

## 2006 National PCPS / TSCPA Management of an Accounting Practice Survey

Report prepared for: Texas Society of CPAs

### SECTION I

#### SUMMARY GRAPHS

##### Definitions:

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We have assigned you the following peer groups for benchmarking. We have attempted to group practices of comparable size, so that the performance benchmarks will be more meaningful. For more targeted benchmarks, please consider visiting the online reports.

All Texas	All the respondents from the state of Texas
Small Texas	Small firms (<\$300K in revenues) in Texas
Medium Texas	Medium firms (\$300-\$999K in revenues) in Texas
Large Texas	Large firms (>\$1M in revenues) in Texas

As defined herein, "Large" refers to firms with more than \$1 million in revenue, "Medium" to firms with \$300,000 to \$1 million in revenue, and "Small" to firms with less than \$300,000 in revenue. There are also subclasses for responding firms, <\$150K, \$150-299K, \$300-\$549K, \$550-\$999K, \$1M-\$1.99M, and \$2M+ in

##### Caveats

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- Graphs may be stretched or condensed. Each report has been automatically prepared, so optimal scaling was not always possible. Actual numbers will be provided in the following tables.
- In certain cases, respondents did not provide internally consistent answers, provided "out of range" responses, or entered answers that suggested that the question had been misunderstood. In such cases, we endeavored to revise answers to reflect our best understanding of the respondent's intentions. Thus, you may observe some changes to your response as entered.
- There is also an online report available for the 2006 MAP Survey that will enable respondents to define their own benchmarks.
- "Net remaining Per Owner" as shown in the report may not always exactly match firm revenues less expenses, due to input and interpretation issues.

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REPORT CARD

Below is a distilled listing of some of key results of the 2006 PCPS / TSCPA National MAP Survey. Additional detail and background about these results are included in the body of this report.

### Key Financial Performance Statistics

Revenues	All TX	Small TX	Med TX	Large TX
Gross Fees	1,554,349	166,682	580,916	1,798,587
Write-Ups/Downs	-172,205	-4,940	-27,086	-179,737
Other Income	8,513	401	7,168	12,292
Total Income	1,390,657	162,142	560,997	1,631,142
Expenses (% of Net Client Fees)				
Prof'l Salaries	25.1%	9.0%	17.0%	23.8%
Other Salaries	8.8%	8.9%	10.4%	9.0%
Benefits	3.2%	0.8%	2.1%	3.6%
Rent / Occupancy	5.1%	8.2%	7.4%	5.6%
Technology	1.9%	3.1%	2.6%	2.0%
Other Expenses	19.1%	21.9%	19.6%	18.8%
Total Expenses	63.2%	52.0%	59.1%	62.8%
Net Remaining (NR)				
Total	529,207	78,631	235,946	1,297,728
NR / Owner (\$)	227,450	78,631	159,519	283,677
NR / Owner-Hr (\$)	104.31	40.08	71.13	120.24

Proportion of Fees	All TX	Small TX	Med TX	Large TX
Audit & Attest	10%	3%	8%	12%
Compilations	11%	14%	13%	10%
Consulting	7%	6%	9%	7%
Tax	53%	61%	49%	50%
Write-Up	11%	12%	12%	12%
Other	7%	5%	9%	10%

### Key Staffing Performance Statistics Per FT Professional

		All TX	Small TX	Med TX	Large TX
Comp. Hours	Owner	2,181	1,962	2,243	2,199
	Director	2,150	1,963	2,159	2,165
	Manager	2,147	1,426	2,103	2,169
	Sr. Associate	2,167	1,800	2,165	2,136
	Associate	2,030	1,708	2,031	2,093
Chargeable Hours	Owner	1,326	1,332	1,371	1,367
	Director	1,452	1,019	1,476	1,439
	Manager	1,475	994	1,469	1,499
	Sr. Associate	1,487	1,500	1,590	1,541
	Associate	1,473	1,454	1,510	1,514
Gross Comp.	Owner	177,668	84,006	168,121	184,892
	Director	73,422	42,455	60,919	77,641
	Manager	62,430	31,073	52,501	64,717
	Sr. Associate	48,911	30,000	44,544	54,041
	Associate	38,409	30,186	35,241	40,484
Billing Rate	Owner	160	126	155	168
	Director	123	90	100	134
	Manager	113	85	89	118
	Sr. Associate	96	80	77	99
	Associate	80	58	71	80
Charge-ability %	Owner	61%	68%	61%	62%
	Director	68%	52%	68%	66%
	Manager	69%	70%	70%	69%
	Sr. Associate	69%	83%	73%	72%
	Associate	73%	85%	74%	72%

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This report enables firms to look at metrics in 3 major ways: 1) Graphical summary, a collection of charts with firm information integrated where appropriate; 2) State / National Benchmarks, which include firms of all size classifications in your subregion and nationally. Summary categories are listed below.

Graphical summaries contain results extracts, suitable for quick overview and/or presentation to non-owner staff. The state and national results enable access to detailed, granular data about every relevant statistic. We present a multiplicity of "benchmarks" in the hope that several of the statistics provided will be relevant to some of the decisions that the firm encounters over the course of the year, and the broader perspective will provide the firm with a general picture of the accounting landscape.

The Table of Contents below details the pages on which you can find specific survey results in each of the three presentations as indicated above. Page numbers for the 52-page metro area reports are omitted to conserve space; these reports follow the same layout and structure as the "Core Benchmark" reports.

Results by Subject Area		Graphical Summary	Core Benchmark
<b>Section A -- Background Information</b>		<b>6..7</b>	<b>28..29</b>
<i>Location</i>	State, metro definitions (i.e., census classifications), and metro areas	6	28
<i>Practice size</i>	Sole practitioner, number of CPAs, etc.	6	28
<i>Change in firm size</i>	% of change in firm size, and reasons for this change	7	29
<i>Other Attributes</i>	Age of firm, fiscal year end date, and status in membership organizations	7	29..30
<i>Office</i>	Offices offered to staff, square footage, and cost.	7	30
<b>Section B1 -- Income Statement</b>		<b>7..11</b>	<b>34..37</b>
<i>Prior Year History</i>	A / R and WIP as of FY end 2005, Firm Capital, and 2004 Revenues	7	31
<i>Income -- Unadjusted</i>	Gross fees, write-ups(down)s, net fees, interest income, other income, and total income	8	31
<i>Expenses -- Unadjusted</i>	Salaries (prof, non-prof, and other), benefits, Computers, marketing and other categories	N/A	31
<i>Income- % of Net Client Fee</i>	Income categories above divided by net client fees, to improve cross-firm comparability.	N/A	32
<i>Expenses- % of Net Client Fees</i>	Expense categories above divided by net client fees, to improve cross-firm comparability.	9	32
<i>Income-- Per Professional</i>	Income categories above divided by # of prof'ls, to improve cross-firm comparability.	8	33
<i>Expenses-- Per Professional</i>	Expense categories above divided by # of prof'ls, to improve cross-firm comparability.	10	33
<i>Net Remaining</i>	Net remaining for owners	11	31
<b>Section B2 -- Other Financial -- Premises / A/R and Sources of Fees</b>		<b>11..13</b>	<b>34</b>
<i>Accounts Receivable</i>	A/R aging statistics, bad debt stats and policies, and A/R interest charges	11..12	34
<i>Sources of fees</i>	Fees split by major services including Audit, Consulting, FAS, IT, Tax, Write-Up, etc.)	13	34
<b>Section C1P -- Key Personnel Metrics -- FT Prof'ls (by owners, directors, managers, sr associates, and associates)</b>		<b>16..17</b>	<b>36..37</b>
<i>Staff Numbers and Attributes</i>	Number of staff in class, proportion who are males, and proportion who are CPAs	13	36..37
<i>Compensated Hours</i>	Average annual number of hours compensated (i.e., worked hours + PTO) for each class	13	36..37
<i>Chargeable Hours</i>	Average annual number of chargeable hours and chargeability ratio	14	36..37
<i>Compensation</i>	Average annual salaries and average compensation per hour worked	14	36..37
<i>Billing Rates</i>	Average billing rates	14	36..37

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Results by Subject Area		Graphical Summary	Core Benchmark
<b>Section C1N -- Key Personnel Metrics -- FT Non-Prof'ls (by tech support, OMs, paraprof'ls, clerical, and other)</b>		<b>15..16</b>	<b>40</b>
<i>Staff Numbers</i>	Number of staff in class and ratios per professional	15	40
<i>Compensated Hours</i>	Average annual number of hours compensated (i.e., worked hours + PTO) for each class	15	40
<i>Chargeable Hours</i>	Average annual number of chargeable hours and chargeability ratio	15	40
<i>Compensation</i>	Average annual salaries and average compensation per hour worked	15	40
<i>Billing Rates</i>	Average billing rates	16	40
<b>Section C1P -- Key Personnel Metrics -- PT Professional Staff</b>		N/A	<b>38..39</b>
<i>Staff Numbers</i>	Number of staff in class	N/A	38..39
<i>Compensated Hours</i>	Average number of hours compensated for each class	N/A	38..39
<i>Chargeable Hours</i>	Average number of chargeable hours and chargeability ratio	N/A	38..39
<i>Compensation</i>	Average annual salaries and average compensation per hour worked	N/A	38..39
<i>Billing Rates</i>	Average billing rates	N/A	38..39
<b>Section C1P -- Key Personnel Metrics -- PT Non-Professional Staff</b>		N/A	<b>41</b>
<i>Staff Numbers</i>	Number of staff in class	N/A	41
<i>Compensated Hours</i>	Average number of hours compensated for each class	N/A	41
<i>Chargeable Hours</i>	Average number of chargeable hours and chargeability ratio	N/A	41
<i>Compensation</i>	Average annual salaries and average compensation per hour worked	N/A	41
<i>Billing Rates</i>	Average billing rates	N/A	41
<b>Section C2 -- Billing Protocols and Staffing Metrics</b>		<b>16..17</b>	<b>42</b>
<i>Bonus</i>	Bonus as % of total comp, and criteria used to calculate	16	42
<i>Annual Salary Metrics</i>	Avg base salary increase percentage, and compensation year basis	16	42
<i>Billing Protocols</i>	Hourly billing use & protocols, non-hourly billing methods used, BR for prof'l making \$50K	16	42
<i>New Hires / Starting Salaries</i>	Number of new hires (by [not] meeting 150 hr req) and average annual starting salary	17	42
<i>Working Arrangements</i>	Presence / absence of flexible working arrangements and turnover statistics	17	42

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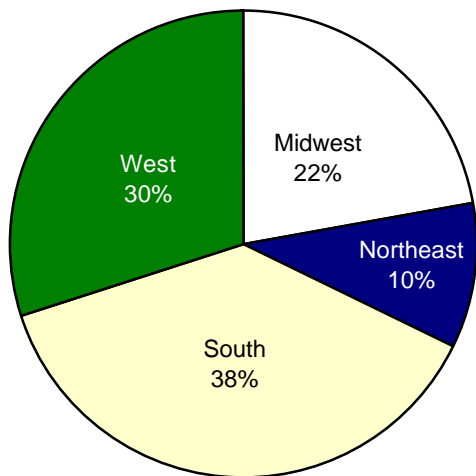
### TABLE OF CONTENTS (continued)

Results by Subject Area		Graphical Summary	Core Benchmark
<b>Section D -- Employee Policies, Benefits, and Client Services</b>		<b>18..20</b>	<b>43..47</b>
<i>Retirement Plan</i>	Presence / absence of retirement plan, types offered, partner retirement, funding	18	43
<i>Employee Handbook</i>	Have an employee handbook?	19	43
<i>PTO policies</i>	Protocols for PTO, including average days of sick leave, vacation, and aggregate PTO	19	43
<i>Employee Benefits</i>	Employee benefits offered (i.e., CPA Exam fees, life insurance, dental, dues, etc.)	20	44
<i>Health Insurance</i>	Offering of health insurance, proportion paid by firm, types of plans	20	44
<i>Client Services</i>	Engagement letters, have discretionary control, and services offered/added/discontinued	20	45..47
<b>Section E -- Current / Future Issues, Technology, and Planning</b>		<b>21..22</b>	<b>48..51</b>
<i>Current / Future Issues</i>	Firm consideration of practice trends, inc. hiring non-CPA Prof'ls, outsourcing, etc.	21	48..49
<i>Technology</i>	Presence / absence of web site, time / billing software use, and software packages used	22	50
<i>Firm Business Planning</i>	Business plan projects for FY 2006, and tracking results at time of survey	22	51
<b>Section F -- Owner / Partner Issues</b>		<b>23..24</b>	<b>50..51</b>
<i>Owner Issues</i>	Succession plan, formal partner training, practice continuation, amalpractice, and other issues	23	50
<i>Partner Agreement &amp; Buy-Out</i>	Last update of ptr agreement, agreement provisions, & components of buy-out valuation	24	50
<i>Partner Compensation Formula</i>	Components of the partner compensation formula	24	51
<b>Section G -- Marketing and Client Development</b>		<b>25</b>	<b>51</b>
<i>Marketing</i>	Methods used and found effective	25	52
<i>Alliances</i>	Working alliances with banks, insurance brokers / companies, other CPA firms, etc.	25	52
<b>Section H -- Survey Performance</b>		<b>26</b>	<b>52</b>

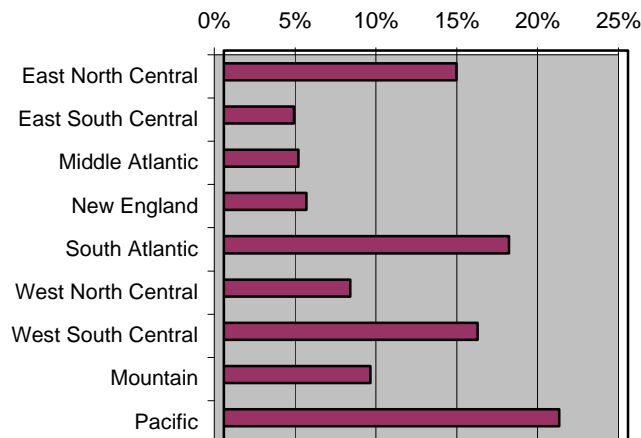
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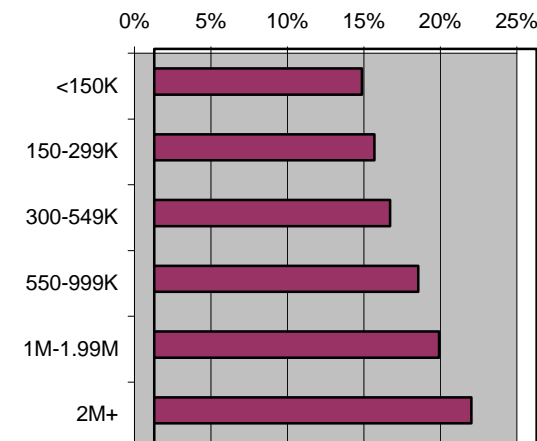
**Region:**



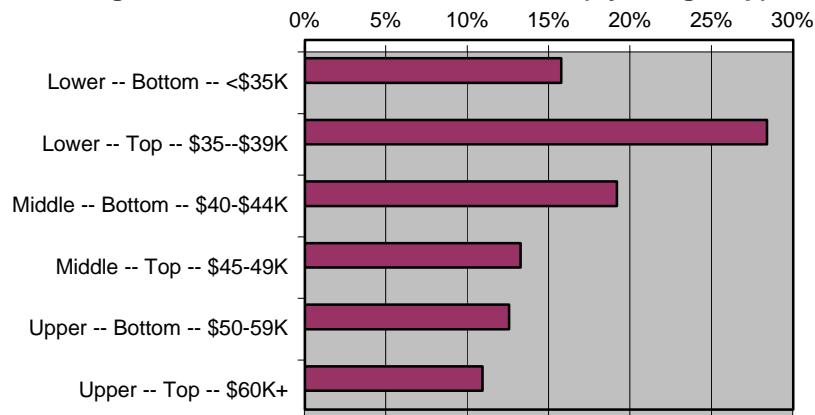
**Subregion:**



**Firm Size (Net Client Fees)**



**Average Household Income in Firm's Area (By 3-Digit Zip)**



**What is Average Household Income? (AHI)**

AHI is a measure developed by the U.S. Department of the Census that divides all income earned within a given area by the total number of households therein. We have assigned each firm an AHI based on zip codes provided (by taking the first three digits of the zip, to smooth data).

We provide AHI data to enable benchmarks against firms with comparable cost of living indicators. For example, a firm in Manhattan may be more comparable to firms in other areas such as San Francisco. A firm in Enid, Oklahoma may compare themselves to other rural communities that have with low costs of living -- providing them with valuable benchmarks even though few firms in their immediate vicinity may have completed the survey.

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### SELECTED DEMOGRAPHICS -- NATIONAL *(continued)*

Firm Type:	
Sole practitioner	22.0%
Single-office firm	65.5%
Unified multi-office	9.8%
Small reg. firm office	2.3%
Reg./nat. firm office	0.3%
Big 4' office	0.1%

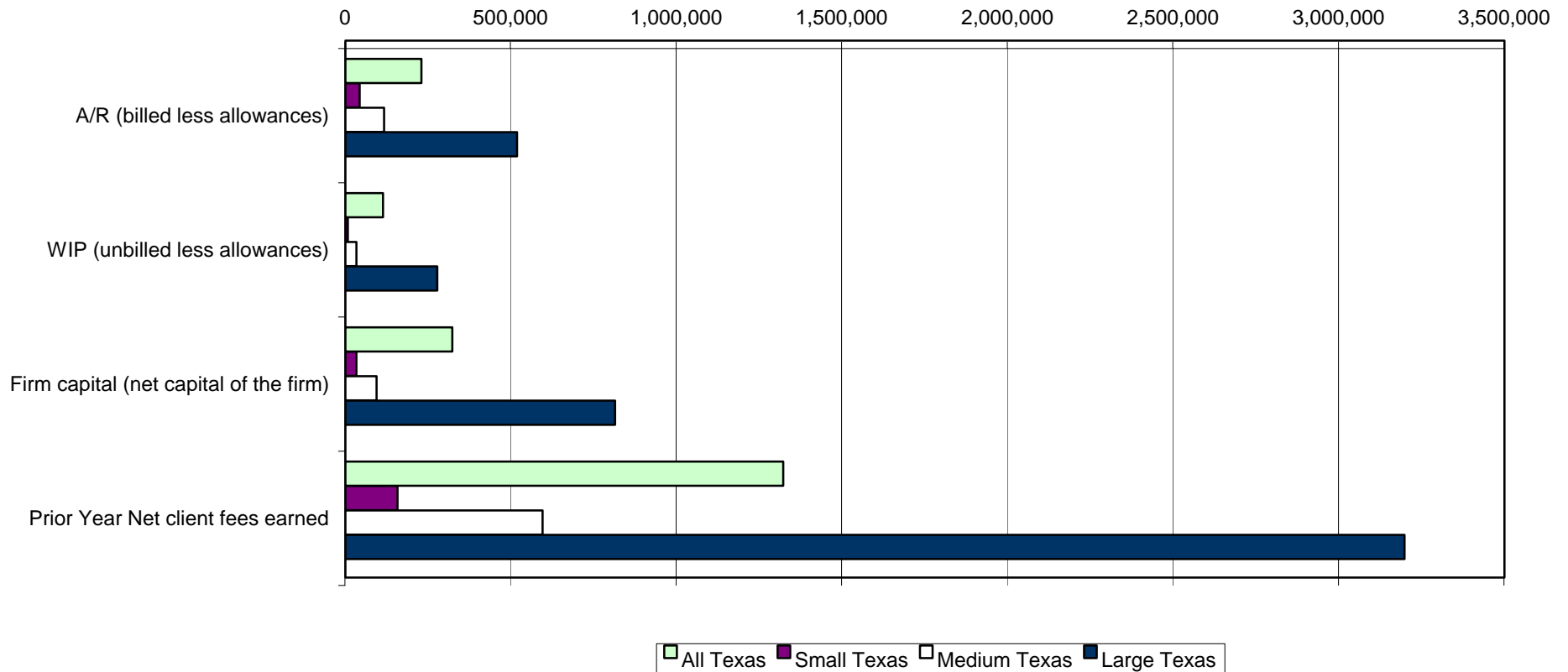
Firm Tenure (Yrs)	
<1	0.7%
1 to 5	10.5%
6 to 10	11.5%
11 to 20	26.4%
21+	51.0%

Fiscal Yr End Date	
1/03-8/03	1.0%
9/03-11/03	3.8%
12/03	86.2%
1/04-3/04	2.8%
4/04-9/04	6.2%

Change in Net Fees	
Increase 50+%	3.8%
Increase 30-49%	3.5%
Increase 20-29%	8.5%
Increase 10-19%	25.3%
Increase 6-9%	17.7%
Increase 1-5%	17.6%
No change	15.1%
Decrease 1-5%	6.5%
Decrease 6-9%	2.0%
Decrease 10+%	0.0%

Reason for Increase (where applicable)	
Inc. by merger -- acquisition	6.3%
General business growth	80.0%
Other reason	13.7%

### SELECTED FINANCIALS -- Comparable Firms

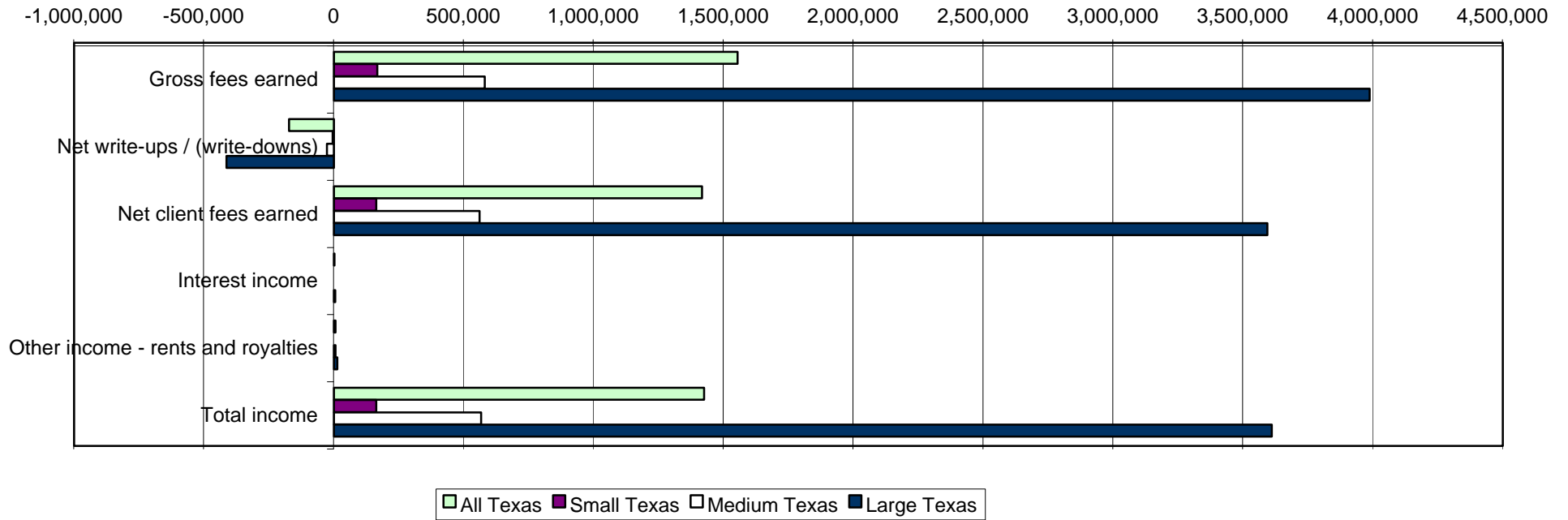


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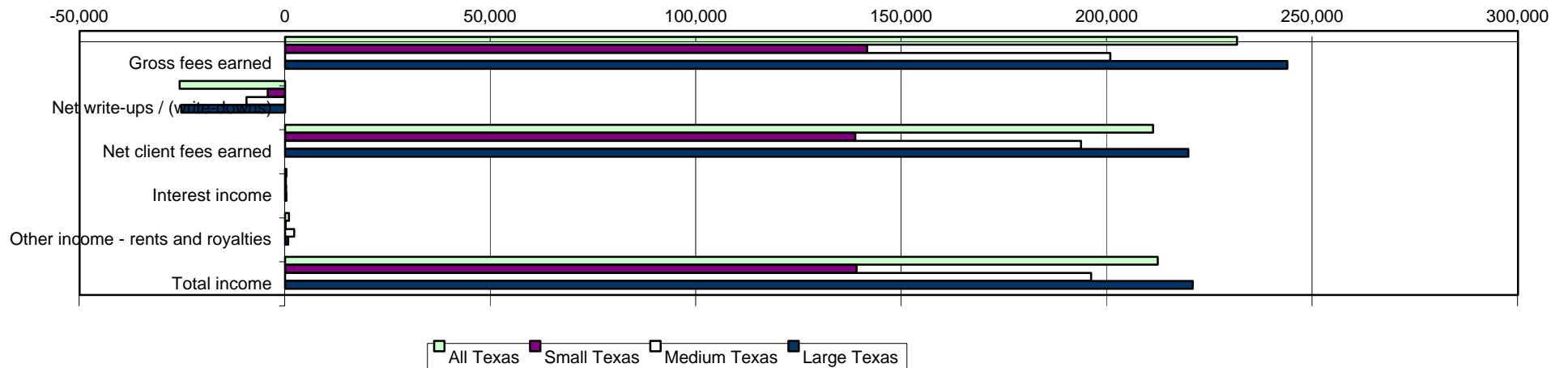
### FINANCIAL STATUS -- INCOME

Unadjusted



Legend: All Texas (light green), Small Texas (purple), Medium Texas (light blue), Large Texas (dark blue)

