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American Institute of Certified Public Accountants

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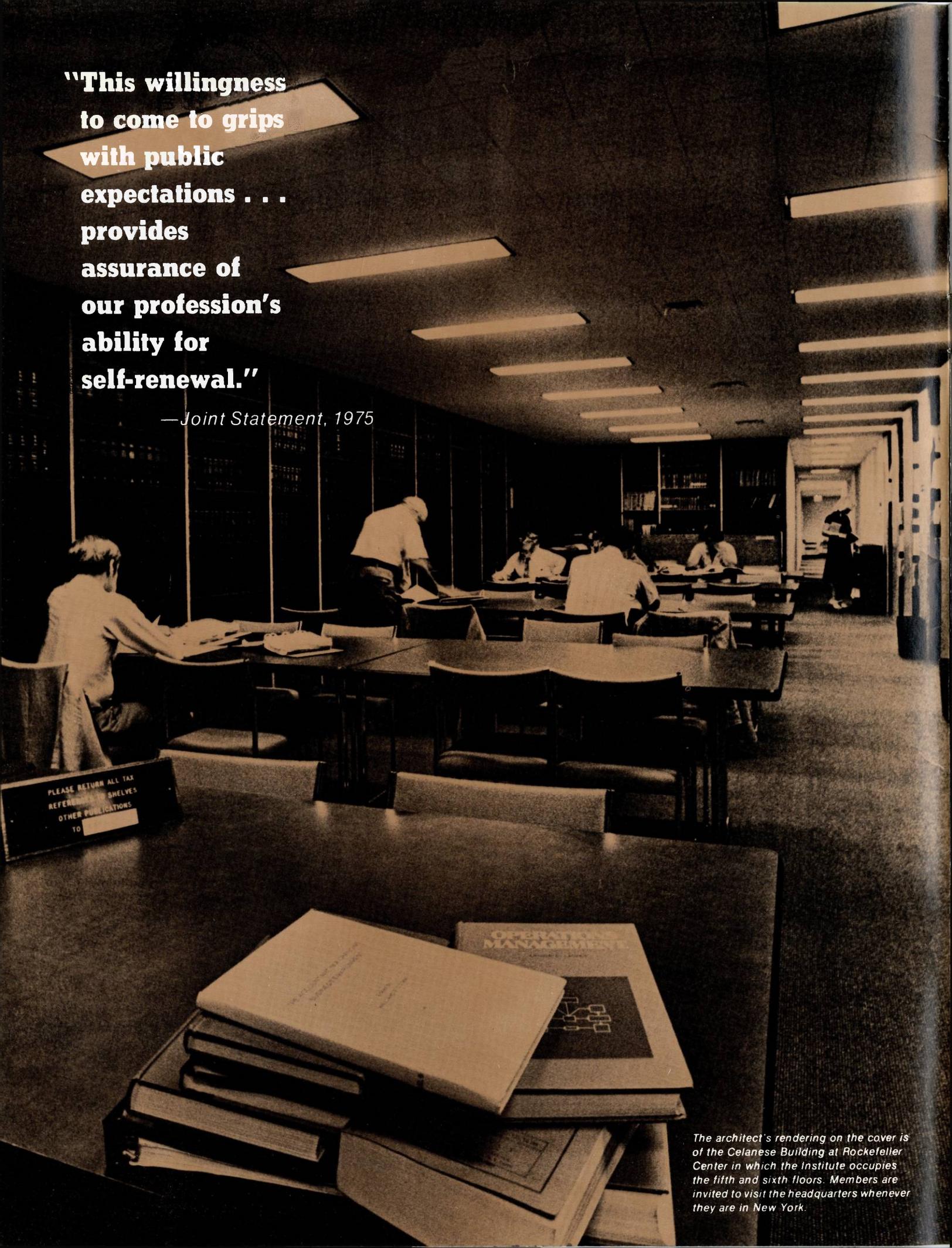
AICPA
Annual
Report
1974-75

American Institute of Certified Public Accountants



**"This willingness
to come to grips
with public
expectations . . .
provides
assurance of
our profession's
ability for
self-renewal."**

—Joint Statement, 1975



The architect's rendering on the cover is of the Celanese Building at Rockefeller Center in which the Institute occupies the fifth and sixth floors. Members are invited to visit the headquarters whenever they are in New York.



Left:
Philip L. DeFliese
Chairman of the Board

Right:
Wallace E. Olson
President

A Joint Statement

The accounting profession is continuing to undergo a period of rapid change in public expectations.

During the past year significant progress has been made in meeting our expanding responsibilities. The collective efforts within the Institute have been divided between implementing previously initiated studies and programs and undertaking new steps to cope with a changing environment.

Understandably, not all of the resulting proposals for change have been welcomed with enthusiasm. This is to be expected when solutions are being sought for problems unique to our times. What is of overriding importance, however, is that CPAs are increasing their efforts through their firms, the state societies, and the Institute to respond to the mounting challenges. It is this willingness to come to grips with public expectations that provides assurance of our profession's ability for self-renewal.

Principal among the initiatives taken by the profession this year was the creation of a special commission to study the responsibilities of auditors. This commission, under the chairmanship of Manuel Cohen, has made considerable progress but will not complete their sizeable task until sometime in 1976. Unquestionably, the work of this commission will have a profound impact on the profession.

Two important studies were completed during the past year. The special committee appointed to determine whether there was a need for changes in auditing standards and procedures in the light of the Equity Funding collapse issued its report in May. This was a unique step by the profession in addressing the question of current standards in relation to the responsibility of

auditors for detecting a particular type of fraud.

The special committee appointed to examine the profession's scope of services and structure also completed its work and issued a final report in September. Some of the committee's tentative recommendations, set forth in a widely circulated "discussion draft" of the report, proved highly controversial. As a result, only the recommendation regarding scope of services is being presented for adoption by Council in October. A new special committee has been appointed to determine the desirability of a formal recognition and accreditation of specialization within the profession.

Closely related to the question of specialization is the ongoing research study on the body of knowledge underlying management advisory services. This project is expected to be completed by early 1976 and will provide important input to the newly appointed committee on specialization.

One of the most difficult areas of continuing concern is that of the establishment of peer review programs to examine the quality control procedures of accounting firms. Early attempts to conduct such reviews on a voluntary basis encountered substantial difficulties. A special committee was appointed this year to study the various approaches to self-regulation and is currently developing alternative proposals for achieving an effective program of peer review applicable to practice units of all sizes. It is hoped that this effort will result in a workable solution that will win adoption by the profession in 1976 and provide enhanced assurance as to the effectiveness of auditors. In the meantime the Institute has continued to provide panels to conduct quality control reviews mandated by the SEC under disciplinary proceedings.

A crucial part of the overall scheme of self-regulation is the work of the professional ethics committees and Trial Boards. The program for integration of the disciplinary machinery of the state societies and the Institute is currently being implemented. A total of forty state societies are participating in this endeavor to achieve a more efficient disciplinary system.

During the year the committee on state society relations also completed a comprehensive study of the interrelationships between the Institute and the state societies. The resulting recommendations should promote more effective use of the profession's resources.

In the area of education, the Institute's Board on the Establishment of Standards for Schools and Programs of Professional Accounting made steady progress during the year. Interest in establishing separate schools of professional accounting has increased substantially as a result of the Institute's policy of support for such schools, and several schools have already been established.

The profession's contributions to the work of the federal government continued to expand. Of particular note was a meeting of leaders of the profession with prominent members of the executive branch at the White House on July 2 to discuss current issues.

The heads of firms heavily engaged in SEC practice also continued to meet periodically with members of the SEC to exchange views on various practice problems.

