

Texas State Board of Public Accountancy



Annual Financial Report

For the Fiscal Year Ended August 31, 2024

www.tsbpa.texas.gov

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
ANNUAL FINANCIAL REPORT

For the Year Ended August 31, 2024

WILLIAM TREACY
EXECUTIVE DIRECTOR

Prepared by: Lorna Schwimmer-Staggs, CPA
Director of Accounting
(512) 305-7815



**TEXAS STATE BOARD
of PUBLIC ACCOUNTANCY**

William Treacy, Executive Director

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October 31, 2024

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller
Jerry McGinty II, Director, Legislative Budget Board
Lisa R. Collier, CPA, CFE, CIDA, State Auditor

Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of the Texas State Board of Public Accountancy for the year ended August 31, 2024, in compliance with TEX. GOV'T CODE ANN §2101.011 and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas *Comprehensive Annual Financial Report (CAFR)*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact Lorna Schwimmer-Staggs, CPA, at (512) 305-7815.

Sincerely,

TEXAS STATE BOARD OF
PUBLIC ACCOUNTANCY

WILLIAM TREACY
Executive Director

Enclosure

xc: Legislative Reference Library
Texas State Library

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TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

ANNUAL FINANCIAL REPORT

For the Year Ended August 31, 2024

MEMBERS OF THE BOARD (As of August 31, 2024)

Debra D. Seefeld, CPA, Presiding Officer.....	Georgetown
Jeannette P. Smith, CPA, Assistant Presiding Officer & Secretary	Mission
Olivia Espinoza-Riley, CPA, Treasurer.	Addison
Ray R. Garcia, CPA, Executive Committee Member-at-large	Houston
Jamie D. Grant, Executive Committee Member-at-large	Arlington
Jill A. Holup, Executive Committee Member-at-large.....	Austin
Susan I. Adams, CPA.....	Colleyville
Kimberly D. "Kim" Crawford, CPA	Arlington
Renee D. Foshee, Esq., CPA.....	San Marcos
Sherri B. Merket.....	Midland
Thomas M. Neuhoff, CPA	Tyler
Sheila M. Vallés-Pankratz.	Mission
Susan M. Warren, CPA.....	Georgetown

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
Austin, Texas

TABLE OF CONTENTS

		<u>Page</u>
I.	COMBINED FINANCIAL STATEMENTS	
A.	Exhibit I: Combined Balance Sheet/Statement of Net Assets - Governmental Funds	3
B.	Exhibit II: Combined Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities - Governmental Funds	4
II.	NOTES TO THE FINANCIAL STATEMENTS	5
III.	COMBINING STATEMENTS AND SCHEDULES	
A.	Exhibit A-1: Combining Balance Sheet - All General and Consolidated Funds	22
B.	Exhibit A-2: Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All General and Consolidated Funds	23
C.	Schedule J-1: Combining Statement of Changes in Assets and Liabilities - Agency Funds	24
D.	Schedule 1-B: Schedule of State Grant Pass-Throughs.....	25
IV.	ADDENDA	
A.	Organization of the Board	27
B.	Functions of the Board	28
C.	Organization Chart	30
D.	List of Bonded Employees	31
E.	Statistical Information	
	1. Registration and Licensure	32
	2. Qualifications	34
	3. Enforcement	36
	4. Collections	39
	5. Expenditures.....	41

I. COMBINED FINANCIAL STATEMENTS

- A. Exhibit I: Combined Balance Sheet/Statement of Net Assets –
Governmental Funds
- B. Exhibit II: Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances/Statement of Activities –
Governmental Funds

UNAUDITED

Texas State Board of Public Accountancy (457)

Exhibit I - Combined Balance Sheet/Statement of Net Position – Governmental Funds

August 31, 2024

	Governmental Fund Types				Statement of Net Position
	General Funds (EXH A-1)	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash on Hand	\$ 21,387.20	\$ 21,387.20	\$ -	\$ -	\$ 21,387.20
Cash in Bank (Note 3)	8,699.36	8,699.36			8,699.36
Cash in State Treasury	360,789.94	360,789.94			360,789.94
Cash Equivalents (Note 3)	9,627,856.98	9,627,856.98			9,627,856.98
Receivables	1,243.51	1,243.51			1,243.51
Due From Other Funds (Note 12)	121,197.22	121,197.22			121,197.22
Due From Other Agencies (Note 12)	2,000.00	2,000.00			2,000.00
Prepaid Items	97,698.82	97,698.82			97,698.82
Total Current Assets	<u>10,240,873.03</u>	<u>10,240,873.03</u>	<u>-</u>	<u>-</u>	<u>10,240,873.03</u>
Non-Current Assets:					
Capital Assets (Note 2):					
Depreciable, net					
Furniture and Equipment			385,206.93		385,206.93
Less Accumulated Depreciation			(286,289.69)		(286,289.69)
Vehicles, Boats, and Aircraft			16,348.14		16,348.14
Less Accumulated Depreciation			(16,348.14)		(16,348.14)
Capital Lease - Right to Use			3,367,839.30		3,367,839.30
Less Accumulated Amortization			(1,092,270.01)		(1,092,270.01)
Other Non-Current Assets	52,262.53	52,262.53			52,262.53
Total Non-Current Assets	<u>52,262.53</u>	<u>52,262.53</u>	<u>2,374,486.53</u>	<u>-</u>	<u>2,426,749.06</u>
Total Assets	<u>\$ 10,293,135.56</u>	<u>\$ 10,293,135.56</u>	<u>\$ 2,374,486.53</u>	<u>\$ -</u>	<u>\$ 12,667,622.09</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Current Liabilities:					
Payables From:					
Accounts Payable	60,293.40	60,293.40			60,293.40
Payroll Payable	360,666.43	360,666.43			360,666.43
Due To Other Funds (Note 12)	121,197.22	121,197.22			121,197.22
Due To Other Agencies (Note 12)	65,668.01	65,668.01			65,668.01
Employees' Compensable Leave (Note 5)	-	-		306,298.51	306,298.51
RTU Interest Payable				2,526.96	2,526.96
Right to Use Lease Obligations (Note 5, 8)				344,045.98	344,045.98
Total Current Liabilities	<u>607,825.06</u>	<u>607,825.06</u>	<u>-</u>	<u>652,871.45</u>	<u>1,260,696.51</u>
Non-Current Liabilities:					
Employees' Compensable Leave (Note 5)	-	-		270,500.67	270,500.67
Right to Use Lease Obligations (Note 5, 8)				2,076,790.65	2,076,790.65
Total Non-Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,347,291.32</u>	<u>2,347,291.32</u>
Total Liabilities	<u>607,825.06</u>	<u>607,825.06</u>	<u>-</u>	<u>3,000,162.77</u>	<u>3,607,987.83</u>
FUND FINANCIAL STATEMENT-FUND BALANCES					
Fund Balances (Deficits):					
Nonspendable					
Committed:	149,961.35	149,961.35			149,961.35
Board Policy Reserve (See Note 1.D)	2,836,691.00	2,836,691.00			2,836,691.00
Board Policy Contingency Reserve (See Note 1.D)	2,250,000.00	2,250,000.00			2,250,000.00
Other	4,448,658.15	4,448,658.15			4,448,658.15
Total Fund Balances	<u>9,685,310.50</u> *	<u>9,685,310.50</u>	<u>-</u>	<u>-</u>	<u>9,685,310.50</u>
Total Liabilities and Fund Balances	<u>\$ 10,293,135.56</u>	<u>\$ 10,293,135.56</u>			
GOVERNMENT-WIDE STATEMENT-NET POSITION					
Net Position:					
Net Investment in Capital Assets,					
Net of Related Debt			2,374,486.53		2,374,486.53
Restricted					
Unrestricted				(3,000,162.77)	(3,000,162.77)
Total Net Position			<u>\$ 2,374,486.53</u>	<u>\$ (3,000,162.77)</u>	<u>\$ 9,059,634.26</u>

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

UNAUDITED

Texas State Board of Public Accountancy (457)
Exhibit II - Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances/Statement of Activities – Governmental Funds
For the Fiscal Year Ended August 31, 2024

	General Funds (EXH A-2)	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
REVENUES					
License, Fees & Permits	8,625,437.68	8,625,437.68			8,625,437.68
Interest and Investment Income	408,747.67	408,747.67			408,747.67
Other	100,626.99	100,626.99			100,626.99
Total Revenues	<u>9,134,812.34</u>	<u>9,134,812.34</u>	-	-	<u>9,134,812.34</u>
EXPENDITURES					
Salaries and Wages	3,302,272.86	3,302,272.86		41,100.40	3,343,373.26
Payroll Related Costs	1,074,013.36	1,074,013.36			1,074,013.36
Professional Fees and Services	324,692.68	324,692.68			324,692.68
Travel	26,661.48	26,661.48			26,661.48
Materials and Supplies	176,952.54	176,952.54			176,952.54
Communication and Utilities	81,132.66	81,132.66			81,132.66
Repairs and Maintenance	77,461.13	77,461.13			77,461.13
Rentals & Leases	56,514.56	56,514.56			56,514.56
Printing and Reproduction	26,342.89	26,342.89			26,342.89
State Grant Pass-Through	623,490.85	623,490.85			623,490.85
Intergovernmental Payments	328,890.84	328,890.84			328,890.84
Public Assistance Payments	134,253.00	134,253.00			134,253.00
Other Expenditures	312,486.78	312,486.78			312,486.78
Debt Service:					
Principal	328,816.56	328,816.56		(328,816.56)	-
Interest	33,108.88	33,108.88		(343.21)	32,765.67
Capital Outlay	73,705.63	73,705.63	(73,705.63)		-
Amortization Expense			364,090.00		364,090.00
Depreciation Expense	-	-	28,798.77		28,798.77
Total Expenditures/Expenses	<u>6,980,796.70</u>	<u>6,980,796.70</u>	<u>319,183.14</u>	<u>(288,059.37)</u>	<u>7,011,920.47</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,154,015.64</u>	<u>2,154,015.64</u>	<u>(319,183.14)</u>	<u>288,059.37</u>	<u>2,122,891.87</u>
OTHER FINANCING SOURCES (USES)					
Transfers In (Note 1.F.)	7,806,026.46	7,806,026.46			7,806,026.46
Transfers Out (Note 1.F.)	(8,448,343.13)	(8,448,343.13)			(8,448,343.13)
Total Other Financing Sources and Uses	<u>(642,316.67)</u>	<u>(642,316.67)</u>	-	-	<u>(642,316.67)</u>
SPECIAL ITEMS					
	-	-			-
EXTRAORDINARY ITEMS					
	-	-			-
Net Change in Fund Balances/Net Position	1,511,698.97	1,511,698.97			1,480,575.20
FUND FINANCIAL STATEMENT - FUND BALANCES					
Fund Balances, Beginning	8,099,503.44	8,099,503.44			8,099,503.44
Adjustment to Fund Balances (Restatement) Note 14	74,108.09	74,108.09			74,108.09
Fund Balances, September 1, 2023, As Adjusted	8,173,611.53	8,173,611.53			8,173,611.53
Fund Balances, August 31, 2024	<u>\$ 9,685,310.50</u>	<u>\$ 9,685,310.50</u>			<u>\$ 9,654,186.73</u>
GOVERNMENT-WIDE STATEMENT OF NET POSITION					
Net Assets/Change in Net Position		9,685,310.50	(319,183.14)	288,059.37	9,654,186.73
Net Position-Beginning			2,693,669.67	(3,288,222.14)	(594,552.47)
Restatements (Note 14)					-
Net Position, September 1, 2023, as Restated			<u>2,693,669.67</u>	<u>(3,288,222.14)</u>	<u>(594,552.47)</u>
Net Position, August 31, 2024			<u>\$ 2,374,486.53</u>	<u>\$ (3,000,162.77)</u>	<u>\$ 9,059,634.26</u>

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

II. NOTES TO THE FINANCIAL STATEMENTS

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ENTITY

The Texas State Board of Public Accountancy (the Board) operates under the authority of the *Public Accountancy Act, Chapter 901 of the Texas Occupations Code*. The Board regulates the public practice of accounting in Texas as a self-directed, semi-independent agency under *Chapter 472 of the Texas Government Code*. Its major functions include Licensing and Continuing Professional Education, Qualifications (Examination), Enforcement, Peer Review, Public Education, and Sponsor Review. (For more detailed information about the Board and its functions, refer to Section IV of this report.)