### Income Statistics Per Professional



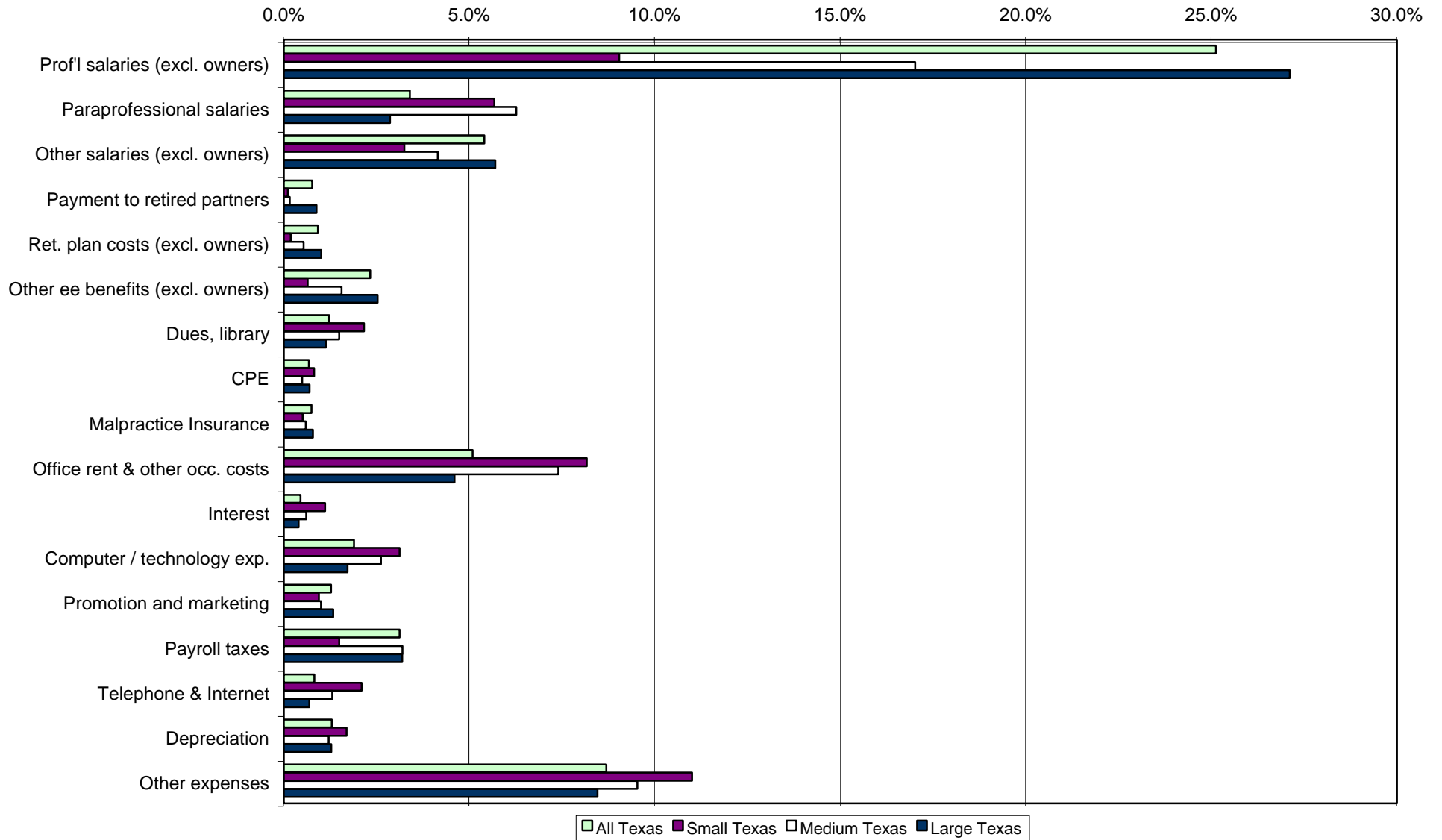
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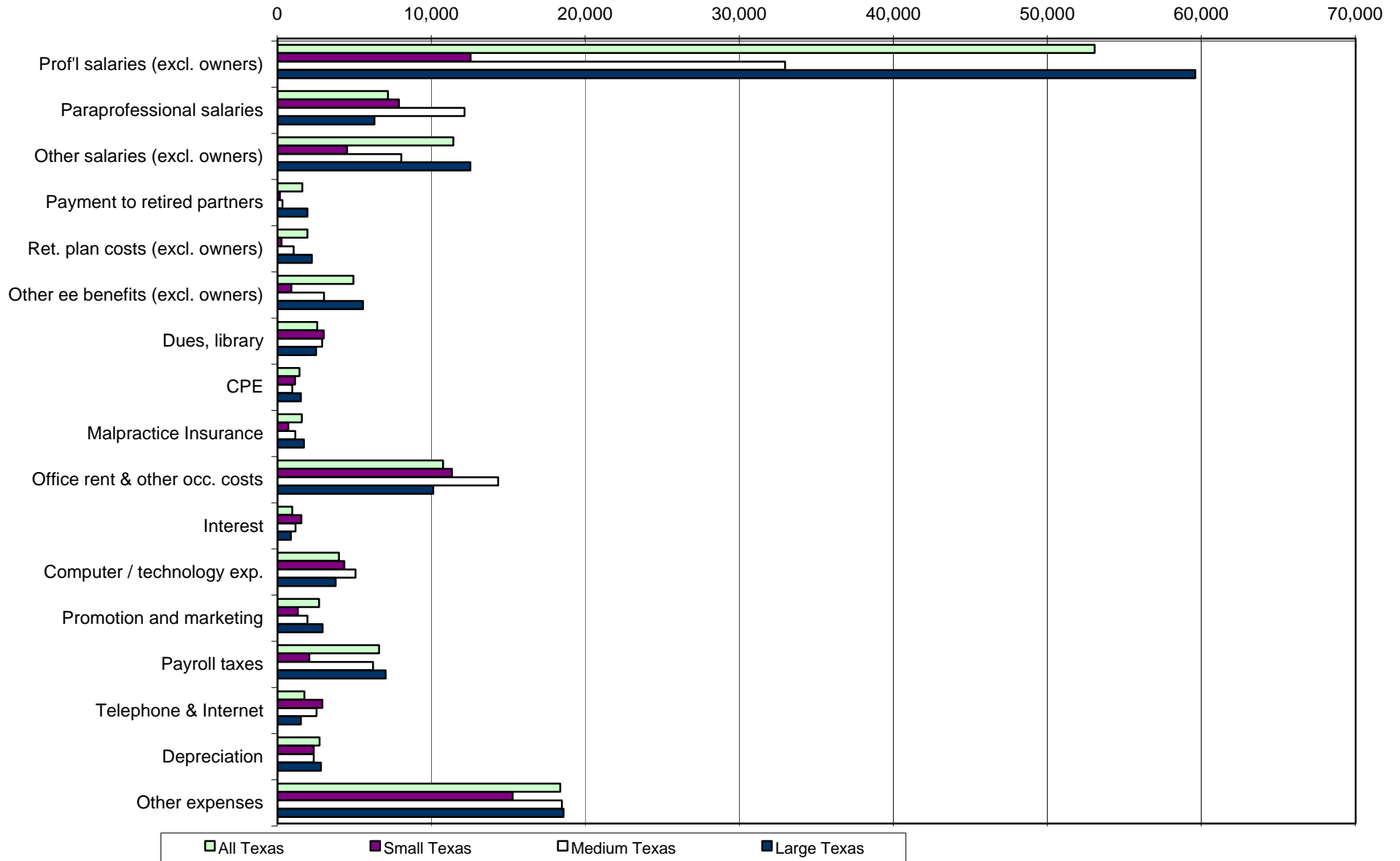
### FINANCIAL STATISTICS -- EXPENSES AS A % OF NET CLIENT FEES



\* Note: Expense proportions are shown instead of raw dollars; they are expected to be more useful in this way as many scale proportionately with client fees

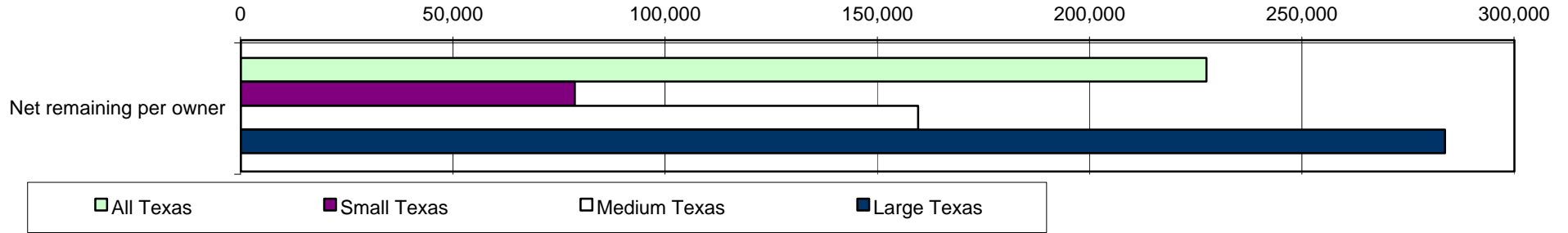
## 2006 National PCPS / TSCPA Management of an Accounting Practice Survey

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**FINANCIAL STATISTICS -- EXPENSES PER PROFESSIONAL**

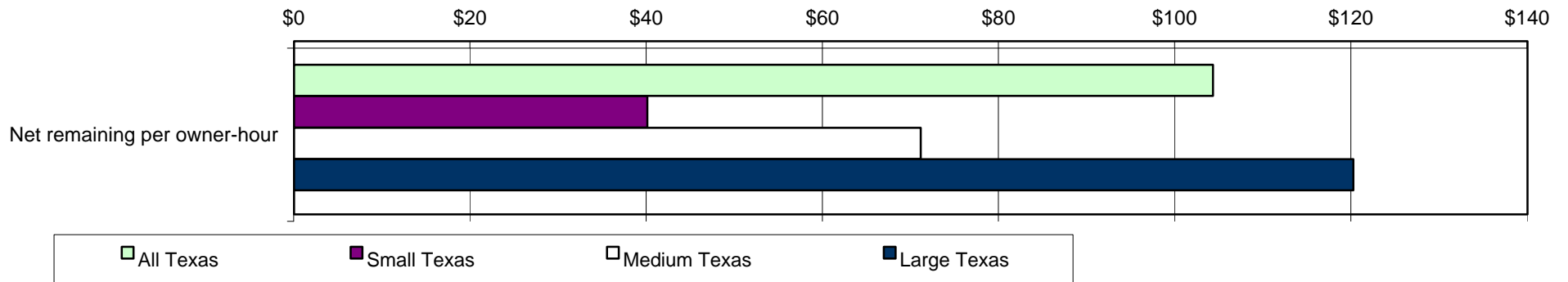


## 2006 National PCPS / TSCPA Management of an Accounting Practice Survey

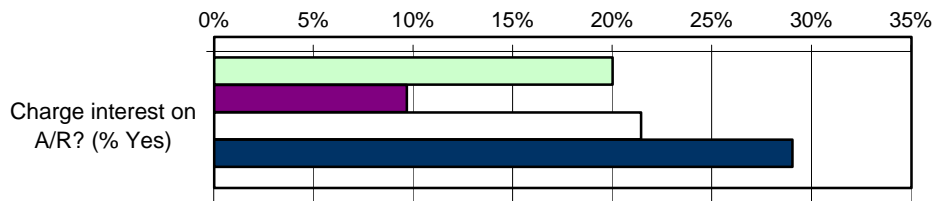
Report prepared for: Texas Society of CPAs  
**FINANCIAL STATISTICS -- NET REMAINING PER OWNER**



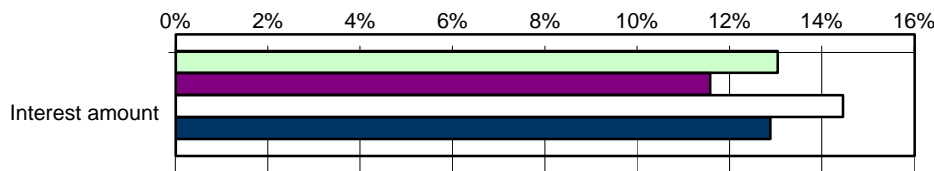
### FINANCIAL STATISTICS -- NET REMAINING PER OWNER-HOUR



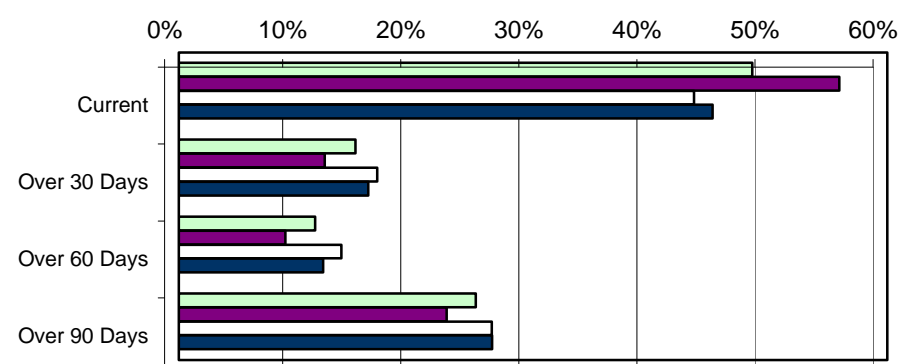
### Charge Interest on A/R? (% Yes)



### Average Interest Charged



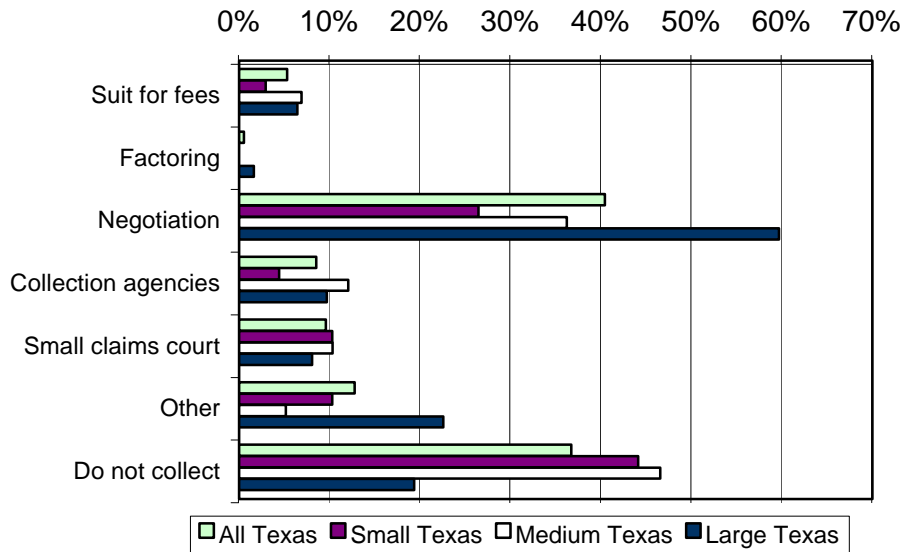
### Accounts Receivable Aging



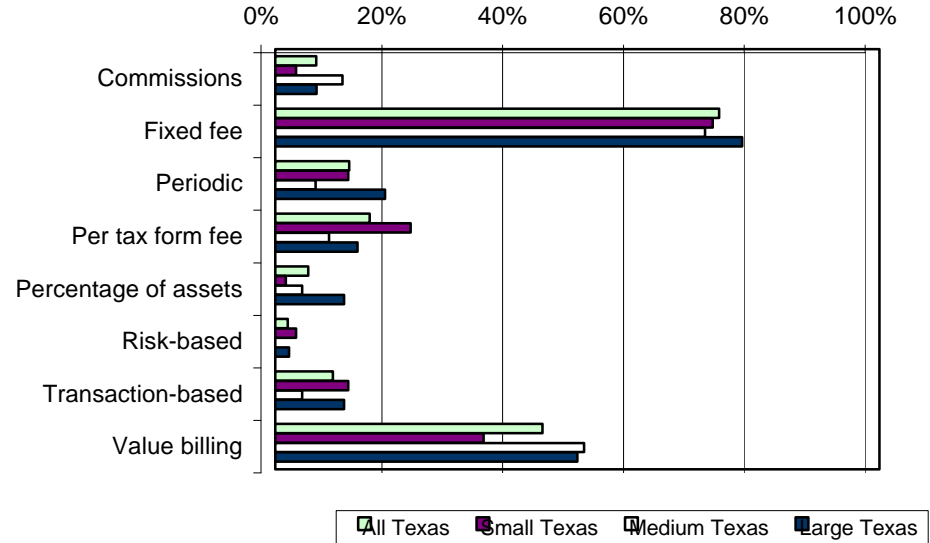
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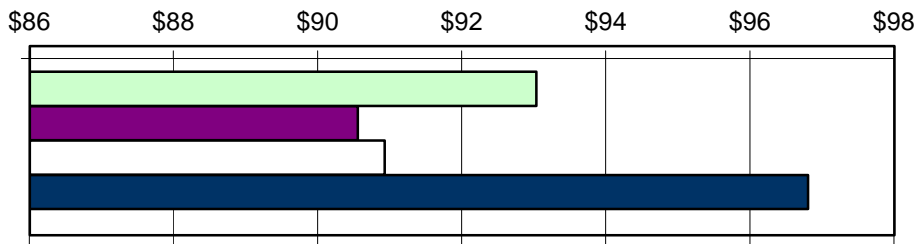
**How handle collection of delinquent fees?**



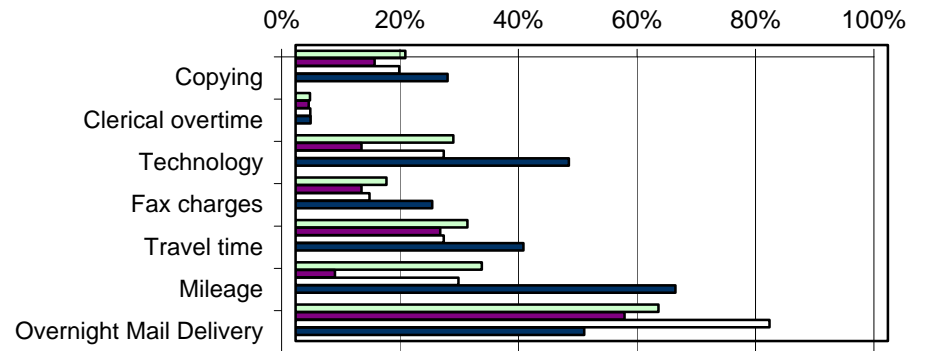
**Non-Hourly Billing Methods Used**



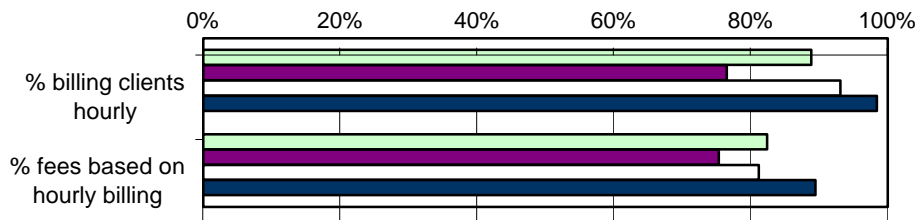
**Est. Billing Rate For Prof'l Making \$50K**



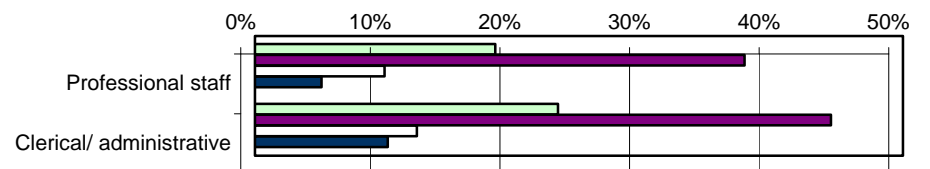
**Bill Separately For...**



**Hourly Billing -- Percent Using And % of Fees for Users**

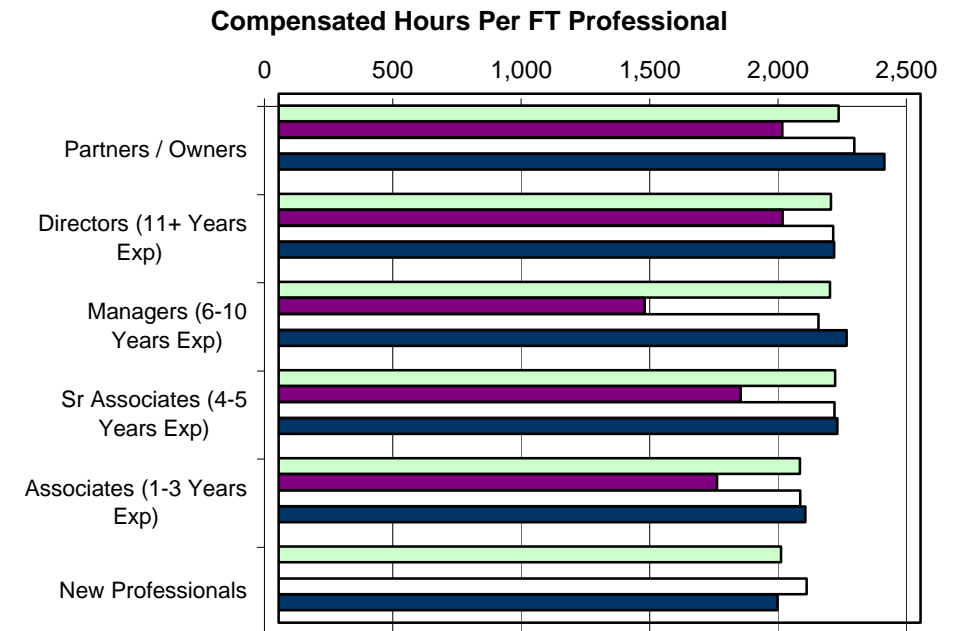
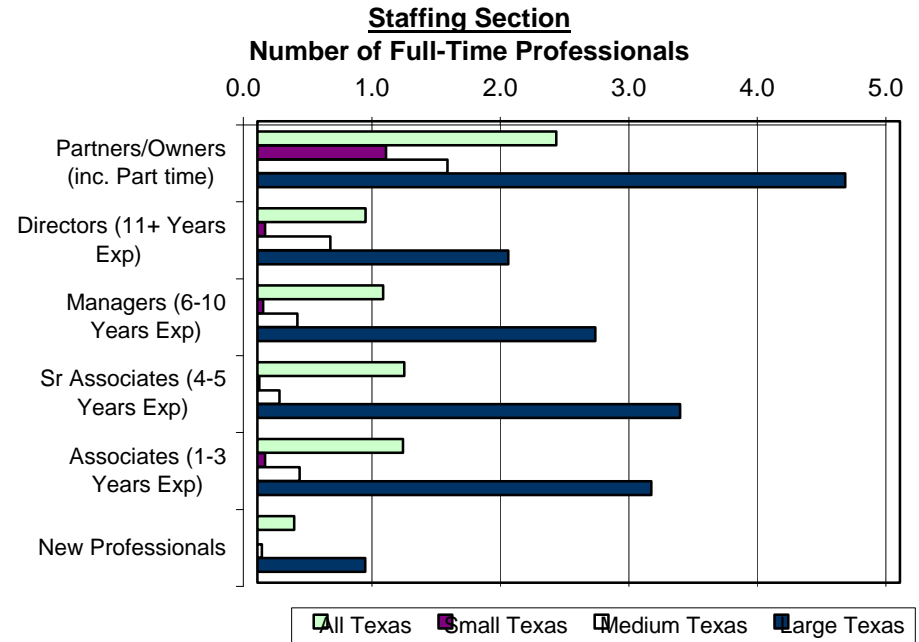
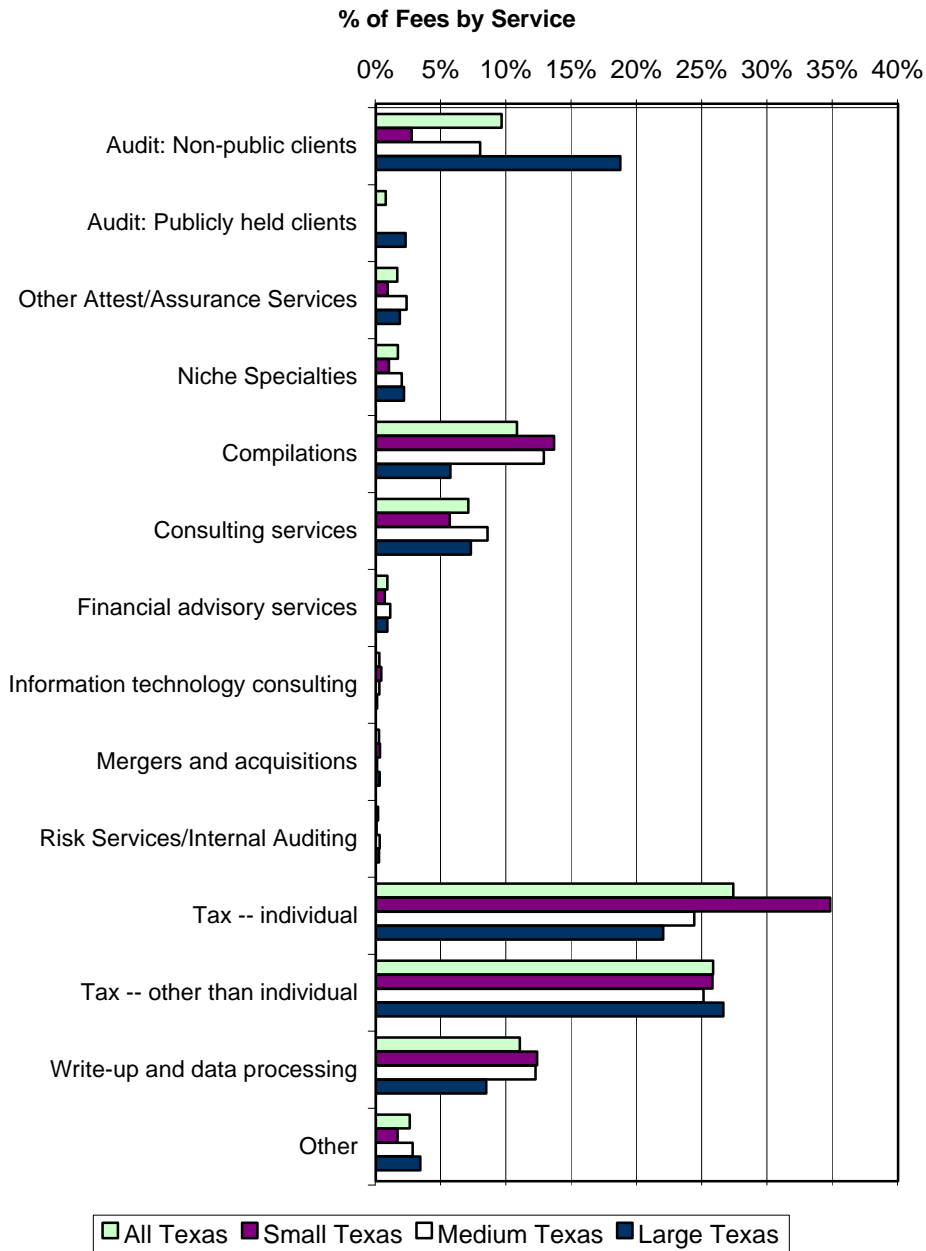


**Use Standard Billing Rates for...**



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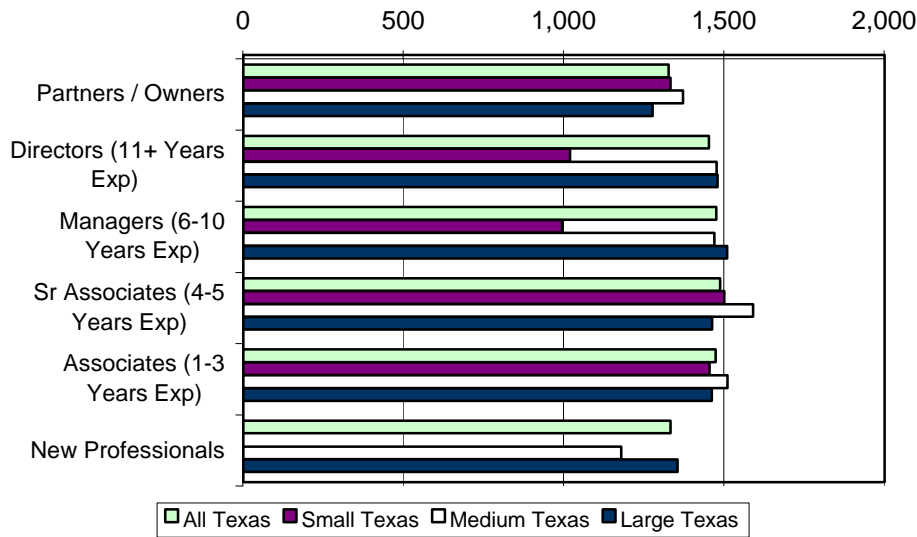
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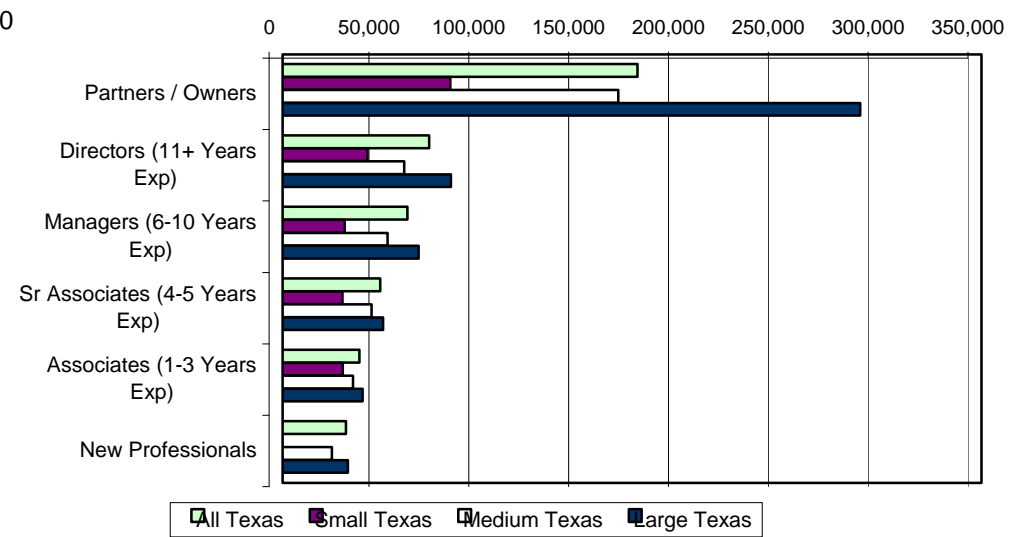
## 2006 National PCPS / TSCPA Management of an Accounting Practice Survey

