388	\$ 8,365,275	\$ 9,043,508	\$ 8,731,876	\$ 8,089,821	\$ 8,321,556
Revised Expenditure adjustment									
Transfer out (through FY 2018)									
Operating Expenditures & Transfer Out	\$ 5,152,896	\$ 8,896,229	\$ 5,669,151	\$ 7,133,388	\$ 8,365,275	\$ 9,043,508	\$ 8,731,876	\$ 8,089,821	\$ 8,321,556
3 month Operating Reserve	\$ 1,288,224	\$ 2,224,057	\$ 1,417,288	\$ 1,783,347	\$ 2,091,319	\$ 2,260,877	\$ 2,182,969	\$ 2,022,455	\$ 2,080,389
Board Reserve - Contingency Fund				\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000
Enforcement Reserve	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Transfer Out (beginning FY 2019)	703,344	703,344	703,344	703,344	703,344	703,344	703,344	703,344	703,344
Total Reserve	\$ 2,341,568	\$ 3,277,401	\$ 2,470,632	\$ 5,086,691	\$ 5,394,663	\$ 5,564,221	\$ 5,486,313	\$ 5,325,799	\$ 5,383,733
Fund Balance Reserve Surplus/Deficit	\$ 3,285,083	\$ 2,450,841	\$ 4,417,657	\$ 1,880,099	\$ 665,584	\$ 3,192	\$ 1,871	\$ 37,047	\$ 22,806
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2027	FY 2027

1 Budget as approved
2 Proposed Budget - not approved
* Reserve contingency fund proposed usage: major case litigation, unforeseen technology expenditures, and other unforeseen circumstances.

Following an extensive period of continually increasing numbers of retirees, this number dropped slightly in fiscal year 2023. In January, the number had dropped further to 12,929 (not shown). This may be due to CPAs delaying or coming out of retirement as a result of the CPA shortage.



TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
PROJECTED COLLECTIONS

101%	For Prior Year estimates	Firms Sponsors Exam Other	1.768%	-2.129%	-2.371%	-2.371%	-2.371%	-2.371%	-2.371%	
101.768%	Up to FY 2023 estimate		1.768%	-6.270%	0.684%	0.684%	0.684%	0.684%	0.684%	
			1.768%	5.000%	-4.762%	1.249%	1.249%	1.249%	1.249%	
			1.768%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	
COBJ/ AGENCY OBJECT	DESCRIPTION	FY 2021	FY 2022	FY 2023	FY 2024 Budget	FY 2025 Projection	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection	FY 2029 Projection
		ACTUAL	ACTUAL	ACTUAL	Version 1	Version 1	Version 1	Version 1	Version 1	Version 1
OPERATING FUND REVENUE										
License, Fees & Permits		\$6,636,378	\$6,222,203	\$7,214,291	\$7,625,606	\$7,882,743	\$8,993,311	\$9,111,869	\$8,438,451	\$8,853,796
Sales of Goods and Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest and Investment Income		\$774	\$25,273	\$243,034	\$200,000	\$200,000	\$180,000	\$162,000	\$145,800	\$131,220
Other		\$54,531	\$85,849	\$75,216	\$89,627	\$79,333	\$80,707	\$82,122	\$83,577	\$83,577
TOTAL OPERATING FUND REVENUE		\$6,691,684	\$6,333,325	\$7,532,542	\$7,915,233	\$8,162,076	\$9,254,019	\$9,355,990	\$8,667,828	\$9,068,593
SCHOLARSHIP FUND REVENUE		695,901	674,329	669,176	678,936	676,368	674,799	673,234	671,672	670,113
TOTAL REVENUES		\$7,387,585	\$7,007,654	\$8,201,717	\$8,594,169	\$8,838,445	\$9,928,818	\$10,029,224	\$9,339,500	\$9,738,706

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
Revenue

COBJ/ AGENCY OBJECT	DESCRIPTION	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 Projection Version 1	FY 2025 Projection Version 1	FY 2026 Projection Version 1	FY 2027 Projection Version 1	FY 2028 Projection Version 1	FY 2029 Projection Version 1
OPERATING FUND REVENUE:										
LICENSE, FEES & PERMITS										
3175 20005	REFUNDS PAYABLE									
11000	CPA LICENSE	4,620,096	4,274,525	5,190,264	4,978,326	5,937,335	5,942,937	7,067,651	7,200,118	7,103,581
	CPA LICENSE Temporary Increase				760,196	-	1,121,786	131,852	(658,398)	(131,455)
11001	CPA LIC REFUND		(98)	(943)	-	-	-	-	-	-
11050	CPA PENALTY	279,201	282,359	332,811	284,288	336,388	335,608	334,829	334,053	333,278
11051	CPA PEN REFUND				-	-	-	-	-	-
11100	PRACTICE UNITS	586,007	559,510	549,924	523,573.53	527,221	514,721	502,516.62	490,601.95	478,969.78
11101	PRACTICE UNIT REFUND	-	-	(60)	-	-	-	-	-	-
11103	PRACTICE UNIT - Out-of-State	-	5,500	5,420	-	-	-	-	-	-
11150	PRACTICE UNIT PEN	78,440	79,927	74,000	79,928	70,533	68,860	67,228	65,634	64,077
11151	PRAC UNIT PEN REFUND	-	-	(138)	-	-	-	-	-	-
11200	FIRM ORGANIZATION FEES	348,208	309,288	321,231	292,779	306,179	298,919	291,832	284,913	278,157
	FIRM ORG FEES - Out-of-State		29,218	29,735	-	28,342	27,670	27,014	26,373	25,748
12000	PUB ACCOUNTANT LIC	50	-	-	-	-	-	-	-	-
12010	CERTIFICATE FEE	85,750	84,201	79,851	92,832	72,427	73,332	74,248	75,175	76,114
12011	CERT FEE REFUND	(100)	-	-	(105)	-	-	-	-	-
15000	SECTION 14 LIC (Foreign Reg. 901.35)				Included with In-State CPA license fees					
16000	RECIP REG	58,360	64,400	64,000	74,052	64,688	64,538	64,388	64,239	64,090
16001	RECIP REG REFUND	(100)	(200)	(100)	(201)	(101)	(101)	(101)	(100)	(100)
17000	TEMPORARY PRACTICE				-	-	-	-	-	-
18999	PROFESSIONAL FEE PENALTY				-	-	-	-	-	-
17100	CPE SPONSOR FEE	251,000	232,665	240,850	206,736	231,141	232,732	234,337	235,956	237,590
17110	CPE ETHICS INSTRUCTOR FEE				-	-	-	-	-	-
17121	CPE SPONSOR FEE REFUND				-	-	-	-	-	-
24100	EVALUATION FEE (AOI)	73,520	63,921	67,960	73,691	62,385	63,165	63,953	64,752	65,561
24200	TRANSFER FEE-SOME SECTIONS									
24300	TRANSFER FEE-ALL SECTIONS									
24402	EXAM ELIGIBILITY FEE-AUD	62,380	57,225	57,270	61,808	59,929	60,677	61,435	62,202	62,979
24502	EXAM ELIGIBILITY FEE-BEC	54,840	46,860	77,805	67,940	-	-	-	-	-
24602	EXAM ELIGIBILITY FEE-FAR	71,815	68,895	63,105	55,677	72,150	73,051	73,964	74,887	75,823
24702	EXAM ELIGIBILITY FEE-REG	51,285	50,130	48,330	59,909	52,498	53,154	53,818	54,490	55,171
24512	EXAM ELIGIBILITY FEE-BAR				16,964	17,176	17,390	17,390	17,607	17,827
24522	EXAM ELIGIBILITY FEE-ISC				14,692	14,875	15,061	15,249	15,440	15,630
24532	EXAM ELIGIBILITY FEE-TCP				17,418	17,636	17,856	18,079	18,305	18,530
22090	OUT-OF-STATE PROCT.				-	-	-	-	-	-
22091	OUT-OF-ST PROC REFUND				-	-	-	-	-	-
24300	TRANSFER OF CREDIT IN (Q Div)	5,420	3,680	3,580	4,057	3,247	3,288	3,329	3,370	3,412
24301	TRANS OF CREDIT IN REFUND	-	-	-	-	-	-	-	-	-
23050	TRANSFER OF CREDIT OUT (L Div)	9,120	9,125	8,400	9,187	8,490	8,471	8,451	8,431	8,412
23051	TRANS OF CREDIT OUT REFUND	-	(40)	-	(40)	(40)	(40)	(40)	(40)	(40)
3719 31020	SALE OF LISTS	936	917	663	917	663	663	663	663	663
3719 31040	MISC COPIES	-	-	-	-	-	-	-	-	-
3719 31060	MISC COPIES REFUND	-	-	-	-	-	-	-	-	-
3775 31100	RETURN CHECK FEES	150	195	195	195	195	195	195	195	195
TOTAL LICENSE, FEES & PERMITS		\$6,636,378	\$6,222,203	\$7,214,291	\$7,625,606	\$7,882,743	\$8,993,311	\$9,111,869	\$8,438,451	\$8,853,796
SALES OF GOODS AND SERVICES										
3752 39201	SALE OF PUBLICATIONS				-	-	-	-	-	-
3750 39050	SALE OF FURN & EQUIP				-	-	-	-	-	-
TOTAL SALES OF GOODS AND SERVICES		-	-	-	-	-	-	-	-	-
INTEREST AND INVESTMENT INCOME										
25000	TTSTF INTEREST	774	24,282	232,693	200,000	200,000	180,000	162,000	145,800	131,220
25001	DEPOSITORY INTEREST		-	-	-	-	-	-	-	-
25002	INTEREST ON JUDGMENTS		991	10,342	-	-	-	-	-	-
TOTAL INTEREST AND INVESTMENT INCOME		774	25,273	243,034	200,000	200,000	180,000	162,000	145,800	131,220
OTHER										
3802 19160	DAC-OTHER CASES	46,679	41,385	31,842	41,829	31,842	31,842	31,842	31,842	31,842
19900	OTHER MISC REV	4,282	-	(1,601)	-	-	-	-	-	-
19930	VOIDED WARRANTS		75	100	-	-	-	-	-	-
32100	LETTERING OF CPA CERT	2,850	2,050	1,800	3,452	1,800	1,800	1,800	1,800	1,800
32111	LETTERING OF CPA CERT REFUND	-	-	(50)	(61)	(50)	(50)	(50)	(50)	(50)
34100	AICPA REGRADE (FY 13 to Ad Pen)	720	480	-	-	-	-	-	-	-
37250	REIMBURSEMENTS - 3rd PARTY		41,859	43,124	44,407	45,741	47,115	48,529	49,985	49,985
TOTAL OTHER		\$ 54,531	\$ 85,849	\$ 75,216	\$ 89,627	\$ 79,333	\$ 80,707	\$ 82,122	\$ 83,577	\$ 83,577
ADJUSTMENTS										
TRANSFER FROM FUND 106										
TOTAL OPERATING FUND REVENUE		\$6,691,684	\$6,333,325	\$7,532,542	\$7,915,233	\$8,162,076	\$9,254,019	\$9,355,990	\$8,667,828	\$9,068,593
SCHOLARSHIP FUND REVENUE (Note A)		695,901	674,329	669,176	678,936	676,368	674,799	673,234	671,672	670,113
TOTAL REVENUE		\$ 7,387,585	\$ 7,007,654	\$ 8,201,717	\$ 8,594,169	\$ 8,838,445	\$ 9,928,818	\$ 10,029,224	\$ 9,339,500	\$ 9,738,706
OTHER FUNDS COLLECTED:										
Transfer to General Revenue Fund:										
Professional Fee (\$200) (Note B)		19,150	50,277	32,348	45,822	33,925	33,925	33,925	33,925	33,925
Administrative Penalties (effective FY 14)		2,328,808	414,212	106,495	995,527	949,839	949,839	949,839	949,839	949,839
Total Transfers to General Revenue		\$ 2,347,958	\$ 464,488	\$ 138,843	\$ 1,041,349	\$ 983,763	\$ 983,763	\$ 983,763	\$ 983,763	\$ 983,763
TOTAL REVENUE AND FUNDS COLLECTED		\$ 9,735,543	\$ 7,472,143	\$ 8,340,560	\$ 9,635,518	\$ 9,822,208	\$ 10,912,581	\$ 11,012,987	\$ 10,323,263	\$ 10,722,470

