

State Board of Accountancy of Kentucky



YEAR BOOK 1933



W. A. HIFNER, JR., C. P. A. - - - - *President*
City Bank Building, Lexington, Ky.

WILLIAM COTTON, C. P. A. - - - - *Treasurer*
Kentucky Home Life Building, Louisville, Ky.

ROBERT MILLER, C. P. A. - - - - *Secretary*
Columbia Building, Louisville, Ky.

FOREWORD

This is the first issue of the annual year book to be published by the State Board of Accountancy of Kentucky. Its purpose is to furnish information about holders of the Kentucky C. P. A. Certificate and to advance the interests of the accounting profession.

CERTIFICATE HOLDERS

CERTIFIED PUBLIC ACCOUNTANTS (KY.)—PRACTICING IN KENTUCKY
ARRANGED BY CITIES AND FIRMS

ASHLAND

ESTIL W. SMITH, C. P. A., Kitchen Building.

CUMBERLAND

JOHN CREECH, C. P. A.

LEXINGTON

W. A. HIFNER, JR., C. P. A., City Bank Building.

LOUISVILLE

L. C. BARNETT & CO., Heyburn Building.

L. C. Barnett, C. P. A.—Partner.

BERNSTEIN & BERNSTEIN, Ky. Home Life Building.

Sylvan K. Bernstein, C. P. A.—Sole Proprietor.

*BROWN & IMHOF, Washington Building.

J. Bernard Brown, C. P. A.—Partner.

Irvin W. Imhof, C. P. A.—Partner.

HARVEY CARDWELL & CO., McDowell Building.

Harvey Cardwell, C. P. A.—Sole Proprietor.

Ishmael Planck, C. P. A.—Employee.

*COTTON & ESKEW, Kentucky Home Life Building.

William Cotton, C. P. A.—Partner.

S. W. Eskew, C. P. A.—Partner.

Albert Christian, C. P. A.—Employee.

P. W. Hagan, C. P. A.—Employee.

ERNST & ERNST, Marion E. Taylor Building.

Grover C. Greweling, C. P. A.—Asst. Mgr.

ESCOTT & ESCOTT, Heyburn Building.

Jas. S. Escott, C. P. A.—Partner.

L. C. J. Yager, C. P. A.—Partner.

EDW. B. FONTAINE, C. P. A., Ky. Home Life Building.

*CHAS. G. HARRIS & CO., Ky. Home Life Building.

Chas. G. Harris, C. P. A.—Partner.

Orville D. Harris, C. P. A.—Partner.

(*)—Indicates all firm members are Certified Public Accountants.

CERTIFICATE HOLDERS—(Continued).

CERTIFIED PUBLIC ACCOUNTANTS (KY.)—PRACTICING IN KENTUCKY
ARRANGED BY CITIES AND FIRMS—(Continued)

LOUISVILLE—(Continued).

R. S. McGLASSON, C. P. A., Washington Building.

MELDRUM & MELDRUM, Hilliard Building.

Geo. F. Meldrum, C. P. A.—Sole Proprietor.

Buell E. Henry, C. P. A.—Employee.

NAUMAN, NAUMAN & CO., Starks Building.

A. J. Nauman, C. P. A.—Partner.

GOLDSBOROUGH ROBINSON, C. P. A., Starks Building.

HUMPHREY ROBINSON & CO., Columbia Building.

W. H. Hartman, C. P. A.—Partner.

Robert Miller, C. P. A.—Partner.

M. B. McMullen, C. P. A.—Partner.

Ben R. Shaver, C. P. A.—Employee.

Bradley O. Turner, C. P. A.—Employee.

WM. J. RYANS, C. P. A., Starks Building.

ALBERT C. THOMPSON, C. P. A., Ky. Home Life Building.

TIMMERING & HINTON, Starks Building.

Thomas W. Hinton, C. P. A.—Partner.

*WALDMAN, PETOT & CO., Marion E. Taylor Building.

Max Waldman, C. P. A.—Partner.

Jno. S. Petot, C. P. A.—Partner.

L. TIPTON YOUNG, C. P. A., Louisville Trust Building

MIDDLESBORO

FRANK J. DOOLEY, C. P. A., Masonic Building.

NEWPORT

EDWIN F. THORBURN, C. P. A., Newport Finance Building.

PADUCAH

HENRY HOBSON BENNETT, C. P. A.

J. L. MARBERRY, C. P. A., 636 Mayfield Road.

WINCHESTER

J. O. TYLER, C. P. A.

(*)—Indicates all firm members are Certified Public Accountants.

CERTIFICATE HOLDERS—(Continued).

ENGAGED IN PRACTICE IN KENTUCKY—(Arranged Alphabetically).