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Staffing Section (continued)

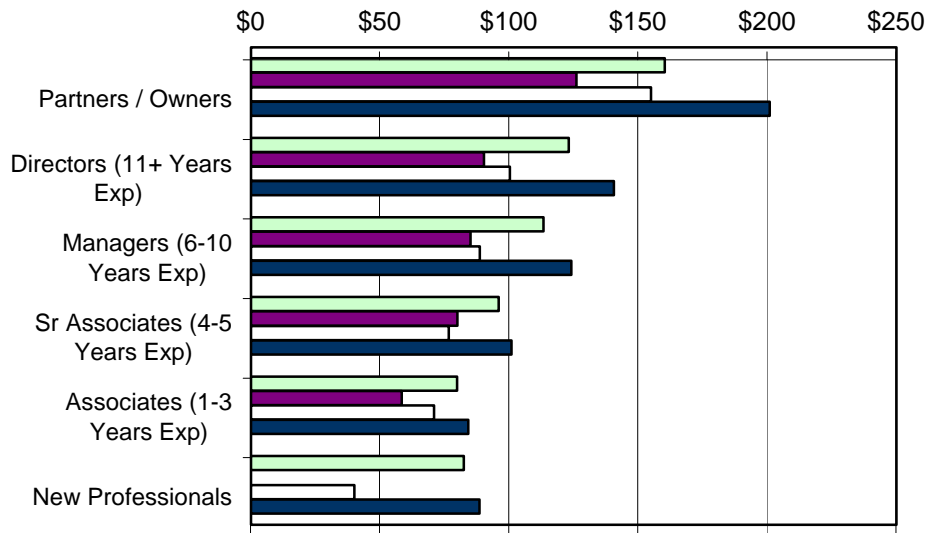
**Chargeable Hours Per Full-Time Professional**



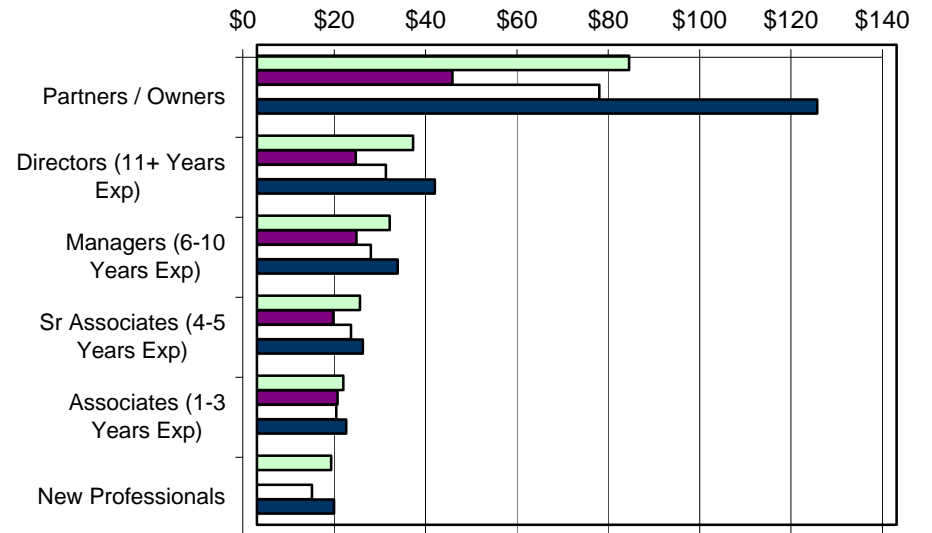
**Compensation Per FT Professional**



**Average Billing Rate**



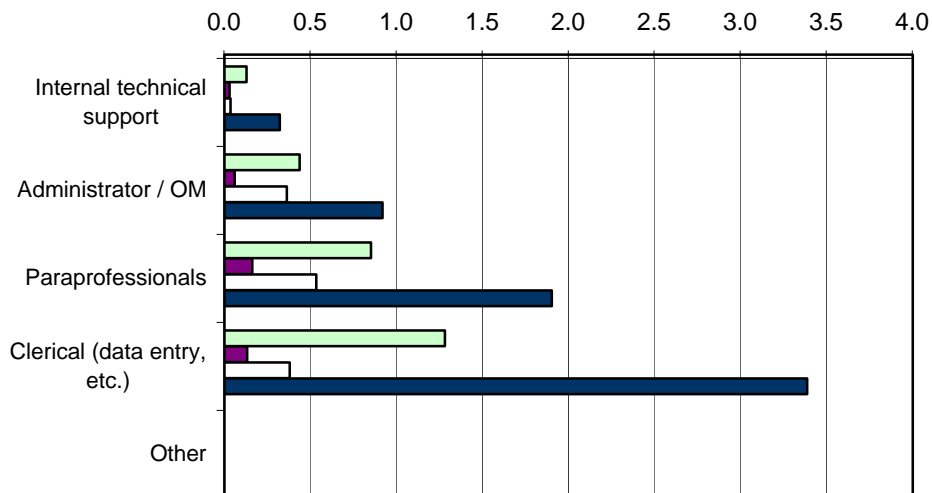
**Average Compensation per Compensated Hour**



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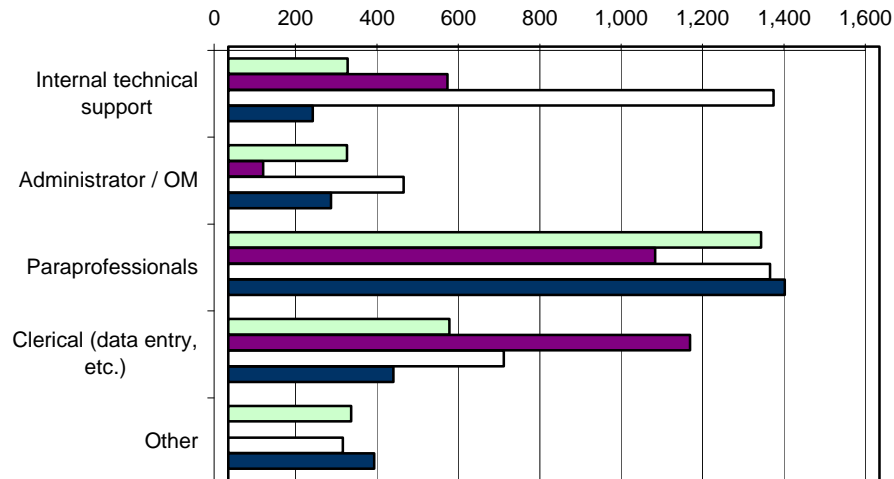
Report prepared for: Texas Society of CPAs  
Staffing Section (continued)

**Number of Non-Professional Staff**



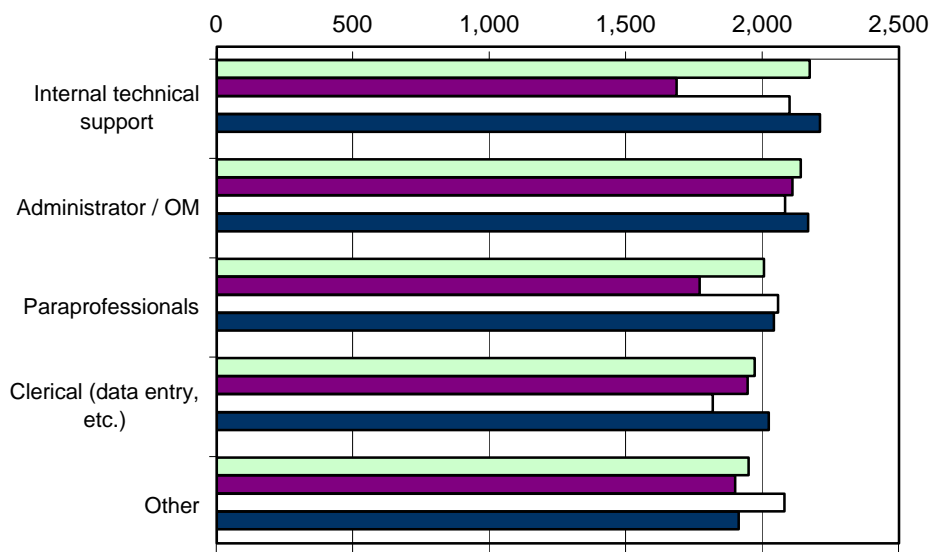
Legend: All Texas (light green), Small Texas (purple), Medium Texas (white), Large Texas (dark blue)

**Chargeable Hours Per FT Employee**

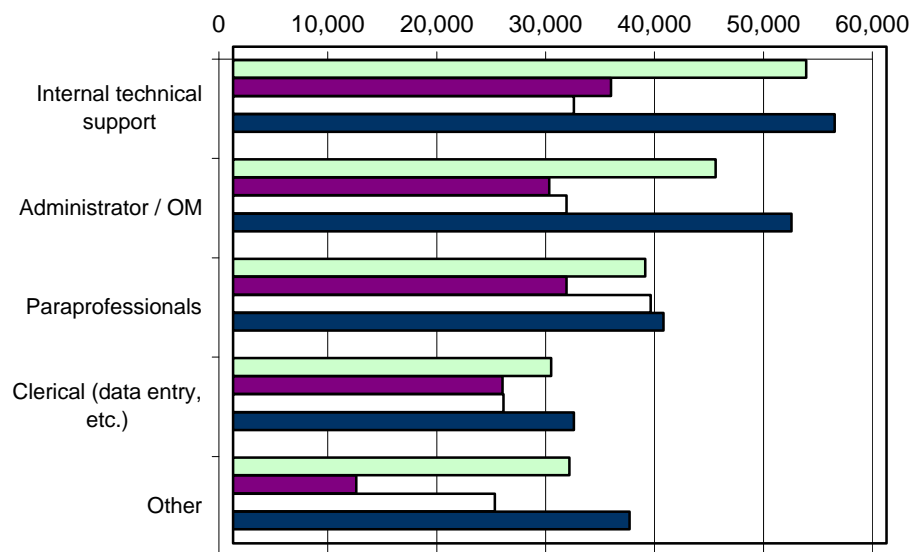


Legend: All Texas (light green), Small Texas (purple), Medium Texas (white), Large Texas (dark blue)

**Compensated Hours Per FT Employee**



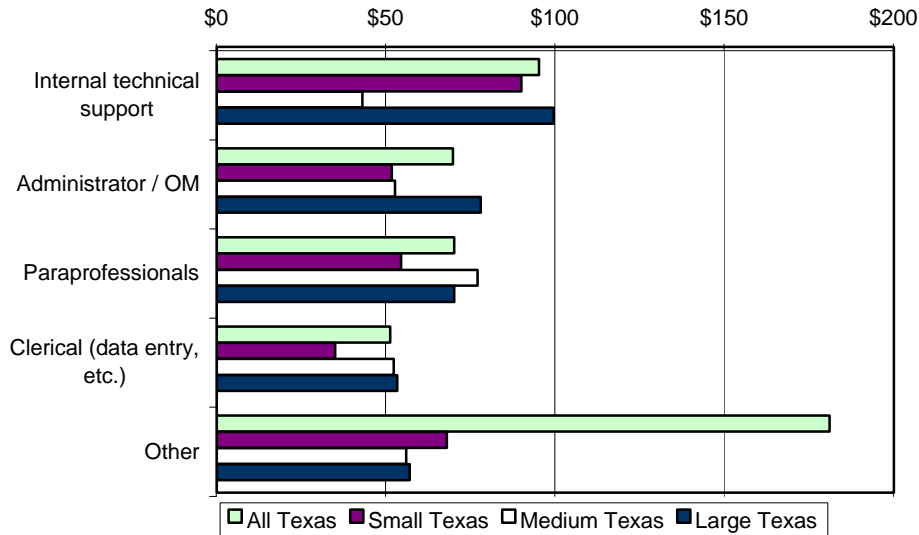
**Average Annual Compensation**



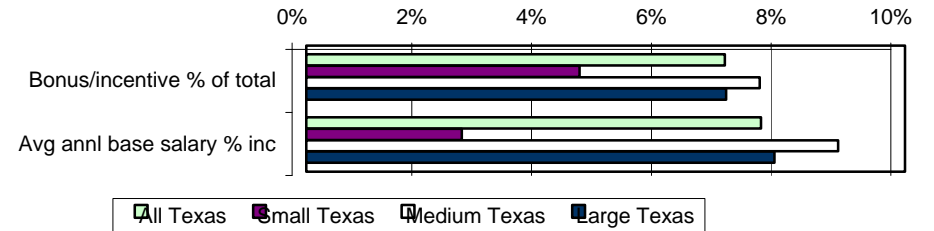
# 2006 National PCPS / TSCPA Management of an Accounting Practice Survey

Report prepared for: Texas Society of CPAs  
Staffing Section (continued)

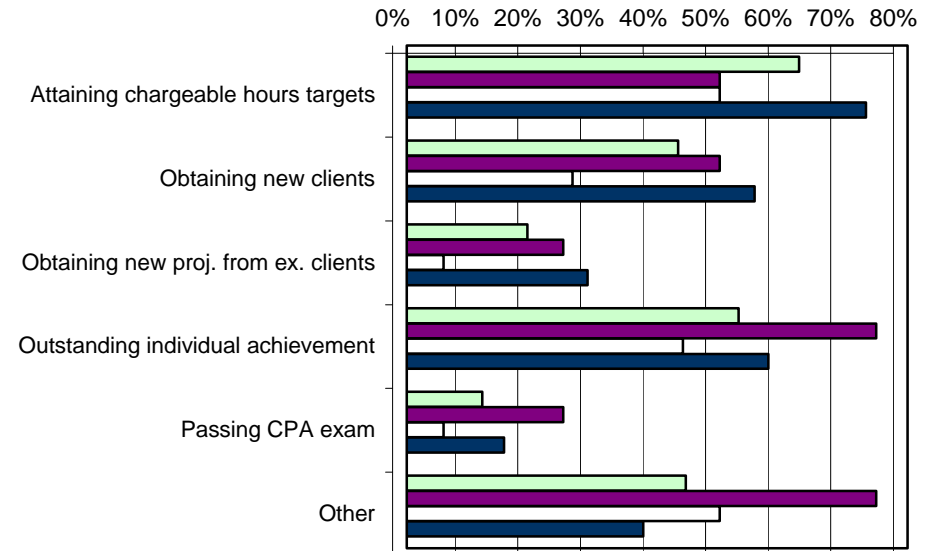
**Average Billing Rate**



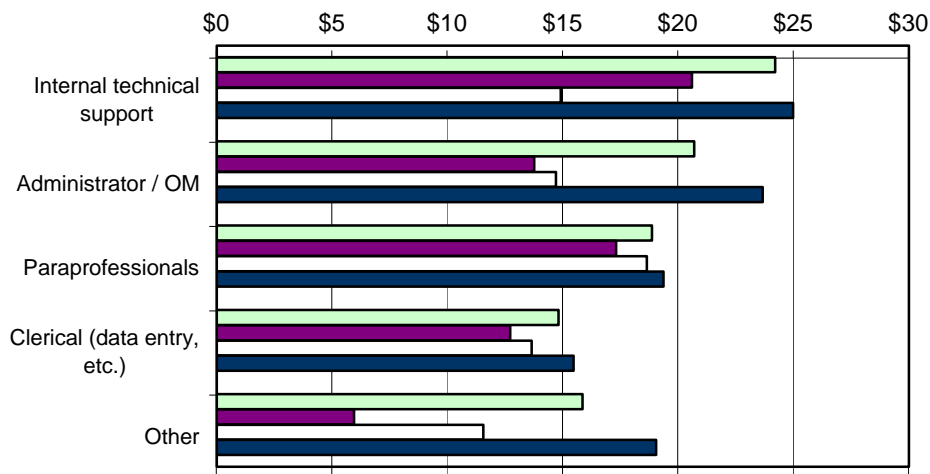
**Bonus and Percent Increase for Professionals**



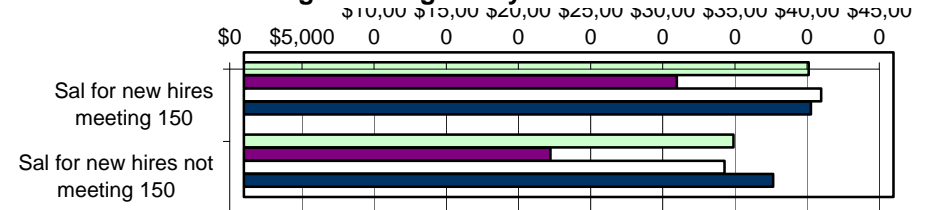
**Factors Used in Determining Bonus / Incentive Comp**



**Compensation Per Compensated Hour**



**Average Starting Salary for New CPAs**

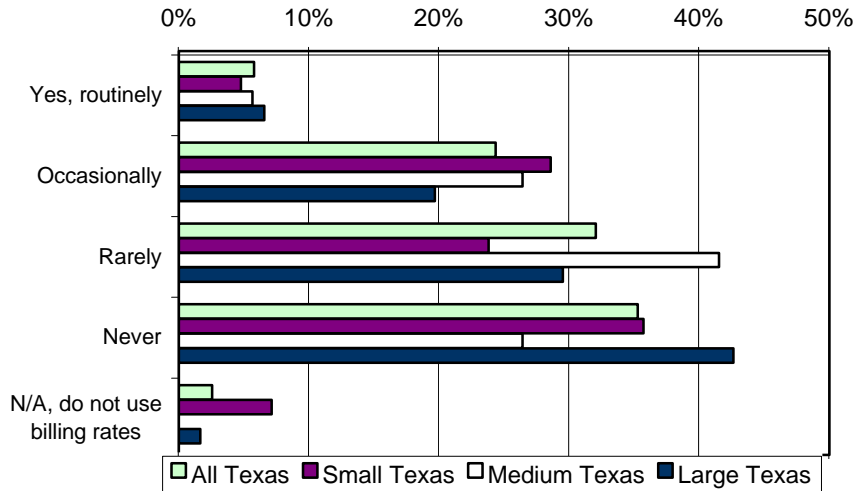




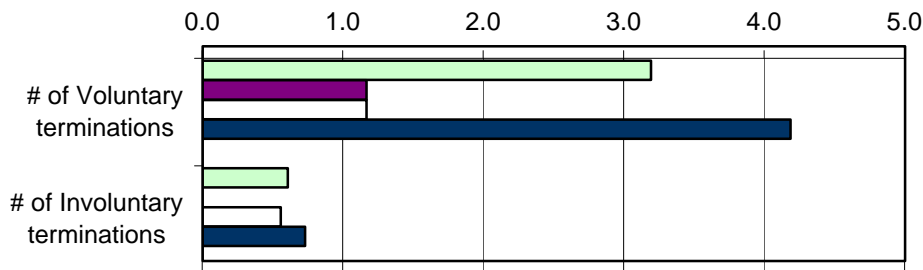
## 2006 National PCPS / TSCPA Management of an Accounting Practice Survey

Report prepared for: Texas Society of CPAs

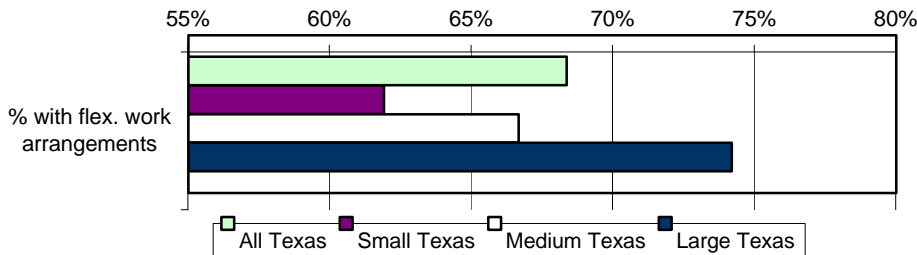
### Staffing Section (continued) Adjust Billing Rates Seasonally?



### Number of Staff Members Terminated



### Percent of Firms With Flexible Work Arrangements

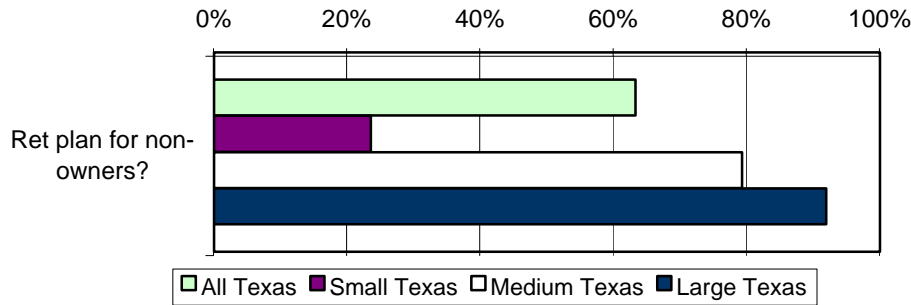


## 2006 National PCPS / TSCPA Management of an Accounting Practice Survey

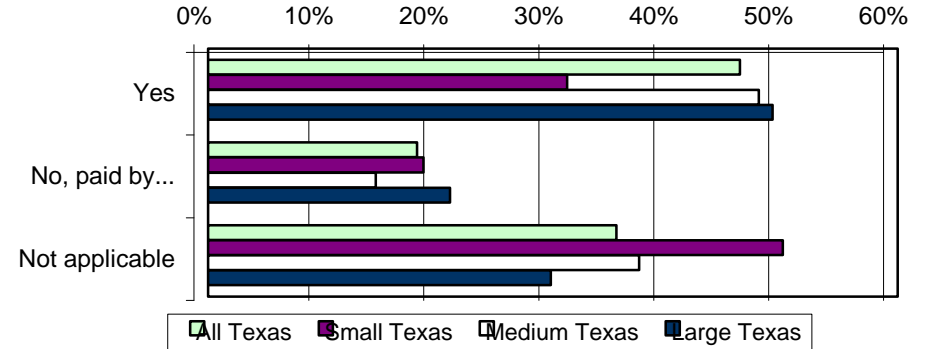
Report prepared for: Texas Society of CPAs

### Benefits

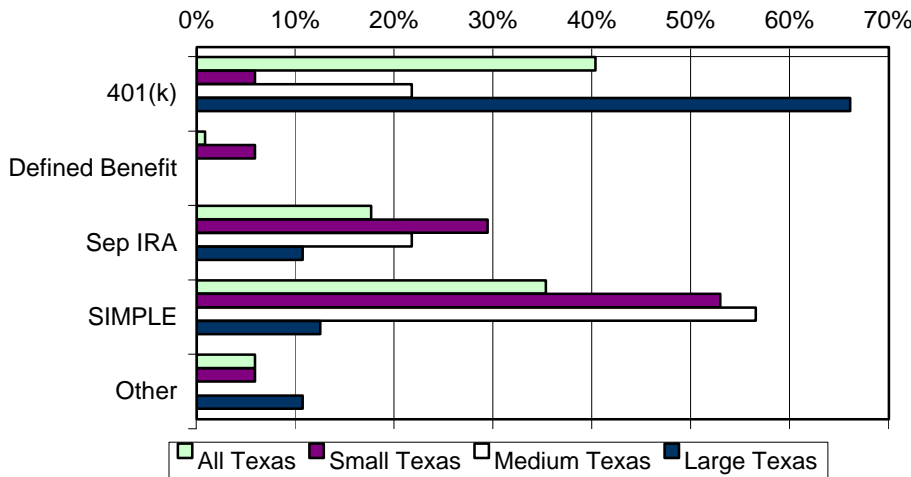
Retirement Plan for Non-Owners?



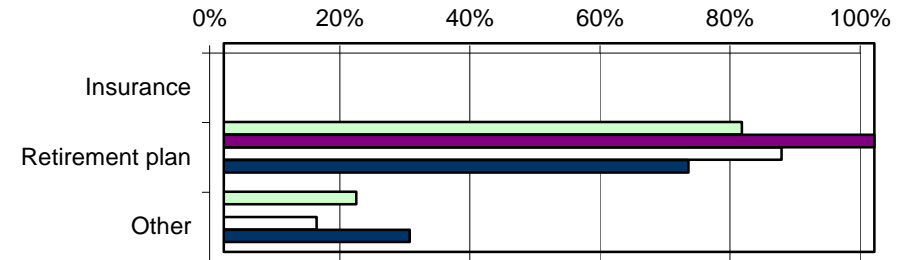
Is Retirement Plan for Non-Owners Funded?



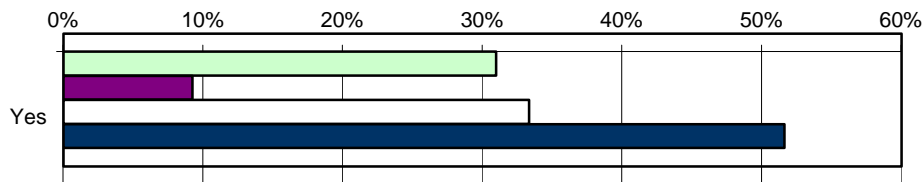
Retirement Plan Type



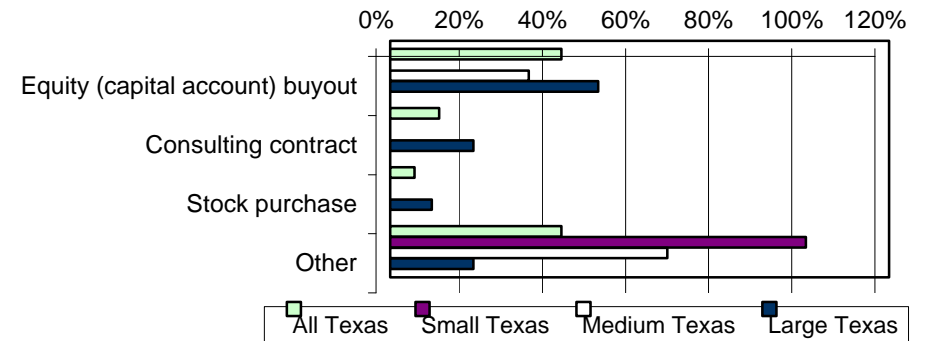
Retirement Plan Funded By



Provide for Partner Retirement? (% Yes)



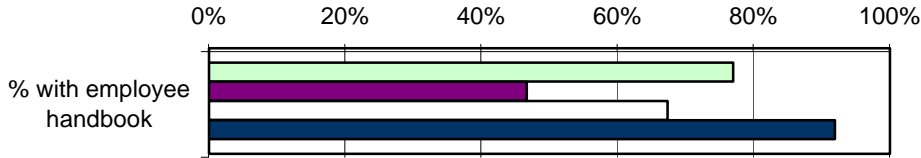
Retirement Plan Paid By...