Other important Washington developments were the reaffirmation of the General Accounting Office's 1970 recommendations for qualifications of independent auditors; opposition to a provision in Title VIII of the energy bill (HR 7014) directing the GAO to establish accounting standards for and perform audits of the major oil and gas companies; and the holding of national conferences on SEC practice and audits of federally assisted programs.

A development of lasting consequence in the accounting standards area was the restructuring of the accounting standards executive committee to place primary emphasis on solving urgent emerging practice problems in conjunction with new screening procedures adopted by the Financial Accounting Standards Board. It is expected that through regular meetings with FASB representatives emerging accounting problems will be identified more quickly and dealt with on a timely basis.

The tempo of the auditing standards executive committee increased materially during the year. A number of crucial issues, such as the involvement of auditors in interim reports of public companies, the publication of forecasts and the problems relating to lawyers' representation letters on liabilities, have been exposed and are nearing a point of decision. In addition, a number of Statements on Auditing Standards and Interpretations on a variety of

urgent matters and a guide on unaudited financial statements were issued.

A discussion memorandum on whether exemptions from the application of generally accepted accounting principles should be considered for smaller companies was issued for comment. A substantial number of responses has been received and it is anticipated that the task force will publish its conclusions and recommendations within the coming year.

To assist members in keeping up to date and applying the many new standards being promulgated, two loose-leaf subscription services have been developed—one on Professional Standards and another on Technical Practice Aids.

In recognition of the growing diversity of interests within the membership, the Institute's Board of Directors authorized appointment of five advisory committees representing three classifications (by size) of CPA firms, and members in education and in industry and government. Although these committees will have no authority to act in behalf of the Institute, it is expected that they will serve as a valuable conduit for the expression of members' views not only to the Board of Directors but to the senior committees of the Institute which have the power to act on them.

As previously anticipated, the effects of inflation and the growth in Institute activities resulted in a deficit for the year of \$1,046,654 which was \$37,506 less than the budgeted amount. Although some cost savings were effected, the Board of Directors and the Council concluded that further reductions would adversely affect services that are vital to the welfare of the profession. Accordingly, to avoid additional deficits, a dues increase was approved.

Gross revenues were \$1,652,000 more than the prior year's due primarily to an increase of \$1,393,000 from revenue-producing activities. Total expenses were \$2,819,000 more than the prior year's of which \$1,483,000 was attributable to revenue-producing activities and \$1,336,000 to other activities.

Since the financial statements do not include a cost for the hundreds of thousands of hours devoted by members to the profession's affairs, they are only a partial indication of the true volume of activity carried on through the Institute. The progress of the profession could not be achieved without this continuing display of conscientious concern on the part of members aided by an effective full-time staff.

The profession's history has been one of dynamic growth because it has been willing to respond to the needs of society. This year has been no exception and there is no doubt that the profession will continue to meet the expectations of the public we serve.

Philip I. DeFuria

Wallace E. Olson



Welcome to AICPA. On an average day, forty-five visitors pass through this reception area bound for Institute committee meetings or conferences with staff. Nearly three times that number—library users, salesmen, messengers, prospective employees—are received daily at the fifth floor reception area.

The Year in Review

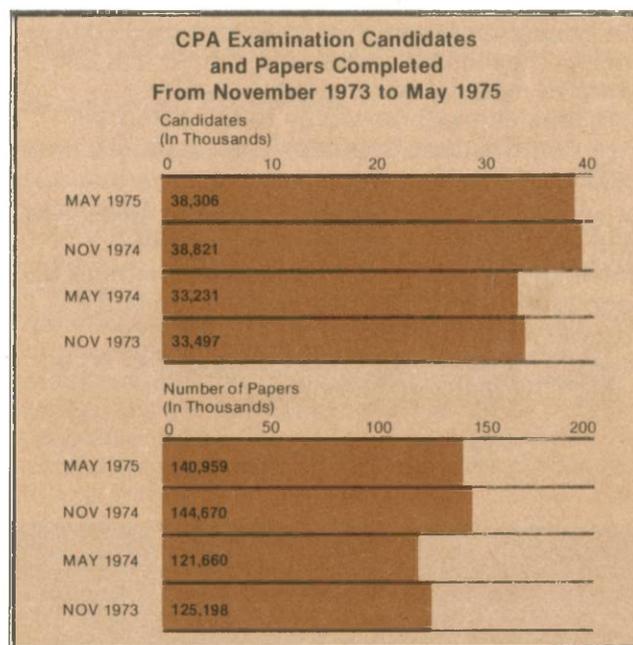
In November 1974 the Institute moved its headquarters to a newly completed building at 1211 Avenue of the Americas. The move brought all the major staff units once again under one roof (with the exception of the CPA Examination Grading Service, which remains at 1700 Broadway). The move permitted a redesign of the office layout, which not only contributes to increased efficiency but creates an impression more in keeping with the enhanced stature of the profession. In the pages that follow are highlights of the year's achievements by committees, task forces, and divisions.

REVENUE-PRODUCING ACTIVITIES

CPA Examinations

As indicated in the chart opposite, the number of CPA candidates and the number of graded papers increase with each examination. At the present time there is little reason to doubt that this phenomenon of growth will continue—at least into the foreseeable future.

The Board of Examiners and the staff, aided by a testing consultant, have been working on a basic review of the content of the examination. Their study seeks to isolate the body of knowledge required for each section of the examination and to determine the extent of the entry-level knowledge expected of the candidates. This will permit a more scientific development of the examinations and provide added assurance that both the objective and essay questions cover all the essential elements of the required knowledge.



Continuing Professional Education

The dedication of CPAs to the maintenance and expansion of their professional skills is clearly reflected in the following charts.

This growth in the CPE program—no doubt stimulated in part by the enactment of statutory requirements for continuing education in seventeen states—has necessitated continuing expansion of course materials as well as regular updating of old materials. Last year a dozen new courses were introduced and sixteen new self-study programs were made available.

The instructional material not only had to be prepared or revised; it had to be reproduced and distributed in substantial volume. For example,



Much of what is done at the Institute ends up in print. The Book Room at the Institute headquarters is visible proof of this and accounts, on the average, for \$7,000 a month in sales.

146,000 course manuals were distributed for use in more than two thousand presentations. The task of delivering the right material to the right place at the right time could not have been achieved without the close cooperation of the state societies.

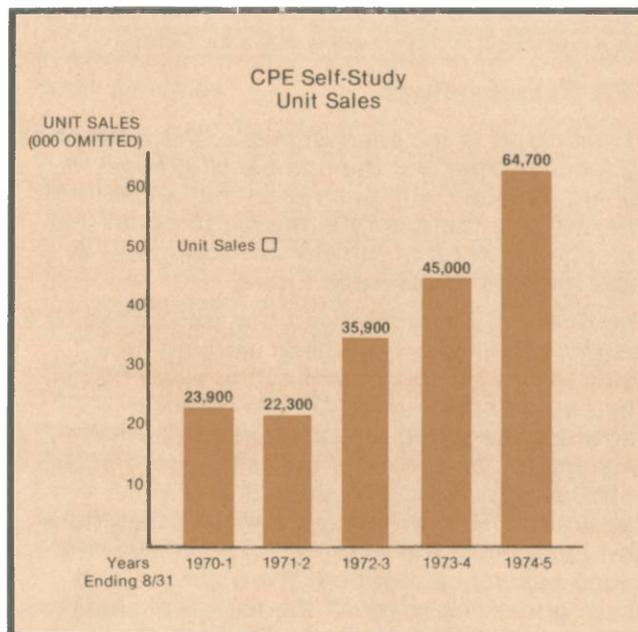
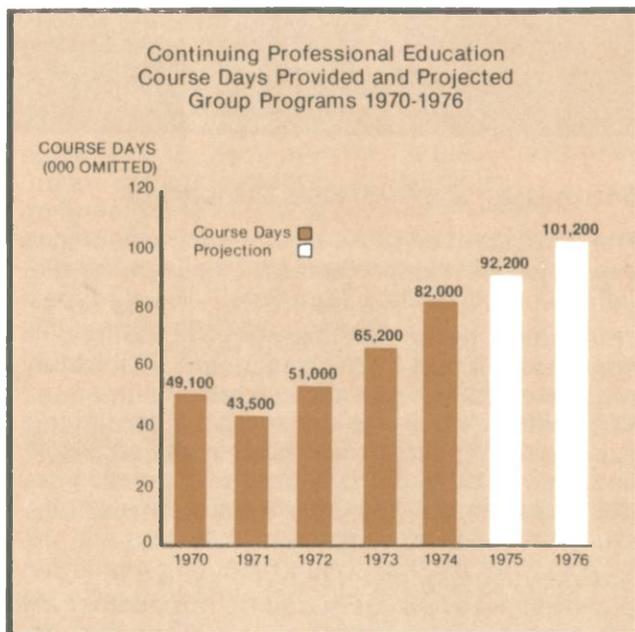
During the year, interest continued to grow in the Education Materials and Exchange (EDMAX) library—new contributors were added and 230 hours of material were withdrawn. Since members can withdraw only to the extent of their contributions, the supply of materials available has also grown.