Note B: The \$200 Professional Fee was eliminated by the 84th Legislature (2015) effective September 1, 2015.

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
Expenditure Budget - Operating Fund

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Actual	Actual	Actual	Budget v1	Proposed Budget v1	Proposed Budget v1	Proposed Budget v1	Proposed Budget v1	Proposed Budget v1
				5.0%	3.5%	3.5%	3.5%	3.5%	3.5%
SALARIES AND WAGES	\$ 2,751,401	2,948,018	3,099,484	\$ 3,679,393	\$ 3,713,622	\$ 3,843,598	\$ 3,978,124	\$ 4,117,359	\$ 4,261,466
OTHER PERSONNEL COSTS:									
L1001 S&W - Comp. Per Diem (7025)	9,430	11,200	8,600	18,900	12,780	13,227	13,690	14,170	14,666
L1002 S&W - Employees (Longevity - 7022)	43,580	42,620	42,560	44,260	46,252	47,871	49,546	51,281	53,075
L1002 S&W - Employees (Lump Sum Term Pay - 7023)	16,190	15,775	71,316	-	77,503	80,216	83,023	85,929	88,937
L2003 S&W - Employees (Benefit Replacement Pay)	3,984	3,984	2,187	4,000	2,187	2,187	2,187	2,187	2,187
M9000 Unemployment Compensation	-	-	2,596	-	-	-	-	-	-
V2001 Workers' Compensation	-	-	-	-	-	-	-	-	-
TOTAL, OTHER PERSONNEL COSTS	73,184	73,579	127,260	67,160	138,722	143,501	148,447	153,566	158,865
PROFESSIONAL FEES AND SERVICES:									
N2003 Prof Fees - FBI Background Checks (7253)	-	-	-	-	-	-	-	-	-
N2005 Prof Fees - Legal Services (OAG & Outside Legal)	50,999	93,966	34,582	262,500	271,688	281,197	291,038	301,225	311,768
N2021 Prof Fees - Legal Services (OAG Regular Cases)	-	-	-	-	-	-	-	-	-
N2010 Prof Fees - Legal Services (SOAH)	24,750	39,087	39,087	42,000	15,627	16,173	16,740	17,325	17,932
Prof Fees - Enforcement Reserve	-	-	-	-	-	-	-	-	-
N2007 Prof Fees - Financial & Acctg Services (7245)	-	-	-	34,545	35,755	37,006	38,301	39,642	41,029
N2008 Prof Fees - Expert Witnesses	16,654	27,817	8,173	263,246	272,460	281,996	291,865	302,081	312,654
N2009 Prof Fees - PROB (7253)	35,742	49,243	47,617	54,290	56,190	58,157	60,192	62,299	64,479
N2011 Prof Fees - Computer (7242, 7275) hosting/consulting	54,560	67,239	59,288	224,562	1,232,177	1,690,228	1,150,762	272,956	272,956
N2019 Prof Fees - Other	1,465	1,476	4,334	3,675	4,710	4,875	5,045	5,222	5,405
N2022 Prof Fees - Sponsor Review Program Reviews	18,347	8,218	16,625	9,060	21,000	21,735	22,496	23,283	24,098
W2005 OE - Temporary Support Services (7274)	-	-	54,375	50,000	100,000	103,500	107,123	110,872	114,752
TOTAL, PROFESSIONAL FEES AND SERVICES	202,517	287,044	264,081	943,878	2,009,605	2,494,866	1,983,562	1,134,905	1,165,073
FUELS AND LUBRICANTS	222	278	197	368	214	222	230	238	246
CONSUMABLE SUPPLIES	15,935	15,352	13,277	16,925	17,518	18,131	18,766	19,422	20,102
UTILITIES	-	-	-	-	-	-	-	-	-
TRAVEL:									
P2001 Travel - In-State - Board Members	246	4,175	8,832	36,750	19,197	19,869	20,564	21,284	22,029
P2002 Travel - In-State - Employees	43	1,682	1,926	4,492	4,649	4,812	4,980	5,155	5,335
P2003 Travel - In-State - Advisory Comm Mbrs	-	-	-	3,127	1,618	1,675	1,733	1,794	1,857
P2021 Travel - Out-of-State - Board Members	-	3,494	6,269	9,144	6,813	7,051	7,298	7,553	7,818
P2022 Travel - Out-of-State - Employees	-	4,599	10,216	10,275	11,102	11,490	11,893	12,309	12,740
P2023 Travel - Out-of-State - Advisory Comm Mbrs	-	-	-	-	-	-	-	-	-
TOTAL, TRAVEL	289	13,950	27,243	63,789	43,379	44,898	46,469	48,095	49,779
RENT - BUILDING:									
T2013 Rentals & Leases - Other Space	11,602	11,326	12,353	12,079	13,425	13,894	14,381	14,884	15,405
T2014 Rental & Leases - Exam	-	-	-	-	-	-	-	-	-
T2015 Rental & Leases - SIC	4,426	12,749	8,545	12,600	14,548	15,057	15,584	16,129	16,694
TOTAL, RENT - BUILDING	16,028	24,075	20,897	24,679	27,972	28,951	29,965	31,013	32,099
RENT - MACHINE AND OTHER:									
T2001 Rentals & Leases - Furn/Eqpt	23,610	28,339	27,279	31,244	32,337	33,469	34,640	35,853	37,108
T2003 Rentals & Leases - Furn/Eqpt - Exam	-	-	-	-	-	-	-	-	-
T2004 Rentals & Leases - Furn/Eqpt - SIC	-	9,410	8,558	13,125	10,737	11,113	11,502	11,905	12,321
T2016 Rentals & Leases - Telephone (see Commun & Util -Telephone)	-	-	-	-	-	-	-	-	-
TOTAL, RENT - MACHINE AND OTHER	23,610	37,749	35,837	44,369	43,075	44,582	46,143	47,758	49,429

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
Expenditure Budget - Operating Fund