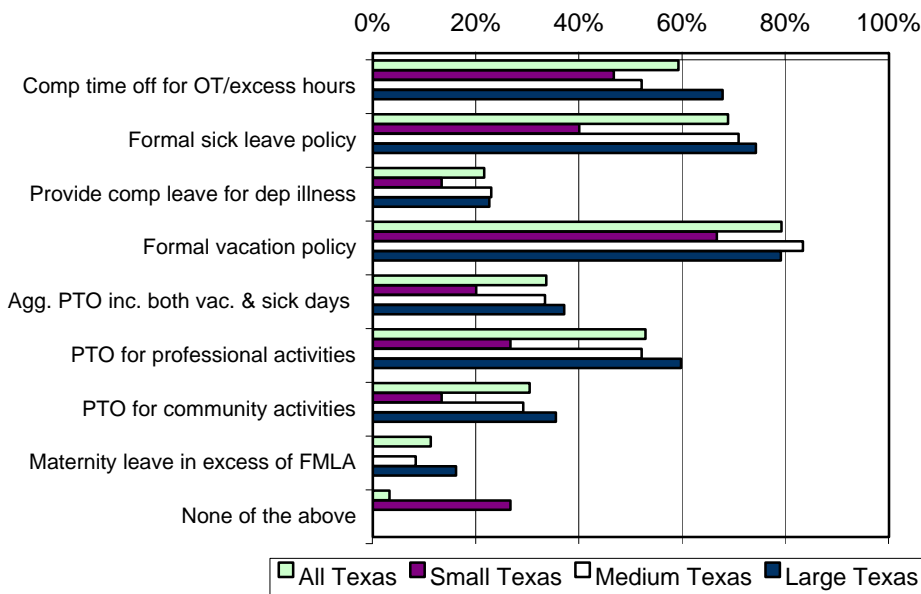
# 2006 National PCPS / TSCPA Management of an Accounting Practice Survey

Report prepared for: Texas Society of CPAs

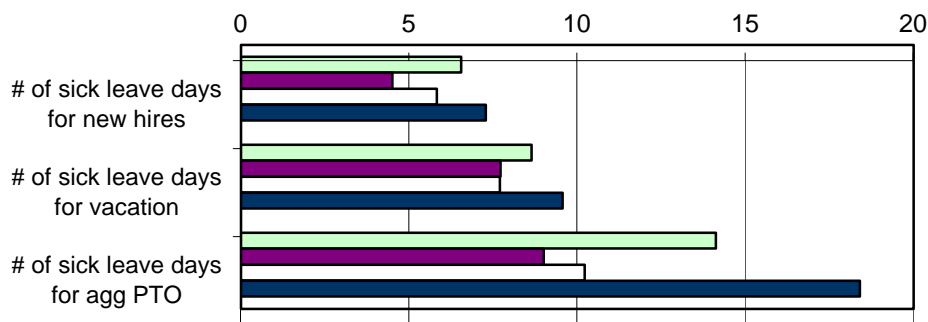
**Have Employee Handbook? (% Yes)**



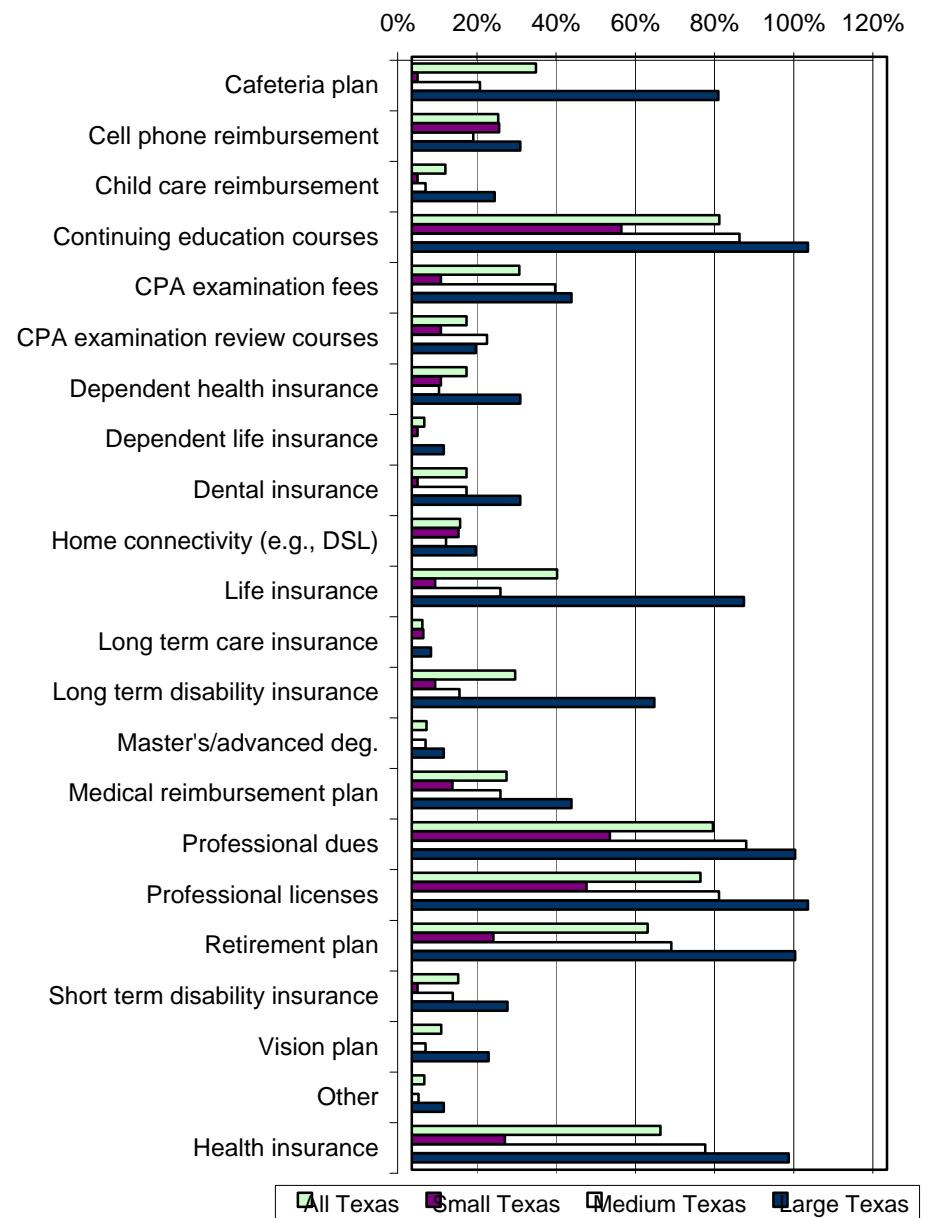
**PTO Policies in Place**



**Paid Time Off Days**



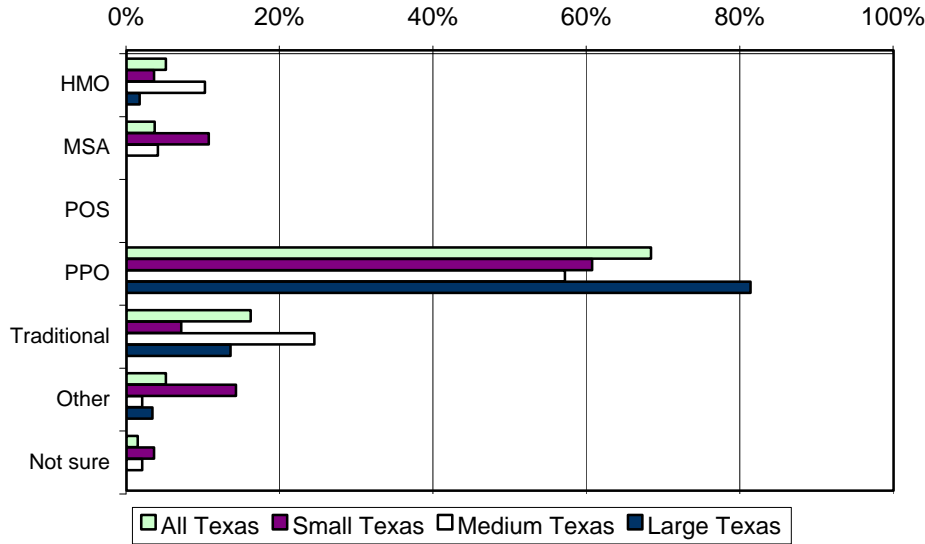
**Benefits Provided / Paid For By Firm**



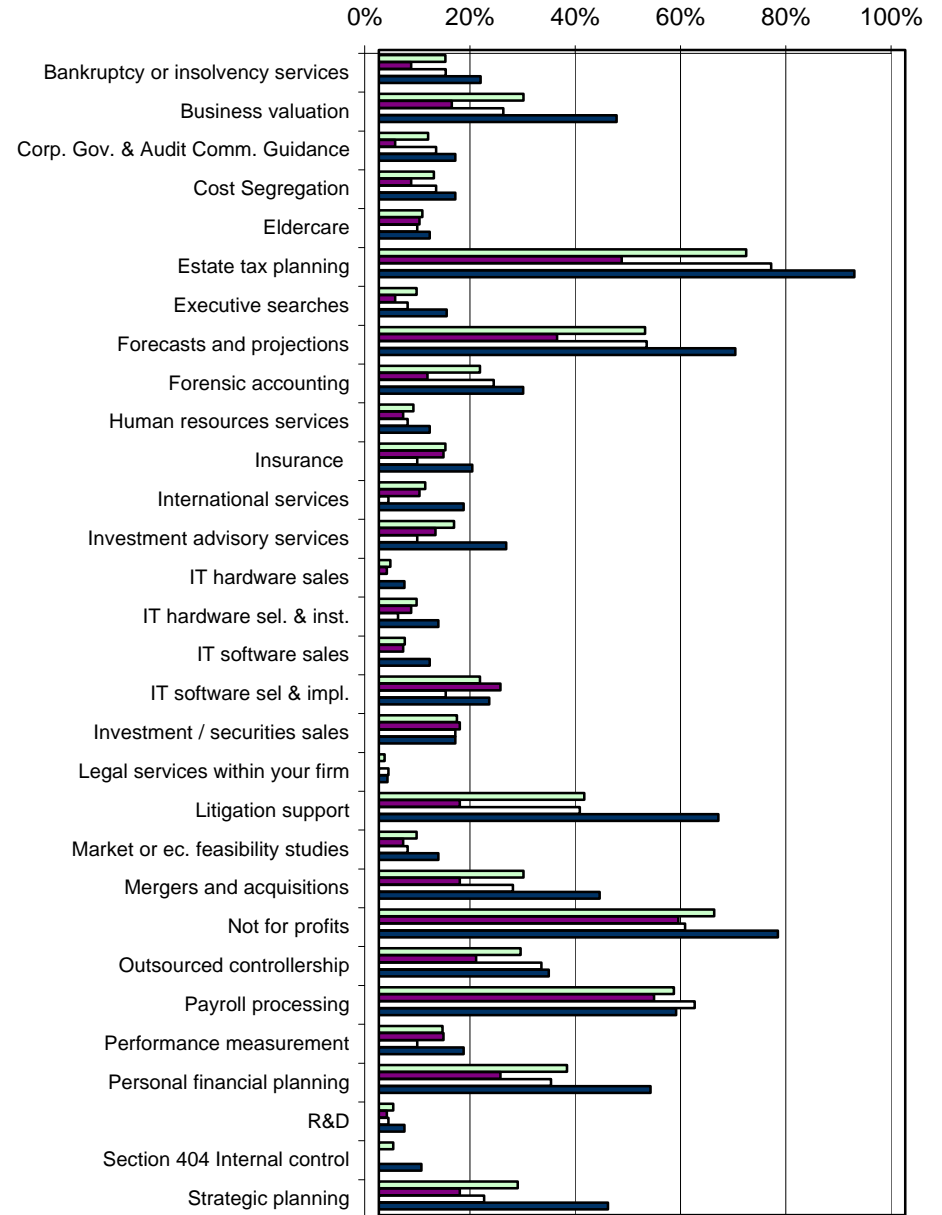
# 2006 National PCPS / TSCPA Management of an Accounting Practice Survey

Report prepared for: Texas Society of CPAs

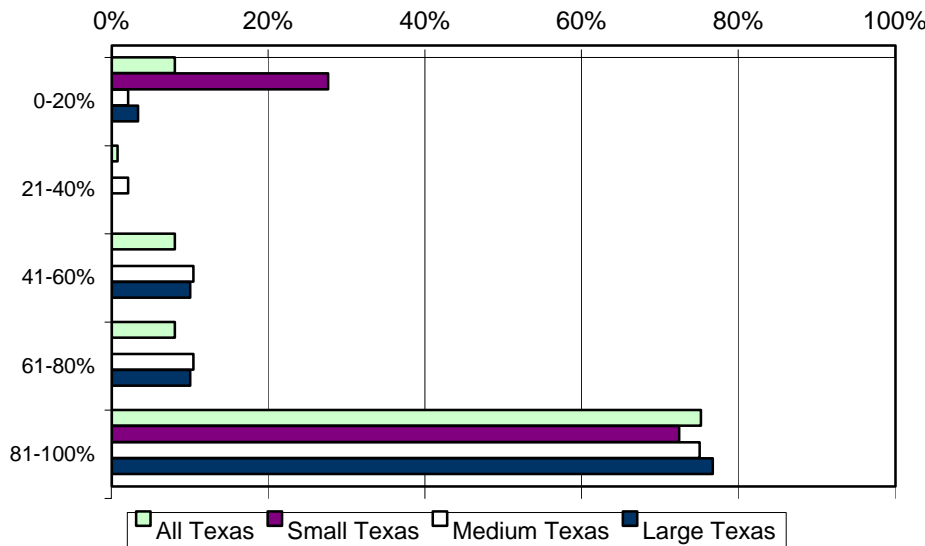
**Health Insurance Type**



**Services Provided**



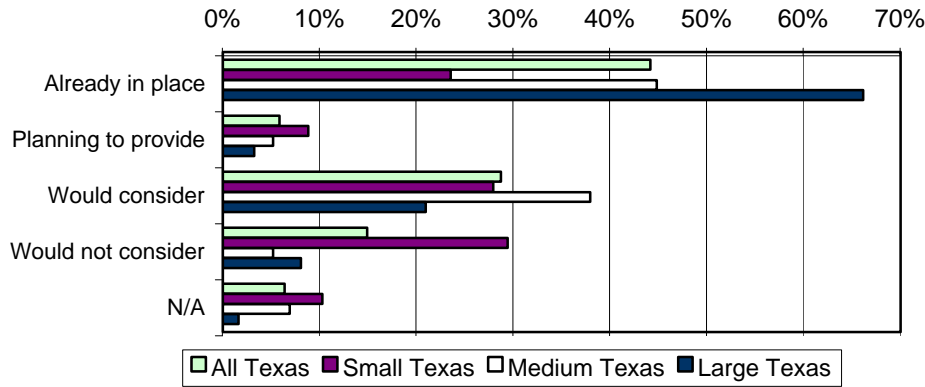
**Proportion of Health Coverage Paid By Firm**



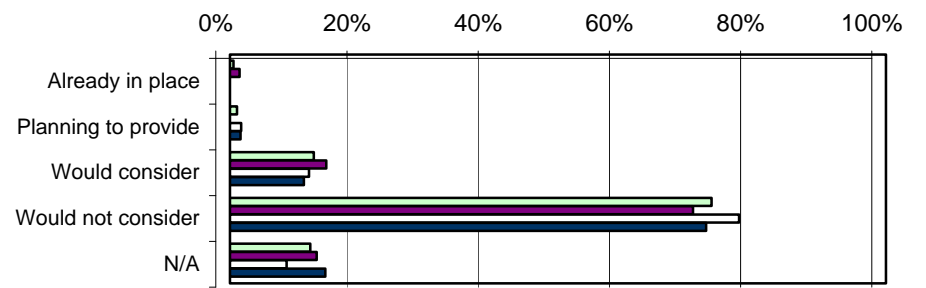
## 2006 National PCPS / TSCPA Management of an Accounting Practice Survey

Report prepared for: Texas Society of CPAs  
 Status of Key Trends Within the Profession

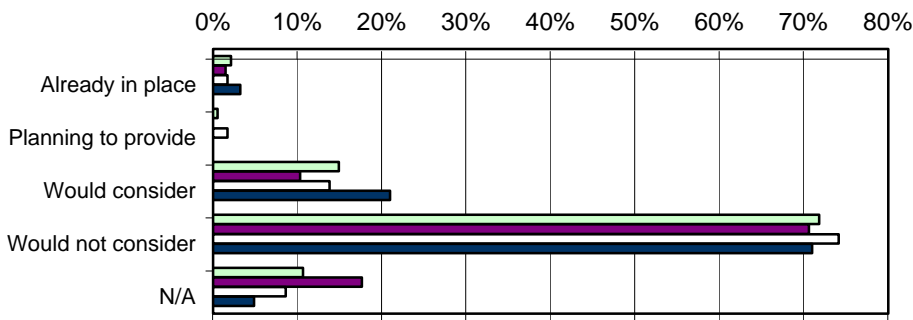
**Hiring non-CPA professionals**



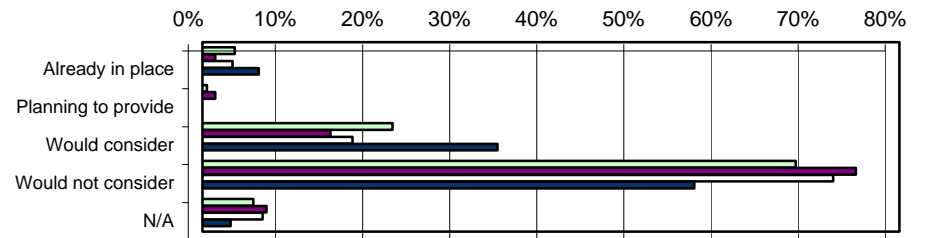
**Merging with a non-CPA firm (if permitted by state law)**



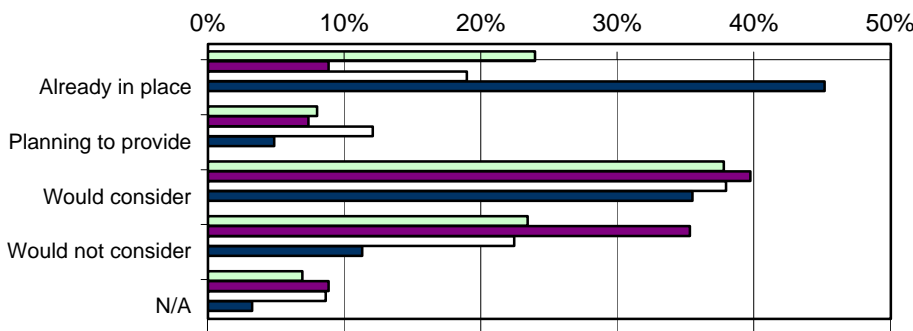
**Making non-CPAs owners in the firm**



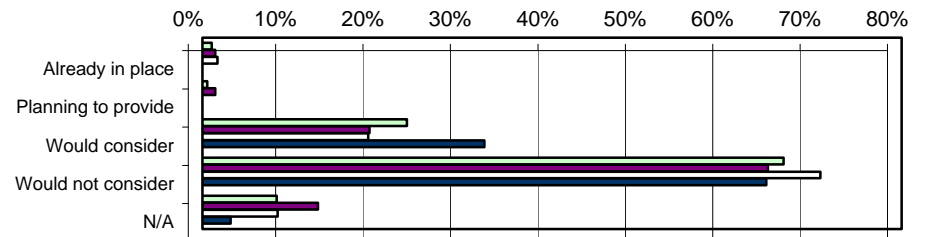
**Outsourcing individual Tax Returns**



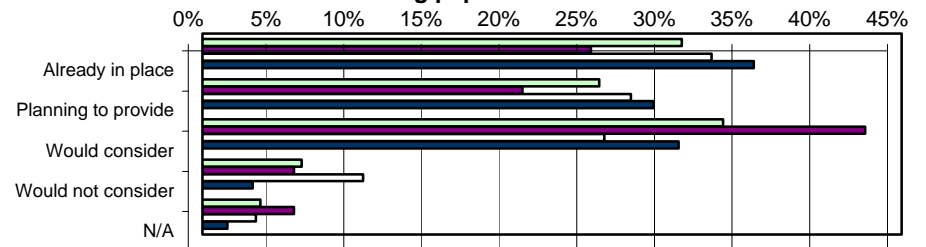
**Hiring interns for professional staffing**



**Outsourcing write up work**



**Going paperless**

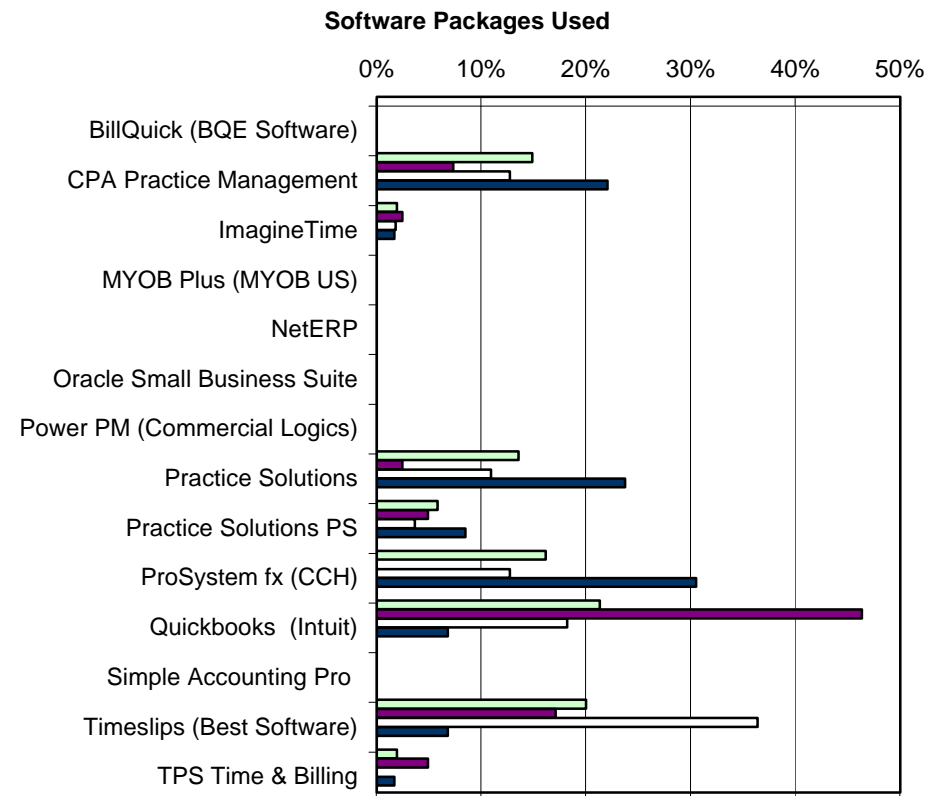
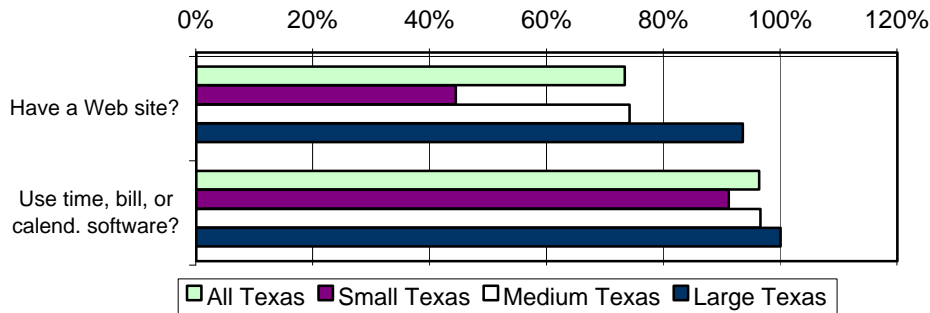


# 2006 National PCPS / TSCPA Management of an Accounting Practice Survey

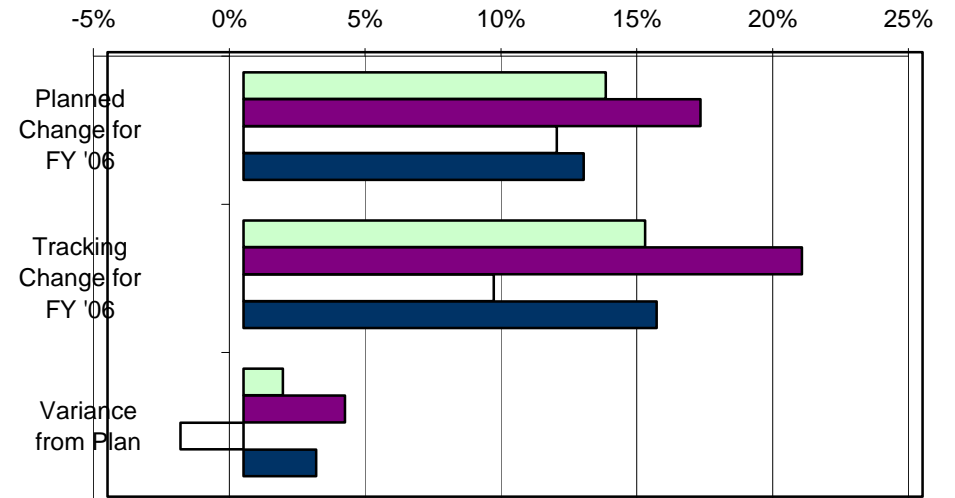
Report prepared for: Texas Society of CPAs

## Practice Management Issues and FY 2006 Projections

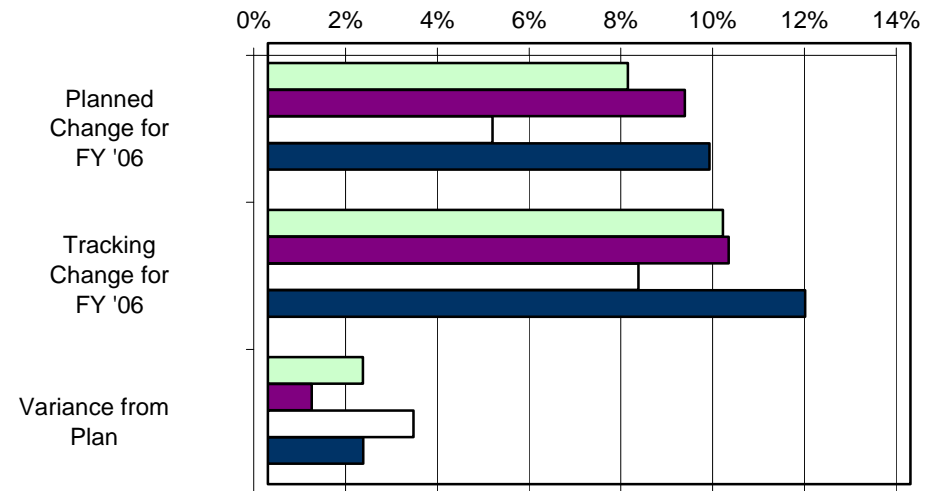
Does your firm... (check all that apply)