The financial records of the Board comply with state statutes and regulations. This includes compliance with the *Reporting Requirements for Annual Financial Reports of State Agencies*, issued by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report. Therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

B. FUND STRUCTURE

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting entity.

GOVERNMENTAL FUND TYPES AND GOVERNMENT-WIDE ADJUSTMENT FUND TYPES

General Funds

General Revenue Fund (0001)

This fund is used to account for all financial resources of the state except for those required to be accounted for in another fund.

Texas State Board of Public Accountancy Local Operating Fund (2858,1009)

The agency became a self-directed, semi-independent agency effective September 1, 2001. The Board operates under Fund 2858 which includes local funds in the Texas Treasury Safekeeping Trust Company and Fund 1009 used to pay the agency's expenditures in USAS.

TSBPA Local Scholarship Trust Fund for Accounting Students (6106,7106)

The TSBPA Local Scholarship Trust Fund, 6106 contains the \$10 scholarship fees collected annually from individual licensees in the Texas Treasury Safekeeping Trust Fund. Fund 7106 is for scholarship disbursements in USAS to colleges and universities. The scholarship fund is within fund 0858, included in the General Fund. General funds are used to account for all financial resources except those accounted for in other funds.

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

Capital Asset Adjustment Fund Type

The Capital Asset Adjustment fund type is used to convert governmental fund capital assets from modified accrual to full accrual.

Long-Term Liabilities Adjustment Fund Type

The Long-Term Liabilities Adjustment fund type is used to convert governmental fund debt from modified accrual to full accrual.

FIDUCIARY FUND TYPES

Agency Funds

Agency funds are used to account for assets the government holds on behalf of others in a purely custodial capacity. *House Bill 11, 72nd Legislature*, imposed an additional annual professional fee of \$200 on all licensed CPAs in 1991 for remittance to the General Revenue Fund. This fee was repealed in 2015. However, because the *Public Accountancy Act* does not include an inactive license status, the Board continues to collect professional fees (including penalties) owed by those who stopped paying their fees before the repeal and wish to reinstate their licenses. In addition, *Chapter 472 of the Texas Government Code* requires that all administrative penalties collected by the Board be remitted to the General Revenue Fund (Fund 0001). The Board collects professional fees and administrative penalties within its agency fund (Fund 1002) before transferring them to USAS for deposit into the General Revenue Fund.

PROPRIETARY FUND TYPES

No proprietary fund types have been identified.

COMPONENT UNITS

No component units have been identified for this agency.

BASIS OF ACCOUNTING

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental fund types are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year-end.

The state of Texas considers receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year for fund financial statements prepared on the modified accrual basis. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Basis conversion fund types convert modified accrued basis to full accrued basis of accounting. This includes capital assets, accumulated depreciation and amortization, unpaid employee compensable leave, the unmatured debt service (principal and interest) on general long-term liabilities, long-term capital leases, long-term claims and judgments, and full accrual revenues and expenses. The activity will be recognized in these fund types.

C. BUDGETS AND BUDGETARY ACCOUNTING

The agency effectively became self-directed, semi-independent, on September 1, 2001 (FY 2002). Under *Texas Government Code, Chapter 472, Self-Directed Semi-Independent Agencies*, an itemized budget covering operations for the year is prepared by the Board's staff and approved by the Board. During the year, the Board's financial activity is monitored against this budget.

D. ASSETS, LIABILITIES, AND FUND BALANCES/NET ASSETS**ASSETS**Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to cash and so near to maturity that they present insignificant risk of changes in value because of changes in interest rates. Invested balances in the overnight repurchase agreement pool are reported as cash equivalents and identified as *Repurchase Agreement – Texas Treasury Safekeeping Trust Co.* Money held in the Texas Safekeeping Trust Fund accounts and subaccounts must be fully invested at all times and reinvested in authorized investments by the Trust Company (See Note 3).

Accounts Receivable

A receivable was recorded in the amount of \$1,120.00 for DIR circuit charge reimbursements owed to the Board per an interagency contract.

The Board imposes direct administrative costs and administrative penalties against respondents involved in disciplinary proceedings in accordance with *Section 901.501* and *Section 901.551, Occupations Code*. As of August 31, 2024, \$28,975.82 in direct administrative costs and penalties was outstanding and unpaid. Since the certainty and timing of these receipts is unknown, they are not considered measurable and available and are not included as part of Accounts Receivable on the Balance Sheet (Exhibit I).

Capital Assets

Assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than one year are capitalized. These assets are capitalized at cost or appraised fair value on the date of acquisition if not purchased. In accordance with GASB Statement No. 87, leases are also capitalized as right-to-use assets at the present value of payments expected to be made during the lease term (see Note 2). Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all "exhaustible" assets. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

Prepaid Items

Agencies are required to use the consumption method to report prepaid items. Current prepaid items of \$97,698.82 and non-current prepaid items of \$15,252.77 were recorded for fiscal year 2024 for goods or services to be used or received in future fiscal years.

Other Non-Current Assets

A non-current security deposit in the amount of \$37,009.76 is owed to the Board in accordance with our lease agreement.

LIABILITIESAccounts Payable

Accounts payable represents the liability for the value of goods or services received by the balance sheet date for which payment is pending.

Employees' Compensable Leave

Employees' compensable leave balances represent the liability for employees' annual leave, compensatory time and overtime that will liquidate upon employees' terminations or use of leave (see Note 5).

Lease Obligation

Lease obligations represent the amount owed for leased assets and are measured at the present value of payments expected to be made during the lease term. (See Note 8.)

FUND BALANCE/NET POSITION

The difference between fund assets and liabilities is "Net Assets" on the government-wide, proprietary, and fiduciary fund statements. The "Fund Balance" is the difference between fund assets and liabilities on the governmental fund statements.

Fund Balance:Committed

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the state's highest level of decision-making authority (the Legislature) are reported as committed fund balance. As such, all spendable Board fund balances are considered committed.

Every year as part of the budgeting process, the Board reviews its policy for the appropriate level of the agency's fund balance to meet anticipated obligations. The fund balance reserve is based on 1) Three months of annual operating estimated expenditures; 2) plus the annual transfer to the General Revenue Fund (currently \$703,344); and 3) a \$350,000 enforcement (litigation) reserve. 4) An additional contingency reserve for major case litigation, technology expenditures, and other unforeseen circumstances was established by the Board, beginning in FY 2024. The total fund balance reserve for FY 24 was \$5,086,691.00.

Nonspendable

The fund 1009 fund balance of \$149,961.35 for prepaid items and a non-current receivable are designated as nonspendable.

Net Assets:Invested in Capital Assets, Net of Related Debt

Invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bond, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Unrestricted Net Assets

Unrestricted net assets consist of net assets that do not meet the definition of restricted net assets. This category includes changes to right-to-use lease obligations and employees' compensable leave (Note 5). Unrestricted net assets often have constraints on resources which are imposed by management but can be removed or modified.

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

E. INTERFUND ACTIVITIES AND BALANCES

TRANSFERS

Operating transfers represent routine transfers of resources. Operating transfers are reported in the Other Financing Sources (Uses) section of Exhibits II, and A-2.

Fund 6106

Transfers In - includes the following:		
Transfer from agency 457, Fund 7106	\$60.00	a
Total Transfers In	<u>\$60.00</u>	

Transfers Out - includes the following:		
Transfer to agency 457, Fund 7106	(\$954,441.69)	b
Total Transfers Out	<u>(\$954,441.69)</u>	

Fund 7106

Transfers In - includes the following:		
Transfer from agency 457, Fund 6106	\$954,441.69	b
Total Transfers In	<u>\$954,441.69</u>	

Transfers Out - includes the following:		
Transfer to agency 457, Fund 6106	(\$60.00)	a
Total Transfers Out	<u>(\$60.00)</u>	

Fund 2858

Transfers In - includes the following:		
Transfer from agency 457, Fund 1002	\$61,027.33	f
Transfer from agency 457, Fund 1009	\$4,769.31	c
Total Transfers In	<u>\$65,796.64</u>	

Transfers Out - includes the following:		
Transfer to agency 457, Fund 1009	(\$6,785,728.13)	d
Total Transfers Out	<u>(\$6,785,728.13)</u>	

Fund 1009

Transfers In - includes the following:		
Transfer from agency 457, Fund 2858	\$6,785,728.13	d
Total Transfers In	<u>\$6,785,728.13</u>	

Transfers Out - includes the following:		
Transfer to agency 902, Fund 0001	(\$703,344.00)	e
Transfer to agency 457, Fund 2858	(\$4,769.31)	c
Total Transfers Out	<u>(\$708,113.31)</u>	

Fund 1002

Transfers Out - includes the following:		
Transfer to agency 457, Fund 2858	(\$61,027.33)	f

Total Other Financing Sources (Uses) – General Funds

Total Transfer In (EXH II, A-2)	\$7,806,026.46
Total Transfers Out (EXH II, A-2)	(\$8,509,370.46)
Total Other Financing Sources (Uses)	<u>(\$703,344.00)</u>

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

- a. Transfer of refunds from Fund 7106 to Fund 6106 to allocate to appropriate revenue objects.
- b. Transfer of scholarship funds from local Fund 6106 to Fund 7106 to pay scholarship expenditures.
- c. Transfer of refunds from Fund 1009 to Fund 2858 to allocate to appropriate revenue objects and transfer of hotel tax refunds remaining in Fund 1009 on August 31st.
- d. Transfer of funds from local Fund 2858 to Fund 1009 to pay agency expenditures and accounts payable.
- e. Transfer of annual payment to General Revenue (Agency 902, Fund 0001) pursuant to *Texas Government Code, Chapter 472*.
- f. Transfer from Fund 1002 to Fund 2858 of accrued interest, net of service charges, for interest within agency fund 1002 that belongs to the Board.