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2028
	Actual	Actual	Actual	Proposed Budget v1	Proposed Budget v1	Proposed Budget v1	Proposed Budget v1	Proposed Budget v1	Proposed Budget v1
				5.0%	3.5%	3.5%	3.5%	3.5%	3.5%
OTHER OPERATING EXPENSE:									
N2004 Prof Fees - Court Reporters	204	1,592	1,275	1,242	1,816	1,880	1,945	2,014	2,084
N2019 Prof Fees - Other				-	-	-	-	-	-
Q2001 Materials and Supplies	62,693	27,101	82,271	50,337	89,408	92,537	95,776	99,128	102,598
Q2002 Materials and Supplies - Exam Grading			240	-	-	-	-	-	-
Q2005 Materials and Supplies - Office Meter Postage	84,150	57,222	70,097	63,087	65,295	67,581	69,946	72,394	74,928
Q2006 Materials and Supplies - Bulk Rate Postage				1,000	1,035	1,071	1,109	1,148	1,188
Q2009 Materials and Supplies - Other Postage	245	265	290	300	315	326	338	349	362
R2001 Commun & Util - Telephone	56,491	69,646	66,751	75,600	72,542	75,081	77,708	80,428	83,243
Other Utilities		270	-	-	-	-	-	-	-
S2001 Repairs & Maint - Annual Contracts	58,007	64,598	52,292	91,285	94,480	97,787	101,209	104,751	108,418
S2005 Repairs & Maint - Other	8,174	2,981	7,837	9,896	10,242	10,600	10,971	11,355	11,753
S3011 Repairs & Maint - Alarm System				-	-	-	-	-	-
U2001 Printing and Reproduction	45,662	14,824	5,449	56,989	16,915	17,507	18,120	18,754	19,411
U2002 Printing of Board Reports	7,208	8,030	8,077	12,172	8,778	9,085	9,403	9,732	10,073
W2001 OE - Membership Fees	7,399	7,925	7,270	10,681	11,055	11,442	11,842	12,257	12,686
W2002 OE - Tuition - Employee Training				-	-	-	-	-	-
W2003 OE - Registration Fees	1,785	5,935	10,500	15,217	15,750	16,301	16,872	17,462	18,073
W2004 OE - Examination Proctors				-	-	-	-	-	-
W2006 OE - Real Property & Improvement	22,728	406	-	-	-	-	-	-	-
W2007 OE - Freight/Delivery Services	2,150	1,245	1,059	2,655	2,748	2,844	2,944	3,047	3,154
W2009 OE - Convention Center Labor SIC		2,383	2,985	4,200	4,347	4,499	4,657	4,820	4,988
W2011 OE - Monitoring Alarm System	502	-		-	-	-	-	-	-
W2013 OE - Employee Awards	2,329	70	750	1,242	1,285	1,330	1,377	1,425	1,475
W2014 OE - Witness Fees and Investigation Costs		1,719	2,168	2,000	2,356	2,439	2,524	2,613	2,704
W2017 OE - Purch of Furn & Eqpt - Inventoried				-	-	-	-	-	-
W2018 OE - Purch of Furn & Eqpt - Noncap				-	-	-	-	-	-
W2020 OE - Other Fees and Charges	71,734	55,299	44,915	60,967	63,101	65,309	67,595	69,961	72,409
L1001 Debt Service - Interest (Lease)		37,360	37,095	33,108	28,754	24,294	19,631	14,801	14,801
W2021 OE - Texas Online Processing Fees	172,891	160,460	182,125	190,183	197,925	204,852	212,022	219,443	227,123
W2023 OE - SRP Training				-	-	-	-	-	-
TOTAL, OTHER OPERATING EXPENSE	604,353	519,329	583,447	682,161	688,146	706,765	725,989	745,881	771,469
PUBLIC ASSISTANCE PAYMENTS:									
Peer Assistance Grant to TXCPA	107,500	107,500	134,253	140,966	154,420	154,420	154,420	154,420	154,420
TOTAL, PUBLIC ASSISTANCE PAYMENTS	107,500	107,500	134,253	140,966	154,420	154,420	154,420	154,420	154,420
CAPITAL EXPENDITURES:									
X5001 Capital Outlay - Furniture/Equipment				-	-	-	-	-	-
X5005 Capital Outlay - Computer	5,646	47,091	-	56,228	58,195	60,232	62,340	64,522	66,781
X5010 Capital Outlay - Leases		3,367,839		-	-	-	-	-	-
X5007 Capital Outlay - Telecommunications				-	-	-	-	-	-
TOTAL, CAPITAL EXPENDITURES	5,646	3,414,931	-	56,228	58,195	60,232	62,340	64,522	66,781
DIRECT COST BUDGET	3,800,686	7,441,804	4,305,977	5,719,915	6,894,870	7,540,167	7,194,455	6,517,179	6,729,728
Indirect Costs:									
M9000 Payroll Related Costs (IC)	920,722	956,367	1,045,136	1,051,474	1,092,016	1,108,089	1,124,737	1,141,978	1,159,833
Increase % Based on Payroll Related Cost Analysis - Through FY 2022.xls									
3.45% 7032 Emp Retirement	214,508	232,584	264,196	261,880	284,460	294,274	304,427	314,930	325,795
-0.27% 7041 Employee Insurance (# adjusted from negative)	504,743	506,978	548,314	550,953	549,465	547,982	546,502	545,027	543,555
3.00% 7043 Employer's FICA (OASI)	201,471	216,804	232,626	238,641	258,090	265,833	273,808	282,022	290,483
T2018 Rentals & Leases-Ofc Bldg (IC) Hobby (7462-1)									
T2010 Rentals & Leases-Ofc Bldg (IC) Centennial (7462-0) NET	284,800	859	862						
T2019 Debt Service Principal - RTU Lease		303,801	314,386	328,818	344,047	359,708	375,896	392,587	392,587
N2020 Prof Fees - Sunset Review & SAO Audit (IC) (7245-1)				-	-	-	-	-	-
W2027 OOE - Statewide Cost Alloc (7953-0)	143,954	190,807	-	24,207	25,054	25,931	26,839	27,778	28,750
X5007 OOE - SORM Assessments	2,734	2,592	2,791	8,974	9,288	9,614	9,950	10,298	10,659
Total, Indirect Costs	1,352,210	1,454,425	1,363,174	1,413,473	1,470,406	1,503,341	1,537,421	1,572,642	1,591,828
TOTAL AGENCY BUDGET	\$5,152,896	\$8,896,229	\$5,669,151	\$7,133,388	\$8,365,275	\$9,043,508	\$8,731,876	\$8,089,821	\$8,321,556
	\$ 5,152,896.32	\$ 8,896,228.62	\$ -						
	\$0.00	\$0.00	(\$5,669,150.63)						

Explanatory Notes:

- (a) Professional Fees - Legal Services for AGO legal services authorized by Board
(b) Proposed Budgets have not yet been considered or approved by the Board.

TSBPA

Scholarship Fund

Projected Funds Available - FY 2025

AS OF 02/23/2024

Balance as of January 31, 2024 1,076,736.42

Estimated collections February 1 through August 31, 2024 (7 months)	\$	195,364.92
Total collections 09/01/23 - 01/31/24	\$	325,608.20
Divided by number of months		5
Average monthly collections	\$	<u>65,121.64</u>

Estimated Scholarships February 1, 2024 through August 31, 2024		455,851.48
Projected Balance as of August 31, 2024	\$	<u>1,727,952.82</u>

Estimated collections for FY 2025	\$	781,459.68
Average monthly collections		65,121.64
Times 12 months		12
	\$	<u>781,459.68</u>

Projected Funds Available Through August 31, 2025	\$	<u><u>2,509,412.50</u></u>
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OPTIONS:

	Options	Balance - 08/31/24
Total Awards FY 2025	\$ 750,000.00	\$ 1,759,412.50
	\$ 1,000,000.00	\$ 1,509,412.50
	\$ 1,250,000.00	\$ 1,259,412.50

Estimated Collections by fiscal quarter - NOT INCLUDING SCHOLARSHIP AWARDS

Beginning Balance - September 1, 2024	\$ 1,727,952.82
1st quarter collections	\$ 195,364.92
Balance as of November 30, 2024	<u>\$ 1,923,317.74</u>
2nd quarter collections	\$ 195,364.92
Balance as of February 28, 2025	<u>\$ 2,118,682.66</u>
3rd quarter collections	\$ 195,364.92
Balance as of May 31, 2025	<u>\$ 2,314,047.58</u>
4th quarter collections	\$ 195,364.92
Balance as of August 31, 2025	<u><u>\$ 2,509,412.50</u></u>

Scholarship Funds Projected Amount Available FY 2025 2-23-24

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<p style="text-align: center;">Agenda Item IV Report of the Joint Executive and Peer Review Committees March 20, 2024</p>
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D. Review of the IT Report:

DISCUSSION: Mr. Treacy, Executive Director, and Ann Hallam, Director of IR, will present a PowerPoint presentation on information Resources.

Unique to this year

- Changes from outside entities
 - Work to implement Texas Legislative changes since May 2023
 - Work to implement NASBA changes in 2023 and 2024
 - Work to implement changes related to the new CPA test in 2024
- Work to 'source solutions' (find vendors) for replacing legacy systems:
 - Website overhaul
 - Licensing System
 - Procurement document (RFP) writing and management of the procurement phase of a new licensing system
 - Replacing end-of-life IT-related equipment
 - Finding vendors to provide IT-related services, as needed
- Work to put more client functionality online

Regular and ongoing IR staff work

- IR staff performing daily/weekly/monthly/bi-monthly/quarterly/biannual/annual use and operations of the homegrown core licensing system
- IR staff changing the homegrown applications as requested by Directors (the core system, the website and five (5) web applications that clients log into)
- IR staff creating queries about data in the core system (on request by the Board and agency directors)
- IR staff supporting purchased software used in everyday operations (updates, upgrades, etc.)
- IR staff performing work related to issues with physical equipment and data/network cabling
- IR staff performing work related to core IT processes and applications (monitoring, updating, upgrading, fixing, etc.)
- IR staff performing work related to IT-related purchasing (searching, requesting, receiving, asset tracking)
- IR staff performing work related to interactions and/or interfaces with other agencies and entities (e.g., NASBA, Public Information Requests, DIR, etc.)
- IR staff reporting agency compliance to the Department of Information Resources (DIR) regarding Texas legislative regulations and Texas Administrative Code sections for Information Resources, Cybersecurity, Websites, Accessibility, Data Protection, Data Privacy, etc.

- Work related to assisting staff with IT related equipment

Training and planning for agency IT future

- Work related to cross-training staff about procedures performed by IR staff in the homegrown core licensing system
- Work related to transition planning and training for IT leadership roles (Information Resources Manager, Information Security Officer, Accessibility Coordinator, Data Officer, Solutions Architect and IT Director)
- Work related to determining future IT roles in the agency as agency moves to using more DIR Shared Technology Services, including cloud offerings

RECOMMENDATION: None by staff

SUGGESTED MOTION: None by staff

<p style="text-align: center;">Agenda Item IV Report of the Joint Executive and Peer Review Committees March 20, 2024</p>
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E. Review of Firm Late Fee Report:

DISCUSSION: Mr. Treacy, Executive Director, will present the following Firm Late Fee Report

RECOMMENDATION: None by staff

SUGGESTED MOTION: None by staff

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TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
FEE SCHEDULE FOR FISCAL YEAR 2024