Name and Address	Society Memberships	Connection
L. C. Barnett, Heyburn Bldg., Louisville, Ky.	K-I	Partner L. C. Barnett & Co.
Henry Hobson Bennett, Paducah, Ky.	K-A	Individual Practice.
Sylvan K. Bernstein, Ky. Home Life Bldg., Louisville, Ky.	K	Sole Proprietor Bernstein & Bernstein
J. Bernard Brown, Washington Bldg., Louisville, Ky.	K-A	Partner Brown & Imhof.
Harvey Debs Cardwell, McDowell Bldg., Louisville, Ky.	K-A	Sole Proprietor Harvey Cardwell & Co.
Albert Christian, Ky. Home Life Bldg., Louisville, Ky.		Employee Cotton & Eskew.
William Cotton, Ky. Home Life Bldg., Louisville, Ky.	K-A	Partner Cotton & Eskew.
John Creech, Cumberland, Ky.		Individual Practice.
Frank J. Dooley, Masonic Bldg., Middlesboro, Ky.	K-A	Individual Practice.
Jas. S. Escott, Heyburn Bldg., Louisville, Ky.		Partner Escott & Escott.
S. W. Eskew, Ky. Home Life Bldg., Louisville, Ky.	K-A	Partner Cotton & Eskew.
Edw. B. Fontaine, Ky. Home Life Bldg., Louisville, Ky.	K	Individual Practice.
Grover C. Greweling, Marion E. Taylor Bldg., Louisville, Ky.		Asst. Mgr. Ernst & Ernst.

K—Member of Kentucky Society of Certified Public Accountants.
A—Member of American Society of Certified Public Accountants.
I—Member of American Institute of Accountants.

CERTIFICATE HOLDERS—(Continued).

ENGAGED IN PRACTICE IN KENTUCKY—(Continued):

Name and Address	Society Memberships	Connection
P. W. Hagan, Ky. Home Life Bldg., Louisville, Ky.	K-A	Employee Cotton & Eskew.
Chas. G. Harris, Ky. Home Life Bldg., Louisville, Ky.	K-I	Partner Chas. G. Harris & Co.
Orville D. Harris, Ky. Home Life Bldg., Louisville, Ky.	I	Partner Chas. G. Harris & Co.
Wm. H. Hartman, Columbia Bldg., Louisville, Ky.	K-A	Partner Humphrey Robinson & Co.
Buell E. Henry, Hilliard Bldg., Louisville, Ky.	K	Employee Meldrum & Meldrum.
W. A. Hifner, Jr., City Bank Bldg., Lexington, Ky.	K-A	Individual Practice.
Thos. W. Hinton, Starks Bldg., Louisville, Ky.	I	Partner Timmering & Hinton.
Irvin W. Imhof, Washington Bldg., Louisville, Ky.	K-A	Partner Brown & Imhof.
J. L. Marberry, 636 Mayfield Road, Paducah, Ky.		Individual Practice.
R. S. McGlasson, Washington Bldg., Louisville, Ky.	K	Individual Practice.
M. B. McMullen, Louisville, Ky.	K	Partner Humphrey Robinson & Co.
Geo. F. Meldrum, Hilliard Bldg., Louisville, Ky.	K-A-I	Sole Proprietor Meldrum & Meldrum.
Robert Miller, Columbia Bldg., Louisville, Ky.	K-A	Partner Humphrey Robinson & Co.
A. J. Nauman, Starks Bldg., Louisville, Ky.	K	Partner Nauman, Nauman & Co.

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I—Member of American Institute of Accountants.

CERTIFICATE HOLDERS—(Continued).

ENGAGED IN PRACTICE IN KENTUCKY—(Continued):

Name and Address	Society Memberships	Connection
John S. Petot, Marion E. Taylor Bldg., Louisville, Ky.	K-A	Partner Waldman, Petot & Co.
Ishmael Planck, McDowell Bldg., Louisville, Ky.	K	Employee Harvey Cardwell & Co.
Goldsborough Robinson, Starks Bldg., Louisville, Ky.		Individual Practice.
Wm. J. Ryans, Starks Bldg., Louisville, Ky.	I	Individual Practice.
Ben R. Shaver, Columbia Bldg., Louisville, Ky.	K	Employee Humphrey Robinson & Co.
Estil W. Smith, Kitchen Bldg., Ashland, Ky.		Individual Practice.
Albert C. Thompson, Ky. Home Life Bldg., Louisville, Ky.	K-A	Individual Practice.
Edwin F. Thorburn, Newport Finance Bldg., Newport, Ky.	K-O	Individual Practice.
Bradley O. Turner, Columbia Bldg., Louisville, Ky.	K-A	Employee Humphrey Robinson & Co.
J. O. Tyler, Winchester, Ky.		Individual Practice.
Max Waldman, Marion E. Taylor Bldg., Louisville, Ky.	K-A	Partner Waldman, Petot & Co.
L. C. J. Yager, Heyburn Bldg., Louisville, Ky.	K-A	Partner Escott & Escott.
L. Tipton Young, Louisville Trust Bldg., Louisville, Ky.	K-I	Individual Practice.

K—Member of Kentucky Society of Certified Public Accountants.
A—Member of American Society of Certified Public Accountants.
I—Member of American Institute of Accountants.
O—Member of Accountants Society in Resident State.

CERTIFICATE HOLDERS—(Continued).

RESIDENT IN KENTUCKY—NOT PRACTICING:

Name and Address	Society Memberships	Connection
Horace H. Ackerman, 508 W. Jefferson St., Louisville, Ky.		Franklin Title & Trust Co.
Arthur L. Ashcraft, 1845 Overlook Terrace, Louisville, Ky.		Internal Revenue Agent.
Chauncey L. Christian, 2318 W. Madison St., Louisville, Ky.		Building Construc- tion.
Robert Dee Haun, 828 Tremont Ave., Lexington, Ky.	K	Assoc. Prof. of Ac- counting, University of Kentucky
Jno. C. McNeil, Stone, Ky.		Fordson Coal Co.
Warren M. Van Hoose, Frankfort, Ky.		Asst. State Inspector & Examiner.
B. Perry Weaver, Louisville, Ky.		Retired.
Alvin E. Woolsey, Glasgow Junction, Ky.	K	Federal Land Bank Examiner.