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

NOTE 2: CAPITAL ASSETS

A summary of changes in Capital Assets for the year ended August 31, 2024, is presented below:

	PRIMARY GOVERNMENT						<u>Balance 8/31/2024</u>
	<u>Balance 9/1/2023</u>	<u>Adjustments</u>	<u>Reclassifications</u>		<u>Additions*</u>	<u>Deletions</u>	
		<u>Completed CIP</u>	<u>Inc- Int'agy Trans</u>	<u>Dec- Int'agy Trans</u>			
Governmental Activities:							
Depreciable Assets:							
Furniture and Equipment	\$311,501.30				73,705.63		\$385,206.93
Vehicles, Boats & Aircraft	<u>16,348.14</u>						<u>16,348.14</u>
Total Depreciable Assets at historical costs:	327,849.44				73,705.63		401,555.07
Less Accumulated Depreciation for:							
Furniture and Equipment	(257,490.92)				(28,798.77)		(286,289.69)
Vehicles, Boats & Aircraft	<u>(16,348.14)</u>						<u>(16,348.14)</u>
Total Accumulated Depreciation	(273,839.06)				(28,798.77)		(302,637.83)
Governmental Activities Capital Assets, Net	<u>\$54,010.38</u>				<u>44,906.86</u>		<u>\$98,917.24</u>
Total Amortizable Assets-IRTU:							
Building and Building Improvements	3,367,839.30						3,367,839.30
Total Accum. Amort.-IRTU: Bldg. & Bldg. Improvements	(728,180.01)				(364,090.00)		(1,092,270.01)
Governmental Activities IRTU, net	<u>\$2,639,659.29</u>				<u>(364,090.00)</u>		<u>\$2,275,569.29</u>
Business Type Activities:	Not applicable						

*The additions column represents current year purchases and depreciation

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

NOTE 3: DEPOSITS, INVESTMENTS & REPURCHASE AGREEMENTS

Pursuant to the Funds Management Agreement with the Comptroller's Office, money held in the Texas Safekeeping Trust Fund accounts and subaccounts shall be fully invested at all times and reinvested by the Trust Company in authorized investments described under Sections 404.024 and 404.106 of the Texas Government Code.

A. DEPOSITS OF CASH IN BANK

As of August 31, 2024, the carrying amount of deposits was \$8,699.36 as presented below:

Governmental and Business-Type Activities	
CASH IN BANK – CARRYING AMOUNT	
Texas Treasury Safekeeping Trust Company	\$8,699.36
Cash in Bank per AFR	<u>\$8,699.36</u>

Governmental Funds Current Assets Cash in Bank		
GAAP Fund 1000, D23 Fund 1002	Exhibit A-1	\$ 500.00
GAAP Fund 1009, D23 Fund 2858	Exhibit A-1	\$ 8,109.36
GAAP Fund 0858, D23 Fund 6106	Exhibit A-1	<u>\$ 90.00</u>
Cash in Bank per AFR		<u>\$ 8,699.36</u>

B. INVESTMENTS & REPURCHASE AGREEMENTS

As of August 31, 2024, the net asset value and fair value of investments and repurchase agreements are as presented below:

Governmental and Business-Type Activities	Net Asset Value	Fair Value
Repurchase Agreements - Texas Treasury Safekeeping Trust Company	\$9,627,856.98	\$9,627,856.98

Governmental Funds Current Assets Cash Equivalents

GAAP Fund 1000, D23 Fund 1002	Exhibit A-1	\$ 125,895.34
GAAP Fund 1009, D23 Fund 2858	Exhibit A-1	\$8,508,576.31
GAAP Fund 0858, D23 Fund 6106	Exhibit A-1	<u>\$ 993,385.33</u>
Current Assets Cash Equivalents per AFR		<u>\$9,627,856.98</u>

C. STANDARD & POOR'S

As of August 31, 2024, the agency's investment grade rating was:

Fund Type	Investment Type	AA+
01	U.S. Government Agency Obligations (Texas Treasury Safekeeping Trust Co)	\$9,627,856.98

NOTE 4: SHORT-TERM DEBT

Not applicable.

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

NOTE 5: LONG-TERM LIABILITIES

CHANGES IN LONG-TERM LIABILITIES

During the year ended August 31, 2024, the following changes occurred in long-term liabilities:

GOVERNMENTAL ACTIVITIES	BALANCE 9/1/2023	ADDITIONS	REDUCTIONS	OTHER CHANGES	BALANCE 8/31/2024	AMOUNTS DUE WITHIN ONE YEAR	AMOUNTS DUE THEREAFTER
Right to Use Lease Obligations	\$2,749,653.19	\$0.00	\$328,816.56	\$0.00	\$2,420,836.63	\$344,045.98	\$2,076,790.65
Employees' Compensable Leave	\$535,698.78	\$470,320.15	\$351,523.12	(\$77,696.63)	\$576,799.18	\$306,298.51	\$270,500.67
TOTAL GOVERNMENTAL ACTIVITIES	\$3,285,351.97	\$470,320.15	\$680,339.68	(\$77,696.63)	\$2,997,635.81	\$650,344.49	\$2,347,291.32

NOTES AND LOANS PAYABLE

Not applicable.

CLAIMS AND JUDGMENTS

Not applicable.

RIGHT TO USE LEASE OBLIGATIONS

In accordance with GASB Statement No. 87, a lease liability has been recorded at the present value of payments expected to be made during the lease term for the Board office location. The lease term is through November 2030.

EMPLOYEES' COMPENSABLE LEAVE

A state employee is entitled to be paid for all unused vacation time accrued following separation from state employment, provided the employee has had continuous state employment for six months. For employees subject to the *Fair Labor Standards Act (FLSA)*, the Board must grant either time off or pay at a rate of 1-1/2 times the hours or pay for each hour of overtime worked. Any overtime hours granted must be used within 12 months of the date the overtime was accrued. FLSA-exempt executive, administrative, and professional employees are expressly limited to 1 hour of compensatory time off for each hour of overtime worked, as determined by the Board.

Expenditures for accumulated annual and compensatory leave are recognized as expenditures in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Assets.

The Board's monetary liabilities for compensable future absences as of August 31, 2024, as computed by the CAPPs Leave Liability Report for Fiscal Year 2024, were as follows:

	General Long-Term Debt
	<u>Account Group</u>
Annual Leave	\$553,743.71
FLSA & State Compensable Time	23,055.47
Overtime	<u>0.00</u>
Total	<u>\$576,799.18</u>
	(Exhibit I)

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

POLLUTION REMEDIATION OBLIGATIONS

Not applicable.

LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Not applicable.

NOTE 6: BONDED INDEBTEDNESS

Not applicable.

NOTE 7: DERIVATIVE INSTRUMENTS

Not applicable.

NOTE 8: LEASES

Under GASB Statement No. 87, the Board recognizes a lease liability for the 10-year office space lease with the following future minimum payments:

Year Ending August 31,	Principal	Interest	Total Lease Payments
2025	344,045.98	28,754.58	372,800.56
2026	359,706.82	24,294.30	384,001.12
2027	375,895.06	19,632.06	395,527.12
2028	392,586.38	14,801.23	407,387.61
2029	409,989.48	9,674.41	419,663.89
2030	427,820.17	4,364.17	432,184.34
2031	110,792.75	236.53	111,029.28
Total Minimum Future Lease Payments			2,522,593.92

The Board receives payments from the Texas Board of Architectural Examiners to reimburse for shared spaces within the above lease. Reimbursements are contracted as follows:

Year End Aug. 31,

2025	45,740.92
2026	47,115.18
2027	48,529.37
2028	49,984.60
2029	51,490.84
2030	53,027.04
2031	<u>13,622.79</u>
Total Future Reimbursements	<u>\$309,510.74</u>

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

Additional lease obligations were below the Comptroller’s capitalization threshold. Noncapitalized operating lease expenditures (including image overage costs) of \$26,014.85 for copiers and printers were incurred in fiscal year 2024.

NOTE 9: DEFINED BENEFIT PENSION PLANS AND DEFINED CONTRIBUTION PLAN

The state has joint contributory retirement plans for substantially all of its employees. The Board participates in the plans administered by the Employees Retirement System of Texas. Future pension costs are the liabilities of the Retirement System. The System does not account for each state agency separately. Annual financial reports prepared by the System include audited financial statements and actuarial assumptions and conclusions.

NOTE 10: DEFERRED COMPENSATION

The state of Texas offers a deferred compensation plan to all state employees. This plan is in accordance with Internal Revenue Code Section 457 and permits employees to defer a portion of their salary until future years. The deferred compensation funds are not available to employees until distribution due to termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust by the Employees Retirement System (ERS) Board of Trustees for the exclusive benefit of participants and their beneficiaries. It may not be used for or diverted to any other expense, except to defray the reasonable expenses of administering the plan.

The Board of Trustees is not liable to participating employees for the diminution in value or loss of all or part of the participating employees’ deferred amounts or investment income because of market conditions or the failure, insolvency, or bankruptcy of a qualified vendor.

The state also administers the Texa\$aver 401(k) plan. The assets of this plan do not belong to the state, and the state has no liability related to this plan.

NOTE 11: POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Not applicable.

NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS

See Note 1F for transfer activity. Due From/To activity as of August 31, 2024, follows:

Due From/Due To Other Agencies	Due From Other Agencies	Due To Other Agencies	Source
GENERAL (01)			
Appd Fund 0858, D23 Fund 7106			
From Agency 759, D23 Fund 7999	\$2,000.00		A
Appd Fund 0001, D23 Fund 1002			
To Agency 902, D23 Fund 0001		\$65,668.01	B
Total Due From/To Other Agencies (EXH. I)	\$2,000.00	\$65,668.01	

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

- A Due from other agencies consists of scholarship grant funds that were not disbursed to students by agency 759 and were not returned to the Board by fiscal year end. Due From is reported by this agency, and Due To is reported by University of Houston – Clear Lake (Agency 759).
- B Due to other agencies consists of Professional Fees and other fees and penalties collected and held by the agency at year-end as either Cash on Hand, Cash in State Treasury, or Cash Equivalents. Due To is reported by this agency, and Due From is reported by Comptroller’s Office (Agency 902).

Due From/Due To Other Funds	Due From Other Funds	Due To Other Funds	Source
GENERAL (01)			
Appd Fund 1009, D23 Fund 1009			
From Agency 457, D23 Fund 2858	\$60,169.89		C
Appd Fund 9999, D23 Fund 2858			
To Agency 457, D23 Fund 1009		\$60,169.89	C
Appd Fund 9999, D23 Fund 2858			
From Agency 457, D23 Fund 1002	\$61,027.33		D
Appd Fund 0001, D23 Fund 1002			
To Agency 457, D23 Fund 2858		\$61,027.33	D
Total Due From/To Other Funds (EXH. I)	\$121,197.22	\$121,197.22	

- C Due From/To Other Funds consists of local funds in the Texas Treasury Safekeeping Trust Company owed to the Board operating fund in USAS for accounts payable.
- D Due From/To Other Funds consists of interest, net of service fees, in agency fund 1002 owed to the Board operating fund in USAS.

NOTE 13: CONTINUANCE SUBJECT TO REVIEW

The *Texas Sunset Act* requires that all state agencies be reviewed every 12 years to determine whether they provide essential services to the citizens of Texas and should continue operations. In 2019, the Board was continued as a separate agency of Texas state government.