## Revenues -- Projected and Tracking



## Expenses -- Projected and Tracking



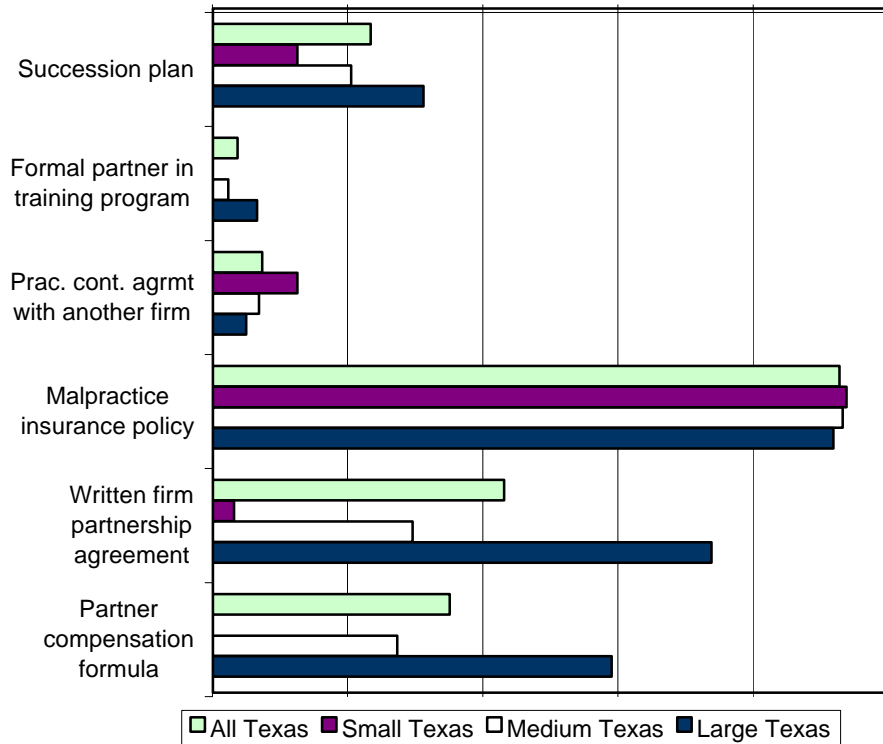
# 2006 National PCPS / TSCPA Management of an Accounting Practice Survey

Report prepared for: Texas Society of CPAs

## Marketing and Partner Agreements

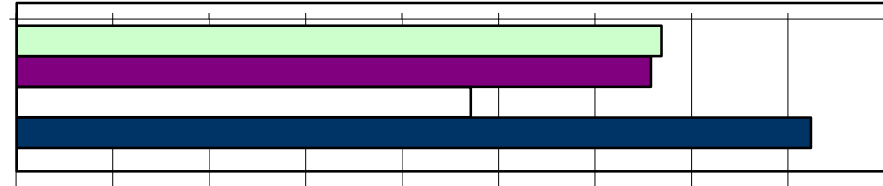
Does your firm... (check all that apply)

0% 20% 40% 60% 80% 100%



Malpractice Insurance Coverage Limit

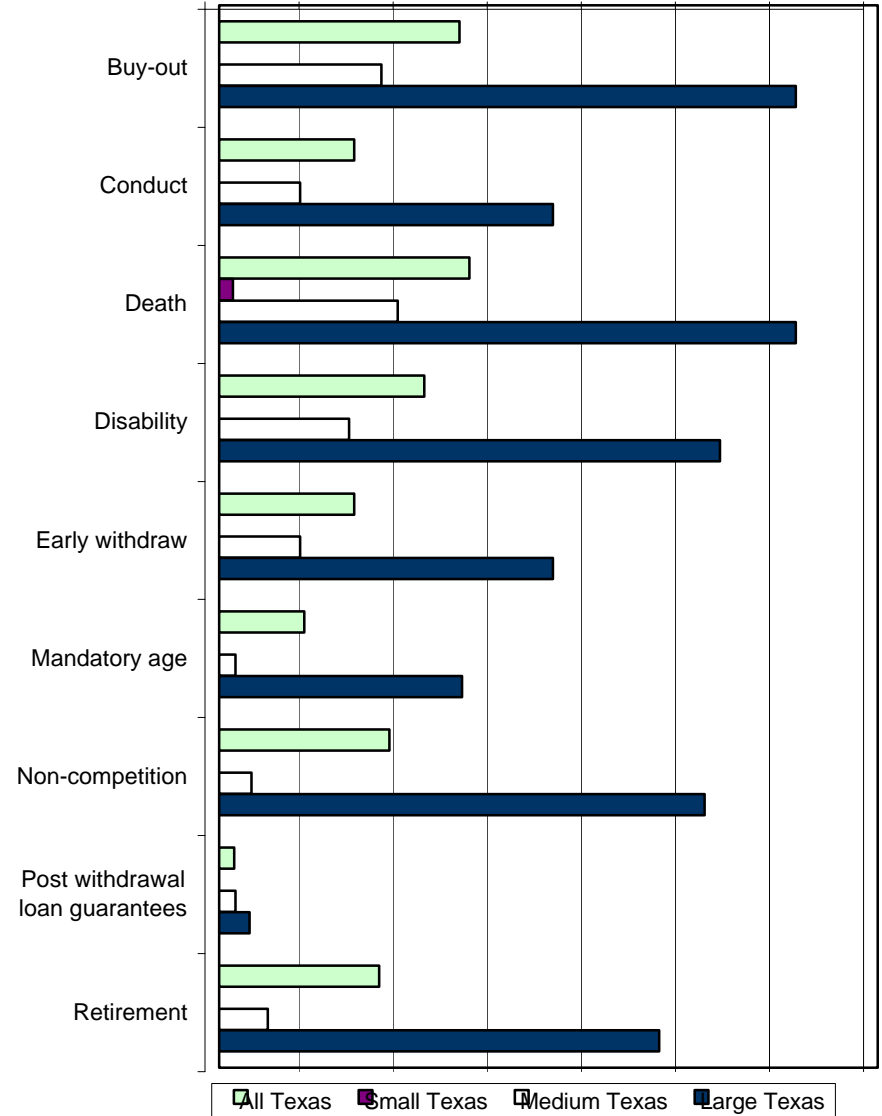
0 200,000 400,000 600,000 800,000 1,000,000 1,200,000 1,400,000 1,600,000 1,800,000



Last Partner Agreement Update Date

Provisions of Partner Agreement

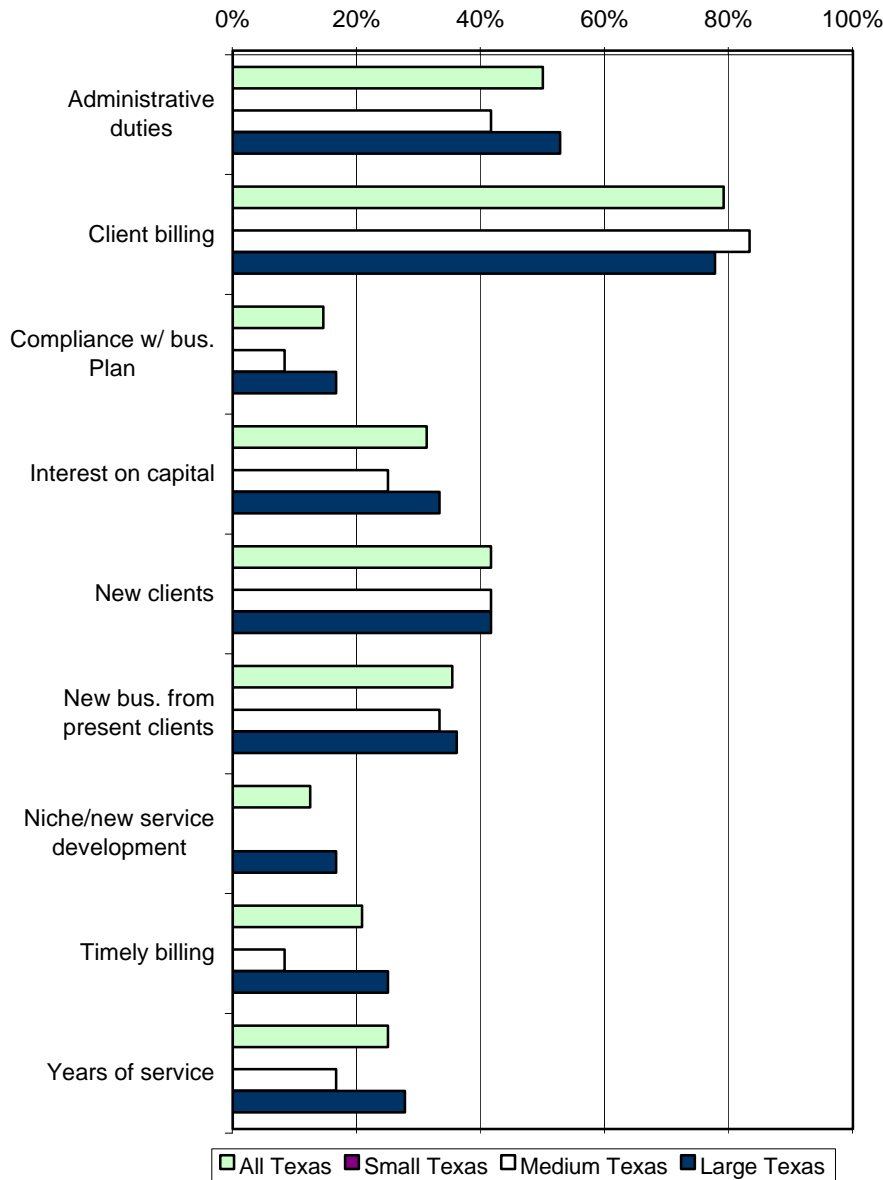
0% 10% 20% 30% 40% 50% 60% 70%



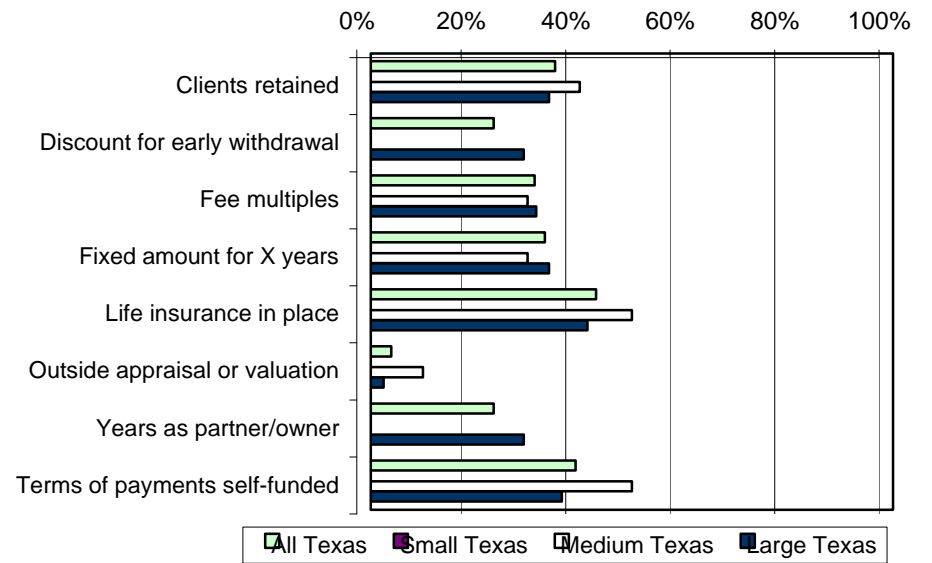
# 2006 National PCPS / TSCPA Management of an Accounting Practice Survey

Report prepared for: Texas Society of CPAs  
Marketing and Partner Agreements

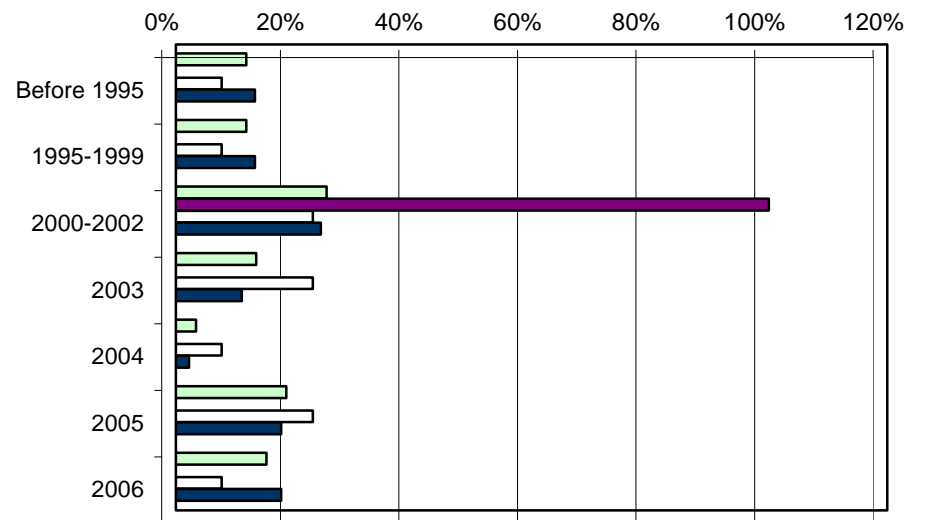
**Partner Compensation Provisions**



**Components of Buy-Out / Valuation**



**Date Partner Agreement Last Updated**

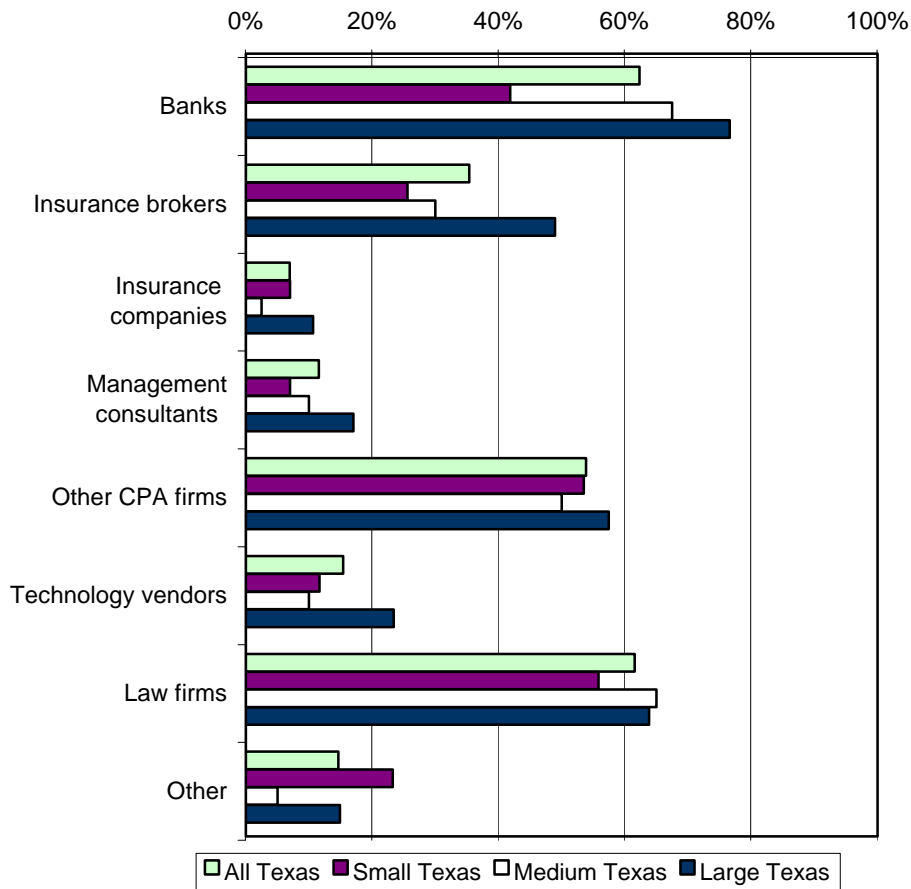




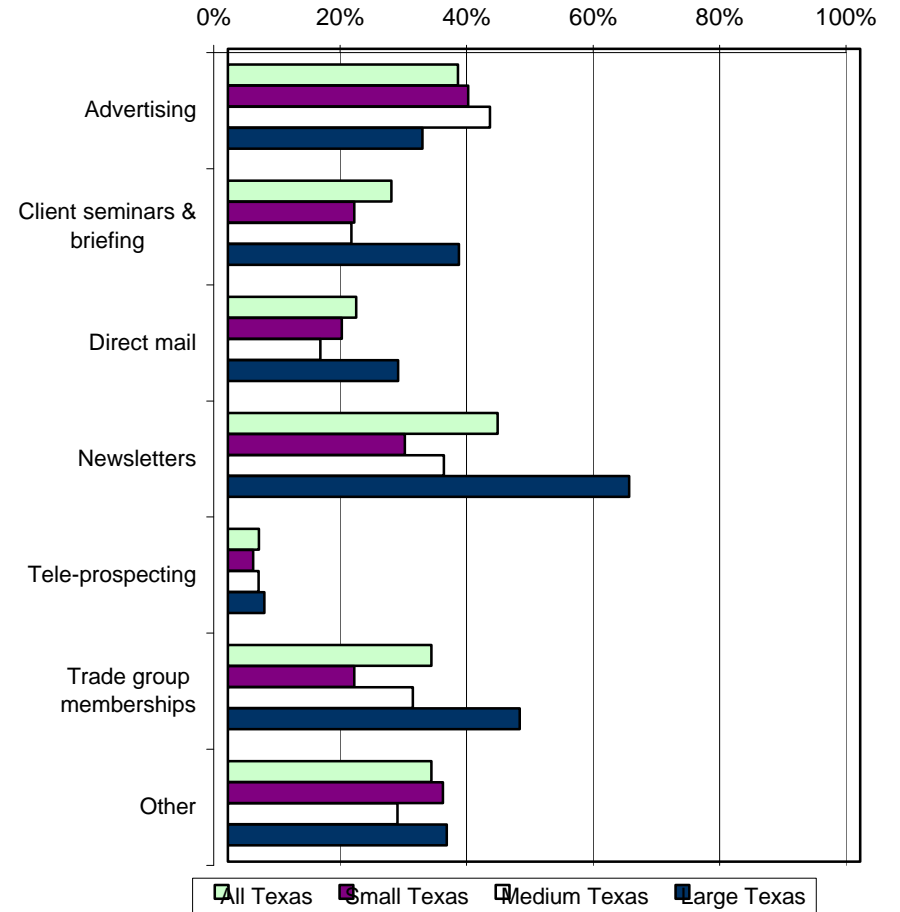
## 2006 National PCPS / TSCPA Management of an Accounting Practice Survey

Report prepared for: Texas Society of CPAs

**Working Alliances**

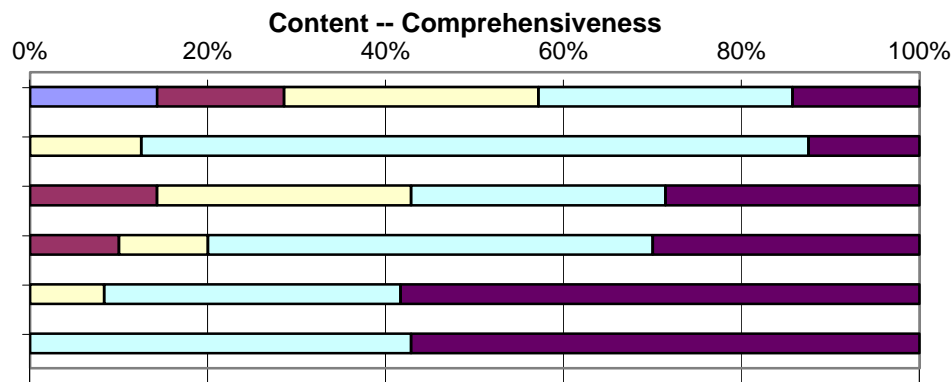
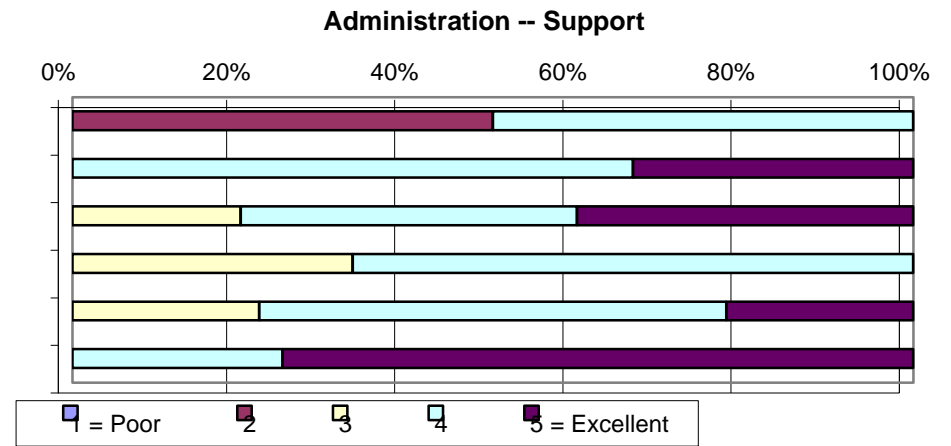
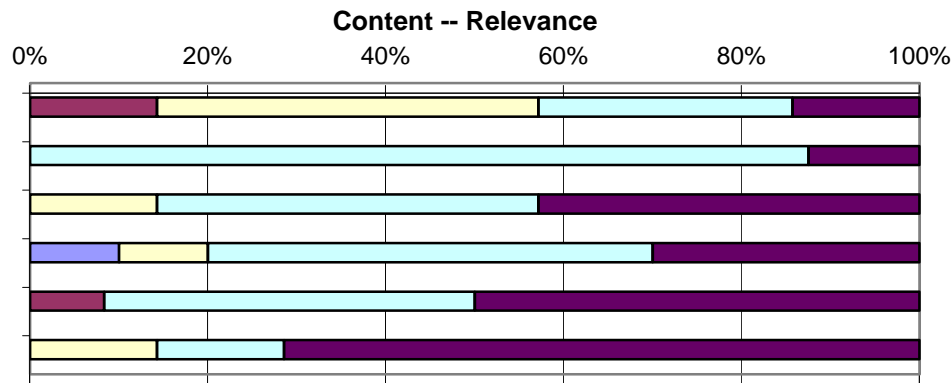
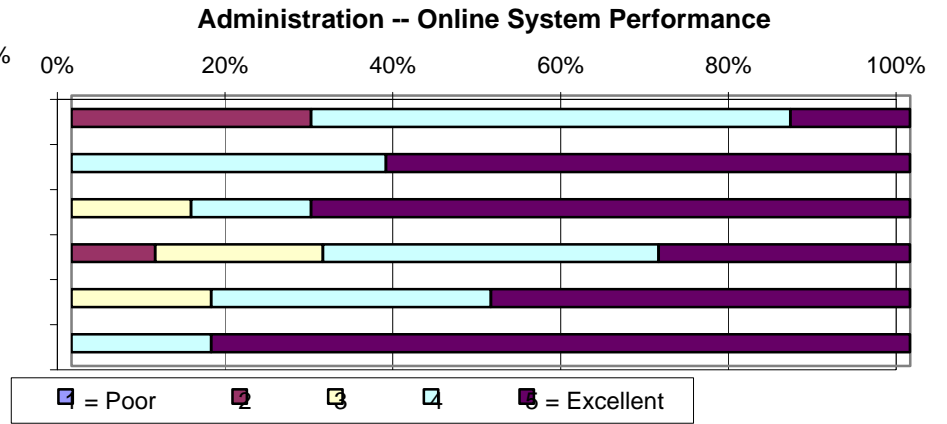
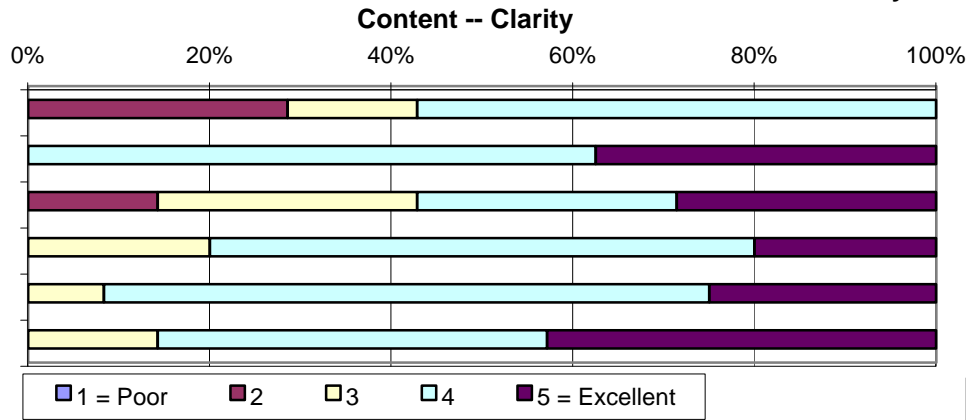


**Marketing Methods Used and Found Effective**



# 2006 National PCPS / TSCPA Management of an Accounting Practice Survey

Report prepared for: Texas Society of CPAs  
Survey Performance



Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+
Number of firms	188	68	58	62	1,842	44	60	63	82	79	81

**Peer Groups**

Below, please find the results for Texas.

For more targeted benchmarks, please consider visiting the online reports.