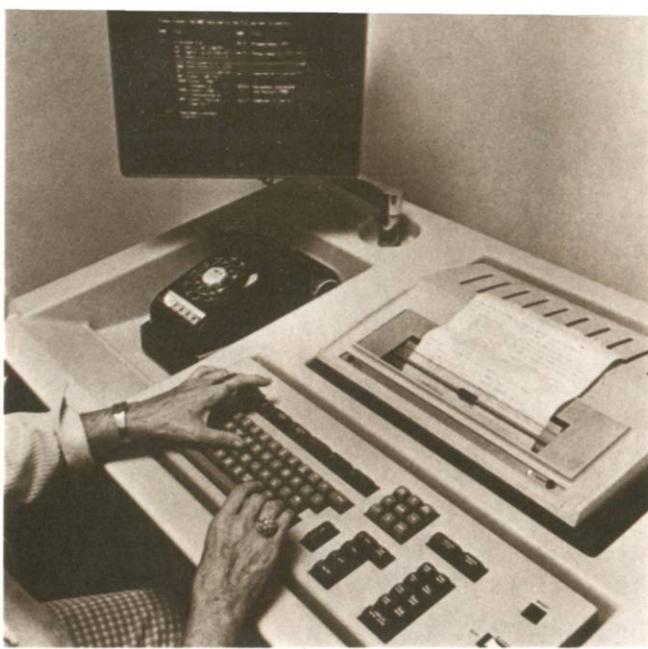
Of special note are two joint projects developed with the Wharton School and New York University. A week-long program for partners of accounting firms was held at Wharton and a two-week training course for accounting executives from Brazil was conducted at NYU using CPE division materials.

Publications

The titles of some of the publications processed this year by the publications division follow:

- Guide for Engagements of CPAs to Prepare Unaudited Financial Statements
- Audits of Government Contractors
- Audits of Service-Center-Produced Records
- Audits of State and Local Governmental Units
- Audits of Voluntary Health and Welfare Organizations
- Schools of Accounting: A Look at the Issues
- Management of an Accounting Practice Handbook
- Tax Practice Management
- Manual for State Legislative Programs
- Accounting for Depreciable Assets





Split-second information at your finger tips through NAARS.

- Recommended Tax Law Changes
- Working With the Revenue Code—1975
- Taxation of Capital Gains
- Guidelines for Systems for the Preparation of Financial Forecasts
- Statements on Management Advisory Services
- Code of Professional Ethics
- Information for CPA Candidates
- Professional Accounting in 30 Countries

The division also continued its editing and production of the *Journal of Accountancy*, *The Tax Adviser*, and *The CPA Letter*, all of which are now available to nonmembers on a subscription basis. Although the *Journal's* nonmember circulation dropped slightly during the year as a result of higher subscription prices effective in 1974, subscription revenue increased and total circulation (including members) rose to 190,000. Despite recession and an increase in space rates, the *Journal's* advertising billings, at \$530,000, were well above last year's record high.

A new procedure has been initiated whereby all general promotional announcements covering publications and CPE self-study materials are being combined in a single monthly mailing entitled *AICPA Update*. This practice is serving to reduce the volume of mail going to members and to effect certain economies.

Information Retrieval

The NAARS system, pioneered by the Institute in tandem with Mead Data Central, gives subscribers access to a number of data bases of practical and research interest to CPAs. Until recently, NAARS was limited to subscribers who leased their own terminals; now, any member of the Institute can use the service on the Institute's terminal for an hourly fee. Staff of the Institute are available to instruct interested members on the use of the equipment.

A popular by-product of the information retrieval system is a series of seven Financial Report Surveys. Cumulative sales of these surveys totalled 56,900 copies, generating more than \$200,000 in sales.

PROFESSIONAL STANDARDS

Accounting Standards

With the cooperation of the Financial Accounting Standards Board, new procedures have been adopted to identify and deal with emerging practice problems. Henceforth, the executive committee of the AICPA's accounting standards division will meet monthly with representatives of FASB to discuss the urgency of new problems and their priorities. It is also contemplated that the division may, in certain cases, assist the FASB to resolve these problems expeditiously by preparing interim accounting recommendations for the guidance of practitioners.

During the year, the division issued seven Statements of Position, two of which were responses to FASB discussion memoranda:

- Financial Accounting and Reporting by Colleges and Universities (74-8)
- Conceptual Framework for Accounting and Reporting (74-9)
- Accounting for Leases (74-10)
- Financial Accounting and Reporting by Face-Amount Certificate Companies (74-11)
- Accounting Practices in the Mortgage Banking Industry (74-12)
- Revenue Recognition When Right of Return Exists (75-1)
- Accounting Practices of Real Estate Investment Trusts (75-2)

Proposed statements on presentation and disclosure of financial forecasts and on accrual of revenues and expenditures by state and local

governmental units were in the final stages of development in July.

Other activities of the division included issuance of seven letters of comment on FASB exposure drafts, twelve letters to the CASB on its projects, written testimony for the congressional hearings on CASB Standard 409 on depreciation, testimony at the SEC hearing on its Release No. 33-5569 regarding disclosure with respect to compliance with environmental requirements, and comments to the Department of Labor on ERISA reporting and disclosure requirements.

Pending projects now under way by thirty subcommittees and task forces of the division include these:

- GAAP for Smaller and/or Closely Held Businesses
- Accounting for Construction Contractors
- Accounting Practices in the Broadcasting Industry
- Accounting Practices in the Record and Music Publishing Business
- Accounting for Nonprofit Organizations
- Real Estate Accounting

Auditing Standards

The auditing standards division stepped up its activity during 1974-75, issuing the following:

Six Statements on Auditing Standards:

- Reports on Audited Financial Statements
- The Effects of EDP on the Auditor's Study and Evaluation of Internal Control
- Quality Control Considerations for a Firm of Independent Auditors
- The Meaning of "Present Fairly in Conformity With Generally Accepted Accounting Principles" in the Independent Auditor's Report
- Related Party Transactions
- Communications Between Predecessor and Successor Auditors

Two audit guides:

- Guide for Engagements of CPAs to Prepare Unaudited Financial Statements
- Audits of Government Contractors

Six auditing interpretations:

- Effect on the Auditor's Opinion of FASB Statement on Research and Development Costs
- Impact on the Auditor's Report of FIFO to LIFO Change in the Earliest Year Reported On
- Lawyers' Letters
- Evidential Matter for the Carrying Amount of Marketable Securities

- Alternative Procedures for Observation of Physical Inventories
- Auditors' Reports Solely for Purposes of Filing With Insurance Regulatory Agencies