Sec. 901.006, Occupations Code, APPLICATION OF SUNSET ACT provides the following:

The Texas State Board of Public Accountancy is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the board is abolished and this chapter expires September 1, 2033.

NOTE 14: ADJUSTMENTS TO FUND BALANCES AND NET ASSETS

CORRECTION OF AN ERROR IN PREVIOUSLY ISSUED FINANCIAL STATEMENTS

During fiscal year 2024, the Board identified accounts payable of \$7,998.95 established in fiscal year 2021 that were not reversed in fiscal year 2022. As a result, accounts payable were overstated in fiscal years 2022 and 2023. Expenditures were overstated in fiscal year 2022, and the fund balance for fiscal year 2022 and 2023 were understated. A restatement to the beginning fund balance of fiscal year 2024 was recorded. The effects of correcting the error are shown in the table below as A.

CHANGE IN ACCOUNTING PRINCIPLE

Under GAAP, both the purchases method and the consumption method for recognizing prepaid assets are permitted. Before fiscal year 2024, the Board used the purchases method, recognizing

expenditures as goods and services were purchased. However, the Comptroller’s Office utilizes the consumption method. This requires that agencies recognize prepaid assets when items are purchased and recognize expenditures when the assets are consumed. In order to implement the consumption method without causing expenditures in fiscal year 2024 to be understated, a restatement to the beginning fund balance of fiscal year 2024 was made. This entry created fiscal year 2023 prepaid assets of \$66,109.14 to be recognized as expenditures in fiscal years 2024 and 2025. The result was an increase in the fiscal year 2024 beginning fund balance. Effects of the restatement are shown in the table below as B.

Net Position/Fund Balance at 8/31/23	8/31/2023 As Previously Reported	Error Correction (A)	Change in Accounting Principle (B)	8/31/2023 As Restated
Government-Wide				
Governmental Activities (Net Position)	7,504,950.97	7,998.95	66,109.14	7,579,059.06
Governmental Funds				
Operating Fund (1009/2858) (Fund Balance)	6,888,289.20	7,998.95	66,109.14	6,962,397.29
Total Fund Balance	8,099,503.44	7,998.95	66,109.14	8,173,611.53

NOTE 15: CONTINGENCIES AND COMMITMENTS

Not applicable.

NOTE 16: SUBSEQUENT EVENTS

Not applicable.

NOTE 17: RISK MANAGEMENT

Not applicable.

NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

Total revenues increased by 11.4 percent and operating (fund 2858/1009) revenues increased by 11.5 percent from fiscal year (FY) 2023 to FY 2024. This was due to an individual license fee increase of \$12 initiated by the Board to cover current and future projected expenditures.

Scholarship (fund 6106/7106) expenditures increased by 29.9 percent between FY 2023 and FY 2024 due to HB 2217 of the 88th legislature. Effective in fiscal year 2024, this bill amended the *Public Accountancy Act* to reduce the requirements of scholarship applicants from students in their fifth year of an accounting program to those with 15 hours of upper-level accounting coursework.

As part of the budgeting process for fiscal year 2024, the Board implemented a contingency reserve for major case litigation, technology expenditures, and other unforeseen circumstances. The amount of the reserve for FY 2024 was \$2,250,000. This new reserve was in addition to existing reserves for different purposes (See Note 1D).

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

NOTE 19: THE FINANCIAL REPORTING ENTITY

No component units have been identified for this agency.

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Not applicable.

NOTE 21: N/A

Note 21 is not applicable to the AFR process.

NOTE 22: DONOR RESTRICTED ENDOWMENTS

Not applicable.

NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS

Not applicable.

NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

A. TAXES RECEIVABLE

Not applicable.

B. FEDERAL RECEIVABLE

Not applicable.

C. TAX REFUNDS PAYABLE

Not applicable.

D. OTHER RECEIVABLES – NONCURRENT

Not applicable.

E. OTHER PAYABLES – CURRENT

Not applicable.

NOTE 25: TERMINATION BENEFITS

A. VOLUNTARY TERMINATIONS

Not applicable.

B. INVOLUNTARY TERMINATIONS

Not applicable.

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

NOTE 26: SEGMENT INFORMATION

Not applicable.

NOTE 27: SERVICE CONCESSION ARRANGEMENTS

Not applicable.

NOTE 28: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

Not applicable.

NOTE 29: TROUBLED DEBT RESTRUCTURING

Not applicable.

NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES

Not applicable.

NOTE 31: TAX ABATEMENTS

Not applicable.

NOTE 32: GOVERNMENTAL FUND BALANCES

Nonspendable balances include prepaid items of \$112,951.59 and a non-current deposit receivable of \$37,009.76 (see Note 1D).

III. COMBINING STATEMENTS
AND
SCHEDULES

UNAUDITED

Texas State Board of Public Accountancy (457)
Exhibit A-1 - Balance Sheet - All General and Consolidated Funds
 August 31, 2024

	General			Total (EXH I)
	(1000)	(0858)	(1009)	
	U/F (1002)	U/F (6106, 7106)	U/F (2858/1009)	
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash on Hand	\$ 300.00	\$ 170.00	\$ 20,917.20	\$ 21,387.20
Cash in Bank (Note 3)	\$ 500.00	90.00	8,109.36	8,699.36
Cash in State Treasury	\$ -	-	360,789.94	360,789.94
Cash Equivalents (Note 3)	\$ 125,895.34	993,385.33	8,508,576.31	9,627,856.98
Receivables from:				
Accounts (Note 1)		-	1,120.00	1,120.00
Other		-	123.51	123.51
Due From Other Funds (Note 12)	\$ -	-	121,197.22	121,197.22
Due From Other Agencies (Note 12)	\$ -	2,000.00	-	2,000.00
Prepaid Item (Note 1)	\$ -	-	97,698.82	97,698.82
Total Current Assets	<u>126,695.34</u>	<u>995,645.33</u>	<u>9,118,532.36</u>	<u>10,240,873.03</u>
Non-Current Assets:				
Non-Current Prepaid Items (Note 1)			15,252.77	15,252.77
Non-Current Refundable Deposits (Note 1)			37,009.76	37,009.76
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>52,262.53</u>	<u>52,262.53</u>
Total Assets	<u>\$ 126,695.34</u>	<u>\$ 995,645.33</u>	<u>\$ 9,170,794.89</u>	<u>\$ 10,293,135.56</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities:				
Payables From:				
Accounts Payable	\$ -	\$ -	\$ 60,293.40	\$ 60,293.40
Payroll Payable			360,666.43	360,666.43
Due To Other Funds (Note 12)	\$ 61,027.33	-	60,169.89	121,197.22
Due To Other Agencies (Note 12)	\$ 65,668.01	-	-	65,668.01
Total Current Liabilities	<u>126,695.34</u>	<u>-</u>	<u>481,129.72</u>	<u>607,825.06</u>
Non-Current Liabilities:				
Total Non-Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>126,695.34</u>	<u>-</u>	<u>481,129.72</u>	<u>607,825.06</u>
FUND FINANCIAL STATEMENT-FUND BALANCES				
Fund Balances (Deficits):				
Nonspendable			149,961.35	149,961.35
Committed:				
Board Policy Reserve (See Note 1.D)			2,836,691.00	2,836,691.00
Board Policy Contingency Reserve (See Note 1.D)			2,250,000.00	2,250,000.00
Other		995,645.33	3,453,012.82	4,448,658.15
Total Fund Balances	<u>-</u>	<u>995,645.33</u>	<u>8,689,665.17</u>	<u>9,685,310.50</u>
Total Liabilities and Fund Balances	<u>\$ 126,695.34</u>	<u>\$ 995,645.33</u>	<u>\$ 9,170,794.89</u>	<u>\$ 10,293,135.56</u>

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

Texas State Board of Public Accountancy (457)
Exhibit A-2 - Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances – All General and Consolidated Funds
For the Fiscal Year Ended August 31, 2024

	General		Total (EXH II)
	(0858)	(1009)	
	U/F (6106/7106)	U/F (2858/1009)	
REVENUES			
License, Fees & Permits	662,312.70	7,963,124.98	8,625,437.68
Interest and Investment Income	50,707.88	358,039.79	408,747.67
Sales of Goods and Services	-	-	-
Other	23,792.20	76,834.79	100,626.99
Total Revenues	<u>736,812.78</u>	<u>8,397,999.56</u>	<u>9,134,812.34</u>
EXPENDITURES			
Salaries and Wages	-	3,302,272.86	3,302,272.86
Payroll Related Costs	-	1,074,013.36	1,074,013.36
Professional Fees and Services	-	324,692.68	324,692.68
Travel	-	26,661.48	26,661.48
Materials and Supplies	-	176,952.54	176,952.54
Communication and Utilities	-	81,132.66	81,132.66
Repairs and Maintenance	-	77,461.13	77,461.13
Rentals and Leases	-	56,514.56	56,514.56
Printing and Reproduction	-	26,342.89	26,342.89
State Grant Pass-Through	623,490.85	-	623,490.85
Intergovernmental Payments	328,890.84	-	328,890.84
Public Assistance Payments	-	134,253.00	134,253.00
Other Expenditures	-	312,486.78	312,486.78
Debt Service:			
Principal	-	328,816.56	328,816.56
Interest	-	33,108.88	33,108.88
Capital Outlay	-	73,705.63	73,705.63
Total Expenditures/Expenses	<u>952,381.69</u>	<u>6,028,415.01</u>	<u>6,980,796.70</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(215,568.91)</u>	<u>2,369,584.55</u>	<u>2,154,015.64</u>
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	-	-	-
Transfers In (Note 1.F.)	954,501.69	6,851,524.77	7,806,026.46
Transfers Out (Note 1.F.)	(954,501.69)	(7,493,841.44)	(8,448,343.13)
Total Other Financing Sources and Uses	<u>-</u>	<u>(642,316.67)</u>	<u>(642,316.67)</u>
SPECIAL ITEMS			
	-	-	-
EXTRAORDINARY ITEMS			
Net Change in Fund Balances	<u>(215,568.91)</u>	<u>1,727,267.88</u>	<u>1,511,698.97</u>
FUND FINANCIAL STATEMENT - FUND BALANCES			
Fund Balances, Beginning	1,211,214.24	6,888,289.20	8,099,503.44
Adjustment to Fund Balances (Restatement) Note 14	-	74,108.09	74,108.09
Fund Balances, September 1, 2023	<u>1,211,214.24</u>	<u>6,962,397.29</u>	<u>8,173,611.53</u>
	-	-	-
Fund Balances, August 31, 2024	<u>\$ 995,645.33</u>	<u>\$ 8,689,665.17</u>	<u>\$ 9,685,310.50</u>

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

Texas State Board of Public Accountancy
Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities
Agency Funds
 August 31, 2024