3/4/24

04:45 PM

DESCRIPTION	ACT	Rule	MAXIMUM PAA	Amount	FUND
CPA License					D23 / D24
Annual	901.154	521.1 (a)	\$250	\$87 a	2858 / 1009
Scholarship Fee	901.155	521.1 (b)	\$10	\$10	6106 / 0858
Certification Based on Reciprocity (Substantially Equivalent - NASBA & TSBPA; domestic only)	901.259				
Certificate Issuance Fee	901.154	512.4/521.3 (a)	\$250	\$100	2858 / 1009
Annual License Fee	901.154	521.1 (a)	\$250	\$87 a	2858 / 1009
Scholarship Fee	901.155	521.1 (b)	\$10	\$10	6106 / 0858
Certificate Based on Foreign Credentials (Substantially Equivalent - U.S. IQAB; foreign only)	901.260				
Certificate Issuance Fee	901.154	512.4/521.3 (a)	\$250	\$100	2858 / 1009
Annual License Fee	901.154	521.1 (a)	\$250	\$87 a	2858 / 1009
Scholarship Fee	901.155	521.1 (b)	\$10	\$10	6106 / 0858
Registration for Certain Foreign Applicants (No new registrants, superceded by 901.260)	901.355/454				
License Issuance/Annual	901.355 (b) (1)	513.1	\$250	\$87 a	2858 / 1009
Scholarship Fee	901.155	521.1 (b)	\$10	\$10	6106 / 0858
Retired/Disabled License	901.409	521.8	by rule	\$15 f	2858 / 1009
Office License Fee (formerly Practice Unit Fee)	901.159 (b)	521.13	\$200	\$60 g	2858 / 1009
Firm Organization Fee (effective 12/6/2001, revised 9/1/2015)	901.154/901.351	521.13			
Per number of CPA employees and non-CPA owners					
1			\$25	\$0 c	n/a
2 - 5			\$25	\$10 c	2858 / 1009
6 - 9			\$25	\$15 c	2858 / 1009
10 - 49			\$25	\$20 c	2858 / 1009
50 +			\$25	\$25 c	2858 / 1009
Late Penalty - Individual CPA	901.405	515.5			
1-90 days			by rule	48.50 a	2858 / 1009
91 days - 1 year			by rule	97.00 a	2858 / 1009
1 year - 2 years			by rule	194.00 a	2858 / 1009
Late Penalty - Practice Unit	901.351 (e) (3)	521.13			
1-90 days			by rule	\$150 b	2858 / 1009
over 90 days			by rule	\$250 b	2858 / 1009
Certificate Fee - Issuance - effective 1/1/2000; was \$30	901.257	521.9	\$50	\$50 j	2858 / 1009
Exam Filing Fee (Application of Intent)	901.302-303	521.12	\$100	\$20 h	2858 / 1009
Exam Eligibility Fee per part	901.304	521.14			
	NASBA/AICPA eff. 1/1/24	NASBA/AICPA eff. 2/15/22			
Auditing and Attestation	\$254.80	\$238.15	n/a	\$15 d	2858 / 1009
Business Environment and Concepts	\$254.80	\$238.15	n/a	\$15 d	2858 / 1009
Financial Accounting and Reporting	\$254.80	\$238.15	n/a	\$15 d	2858 / 1009
Regulation	\$254.80	\$238.15	n/a	\$15 d	2858 / 1009
	\$ 1,019.20	\$ 952.60			
Sponsor Review Program	Through 08/07	523.144			
1 - 4 courses	\$ 600		n/a	\$400 e	2858 / 1009
5 - 10 courses	\$ 1,000		n/a	\$400 e	2858 / 1009
11 - 40 courses	\$ 1,500		n/a	\$750 e	2858 / 1009
41+ courses	\$ 2,500		n/a	\$1,250 e	2858 / 1009
Transfer of Credit (Out) - effective 1/1/2000; was \$25	901.258	521.7	\$50	\$40 i	2858 / 1009
Transfer of Credit (In)	901.258	521.7	\$100	\$100 i	2858 / 1009
Sale of Lists		521.6	n/a	variable	2858 / 1009
Public Records		521.6	n/a	variable	2858 / 1009
Replacement CPA Certificate - effective 2/4/2004; was \$30		521.11	\$50	\$50	2858 / 1009
Review of Papers:		511.79			
AICPA Review Service - for AUD, FARE, REG: \$200 each			n/a	pass through	n/a
AICPA Review Service - for BEC: \$150			n/a	pass through	n/a

Institute of Certified Public Accountants or, if doing so would result in a greater degree of reciprocity with the examination results of other states, the National Association of State Boards of Accountancy;

- (2) the credit is active in the other state; and
- (3) at the time the credit was earned, the applicant met the requirements in effect in the other state and the other state's standards are equal to or higher than the standards prescribed by this chapter.
- (b) The board may transfer to the licensing authority of another state active credits earned as a result of partially completing the uniform CPA examination in this state.
- (c) The board by rule shall establish:
 - (1) a fee in an amount not to exceed \$100 to receive credits from another licensing authority; and
 - (2) a fee in an amount not to exceed \$50 to transfer credits to another licensing authority.

SUBCHAPTER H

Firm License Requirements

Sec. 901.351. FIRM LICENSE REQUIRED.

- (a) A firm may not provide attest services or use the title "CPAs," "CPA Firm," "Certified Public Accountants," "Certified Public Accounting Firm," or "Auditing Firm" or a variation of one of those titles unless the firm holds a firm license issued under this subchapter or practices in this state under a privilege under Section 901.461.
- (a-1) A firm is required to hold a firm license under this subchapter if the firm establishes or maintains an office in this state.
- (b) The board shall grant or renew a firm license to practice as a certified public accountancy firm to:
 - (1) a firm that applies and demonstrates the necessary qualifications in accordance with this subchapter; or
 - (2) a firm originally licensed as a certified public accountancy firm in another state that demonstrates the necessary qualifications in accordance with this subchapter.
- (c) A firm license issued under Subsection (b)(2) is automatically revoked and may not be renewed if the firm does not maintain a

license as a certified public accountancy firm in the other state. The board by rule shall specify:

- (1) the form of the application for a firm license;
- (2) the fee for an original or renewal firm license, which may be based on the number of owners, members, partners, shareholders, or employee license holders in this state, not to exceed \$25 for each of those persons;
- (3) the term of a firm license; and
- (4) the requirements for renewal of a firm license.

Sec. 901.352. APPLICATION FOR FIRM LICENSE OR REGISTRATION.

- (a) An applicant for a firm license or registration must provide the board with satisfactory evidence of eligibility for a firm license or registration.
- (b) The board may examine an application and may refuse to issue a firm license or register an applicant who does not meet the standards imposed under this chapter.

Sec. 901.353. RESIDENT MANAGER.

- (a) An office established or maintained in this state by a firm of certified public accountants, a firm of public accountants, or a person described by Section 901.355 must designate a resident manager who is responsible for the license of the firm or person, as applicable. The resident manager must be:
 - (1) an owner, member, partner, shareholder, or employee of the firm or person that occupies the office; and
 - (2) licensed under this chapter.
- (b) A resident manager may serve in that capacity in only one office at a time except as authorized by board rule. The board by rule may establish a registration procedure under which a person may serve as resident manager of more than one office at a time.

Sec. 901.354. FIRM LICENSE INFORMATION AND ELIGIBILITY.

- (a) An applicant for initial issuance or renewal of a firm license must show that a majority of the ownership of the firm, in terms of financial interests and voting rights, belongs to persons who hold certificates issued under this chapter or are licensed in another state. A firm and its owners shall comply with board rules regardless of whether the firm includes owners who are not license holders.

Texas Administrative Code

[TITLE 22](#)

EXAMINING BOARDS

[PART 22](#)

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

[CHAPTER 521](#)

FEE SCHEDULE

RULE §521.13

Firm License Fees

-
- (a) The fee for a firm license shall be established by the board on an annual basis for each office of the firm registered in Texas plus the fee required by subsection (b) of this section.
- (b) A firm will pay an additional fee, established by the board on an annual basis, based on the number of CPAs employed at the firm office registered in Texas plus the number of non-CPA owners of the firm office registered in Texas.
- (c) The firm license fees provided for in subsections (a) and (b) of this section will be prescribed in the board's firm registration and renewal form.
- (d) A firm "employs" a CPA within the meaning of this rule when:
- (1) a CPA is a partner, owner, member, shareholder, or employee of the firm;
 - (2) a CPA works at the firm, either temporarily or long term, under a lease agreement or contract with any other entity, including but not limited to personnel staffing agencies or service companies affiliated with the firm;
 - (3) a CPA works at the firm on anything less than a full time basis;
 - (4) a CPA has any of the relationships described in paragraphs (1) - (3) of this subsection with an entity that is a partner, owner, member, or shareholder of the firm; or
 - (5) a CPA has any of the relationships described in paragraphs (1) - (3) of this subsection with an entity affiliated with the firm and that CPA participates in performing professional services for clients of the firm.
- (e) Each firm shall certify to the board the highest number of CPAs it employs within the meaning of this section during the 30 days prior to filing its application. Each CPA should be counted only once, even if he or she has more than one relationship as described in subsection (d)(1) - (5) of this section.
- (f) Firm license fees will not be prorated or refunded.
- (g) A firm whose license has been expired for 90 days or less may renew the license by paying the board a late fee established by the board on an annual basis in addition to the license fee required to be paid under subsections (a) and (b) of this section.
- (h) A firm whose license has been expired for more than 90 days may renew the license by paying the board a late fee established by the board on an annual basis in addition to the license fee required to be paid under subsections (a) and (b) of this section.
-

Source Note: The provisions of this §521.13 adopted to be effective December 6, 2001, 26 TexReg 9866; amended to be effective June 6, 2002, 27 TexReg 4707; amended to be effective February 1, 2005, 30 TexReg 393; amended to be effective August 3, 2005, 30 TexReg 4333; amended to be effective August 17, 2008, 33

TexReg 6383; amended to be effective August 8, 2012, 37 TexReg 5786; amended to be effective August 12, 2015, 40 TexReg 5063; amended to be effective August 3, 2017, 42 TexReg 3788

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Texas State Board of Public Accountancy

505 E Huntland Dr, Suite 380, Austin, Texas 78752-3757 (512) 305-7853

FIRM ORGANIZATION FEE WORKSHEET

DUE BY

IMMEDIATELY

RETURN THE ORIGINAL FORM

License Period:

Firm Name:

Firm License ID:

Firm Control Number:

MAIN OFFICE

ALL FEES ARE MANDATORY

ID =
CN =
BI = 202011
EI = 202411

All Texas firms, Out-of-State firms, and Multi-national firms must:

- complete the **REQUIRED AFFIDAVIT** below
- pay the calculated Firm Organization Fee if the total number of CPA employees, CPA owners, and non-CPA owners is greater than 1

REQUIRED AFFIDAVIT: A partner, corporate officer, sole proprietor, or resident manager of the main office of your firm must complete the following.