K—Member of Kentucky Society of Certified Public Accountants.

CERTIFICATE HOLDERS—(Continued).

NON-RESIDENT—PRACTICING:

Name and Address	Society Memberships	Connection
John W. Alexander, Citizens Bldg., Cleveland, O.	A-O	Partner Alexander, Cochran, Huffman & Merkel
Chas. J. Anderson, 1701 1 N. LaSalle St., Chicago, Ill.	K-A	Individual Practice.
John E. Baker, Astoria, Ill.		Individual Practice.
Lovell C. Beal, Union Central Bldg., Cincinnati, O.		Individual Practice.
Edgar Biggs, Sou. Ohio Bank Bldg., Cincinnati, O.		Individual Practice.
J. W. R. Bradford, 414 Walnut St., Cincinnati, O.	A	Individual Practice.
Clifford D. Buffoon, Volunteer Life Bldg., Chattanooga, Tenn.	K-A-O	Individual Practice.
Jas. Cameron, 50 E. 42nd St., New York, N. Y.	A	Individual Practice.
Winter W. Christian, Taft Bldg., Hollywood, Calif.		Individual Practice.
Burney R. Clack, 5528 S. Owasso, Tulsa, Okla.	A-O	Individual Practice.
C. S. Clayton, 318 Dixie Terminal, Cincinnati, O.	O	Partner Superior Audit Co.
E. C. Conley, 1st Huntington Natl. Bank Bldg., Huntington, W. Va.	K-A-O	Prop. Federal Audit Co.

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CERTIFICATE HOLDERS—(Continued).

NON-RESIDENT—PRACTICING—(Continued):

Name and Address	Society Memberships	Connection
Frank C. Deckebach, Traction Bldg., Cincinnati, O.	K	Individual Practice.
Frank E. Feistritz, Merchants Bank Bldg., Indianapolis, Ind.		Employee Peat, Mar- wick, Mitchell & Co.
Jos. W. Gill, 152 Baer St., Huntington, W. Va.		Individual Practice.
Frank J. Glass, Strong Bldg., Parkersburg, W. Va.	A	Proprietor Interstate Audit Co.
John Sebastian Glenn, Stahlman Bldg., Nashville, Tenn.	A	Individual Practice.
Harry W. Green, 632 Chamber of Commerce Bldg., Cincinnati, O.	K	Individual Practice.
John G. Griggs, Keith Bldg., Dayton, O.	A	Individual Practice.
M. Guy Hardin, Louderman Bldg., St. Louis, Mo.	A-O	Individual Practice.
Lloyd M. Hill, Citizens Bldg., Cleveland, O.	A	Individual Practice.
Alfred Hoffenberg, 11 S. La Salle St., Chicago, Ill.	O	Proprietor Ill. Certi- fied Audit Co.
Louis H. Huffman, Citizens Bldg., Cleveland, O.	A	Partner Alexander, Cochran, Huffman & Merkel.
Frederick Juchhoff, 332 S. La Salle St., Chicago, Ill. 410 Star Bldg., Washington, D. C.		Individual Practice.

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CERTIFICATE HOLDERS—(Continued).

NON-RESIDENT—PRACTICING—(Continued):

Name and Address	Society Memberships	Connection
J. H. Kalmbacher, Sec. Mut. Life Bldg., Binghampton, N. Y.	K-A	Individual Practice.
Harvey M. Kenyon, 3100 Linwood Road, Cincinnati, O.	K	Individual Practice.
Chas. H. Knapp, 1st Natl. Bank Bldg., Zanesville, O.	A-O	Partner Forest E. Ferguson & Co. Individual Practice.
Jesse Knapp, 1st Natl. Bank Bldg., Portsmouth, O.		Individual Practice.
Martin J. McBride, Protective Life Bldg., Birmingham, Ala.		Individual Practice.
J. E. McDavid, Kanawha Valley Bldg., Charleston, W. Va.		Employee F. W. LaFrenz & Co.
Thos. M. McIntyre, Nichol Bldg., Nashville, Tenn.	O-I	Individual Practice.
James Mulroy, Electric Bldg., Cincinnati, O.		Individual Practice.
Herman Nichols, 120 W. 42nd St., New York, N. Y.	O	Individual Practice.
Christian Oehler, 15 Broad St., New York, N. Y.	O	Employee Haskins & Sells.
Floyd J. Pfeeger, 16 Avery Ave., Buffalo, N. Y.	K-A	Individual Practice.
Knox B. Phagan, 25 W. 43rd St., New York, N. Y.	K-A-I-O	Partner Phagan, Tillison & Tremble.

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CERTIFICATE HOLDERS—(Continued).