	Beginning Balance September 1, 2023	Additions	Deductions	Ending Balance August 31, 2024
UNAPPROPRIATED RECEIPTS				
General Revenue Fund (0001) U/F (0002)				
ASSETS				
Current				
Cash on Hand	\$ 100.00	\$ 19,890.00	\$ 19,690.00	\$ 300.00
Cash in Bank - Trust	\$ 850.00	8,100.00	8,450.00	500.00
Cash in State Treasury	-	3,146,151.68	3,146,151.68	-
Repurchase Agreement - Treasury Safekeeping	\$ 82,888.02	10,546,749.08	10,503,741.76	125,895.34
Due From Other Funds	-	-	-	-
Total Assets	\$ 83,838.02	\$ 13,720,890.76	\$ 13,678,033.44	\$ 126,695.34
LIABILITIES				
Current				
Payables	-	-	-	-
Due To Other Funds	\$ 100.00	61,027.33	\$ 100.00	\$ 61,027.33
Funds Held for Others	83,738.02	13,659,863.43	13,677,933.44	65,668.01
Total Liabilities	\$ 83,838.02	\$ 13,720,890.76	\$ 13,678,033.44	\$ 126,695.34
Local Jurisdictions Sales Tax (0882) U/F (0882)				
ASSETS				
Current				
Cash on Hand	\$ -	\$ -	\$ -	\$ -
Cash in State Treasury	-	-	-	-
Short Term Investments	-	-	-	-
Total Assets	\$ -	\$ -	\$ -	\$ -
LIABILITIES				
Current				
Payables	-	-	-	-
Funds Held for Others	-	-	-	-
Total Liabilities	\$ -	\$ -	\$ -	\$ -
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Current				
Cash on Hand	\$ 100.00	\$ 19,890.00	\$ 19,690.00	\$ 300.00
Cash in Bank - Trust	\$ 850.00	8,100.00	8,450.00	500.00
Cash in State Treasury	-	3,146,151.68	3,146,151.68	-
Repurchase Agreement - Treasury Safekeeping	82,888.02	10,546,749.08	10,503,741.76	125,895.34
Due From Other Funds	-	-	-	-
Total Assets	\$ 83,838.02	\$ 13,720,890.76	\$ 13,678,033.44	\$ 126,695.34
LIABILITIES				
Current				
Payables	-	-	-	-
Due To Other Funds	\$ 100.00	61,027.33	\$ 100.00	\$ 61,027.33
Funds Held for Others	83,738.02	13,659,863.43	13,677,933.44	65,668.01
Total Liabilities	\$ 83,838.02	\$ 13,720,890.76	\$ 13,678,033.44	\$ 126,695.34

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

Texas State Board of Public Accountancy (457)
Schedule 1-B - Schedule of State Grant Pass-Throughs
From/To State Agencies
For the Fiscal Year Ended August 31, 2024

State Pass-Through Grants To:

Scholarships for Fifth-Year Accounting Students

737	Angelo State University	\$	10,400.00
755	Stephen F. Austin State University	\$	16,300.00
713	Tarleton State University	\$	16,300.00
711	Texas A&M University	\$	61,536.85
760	Texas A&M University - Corpus Christi	\$	9,000.00
749	Texas A&M University - San Antonio	\$	1,000.00
754	Texas State University	\$	42,370.00
733	Texas Tech University	\$	51,300.00
731	Texas Woman's University	\$	11,700.00
730	University of Houston	\$	71,900.00
759	University of Houston - Clear Lake	\$	18,700.00
784	University of Houston - Downtown	\$	20,500.00
752	University of North Texas	\$	51,600.00
773	University of North Texas at Dallas	\$	8,000.00
714	University of Texas at Arlington	\$	7,884.00
721	University of Texas at Austin	\$	72,700.00
738	University of Texas at Dallas	\$	69,000.00
724	University of Texas at El Paso	\$	30,000.00
743	University of Texas at San Antonio	\$	9,000.00
746	University of Texas Rio Grande Valley	\$	38,300.00
750	University of Texas at Tyler	\$	6,000.00

Total State Pass-Through Grants To Other Agencies (Exh. II)

\$ 623,490.85

IV. ADDENDA

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)
ADDENDA**ORGANIZATION OF THE BOARD**

The Texas State Board of Public Accountancy (the Board) operates under the authority of the *Public Accountancy Act* (the Act), Chapter 901 of the Texas Occupations Code. The Act provides for 15 Board members appointed by the Governor, with the advice and consent of the Senate, for six-year overlapping terms. Appointments expire on January 31 of odd-numbered years. Board members are required to be citizens of the United States and residents of Texas.

The Act provides that 10 members shall be Certified Public Accountants (CPAs), at least eight of whom shall be sole practitioners or owners or employees of firms engaged in public practice on the date of their appointment to the Board. Five members shall be public member representatives who are not CPAs and who are not financially involved in an organization subject to Board regulation.

Members of the Board may receive \$100 per diem for each day on which the member conducts Board business. In addition, members are reimbursed for actual and necessary expenses incurred in discharging their official duties. The Board, by rule, may determine activities that constitute Board business.

The following were members of the Board as of August 31, 2024:

<u>NAME</u>	<u>RESIDENCE</u>	<u>TERM EXPIRES JANUARY 31,</u>
Debra D. Seefeld, CPA, Presiding Officer	Georgetown	2025
Jeannette P. Smith, CPA, Assistant Presiding Officer and Secretary	Mission	2025
Olivia Espinoza-Riley, CPA, Treasurer	Addison	2027
Ray R. Garcia, CPA, Executive Committee Member-at-large	Houston	2027
Jamie D. Grant, Executive Committee Member-at-large	Arlington	2029
Jill A. Holup, Executive Committee Member-at-large	Austin	2025
Susan I. Adams, CPA	Colleyville	2027
Kimberly D. "Kim" Crawford, CPA	Arlington	2029
Renee D. Foshee, Esq., CPA	San Marcos	2027
Sherri B. Merket	Midland	2029
Thomas M. Neuhoff, CPA	Tyler	2029
Sheila M. Vallés-Pankratz	Mission	2027
Susan M. Warren, CPA	Georgetown	2029

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)**FUNCTIONS OF THE BOARD**

The Board has the responsibility and authority to regulate the practice of public accountancy in Texas. This is accomplished through the following programs:

QUALIFICATIONS

Evaluation - Under *Section 901.252 (Eligibility Requirements)* of the Act, the Board evaluates the education of applicants who desire to take the Uniform CPA Examination. Staff also evaluate applicants' history related to dishonest or felonious acts. Evaluations are completed throughout the year, and applicants are informed of education deficiencies that need to be completed before applying to take the examination.

Eligibility - The Board, in conjunction with the American Institute of Certified Public Accountants (AICPA), the National Association of State Boards of Accountancy (NASBA) and Prometric, offers the Uniform CPA Examination on a year-round basis at various testing centers throughout the state. Only applicants who have been confirmed eligible to test may schedule and take the CPA Examination. Eligibility is assessed with each application submitted to the Board.

Certification - The Board certifies the following applicants through the Qualifications Division:

- Applicants who have passed all sections of the Uniform CPA Examination in Texas and have met all other statutory requirements under *Section 901.252 (Eligibility Requirements)* of the Act for the CPA certificate in Texas.
- Applicants who have passed all sections of the Uniform CPA Examination in another jurisdiction and transferred those sections to Texas under *Section 901.258 (Transfer of Complete Examination Credit Between States)* of the Act and have met all other statutory requirements under *Section 901.252 (Eligibility Requirements)* of the Act for the CPA certificate in Texas.

LICENSING

Licensure - The following individuals and entities must be licensed by the Board in order to lawfully practice public accountancy in Texas:

- CPAs
- Public accountants
- Individuals registered under *Section 901.355 (Registration for Certain Foreign Applicants)* of the Act
- Offices: professional corporations, partnerships, professional limited liability companies (PLLC), registered professional limited liability partnerships (PLLP), and sole proprietorships engaged in the practice of public accountancy.

Registration - The Board requires registration of the following entities:

- Professional corporations, partnerships, limited liability companies, limited liability partnerships, and sole proprietorships engaged in the practice of public accountancy
- Individuals qualifying under *Section 901.355 (Registration for Certain Foreign Applicants)* of the Act.

Reciprocity - The board certifies individuals licensed as CPAs in other jurisdictions who wish to practice public accountancy in Texas and receive a Texas CPA certificate under *Section 901.259* of the *Public Accountancy Act (Certification Based On Reciprocity)*.

Continuing Professional Education (CPE) - CPAs are required to comply with the Board's program of mandatory CPE to ensure that persons who hold certificates meet the current standards of the profession. CPE is intended to help ensure that licensees are able to serve the public in a competent manner by maintaining technical competence and knowledge of current accounting methods and standards.

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

The Board offers online submission of CPE courses for individual licensees at any time to satisfy the annual CPE requirement. Each licensee's CPE report determines whether courses taken were Board-approved. CPAs must also take a four-hour Board-approved ethics course every two years. These CPE requirements help minimize complaints and enforcement actions.

Peer Review - The Board has issued rules governing peer review and implemented a program to measure the work product of persons or firms practicing public accountancy for adherence to quality control standards adopted by practitioners and the profession. This includes monitoring CPAs' compliance with applicable accounting, auditing, and other attestation standards. The program may include education, remediation, disciplinary sanctions, or other corrective action when work performed does not comply with professional and regulatory standards. Firms subject to peer review are reviewed every three years.

SPONSOR REVIEW PROGRAM

In order to ensure CPE courses taken by Texas CPAs enhance their professional competence, the sponsor review program monitors CPE sponsors' compliance with relevant Board's rules. Every non-exempt Board-registered CPE sponsor has a representative sample of its courses reviewed every three years. Reviews emphasize high-quality education and compliance with professional standards.

ENFORCEMENT

When a licensee violates statutory provisions related to the practice of public accountancy or the *Rules of Professional Conduct*, the Board has the authority to revoke a certificate, suspend a license, refuse to renew a license or registration, assess administrative penalties and costs, or take other disciplinary action. In addition, the Board has the authority to enjoin the unauthorized practice of public accountancy.

PUBLIC EDUCATION

The Board operates a coordinated system of public information to provide all interested parties with information concerning the *Public Accountancy Act*, as well as Board rules and procedures pertaining to qualification, examination, licensing, enforcement, and peer review. The Board's audiences may include, current and potential licensees and exam candidates, the Texas state government, the general public, other U.S. and worldwide accountancy organizations and agencies, and others.