Four exposure drafts:

- Other Information in Documents Containing Audited Financial Statements
- Limited Review of Interim Financial Information
- Using the Work of a Specialist
- Using the Work of Internal Auditors

Federal Taxation

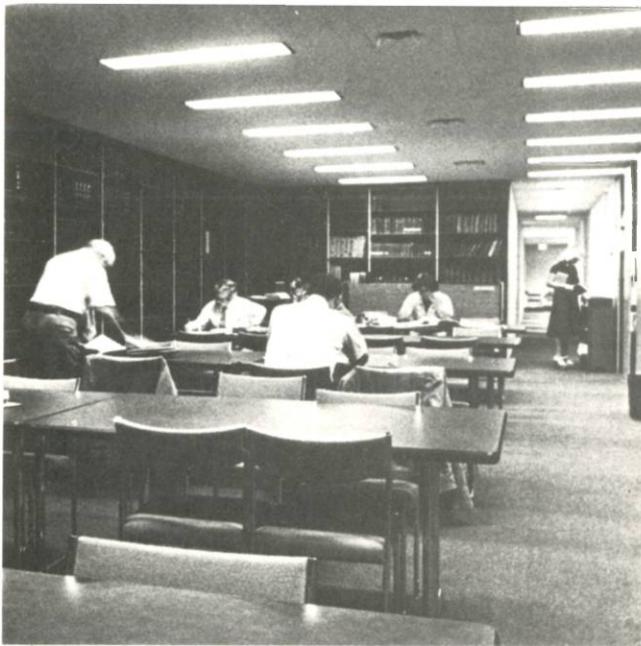
The division worked closely with congressional committees throughout the year and presented testimony and comment on all major tax reform proposals that came before the congressional tax-writing committees, including tax shelters, simplification, foreign source income, capital formation, estate and gift taxes, regulation of return preparers, and disclosure of private letter rulings. In addition, the division issued its biennial publication, "Recommended Tax Law Changes," which is a compilation of suggestions for technical improvements in the Internal Revenue Code. A loose-leaf edition was distributed to all members of Congress, officials of the Treasury and the IRS, and other interested parties. Members of the division's executive committee met with the staff of the Joint Committee on Internal Revenue Taxation to discuss the implementation of its technical recommendations.

The division maintained continuous liaison with the Treasury Department and IRS on such matters as the following:

- The conflict between Internal Revenue Code Section 7216—Disclosure or Use of Information by Preparers of Returns, and the audit disclosure requirements imposed by the SEC.
- IRS policy on the release of private letter rulings.
- The LIFO conformity requirements of Internal Revenue Code Section 472 and the SEC's financial disclosure requirements.

Meetings were held during the year with four IRS assistant commissioners covering compliance, accounts collection and taxpayer service, employee plans and exempt organizations, and other technical matters. Tax division conferences were held in December 1974 and May 1975 in which key people from the IRS, Congress, and the legal and business fraternities participated.

Publications issued during the year were *Working With the Revenue Code—1975*; "Recommended Tax Law Changes"; Tax Study No. 4, *Tax Practice Management*; and a tax



More than one thousand visitors a month avail themselves of some sixty thousand items stored in the AICPA's library, and each year thousands of members borrow books by mail.

policy statement on taxation of capital gains. Work continues on a number of major tax policy statements, tax studies, and statements of responsibilities in tax practice.

Task forces within the division are working on such topics as social security, subchapter K, earnings and profits, energy taxation, tax effects of currency fluctuations, tax effects of price-level changes, and graduate tax education.

Management Advisory Services

A major effort of the division during the year was the MAS body of knowledge and examination study being conducted by a research team of the University of Texas. The three-phase study is expected to be completed early in 1976.

Throughout the year, the division engaged in these principal activities:

- Promulgated a set of eight practice standards to guide MAS practitioners.
- Issued guidelines for the preparation of financial forecasts.
- Presented the first annual National MAS Conference; developed plans for the second.
- Conducted two broad surveys of MAS practice for the guidance of the MAS executive committee.
- Initiated the Symposium on Undergraduate Computer Curriculum, sponsored jointly by the AICPA and the American Accounting Association.
- Conducted, with the CPE division, a series of four conferences on Management of an Accounting Practice.

Research

The most significant new product of the research division was the loose-leaf volume entitled *Technical Practice Aids*. A joint effort of

the AICPA and Commerce Clearing House, it contains selected questions and the answers provided by the Institute's technical information service. It also includes Statements of Position issued by the accounting standards division. Since the inception of this TPA service, over four thousand subscriptions have been sold.

The division has issued a paperbound edition of the AICPA's three-volume loose-leaf service on professional standards.

The first of a new series of accounting research monographs, *Accounting for Depreciable Assets*, was published; a second monograph in the auditing research series—an empirical study of the behavior of statistical estimators in sampling accounting populations—will be issued in the fall. Others in process will be devoted to forecasts, transnational reporting, data needed by financial analysts, and accounting for equity securities.

Financial and Practice Management

Forty-seven quality reviews of local firms have been completed, with twenty-five others in process. Interest is also developing in the new administrative review program made available to local firms recently; six have been ordered and ten are in process.

Sales of the three-volume *MAP Handbook* have exceeded twenty-five hundred copies, and work is proceeding on the 1976 supplement, which will include a chapter on professional corporations.

The financial management committee has explored ways in which the Institute may better serve the needs of CPAs in government and industry.

The practice review committee has been authorized by the AICPA Council to refer members who fail to respond substantively to committee inquiries, or who ignore its recommendations, to the professional ethics division for appropriate action.



The AICPA's new computer is being utilized in an increasing number of in-house applications—dues billing, membership records, internal accounting, subscription processing, mailings and publications inventory and billing.

MEMBER SERVICES AND OTHER ACTIVITIES

International Practice

In pursuit of the objective of improved financial reporting throughout the world, the AICPA is affiliated with a number of international organizations, many of which have become increasingly active.

The Accountants' International Study Group published five studies comparing accounting thought and practice in Canada, the United Kingdom and the United States on the following subjects:

- Published Profit Forecasts
- International Financial Reporting
- Comparative Glossary of Accounting Terms
- Accounting for Goodwill
- Interim Financial Reporting

The International Accounting Standards Committee (composed of representatives from accounting bodies in 27 nations) issued these standards:

- Disclosure of Accounting Policies
- Valuation and Presentation of Inventories in the Context of the Historical Cost System

It also published a document setting forth the scope and authority of the committee's statements. Exposure drafts have been released on the following subjects:

- Consolidated Financial Statements and the Equity Method of Accounting
- Depreciation Accounting
- Information to Be Disclosed in Financial Statements

The International Coordination Committee for the Accountancy Profession has developed a proposal to establish an international organization of accountants supported by a full-

time secretariat. The proposal, unanimously approved by the eleven members of ICCAP, will be presented at a meeting of the heads of delegations to be held in conjunction with the International Congress in Munich in the fall of 1977.

The Interamerican Accounting Association has decided to establish an executive office and engage an executive director on a full-time basis. At the invitation of the association, the AICPA has suggested that the headquarters might be located in the United States.

The first meeting of the newly established executive committee of the *Confederation of Asian and Pacific Accountants* was held in 1975. Work is in process on the development of an organizational structure and means of financing. Its eighth regional conference will be held in Hong Kong in September 1976.

In addition to working with these organizations, the international practice division has—

- Commented on proposed accounting and auditing pronouncements released by Australia, Canada, South Africa and the United Kingdom.
- Published a survey book entitled *Professional Accounting in 30 Countries*.
- Nearly completed a publication comparing statutory audit requirements in the United Kingdom and the United States.

Computer Services

The division released a report on its census of CPAs who use computers (see chart opposite), which provides a quick overview of the extent to which the profession is involved in computer operations.