NON-RESIDENT—PRACTICING—(Continued):

Name and Address	Society Memberships	Connection
Lawson L. Putnam, 159 N. State St., Chicago, Ill.		Individual Practice.
Hobart Richey, Wheeling Bank & Trust Bldg., Wheeling, W. Va.	A	Individual Practice.
C. Elmer Roberts, Mercantile Library Bldg., Cincinnati, O.		Individual Practice.
Frank A. Seward, Day & Night Bldg., Huntington, W. Va.		Individual Practice.
David E. Short, Jr., 128 Eighth Ave., N., Nashville, Tenn.	I	Partner Short, Swinebrood & Associates.
Clewell M. Smith, Standard Bank Bldg., Cleveland, O. N. G. Somerville,	A	Partner Laubscher & Smith.
1st Huntington Natl. Bank Bldg., Huntington, W. Va.	A-O	Individual Practice.
John G. Walling, 521 S. Spring St., Los Angeles, Calif.	K	Employee Lybrand, Ross Bros. & Montgomery.
Mortimer C. White, The Arcade, Cleveland, O.	O	Individual Practice.
Jas. T. Wilkes, 15407 Center Ave., Harvey, Ill.		Individual Practice.
Jas. M. Williams, Odd Fellows Bldg., Raleigh, N. C.	K-O	Partner Williams & Wall.
Charlton C. Wright, Union Central Bldg., Cincinnati, O.	K-A	Individual Practice.

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A—Member of American Society of Certified Public Accountants.
I—Member of American Institute of Accountants.
O—Member of Accountants Society in Resident State.

CERTIFICATE HOLDERS—(Continued).

NON-RESIDENT—NOT PRACTICING:

Name and Address	Society Memberships	Connection
Fred H. Allen, Norwood Station, Cincinnati, O.		American Laundry Machinery Co.
Arthur M. Dewey, Care of Joseph & Feirs, Cleveland, O.	A	Joseph & Feirs
C. J. Dieterle, 420 E. 7th St., Burbank, Calif.		Will resume practice.
Thomas H. Dowell, New Albany, Ind.	K	New Albany Veneering Co.
H. B. Eversole, Iowa City, Iowa	A-O	Associate Professor of Accounting, University of Iowa.
David B. Griffin, 1825 H. St., Washington, D. C.	O	Reconstruction Finance Corp.
Herbert M. Howson, 920 Burton Ave., Cincinnati, O.		
Guy B. Jeffries, 4307 Sherman Blvd., Galveston, Texas		Cotton Concentration Co.
C. E. Kaase, 13001 Athens Ave., Lakewood, O.	K-A	Western Reserve Motor Co.
Joseph A. Lenny, 17 Battery Place, New York, N. Y.		Internal Revenue Agent.
John Ford Morris, Chemical Bk. & Tr. Co., New York, N. Y.		Chemical Bank & Trust Co.

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A—Member of American Society of Certified Public Accountants.
O—Member of Accountants Society in Resident State.

CERTIFICATE HOLDERS—(Continued).

NON-RESIDENT—NOT PRACTICING—(Continued):

Name and Address	Society Memberships	Connection
R. E. Morrison, 3549 Burch Ave., Cincinnati, O.		Highland Body Mfg. Co.
Frederick J. Murphy, 233 Broadway, New York, N. Y.		
Daniel J. O'Brien, The Towers, Brooklyn, N. Y.	K-A-O	The Towers Hotel.
Alfred M. Reichard, 216 Hall St., Tiffin, O.	K	Professor Tiffin University.
Joseph A. Tatro, Sub-Treasury Bldg., Washington, D. C.		Special Agent U. S. Department of Justice.
Clarence E. Wheeler, Commerce Bldg., Washington, D. C.		U. S. Government Service.
Clarence C. White, 1141 Twelfth Ave. Huntington, W. Va.	A	Retired.
L. A. Wortman, Federal Bldg., Huntington, W. Va.		Internal Revenue Agent.
John Zimmerman, 345 Hudson St., New York, N. Y.	A	Standard Statistics Co.

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CERTIFICATE HOLDERS—(Continued).

The following holders of certificates did not reply to the Secretary's request for information:

- E. B. Albritten, Murray, Ky.
- Chas. R. Bradfrod, Florence, Ky.
- H. C. Carleton, 2622 Ida Ave., S. Norwood, Ohio.
- R. R. Circle, Box 408, Ashland, Ky.
- J. Rex Cooper, 724 Nallen St., South Bend, Ind.
- Robert G. Dreiske, Box 642, Ravinia, Ill.
- William J. Ferguson, 60 Queensdale Ave., Toronto, Canada.
- William E. Fink, Kirkwood, Mo.
- Glen W. Foster, address unknown.
- Zopher L. Jensen, 198 La Salle St., Chicago, Ill.
- Huet L. Johnson, Breslin Bldg., Louisville, Ky.
- Wm. J. Mulroy, 453 Pioneer St., Cincinnati, Ohio.
- Fred G. Page, 215 E. 17th St., Hopkinsville, Ky.
- Robert B. Rouse, 306 Mercantile Library Bldg., Cincinnati, Ohio.
- Walter H. Trossett, address unknown.
- Sylvester D. Van Kirk, 2519 Ingleside Ave., Cincinnati, Ohio.
- J. E. Wilson, address unknown.
- Walther Wolf, 625 Market St., San Francisco, Calif.

