

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY  
 Financial Overview  
 For the Six Months Ended February 28, 2014

	Actual	Budget YTD	Variance	Percent
Revenues - YTD	\$ 2,681,267	\$ 2,701,880	\$ (20,612)	-0.8%
Expenditures - YTD	\$ 2,589,439	\$ 2,624,677	\$ (35,238)	-1.3%
Net - YTD	91,828	77,202	14,626	
Transfer Out - SDSI annual payment (pro rata accrual)	\$ (703,344)	\$ (703,344)	\$ -	0.0%

Revenues: See Revenue Budget Summary for additional information  
 ● revenue collected was over budget by .8%.

EXHIBIT II	
Beginning Fund Balance 9/01/13	\$ 3,112,066
Revenues	2,681,267
Expenditures	(2,588,472)
Other Financing Sources (Uses)	(719,326)
Ending Fund Balance 02/28/14	\$ 2,485,535
net reduction in FB	\$ (626,531)

Expenditures: See Expenditure Budget Summary for additional information  
 ● expenditures under budget by 1.3%.  
 → See Expenditure Budget Summary for discussion of budget items.

Budget Expenditures include encumbrances of \$3,350.79; EXH II expenditures include prior year expenditures of \$2,383.95.

Performance Measures:

	Sept. 13-Nov. 13	Dec. 13-Feb. 14	Mar. 14-May 14	June 14-Aug. 14	YTD	FY 13
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.		
Exam Related Measures:						
Individuals examined	2,749	2,815			5,564	11,032
Sections Taken	3,581	3,780			7,361	14,848
Average Sections Taken per Individual	1.30	1.34	#DIV/0!	#DIV/0!	1.32	1.35

Licensing Related Measures:

Number of individuals licensed	69,444	69,826			not cumulative	69,134
Number of business facilities licensed	9,922	9,934			not cumulative	9,960
Number of Peer Reviews conducted	258	472			730	1,236

Sponsor Review Program Related Measures:

Number of CPE Sponsors Reviewed	61	29			90	178
Number of CPE Sponsors Subject to Review	618	626			not cumulative	629

Enforcement Related Measures:

	Sept. 13-Nov. 13	Dec. 13-Feb. 14	Mar. 14-May 14	June 14-Aug. 14	YTD	FY 13
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.		
<b>Administrative:</b>						
Open cases, Beginning	1,043	870	1,095	1,095	1,043	1,076
Cases opened	633	667			1,300	2,453
Cases closed	(807)	(429)			(1,236)	(2,505)
Previous quarter adjustment	1	(13)			(12)	19
Open cases, Ending	870	1,095	1,095	1,095	1,095	1,043
Average time for complaint resolution (days)	154.2	155.4			154.8	149.7
<b>Disciplinary:</b>						
Open cases, Beginning	384	327	311	311	384	468
Cases opened	73	91			164	490
Cases closed	(122)	(93)			(215)	(623)
Previous quarter adjustment	(8)	(14)			(22)	49
Open cases, Ending	327	311	311	311	311	384

Average time for complaint resolution (days)	182.4	171.3			193.2	212.7
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Cases opened and closed categories include adjustments for reclassification of cases and report timing.

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

Unaudited

FY 14 2<sup>nd</sup> Quarter Budget - Revenues and Expenditures

Funds 2858 and 1009, Board of Public Accountancy Local Operating Funds (USAS D23 Funds: 2858 & 1009)  
For the Six Months Ended February 28, 2014

	Actual	Annual Budget	Variance	Actual as a Percent of Budget 50%
<b>Revenues:</b>				
CPA License Fees	\$ 1,382,230	\$ 2,900,105	\$ (1,517,875)	48%
CPE Sponsor Fees	206,840	375,320	\$ (168,480)	55%
Practice Unit Fees	386,987	716,298	\$ (329,311)	54%
Penalties - License Fee Late Payment	316,822	603,329	\$ (286,707)	52%
Examination Fees	281,800	588,870	\$ (327,070)	44%
Other	126,789	219,837	\$ (93,048)	58%
<b>Total Revenues (Note A)</b>	<b>\$ 2,681,267</b>	<b>\$ 5,403,759</b>	<b>\$ (2,722,492)</b>	<b>50%</b>
<b>Expenditures:</b>				
Salaries and Wages	1,200,283	\$ 2,497,038	1,296,755	52%
Payroll Related costs	325,466	579,625	254,159	44%
Professional Fees & Services	360,178	800,404	440,226	55%
Travel	45,590	75,000	29,410	39%
Materials and Supplies	103,880	242,655	138,775	57%
Communication and Utilities	26,522	59,556	33,034	55%
Repairs and Maintenance	24,729	34,511	9,781	28%
Rental and Leases	63,204	135,748	72,545	53%
Printing and Reproduction	37,783	97,791	60,007	61%
Other Operating Expenditures	311,804	597,275	285,471	48%
Public Assistance Payments	90,000	90,000	-	0%
Capital Outlay		29,960	29,960	100%
<b>Total Expenditures (Note A)</b>	<b>\$ 2,589,439</b>	<b>\$ 5,239,562</b>	<b>\$ 2,650,123</b>	<b>51%</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>91,828</b>	<b>164,197</b>	<b>(72,368)</b>	
<b>Other Financing Sources (Uses):</b>				
Net Change in Reserve for Inventories			-	
Refunds			-	
Board Rule 519.80			-	
Transfers Out (Fd 0001) Article 8930 Sec. 6 (c)	(703,344)	(703,344)	-	
<b>Total Other Financing Sources (Uses):</b>	<b>(703,344)</b>	<b>(703,344)</b>	<b>-</b>	<b>0%</b>
<b>Net Change in Fund Balance</b>	<b>(611,516)</b>	<b>(539,147)</b>	<b>(72,368)</b>	
<b>Fund Balance, September 1, 2013 (Note B)</b>	<b>3,112,066</b>	<b>3,112,066</b>	<b>-</b>	
<b>Ending Fund Balance, February 28, 2014 (Note C)</b>	<b>\$ 2,500,550</b>	<b>\$ 2,572,918</b>	<b>(72,368)</b>	<b>-3%</b>