Other divisional activities included—

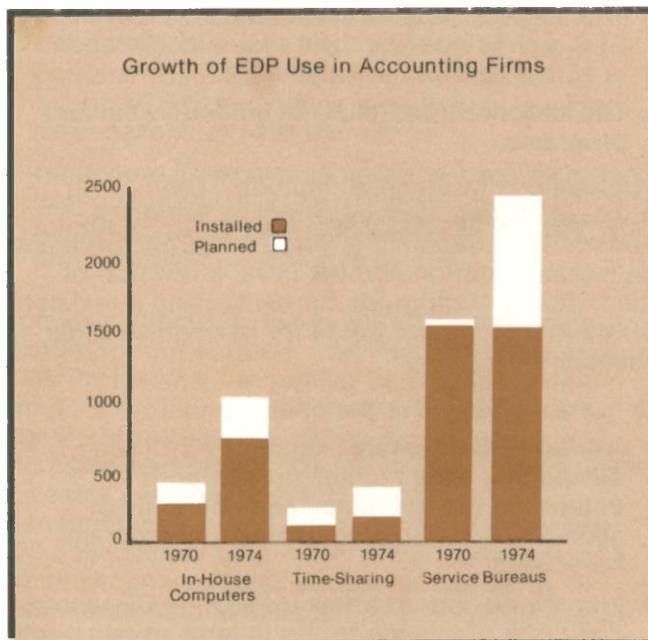
- Providing members with a library of computer programs for tax planning, utilizing a nationwide time-sharing service.

- Publishing an annotated catalog of 300 computer-application systems that AICPA members are willing to share with other members in public practice.
- Presenting the Eleventh Annual Conference on Computers and Information Systems.
- Completing a study of computer audit software requirements and concluding that the marketplace was meeting present needs in regard to small computer systems.
- Publishing a study of the use of computer generated documentation packages.
- Publishing the results of a survey of time-sharing packages.
- Publishing papers on "Inclusion of EDP in an Undergraduate Auditing Curriculum" (developed jointly with the AAA) and on "Advanced EDP Systems and the Auditor's Concerns."
- Assisting a task force of the General Accounting Office in preparing guidelines for the use of cost accounting as a control over automatic data processing activities and systems.

Relations with Educators

The Board on Standards for Programs and Schools of Professional Accounting has nearly completed its work in developing criteria to be used in identifying programs and schools capable of preparing students for careers in professional accounting. Once a set of acceptable standards has been formulated, it will be employed in an accreditation program for interested schools.

The division completed and published the 1975 survey on the supply of accounting graduates and the demand for them in public practice.



New recruiting materials are being prepared for colleges and high schools with a strong emphasis on the quality of students needed for accounting.

Grants totalling \$25,000 were awarded to four doctoral candidates to enable them to concentrate on their studies and thus expedite the receipt of their degrees.

The international qualifications appraisal committee issued the first of a series of reports on the comparability of foreign certifying examinations with the Uniform CPA Examination. These reports will assist state boards of accountancy in assessing the qualifications of accountants from other countries who apply for reciprocal certificates or who wish to sit for the CPA examination.

The subcommittee on relations with educational institutions has prepared a report on the scope of state societies' activities with students and educational institutions. This will be used as a basis for a national meeting for state society education representatives to discuss ways to use present activities to facilitate the move to professionalize the accounting curriculum.

Minority Recruitment

The most encouraging occurrence during the year was a decision by the U.S. Department of Health, Education and Welfare (HEW) to provide \$150,000 in Title III Funds to support the work of the minority recruitment and equal opportunity committee in its doctoral fellow/visiting scholar program for the academic year 1975-76.

This represents an important endorsement of the committee's general program of improving minority educational opportunities which is also supported jointly by contributions from accounting firms, corporations, and interested individuals to the AICPA Accounting Education Fund for Disadvantaged Students. Beneficiaries of this fund include over one hundred minority students who receive either direct or college-granted scholarships of up to \$1,000 each for continuing their accounting education. Scholarships are awarded on the basis of scholastic record and financial need and cover accounting majors at many of the better accounting schools throughout the country.

The committee's program also encompasses recruitment of qualified minorities into professional-level positions in public accounting, private industry and government. A thirty-minute film, "A Profession Integrates," is available through the AICPA for use with student groups, at state society and chapter meetings, or for general use.

Professional Ethics and State Legislation

The new coordinated enforcement plan became effective on August 1 with over forty state

societies expected to approve bylaw changes permitting joint trial boards to take disciplinary action affecting state society and Institute membership.

A conference of leaders in the joint enforcement effort has been scheduled for Chicago in November.

Interpretations of the Institute's Code of Professional Ethics issued during the year were as follows:

- 101-4—The effect of family relationships on independence.
- 201-1—Unaudited financial statements.
- 501-1—Clients' records and accountants' working papers.
- 503-1—Incompatible occupations.

Substantive modifications were made in Interpretation 502-1—announcements and press releases: changes in firm status; Interpretation 502-7—firm publications; and Interpretation 502-10—information to the media.

Nine new ethics rulings were also approved after exposure to state societies and seven drafts were out for exposure at year's end.

State legislation activities accelerated during the year—in part, a response to the 500 accountancy bills introduced and, in part, due to more affirmative support of the Institute's policy favoring single continuing class regulatory legislation. Arkansas and North Dakota enacted such laws in 1975. Aided by AICPA-sponsored workshops and on-site consultation, other states have similar laws under consideration.

In order to facilitate implementation of the stated policy, ten regional legislative subcommittees were formed, and in June appointees attended a national conference where they were informed of three new tools developed for their use in legislative activity: a legislative reference service, a legislative action manual, and a manual on "key man" programs. With the addition of North Dakota, Oregon and Wyoming to the ranks of states enacting CPE legislation, the total number of states with such laws reached seventeen this year.

Federal Government

During the year much time was spent in assisting the Department of Labor to develop regulations and interpretations concerning implementation of the Employee Retirement Income Security Act. The division also cooperated in presenting regional conferences designed to assist members in understanding the impact of ERISA on their practices.

Communications with congressional committees and federal agencies on legislative and regulatory proposals were maintained and improved.

Three noteworthy efforts were made to obtain modification of legislative proposals which, if enacted, would adversely affect the profession:

- The name of the proposed Consumer Protection Agency was changed so that the acronym used in referring to the agency would not be "CPA."
- A bill introduced in the Senate to amend existing antitrust laws directed the Federal Trade Commission to prescribe accounting methods for reporting historical financial information prior to planned mergers or acquisitions. Efforts to strike any reference to prescribed accounting methods from the bill were successful.
- In an apparent attempt to assure the reliability of energy-related data submitted by petroleum companies, a bill was introduced in the House requiring the General Accounting Office (GAO) to audit the financial statements of the major petroleum companies and providing that the Securities and Exchange Commission (SEC) prescribe the accounting practices to be followed by the petroleum industry generally. The GAO and the SEC as well as the Institute formally objected to the present wording of the bill which is still under consideration. Efforts to obtain modifications of this bill will continue.

Communications with regulatory agencies generally involved additions to or revisions of rules and regulations of the SEC, banks, and rate-making bodies and regulations or guidelines concerning many domestic assistance programs.

Specific projects completed or nearing completion include the following:

- A position paper on the financial aspects of a national health insurance program.
- A position paper supporting the Comptroller General of the United States on the subject of "qualifications of independent auditors."
- The second national conference on current SEC regulations (the third annual conference is scheduled for January 1976).
- The national conference on federally assisted programs.

Publications in progress include "The Accounting and Auditing Process Within the Federal Government"; a guide for public officials on federal election and tax laws; a revision of the industry audit guide for banks; and a revision of the industry audit guide for savings and loan associations.