We are sorry to publish the above list and hope we will hear from these men before another year rolls around.



EXAMINATIONS

During the last few years, one examination each year has been given, the date of this being October or November. Prior to 1930, the Kentucky Board prepared its own questions. Since that date, the examination service of the American Society of Certified Public Accountants has been used. Arrangements for this service are made from year to year. All questions and problems prepared by the American Society have been published in the Certified Public Ac-

EXAMINATIONS—(Continued).

countant. The Board has no copies for distribution for any year except 1932. Requirements for eligibility to sit in the examination are incorporated in the Kentucky law, a copy of which is included in this book. Non-resident applicants must submit a statement from their State Board to the effect that they are eligible to sit in the examinations in their own State. Subjects covered by the examination are as follows:

- Auditing
- Theory of Accounts
- Commercial Law as Affecting Accountancy
- Practical Accounting

A grade of 75% is required for passing. All examination papers are graded by the Kentucky Board which assumes full responsibility therefor.

The following statement shows the results of the last three examinations:

	1930	1931	1932	Totals For Three Years
Theory of Accounts:				
Number of Candidates.....	15	17	15	47
Number Passed	4	12	9	25
Auditing:				
Number of Candidates.....	11	15	19	45
Number Passed	2	5	17	24
Commercial Law:				
Number of Candidates.....	16	16	18	50
Number Passed	9	11	7	27
Practical Accounting:				
Number of Candidates.....	27	33	35	95
Number Passed	2	5	6	13

In this three year period, a total of forty-eight different candidates were examined, the number in excess of this, shown above, representing applicants who returned for re-examination in one or more subjects. Of this forty-eight, fourteen received certificates.

Very little definite information is available in regard to the success of candidates sitting in examinations in other States. From such information as can be obtained, the results obtained by candidates in Kentucky examinations are not greatly different from those of other states.

COPY OF KENTUCKY LAW

AN ACT creating a State Board of Accountancy, Prescribing its Powers and Duties, Providing for Examinations and Issuing Certificates to Qualified Public Accountants, and Providing for Penalties for Violation of the Provisions of this Act.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:—

1. There is hereby established a State Board of Accountancy to consist of three members.

Within thirty days after this act becomes a law the Governor shall appoint as members of said Board three persons skilled in the knowledge and practice of accounting, each of whom shall have been a citizen of the State of Kentucky for at least one year and shall have been for at least three years immediately preceding such appointment actively engaged as a professional public accountant as hereinafter defined.

One of the members thus appointed shall be appointed for a term of one year; one for a term of two years and one for a term of three years, and thereafter as the terms of said offices expire the Governor shall appoint, from among the holders of certificates as certified public accountants as hereinafter provided for, a member of said Board for a term of three years or until his successor shall be appointed and qualified.

The Governor shall have power to fill any vacancy occurring in the membership of the board and remove any member for cause after due notice and a hearing thereon.

2. Within thirty days after the appointment of said board, the members thereof shall hold a meeting and organize, by the election of a President, Secretary and Treasurer, each of whom shall hold office until Tuesday after the first Monday in January, nineteen hundred and seventeen, and the election of officers thereafter shall be held annually on Tuesday after the first Monday in January. The offices of Secretary and Treasurer may be held by the same person. The first board after organizing shall issue to each member thereof a certificate as certified public accountant.

3. The Board shall make all necessary rules and regulations for conducting examinations of applicants and governing the method and time of filing applications for examinations, and the time within which an applicant must be examined after his application has been filed, and said board shall have the power to adopt all other reasonable rules and regulations, not inconsistent herewith as may be necessary to carry into effect the objects and purposes of this act.

All such examinations shall be conducted by the State Board of Accountancy. The examinations shall take place as often as may, in the opinion of the board be necessary, at such date and place as may be selected by it, but not less than once in each calendar year.

Said board shall keep a complete record of its proceedings, and an accurate list of all applications made, certificates issued, certificates revoked, a complete record of cash receipts and disbursements, and shall make report of same annually to the Governor on the thirty-first of December.

Said board shall adopt and provide itself with a seal with a band inscribed "State Board of Accountancy of Kentucky," with the coat of arms of the State of Kentucky in the center, and all certificates issued as provided for in this act, shall be signed by the President and Secretary of said board and shall bear the imprint of said seal.

A majority of said board shall constitute a quorum and the affirmative vote of two members shall be considered as the action of said board except in case of revoking a certificate, in which case the unanimous vote of the board shall be required.

COPY OF KENTUCKY LAW—(Continued).

4. Every applicant for certificate as certified public accountant shall be—

A citizen of the United States or a person who has, in good faith, declared his intention of becoming such citizen; not less than twenty-five years of age; of good moral character; a graduate of a high school with a four-year course, or who, in the opinion of the board, possesses an education fully equivalent to that of a graduate of a high school with a four-year course; who has had at least three years' experience in the practice of accounting, at least one year of which shall have been either in the office of a practicing accountant or in individual practice as a public accountant.

5. No person (except those provided for under section six of this act) shall have issued to him a certificate as certified public accountant until after he has been found qualified by written examination, conducted by the State Board of Accountancy of Kentucky in the subjects of "Practical Accounting," "Theory of Accounts," "Auditing" and "Commercial Law as affecting Accountancy."

