

BOARD OF ACCOUNTANCY

Expenditure	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Operating Expenditures:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	349,588	362,647	362,647	370,150	370,150
TOTAL	\$ 349,588	\$ 362,647	\$ 362,647	\$ 370,150	\$ 370,150
Capital Improvements:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
GRAND TOTAL	\$ 349,588	\$ 362,647	\$ 362,647	\$ 370,150	\$ 370,150

Percentage Change:

Operating Expenditures					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	(1.1)	3.7	3.7	2.1	2.1
FTE Positions	1.0	1.0	1.0	1.0	1.0
Non-FTE Perm.Uncl.Pos.	2.0	2.0	2.0	2.0	2.0
TOTAL	3.0	3.0	3.0	3.0	3.0

AGENCY OVERVIEW

The Board of Accountancy consists of seven members and provides for the certification, registration and regulation of Certified Public Accountants (CPAs) within the state of Kansas. The Board issues permits to practice within the state and may also censure, suspend or revoke CPA certificates and permits to practice. In addition, the Board approves applications for reciprocity to those who meet minimum qualifying requirements.

MAJOR ISSUES FROM PRIOR YEARS

In the **2001** Legislative Session, revisions were made to the accountancy laws concerning Peer Review. Specific disciplinary actions were added to allow the Board to take action against individuals and firms in connection with the results of a peer review.

In the **2003** Legislative Session, revisions were made to the accountancy laws regarding the uniform CPA exam and firm registrations. The Board was allowed to charge a fee that is 1.5 times the amount of the annual firm registration when firms renew registration after expiration and the examination application processing fee was increased up to \$150. In addition, the use of computerized tests and the ability to contract with a third party for administrative services regarding examination were implemented.

In the **2005** Legislative Session, a Special Litigation Reserve Fund was established to be used for costs incurred in litigation cases that would cause the Board to expend more than the amount approved by the Legislature. Expenditures may only be made from this reserve fund upon the approval of the State Finance Council. A specified amount of money derived from fees is placed into the fund each year until the cap of \$300,000 is reached.

In the **2009** Legislative Session, revisions were made in HB 2339 to clarify the Board's ability to investigate violations of accountancy statutes and rules and regulations and allow out-of-state CPAs to practice in Kansas without being individually licensed. The adoption of the mobility of practice regulations reduced revenue into the Accountancy Board Fee Fund by approximately \$270,300 over a two year period.

BUDGET SUMMARY AND KEY POINTS

FY 2016 – Current Year. The **agency** requests a revised estimate of \$362,647, all from the Board of Accountancy Fee Fund, and 1.0 FTE position, which is unchanged from the FY 2016 amount approved by the 2015 Legislature.

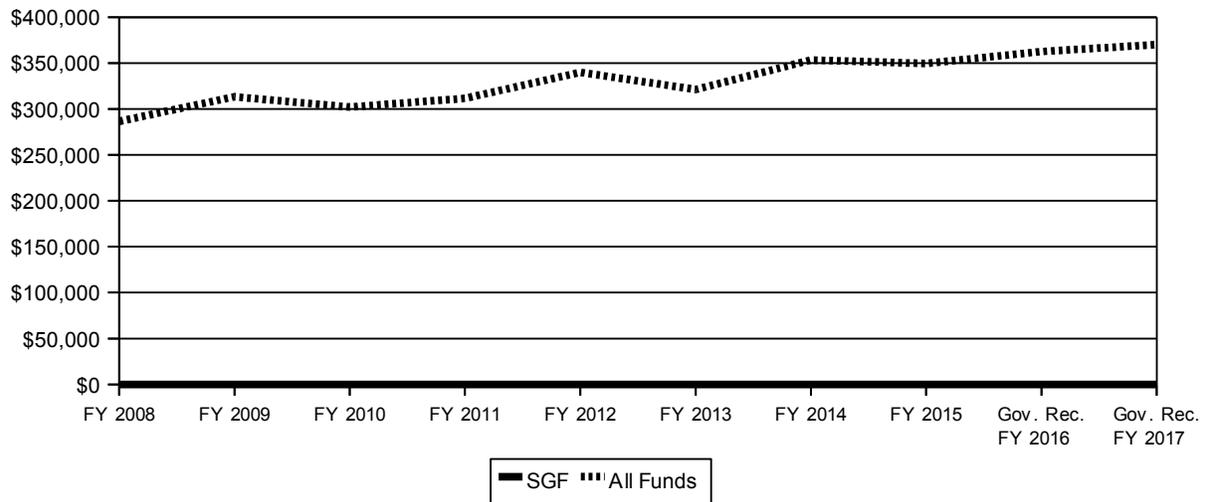
The **Governor** concurs with the agency's revised estimate.