Other activities were as follows:

- Assisting the General Accounting Office in developing case studies on audits to determine the efficiency and economy of operations and accomplishment of program objectives.
- Identifying opportunities for placing CPAs in positions of service to the federal government.

- Promoting standard legislative and regulatory provisions concerning financial reporting and auditing.
- Providing assistance to other Institute divisions on Washington-related activities that have impact on the profession.

Involvement in governmental activities has resulted in greater recognition of the profession and increased its ability to make a constructive contribution to the governmental process.

Public Relations

As a means of developing cooperative public relations ventures between state CPA societies and the Institute, a new advisory task force has been named to analyze the public relations needs of practitioners and help devise programs designed to meet them. It will also consider ways of achieving an effective coordination of state society and Institute projects. In keeping with its mission, the task force is composed of members of state society public relations committees, state society executive directors, and Institute staff representatives.

During the year, the public relations division produced the following materials:

- News releases, on an average of one or more a week dealing with such major developments in the profession as new guidelines for forecasting, voluntary review of interim reports, extended scope of annual report reviews, and position statements on government policy. With the accounting profession figuring more prominently in the news this year, a greater effort was made to provide the media with information through interviews and telephone contact.
- Special articles released through state societies dealt with financing a college education, the tax consequences of moving, and starting a business in a depressed economy. These articles were widely used by newspapers all over the nation.
- Radio and TV spots on taxes, as well as a five-part series for local newspapers, which identified CPAs as professional tax experts and were well received nationally.

Special projects included a seventeen-minute recruiting film entitled, "Getting Started in the CPA Profession," a booklet on public service projects involving CPAs, and an "AICPA Fact Book" describing the AICPA for distribution to the press and others. The division also instituted a weekly newspaper column, "Money Management," which is appearing in more than 200 newspapers with state society attribution. A press seminar—latest in a series begun in 1966—was held in Chicago in July for papers in 11 midwestern states.

State Society Relations

The state society relations committee submitted to the Board of Directors its year-long study of the roles and relationships of the AICPA and the state societies. Among the first of the recommendations to be adopted was the formation of a public relations task force aimed at improving the effectiveness of joint AICPA/state society public relations programs.

During the year the division—

- Inaugurated a 1975-76 program of member forums to provide an arena for members to discuss issues under consideration by AICPA committees and to permit substantive member input in the formative stages.
- Conducted the 1975 planning conference attended by elected officials and full-time paid representatives from forty-eight state societies.
- Planned and arranged thirteen state society field trips and scheduled appearances of sixty-five Institute speakers at sixty state society and chapter meetings.
- Arranged for five state societies to sponsor a financial seminar for the arts, jointly developed by AICPA's public relations division and the respective state council for the arts.
- Arranged for forty state society and chapter discussions of the report of the committee on scope and structure.
- Negotiated the \$150,000 annual contract for the Small Business Development Program with the U.S. Office of Minority Business Enterprise.
- Arranged for accounting assistance to 1,500 clients through the small business development committee.
- Lent additional assistance to the National Urban League's program for minority highway contractors.
- Developed an accounting bibliography for small and minority businessmen.
- Received an additional \$50,000 grant to support a chair of Indian Business Development at an American Indian school in Arizona.

Report of Independent Certified Public Accountants

**To the Members of the
American Institute of
Certified Public Accountants**

We have examined the statement of assets, liabilities and fund balances of the American Institute of Certified Public Accountants as of July 31, 1975 and 1974 and the related statements of revenues and expenses, changes in fund balances, and changes in financial position for the years then ended. We have also examined the statements of assets, liabilities and fund balances of the American Institute of Certified Public Accountants Foundation, the American Institute Benevolent Fund, Inc., and the Accounting Research Association, Inc. as of July 31, 1975 and 1974 and the related statements of changes in fund balances for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements identified above present fairly the financial position of each of the aforementioned organizations at July 31, 1975 and 1974, and the results of their operations and the changes in their fund balances and, for the American Institute of Certified Public Accountants, the changes in its financial position for the years then ended, all in conformity with generally accepted accounting principles applied on a consistent basis.

Hurdman and Cronstoun

Certified Public Accountants

New York, N.Y.
September 5, 1975

Financial Statements

**AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS**

**Statement of
Assets, Liabilities and Fund Balances**

	July 31,	
	1975	1974
Assets		
Cash	\$ 577,458	\$ 414,285
Marketable securities (quoted market: 1975, \$5,049,500; 1974, \$3,043,900)	5,036,272	3,187,292
Accounts receivable (less allowance for doubtful accounts, \$10,000)	1,767,745	1,901,199
Inventories (Note 1)	1,659,305	1,249,585
Deferred authorship costs and prepaid expenses	552,132	551,257
Fixed assets (Note 2)	1,797,024	679,578
	<u>11,389,936</u>	<u>7,983,196</u>
Endowment and other restricted funds:		
Cash	551	1,910
Marketable securities (quoted market: 1975, \$603,100; 1974, \$565,200)	575,736	600,012
	<u>\$11,966,223</u>	<u>\$ 8,585,118</u>
 Liabilities and Fund Balances		
Liabilities and deferred revenues:		
Accounts payable and other liabilities	\$ 1,223,524	\$ 1,498,791
Accrued taxes (Note 3)	437,519	348,817
Advance dues	5,439,723	900,140
Unearned publication subscriptions and advertising	1,442,790	1,342,414
	<u>8,543,556</u>	<u>4,090,162</u>
Commitments and contingent liabilities (Notes 4 and 5)		
Fund balances:		
General Fund:		
Appropriated for contingencies	2,000,000	2,000,000
Unappropriated	846,380	1,893,034
Total General Fund	<u>2,846,380</u>	<u>3,893,034</u>
Endowment and other restricted funds	576,287	601,922
	<u>3,422,667</u>	<u>4,494,956</u>
	<u>\$11,966,223</u>	<u>\$ 8,585,118</u>

**AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS**

**Statement of
Revenues and Expenses**

	Year Ended July 31,	
	1975	1974
Revenues:		
Membership dues	\$ 5,594,749	\$ 5,223,304
CPA examination fees	1,891,270	1,627,748
Publications	4,925,861	4,561,552
Continuing professional education	4,022,743	3,191,381
Government grant for aid to minority business	160,958	88,604
Information retrieval program	230,748	297,442
Investment and sundry income	398,794	460,978
Gain (loss) on sale of securities	(85,070)	37,097
	<u>17,140,053</u>	<u>15,488,106</u>
Expenses (see also summary of expenses by activity):		
Salaries and fees	6,839,113	6,207,734
Personnel costs	1,093,429	961,948
Occupancy	1,913,150	1,199,379
Printing and paper	3,991,609	3,394,769
General	4,309,406	3,546,987
Federal income taxes (Note 3)	40,000	56,600
	<u>18,186,707</u>	<u>15,367,417</u>
Excess (deficiency) of revenues over expenses	(\$ 1,046,654)	\$ 120,689

Summary of expenses by activity:

CPA examinations	\$ 1,892,919	\$ 1,619,443
Publications:		
Cost of sales	4,563,212	4,362,634
Distributed to members and others	1,052,888	983,753
Continuing professional education	4,011,484	2,935,273
Technical:		
Accounting standards	214,578	190,813
Auditing standards	743,143	500,422
Federal taxation	187,570	164,624
Management advisory services	307,486	173,852
Computer services	291,537	163,214
International practice	216,600	202,392
Research	106,774	136,974
Technical information and review	503,313	406,583
Information retrieval	276,453	329,679
Financial Accounting Foundation contribution	207,726	200,000
Commission on auditors' responsibilities	144,307	
Accounting objectives study		72,916
Regulation:		
Ethics and trial board	381,686	285,599
State legislation	189,843	70,655
Relations—members	993,587	852,351
Relations—other groups:		
Public relations	380,997	337,815
State societies	294,229	296,800
Universities	264,158	230,167
Federal government	589,310	541,789
Public assistance programs:		
Government funded aid to minority business	208,431	154,989
Administration of minority student programs	164,476	154,680
	<u>\$18,186,707</u>	<u>\$15,367,417</u>

Note: With the exception of the Financial Accounting Foundation contribution, each of the above amounts includes a pro rata allocation of administrative expenses, which aggregated \$1,700,170 and \$1,326,040 for 1975 and 1974, respectively.