I affirm under penalty or perjury that all information entered in the **FIRM ORGANIZATION FEE WORKSHEET**, including all supplemental statements, are true and accurate.

Texas License ID

Signature

Date

A firm will pay an additional fee called the Firm Organization Fee, established annually, that is based on the total number of CPA owners, and non-CPA owners applicable to the firm in the following categories. The following chart indicates the method to use to count employees and owners of the firm.

Texas Firm	Out-of-State Firm (NOTE: Out-of-state are required to register per Rule 513.10)	Multi-National Firm (NOTE: If the firm does not have an office in Texas, the firm will be considered an out-of-state firm for the purposes of calculating the additional fee.)
Count all CPA employees, CPA owners, and non-CPA owners that reside in Texas	Count all CPA employees, CPA owners, and non-CPA owners that reside in the state of the out-of-state firm	Count all CPA employees, CPA owners, and non-CPA owners that reside in Texas

After determining the total number of CPA employees, CPA owners, and non-CPA owners, use the following chart as a basis for calculating the additional fee. Use the step-by-step **INSTRUCTIONS** located on the back of this form to complete the worksheet below, and then report the additional fee on the **OFFICE RENEWAL NOTICE**.

Individual Counts by Category (Column B below)

Fee per Individual (Column C below)

1	\$0.00
2 - 5	\$10.00
6 - 9	\$15.00
10 - 49	\$20.00
50 - 99	\$25.00
100 or more	\$25.00

(A) Firm Organization by License Period	(B) Individual Counts by Category	(C) Fee per Individual	(D) Rate	(E) Firm Organization Fee Due $B \times C \times D = E$	(F) License Fees	(G) License and Organization Fees
DEC, 2023 - NOV, 2024 CPAs, CPA Employees Non-CPA Owners TOTAL BY LICENSE PERIOD			1.00		60.00	
DEC, 2022 - NOV, 2023 CPAs, CPA Employees Non-CPA Owners TOTAL BY LICENSE PERIOD			1.00		60.00	
DEC, 2021 - NOV, 2022 CPAs, CPA Employees Non-CPA Owners TOTAL BY LICENSE PERIOD			1.00		60.00	
DEC, 2020 - NOV, 2021 CPAs, CPA Employees Non-CPA Owners TOTAL BY LICENSE PERIOD			1.00		60.00	
		IV-41				

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<p style="text-align: center;">Agenda Item IV Report of the Joint Executive and Peer Review Committees March 20, 2024</p>
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F. Review of NASBA/AICPA matters:

DISCUSSION: Ms. Seefeld, Presiding Officer, will present the following NASBA/AICPA matters:

- NASBA dates of interest:
 - a. 29th Annual Conference for Board of Accountancy Legal Counsel
March 25 – 27, 2024, Nashville, TN
 - b. 42nd Annual Conference for Executive Directors and Board Staff
March 25 – 27, 2024, Nashville, TN
 - c. Western Regional Meeting, June 25-27, 2024, Omaha, NE
 - d. 117th Annual Meeting, October 27-30, 2024, Orlando, FL

RECOMMENDATION: None by staff

SUGGESTED MOTION: None by staff

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<p style="text-align: center;">Agenda Item IV Report of the Joint Executive and Peer Review Committees March 20, 2024</p>
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G. Review of general correspondence:

DISCUSSION: Ms. Seefeld, Presiding Officer, will review general correspondence coming to the Board's attention.

RECOMMENDATION: None by staff

SUGGESTED MOTION: None by staff

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From: Aditi Carlin <aditi.namjoshi95@gmail.com>
Sent: Monday, January 22, 2024 5:52 PM
To: Donna Hiller <DHiller@tsbpa.texas.gov>
Subject: Re: Applicant Reassessment Program

Good evening Ms. Hiller,

This is incredible news - thank you so much for passing it on. Please relay my heartfelt thanks to Mr. Treacy as well. It's time to put my nose to the grindstone and get that last one done!

Thank you again for considering my application - I truly appreciate it, and will take advantage of this amazing opportunity to pass my last exam!

Best,
Aditi Carlin (Namjoshi)

On Mon, Jan 22, 2024 at 2:38 PM Donna Hiller <DHiller@tsbpa.texas.gov> wrote:

Hello Aditi:

Your request for reinstatement of CPA exam credits was considered by the Executive Director. He has granted the reinstatement of the AUD, BEC and REG credit, that will be valid until 6-30-2025.

We wish you the best on completing the CPA exam.

Regards,

Donna Hiller

From: Christian Sobngwi <christian.sobngwi@utrgv.edu>

Sent: Thursday, March 7, 2024 1:15 PM

To: Donna Hiller <DHiller@tsbpa.texas.gov>

Cc: Linda Acevedo <linda.acevedo@utrgv.edu>; Sarah Rees <sarah.rees01@utrgv.edu>; Deborah Gonzalez <deborah.gonzalez@utrgv.edu>

Subject: RE: UTRGV Request to be a guest speaker

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hello Ms. Hiller,

On behalf of all the members of the School of Accountancy in the Robert C. Vackar College of Business and Entrepreneurship at The University of Texas Rio Grande Valley, I would like to thank you for taking the time to come and enlighten our students on the process of becoming a CPA in the State of Texas.

Your guidance will prove very useful as we work on training the next generation of accounting professionals. We also appreciate your valuable insight regarding the TBA Accounting Student Scholarship Program and the educational requirements to sit for the exam.

We will make sure to send you an updated list of accounting courses at UTRGV.

Thank you for your continued support of our students and programs.

Regards,

Christian



Christian K. Sobngwi, Ph.D.

Interim Director

Associate Professor

School of Accountancy

Robert C. Vackar College of Business and Entrepreneurship

Office: (956) 665-7936

Email: christian.sobngwi@utrgv.edu

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<p style="text-align: center;">Agenda Item IV Report of the Joint Executive and Peer Review Committees March 20, 2024</p>
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- H. Announcement of Ad Hoc Nominating Committee for the selection of Assistant Presiding Officer:

DISCUSSION: Ms. Seefeld, Presiding Officer, will discuss the selection of the Assistant Presiding Officer.

RECOMMENDATION: None by staff

SUGGESTED MOTION: None by staff

Agenda Item V

Peer Review Committee Report

March 20, 2024

A. Refer to Agenda Item IV-A.

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Agenda Item VI

Qualifications Committee Agenda

March 20, 2024

- A. Report on the Applicant Reassessment Program
- B. Report on the NASBA Experience Learn and Earn Program (ELE)
- C. Report on the Board's Rules of Professional Conduct Exam required for certification
- D. Report on the NASBA Professional Licensure Task Force Concept Exposure
- E. Report on the Standards for the Texas Community Colleges to receive the Board's designation – Qualifying Educational Credit for CPA Examination
- F. Report on the Application of Intent submitted by applicant – 0290521
- G. Review of correspondence from NASBA

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Agenda Item VI

Qualifications Committee Agenda

March 20, 2024

A. Report on the Applicant Reassessment Program

DISCUSSION: Staff will provide an update on the success of the Applicant Reassessment Program.

As of February 28, 2024, 130 applicants have requested and received reinstatement of one or more CPA Exam credits. Through the reinstatement of the credits, 12 applicants have completed the CPA Exam and are eligible to apply for the CPA certificate.

RECOMMENDATION: Information only. No action required.

SUGGESTED MOTION: Information only. No action required.

Agenda Item VI

Qualifications Committee Agenda

March 20, 2024

B. Report on the NASBA Experience Learn and Earn Program (ELE).

DISCUSSION: As of February 12, 2024, Tulane University closed registration for the spring 2024 semester. There were 38 students who applied through the ELE program. Staff requested information from NASBA on the courses that the students will take.

RECOMMENDATION: Information only. No action required.

SUGGESTED MOTION: Information only. No action required.

Agenda Item VI

Qualifications Committee Agenda

March 20, 2024

- C.** Report on the Board's Rules of Professional Conduct Exam as required for certification.

DISCUSSION: The Qualifications Committee Task Force charged with studying the Board's Rules of Professional Conduct Exam met on January 30, 2024 and February 27, 2024. The Task Force is reviewing the overall Exam and may offer an update to the Qualifications Committee on the progress of their work. Due to the security of the Rules of Professional Conduct Exam, only a high-level report may be offered.

RECOMMENDATION: Information only. No action is required.

SUGGESTED MOTION: Information only. No action is required.

Agenda Item VI

Qualifications Committee Agenda

March 20, 2024

D. Report on the NASBA Professional Licensure Task Force Concept Exposure.

DISCUSSION: The Executive Director serves on the NASBA Professional Licensure Task Force (PLTF) and may provide updated information to the committee.

The Board is asked to provide a response by March 31, 2024 to the PLTF Concept Exposure question.

Do you believe that the Professional Licensure Task Force should continue to focus its discussions on an equivalent path to licensure that defines a structured professional program that would qualify an individual for licensure as a CPA?

RECOMMENDATION: A Board response is recommended.

SUGGESTED MOTION: Defer to the Board.

Agenda Item VI

Qualifications Committee Agenda

March 20, 2024

- E. Report on the Standards for Texas Community Colleges to receive the Board's designation – Qualifying Educational Credit for CPA Examination.

DISCUSSION: The Qualifications Committee may review the Standards for Texas Community Colleges to receive the Board's designation – Qualifying Educational Credit for CPA Examination to comply with the Board Rules.

Staff received information from the North Carolina Board of Accountancy related to the recognition of community college coursework to meet the accounting requirements. There are 11 CCs in North Carolina that offer a full curriculum of accounting and business courses that meet the education requirements. Courses may be taken prior to or after earning a bachelor's degree.

RECOMMENDATION: Information only. No action is required.

SUGGESTED MOTION: Information only. No action is required.

Agenda Item VI

Qualifications Committee Agenda

March 20, 2024

F. Report on the Application of Intent submitted by applicant – 0290521.

DISCUSSION: Applicant 0290521 submitted the Application of Intent on January 22, 2024 along with transcripts showing attendance at the following educational institutions that are recognized by the Board.