FY 2017 – Budget Year. The **agency** requests a revised estimate of \$370,150, all from the Board of Accountancy Fee Fund, and 1.0 FTE position, which is unchanged from the FY 2017 amount approved by the 2015 Legislature.

The **Governor** concurs with the agency's revised estimate.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2008 – FY 2017



OPERATING EXPENDITURES FY 2008 – FY 2017

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2008	\$ 0	-- %	\$ 286,564	13.8 %	3.0
2009	0	--	313,334	9.3	3.0
2010	0	--	302,088	(3.6)	3.0
2011	0	--	311,583	3.1	3.0
2012	0	--	339,920	9.1	2.0
2013	0	--	321,253	(5.5)	1.0
2014	0	--	353,361	10.0	1.0
2015	0	--	349,588	(1.1)	1.0
2016 Gov. Rec.	0	--	362,647	3.7	1.0
2017 Gov. Rec.	0	--	370,150	2.1	1.0
Ten-Year Change Dollars/Percent	\$ 0	-- %	\$ 83,586	29.2 %	(2.0)

Summary of Operating Budget FY 2015 - FY 2017

Board of Accountancy

	Actual 2015	Agency Estimate				Governor's Recommendation			
		Estimate FY 2016	Estimate FY 2017	Dollar Change from FY 16	Percent Change from FY 16	Rec. FY 2016	Rec. FY 2017	Dollar Change from FY 16	Percent Change from FY 16
By Program:									
Administration	\$ 349,588	\$ 362,647	\$ 370,150	\$ 7,503	2.1 %	\$ 362,647	\$ 370,150	\$ 7,503	2.1 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 170,283	\$ 176,071	\$ 182,048	\$ 5,977	3.4 %	\$ 176,071	\$ 182,048	\$ 5,977	3.4 %
Contractual Services	156,669	180,710	182,352	1,642	0.9	180,710	182,352	1,642	0.9
Commodities	7,700	5,866	5,750	(116)	(2.0)	5,866	5,750	(116)	(2.0)
Capital Outlay	14,936	0	0	0	--	0	0	0	--
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 349,588	\$ 362,647	\$ 370,150	\$ 7,503	2.1 %	\$ 362,647	\$ 370,150	\$ 7,503	2.1 %
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 349,588	\$ 362,647	\$ 370,150	\$ 7,503	2.1 %	\$ 362,647	\$ 370,150	\$ 7,503	2.1 %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Board of Accountancy Fee Fund	349,588	362,647	370,150	7,503	2.1	362,647	370,150	7,503	2.1
TOTAL	\$ 349,588	\$ 362,647	\$ 370,150	\$ 7,503	2.1 %	\$ 362,647	\$ 370,150	\$ 7,503	2.1 %

BUDGET OVERVIEW

A. FY 2016 – Current Year

Adjustments to Approved Budget

CHANGE FROM APPROVED BUDGET					
	Legislative Approved FY 2016	Agency Estimate FY 2016	Agency Change from Approved	Governor Rec. FY 2016	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	362,647	362,647	0	362,647	0
TOTAL	\$ 362,647	\$ 362,647	\$ 0	\$ 362,647	\$ 0
FTE Positions	1.0	1.0	0.0	1.0	0.0

The **agency** requests FY 2016 operating expenditures of \$362,647, all from the Board of Accountancy Fee Fund, which is unchanged from the amount approved by the 2015 Legislature. The estimate includes 1.0 FTE position.

- **Salaries and Wages.** The agency requests \$176,071 for salaries and wages in FY 2016, which is a decrease of 15,863, or 8.3 percent, below the amount approved by the 2015 Legislature. The decrease is attributable to reduced salary expenditures for unclassified temporary employees.
- **Contractual Services.** The agency requests \$180,710 for contractual services in FY 2016, which is an increase of \$14,593, or 8.8 percent, above the amount approved by the 2015 Legislature. The increase is attributable to increased expenditures on administrative proceedings, specifically attorneys and court reporter fees.
- **Commodities.** The agency requests \$5,866 for commodities in FY 2016, which is an increase of \$1,270, or 27.6 percent, above the amount approved by the 2015 Legislature. The increase is attributable to increased expenditures on paper stock for licenses and printer cartridges for printers.