The accompanying summary of significant accounting policies and notes to financial statements are an integral part of these statements.

**AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS**

**Statement of
Changes in Fund Balances**

	Year Ended July 31,	
	1975	1974
General Fund:		
Fund balance, beginning of year	\$ 3,893,034	\$ 3,772,345
Excess (deficiency) of revenues over expenses	(1,046,654)	120,689
Fund balance, end of year	<u>2,846,380</u>	<u>3,893,034</u>
Endowment and other restricted funds:		
Fund balances, beginning of year	601,922	597,453
Excess (deficiency) of revenues over expenses	428	(1,230)
Gain (loss) on sale of securities.	(26,063)	5,699
Fund balances, end of year	<u>(25,635)</u>	<u>4,469</u>
Fund balances, end of year	<u>576,287</u>	<u>601,922</u>
	<u>\$ 3,422,667</u>	<u>\$ 4,494,956</u>

The accompanying summary of significant accounting policies and notes to financial statements are an integral part of these statements.

**AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS**

**Statement of
Changes in Financial Position**

	Year Ended July 31,	
	1975	1974
Cash and marketable securities, beginning of year	\$ 3,601,577	\$ 3,477,636
Sources of funds:		
From operations:		
Excess (deficiency) of revenues over expenses	(1,046,654)	120,689
Add back expenses not requiring outlay of funds— depreciation and amortization of fixed assets and deferred authorship and subscription costs	<u>470,940</u>	<u>392,731</u>
	(575,714)	513,420
Increase (decrease) in liabilities and deferred revenues:		
Accounts payable and other liabilities	(275,267)	659,064
Accrued taxes	88,702	22,817
Advance dues	4,539,583	434,538
Unearned publication subscriptions and advertising	<u>100,376</u>	<u>258,102</u>
	<u>3,877,680</u>	<u>1,887,941</u>
Uses of funds:		
Additions to deferred authorship costs and prepaid expenses	286,700	319,855
Additions to fixed assets	<u>1,302,561</u>	<u>369,490</u>
Increase (decrease) in other assets:		
Receivables	(133,454)	599,789
Inventories	<u>409,720</u>	<u>474,866</u>
	<u>1,865,527</u>	<u>1,764,000</u>
Increase (decrease) in funds:		
Cash	163,173	(69,491)
Marketable securities	<u>1,848,980</u>	<u>193,432</u>
	<u>2,012,153</u>	<u>123,941</u>
Cash and marketable securities, end of year	<u>\$ 5,613,730</u>	<u>\$ 3,601,577</u>

The accompanying summary of significant accounting policies and notes to financial statements are an integral part of these statements.

**AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS FOUNDATION**

**Statement of
Assets, Liabilities and Fund Balances**

	July 31,	
	1975	1974
Assets		
Cash	\$ 27,087	\$ 3,683
Marketable securities (quoted market: 1975, \$443,800; 1974, \$420,800)	459,862	460,355
Pledges receivable (less allowance for uncollectible pledges: 1975, \$11,615; 1974, \$20,550)	146,080	213,708
Other receivables	19,632	11,300
	<u>\$ 652,661</u>	<u>\$ 689,046</u>
Liabilities and Fund Balances		
Liabilities and deferred credits:		
Accounts payable	\$ 5,127	\$ 7,166
Grants payable—Accounting Education Fund for Disadvantaged Students.		17,663
Contributions designated for future periods	146,080	213,708
	<u>151,207</u>	<u>238,537</u>
Fund balances		
General	10,286	8,390
Library	107,480	108,700
John L. Carey Scholarship Fund	96,132	103,859
Accounting Education Fund for Disadvantaged Students	287,556	229,560
	<u>501,454</u>	<u>450,509</u>
	<u>\$ 652,661</u>	<u>\$ 689,046</u>

The accompanying summary of significant accounting policies and notes to financial statements are an integral part of these statements.

**AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS FOUNDATION**

**Statement of
Changes in Fund Balances**

	Year Ended July 31,	
	1975	1974
Additions:		
Investment income	\$ 23,227	\$ 18,823
Contributions:		
Accounting Education Fund for Disadvantaged Students	198,423	211,114
General	1,594	287
Other		190
	<u>223,244</u>	<u>230,414</u>
Deductions:		
Contributions to American Institute of Certified Public Accountants for:		
Library expenses	5,028	4,728
Accounting research		14,632
Expenditures:		
John L. Carey Scholarship Fund (scholarships)	11,000	7,775
Accounting Education Fund for Disadvantaged Students (grants and scholarships)	151,585	85,577
	<u>167,613</u>	<u>112,712</u>
Increase in funds before loss on sale of securities	55,631	117,702
Loss on sale of securities	(4,686)	(13,111)
Net increase in funds	50,945	104,591
Fund balances, beginning of year	450,509	345,918
Fund balances, end of year	<u>\$ 501,454</u>	<u>\$ 450,509</u>

The accompanying summary of significant accounting policies and notes to financial statements are an integral part of these statements.

**AMERICAN INSTITUTE
BENEVOLENT FUND, INC.**

**Statement of
Assets, Liabilities and Fund Balance**

	July 31,	
	1975	1974
Assets		
Cash	\$ 19,480	\$ 9,981
Marketable securities (quoted market: 1975, \$479,700; 1974, \$437,600)	475,897	437,968
Notes and mortgages receivable (less allowance for doubtful amounts: 1975, \$24,000; 1974, \$23,150)	84,060	67,225
Other receivables	5,994	3,236
	<u>\$ 585,431</u>	<u>\$ 518,410</u>
Liabilities and Fund Balance		
Accounts payable	\$ 885	\$ 1,871
Fund balance	584,546	516,539
	<u>\$ 585,431</u>	<u>\$ 518,410</u>

The accompanying summary of significant accounting policies and notes to financial statements are an integral part of these statements.

**AMERICAN INSTITUTE
BENEVOLENT FUND, INC.**

**Statement of
Changes in Fund Balance**

	Year Ended July 31,	
	1975	1974
Additions:		
Contributions	\$ 71,220	\$ 31,981
Investment income	16,323	16,939
Notes and mortgages received in consideration of benefits paid	18,485	16,625
Other	400	136
	<u>106,428</u>	<u>65,681</u>
Deductions:		
Assistance to members and families	68,621	62,179
Stationery, printing and other expenses	5,504	9,493
	<u>74,125</u>	<u>71,672</u>
Increase (decrease) in fund before gain or loss on sale of securities	32,303	(5,991)
Gain (loss) on sale of securities	35,704	(8,773)
Net increase (decrease) in fund	68,007	(14,764)
Fund balance, beginning of year	516,539	531,303
Fund balance, end of year	<u>\$ 584,546</u>	<u>\$ 516,539</u>

The accompanying summary of significant accounting policies and notes to financial statements are an integral part of these statements.