6. The said Board of Accountancy shall waive the examination of and issue a certificate as a certified public accountant to any person who furnishes said board with evidence of satisfactory work in accounting completed by him and who possesses the qualifications mentioned in section four of this act, as to age, citizenship, moral character, preliminary education and experience in practice of accountancy, who is a citizen of the State of Kentucky, and who for more than three years immediately preceding the passage of this act shall have been practicing on his own account as a public accountant and who shall apply in writing for such certificate within ninety days after the passage of this act, provided, that such applicant shall submit with his application proof of his age, citizenship, good moral character, educational qualifications and experience in the practice as a public accountant as set out in section four of this act; or to any person who is the legal holder of a certificate as certified public accountant or chartered accountant issued by or under the authority of any other State or Territory of the United States, District of Columbia or foreign nation, provided, however, that the Kentucky State Board of Accountancy shall be satisfied that the standards and requirements for the issue of such certificates are fully equivalent to those established by this act.

7. For the purpose of this act a public accountant is hereby defined as a person skilled in the knowledge of science of accounting who holds himself out to the public as a practicing accountant for compensation and who maintains an office for the transaction of such and whose time during the regular business hours of the day is devoted to the practice of accounting as a professional public accountant.

8. Any person who has received from said State Board of Accountancy a certificate of his qualifications to practice as a certified public accountant as hereinafter provided, shall be known as a certified public accountant and no other person and no partnership, all the members of which have not received such certificate and no corporation shall assume such title of certified public accountant or chartered accountant, or use the abbreviation, "C. P. A." "C. A." or any other words, letters, or abbreviations indicating that such person, firm or corporation is the holder of certificates as herein provided for. All firms and partnerships as are authorized to do business under the provisions of this section of this act shall at all times keep on file with the Secretary of the said State Board of Accountancy, the names and post-office addresses of each member of said firm or partnership, which record shall at all reasonable times be open to the inspection of any person holding a certificate as a certified public accountant, issued under the provisions of this act.

9. For the purpose of defraying the expenses of said board, a fee of twenty-five dollars shall be paid into the treasury of said board by each of the members of the first board appointed by the Governor, and a like sum shall be paid into the treasury of the Board of Accountancy by each person applying thereto for a certificate as certified public accountant, which fee must accompany the application and no part of said fee shall be refunded, but no additional charge can be made against the applicant by the board for holding the examination or determining his

COPY OF KENTUCKY LAW—(Continued).

right to the certificate or issuing to him of a certificate as certified public accountant.

Any applicant failing to receive a certificate upon his first application, under section six of this act, or any applicant who fails to pass at his first examination shall be entitled to enter at any stated examination held within one year from the date of his failure to procure a certificate, as provided for in this act, without payment of any additional fee.

10. Members of the Board to be appointed under the provisions of this act shall be paid for the time actually expended in the pursuance of the duties imposed upon them by this act an amount not exceeding five dollars per day and they shall be entitled to necessary traveling expenses when on official business of the board.

All necessary expenses incident to carrying out the provisions of this act shall be paid out of the funds of the board but no expenses incurred under this act shall ever be a valid charge against the funds of the State of Kentucky.

11. Said State Board of Accountancy shall revoke certificates issued under the provisions of this act, and held by any person who may be guilty of knowingly issuing or certifying to any false statement or statements or who has been convicted of crime involving moral turpitude, or who fails to pay the annual dues within sixty days after the same is due, provided however, that written notice of such proposed action shall have been delivered in person or forwarded by registered mail to the holder of such certificate at his last known post office address, stating the cause for such contemplated action, together with a copy of the charges and appointing a time and place for hearing thereon by the State Board of Accountancy, provided, however, that no certificate issued under this act shall be revoked until after such hearing and at all such hearings both the board and the accused may be represented by counsel. Any certificate issued by this board and subsequently revoked shall be surrendered to the board.

12. The Board of Accountancy hereby created shall not have the power to create any debt or incur any expense beyond the funds of the board which shall consist of the fees hereinbefore fixed and an annual fee of not exceeding two dollars which shall be paid at such time as may be fixed by said board by every person holding a certificate as certified public accountant issued by said board. Any person desiring to be relieved of the annual dues may do so by voluntarily surrendering his certificate to the board, after which he shall not be considered or known as a certified public accountant within the meaning of this act, unless he is again qualified by the examination, as provided for in this act.

13. Any person violating any of the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction shall be fined not less than ten dollars nor more than two hundred dollars or be imprisoned in the county jail for a period of not less than one month nor more than six months or both so fined and imprisoned in the discretion of the court or jury.

14. Nothing herein contained shall be so construed as to prevent any person from being employed or practicing as an accountant in this state.

15. No person shall be appointed a member of the State Board of Accountancy of the State of Kentucky who is directly, or indirectly interested in, or connected with, in a pecuniary way, any business college, organization, or association, teaching bookkeeping, or accounting; but nothing herein shall be construed to prevent any member of the said board from delivering lectures or assisting in any such business college organization, or association teaching accounting or bookkeeping; provided that such services are rendered without charge and that no compensation or remuneration is received or accepted for such services.

16. If any clause, sentence, paragraph, or part of this act shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid such judgment shall not affect, impair, or invalidate the remainder of said act, but shall be confined in its operation to the clause, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

RECIPROCITY.