- Marquette University – Milwaukee, WI – (1987 – 1988)
Completed: 27 SCH
- Nicolet Area Technical College – Rhinelander, WI – (1991-1992)
Completed: 24 SCH
- University of North Dakota – Grand Forks, ND – (1993 – 1996)
Completed: 62 SCH of which 9 SCH are recognized as business coursework
- Tarleton State University – Stephenville, TX – (1997)
Completed: 3 SCH of upper level business coursework
- Lakeland University – Plymouth, WI – (2002 – 2004 and 2010 – 2011)
Completed: 84 SCH
BA degree in December 2003
MBA degree in December 2011
24 SCH of upper level accounting coursework
24+ SCH of upper level business coursework

The Application of Intent is considered under the Public Accountancy Act of 2023, and the Board's Rules that were in effect at the time the application was submitted. Under these guidelines the applicant meets the following requirements.

- BA or higher degree
- 200 SCH
- 24 SCH of upper level accounting coursework of which 9 hours meet the requirements of Board Rule 511.57(e)
- 24 SCH of upper level business coursework

The applicant is deficient in meeting the following educational requirements:

- Board Rule 511.57(e)(4) – accounting information systems or accounting data analytics; and
- Board Rule 511.58(d) – two upper level semester credit hours in accounting or business communications with an intensive writing curriculum.

The applicant was informed of the deficiencies and asks that the education be reconsidered. The applicant also submitted a request to the Governor's office for assistance.

RECOMMENDATION: Defer to the Committee.

SUGGESTED MOTION: Defer to the Committee.

Agenda Item VI

Qualifications Committee Agenda

March 20, 2024

G. Review of correspondence from NASBA.

DISCUSSION: Correspondence received from NASBA that requires the committee's consideration, will be presented.

RECOMMENDATION: Information only. No action is required.

SUGGESTED MOTION: Information only. No action is required.

CPA Exam Performance Summary: 2023 Q-4 Texas

Overall Performance

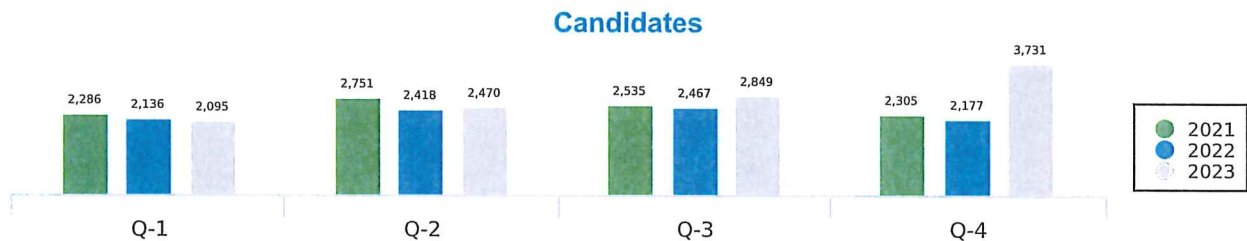
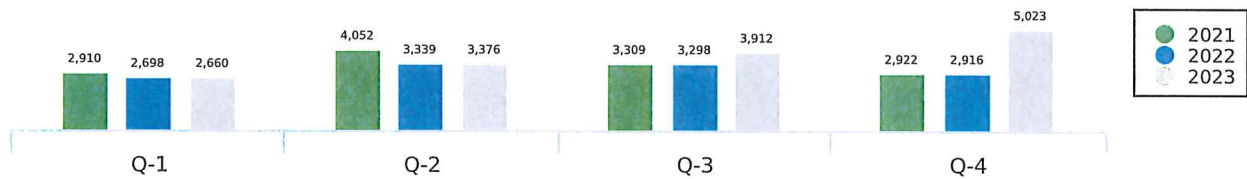
Unique Candidates	3,731
New Candidates	969
Total Sections	5,023
Passing 4th Section	430
Sections / Candidates	1.35
Pass Rate	42.05%
Average Score	69.25

Section Performance

	Sections	Score	% Pass
First-Time	857	68.95	45.51%
Re-Exam	4,155	69.31	41.32%
AUD	1,118	71.35	47.5%
BEC	2,469	68.22	37.79%
FAR	671	66.64	36.66%
REG	765	71.79	52.55%

Jurisdiction Ranking

Candidates	Sections
3	3
Pass Rate	Avg Score
29	29
Sections	



CPA Exam Performance Summary: 2023 Q-4 Texas

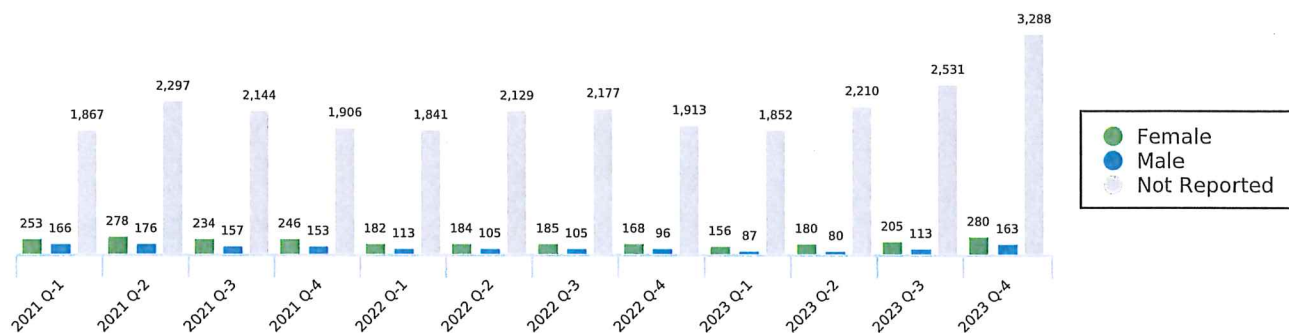
Degree Type

	Candidates	% Total
Bachelor's Degree	1,461	39.2%
Advanced Degree	1,038	27.8%
Enrolled / Other	1,232	33.0%

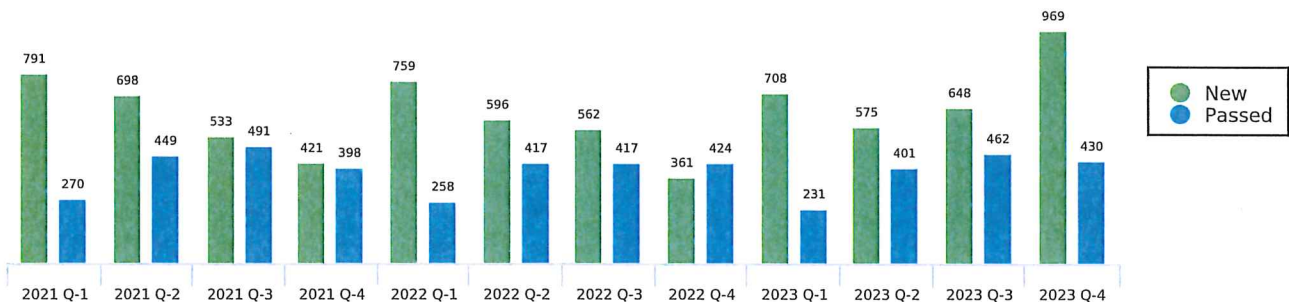
Residency

	Candidates	% Total
In-State Address	3,568	95.63%
Out-of-State Address	157	4.21%
Foreign Address	6	0.16%

Gender



New Candidates vs Candidates Passing 4th Section



Notes:

1. The data used to develop this report was pulled from NASBA's Gateway System, which houses the Uniform CPA Examination's Application and Performance information for all 55 jurisdictions.
 2. The demographic data related to age, gender, and degree type is provided by the individual candidates and may not be 100% accurate.
 3. Some jurisdictions do not require candidates to report certain demographic data nor complete surveys gathering such data on a voluntary basis.
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CPA Exam Performance Summary: 2023 Q-4

Overall

Overall Performance

Unique Candidates	56,186
New Candidates	15,731
Total Sections	74,358
Passing 4th Section	6,442
Sections / Candidates	1.32
Pass Rate	42.43%
Average Score	69.24

Section Performance

	Sections	Score	% Pass
First-Time	14,267	67.75	43.49%
Re-Exam	59,899	69.6	42.19%
AUD	15,802	70.58	46.42%
BEC	37,726	68.50	38.18%
FAR	10,221	66.88	39.36%
REG	10,609	72.15	54.60%

Most Candidates

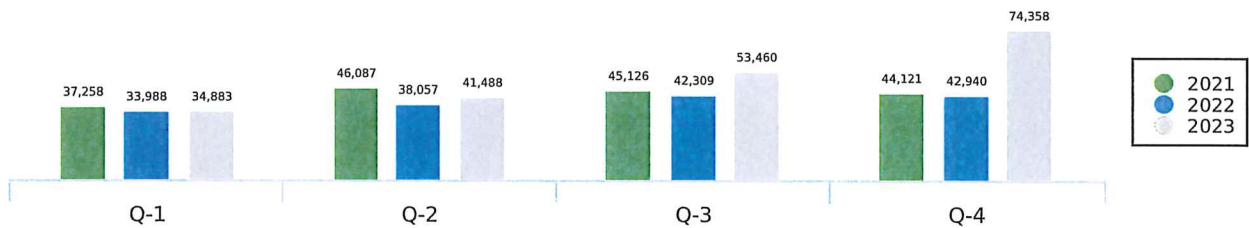
1. California	8,064
2. New York	5,973
3. Texas	3,731