The **Governor** concurs with the agency's revised estimate.

B. FY 2017 – Budget Year

Adjustments to Approved Budget

CHANGE FROM APPROVED BUDGET					
	Legislative Approved FY 2017	Agency Estimate FY 2017	Agency Change from Approved	Governor Rec. FY 2017	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	370,150	370,150	0	370,150	0
TOTAL	\$ 370,150	\$ 370,150	\$ 0	\$ 370,150	\$ 0
FTE Positions	1.0	1.0	0.0	1.0	0.0

The **agency** requests a revised estimate of \$370,150, all from the Board of Accountancy Fee Fund, for FY 2017, which is unchanged from the amount approved by the 2015 Legislature. The estimate includes 1.0 FTE position.

- **Salaries and Wages.** The agency requests \$182,048 for salaries and wages for FY 2017, which is a decrease of \$16,619, or 8.4 percent, below the amount approved by the 2015 Legislature. The decrease is attributable to reduced salary expenditures for unclassified temporary employees.
- **Contractual Services.** The agency requests \$180,710 for contractual services for FY 2017, which is an increase of \$15,465, or 9.3 percent, above the amount approved by the 2015 Legislature. The increase is attributable to increased expenditures on administrative proceedings, specifically attorneys and court reporter fees.
- **Commodities.** The agency requests \$5,750 for commodities in FY 2017, which is an increase of \$1,154, or 25.1 percent, above the amount approved by the 2015 Legislature. The increase is attributable to increased expenditures on paper stock for licenses and printer cartridges for printers.

The **Governor** concurs with the agency's revised estimate.

Funding Sources

Funding Source	Agency Est. Percent of Total FY 2017	Gov. Rec. Percent of Total FY 2017
State General Fund	0.0 %	0.0 %
Board of Accountancy Fee Fund	100.0	100.0
TOTAL	100.0 %	100.0 %

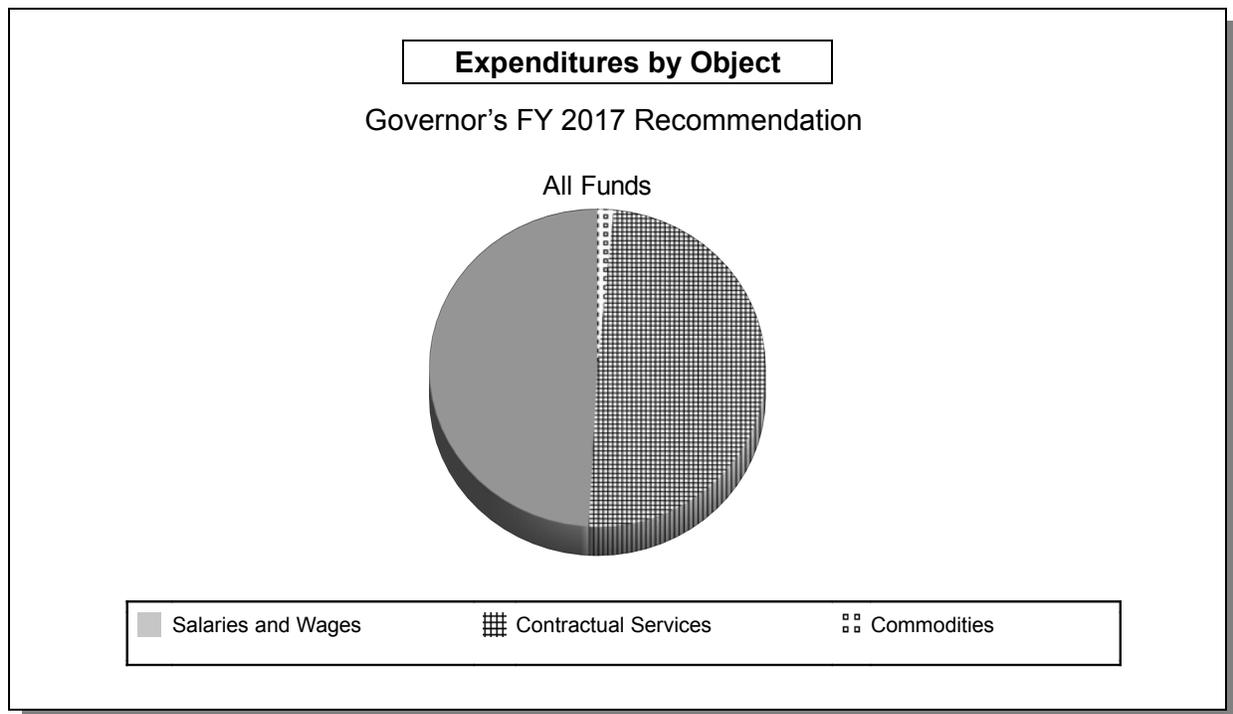
Note: Details may not add to totals due to rounding.