All TX

All the respondents from the state of Texas

Small Texas

Small firms (<\$300K in revenues) in Texas

Medium Texas

Medium firms (\$300-\$999K in revenues) in Texas

Large Texas

Large firms (>\$1M in revenues) in Texas

Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+
Number of firms	188	68	58	62	1,842	44	60	63	82	79	81

Region: South

Subregion: West North Central

**Region (as defined by U.S. Census)**

Midwest	0.0%	0.0%	0.0%	0.0%	22.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Northeast	0.0%	0.0%	0.0%	0.0%	9.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
South	100.0%	100.0%	100.0%	100.0%	37.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
West	0.0%	0.0%	0.0%	0.0%	29.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Census Division**

East North Central	0.0%	0.0%	0.0%	0.0%	14.4%	84.1%	65.0%	73.0%	50.0%	73.4%	54.3%
East South Central	0.0%	0.0%	0.0%	0.0%	4.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Middle Atlantic	0.0%	0.0%	0.0%	0.0%	4.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
New England	0.0%	0.0%	0.0%	0.0%	5.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
South Atlantic	0.0%	0.0%	0.0%	0.0%	17.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
West North Central	0.0%	0.0%	0.0%	0.0%	7.8%	15.9%	35.0%	27.0%	50.0%	26.6%	45.7%
West South Central	100.0%	100.0%	100.0%	100.0%	15.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mountain	0.0%	0.0%	0.0%	0.0%	9.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pacific	0.0%	0.0%	0.0%	0.0%	20.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Average Household Income (see graphs or summary for definition)**

Lower -- Bottom -- <\$35K	24.5%	23.5%	22.4%	27.4%	15.7%	2.3%	15.0%	6.3%	4.9%	8.9%	6.2%
Lower -- Top -- \$35--\$39K	43.6%	30.9%	43.1%	58.1%	28.4%	29.5%	18.3%	31.7%	28.0%	17.7%	25.9%
Middle -- Bottom -- \$40-\$44K	6.9%	10.3%	6.9%	3.2%	19.2%	29.5%	21.7%	15.9%	34.1%	38.0%	30.9%
Middle -- Top -- \$45-49K	17.0%	22.1%	19.0%	9.7%	13.2%	6.8%	8.3%	9.5%	11.0%	13.9%	19.8%
Upper -- Bottom -- \$50-59K	8.0%	13.2%	8.6%	1.6%	12.5%	25.0%	20.0%	23.8%	9.8%	12.7%	9.9%
Upper -- Top -- \$60K+	0.0%	0.0%	0.0%	0.0%	10.9%	6.8%	16.7%	12.7%	12.2%	8.9%	7.4%

**Firm Size**

<150K	16.5%	45.6%	0.0%	0.0%	13.6%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
150-299K	19.7%	54.4%	0.0%	0.0%	14.4%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
300-549K	17.0%	0.0%	55.2%	0.0%	15.4%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
550-999K	13.8%	0.0%	44.8%	0.0%	17.3%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
1M-1.99M	17.0%	0.0%	0.0%	51.6%	18.6%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
2M+	16.0%	0.0%	0.0%	48.4%	20.7%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+

Number of firms	188	68	58	62	1,842	44	60	63	82	79	81
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**Which of the following categories best describes your practice unit?**

Sole practitioner	32.4%	77.9%	13.8%	0.0%	22.0%	75.0%	38.3%	9.5%	0.0%	1.3%	0.0%
Single-office firm	61.7%	22.1%	82.8%	85.5%	65.5%	25.0%	56.7%	88.9%	87.8%	74.7%	55.6%
Unified multi-office firm	4.3%	0.0%	3.4%	9.7%	9.8%	0.0%	3.3%	0.0%	7.3%	24.1%	32.1%
Office of small regional firm*	1.6%	0.0%	0.0%	4.8%	2.3%	0.0%	0.0%	1.6%	4.9%	0.0%	8.6%
Office of regional/national firm*	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	3.7%
Office of a 'Big 4' firm*	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	1.7%	0.0%	0.0%	0.0%	0.0%

**Approximately how did firm size (measured in gross fees) change in Fiscal 2005 versus 2004?**

Increase 50+%	4.8%	10.3%	1.7%	1.6%	3.8%	15.9%	3.3%	1.6%	0.0%	1.3%	2.5%
Increase 30-49%	4.3%	4.4%	5.2%	3.2%	3.5%	4.5%	5.0%	3.2%	3.7%	1.3%	0.0%
Increase 20-29%	6.9%	2.9%	6.9%	11.3%	8.5%	9.1%	13.3%	4.8%	2.4%	3.8%	8.8%
Increase 10-19%	24.5%	14.7%	32.8%	27.4%	25.3%	18.2%	15.0%	25.4%	20.7%	25.3%	25.0%
Increase 6-9%	15.4%	8.8%	19.0%	19.4%	17.7%	15.9%	16.7%	23.8%	19.5%	13.9%	22.5%
Increase 1-5%	15.4%	14.7%	15.5%	16.1%	17.6%	4.5%	15.0%	15.9%	34.1%	32.9%	26.3%
No change	19.1%	30.9%	12.1%	12.9%	15.1%	20.5%	16.7%	15.9%	9.8%	16.5%	6.3%
Decrease 1-5%	5.9%	5.9%	3.4%	8.1%	6.5%	6.8%	13.3%	7.9%	8.5%	5.1%	7.5%
Decrease 6-9%	3.7%	7.4%	3.4%	0.0%	2.0%	4.5%	1.7%	1.6%	1.2%	0.0%	1.3%
Decrease 10+%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Which of the following best characterizes your firm's increase? (if >20%)**

Inc. by merger -- acquisition	10.3%	13.3%	0.0%	16.7%	6.3%	0.0%	0.0%	22.2%	0.0%	20.0%	36.4%
Inc. by merger -- non-acquisition	2.6%	0.0%	8.3%	0.0%	1.5%	7.7%	0.0%	0.0%	0.0%	0.0%	0.0%
General business growth	84.6%	86.7%	91.7%	75.0%	80.0%	76.9%	93.3%	77.8%	100.0%	80.0%	63.6%
Other reason	2.6%	0.0%	0.0%	8.3%	12.2%	15.4%	6.7%	0.0%	0.0%	0.0%	0.0%

**Which of the following best characterizes your firm's decrease? (if >20%)**

Decreased by demerger or sale	0.0%	0.0%	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Decreased via downsizing	20.0%	33.3%	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Major client / staff loss	40.0%	33.3%	50.0%	0.0%	40.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other reason	40.0%	33.3%	50.0%	0.0%	40.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%

**How long has your firm been in business?**

Less than one year	0.0%	0.0%	0.0%	0.0%	0.7%	6.8%	1.7%	0.0%	0.0%	0.0%	0.0%
1 to 5 years	12.8%	29.4%	1.7%	4.8%	10.5%	36.4%	10.0%	15.9%	4.9%	0.0%	0.0%
6 to 10 years	11.2%	13.2%	15.5%	4.8%	11.5%	11.4%	16.7%	19.0%	12.2%	6.3%	2.5%
11 to 20 years	28.7%	27.9%	32.8%	25.8%	26.4%	34.1%	40.0%	19.0%	28.0%	19.0%	9.9%
21 or more years	47.3%	29.4%	50.0%	64.5%	51.0%	11.4%	31.7%	46.0%	54.9%	74.7%	87.7%

Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+
Number of firms	188	68	58	62	1,842	44	60	63	82	79	81

**Last Fiscal Year End Date**

January-August -- 2005	0.0%	0.0%	0.0%	0.0%	1.0%	0.0%	0.0%	1.6%	0.0%	0.0%	4.9%
September-November -- 2005	0.5%	0.0%	0.0%	1.6%	3.8%	0.0%	0.0%	3.2%	2.4%	10.1%	16.0%
December -- 2005	91.0%	95.6%	94.8%	82.3%	86.2%	100.0%	100.0%	88.9%	87.8%	75.9%	69.1%
January-March -- 2006	2.7%	4.4%	1.7%	1.6%	2.8%	0.0%	0.0%	1.6%	2.4%	6.3%	4.9%
April-June -- 2006	4.3%	0.0%	3.4%	9.7%	5.5%	0.0%	0.0%	3.2%	7.3%	5.1%	4.9%
July or later -- 2006	1.6%	0.0%	0.0%	4.8%	0.8%	0.0%	0.0%	1.6%	0.0%	2.5%	0.0%

**Is your firm a member of any one of the following groups? (check all that apply)**

PCPS	50.0%	32.4%	50.0%	69.4%	56.5%	52.3%	51.7%	63.5%	61.0%	65.8%	72.8%
AICPA (individual membership)	88.3%	83.8%	82.8%	98.4%	89.8%	88.6%	90.0%	90.5%	92.7%	94.9%	96.3%
AICPA Major Firms Group	0.5%	0.0%	0.0%	1.6%	0.7%	0.0%	0.0%	0.0%	1.2%	0.0%	3.7%
AICPA MAP Large Firm Ntwk Grp	0.5%	0.0%	0.0%	1.6%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	3.7%
AICPA MAP Med. Firm Ntwk Grp	2.7%	0.0%	0.0%	8.1%	1.2%	0.0%	0.0%	0.0%	0.0%	1.3%	8.6%
AICPA MAP Small Firm Ntwk Grp	5.9%	1.5%	6.9%	9.7%	6.8%	4.5%	3.3%	6.3%	12.2%	10.1%	12.3%
CPA Association or Network	18.6%	11.8%	17.2%	27.4%	15.4%	11.4%	13.3%	4.8%	7.3%	13.9%	39.5%
State Society	97.9%	97.1%	98.3%	98.4%	96.5%	93.2%	95.0%	98.4%	98.8%	100.0%	97.5%
Ass'n for Acct Admin (AAA)	3.7%	0.0%	0.0%	11.3%	6.0%	0.0%	0.0%	1.6%	2.4%	11.4%	34.6%
Other professional association	14.4%	10.3%	17.2%	16.1%	14.8%	9.1%	20.0%	15.9%	9.8%	17.7%	17.3%
None of the above	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Which of the following describes your primary office location?**

Owned by the firm	9.0%	7.4%	8.6%	11.3%	12.3%	2.3%	18.6%	12.7%	19.5%	15.4%	6.2%
Home office	6.4%	13.2%	3.4%	1.6%	6.9%	40.9%	8.5%	3.2%	0.0%	2.6%	1.2%
Leased/rented office	69.1%	57.4%	81.0%	71.0%	68.9%	43.2%	64.4%	71.4%	78.0%	75.6%	75.3%
Subleased / shared	6.9%	13.2%	5.2%	1.6%	3.8%	6.8%	3.4%	1.6%	1.2%	1.3%	4.9%
Other	8.5%	8.8%	1.7%	14.5%	8.1%	6.8%	5.1%	11.1%	1.2%	5.1%	12.3%

<b>Area of primary office (ft<sup>2</sup>)</b>	4,004	1,053	2,467	8,633	4,259	481	1,122	1,861	3,132	5,262	10,499
<b>Cost per square foot</b>	18.01	12.66	16.80	19.14	21.10	9.37	13.42	15.66	15.51	17.69	22.15

**Which of the following kinds of office accommodations are provided to staff?**

Private offices	81.3%	68.4%	81.0%	93.4%	82.6%	37.5%	65.5%	83.6%	91.5%	94.9%	96.3%
Cubicles / workstations	31.3%	17.5%	29.3%	45.9%	41.2%	34.4%	22.4%	29.5%	30.5%	57.0%	85.2%
Shared offices	17.0%	12.3%	13.8%	24.6%	22.6%	12.5%	22.4%	13.1%	17.1%	10.1%	25.9%
'Hotel' offices	1.1%	1.8%	0.0%	1.6%	1.3%	6.3%	0.0%	0.0%	0.0%	0.0%	1.2%
Other	2.8%	7.0%	1.7%	0.0%	2.8%	15.6%	5.2%	3.3%	0.0%	2.5%	1.2%

Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+

Number of firms	188	68	58	62	1,842	44	60	63	82	79	81
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**FINANCIAL INFORMATION --- GROSS**

A/R (billed less allowances)	229,282	42,876	116,602	517,923	333,899	22,614	56,482	85,143	155,851	233,264	791,601
WIP (unbilled less allowances)	113,447	7,621	33,143	277,737	122,071	3,161	11,292	24,141	48,041	127,533	405,622
Firm capital (net capital of the firm)	322,820	33,310	93,744	814,128	344,405	15,346	48,118	94,737	157,949	269,336	908,424
Prior Year Net client fees earned	1,321,837	157,652	595,025	3,198,116	1,490,873	65,266	207,898	363,651	717,903	1,564,035	4,127,635

**Income**

Gross fees earned	1,554,349	166,682	580,916	3,986,937	1,798,587	93,532	235,464	421,594	810,597	1,589,497	5,463,565
Net write-ups / (write-downs)	-172,205	-4,940	-27,086	-413,675	-179,737	-3,848	-16,465	-26,218	-57,577	-165,649	-583,237
Net client fees earned	1,416,951	163,267	560,368	3,593,279	1,616,241	90,996	224,488	403,282	762,850	1,442,719	4,923,530
Interest income	2,232	267	682	4,847	4,302	17	746	957	2,539	3,392	9,762
Other income - rents and royalties	6,282	134	6,486	12,834	7,991	1	424	1,898	3,170	5,174	34,027
Total income	1,424,883	163,570	567,324	3,610,491	1,627,599	91,009	225,446	405,909	768,360	1,450,702	4,966,597

**Expenses**

Prof'l salaries (excl. owners)	355,993	14,753	95,347	974,085	385,154	5,173	25,259	65,937	141,336	318,314	1,149,725
Paraprofessional salaries	48,135	9,268	35,127	102,932	55,479	3,468	18,845	21,344	51,339	71,756	148,055
Other salaries (excl. owners)	76,617	5,308	23,238	204,762	89,545	2,921	10,183	21,419	38,512	71,223	263,775
Payment to retired partners	10,824	180	917	31,766	14,255	0	835	572	2,791	14,606	64,231
Ret. plan costs (excl. owners)	13,030	309	3,004	36,362	16,607	166	1,534	2,982	7,476	13,869	48,370
Other ee benefits (excl. owners)	33,015	1,054	8,736	90,782	41,261	564	3,499	5,761	14,118	33,858	129,240
Dues, library	17,314	3,525	8,354	40,819	17,996	2,278	3,795	6,119	10,055	19,180	50,757
CPE	9,551	1,335	2,775	24,901	12,890	1,159	1,719	3,645	5,466	11,050	39,138
Malpractice Insurance	10,594	829	3,321	28,106	13,426	576	1,281	2,860	5,699	10,177	36,068
Office rent & other occ. costs	72,100	13,327	41,444	165,239	89,867	4,508	15,060	29,149	48,572	93,069	232,514
Interest	6,392	1,813	3,393	14,220	7,766	672	2,550	2,868	5,816	10,743	25,497
Computer / technology exp.	26,759	5,098	14,667	61,829	32,931	4,090	7,467	11,694	21,931	37,618	83,276
Promotion and marketing	18,058	1,548	5,630	47,792	22,709	1,779	3,243	6,542	8,801	15,415	92,158
Payroll taxes	44,240	2,432	17,927	114,708	49,156	1,298	5,693	13,068	26,154	50,358	141,675
Telephone & Internet	11,658	3,429	7,304	24,756	13,034	2,190	3,706	5,444	7,460	11,879	32,229
Depreciation	18,278	2,766	6,784	46,043	23,647	2,222	4,829	9,118	15,403	21,637	70,898
Other expenses	123,118	17,964	53,409	303,659	128,747	13,810	22,564	45,157	64,256	114,805	304,531
Total expenses	895,676	84,939	331,377	2,312,763	1,014,472	46,873	132,061	253,681	475,185	919,556	2,912,137

Net remaining for owners	529,207	78,631	235,946	1,297,728	613,127	44,136	93,385	152,228	293,175	531,146	2,054,460
Net remaining per owner	227,450	78,631	159,519	283,677	228,542	44,643	92,284	110,884	152,850	177,118	313,473
Net remaining per owner-hour	104.31	40.08	71.13	120.24	103.93	23.81	42.24	47.34	65.00	75.00	129.28
Bad debt written off in FY '05	\$16,530	\$2,456	\$6,310	\$38,687	\$19,380	\$615	\$2,606	\$5,550	\$9,110	\$19,293	\$45,202

Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+
Number of firms	188	68	58	62	1,842	44	60	63	82	79	81
<b>FINANCIAL INFORMATION --- PROPORTION OF NET CLIENT FEES</b>											
A/R (billed less allowances)	16.2%	26.3%	20.8%	14.4%	20.7%	24.9%	25.2%	21.1%	20.4%	16.2%	16.1%
WIP (unbilled less allowances)	8.0%	4.7%	5.9%	7.7%	7.6%	3.5%	5.0%	6.0%	6.3%	8.8%	8.2%
Firm capital (net capital of the firm)	22.8%	20.4%	16.7%	22.7%	21.3%	16.9%	21.4%	23.5%	20.7%	18.7%	18.5%
Prior Year Net client fees earned	93.3%	96.6%	106.2%	89.0%	92.2%	71.7%	92.6%	90.2%	94.1%	108.4%	83.8%
<b>Income</b>											
Gross fees earned	109.7%	102.1%	103.7%	111.0%	111.3%	102.8%	104.9%	104.5%	106.3%	110.2%	111.0%
Net write-ups / (write-downs)	-12.2%	-3.0%	-4.8%	-11.5%	-11.1%	-4.2%	-7.3%	-6.5%	-7.5%	-11.5%	-11.8%
Net client fees earned	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest income	0.2%	0.2%	0.1%	0.1%	0.3%	0.0%	0.3%	0.2%	0.3%	0.2%	0.2%
Other income - rents and royalties	0.4%	0.1%	1.2%	0.4%	0.5%	0.0%	0.2%	0.5%	0.4%	0.4%	0.7%
Total income	100.6%	100.2%	101.2%	100.5%	100.7%	100.0%	100.4%	100.7%	100.7%	100.6%	100.9%
<b>Expenses</b>											
Prof'l salaries (excl. owners)	25.1%	9.0%	17.0%	27.1%	23.8%	5.7%	11.3%	16.4%	18.5%	22.1%	23.4%
Paraprofessional salaries	3.4%	5.7%	6.3%	2.9%	3.4%	3.8%	8.4%	5.3%	6.7%	5.0%	3.0%
Other salaries (excl. owners)	5.4%	3.3%	4.1%	5.7%	5.5%	3.2%	4.5%	5.3%	5.0%	4.9%	5.4%
Payment to retired partners	0.8%	0.1%	0.2%	0.9%	0.9%	0.0%	0.4%	0.1%	0.4%	1.0%	1.3%
Ret. plan costs (excl. owners)	0.9%	0.2%	0.5%	1.0%	1.0%	0.2%	0.7%	0.7%	1.0%	1.0%	1.0%
Other ee benefits (excl. owners)	2.3%	0.6%	1.6%	2.5%	2.6%	0.6%	1.6%	1.4%	1.9%	2.3%	2.6%
Dues, library	1.2%	2.2%	1.5%	1.1%	1.1%	2.5%	1.7%	1.5%	1.3%	1.3%	1.0%
CPE	0.7%	0.8%	0.5%	0.7%	0.8%	1.3%	0.8%	0.9%	0.7%	0.8%	0.8%
Malpractice Insurance	0.7%	0.5%	0.6%	0.8%	0.8%	0.6%	0.6%	0.7%	0.7%	0.7%	0.7%
Office rent & other occ. costs	5.1%	8.2%	7.4%	4.6%	5.6%	5.0%	6.7%	7.2%	6.4%	6.5%	4.7%
Interest	0.5%	1.1%	0.6%	0.4%	0.5%	0.7%	1.1%	0.7%	0.8%	0.7%	0.5%
Computer / technology exp.	1.9%	3.1%	2.6%	1.7%	2.0%	4.5%	3.3%	2.9%	2.9%	2.6%	1.7%
Promotion and marketing	1.3%	0.9%	1.0%	1.3%	1.4%	2.0%	1.4%	1.6%	1.2%	1.1%	1.9%
Payroll taxes	3.1%	1.5%	3.2%	3.2%	3.0%	1.4%	2.5%	3.2%	3.4%	3.5%	2.9%
Telephone & Internet	0.8%	2.1%	1.3%	0.7%	0.8%	2.4%	1.7%	1.4%	1.0%	0.8%	0.7%
Depreciation	1.3%	1.7%	1.2%	1.3%	1.5%	2.4%	2.2%	2.3%	2.0%	1.5%	1.4%
Other expenses	8.7%	11.0%	9.5%	8.5%	8.0%	15.2%	10.1%	11.2%	8.4%	8.0%	6.2%
Total expenses	63.2%	52.0%	59.1%	64.4%	62.8%	51.5%	58.8%	62.9%	62.3%	63.7%	59.1%
<b>Net remaining for owners</b>	37.3%	48.2%	42.1%	36.1%	37.9%	48.5%	41.6%	37.7%	38.4%	36.8%	41.7%
<b>Bad debt written off in FY '05</b>	1.2%	1.5%	1.1%	1.1%	1.2%	0.7%	1.2%	1.4%	1.2%	1.3%	0.9%



Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+
Number of firms	188	68	58	62	1,842	44	60	63	82	79	81
<b>FINANCIAL INFORMATION --- PER PROFESSIONAL</b>											
A/R (billed less allowances)	34,172	36,444	40,306	31,679	42,465	20,948	40,003	34,721	37,337	27,345	37,174
WIP (unbilled less allowances)	16,908	6,478	11,457	16,988	15,525	2,928	7,997	9,845	11,509	14,950	19,048
Firm capital (net capital of the firm)	48,113	28,313	32,405	49,797	43,801	14,215	34,079	38,633	37,840	31,573	42,660
Prior Year Net client fees earned	197,005	134,004	205,684	195,617	189,606	60,457	147,243	148,294	171,988	183,347	193,835
<b>Income</b>											
Gross fees earned	231,658	141,680	200,807	243,866	228,740	86,641	166,767	171,923	194,194	186,332	256,570
Net write-ups / (write-downs)	-25,665	-4,199	-9,363	-25,303	-22,859	-3,564	-11,661	-10,692	-13,794	-19,418	-27,389
Net client fees earned	211,180	138,777	193,704	219,788	205,550	84,291	158,992	164,455	182,756	169,125	231,210
Interest income	333	227	236	296	547	16	529	390	608	398	458
Other income - rents and royalties	936	114	2,242	785	1,016	0	300	774	759	607	1,598
Total income	212,363	139,034	196,109	220,840	206,994	84,303	159,671	165,527	184,076	170,061	233,233
<b>Expenses</b>											
Prof'l salaries (excl. owners)	53,057	12,540	32,959	59,581	48,983	4,792	17,890	26,889	33,860	37,315	53,991
Paraprofessional salaries	7,174	7,878	12,142	6,296	7,056	3,213	13,347	8,704	12,299	8,412	6,953
Other salaries (excl. owners)	11,419	4,512	8,033	12,525	11,388	2,706	7,212	8,735	9,226	8,349	12,387
Payment to retired partners	1,613	153	317	1,943	1,813	0	591	233	669	1,712	3,016
Ret. plan costs (excl. owners)	1,942	263	1,039	2,224	2,112	154	1,086	1,216	1,791	1,626	2,271
Other ee benefits (excl. owners)	4,921	896	3,020	5,553	5,248	522	2,478	2,349	3,382	3,969	6,069
Dues, library	2,580	2,997	2,888	2,497	2,289	2,111	2,688	2,495	2,409	2,248	2,384
CPE	1,423	1,135	959	1,523	1,639	1,073	1,218	1,486	1,309	1,295	1,838
Malpractice Insurance	1,579	705	1,148	1,719	1,708	534	907	1,166	1,365	1,193	1,694
Office rent & other occ. costs	10,746	11,328	14,326	10,107	11,429	4,175	10,666	11,887	11,636	10,910	10,919
Interest	953	1,541	1,173	870	988	622	1,806	1,170	1,393	1,259	1,197
Computer / technology exp.	3,988	4,333	5,070	3,782	4,188	3,789	5,289	4,769	5,254	4,410	3,911
Promotion and marketing	2,691	1,316	1,946	2,923	2,888	1,648	2,297	2,668	2,109	1,807	4,328
Payroll taxes	6,593	2,067	6,197	7,016	6,252	1,203	4,032	5,329	6,266	5,903	6,653
Telephone & Internet	1,737	2,915	2,525	1,514	1,658	2,029	2,625	2,220	1,787	1,393	1,513
Depreciation	2,724	2,351	2,345	2,816	3,007	2,058	3,420	3,718	3,690	2,536	3,329
Other expenses	18,349	15,269	18,462	18,574	16,374	12,792	15,981	18,415	15,394	13,458	14,301
Total expenses	133,490	72,198	114,548	141,463	129,018	43,419	93,532	103,449	113,840	107,797	136,755
<b>Net remaining for owners</b>	78,872	66,837	81,560	79,377	77,976	40,884	66,140	62,078	70,236	62,265	96,478
<b>Bad debt written off in FY '05</b>	2,464	2,088	2,181	2,366	2,465	570	1,846	2,263	2,183	2,262	2,123

Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+
Number of firms	188	68	58	62	1,842	44	60	63	82	79	81
Charge interest on A/R? (% Yes)	20.0%	9.7%	21.4%	29.0%	49.9%	29.7%	46.4%	50.8%	61.5%	58.2%	61.3%
Interest amount	13.0%	11.6%	14.4%	12.9%	17.9%	16.2%	15.3%	17.2%	15.2%	15.4%	14.7%

**How do you handle the collection of delinquent fees? (check all that apply)**

Suit for fees	5.3%	2.9%	6.9%	6.5%	7.9%	2.3%	5.0%	9.5%	4.9%	13.9%	19.8%
Factoring	0.5%	0.0%	0.0%	1.6%	0.2%	0.0%	0.0%	0.0%	1.2%	1.3%	0.0%
Negotiation	40.4%	26.5%	36.2%	59.7%	50.7%	25.0%	58.3%	65.1%	62.2%	58.2%	69.1%
Collection agencies	8.5%	4.4%	12.1%	9.7%	19.8%	9.1%	13.3%	28.6%	22.0%	26.6%	40.7%
Small claims court	9.6%	10.3%	10.3%	8.1%	12.1%	11.4%	16.7%	11.1%	12.2%	19.0%	18.5%
Other	12.8%	10.3%	5.2%	22.6%	11.1%	18.2%	6.7%	6.3%	3.7%	13.9%	7.4%
Do not collect	36.7%	44.1%	46.6%	19.4%	26.2%	36.4%	26.7%	20.6%	24.4%	19.0%	11.1%

**Accounts Receivable**

Current	48.6%	55.9%	43.6%	45.2%	48.9%	60.9%	47.5%	52.1%	43.4%	40.8%	44.9%
Over 30 Days	15.0%	12.4%	16.8%	16.0%	15.1%	14.2%	12.6%	14.3%	14.8%	14.5%	15.3%
Over 60 Days	11.5%	9.0%	13.8%	12.2%	10.2%	9.8%	9.6%	9.4%	9.2%	9.4%	9.4%
Over 90 Days	25.1%	22.7%	26.5%	26.5%	25.9%	15.1%	30.3%	24.2%	32.7%	35.5%	30.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**% of Fees by Service**

Audit: Non-public clients	9.6%	2.7%	8.0%	18.7%	11.1%	1.8%	3.9%	5.7%	10.3%	13.1%	19.6%
Audit: Publicly held clients	0.8%	0.0%	0.0%	2.3%	0.6%	0.0%	0.0%	0.0%	0.3%	0.9%	0.3%
Other Attest/Assurance Services	1.7%	0.9%	2.3%	1.8%	2.7%	3.2%	3.2%	2.0%	3.0%	2.8%	2.2%
Niche Specialties	1.7%	1.0%	2.0%	2.1%	2.4%	1.1%	2.2%	2.5%	1.2%	1.5%	3.8%
Compilations	10.8%	13.7%	12.9%	5.7%	9.5%	14.9%	12.4%	15.8%	12.4%	11.5%	9.3%
Consulting services	7.1%	5.7%	8.6%	7.3%	7.1%	6.8%	5.7%	7.9%	7.0%	7.0%	9.0%
Financial advisory services	0.9%	0.7%	1.1%	0.9%	1.2%	2.4%	0.6%	0.9%	0.6%	1.1%	1.0%
Information technology consulting	0.3%	0.4%	0.3%	0.1%	0.7%	0.9%	0.6%	0.4%	0.6%	0.8%	1.5%
Mergers and acquisitions	0.2%	0.3%	0.1%	0.3%	0.3%	0.3%	0.5%	0.2%	0.3%	0.2%	0.4%
Risk Services/Internal Auditing	0.2%	0.0%	0.3%	0.2%	0.2%	0.0%	0.0%	0.4%	0.0%	0.2%	0.2%
Tax -- individual	27.4%	34.8%	24.4%	22.0%	25.9%	32.3%	32.0%	24.7%	24.1%	19.6%	15.8%
Tax -- other than individual	25.8%	25.8%	25.1%	26.6%	23.8%	20.1%	22.9%	22.9%	22.4%	23.2%	23.3%
Write-up and data processing	11.0%	12.4%	12.2%	8.5%	11.9%	13.5%	14.6%	14.7%	15.4%	14.7%	10.0%
Other	2.6%	1.7%	2.8%	3.4%	2.7%	2.6%	1.6%	1.9%	2.4%	3.4%	3.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

% billing clients hourly	88.8%	76.5%	93.1%	98.4%	91.6%	86.4%	88.3%	85.7%	93.9%	97.5%	98.8%
% fees based on hourly billing	82.4%	75.3%	81.2%	89.4%	78.9%	65.9%	71.4%	70.9%	79.7%	82.5%	86.7%

Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+

Number of firms	188	68	58	62	1,842	44	60	63	82	79	81
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**Which of the following non-hourly billing methods did your firm use?**