The Kentucky Board has no specific reciprocal relations with Boards of any other States. In recent years, certificates have been issued without examination to a number of accountants resident in Kentucky or actually practicing in Kentucky who were the holders of C. P. A. certificates from other States. In each case of this kind, investigation has been made and the Board has satisfied itself as to the qualifications of the applicant.



RESTRICTIVE LAW.

Kentucky does not restrict the practice of public accounting to certified public accountants.

A committee from the Kentucky Society of Certified Public Accountants has prepared a draft of a regulatory law. Efforts will be made to secure the passage of this law at the 1934 session of the Kentucky Legislature. This law, if passed, will restrict the practice of accountancy in Kentucky to Certified Public Accountants and Registered Accountants and will eventually restrict the practice of accountancy to Certified Public Accountants.

KENTUCKY SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS.

The Kentucky Society of Certified Public Accountants was organized on May 16, 1924. Mr. W. A. Hifner, Jr., was the leader in the organization of the Society and he was its first president. The articles of incorporation state that the corporation was organized and incorporated "for the purpose of maintaining and elevating the standard of proficiency and integrity of the profession of Certified Public Accountants in the State of Kentucky; of promoting and protecting the interests of its members and of cultivating professional cooperation and social intercourse among them, encouraging wise and needful legislation and opposing the enactment of laws and ordinances prejudicial to the Certified Public Accountants and the giving and exchanging information among its members, receiving and raising of funds by donation and by assessment on its members and the doing of all things necessary or incident thereto".

The present officers and directors are as follows:

Irvin W. Imhof	President
Robert Dee Haun	Vice-President
Harvey Debs Cardwell	2nd Vice-President
Buell E. Henry	Secretary and Treasurer
W. A. Hifner, Jr.	Director
Robert Miller	Director
A. J. Nauman	Director
S. W. Eskew	Director

The Kentucky Society has been active in recent years in advancing the interests of the accountancy profession in this State.

Monthly meetings are held and generally some technical subject is discussed either by a speaker obtained for the occasion or by round table sessions with someone to lead the discussion.

During the Summer of 1931 committees were appointed by the Louisville banks and the Kentucky Society to prepare a synopsis of information desirable in audit reports which were to be used for credit purposes. Copies of this synopsis were furnished to the local accountants and hundreds of copies were mailed by the banks to their customers. It is believed that this venture was productive of excellent results. The circulars were mailed out under the name of the Louisville Clearing House Association and they furnished the clients with the banker's viewpoint, and often-times helped him to see that the accountant had some idea in mind besides persistent curiosity when he inquired into various things that the client usually regarded as private information. It also had the tendency to raise the general standard of audit reports in this community by establishing a definite standard desired for credit purposes, and enabling each accountant to meet the requirements if he so desired. It also enabled the banker to discriminate against the few accountants who did not desire to cooperate in the movement, the result being that a better understanding now exists between the accountants and the bankers and credit men of the City. The following is a copy of the circular mailed out:

KENTUCKY SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS—(Continued).

ESSENTIAL INFORMATION WHICH SHOULD BE REFLECTED BY AN AUDIT REPORT PREPARED AS THE BASIS OF AN ANALYSIS OF A FINANCIAL STATEMENT FOR CREDIT PURPOSES.

Prepared By
LOUISVILLE CLEARING HOUSE
ASSOCIATION

ASSETS

1. **CASH:**
Complete reconciliation of Cash Account, with schedule showing all items entering into reconciliation. Name of each depository bank and balance in each, verified by letter from bank.
2. **TRADE ACCOUNTS RECEIVABLE:**
The accounts should be thoroughly analyzed and aged, showing separate figures on the statement or in schedule for those accounts past due 30, 60, 90 days and 4 months or longer, or the statement may show the months the accounts were created. Where one or several large accounts represent a substantial portion of receivables outstanding, this information should be commented upon in the auditor's report. Installment accounts should be shown separately from other accounts. Report should state the terms on which sales are made.
3. **ACCOUNTS RECEIVABLE FROM AFFILIATED COMPANIES:**
Should be listed separately and, in most instances, treated as a non-current asset.
4. **ACCOUNTS RECEIVABLE—OFFICERS AND EMPLOYEES:**
Should at all times be listed separately as a non-current asset, and special analysis made in the audit as to the length of time these accounts have been outstanding. Accounts due from officers or employees for merchandise purchased at retail price, and not past due, may be included in regular accounts receivable.
Reserve should be set up to cover any probable losses in accounts receivable.
5. **NOTES RECEIVABLE:**
Special schedule should be available showing individual analysis of all notes receivable, whether held by the company or discounted at bank. Schedule should provide information as to date of the note (and of the original, if it is a renewal), and whether or not same was taken in payment of a past due account.
Like analysis should be furnished of any notes receivable due from officers or employees, and in all instances they should be shown as non-current assets. Submit separate schedule of discounted notes showing method of verification. Balance sheet should show total of notes as an asset and discounted notes as a liability; or total notes may be shown and discounted notes deducted showing net as asset, with foot-note as to contingent liability for discounted notes.
6. **INVENTORIES:**
Where a manufacturing concern is involved, the audit should at all times show separately, information as regards finished product, work in process and raw materials. Effort should be made to age inventory, so that information as to slow and non-salable merchandise might be available. Every possible precaution should be taken to properly verify inventory figures, and where at all possible actual physical check should be made by auditor, of at least

KENTUCKY SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS—(Continued).

the items that can be readily verified and/or are of such nature that the accountant's verification would enable him to certify as to the correctness of the items so examined.