**Explanatory Notes:**

A	Total Revenues - YTD (Budget)	\$ 2,681,267
	Adjustment	
	Total Revenues - EXH II	<u>\$ 2,681,267</u>
A	Total Expenditures - YTD (Budget)	\$ 2,589,439
	Less: FY 13 Encumbrances	
	FY 14 Encumbrances	(3,351)
	FY 13 AP expenditures/reversals	2,384
	Total Expenditures - EXH II	<u>\$ 2,588,472</u>
B	Fund Balance, September 1, 2013:	
	Consumable Inventories	60,600
	Excess of Revenues & Other Financing Sources over Expenditures & Other Financing Uses	3,051,466
	Total Fund Balance, September 1, 2013	<u>\$ 3,112,066</u>

C The Board adopted a formal policy on May 18, 2006 to establish the appropriate level of the agency's unreserved/designated fund balance in the amount of \$3,000,000 to meet anticipated obligations. Included in this formal policy is an annual review of the unreserved/designated fund balance. The Board reduced the fund balance reserve to \$1,500,000 at its July 19, 2007 meeting, effective for FY 2009, beginning September 1, 2008.

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY  
 Performance Measures Report - FY 14  
 For the Six Months Ended February 28, 2014

		Target	Sept. 13-Nov. 13	Dec. 13-Feb. 14	Mar. 14-May 14	June 14-Aug. 14	YTD	Variance	Target Variance	Explanation
			1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.				
1-1-1 Licensing:										
Number of individuals licensed	<i>Explanatory</i>	67,964	69,444	69,826			69,444	102%	100%	
Number of business facilities licensed	<i>Explanatory</i>	9,990	9,922	9,934			9,922	99%	100%	
<i>Key</i> Individuals examined	<i>Output</i>	11,986	2,749	2,815			5,564	46%	50%	
Sections Taken	<i>Output</i>	17,087	3,581	3,780			7,361	43%	50%	a
Average Sections Taken per Individual	<i>Output</i>	1.43	1.30	1.34			1.30	102%	100%	
<i>Key</i> Average License Cost per Individual	<i>Efficiency</i>	\$ 11.55	\$ 12.39	\$ 12.27			\$ 12.39	107%	100%	b
<i>Key</i> Average License Cost per Facility	<i>Efficiency</i>	\$ 9.12	\$ 10.27	\$ 9.45			\$ 10.27	113%	100%	c
1-2-1 Peer Review:										
<i>Key</i> Number of Peer Reviews Conducted	<i>Output</i>	1,232	258	472			730	59%	50%	d
1-3-1 Sponsor Review:										
<i>Key</i> Percentage of CPE sponsors receiving favorable review	<i>Outcome</i>	97%	100.0%	90.5%			100.0%	103%	100%	
<i>Key</i> Number of CPE sponsors reviewed	<i>Output</i>	221	61	29			90	41%	50%	e
<i>Key</i> Number of CPE sponsors subject to sponsor review	<i>Explanatory</i>	643	618	626			618	96%	100%	
2-1-1 Enforcement										
Average time for complaint resolution (days) - Admin.	<i>Efficiency</i>	150	154.2	155.4			154.8	103%	100%	
<i>Key</i> Average time for complaint resolution (days) - Disc.	<i>Efficiency</i>	242	182.4	171.3			193.2	80%	100%	f
3-1-1 Public Information:										
<i>Key</i> Number of Written Responses	<i>Output</i>	43,482	11,515	9,225			20,740	48%	50%	

## TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

Performance Measures Report - FY 14  
For the Six Months Ended February 28, 2014

### Explanations:

- a The number of sections taken (7,361) during the first 6 months of FY14 was below the target level of 8,543.50 (50% of 17,087) due to the lower number of individuals examined and candidates applying and testing for each part separately.
- b The Average License Cost per Individual License Issued (\$12.39) during the first 6 months of FY 14 was above the target of \$11.55 due to higher than projected expenditures.
- c The Average License Cost per Facility (\$10.27) during the first 6 months of FY 14 was above the target of \$9.12 due to higher than projected expenditures.
- d The number of Peer Reviews Conducted (730) was above the target level of 616 (50% of the annual target of 1,232). The activity of this performance measure is reported to the Board of external entities. It should be noted that this number has traditionally been higher in the second quarter.
- e The number of CPE sponsors reviewed (90) for the first 6 months of FY14 was below the target level of 110.50 (50% of the annual target of 221) due to fewer meetings between TSBPA staff and CPE sponsors reviewers during the first 6 months. Increased numbers of reviews in the future quarters are expected to bring the annual number closer to the target by the end of the fiscal year.
- f The Average Time for Complaint Resolution (days) for disciplinary cases of 193.2 days during the first 6 months of FY 14 was below the target level of 242 days. The nature of complaint resolution does not lend itself to comparison with a static target. While the target level of 242 days was established based on historical records, legal activities in the enforcement process, such as postponements, depositions, subpoena issuances, re-discovery, and exchange of interrogatories all vary on a case-by-case basis. The variations of these elements affect the amount of time required to resolve complaints.