Top 3 Jurisdictions

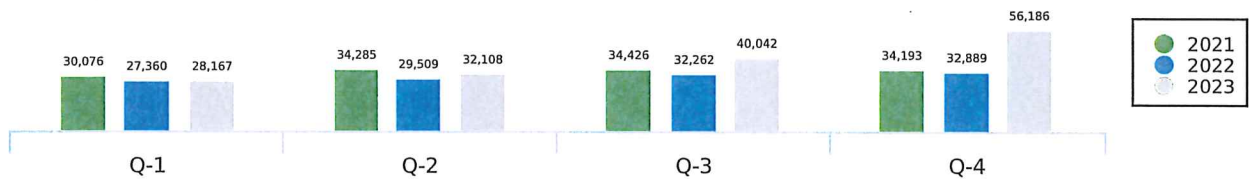
Highest Pass Rate

1. Utah	55.57%
2. Iowa	51.90%
3. Nebraska	50.79%

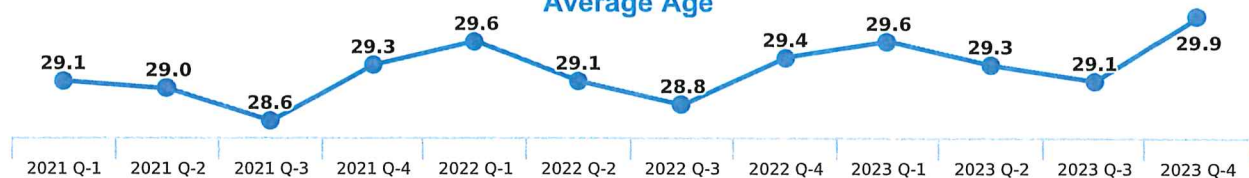
Sections



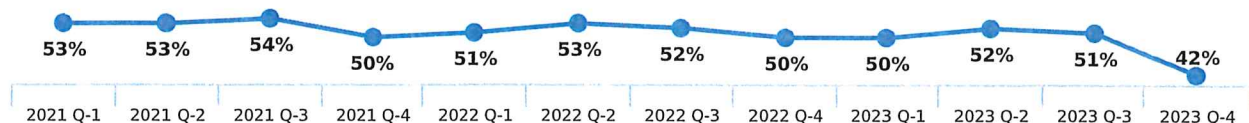
Candidates



Average Age



% Pass

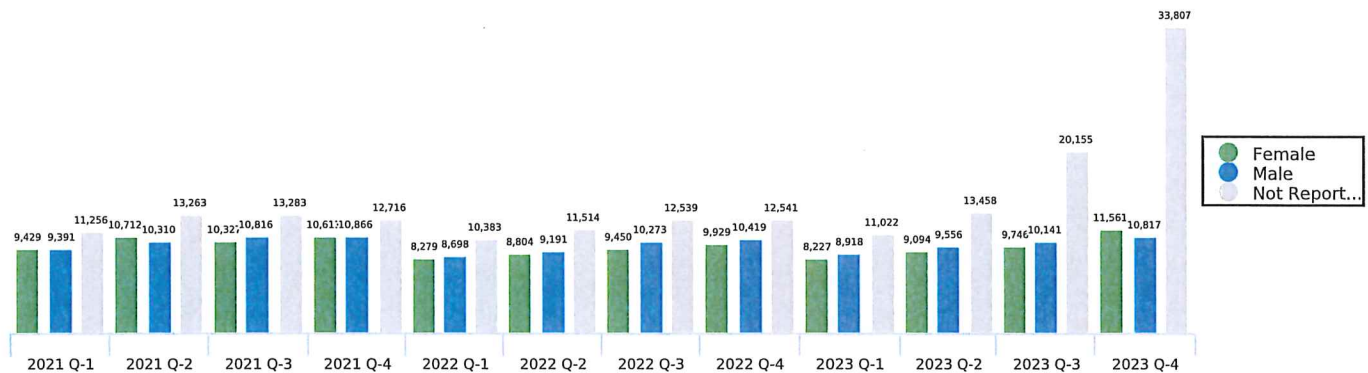


CPA Exam Performance Summary: 2023 Q-4

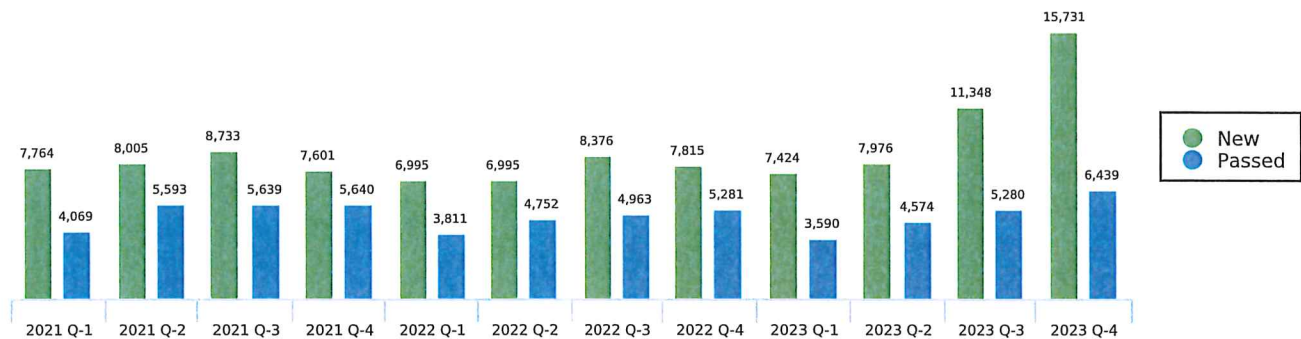
Overall

<u>Degree Type</u>			<u>Residency</u>		
	Candidates	% Total		Candidates	% Total
Bachelor's Degree	32,908	58.6%	In-State Address	38,934	69.3%
Advanced Degree	11,950	21.3%	Out-of-State Address	7,263	12.93%
Enrolled / Other	11,327	20.2%	Foreign Address	9,988	17.78%

Gender



New Candidates vs Candidates Passing 4th Section



Notes:

1. The data used to develop this report was pulled from NASBA's Gateway System, which houses the Uniform CPA Examination's Application and Performance information for all 55 jurisdictions.
 2. The demographic data related to age, gender, and degree type is provided by the individual candidates and may not be 100% accurate.
 3. Some jurisdictions do not require candidates to report certain demographic data nor complete surveys gathering such data on a voluntary basis.
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Overall Statistics for Testing Window 2023 Q-4

Jurisdiction	Count Candidate	Count Sections	FT Sections	RE Sections	Average Pass Rate	Average Score	Average Age
Alabama	616	791	216	563	39.57%	69.15	28.01
Alaska	1,748	2,266	355	1,910	39.85%	68.89	31.82
Arizona	821	1,074	235	837	46.37%	70.27	30.32
Arkansas	322	429	90	337	44.76%	70.40	28.39
California	8,064	10,353	2,884	7,435	41.34%	68.50	30.50
Colorado	803	1,076	148	923	45.63%	71.39	30.08
Connecticut	606	811	104	707	35.14%	67.64	28.76
Delaware	124	168	12	156	35.71%	66.73	35.76
District of Columbia	119	151	15	134	45.70%	70.49	29.38
Florida	2,190	2,879	252	2,618	44.49%	69.99	30.54
Georgia	1,407	1,895	273	1,612	39.95%	68.84	30.72
Guam	2,743	3,474	821	2,649	38.14%	67.26	30.06
Hawaii	170	226	29	196	41.15%	67.37	30.32
Idaho	236	317	71	246	45.11%	70.25	31.39
Illinois	2,568	3,516	869	2,631	46.96%	70.44	28.40
Indiana	717	997	151	845	43.13%	70.04	28.47
Iowa	346	474	78	396	51.90%	72.61	26.78
Kansas	148	204	38	166	46.08%	69.89	30.91
Kentucky	416	545	116	428	43.12%	69.30	30.15

Jurisdiction	Count Candidate	Count Sections	FT Sections	RE Sections	Average Pass Rate	Average Score	Average Age
Louisiana	498	668	91	577	38.92%	67.01	29.15
Maine	588	814	179	635	40.66%	67.90	33.70
Maryland	631	842	143	699	40.38%	68.01	31.89
Massachusetts	1,311	1,736	260	1,475	46.08%	70.83	27.38
Michigan	1,134	1,552	201	1,349	42.98%	69.88	28.61
Minnesota	697	955	175	777	48.69%	72.05	27.75
Mississippi	309	416	112	299	35.34%	66.85	28.47
Missouri	856	1,126	184	939	46.18%	71.03	27.30
Montana	1,214	1,642	408	1,234	49.82%	71.76	30.16
Nebraska	141	189	31	158	50.79%	72.45	28.00
Nevada	334	447	119	326	40.49%	68.25	29.66
New Hampshire	406	561	24	536	36.01%	67.14	33.93
New Jersey	1,400	1,875	234	1,638	35.25%	66.65	29.16
New Mexico	152	192	21	170	35.94%	67.78	35.53
New York	5,973	8,004	994	6,998	41.39%	68.81	29.07
North Carolina	1,157	1,470	450	1,019	44.83%	70.25	28.52
North Dakota	596	700	291	408	27.29%	63.27	31.30
Ohio	1,429	1,898	321	1,573	46.36%	70.68	27.81
Oklahoma	357	488	123	361	38.11%	68.14	31.08
Oregon	364	506	84	420	43.08%	70.34	31.22

Jurisdiction	Count Candidate	Count Sections	FT Sections	RE Sections	Average Pass Rate	Average Score	Average Age
Pennsylvania	1,907	2,510	395	2,111	39.04%	68.30	28.78
Puerto Rico	375	467	55	412	22.91%	60.29	30.39
Rhode Island	87	111	9	101	37.84%	68.73	30.03
South Carolina	345	466	80	386	44.64%	71.09	29.38
South Dakota	77	96	26	69	46.88%	72.61	29.77
Tennessee	842	1,156	155	996	45.42%	70.49	29.26
Texas	3,731	5,023	857	4,155	42.05%	69.25	30.93
Utah	511	709	125	581	55.57%	73.68	29.68
Vermont	127	218	66	152	42.66%	69.98	28.77
Virginia	1,567	2,077	493	1,575	44.34%	70.22	30.90
Washington	2,205	2,866	597	2,262	47.03%	70.58	32.44
West Virginia	118	153	54	96	36.60%	68.09	27.97
Wisconsin	543	729	144	582	48.15%	71.38	26.79
Wyoming	40	50	9	41	40.00%	66.82	34.22

Agenda Item VII
Behavioral Enforcement Committee Meeting
February 29, 2024

The Behavioral Enforcement Committee met on February 29, 2024, by video conference and in person, at 10:00 a.m.