Commissions	6.8%	3.4%	11.1%	6.8%	3.6%	0.0%	0.0%	4.8%	4.3%	0.0%	1.4%
Fixed fee	73.5%	72.4%	71.1%	77.3%	78.3%	84.2%	80.0%	79.0%	75.4%	87.3%	86.1%
Periodic	12.2%	12.1%	6.7%	18.2%	11.6%	2.6%	14.0%	12.9%	13.0%	7.9%	12.5%
Per tax form fee	15.6%	22.4%	8.9%	13.6%	16.8%	28.9%	40.0%	25.8%	18.8%	11.1%	8.3%
Percentage of assets	5.4%	1.7%	4.4%	11.4%	3.0%	0.0%	0.0%	1.6%	0.0%	4.8%	2.8%
Risk-based	2.0%	3.4%	0.0%	2.3%	3.2%	7.9%	2.0%	0.0%	2.9%	1.6%	1.4%
Transaction-based	9.5%	12.1%	4.4%	11.4%	7.5%	7.9%	4.0%	9.7%	11.6%	4.8%	11.1%
Value billing	44.2%	34.5%	51.1%	50.0%	51.9%	39.5%	44.0%	46.8%	60.9%	63.5%	54.2%

**Please click below if your firm does not use standard billing rates for:**

Professional staff	18.5%	37.8%	10.0%	5.1%	13.7%	33.3%	25.0%	18.2%	14.0%	4.2%	1.6%
Clerical/ administrative	23.4%	44.4%	12.5%	10.3%	21.9%	33.3%	29.5%	29.5%	24.0%	14.6%	6.3%

**Do you typically bill separately for the following services?**

Copying	18.5%	13.3%	17.5%	25.6%	25.9%	18.5%	18.2%	18.2%	14.0%	31.3%	33.3%
Clerical overtime	2.4%	2.2%	2.5%	2.6%	3.5%	3.7%	0.0%	2.3%	0.0%	2.1%	9.5%
Technology	26.6%	11.1%	25.0%	46.2%	31.3%	14.8%	22.7%	20.5%	32.0%	27.1%	55.6%
Fax charges	15.3%	11.1%	12.5%	23.1%	15.0%	14.8%	6.8%	6.8%	10.0%	4.2%	19.0%
Travel time	29.0%	24.4%	25.0%	38.5%	38.4%	37.0%	38.6%	40.9%	32.0%	39.6%	47.6%
Mileage	31.5%	6.7%	27.5%	64.1%	43.2%	14.8%	27.3%	43.2%	48.0%	52.1%	66.7%
Overnight Mail Delivery	61.3%	55.6%	80.0%	48.7%	64.3%	55.6%	65.9%	56.8%	62.0%	60.4%	69.8%

**Est. billing rate for prof'l with annual salary ~ \$50,000**

\$93.03	\$90.55	\$90.92	\$96.80	\$95.11	\$79.90	\$94.15	\$114.19	\$89.81	\$93.18	\$98.97
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**What is your compensation year basis?**

Fiscal 2005	20.7%	22.1%	20.7%	19.4%	23.3%	20.5%	13.3%	22.2%	26.8%	25.3%	35.8%
Calendar 2005	75.5%	76.5%	74.1%	75.8%	73.8%	75.0%	85.0%	74.6%	73.2%	72.2%	58.0%
Other	3.7%	1.5%	5.2%	4.8%	2.9%	4.5%	1.7%	3.2%	0.0%	2.5%	6.2%

Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+
Number of firms	188	68	58	62	1,842	44	60	63	82	79	81
<b>Professional Staff -- Full Time</b>											
<b>Number of Staff</b>											
Partners/Owners (inc. Part time)	2,327	1,000	1,479	4,575	2,683	0,989	1,012	1,373	1,918	2,999	6,554
Directors (11+ Years Exp)	0.840	0.059	0.569	1.952	0.896	0.000	0.117	0.381	0.854	1.481	1.901
Managers (6-10 Years Exp)	0.979	0.044	0.310	2.629	1.332	0.045	0.100	0.270	0.537	1.544	4.802
Sr Associates (4-5 Years Exp)	1.144	0.015	0.172	3.290	1.266	0.000	0.100	0.175	0.354	1.165	3.864
Associates (1-3 Years Exp)	1.133	0.059	0.328	3.065	1.340	0.045	0.083	0.222	0.463	1.000	3.728
New Professionals	0.287	0.000	0.034	0.839	0.346	0.000	0.000	0.032	0.049	0.342	0.444
<b>Total Professionals</b>	<b>6.710</b>	<b>1.176</b>	<b>2.893</b>	<b>16.349</b>	<b>7.863</b>	<b>1.080</b>	<b>1.412</b>	<b>2.452</b>	<b>4.174</b>	<b>8.530</b>	<b>21.295</b>

**% Who Are CPAs**

Partners / Owners	97.4%	95.6%	95.6%	98.4%	96.4%	94.3%	95.5%	85.6%	94.7%	97.9%	95.3%
Directors (11+ Years Exp)	82.3%	50.0%	66.7%	87.6%	79.4%	N/A	0.0%	41.7%	72.9%	74.4%	86.4%
Managers (6-10 Years Exp)	82.6%	66.7%	50.0%	86.5%	82.5%	50.0%	16.7%	64.7%	70.5%	77.0%	88.2%
Sr Associates (4-5 Years Exp)	65.6%	0.0%	30.0%	67.6%	62.3%	N/A	50.0%	27.3%	58.6%	50.0%	65.2%
Associates (1-3 Years Exp)	23.0%	25.0%	15.8%	23.7%	20.9%	0.0%	0.0%	7.1%	18.4%	13.9%	22.2%
New Professionals	13.0%	N/A	0.0%	13.5%	7.1%	N/A	N/A	0.0%	0.0%	3.7%	19.4%

**% Who Are Males**

Partners / Owners	72.7%	66.2%	68.8%	75.5%	73.9%	69.0%	72.5%	72.8%	76.9%	81.9%	73.8%
Directors (11+ Years Exp)	44.3%	50.0%	33.3%	47.1%	47.0%	N/A	28.6%	12.5%	48.6%	52.1%	58.4%
Managers (6-10 Years Exp)	36.4%	33.3%	33.3%	36.8%	41.9%	50.0%	33.3%	64.7%	27.3%	36.9%	45.9%
Sr Associates (4-5 Years Exp)	38.1%	0.0%	20.0%	39.2%	33.7%	N/A	66.7%	36.4%	48.3%	30.4%	37.6%
Associates (1-3 Years Exp)	27.2%	25.0%	26.3%	27.4%	33.1%	0.0%	60.0%	14.3%	28.9%	41.8%	34.8%
New Professionals	29.6%	N/A	0.0%	30.8%	37.8%	N/A	N/A	0.0%	50.0%	29.6%	40.3%

**Average Compensated Hours Per FT Professional**

Partners / Owners	2,181	1,962	2,243	2,359	2,199	1,875	2,185	2,342	2,351	2,362	2,425
Directors (11+ Years Exp)	2,150	1,963	2,159	2,164	2,165		1,948	2,127	2,157	2,186	2,283
Managers (6-10 Years Exp)	2,147	1,426	2,103	2,212	2,169	2,153	1,985	2,171	2,188	2,215	2,240
Sr Associates (4-5 Years Exp)	2,167	1,800	2,165	2,176	2,136		1,957	2,062	2,165	2,174	2,160
Associates (1-3 Years Exp)	2,030	1,708	2,031	2,051	2,093	2,080	2,156	2,080	2,087	2,111	2,145
New Professionals	1,957		2,056	1,943	1,866			2,140	1,969	1,849	1,888

**Average Chargeable Hours Per FT Professional**

Partners / Owners	1,326	1,332	1,371	1,276	1,367	1,326	1,455	1,620	1,366	1,309	1,281
Directors (11+ Years Exp)	1,452	1,019	1,476	1,480	1,439		1,507	1,426	1,459	1,439	1,452
Managers (6-10 Years Exp)	1,475	994	1,469	1,509	1,499	1,642	1,299	1,482	1,510	1,523	1,475
Sr Associates (4-5 Years Exp)	1,487	1,500	1,590	1,462	1,541		1,353	1,372	1,624	1,621	1,563
Associates (1-3 Years Exp)	1,473	1,454	1,510	1,462	1,514	1,625	1,522	1,263	1,620	1,521	1,580
New Professionals	1,332		1,179	1,354	1,295			872	1,351	1,500	1,353

Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+

Number of firms	188	68	58	62	1,842	44	60	63	82	79	81
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**Full-Time Professional Staff -- Continued**

**Realization**

Partners / Owners	60.8%	67.9%	61.1%	54.1%	62.2%	70.7%	66.6%	69.2%	58.1%	55.4%	52.8%
Directors (11+ Years Exp)	67.5%	51.9%	68.4%	68.4%	66.4%	N/A	77.4%	67.0%	67.6%	65.8%	63.6%
Managers (6-10 Years Exp)	68.7%	69.7%	69.8%	68.2%	69.1%	76.3%	65.4%	68.2%	69.0%	68.8%	65.9%
Sr Associates (4-5 Years Exp)	68.6%	83.3%	73.4%	67.2%	72.1%	N/A	69.1%	66.5%	75.0%	74.6%	72.4%
Associates (1-3 Years Exp)	72.6%	85.1%	74.3%	71.3%	72.4%	78.1%	70.6%	60.7%	77.6%	72.1%	73.6%
New Professionals	68.1%	N/A	57.3%	69.7%	69.4%	N/A	N/A	40.7%	68.6%	81.2%	71.7%

**Average Billing Rate**

Partners / Owners	160.24	126.11	154.88	200.96	167.89	103.62	125.05	138.12	148.01	163.98	193.36
Directors (11+ Years Exp)	123.09	90.25	100.32	140.60	133.61		57.00	86.41	102.03	119.24	145.13
Managers (6-10 Years Exp)	113.24	85.00	88.67	124.10	118.45	47.50	80.00	94.94	87.36	100.38	126.00
Sr Associates (4-5 Years Exp)	95.95	80.00	76.60	100.93	99.15		81.33	74.10	83.46	81.32	96.82
Associates (1-3 Years Exp)	79.79	58.33	70.90	84.19	80.35	45.00	57.00	66.29	64.16	66.68	81.03
New Professionals	82.44		40.00	88.50	76.02			45.00	70.00	59.60	77.91

**Average Compensation**

Partners / Owners	177,668	84,006	168,121	289,325	184,892	53,480	97,077	131,331	168,713	205,871	244,566
Directors (11+ Years Exp)	73,422	42,455	60,919	84,333	77,641		30,996	51,128	62,025	67,959	87,289
Managers (6-10 Years Exp)	62,430	31,073	52,501	68,178	64,717	26,844	37,193	50,804	49,609	57,219	66,888
Sr Associates (4-5 Years Exp)	48,911	30,000	44,544	50,401	54,041		43,477	41,222	45,662	44,525	48,178
Associates (1-3 Years Exp)	38,409	30,186	35,241	40,013	40,484	31,500	29,754	35,950	40,331	35,753	40,201
New Professionals	31,765		24,734	32,770	33,954			32,500	33,010	27,968	33,574

**Compensation Per Compensated Hour**

Partners / Owners	\$81.48	\$42.82	\$74.97	\$122.64	\$84.08	\$28.52	\$44.43	\$56.07	\$71.75	\$87.17	\$100.86
Directors (11+ Years Exp)	\$34.14	\$21.63	\$28.21	\$38.97	\$35.86	N/A	\$15.91	\$24.04	\$28.76	\$31.09	\$38.23
Managers (6-10 Years Exp)	\$29.08	\$21.78	\$24.96	\$30.82	\$29.83	\$12.47	\$18.73	\$23.40	\$22.68	\$25.83	\$29.87
Sr Associates (4-5 Years Exp)	\$22.57	\$16.67	\$20.58	\$23.16	\$25.30	N/A	\$22.22	\$19.99	\$21.09	\$20.48	\$22.30
Associates (1-3 Years Exp)	\$18.92	\$17.67	\$17.35	\$19.51	\$19.34	\$15.14	\$13.80	\$17.28	\$19.33	\$16.94	\$18.74
New Professionals	\$16.23	N/A	\$12.03	\$16.87	\$18.19	N/A	N/A	\$15.19	\$16.76	\$15.13	\$17.78

Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+

Number of firms	188	68	58	62	1,842	44	60	63	82	79	81
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**Professional Staff -- Part Time**

**Number of Full Time Equivalents**

Directors (11+ Years Exp)	0.06	0.00	0.00	0.19	0.09	0.00	0.00	0.00	0.03	0.02	0.35
Managers (6-10 Years Exp)	0.19	0.02	0.12	0.44	0.27	0.01	0.08	0.16	0.22	0.23	0.76
Sr Associates (4-5 Years Exp)	0.17	0.02	0.06	0.46	0.22	0.00	0.05	0.06	0.11	0.21	0.86
Associates (1-3 Years Exp)	0.24	0.00	0.05	0.66	0.16	0.00	0.06	0.05	0.03	0.14	0.50
New Professionals	0.14	0.01	0.03	0.40	0.14	0.02	0.02	0.01	0.07	0.11	0.39

**Total PT Compensated Hours For FT Professionals**

Directors (11+ Years Exp)	133	0	0	404	187	0	0	0	63	37	720
Managers (6-10 Years Exp)	386	34	244	906	559	11	165	338	452	471	1,572
Sr Associates (4-5 Years Exp)	363	32	123	950	459	6	102	117	229	437	1,791
Associates (1-3 Years Exp)	489	3	113	1,375	338	0	116	102	54	291	1,046
New Professionals	298	15	69	823	292	51	38	28	139	224	817

**Total Chargeable Hours for PT Professionals**

Directors (11+ Years Exp)	96	0	0	293	122	0	0	0	24	26	482
Managers (6-10 Years Exp)	263	24	202	583	392	11	126	233	351	341	1,026
Sr Associates (4-5 Years Exp)	276	31	109	699	340	4	60	103	170	325	1,287
Associates (1-3 Years Exp)	232	0	93	617	233	0	64	88	29	214	784
New Professionals	225	10	54	621	201	32	17	24	114	168	553

**Realization**

Directors (11+ Years Exp)	72.5%			72.5%	65.5%				38.4%	69.8%	67.0%
Managers (6-10 Years Exp)	68.1%	69.9%	82.6%	64.4%	70.2%	100.0%	76.3%	69.0%	77.7%	72.3%	65.3%
Sr Associates (4-5 Years Exp)	76.0%	99.4%	89.0%	73.6%	74.1%	70.0%	59.2%	88.1%	74.4%	74.5%	71.9%
Associates (1-3 Years Exp)	47.5%	3.5%	82.5%	44.9%	69.1%		55.0%	86.5%	52.8%	73.6%	75.0%
New Professionals	75.5%	70.0%	77.7%	75.4%	68.8%	61.7%	43.5%	82.8%	81.5%	75.1%	67.6%

**Average Billing Rate**

Directors (11+ Years Exp)	168.36			168.36	156.32				71.67	121.80	149.57
Managers (6-10 Years Exp)	125.52	76.67	118.18	134.87	123.08	85.00	77.24	103.42	94.84	126.48	123.77
Sr Associates (4-5 Years Exp)	93.72	62.50	88.93	98.77	101.01	55.00	73.60	82.61	79.93	91.89	104.91
Associates (1-3 Years Exp)	85.56	100.00	87.50	84.03	85.27		66.00	90.56	60.00	73.70	86.56
New Professionals	71.93	65.00	73.33	71.85	72.15	70.00	67.50	95.50	58.00	61.64	69.93

Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+
Number of firms	188	68	58	62	1,842	44	60	63	82	79	81

**Professional Staff -- Part Time**

**Total Compensation**

Directors (11+ Years Exp)	8,131	0	0	24,656	8,112	0	0	0	1,049	1,488	27,636
Managers (6-10 Years Exp)	14,311	975	9,377	33,554	20,142	385	3,456	10,749	16,394	16,800	51,982
Sr Associates (4-5 Years Exp)	11,069	309	3,309	30,131	13,280	112	1,978	2,300	5,714	10,161	48,254
Associates (1-3 Years Exp)	5,918	126	2,153	15,793	6,884	0	2,179	3,055	988	5,734	21,015
New Professionals	4,944	147	1,365	13,694	5,927	711	550	734	2,999	3,643	24,449

**Compensation Per Compensated Hour**

Directors (11+ Years Exp)	\$61.09			\$61.09	\$43.39				\$16.77	\$40.26	\$38.39
Managers (6-10 Years Exp)	\$37.04	\$28.54	\$38.40	\$37.04	\$36.03	\$34.59	\$20.96	\$31.81	\$36.25	\$35.66	\$33.07
Sr Associates (4-5 Years Exp)	\$30.53	\$9.77	\$26.91	\$31.73	\$28.96	\$17.54	\$19.37	\$19.63	\$24.98	\$23.26	\$26.94
Associates (1-3 Years Exp)	\$12.10	\$50.00	\$19.03	\$11.49	\$20.40		\$18.77	\$30.09	\$18.27	\$19.70	\$20.09
New Professionals	\$16.59	\$10.00	\$19.76	\$16.64	\$20.31	\$13.89	\$14.35	\$25.81	\$21.52	\$16.26	\$29.91

**Total Full Time Equivalent Staff**

Partner / Owner	2.327	1.000	1.479	4.575	2.683	0.989	1.012	1.373	1.918	2.999	6.554
Directors (11+ Years Exp)	0.904	0.059	0.569	2.146	0.986	0.000	0.117	0.381	0.884	1.499	2.247
Managers (6-10 Years Exp)	1.164	0.061	0.428	3.065	1.601	0.051	0.179	0.432	0.754	1.771	5.558
Sr Associates (4-5 Years Exp)	1.318	0.030	0.232	3.747	1.486	0.003	0.149	0.231	0.464	1.375	4.725
Associates (1-3 Years Exp)	1.368	0.060	0.382	3.725	1.502	0.045	0.139	0.271	0.489	1.140	4.231
New Professionals	0.431	0.007	0.068	1.234	0.486	0.025	0.018	0.045	0.116	0.450	0.837
Total	7.512	1.216	3.157	18.492	8.745	1.113	1.615	2.734	4.625	9.232	24.153

Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+

Number of firms	188	68	58	62	1,842	44	60	63	82	79	81
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**Full Time Non-Professional Staff**

**Number of Staff**

Internal technical support	0.128	0.029	0.034	0.323	0.194	0.000	0.000	0.000	0.012	0.089	0.852
Administrator / OM	0.436	0.059	0.362	0.919	0.483	0.023	0.067	0.222	0.427	0.696	1.099
Paraprofessionals	0.851	0.162	0.534	1.903	0.927	0.045	0.350	0.270	0.732	1.253	2.420
Clerical (data entry, etc.)	1.282	0.132	0.379	3.387	1.255	0.045	0.217	0.429	0.659	1.304	3.531
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

**Average Compensated Hours Per FT Employee**

Internal technical support	2,173	1,685	2,099	2,211	2,148				2,136	2,084	2,203
Administrator / OM	2,140	2,109	2,083	2,167	2,139	2,241	2,091	2,052	2,169	2,111	2,240
Paraprofessionals	2,005	1,769	2,057	2,041	2,044	1,950	1,940	2,076	2,032	2,076	2,104
Clerical (data entry, etc.)	1,972	1,946	1,818	2,023	1,996	1,975	1,986	1,914	1,968	1,986	2,073
Other	1,948	1,900	2,080	1,912	2,042		2,000	2,040	1,980	2,092	2,116

**Average Chargeable Hours Per FT Employee**

Internal technical support	294	539	1,340	208	327				697	535	436
Administrator / OM	292	86	431	252	301	617	214	429	350	371	219
Paraprofessionals	1,309	1,049	1,331	1,368	1,215	878	1,123	1,264	1,149	1,346	1,346
Clerical (data entry, etc.)	543	1,134	677	406	451	750	787	550	464	510	440
Other	302	0	282	359	331		850	1,628	638	182	380

**Average Billing Rate**

Internal technical support	95.13	90.00	43.00	99.54	102.32				100.00	75.60	100.69
Administrator / OM	69.75	51.67	52.67	77.98	72.44	34.00	61.67	42.55	62.70	69.35	88.42
Paraprofessionals	70.09	54.44	77.00	70.16	68.48	29.00	53.28	50.77	59.36	66.07	73.78
Clerical (data entry, etc.)	51.22	35.00	52.27	53.30	53.56	50.00	50.42	42.41	48.52	51.43	59.64
Other	181.00	68.00	56.00	57.00	1730.00	44.00	59.00	61.00	78.00	74.00	65.00

**Average Compensation**

Internal technical support	52,612	34,691	31,292	55,228	56,042				41,796	42,386	56,989
Administrator / OM	44,299	29,018	30,614	51,280	49,002	25,236	26,489	30,627	39,519	45,856	60,808
Paraprofessionals	37,838	30,618	38,350	39,513	39,374	23,611	31,093	33,581	33,470	38,915	42,037
Clerical (data entry, etc.)	29,209	24,748	24,819	31,281	30,933	19,923	25,539	24,164	27,159	28,802	32,532
Other	30,874	11,300	24,025	36,419	42,698		24,000	58,938	37,867	33,133	56,598

**Compensation Per Compensated Hour**

Internal technical support	\$24.21	\$20.59	\$14.91	\$24.98	\$26.08	N/A	N/A	N/A	\$19.57	\$20.34	\$25.87
Administrator / OM	\$20.70	\$13.76	\$14.70	\$23.67	\$22.91	\$11.26	\$12.67	\$14.93	\$18.22	\$21.72	\$27.14
Paraprofessionals	\$18.87	\$17.31	\$18.65	\$19.36	\$19.27	\$12.11	\$16.03	\$16.18	\$16.47	\$18.75	\$19.98
Clerical (data entry, etc.)	\$14.81	\$12.72	\$13.65	\$15.46	\$15.50	\$10.09	\$12.86	\$12.62	\$13.80	\$14.50	\$15.70
Other	\$15.85	\$5.95	\$11.55	\$19.04	\$20.91	N/A	\$12.00	\$28.89	\$19.12	\$15.84	\$26.75



Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+

Number of firms	188	68	58	62	1,842	44	60	63	82	79	81
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**Part-Time Non-Professional Staff**

**Number of Full Time Equivalents**

Internal technical support	0.005		0.004	0.013	0.024	0.004	0.008	0.018	0.016	0.024	0.109
Administrator / OM	0.024	0.017	0.008	0.047	0.056	0.064	0.049	0.076	0.027	0.021	0.067
Paraprofessionals	0.138	0.065	0.105	0.250	0.195	0.033	0.121	0.071	0.226	0.151	0.627
Clerical (data entry, etc.)	0.204	0.114	0.109	0.391	0.265	0.065	0.146	0.132	0.223	0.244	0.637
Other	0.054	0.016	0.001	0.146	0.040	0.011	0.016	0.021	0.048	0.036	0.084

**Total Compensated Hours**

Internal technical support	11	0	8	27	50	9	17	38	33	50	227
Administrator / OM	50	35	16	97	117	133	102	158	57	43	139
Paraprofessionals	288	136	219	519	405	69	251	148	469	315	1,304
Clerical (data entry, etc.)	424	237	226	814	550	135	304	274	464	508	1,324
Other	113	34	2	303	83	24	34	44	99	76	174

**Total Chargeable Hours**

Internal technical support	3	0	7	3	8	0	10	6	0	9	41
Administrator / OM	6	3	0	15	17	21	42	21	15	5	16
Paraprofessionals	183	89	140	324	265	32	142	83	330	237	907
Clerical (data entry, etc.)	227	101	459	149	129	41	99	113	96	156	309
Other	11	1	0	33	21	24	10	33	30	26	69

**Average Billing Rate**

Internal technical support	36.00		20.00	44.00	73.98		60.00	45.00	96.00	63.50	77.25
Administrator / OM	41.17	20.00	35.00	48.00	57.98	43.75	47.80	43.17	55.00	60.00	72.17
Paraprofessionals	59.58	59.63	58.64	60.29	65.18	43.75	58.71	66.55	58.09	60.74	69.07
Clerical (data entry, etc.)	43.06	35.75	42.25	48.57	46.59	32.25	35.88	37.07	42.90	49.90	54.61
Other	42.50	30.00		46.67	65.61	50.00	51.67	53.33	68.20	65.67	86.55

**Average Compensation**

Internal technical support	158	0	55	429	1,095	108	250	528	403	854	5,197
Administrator / OM	916	184	287	2,309	2,534	1,768	1,655	2,570	1,098	827	3,379
Paraprofessionals	5,028	2,022	4,402	8,912	7,526	1,072	3,926	3,093	7,626	5,622	22,712
Clerical (data entry, etc.)	6,128	2,872	2,893	12,723	8,055	1,927	4,046	3,627	6,090	6,382	19,306
Other	1,366	222	16	3,884	1,725	284	633	489	1,813	1,390	4,478

**Compensation Per Compensated Hour**

Internal technical support	\$14.00		\$6.69	\$16.11	\$21.81	\$11.87	\$15.00	\$14.02	\$12.33	\$16.98	\$22.91
Administrator / OM	\$18.43	\$5.26	\$17.50	\$23.77	\$21.64	\$13.33	\$16.28	\$16.26	\$19.25	\$19.04	\$24.38
Paraprofessionals	\$17.47	\$14.90	\$20.10	\$17.16	\$18.57	\$15.59	\$15.66	\$20.88	\$16.24	\$17.84	\$17.42
Clerical (data entry, etc.)	\$14.46	\$12.14	\$12.79	\$15.63	\$14.64	\$14.23	\$13.31	\$13.25	\$13.13	\$12.55	\$14.58
Other	\$12.11	\$6.58	\$8.00	\$12.81	\$20.87	\$12.00	\$18.59	\$11.20	\$18.34	\$18.41	\$25.77

Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+

Number of firms	188	68	58	62	1,842	44	60	63	82	79	81
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**For Professionals**

Bonus/incentive % of total	7.0%	4.6%	7.6%	7.0%	6.3%	2.6%	3.6%	5.4%	6.6%	4.7%	7.6%
Avg annl base salary % inc	7.6%	2.6%	8.9%	7.8%	7.2%	3.5%	4.3%	8.1%	4.6%	4.8%	5.9%

**Which of the following factors were used in determining bonus / incentive payments for professional staff?**

Attaining chargeable hours targets	62.7%	50.0%	50.0%	73.3%	56.7%	50.0%	27.8%	30.6%	46.4%	54.5%	70.7%
Obtaining new clients	43.4%	50.0%	26.5%	55.6%	43.1%	50.0%	22.2%	27.8%	25.0%	60.0%	63.8%
Obtaining new proj. from ex. clients	19.3%	25.0%	5.9%	28.9%	19.9%	25.0%	5.6%	8.3%	12.5%	21.8%	37.9%
Outstanding individual achievement	53.0%	75.0%	44.1%	57.8%	65.8%	25.0%	72.2%	69.4%	57.1%	67.3%	74.1%
Passing CPA exam	12.0%	25.0%	5.9%	15.6%	23.9%	50.0%	11.1%	8.3%	19.6%	32.7%	43.1%
Other	44.6%	75.0%	50.0%	37.8%	36.0%	75.0%	38.9%	27.8%	39.3%	38.2%	31.0%

**New Hires**

# New hires meeting 150	0.40	0.01	0.12	1.08	0.43	0.02	0.00	0.06	0.26	0.41	1.30
# New hires not meeting 150	0.27	0.04	0.22	0.55	0.29	0.09	0.05	0.10	0.15	0.38	0.59
Sal for new hires meeting 150	39,128	30,000	40,000	39,278	38,895	45,000	35,000	37,500	35,513	36,150	39,741
Sal for new hires not meeting 150	33,926	21,233	33,285	36,657	36,115	25,000	35,000	31,160	34,222	35,190	37,337
% with flex. work arrangements	68.4%	61.9%	66.7%	74.2%	77.5%	85.2%	74.0%	73.3%	72.5%	85.5%	83.5%