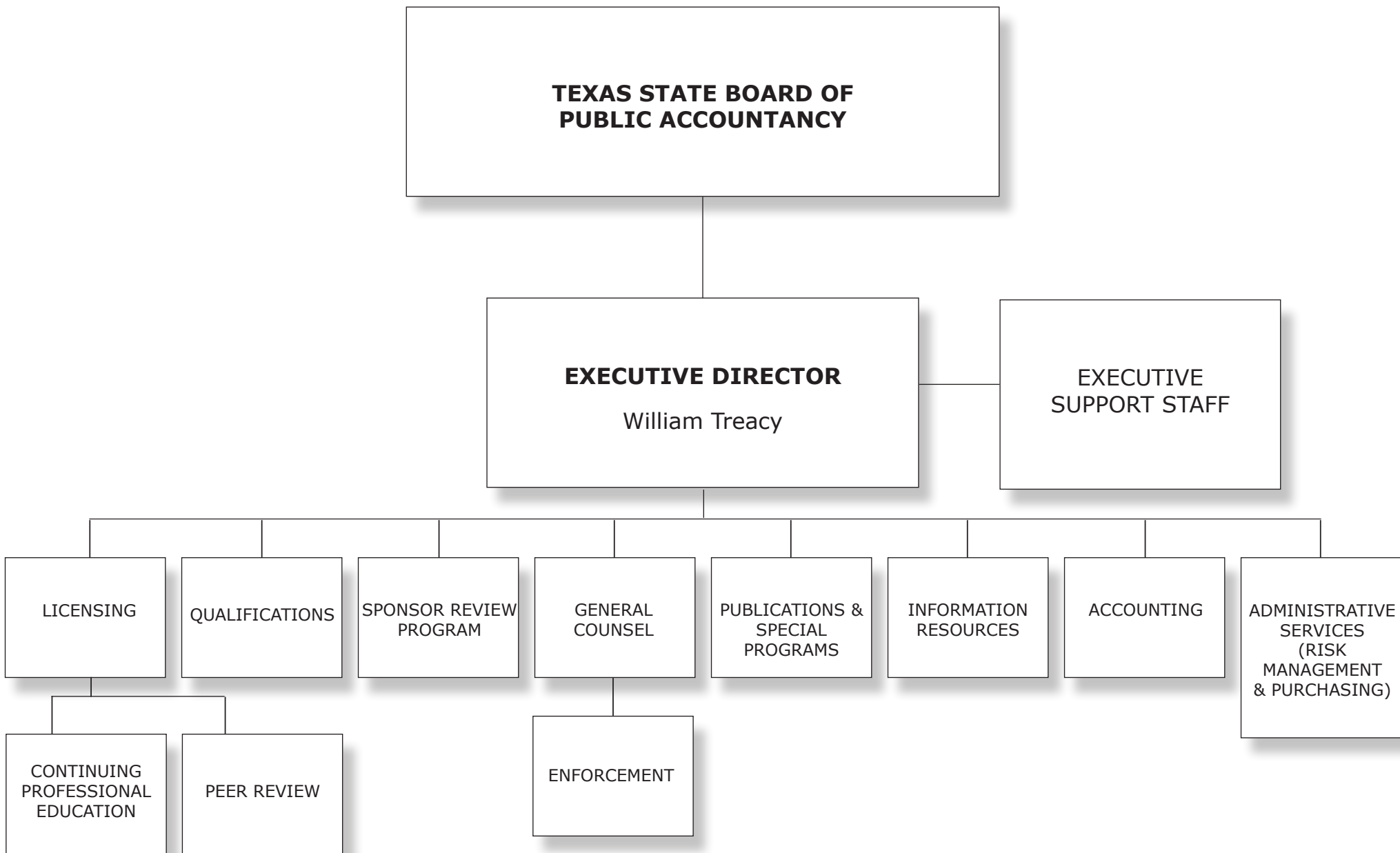
The Board's communications are a planned and sustained effort to establish and maintain goodwill and understanding between the organization and its constituents. The Board uses communications to anticipate and address public opinion and issues that might impact the administration of the *Act*. This is accomplished through a variety of media channels, including the Board's website, email blasts, press releases, public notices, meeting minutes, social media, infographics, and publications, such as the *Texas State Board Report*, the agency's *Strategic Plan*, and NASBA's *EDigital* newsletter.

SCHOLARSHIPS FOR ACCOUNTING STUDENTS

Accounting student scholarships were established in 1991 to aid disadvantaged students needing assistance financing college. Starting in fiscal year 2024, requirements were reduced from those in their 5th year of an accounting program to those with at least 15 upper-level accounting hours. Scholarship funds are allocated to participating Texas colleges and universities following identification of qualified students by school financial aid offices. The funds are derived from a legislatively mandated \$10 fee that is added to each Texas CPA's annual license renewal.

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY ORGANIZATION CHART

As of October 2024



TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)
LIST OF BONDED EMPLOYEES

During the year, the Board had in force a surety bond covering all employees through the Fidelity and Deposit Company of Maryland in the amount of \$300,000. The following employees were covered as of August 31, 2024.

EMPLOYED AS OF AUGUST 31, 2024

Paul Arredondo	Accountant III
Paulette Beiter	Attorney IV
Juan A. Benitez	Program Specialist I
Josephine Briones-Febbraro	Legal Assistant III
Delia Castro	Program Specialist III
Jennifer Costilla	Program Specialist II
Nicole Duran	Manager IV
Rhonda Fellner	Program Supervisor I
J Franco	Program Supervisor V
Maria Graziani	Program Specialist III
Kiana Goldman	Program Specialist I
Ann Hallam	Director IV
Telisa Harwell	Program Supervisor III
Jerry Hill	General Counsel IV
Donna Hiller	Director III
Martha Kuhl	Program Specialist I
Amy Kulik	Legal Assistant III
Marissa Brooks	Director I
Maria Lagunas	Manager V
Kyle McGaw	Systems Analyst VII
John Moore	Attorney IV
Brian O'Neal	Staff Services Officer III
Christine Orozco	Accountant VI
Thomas Payne	Systems Analyst VI
Kenny Pettitte	Program Specialist III
Julie Prien	Information Specialist IV
Marisa Rios	Program Supervisor V
April Serrano	Program Supervisor V
Lori Shaw	Systems Analyst VI
Margie Sheehan	Program Specialist II
Tony Shumway	Systems Analyst VI
Jon Smith	Systems Analyst VI
Tina Smith	Program Specialist IV
Lorna Schwimmer-Staggs	Director II
Natalie Thaddeus	Program Specialist I
William Treacy	Executive Director
Vivian Zheng	Accountant IV

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)
STATISTICAL INFORMATION**REGISTRATION AND LICENSURE****Current Statistics**

The numbers of licenses issued by the Board in fiscal years 2023 and 2024 were as follows:

	<u>AUGUST 31,</u>	
	<u>2023</u>	<u>2024</u>
Certified Public Accountants	78,231	78,259
Public Accountants	0	0
Offices*	8,942	8,805
Other States/Foreign Countries	<u>39</u>	<u>38</u>
Total Licenses	<u>87,212</u>	<u>87,102</u>

*Out-of-state firms are no longer required to be registered.

The numbers of firms practicing public accountancy in Texas at the end of fiscal years 2023 and 2024 were as follows:

	<u>AUGUST 31,</u>	
	<u>2023</u>	<u>2024</u>
Corporations	4,398	4,484
Partnerships	327	313
Sole Proprietorships	<u>3,784</u>	<u>3,557</u>
Total Firms*	<u>8,509</u>	<u>8,354</u>

*The total number of firms does not equal the number of offices because some firms have more than one office. Out-of-state firms are no longer required to be registered.

The numbers of individuals certified or registered by the Board in fiscal years 2023 and 2024 were as follows:

	<u>AUGUST 31,</u>	
	<u>2023</u>	<u>2024</u>
CPA Certifications	1,589	1,465
Reciprocity	<u>640</u>	<u>572</u>
Total Certifications and Registrations	<u>2,229</u>	<u>2,037</u>

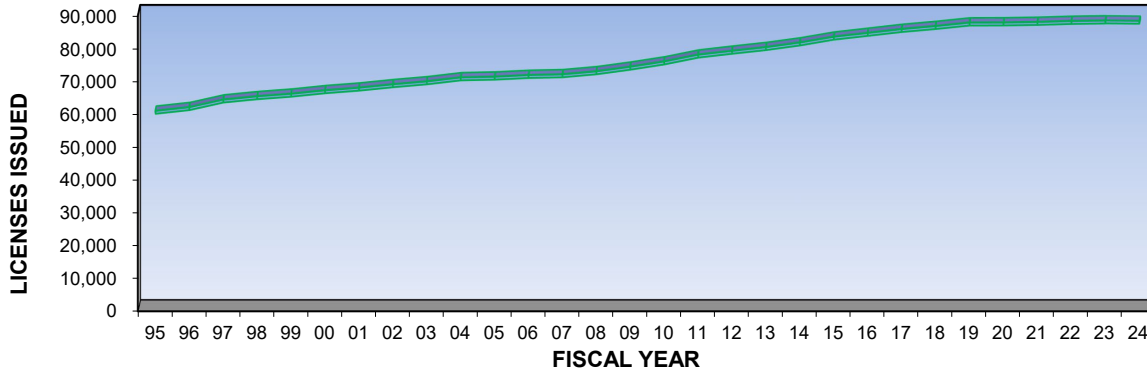
Statistical Trends

As shown in Table I, the number of licensees governed by the Board has increased by approximately 46% in the last 30 years, from 59,668 in 1995 to 87,102 in 2024. The growth has flattened in the last few years, decreasing in 2024 for the first time in 29 years.

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

TABLE I

LICENSES ISSUED FROM FISCAL YEARS 1995 TO 2024



<u>FISCAL YEAR</u>	<u>TOTAL LICENSES</u>	<u>CHANGE FROM PREVIOUS FISCAL YEAR</u>
1995	59,668	-0.20%
1996	60,785	1.87%
1997	63,091	3.79%
1998	64,105	1.61%
1999	64,874	1.20%
2000	65,932	1.63%
2001	66,719	1.19%
2002	67,763	1.56%
2003	68,651	1.31%
2004	69,857	1.76%
2005	70,081	0.32%
2006	70,577	0.71%
2007	70,798	0.31%
2008	71,715	1.30%
2009	73,116	1.95%
2010	74,720	2.19%
2011	76,791	2.77%
2012	77,976	1.54%
2013	79,094	1.43%
2014	80,506	1.79%
2015	82,273	2.19%
2016	83,432	1.41%
2017	84,610	1.41%
2018	85,518	1.07%
2019	86,580	1.24%
2020	86,607	0.03%
2021	86,762	0.18%
2022	87,067	0.35%
2023	87,212	0.17%
2024	87,102	-0.13%

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

QUALIFICATIONS

Current Statistics

The following table indicates the number of candidates who sat for the Uniform CPA Examination during the last two fiscal years:

	FY 2023					FY 2024				
	Sept. 22-Nov. 22 1st Qtr.	Dec. 22-Feb. 23 2nd Qtr.	Mar. 23-May 23 3rd Qtr.	June 23-Aug. 23 4th Qtr.	FY 23	Sept. 23-Nov. 23 1st Qtr.	Dec. 23-Feb. 24 2nd Qtr.	Mar. 24-May 24 3rd Qtr.	June 24-Aug. 24 4th Qtr.	FY 24
Individuals Examined	2,225	2,238	2,180	2,845	5,250	3,187	2,949	1,887	2,689	6,084
Number of Sections Taken	2,850	2,718	3,064	3,931	12,563	4,250	3,412	2,515	3,299	13,476
Number of Sections Passed	1,341	1,184	1,472	1,944	5,941	1,891	838	555	980	4,264

Candidates Sitting for the CPA Exam

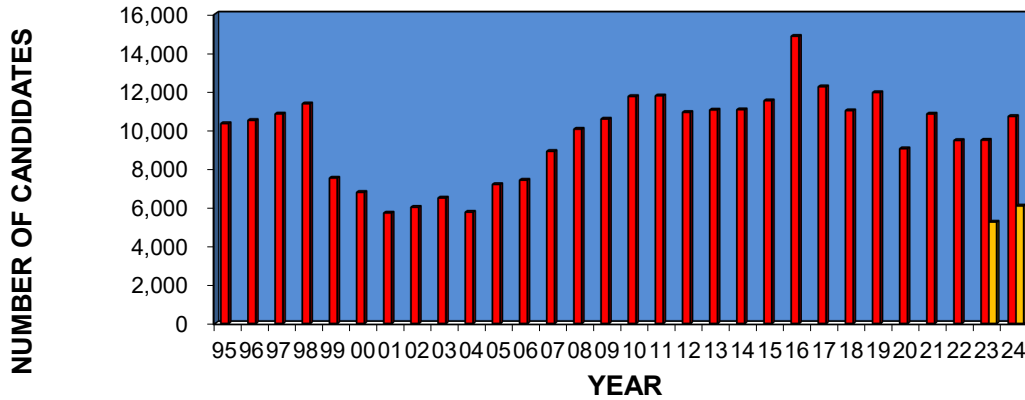
The total number of examination candidates increased from 5,250 in 2023 to 6,084 in 2024.* (See Table II)

*Totals reported in prior years counted individuals multiple times if they tested in multiple quarters. The numbers above do not.