**ACCOUNTING RESEARCH
ASSOCIATION, INC.**

**Statement of
Assets, Liabilities and Fund Balance**

	July 31,	
	1975	1974
Assets		
Cash	\$ 14,996	\$ 242,448
Marketable securities (quoted market: 1975, \$702,000; 1974, \$203,500)	702,000	202,000
Dues receivable	471,562	468,918
Other receivables	4,463	1,593
	<u>\$ 1,193,021</u>	<u>\$ 914,959</u>
Liabilities and Fund Balance		
Liabilities and deferred credits:		
Due to American Institute of Certified Public Accountants	\$ 9,190	
Accounts payable	1,416	\$ 3,724
Unearned advance dues	907,869	907,162
	918,475	910,886
Fund balance	274,546	4,073
	<u>\$ 1,193,021</u>	<u>\$ 914,959</u>

The accompanying summary of significant accounting policies and notes to financial statements are an integral part of these statements.

**ACCOUNTING RESEARCH
ASSOCIATION, INC.**

**Statement of
Changes in Fund Balance**

	Year Ended July 31,	
	1975	1974
Additions:		
Dues	\$ 2,178,884	\$ 2,098,388
Investment income	50,592	18,509
	<u>2,229,476</u>	<u>2,116,897</u>
Deductions:		
Payments to Financial Accounting Foundation (Note 7)	1,935,701	1,762,433
Accounting Research Program		13,529
Membership promotion	6,566	6,921
Reports to members	11,154	1,833
Stationery, supplies, and other expenses	5,582	3,899
	<u>1,959,003</u>	<u>1,788,615</u>
Net increase in fund	270,473	328,282
Fund balance, beginning of year	4,073	(324,209)
Fund balance, end of year	<u>\$ 274,546</u>	<u>\$ 4,073</u>

The accompanying summary of significant accounting policies and notes to financial statements are an integral part of these statements.

**AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS AND
RELATED ORGANIZATION FUNDS**

Summary of Significant Accounting Policies

Following is a summary of the significant accounting policies of the American Institute of Certified Public Accountants (Institute) and, where applicable, the American Institute of Certified Public Accountants Foundation (Foundation), American Institute Benevolent Fund, Inc. (Benevolent Fund) and the Accounting Research Association, Inc. (ARA):

- Assets and liabilities, and revenues and expenses, are recognized on the accrual basis of accounting.
- Marketable securities are stated at cost, unless the market value is less than cost and there is evidence the decline in market value is due to other than temporary conditions.
- Inventories are stated at the lower of cost (primarily first-in, first-out) or market.
- Authorship costs applicable to continuing professional education courses and publications, which the Institute expects will be sold in the future, are amortized over a three-year period.
- Fixed assets, consisting of furniture and equipment and leasehold improvements, are stated at cost, less accumulated depreciation and amortization computed on the straight-line method. Furniture and equipment are depreciated over their estimated useful lives of from five to ten years and leasehold improvements are amortized over the shorter of the useful lives of the improvements or the lease period.
- Dues are recorded by the Institute as revenues in the applicable membership period. ARA dues, which are assessed to members on a calendar year basis, are recorded as additions to fund balance proratably over each calendar year; however, payments are made to the Financial Accounting Foundation and charged to fund balance generally as dues are collected.
- Subscription and advertising revenues are reflected as revenues when publications are issued.
- Contributions to specific funds are reflected as additions to fund balances in the applicable support period; pledges received by the Foundation in support of future periods are recorded, and allowances for estimated uncollectible pledges are provided.
- Notes and mortgages received by the Benevolent Fund in consideration for assistance payments to members and their families are recorded as additions to fund balance in the period received, net of amounts deemed uncollectible.

- The Institute has a retirement plan covering all eligible employees. Pension expense is accrued in accordance with an actuarial cost method and although the plan may be terminated by the Institute at any time, it is the Institute's policy to fund pension cost accrued. Prior service costs under the plan are being funded over a 30-year period from May 1, 1968.

**Notes to Financial Statements
July 31, 1975 and 1974**

1. Inventories

Inventories of the Institute at July 31, 1975 and 1974 consisted of:

	<u>1975</u>	<u>1974</u>
Paper and material stock	\$ 304,590	\$ 198,292
Publications in process	245,694	250,448
Printed publications and continuing professional education course material	<u>1,109,021</u>	<u>800,845</u>
	<u>\$1,659,305</u>	<u>\$1,249,585</u>

2. Fixed assets

Fixed assets of the Institute at July 31, 1975 and 1974 consisted of:

	<u>1975</u>	<u>1974</u>
Furniture and equipment	\$1,338,720	\$ 682,303
Leasehold improvements	<u>905,408</u>	<u>691,383</u>
	2,244,128	1,373,686
Less accumulated depreciation and amortization	<u>447,104</u>	<u>694,108</u>
	<u>\$1,797,024</u>	<u>\$ 679,578</u>

Depreciation and amortization charged to operations for the years ended July 31, 1975 and 1974 amounted to \$185,116 and \$212,783, respectively.

3. Taxes

The Internal Revenue Service is currently examining the Institute's Federal payroll tax returns covering the calendar years 1969 through 1974. It questions the Institute's position that graders of CPA examinations are independent contractors. If graders are determined to be employees, fees paid to them are subject to Federal, state and local employment taxes. In 1974, the Institute paid an assessment of Federal income taxes and interest totaling \$77,600 on its net advertising income for the years ended August 31, 1969 and 1970. Provision has been made in the financial statements for payroll taxes that may be assessed and for income taxes.

4. Lease commitments

Rentals under noncancelable leases in effect as of July 31, 1975 aggregated approximately \$26,263,000 including \$304,000 for computer equipment. This amount is exclusive of any future escalation charges for real estate taxes and building operating expenses or any reduction in the event of lease of unoccupied office space (resulting from the move of the Institute headquarters office) prior to April 30, 1978. The lease for the new quarters can be terminated at the end of fifteen years if certain penalties are paid. The minimum rental commitments are summarized below:

Years Ended July 31,	
1976	\$ 1,593,000
1977	1,593,000
1978	1,573,000
1979	1,395,000
1980	1,357,000
1981-1985	6,627,000
1986-1990	6,554,000
1991-1995	5,571,000
	<u>\$26,263,000</u>

Rental expense for the years ended July 31, 1975 and 1974 was approximately \$1,542,000 and \$876,000, respectively.

5. Retirement plan

Pension expense relating to the Institute's retirement plan amounted to approximately \$390,000 and \$343,000 for the years ended July 31, 1975 and 1974, respectively. The currently estimated amount required to complete the funding of prior service costs (over a remaining period of 23 years) under the plan is \$214,000.

Changes will be made in 1976 to bring the plan into compliance with the provisions of the Employee Retirement Income Security Act of 1974, and pension expense is expected to increase as a result. It is not possible at this time to estimate the amount of increase, although such amount is not expected to be material.

6. Commitment of Foundation funds

The American Institute of Certified Public Accountants Foundation plans to distribute over the next three years a total of approximately \$245,000 among eight universities to support scholarship grants to minority students.

7. Commitment to Financial Accounting Foundation (FAF)

In October 1972, the Accounting Research Association, Inc. (described in Note 8) stated its intent to use its best efforts to raise sufficient funds from sources within the accounting profession to ensure that the FAF receives in each of the five years commencing January 1, 1973 at least \$2,000,000 from these sources. Including contributions from all sources within the accounting profession, this commitment was met for calendar years 1973 through 1975.

8. Special purpose and related organization funds

The purposes of the special and related organization funds are as follows:

Endowment Fund

To maintain a reference library and reading rooms for members of the Institute. Investment income from marketable securities held by the Endowment Fund is included as revenues in the General Fund in accordance with provisions of the endowment.

Foundation

To advance the profession of accountancy, and to develop and improve accountancy education.

Benevolent Fund

To solicit, collect and otherwise raise money in order to provide financial assistance to needy members of the Institute and their families.

Accounting Research Association, Inc.

To encourage research in accounting, auditing and related areas of CPA practice through a best efforts commitment to provide financing for the Financial Accounting Foundation.

American Institute of Certified Public Accountants
1211 Avenue of the Americas, New York, New York 10036

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