Board of Accountancy Fee Fund Analysis

The Board of Accountancy receives revenue from the issuance of certificates, permits and the issuance and collection of fines. Each year, 10.0 percent of the revenue generated transfers to the State General Fund. The 2005 Legislature established the Special Litigation Reserve Fund for costs incurred in litigation cases that would cause the Board to expend more than the amount approved by the Legislature. Expenditures may only be made from this reserve fund upon the approval of the State Finance Council. Each year, \$15,000 from the Board of Accountancy Fee Fund is placed into the Special Litigation Reserve Fund until the \$300,000 cap is reached.

Resource Estimate	Actual FY 2015	Agency Estimate FY 2016	Gov. Rec. FY 2016	Agency Estimate FY 2017	Gov. Rec. FY 2017
Beginning Balance	\$ 285,810	\$ 280,179	\$ 280,179	\$ 237,524	\$ 237,524
Revenue	358,957	334,992	334,992	335,581	335,581
Transfers in	0	0	0	0	0
Total Funds Available	\$ 644,767	\$ 615,171	\$ 615,171	\$ 573,105	\$ 573,105
Less: Expenditures	349,588	362,647	362,647	370,150	370,150
Transfers Out	15,000	15,000	15,000	15,000	15,000
Off Budget Expenditures	0	0	0	0	0
Ending Balance	<u>\$ 280,179</u>	<u>\$ 237,524</u>	<u>\$ 237,524</u>	<u>\$ 187,955</u>	<u>\$ 187,955</u>
Ending Balance as Percent of Expenditures	80.1%	65.5%	65.5%	50.8%	50.8%
Month Highest Ending Balance	July <u>\$ 397,767</u>	July <u>\$ 373,129</u>	July <u>\$ 373,129</u>	July <u>\$ 330,266</u>	July <u>\$ 330,266</u>
Month Lowest Ending Balance	May <u>\$ 254,607</u>	May <u>\$ 195,040</u>	May <u>\$ 195,040</u>	May <u>\$ 146,127</u>	May <u>\$ 146,127</u>

OBJECT DETAIL



Object	Gov. Rec. All Funds FY 2017	Percent of Total	Gov. Rec. SGF FY 2017	Percent of Total
Salaries and Wages	\$ 182,048	49.2 %	\$ 0	-- %
Contractual Services	182,352	49.3	0	--
Commodities	5,750	1.6	0	--
TOTAL	\$ 370,150	100.0 %	\$ 0	-- %

FTE POSITIONS BY PROGRAM FY 2015 – FY 2017

Program	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Administration	1.0	1.0	1.0	1.0	1.0
TOTAL	1.0	1.0	1.0	1.0	1.0

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2015	Actual FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Total CPAs regulated by the board	12,063	12,245	12,480	12,685
Of the total, new CPA certificates issued	130	118	132	135
CPA firms registered to practice	765	772	770	775
Complaints and referrals received and investigated	65	84	60	62

Board of Accountancy Licensure Fees		
Board of Accountancy Licensure Fees	Current Fee	Statutory Limit
Firm Registration	\$ 40.00	\$ 300.00
Firm Renewal	40.00	300.00
Firm Renewal (late)	60.00	450.00
Certification by Exam	25.00	50.00
Certification by Reciprocity	250.00	350.00
Duplicate Certificate	25.00	50.00
Permit to Practice	150.00	175.00
Permit to Practice (late)	225.00	525.00
Reinstatement of Permit to Practice (1 year)	112.50	262.50
Reinstatement of Permit to Practice (2 years)	225.00	525.00
Duplicate Permit to Practice	25.00	50.00
Municipal Public Accountant Renewal	50.00	80.00