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

TABLE II

CANDIDATES TAKING THE CPA EXAM
FROM FISCAL YEARS 1995 TO 2024



<u>FISCAL YEAR</u>	<u>CANDIDATES TESTING BY QUARTER*</u>	<u>CHANGE FROM PREVIOUS YEAR</u>	<u>CANDIDATES TESTING BY FISCAL YEAR</u>	<u>CHANGE FROM PREVIOUS YEAR</u>
1995	10,344	-8.50%		
1996	10,509	1.60%		
1997	10,841	3.16%		
1998	11,365	4.83%		
1999	7,528	-33.76%		
2000	6,790	-9.80%		
2001	5,719	-15.77%		
2002	6,017	5.21%		
2003	6,497	7.98%		
2004	5,763	-11.30%		
2005	7,198	24.90%		
2006	7,421	3.10%		
2007	8,909	20.05%		
2008	10,056	12.87%		
2009	10,578	5.19%		
2010	11,743	11.01%		
2011	11,775	0.27%		
2012	10,922	-7.24%		
2013	11,044	1.12%		
2014	11,059	0.14%		
2015	11,522	4.19%		
2016	14,850	28.88%		
2017	12,244	-17.55%		
2018	11,009	-10.09%		
2019	11,944	8.49%		
2020	9,046	-24.26%		
2021	10,837	19.80%		
2022	9,472	-12.60%		
2023	9,488	0.17%	5,250	
2024	10,712	12.90%	6,084	15.89%

*Individual candidates taking exams in multiple quarters are counted multiple times

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

ENFORCEMENT

COMPLAINTS OPENED

As a result of a U.S. Supreme Court decision in February 2015 and the expediency of seeking injunctive relief, the Board no longer seeks Cease and Desist Orders for non-licensees misrepresenting themselves as accountants. The Board seeks a court order enjoining the illegal conduct.

Also during this period, the Executive Committee of the Board did not conduct any emergency suspension hearings.

From September 1, 2023 through August 31, 2024, the Board opened 3,737 investigative files against licensees and non-licensees alleged to be in violation of the *Public Accountancy Act*. Of those complaints, 1,901 remained open at year end. The pending cases consist of 1,397 administrative complaints and 504 disciplinary complaints. All 504 disciplinary complaints will require committee and Board review.

Complaints originated from the following official sources:

Note: Some licensees may have more than one complaint filed, therefore the total complaints opened do not equate to the total of sources.

FEDERAL AGENCIES	STATE AGENCIES	OTHER
Department of Labor 8		PCAOB 2
Security & Exchange Commission 1		

COMPLAINTS CLOSED

From September 1, 2023 through August 31, 2024, the Board closed 3,608 complaints. The average time to close a complaint during fiscal year 2024 was 3.98 months. The disposition of these complaints is presented in the following chart:

DISPOSITION	NUMBER OF COMPLAINTS CLOSED
Administrative Complaints:	
Voluntary Compliance	1,904
Dismissed	157
Revoked	745
Suspension	305
Public Reprimand	-
Other	3
Limited Scope	-
Probation	-
Total Administrative Complaints	<u>3,114</u>
Disciplinary Complaints:	
Voluntary Compliance	324
Dismissed	83
Revoked (Includes involuntary surrender)	8
Suspension	1
Public Reprimand	22
Other	46
Limited Scope	10
Probation	-
Total Disciplinary Complaints	<u>494</u>
Total	3,608

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

ALLEGED AND ACTUAL VIOLATIONS

The complaints closed in fiscal year 2024 contained alleged and actual violations set forth in the chart below. Many complaints contained more than one alleged or actual violation of the *Rules* and the *Public Accountancy Act*.

VIOLATION NUMBER	DESCRIPTION	NUMBER OF ALLEGED VIOLATIONS		NUMBER OF ACTUAL VIOLATIONS		AVG TIME TO CLOSE (in months)
		Disciplinary	Administrative	Disciplinary	Administrative	
COL. A	COL. B	COL. C		COL. D		COL. E
501.60	Auditing Standards	24	0	14	0	8.08
501.61	Accounting Principles	23	0	14	0	7.96
501.70	Independence	4	0	2	0	8.65
501.71	Receipt of Commission, Compensation or Other Benefit	2	0	0	0	6.06
501.73	Integrity and Objectivity	41	0	1	0	12.39
501.74	Competence	7	0	2	0	6.23
501.74(a)	Competence	4	0	2	0	11.05
501.74(b)	Due Professional Care	63	0	16	0	5.47
501.75	Confidential Client Communications	5	0	0	0	4.22
501.76	Records and Work Papers	9	0	3	0	7.22
501.78	Withdrawal or Resignation	2	0	0	0	0.16
501.80	Practice of Public Accountancy	3	4	0	0	5.19
501.81	Firm License Requirements	20	8	2	0	7.71
501.82	Advertising	18	0	2	0	7.88
501.83	Firm Names	19	0	2	0	7.84
501.90	Discreditable Acts:	1	0	0	0	7.76
501.90 (2)	dishonesty, fraud or gross negligence in the practice of public accountancy	43	0	3	0	12.36
501.90 (4)	final conviction of a felony or imposition of deferred adjudication or community supervision	2	0	2	0	13.85
501.90 (5)	final conviction of a crime or imposition of deferred adjudication or community supervision	4	0	2	0	8.57
501.90 (7)	suspension or revocation of or any consent decree concerning the right to practice before any state or federal regulatory or licensing body for a cause which in the opinion of the board warrants its action	6	0	3	0	8.00
501.90 (8)	a final finding of conduct by state or federal courts of competent jurisdiction, agencies, boards, local governments or commissions for violations of state or federal laws or rules or findings of unethical conduct	37	0	2	0	13.31
501.90 (9)	knowingly participating in the preparation of a false/misleading financial stmt or tax return	1	0	0	0	4.96
501.90 (10)	fiscal dishonesty or breach of fiduciary responsibility of any type	1	0	0	0	3.36
501.90 (12)	repeated failure to respond to a client's inquiry within a reasonable time without good cause	29	0	3	0	4.75
501.90 (13)	intentionally misrepresenting facts or making a misleading or deceitful statement to a client, the board, board staff or any person acting on behalf of the board	3	0	1	0	4.50
501.91	Reportable Events	2	0	1	0	13.56
501.91(a)(2)	Reportable Events	1	0	1	0	7.93
501.93	Responses	0	7	0	7	9.32
501.94	Mandatory CPE	0	1,967	0	305	4.79
515.3	License Renewals for Individuals and Firm Offices	0	215	0	33	4.83
527.4	Enrollment and Participation	0	4	0	4	8.31
527.5	Deficient Reviews	1	0	0	0	0.03
Subtotal, Rule Violations		375	2205	78	349	
Total, Rule Violations		375	2205	78	349	

(continued on next page)

Explanation of Columns:

Column C is a count of the number of times that this alleged violation occurred for complaints that were opened during FY 2024.

Column D is a count of the number of times that this alleged violation occurred for complaints that were closed during FY 2024, with this being one of the rules actually violated.

Column E is the average amount of time that it took to close all of the investigative files that were closed during this fiscal year, regardless of the fiscal year in which they were opened and where that particular rule was listed as being the primary rule that was violated.

Zeros occur in column C when there were no complaints closed during FY 2024 that had this violation as one of many alleged violations.

Zeros occur in column D when there were no complaints closed during FY 2024 that had this alleged violation as an actual violation.

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

ALLEGED AND ACTUAL VIOLATIONS

(continued)

The chart below includes alleged and actual violations of the *Public Accountancy Act*.

VIOLATION NUMBER	DESCRIPTION	NUMBER OF ALLEGED VIOLATIONS		NUMBER OF ACTUAL VIOLATIONS		AVG TIME TO CLOSE (in months)
		Disciplinary	Administrative	Disciplinary	Administrative	
COL. A	COL. B	COL. C		COL. D		COL. E
901.159	Quality Review	0	4	0	4	8.31
901.351	Firm License Required	0	107	0	0	1.46
901.451	Use of CPA Designation	249	0	0	0	2.53
901.452	Use of Title or Abbreviation for Public Accountant	90	0	0	0	1.39
901.453	Use of Accountant or Auditor Restricted	240	0	0	0	2.56
901.460	Performing Attest Services	4	0	2	0	9.61
901.502 (2)	Dishonesty, Fraud, Gross Negligence: Services	3	0	2	0	9.45
901.502 (3), (4)	3 Year No Pay	0	910	0	712	4.77
901.502 (6)	Violation of Rule of Professional Conduct	145	0	36	0	7.96
901.502 (9)	Debarring by an Agency	5	0	2	0	7.55
901.502 (10)	Final Conviction	2	0	0	0	13.85
901.502 (11)	Lack of fitness to serve the public as a professional accountant	77	0	24	0	10.66
Total, <i>Public Accountancy Act</i> violations		815	1,021	66	716	
GRAND TOTAL VIOLATIONS		1,190	3,226	144	1,065	

Explanation of Columns:

Column C is a count of the number of times that this alleged violation occurred for complaints that were opened during FY 2024.

Column D is a count of the number of times that this alleged violation occurred for complaints that were closed during FY 2024, with this being one of the rules actually violated.

Column E is the average amount of time that it took to close all of the investigative files that were closed during this fiscal year, regardless of the fiscal year in which they were opened and where that particular rule was listed as being the primary rule that was violated.

Zeros occur in column C when there were no complaints closed during FY 2024 that had this violation as one of many alleged violations.

Zeros occur in column D when there were no complaints closed during FY 2024 that had this alleged violation as an actual violation.