Members Present

Jeannette P. Smith, CPA
Committee Chair
Susan I. Adams, CPA
Jill A. Holup
Bennett Allison, CPA
Patrick Durio, CPA
Phillip D. Johnson, CPA
Robert Ogle, CPA

Staff Present

Paulette Beiter, Esq.
J. Randel (Jerry) Hill, Esq.

A. AFTER GIVING THESE MATTERS DUE CONSIDERATION, THE COMMITTEE RECOMMENDS THESE MATTERS BE DISMISSED BASED UPON INSUFFICIENT EVIDENCE OF A VIOLATION OF THE ACT OR THE RULES:

- 1. Investigation Nos. 23-10-09L & 23-10-10L:** Respondents were not able to file for Employee Retention Credit for a client and did not refund all fees. **(Board approval required)**
- 2. Investigation Nos. 23-12-07L & 23-12-08L:** Respondents allegedly failed to return a client's calls and failed to file a return in a timely manner resulting in a previous year's return being used as the basis for the client's Medicare Income-related Monthly Adjustment Amount. **(Board approval required)**
- 3. Investigation No. 23-10-11L:** Respondent allegedly failed to return a client's documents, shared information with the client's spouse's attorney, and attempted to pressure a client into signing and filing a supposedly inaccurate return. **(Board approval required)**
- 4. Investigation Nos. 24-01-06L & 24-02-01L:** Respondents allegedly failed to advise clients about when the taxes should be paid after the sale of a commercial property. **(Board approval required)**
- 5. Investigation Nos. 23-08-08L & 23-08-09L:** Respondents allegedly drafted a client's account for work not performed and filed an inaccurate Employee Retention Credit claim. **(Board approval required)**
- 6. Investigation No. 23-12-02L:** Respondent entered into a settlement agreement resulting from a dispute over the preparation of a tax return and the representation during the audit of the return. **(Board approval required)**

B. AFTER GIVING THIS MATTER DUE CONSIDERATION, THE COMMITTEE RECOMMENDS THAT THE REQUEST FOR REINSTATEMENT BE GRANTED:

- **Investigation No. 02-11-10L:** Applicant prepared tax returns while his license was suspended after similar disciplinary action by the State Bar of Texas. Respondent's certificate was revoked. **(Board approval required)**

C. OTHER: The committee considered several other matters during its meeting; however, no action is required.

Agenda Item VIII
Technical Standards Review Committee
January 31, 2024

The Technical Standards Review Committee met on Wednesday, January 31, 2024, by video conference beginning at 2:00 p.m.

Members Present

Ray R. Garcia, CPA
Committee Chair
Kimberly Crawford, CPA
Douglas Koval, CPA
Dilliana Stewart, CPA
Susan Warren, CPA
Juliet Williams, CPA

Members Absent

Jamie Grant
Sheila Vallés-Pankratz

Staff Present

J. Randel (Jerry) Hill, Esq.
John Moore, Esq.

A. AFTER GIVING THESE MATTERS DUE CONSIDERATION, THE COMMITTEE RECOMMENDS THEY BE DISMISSED WITHOUT PREJUDICE BASED ON INSUFFICIENT EVIDENCE OF A VIOLATION OF THE ACT OR THE BOARD'S RULES:

- 1. Investigation No. 23-02-08L:** Respondent allegedly issued audited financial statements through an unlicensed entity. **(Board approval required)**
- 2. Investigation No. 23-10-01L:** Respondent allegedly violated professional standards in its audits of two entities regulated by the Public Company Accounting Oversight Board. **(Board approval required)**
- 3. Investigation No. 23-11-05L:** Respondent allegedly violated professional standards in its audit of an employee benefit plan. **(Board approval required)**
- 4. Investigation No. 23-11-09L:** Respondent allegedly violated professional standards in its audits of three employee benefit plans. **(Board approval required)**

B. AFTER GIVING THIS MATTER DUE CONSIDERATION, THE COMMITTEE RECOMMENDS THAT THE LIMITATION OF SCOPE ON THE RESPONDENT BE MODIFIED TO ALLOW THE RESPONDENT TO PERFORM COMPILATIONS:

- **Investigation No. 22-01-02A:** Respondent received two ratings of fail in consecutive peer reviews. **(Board approval required)**

C. OTHER: The committee considered five other matters during its meeting; however, these matters do not require Board action at this time.

Agenda Item IX
Consideration of Agreed Consent Orders &
Administrative Disciplinary Actions
March 21, 2024

A. AGREED CONSENT ORDERS

Behavioral Enforcement Committee

- Investigation Nos. 23-11-01L & 23-11-02L

Technical Standards Review Committee

1. Investigation Nos. 23-06-06L & 23-06-07L
2. Investigation Nos. 23-07-06L & 23-07-07L
3. Investigation Nos. 23-07-08L & 23-07-09L
4. Investigation No. 23-07-11L
5. Investigation No. 23-07-12L
6. Investigation No. 23-10-02L

B. ADMINISTRATIVE DISCIPLINARY ACTIONS

1. Investigation Nos. 23-10-10001 - 23-10-10061
2. Investigation Nos. 23-11-10001 - 23-11-10066
3. Investigation Nos. 23-10-10062 - 23-10-10227
4. Investigation Nos. 23-11-10067 - 23-11-10225
5. Investigation Nos. 23-10-10228 - 23-10-10243
6. Investigation Nos. 23-11-10226 - 23-11-10241

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regarding conduct indicating lack of fitness to serve the public as a professional accountant.

The TSR Committee considered this matter at its meeting on January 31, 2024. Board members Ray R. Garcia, CPA; Susan Warren, CPA; and Kimberly Crawford, CPA were present.

B. ADMINISTRATIVE DISCIPLINARY ACTIONS

1. Respondents: In The Matter of Disciplinary Action Against Certain Licensees for Nonpayment of Licensing and Late Fees for Three Consecutive License Periods

The Respondents failed to pay their licensing fees for three consecutive license periods. Respondents, although properly notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends that the certificate of each Respondent still not in compliance be revoked without prejudice. Each Respondent may regain his or her certificate by paying all license fees and late fees and by otherwise coming into compliance with the *Act*. Respondents violated *Act Section 901.502(4) (failure to pay license fees for three consecutive years)*. No Board committee considered these actions.

1. Investigation Nos. 23-10-10001 - 23-10-10061

2. Investigation Nos. 23-11-10001 - 23-11-10066

2. Respondents: In The Matter of Disciplinary Action Against Certain License Holders for CPE Delinquencies

The Respondents failed to comply with CPE reporting requirements found in Chapter 523 of the *Rules* and *Act Section 901.411 (Continuing Professional Education)*. The Respondents, although provided with a preliminary report and having been notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends that the license of each Respondent still not in compliance be suspended for a period of three years, or until he or she complies with the licensing requirements of the *Act*, whichever is sooner. Additionally, staff recommends a \$100 penalty be imposed for each year a Respondent is not in compliance with the Board's CPE requirements. Respondents violated Board *Rules 501.94 (Mandatory CPE)* and *523.111 (Required CPE Reporting)*, and *Act Section 901.411*. No Board committee considered these actions.

3. Investigation Nos. 23-10-10062 - 23-10-10227

4. Investigation Nos. 23-11-10067 - 23-11-10225

3. Respondents: In The Matter of Disciplinary Action Against Certain Certificate Holders for Failure to Complete License Notice

The Respondents failed to complete their license renewal notices in accordance with Board *Rule 515.3 (License Renewals for Individuals and Firm Offices)*. Respondents, although properly notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends the certificate of each Respondent not in compliance be revoked without prejudice until such time as the Respondent complies with the requirements of the *Rules* and the

Act. Respondents violated *Act Section 901.502(12) (Violations of Board Rules)*. No Board committee considered these actions.

5. Investigation Nos. 23-10-10228 - 23-10-10243

6. Investigation Nos. 23-11-10226 - 23-11-10241

<p style="text-align: center;">Agenda Item X Consideration of Adoption of Board Rules March 21, 2024</p>

DISCUSSION: The rules listed below were proposed for amendment on first reading at the January 18, 2024 meeting.

RECOMMENDATION: The staff recommends that the proposed rules be adopted as presented on second reading.

SUGGESTED MOTION: That the proposed rules listed below be adopted as presented on second reading.

1. 501.62 (*Other Professional Standards*)
2. 521.9 (*Certificate Fee*)

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Adopted Amendment

§501.62. Other Professional Standards.

A person in the performance of consulting services, accounting and review services, any other attest service, financial advisory services, or tax services shall conform to the professional standards applicable to such services. For purposes of this section, such professional standards are considered to be interpreted by:

(1) AICPA issued standards, including but not limited to:

(A) Statements on Standards on Consulting Services (SSCS);

(B) Statements on Standards for Accounting and Review Services (SSARS);

(C) Statements on Standards for Attestation Engagements (SSAE);

(D) Statements on Standards for Tax Services (SSTS);

(E) Statements on Standards for Financial Planning Services (SSFPS);

(F) Statements on Standards for Valuation Services (SSVS); or

(G) Statements on Standards for Forensic Services (SSFS).

(2) Pronouncements by other professional entities having similar national or international authority recognized by the board including but not limited to the International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB).

Adopted Amendment

§521.9. Certificate Fee.

- (a) The fee for the initial issuance of a CPA certificate pursuant to the Act will be established by the board. The fee is nonrefundable.
- (b) A military service member or military veteran who is eligible for the issuance of the CPA certificate is exempt from this fee.
- (c) The exemption from the certificate fee must be evidenced by an active ID, state-issued driver's license with a veteran designation or DD214.

<p style="text-align: center;">Agenda Item XI Review of Future Meetings/Hearing Schedules March 21, 2024</p>

- I. **DISCUSSION:** Schedule of dates for 2024 Board and committee meetings, hearings, and other activities are attached for your information.
- II. **RECOMMENDATION:** None by staff
- III. **SUGGESTED MOTION:** None by staff

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<p style="text-align: center;">Agenda Item XII Adjournment March 21, 2024</p>
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- I. **DISCUSSION:** The presiding officer will entertain a motion to adjourn.
- II. **RECOMMENDATION:** None required
- III. **SUGGESTED MOTION:** None required