Where sufficient verification is not made by the accountant to enable him to give an opinion as to the correctness of the inventory, this fact should be clearly stated.

Complete information should be furnished in regard to manner in which inventory figures were obtained, and the method followed in checking these figures.

Where a substantial part of the inventory figures are furnished by the firm a statement certifying to their correctness should be obtained from the principal officers of the organization and maintained in accountant's files. Statement to the effect that such certification has been obtained should be mentioned in the audit.

Indication should be made as to whether inventory was taken at cost or market, and in what manner cost or market figures were verified. Foot-notes should indicate merchandise contracted for and in transit, and any merchandise arrived and unopened.

7. MARKETABLE SECURITIES:

Where this item appears in the statement, securities should be fully described, and comment made as to whether there is any indication of speculation in securities on the part of the corporation under audit. Schedule should be prepared showing cost and market value of securities at date of audit.

8. PLANT AND EQUIPMENT:

Separate statement as to ground value, amount invested in buildings, and amount invested in machinery, less depreciation already allowed; and memorandum of amount of depreciation taken on each class of equipment during the current year. A statement as to whether or not the values have been appreciated, and if so, any such appreciation should be reflected in a separate surplus account. If an appraisal by a recognized Appraisal Company is in evidence, reference should be made to that fact and salient facts given.

9. OTHER ASSETS:

Submit complete information.

LIABILITIES

10. NOTES PAYABLE:

Schedule of individual notes and to whom payable. Notes should be verified through correspondence with holders.

11. ACCOUNTS PAYABLE:

Segregate into those accounts which are current and those which are past due. Comment as to whether company takes discounts or merchandise purchased.

12. ACCRUED LIABILITIES:

Should include accrued interest on any obligations outstanding. Should include current taxes payable. Tax reserve should be set up covering taxes to be paid on assessments already made.

13. BONDED DEBT:

Detailed information should be furnished as to origination of debt, maturity of total debt or any portion thereof, and basis on which payment is made by borrowing corporation. Any portion of debt due within one year from date of statement should be set up on statement as current liability. Any important

KENTUCKY SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS—(Continued).

features of indenture which might be set up to protect interests of bondholders and might have bearing on company's operations should be outlined. Trustee for issue and sinking fund arrangement should be commented upon.

14. OTHER LIABILITIES:

Submit complete information.

15. CAPITAL:

Preferred stock authorized and outstanding. Common stock authorized and outstanding. Any provisions in company's by-laws for call or retirement of preferred stock should be mentioned. Any dividends declared and unpaid should be shown as current liability. Any unpaid dividends on cumulative preferred stock should be indicated by foot-notes. Any voting or other contingent right of the preferred stock should be stated.

16. SURPLUS:

Submit an analysis covering at least five years.

SCHEDULES AND GENERAL INFORMATION CONSIDERED IMPORTANT

History and facts pertaining to organization and operation of business.

List of officers and directors, number of shares of stock held and salary or other compensation of each should be stated. If client objects to this information being included in report, statement should be made that it is omitted at request of client.

Complete list of stockholders, where feasible, and sufficient information to show stock control in every case.

Statement of limit of debts as shown by Articles of Incorporation.

Schedule showing range of liabilities, both notes and accounts payable, for each month in the year, and also cash balance at same period.

Operating statement in detail on comparative basis with previous year's operating statement. Where new audit is being prepared for credit purposes, it should be supported by comparative statements for the past three years. Comment on source from which figures for previous years were obtained.

As thorough information as it is possible to obtain in regard to any future contracts negotiated by the company, either for the purchase of its raw material or in the manufacture or sale of its products.

Where company carries insurance on lives of officers, information should be available as to whom payable and any provisions for distribution of said insurance. Information as to status of policies should be obtained from insurance company.

Any right to change beneficiary without consent of company should be shown.

Schedule should be presented showing insurance protection carried by company including fidelity bonds on officers and employees. Consideration should be given to co-insurance clauses in policies.

List by the auditor of a number of the firm's largest creditors would be helpful in obtaining information through commercial channels, but is not absolutely necessary and may be omitted at request of client.

Verification should be made of accounts receivable, notes receivable, accounts payable and notes payable, by direct correspondence in most cases; if this is not done, that fact should be clearly stated, and method of verification used should be explained.

Indication should be made of any long term leases, showing period of time lease is to be run and the terms.

LAST WORD.

It is the belief of the State Board of Accountancy of Kentucky that the interest of the Public Accounting Profession can best be served by organization and association of its members.

It is not nearly so easy to think or call a man a rogue or a scoundrel if you really know him. None of us are so good but few of us are very bad.

Join your State society and attend its meetings whenever possible. Associate and exchange ideas with your competitors. Acquire membership in the American Society and the American Institute if eligible but in any event subscribe for and read the publications of both.

We believe that the Public Accounting Profession has its greatest opportunity before it. We will take advantage of that opportunity only to the extent that we deserve the confidence of those depending upon our reports.