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)
COLLECTIONS**LICENSES, FEES, AND PERMITS**

The Board collects fees for examination, certification, registration and licensure. The Board determines the actual fees to be charged, as follows:

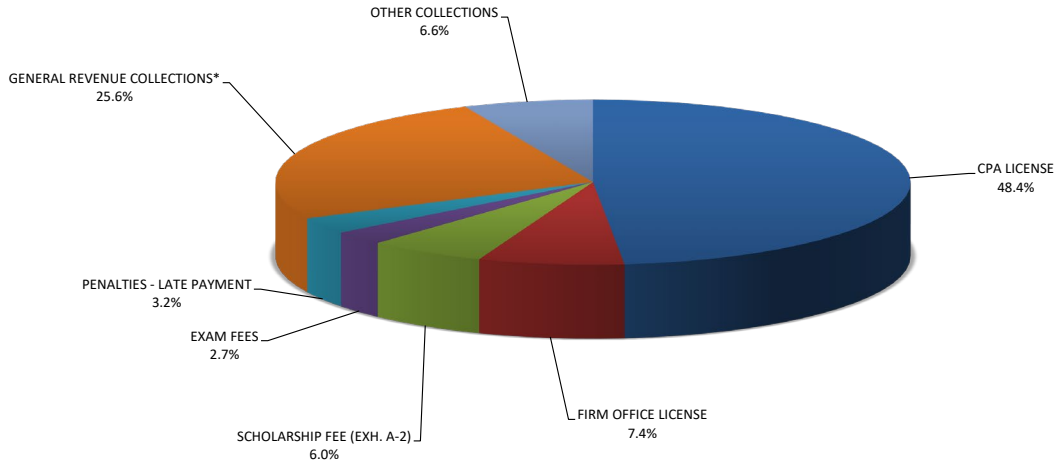
	<u>STATUTORY MAXIMUM</u>	<u>ACTUAL</u>	
		<u>FY 23</u>	<u>FY 24</u>
<u>CPA Examination Fees:</u>			
Application of Intent	\$100	\$20	\$20
Eligibility fee – per part		\$15	\$15
<u>License Fees:</u>			
Individual license	\$250	\$75	\$87
Scholarship	\$10	\$10	\$10
Firm Office License	\$200	\$60	\$60
<u>Other Fees:</u>			
Reciprocal registration	\$250	\$100	\$100
CPA certificate fee	\$50	\$50	\$50
Transfer of Credit In- Application of Intent	\$100	\$100	\$100
<u>Sponsor Review Fees:</u>			
<u>No. of Course Titles Offered:</u>			
1-10		\$400	\$400
11-40		\$750	\$750
41+		\$1,250	\$1,250

The Board collected approximately \$12.3 million during fiscal year 2024. Table III presents these collections by type, providing percentages of specific fees to total funds collected.

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

TABLE III

FUNDS COLLECTED BY TYPE
For the Fiscal Year Ended August 31, 2024



	FY 2024		FY 2023	
CPA LICENSE	\$5,947,100.72	48.4%	\$ 5,189,321.50	61.8%
FIRM OFFICE LICENSE	909,281.90	7.4%	906,249.81	10.8%
SCHOLARSHIP FEE (EXH. A-2)	736,812.78	6.0%	725,888.07	8.6%
EXAM FEES	335,235.00	2.7%	318,095.00	3.8%
PENALTIES - LATE PAYMENT	394,192.36	3.2%	406,811.11	4.8%
GENERAL REVENUE COLLECTIONS*	3,148,325.59	25.6%	138,842.98	1.7%
OTHER COLLECTIONS	812,189.58	6.6%	712,064.22	8.5%
TOTAL FUNDS COLLECTED	\$12,283,137.93	100.0%	\$8,397,272.69	100.0%

Description of Funds Collected:

*General Revenue Collections include the Following:

Professional Fees (\$200) (including penalties) (Effective September 1, 2015, the \$200 professional fee was repealed pursuant to HB 7, 84th Legislature, 2015.)	\$ 21,139.44	\$ 32,347.76	See Note 1 - Agency Funds
Administrative and CPE Penalties collected from enforcement related actions	3,127,186.15	106,495.22	
Total General Revenue Collections	\$ 3,148,325.59	\$ 138,842.98	

Total General Revenue Collections does not include interest of \$66,108.47 earned in the Texas Treasury Safekeeping Trust Company.

Total Collections, Excluding General Revenue Collections:

Fund 2858: TSBPA Operating Trust Fund	\$8,397,999.56	\$ 7,532,541.64	
Fund 6106: TSBPA Scholarship Fund Reference Exhibits II and A-2.	736,812.78	725,888.07	See Note 1 B
	\$ 9,134,812.34	\$ 8,258,429.71	

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

EXPENDITURES

BY ACTIVITY

For the fiscal year ended August 31, 2024, the total expenditures of the Board were approximately \$7 million, as shown in Table IV and Exhibit A-2.

Administration includes executive support staff, information resources, accounting, administrative services, and Board member expenditures.

BY OBJECT OF EXPENDITURE

Table V represents expenditures by object.

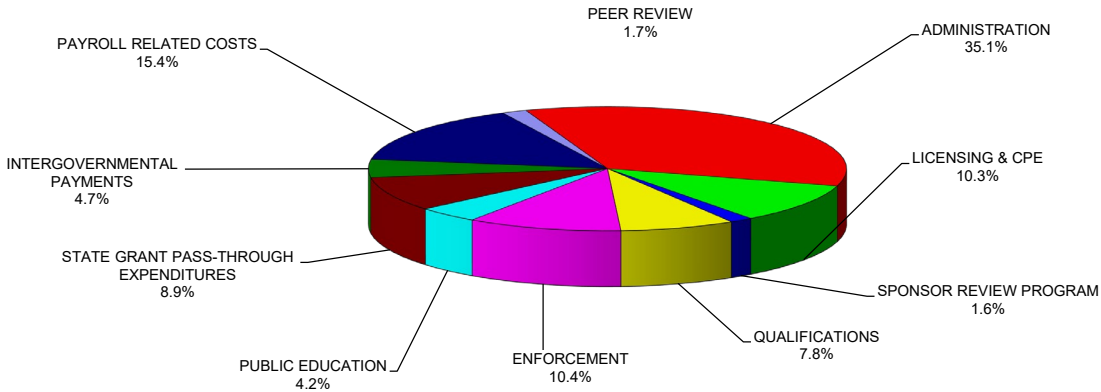
The Board's expenditures for Salaries and Payroll Related Costs were 63% of total expenditures, which is typical of a service-oriented organization.

The next largest category was Accounting Scholarships paid to colleges and universities, comprised of State Grant Pass-Through Expenditures and Intergovernmental Payments. Other Expenditures include online credit card processing fees, temporary employee costs, and other fees. The debt service categories are for the capitalized lease of the office building. The Professional Fees expenditure category includes legal and expert witness services and other contracted services related to peer review, sponsor review, and information technology.

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

TABLE IV
EXPENDITURES BY ACTIVITY

For the Fiscal Year Ended August 31, 2024



	FY 2024		FY 2023	
LICENSING AND CPE	\$716,851.32	10.3%	\$775,477.38	12.1%
SPONSOR REVIEW PROGRAM (SRP)	108,786.94	1.6%	168,205.79	2.6%
QUALIFICATIONS & EXAM	541,169.79	7.8%	503,799.40	7.9%
ENFORCEMENT	729,279.82	10.4%	739,728.00	11.6%
PUBLIC EDUCATION	292,401.73	4.2%	311,853.43	4.9%
STATE GRANT PASS-THROUGH EXPENDITURES	623,490.85	8.9%	477,596.00	7.5%
INTERGOVERNMENTAL PAYMENTS	328,890.84	4.7%	255,700.00	4.0%
PAYROLL RELATED COSTS	1,074,013.36	15.4%	1,047,731.88	16.4%
PEER REVIEW	117,036.98	1.7%	57,024.34	0.9%
ADMINISTRATION	2,448,875.07	35.1%	2,065,330.41	32.3%
TOTAL EXPENDITURES	\$6,980,796.70	100.0%	\$6,402,446.63	100.0%

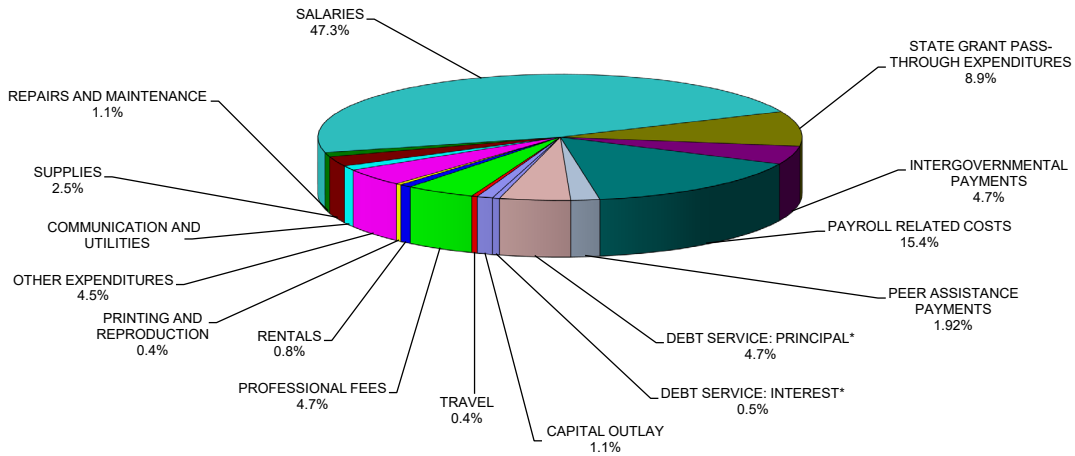
(Exhibit II)

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY (457)

TABLE V

EXPENDITURES BY OBJECT

For the Fiscal Year Ended August 31, 2024



	FY 2024		FY 2023	
SALARIES AND WAGES	\$3,302,272.86	47.3%	\$3,224,147.54	50.4%
PAYROLL RELATED COSTS	1,074,013.36	15.4%	1,047,731.88	16.4%
PROFESSIONAL FEES AND SERVICES	324,692.68	4.7%	209,706.16	3.3%
TRAVEL	26,661.48	0.4%	27,243.27	0.4%
MATERIALS AND SUPPLIES	176,952.54	2.5%	166,132.49	2.6%
RENTALS AND LEASES	56,514.56	0.8%	57,596.61	0.9%
PRINTING AND REPRODUCTION	26,342.89	0.4%	13,526.37	0.2%
REPAIRS AND MAINTENANCE	77,461.13	1.1%	60,128.39	0.9%
COMMUNICATION AND UTILITIES	81,132.66	1.2%	66,750.99	1.0%
STATE GRANT PASS-THROUGH EXPENDITURES	623,490.85	8.9%	477,596.00	7.5%
INTERGOVERNMENTAL PAYMENTS	328,890.84	4.7%	255,700.00	4.0%
OTHER EXPENDITURES	312,486.78	4.5%	310,453.15	4.8%
PEER ASSISTANCE PAYMENTS	134,253.00	1.9%	134,253.00	2.1%
DEBT SERVICE: PRINCIPAL*	328,816.56	4.7%	314,385.51	4.9%
DEBT SERVICE: INTEREST*	33,108.88	0.5%	37,095.27	0.6%
CAPITAL OUTLAY	73,705.63	1.1%	-	0.0%
TOTAL EXPENDITURES	\$6,980,796.70	100.0%	\$6,402,446.63	100.0%

(Exhibit II)

**Debt Service: Principal, "Debt Service: Interest," are due to implementation of GASB Statement No. 87 - Leases.