**Adjust billing rates seasonally?**

Yes, routinely	5.8%	4.8%	5.7%	6.6%	9.9%	11.1%	6.0%	14.8%	7.6%	6.6%	8.9%
Occasionally	24.4%	28.6%	26.4%	19.7%	24.3%	44.4%	38.0%	24.6%	30.4%	34.2%	20.3%
Rarely	32.1%	23.8%	41.5%	29.5%	26.9%	33.3%	30.0%	29.5%	29.1%	23.7%	30.4%
Never	35.3%	35.7%	26.4%	42.6%	36.7%	11.1%	24.0%	27.9%	31.6%	35.5%	40.5%
N/A, do not use billing rates	2.6%	7.1%	0.0%	1.6%	2.1%	0.0%	2.0%	3.3%	1.3%	0.0%	0.0%

% losing prof'l staff during 2003	50.3%	14.6%	44.4%	79.0%	45.6%	7.7%	16.0%	26.7%	36.3%	61.8%	84.8%
# of Voluntary terminations	3.19	1.17	1.17	4.18	2.77	1.00	0.83	0.94	1.32	1.58	3.35
# of Involuntary terminations	0.61	0.00	0.56	0.73	0.91	1.00	0.60	0.62	0.48	0.56	0.84

Ret plan for non-owners?	63.3%	23.5%	79.3%	91.9%	70.9%	22.7%	61.7%	81.0%	90.2%	88.6%	88.9%
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**Retirement Plan Type:**

401(k)	40.3%	5.9%	21.7%	66.1%	46.2%	10.0%	5.4%	18.0%	32.0%	75.4%	84.5%
Defined Benefit	0.8%	5.9%	0.0%	0.0%	1.3%	0.0%	0.0%	2.0%	1.3%	0.0%	0.0%
Sep IRA	17.6%	29.4%	21.7%	10.7%	11.3%	20.0%	18.9%	4.0%	17.3%	5.8%	7.0%
SIMPLE	35.3%	52.9%	56.5%	12.5%	33.4%	70.0%	73.0%	66.0%	45.3%	10.1%	7.0%
Other	5.9%	5.9%	0.0%	10.7%	7.8%	0.0%	2.7%	10.0%	4.0%	8.7%	1.4%

**Provide for partner retirement?**

Yes	31.0%	9.2%	33.3%	51.6%	44.1%	29.3%	28.8%	39.7%	47.6%	53.2%	76.5%
No	50.5%	52.3%	56.1%	43.5%	42.1%	34.1%	42.4%	52.4%	42.7%	41.8%	19.8%
Not applicable	18.5%	38.5%	10.5%	4.8%	13.7%	36.6%	28.8%	7.9%	9.8%	5.1%	3.7%

Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+

Number of firms	188	68	58	62	1,842	44	60	63	82	79	81
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**Is retirement plan for non-owners funded?**

Yes	46.3%	31.3%	47.9%	49.1%	55.3%	50.0%	56.8%	57.9%	68.9%	55.7%	41.6%
No, paid by...	18.2%	18.8%	14.6%	21.1%	18.4%	0.0%	10.8%	15.8%	10.8%	20.0%	27.3%
Not applicable	35.5%	50.0%	37.5%	29.8%	26.3%	50.0%	32.4%	26.3%	20.3%	24.3%	31.2%

**Funded by?**

Insurance	0.0%	0.0%	0.0%	0.0%	1.0%	0.0%	0.0%	0.0%	2.0%	0.0%	0.0%
Retirement plan	79.6%	100.0%	85.7%	71.4%	85.3%	100.0%	85.0%	93.3%	94.0%	79.5%	83.9%
Other	20.4%	0.0%	14.3%	28.6%	13.7%	0.0%	15.0%	6.7%	4.0%	20.5%	16.1%

<b>Number of retirees</b>	2.17	1.00	1.00	2.75	4.62	1.00	3.50	1.00	1.33	8.33	6.36
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**Paid by?**

Equity (capital account) buyout	41.2%	0.0%	33.3%	50.0%	36.6%	0.0%	50.0%	100.0%	75.0%	41.7%	18.8%
Consulting contract	11.8%	0.0%	0.0%	20.0%	5.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Stock purchase	5.9%	0.0%	0.0%	10.0%	12.4%	0.0%	0.0%	0.0%	25.0%	8.3%	6.3%
Other	41.2%	100.0%	66.7%	20.0%	45.8%	100.0%	50.0%	0.0%	0.0%	50.0%	75.0%

<b>% with employee handbook</b>	77.0%	46.7%	67.3%	91.9%	71.2%	27.3%	45.9%	45.6%	65.4%	84.6%	92.6%
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**Which of the following paid time off (PTO) policies are in place at your firm? (check all that apply)**

Comp time off for OT/excess hours	59.2%	46.7%	52.1%	67.7%	55.8%	20.0%	33.3%	46.4%	56.3%	66.7%	56.8%
Formal sick leave policy	68.8%	40.0%	70.8%	74.2%	58.7%	20.0%	38.9%	53.6%	43.8%	74.4%	61.7%
Provide comp leave for dep illness	21.6%	13.3%	22.9%	22.6%	20.6%	10.0%	11.1%	23.2%	20.0%	19.2%	32.1%
Formal vacation policy	79.2%	66.7%	83.3%	79.0%	72.5%	50.0%	66.7%	71.4%	63.8%	82.1%	75.3%
Agg. PTO inc. both vac. & sick days	33.6%	20.0%	33.3%	37.1%	35.0%	30.0%	25.0%	37.5%	46.3%	29.5%	34.6%
PTO for professional activities	52.8%	26.7%	52.1%	59.7%	57.2%	20.0%	38.9%	62.5%	61.3%	64.1%	69.1%
PTO for community activities	30.4%	13.3%	29.2%	35.5%	36.0%	10.0%	22.2%	25.0%	36.3%	38.5%	54.3%
Maternity leave in excess of FMLA	11.2%	0.0%	8.3%	16.1%	11.9%	0.0%	8.3%	7.1%	10.0%	9.0%	21.0%
None of the above	3.2%	26.7%	0.0%	0.0%	3.5%	20.0%	16.7%	5.4%	0.0%	0.0%	0.0%

# of sick leave days for new hires	6.55	4.50	5.82	7.28	5.97	5.00	4.92	4.27	5.00	6.43	6.90
# of sick leave days for vacation	8.64	7.71	7.70	9.56	9.48	4.60	6.05	7.19	8.94	9.67	10.70
# of sick leave days for agg PTO	14.12	9.00	10.22	18.40	17.14	17.00	11.00	11.50	19.21	12.88	13.25

Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+

Number of firms	188	68	58	62	1,842	44	60	63	82	79	81
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**Does your firm provide/pay for the following benefits for employees?**

Cafeteria plan	31.4%	1.5%	17.2%	77.4%	38.3%	6.8%	10.0%	22.2%	56.1%	68.4%	85.2%
Cell phone reimbursement	21.8%	22.1%	15.5%	27.4%	23.1%	13.6%	18.3%	14.3%	20.7%	21.5%	39.5%
Child care reimbursement	8.5%	1.5%	3.4%	21.0%	11.2%	0.0%	6.7%	9.5%	14.6%	11.4%	30.9%
Continuing education courses	77.7%	52.9%	82.8%	100.0%	82.2%	43.2%	75.0%	87.3%	92.7%	94.9%	98.8%
CPA examination fees	27.1%	7.4%	36.2%	40.3%	38.1%	6.8%	21.7%	36.5%	56.1%	49.4%	61.7%
CPA examination review courses	13.8%	7.4%	19.0%	16.1%	23.5%	4.5%	8.3%	23.8%	30.5%	25.3%	38.3%
Dependent health insurance	13.8%	7.4%	6.9%	27.4%	29.4%	9.1%	21.7%	28.6%	41.5%	45.6%	69.1%
Dependent life insurance	3.2%	1.5%	0.0%	8.1%	8.6%	2.3%	10.0%	9.5%	9.8%	10.1%	32.1%
Dental insurance	13.8%	1.5%	13.8%	27.4%	26.0%	4.5%	11.7%	22.2%	18.3%	27.8%	53.1%
Home connectivity (e.g., DSL)	12.2%	11.8%	8.6%	16.1%	14.1%	9.1%	10.0%	14.3%	11.0%	11.4%	24.7%
Life insurance	36.7%	5.9%	22.4%	83.9%	47.7%	4.5%	35.0%	46.0%	63.4%	82.3%	98.8%
Long term care insurance	2.7%	2.9%	0.0%	4.8%	3.6%	0.0%	5.0%	0.0%	7.3%	1.3%	7.4%
Long term disability insurance	26.1%	5.9%	12.1%	61.3%	27.6%	6.8%	8.3%	12.7%	23.2%	48.1%	76.5%
Master's/advanced deg.	3.7%	0.0%	3.4%	8.1%	13.4%	0.0%	5.0%	6.3%	8.5%	11.4%	28.4%
Medical reimbursement plan	23.9%	10.3%	22.4%	40.3%	25.8%	9.1%	18.3%	20.6%	32.9%	34.2%	58.0%
Professional dues	76.1%	50.0%	84.5%	96.8%	78.0%	38.6%	68.3%	79.4%	92.7%	97.5%	98.8%
Professional licenses	72.9%	44.1%	77.6%	100.0%	77.5%	43.2%	65.0%	77.8%	95.1%	93.7%	92.6%
Retirement plan	59.6%	20.6%	65.5%	96.8%	68.0%	31.8%	53.3%	76.2%	91.5%	92.4%	88.9%
Short term disability insurance	11.7%	1.5%	10.3%	24.2%	13.0%	4.5%	5.0%	4.8%	14.6%	26.6%	50.6%
Vision plan	7.4%	0.0%	3.4%	19.4%	15.1%	2.3%	6.7%	11.1%	6.1%	15.2%	22.2%
Other	3.2%	0.0%	1.7%	8.1%	3.3%	0.0%	6.7%	1.6%	0.0%	1.3%	4.9%
Health insurance	62.8%	23.5%	74.1%	95.2%	72.6%	29.5%	55.0%	63.5%	73.2%	86.1%	95.1%

**Health Insurance Type**

HMO	5.1%	3.6%	10.2%	1.7%	18.7%	16.7%	12.5%	9.1%	8.7%	15.3%	15.2%
MSA	3.7%	10.7%	4.1%	0.0%	4.2%	22.2%	12.5%	9.1%	4.3%	1.4%	5.1%
POS	0.0%	0.0%	0.0%	0.0%	2.8%	0.0%	0.0%	4.5%	0.0%	1.4%	5.1%
PPO	68.4%	60.7%	57.1%	81.4%	48.1%	27.8%	37.5%	47.7%	39.1%	54.2%	46.8%
Traditional	16.2%	7.1%	24.5%	13.6%	19.0%	16.7%	35.0%	22.7%	43.5%	23.6%	20.3%
Other	5.1%	14.3%	2.0%	3.4%	6.2%	16.7%	2.5%	6.8%	2.9%	4.2%	5.1%
Not sure	1.5%	3.6%	2.0%	0.0%	0.9%	0.0%	0.0%	0.0%	1.4%	0.0%	2.5%

**% of Health Insurance Paid By Firm**

0-20%	8.0%	27.6%	2.1%	3.3%	6.4%	20.0%	7.5%	8.5%	11.4%	8.2%	1.3%
21-40%	0.7%	0.0%	2.1%	0.0%	2.5%	0.0%	2.5%	2.1%	8.6%	4.1%	5.1%
41-60%	8.0%	0.0%	10.4%	10.0%	8.4%	5.0%	5.0%	8.5%	11.4%	12.3%	12.7%
61-80%	8.0%	0.0%	10.4%	10.0%	12.4%	5.0%	7.5%	17.0%	17.1%	16.4%	32.9%
81-100%	75.2%	72.4%	75.0%	76.7%	70.3%	70.0%	77.5%	63.8%	51.4%	58.9%	48.1%
Average	78.3%	67.9%	80.8%	81.3%	77.5%	71.0%	79.0%	75.1%	67.7%	72.7%	74.3%

Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+
Number of firms	188	68	58	62	1,842	44	60	63	82	79	81
% using engagement letters	81.0%	70.8%	87.5%	87.3%	91.0%	80.0%	84.5%	87.0%	88.0%	97.2%	100.0%
% w/ disc. control of client funds?	15.6%	9.2%	18.8%	20.4%	14.3%	5.0%	10.3%	8.8%	17.3%	9.7%	22.1%
<b>Does your firm provide the following services?</b>											
Bankruptcy or insolvency services	12.6%	6.2%	12.7%	19.4%	13.8%	9.8%	7.0%	11.5%	8.6%	17.7%	29.6%
Business valuation	27.5%	13.8%	23.6%	45.2%	40.7%	12.2%	28.1%	37.7%	39.5%	73.4%	82.7%
Corp. Gov. & Audit Comm. Guidance	9.3%	3.1%	10.9%	14.5%	11.5%	0.0%	1.8%	3.3%	6.2%	15.2%	35.8%
Cost Segregation	10.4%	6.2%	10.9%	14.5%	15.6%	7.3%	5.3%	13.1%	13.6%	16.5%	38.3%
Eldercare	8.2%	7.7%	7.3%	9.7%	9.6%	4.9%	7.0%	8.2%	8.6%	6.3%	11.1%
Estate tax planning	69.8%	46.2%	74.5%	90.3%	70.6%	29.3%	42.1%	62.3%	74.1%	82.3%	92.6%
Executive searches	7.1%	3.1%	5.5%	12.9%	11.8%	0.0%	1.8%	1.6%	3.7%	13.9%	34.6%
Forecasts and projections	50.5%	33.8%	50.9%	67.7%	59.5%	26.8%	52.6%	57.4%	67.9%	82.3%	97.5%
Forensic accounting	19.2%	9.2%	21.8%	27.4%	25.0%	7.3%	17.5%	16.4%	13.6%	24.1%	44.4%
Human resources services	6.6%	4.6%	5.5%	9.7%	10.3%	4.9%	5.3%	9.8%	11.1%	11.4%	32.1%
Insurance	12.6%	12.3%	7.3%	17.7%	9.3%	7.3%	1.8%	8.2%	11.1%	7.6%	16.0%
International services	8.8%	7.7%	1.8%	16.1%	8.1%	0.0%	0.0%	4.9%	4.9%	3.8%	14.8%
Investment advisory services	14.3%	10.8%	7.3%	24.2%	18.6%	4.9%	1.8%	13.1%	22.2%	21.5%	40.7%
IT hardware sales	2.2%	1.5%	0.0%	4.8%	3.9%	2.4%	1.8%	3.3%	2.5%	2.5%	19.8%
IT hardware sel. & inst.	7.1%	6.2%	3.6%	11.3%	9.7%	4.9%	3.5%	8.2%	7.4%	16.5%	35.8%
IT software sales	4.9%	4.6%	0.0%	9.7%	9.4%	4.9%	7.0%	9.8%	14.8%	20.3%	29.6%
IT software sel & impl.	19.2%	23.1%	12.7%	21.0%	25.4%	14.6%	31.6%	29.5%	32.1%	38.0%	50.6%
Investment / securities sales	14.8%	15.4%	14.5%	14.5%	12.1%	7.3%	3.5%	11.5%	19.8%	15.2%	17.3%
Legal services within your firm	1.1%	0.0%	1.8%	1.6%	1.2%	2.4%	3.5%	0.0%	1.2%	0.0%	1.2%
Litigation support	39.0%	15.4%	38.2%	64.5%	42.1%	7.3%	21.1%	34.4%	22.2%	48.1%	76.5%
Market or ec. feasibility studies	7.1%	4.6%	5.5%	11.3%	6.5%	2.4%	1.8%	8.2%	3.7%	5.1%	17.3%
Mergers and acquisitions	27.5%	15.4%	25.5%	41.9%	31.4%	9.8%	14.0%	24.6%	32.1%	43.0%	74.1%
Not for profits	63.7%	56.9%	58.2%	75.8%	67.4%	53.7%	45.6%	45.9%	64.2%	84.8%	90.1%
Outsourced controllership	26.9%	18.5%	30.9%	32.3%	27.6%	31.7%	19.3%	24.6%	25.9%	38.0%	42.0%
Payroll processing	56.0%	52.3%	60.0%	56.5%	61.1%	53.7%	66.7%	68.9%	75.3%	68.4%	65.4%
Performance measurement	12.1%	12.3%	7.3%	16.1%	12.7%	14.6%	10.5%	14.8%	13.6%	24.1%	19.8%
Personal financial planning	35.7%	23.1%	32.7%	51.6%	40.9%	14.6%	24.6%	39.3%	40.7%	41.8%	67.9%
R&D	2.7%	1.5%	1.8%	4.8%	3.8%	7.3%	1.8%	3.3%	3.7%	2.5%	12.3%
Section 404 Internal control	2.7%	0.0%	0.0%	8.1%	4.8%	0.0%	0.0%	1.6%	3.7%	1.3%	8.6%
Strategic planning	26.4%	15.4%	20.0%	43.5%	27.6%	7.3%	14.0%	24.6%	27.2%	32.9%	46.9%
Web Trust	0.0%	0.0%	0.0%	0.0%	0.3%	2.4%	0.0%	0.0%	0.0%	0.0%	1.2%
Other	3.3%	1.5%	0.0%	8.1%	3.2%	2.4%	1.8%	1.6%	1.2%	0.0%	0.0%

Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+
Number of firms	188	68	58	62	1,842	44	60	63	82	79	81
<b>Which, if any, of the following services has your firm ADDED in the last three years?</b>											
Bankruptcy or insolvency services	1.1%	0.0%	3.4%	0.0%	1.1%	2.3%	1.7%	1.6%	0.0%	1.3%	1.2%
Business valuation	5.9%	5.9%	6.9%	4.8%	5.3%	2.3%	6.7%	1.6%	4.9%	11.4%	7.4%
Corp. Gov. & Audit Comm. Guidance	0.5%	1.5%	0.0%	0.0%	1.1%	0.0%	0.0%	0.0%	1.2%	2.5%	3.7%
Cost Segregation	3.7%	2.9%	3.4%	4.8%	5.5%	0.0%	3.3%	3.2%	6.1%	6.3%	11.1%
Eldercare	1.6%	2.9%	0.0%	1.6%	2.1%	4.5%	1.7%	0.0%	1.2%	1.3%	1.2%
Estate tax planning	1.6%	2.9%	1.7%	0.0%	2.3%	0.0%	5.0%	3.2%	0.0%	3.8%	2.5%
Executive searches	0.5%	0.0%	0.0%	1.6%	1.4%	0.0%	1.7%	0.0%	0.0%	2.5%	1.2%
Forecasts and projections	2.7%	7.4%	0.0%	0.0%	1.8%	4.5%	3.3%	1.6%	1.2%	1.3%	0.0%
Forensic accounting	2.1%	0.0%	5.2%	1.6%	2.9%	2.3%	5.0%	1.6%	2.4%	2.5%	2.5%
Human resources services	1.6%	0.0%	0.0%	4.8%	1.5%	0.0%	1.7%	3.2%	1.2%	1.3%	3.7%
Insurance	3.7%	5.9%	3.4%	1.6%	2.3%	2.3%	1.7%	3.2%	2.4%	2.5%	3.7%
International services	1.1%	1.5%	1.7%	0.0%	1.3%	0.0%	1.7%	1.6%	1.2%	1.3%	3.7%
Investment advisory services	2.7%	1.5%	3.4%	3.2%	3.0%	0.0%	3.3%	3.2%	3.7%	6.3%	3.7%
IT hardware sales	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	1.7%	1.6%	0.0%	0.0%	0.0%
IT hardware sel. & inst.	1.1%	1.5%	0.0%	1.6%	1.0%	0.0%	1.7%	1.6%	0.0%	0.0%	3.7%
IT software sales	1.1%	1.5%	1.7%	0.0%	1.5%	2.3%	5.0%	0.0%	0.0%	1.3%	1.2%
IT software sel & impl.	2.7%	2.9%	1.7%	3.2%	2.2%	2.3%	1.7%	0.0%	1.2%	0.0%	3.7%
Investment / securities sales	2.7%	5.9%	1.7%	0.0%	2.4%	0.0%	5.0%	6.3%	2.4%	3.8%	1.2%
Legal services within your firm	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Litigation support	3.2%	1.5%	5.2%	3.2%	3.1%	4.5%	5.0%	4.8%	0.0%	1.3%	0.0%
Market or ec. feasibility studies	2.7%	4.4%	1.7%	1.6%	0.5%	0.0%	1.7%	0.0%	0.0%	0.0%	1.2%
Mergers and acquisitions	0.5%	1.5%	0.0%	0.0%	1.1%	2.3%	3.3%	0.0%	0.0%	1.3%	1.2%
Not for profits	3.2%	7.4%	1.7%	0.0%	2.2%	6.8%	5.0%	3.2%	0.0%	1.3%	0.0%
Outsourced controllership	2.1%	0.0%	3.4%	3.2%	3.0%	6.8%	3.3%	1.6%	2.4%	3.8%	0.0%
Payroll processing	3.2%	8.8%	0.0%	0.0%	2.8%	6.8%	3.3%	1.6%	1.2%	5.1%	0.0%
Performance measurement	1.1%	1.5%	0.0%	1.6%	1.6%	4.5%	3.3%	1.6%	2.4%	6.3%	1.2%
Personal financial planning	2.1%	2.9%	0.0%	3.2%	2.5%	9.1%	5.0%	6.3%	2.4%	3.8%	0.0%
R&D	0.5%	0.0%	0.0%	1.6%	0.9%	2.3%	0.0%	0.0%	1.2%	0.0%	6.2%
Section 404 Internal control	1.1%	0.0%	0.0%	3.2%	1.7%	0.0%	0.0%	1.6%	0.0%	0.0%	4.9%
Strategic planning	2.1%	1.5%	1.7%	3.2%	1.0%	0.0%	0.0%	0.0%	1.2%	2.5%	0.0%
Web Trust	0.0%	0.0%	0.0%	0.0%	0.1%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+
Number of firms	188	68	58	62	1,842	44	60	63	82	79	81
<b>Which, if any, of the following services has your firm DISCONTINUED in the last three years?</b>											
Bankruptcy or insolvency services	1.6%	2.9%	1.7%	0.0%	1.4%	2.3%	1.7%	0.0%	1.2%	0.0%	0.0%
Business valuation	1.6%	1.5%	0.0%	3.2%	3.0%	0.0%	3.3%	6.3%	2.4%	0.0%	3.7%
Corp. Gov. & Audit Comm. Guidance	0.5%	1.5%	0.0%	0.0%	0.8%	0.0%	1.7%	0.0%	0.0%	1.3%	0.0%
Cost Segregation	0.5%	1.5%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Eldercare	1.6%	2.9%	1.7%	0.0%	0.9%	0.0%	1.7%	1.6%	0.0%	2.5%	0.0%
Estate tax planning	0.0%	0.0%	0.0%	0.0%	0.2%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Executive searches	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%
Forecasts and projections	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	1.6%	1.2%	0.0%	0.0%
Forensic accounting	1.1%	1.5%	1.7%	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%
Human resources services	0.5%	1.5%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Insurance	1.6%	2.9%	1.7%	0.0%	0.5%	0.0%	0.0%	1.6%	1.2%	0.0%	0.0%
International services	0.5%	1.5%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Investment advisory services	2.1%	2.9%	1.7%	1.6%	1.1%	0.0%	1.7%	1.6%	0.0%	1.3%	1.2%
IT hardware sales	0.5%	1.5%	0.0%	0.0%	0.9%	0.0%	0.0%	0.0%	0.0%	6.3%	1.2%
IT hardware sel. & inst.	0.5%	1.5%	0.0%	0.0%	0.9%	0.0%	0.0%	0.0%	0.0%	6.3%	0.0%
IT software sales	1.1%	1.5%	0.0%	1.6%	0.9%	0.0%	1.7%	0.0%	0.0%	5.1%	1.2%
IT software sel & impl.	0.0%	0.0%	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	5.1%	0.0%
Investment / securities sales	3.7%	4.4%	1.7%	4.8%	1.1%	0.0%	0.0%	0.0%	1.2%	2.5%	1.2%
Legal services within your firm	0.5%	1.5%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Litigation support	1.1%	1.5%	1.7%	0.0%	0.9%	0.0%	0.0%	1.6%	0.0%	1.3%	0.0%
Market or ec. feasibility studies	0.5%	1.5%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mergers and acquisitions	0.5%	1.5%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Not for profits	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	1.7%	1.6%	0.0%	1.3%	1.2%
Outsourced controllership	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	1.7%	0.0%	0.0%	0.0%	0.0%
Payroll processing	0.5%	0.0%	1.7%	0.0%	1.1%	2.3%	1.7%	1.6%	0.0%	2.5%	0.0%
Performance measurement	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	1.7%	0.0%	0.0%	0.0%	0.0%
Personal financial planning	2.1%	2.9%	1.7%	1.6%	0.6%	0.0%	1.7%	0.0%	1.2%	0.0%	1.2%
R&D	0.5%	1.5%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	1.3%	0.0%
Section 404 Internal control	0.5%	1.5%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Strategic planning	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Web Trust	0.5%	1.5%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	1.3%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+

Number of firms	188	68	58	62	1,842	44	60	63	82	79	81
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**Hiring non-CPA professionals**

Already in place	44.1%	23.5%	44.8%	66.1%	44.8%	20.5%	27.1%	22.2%	34.1%	50.6%	74.1%
Planning to provide	5.9%	8.8%	5.2%	3.2%	7.7%	11.4%	11.9%	9.5%	13.4%	2.5%	2.5%
Would consider	28.7%	27.9%	37.9%	21.0%	31.4%	27.3%	40.7%	50.8%	40.2%	31.6%	22.2%
Would not consider	14.9%	29.4%	5.2%	8.1%	11.2%	22.7%	11.9%	11.1%	9.8%	12.7%	1.2%
N/A	6.4%	10.3%	6.9%	1.6%	4.9%	18.2%	8.5%	6.3%	2.4%	2.5%	0.0%

**Making non-CPAs owners in the firm**

Already in place	2.1%	1.5%	1.7%	3.2%	4.6%	0.0%	1.7%	4.8%	4.9%	2.5%	13.6%
Planning to provide	0.5%	0.0%	1.7%	0.0%	1.6%	0.0%	3.4%	1.6%	2.4%	1.3%	1.2%
Would consider	14.9%	10.3%	13.8%	21.0%	21.3%	6.8%	18.6%	19.0%	24.4%	29.1%	27.2%
Would not consider	71.8%	70.6%	74.1%	71.0%	61.5%	63.6%	64.4%	63.5%	62.2%	54.4%	51.9%
N/A	10.6%	17.6%	8.6%	4.8%	11.0%	29.5%	11.9%	11.1%	6.1%	12.7%	6.2%

**Hiring interns for professional staffing**

Already in place	23.9%	8.8%	19.0%	45.2%	27.8%	9.1%	6.8%	12.7%	23.2%	40.5%	60.5%
Planning to provide	8.0%	7.4%	12.1%	4.8%	6.1%	2.3%	1.7%	6.3%	8.5%	2.5%	6.2%
Would consider	37.8%	39.7%	37.9%	35.5%	41.8%	40.9%	61.0%	49.2%	47.6%	39.2%	30.9%
Would not consider	23.4%	35.3%	22.4%	11.3%	18.4%	34.1%	22.0%	23.8%	18.3%	15.2%	2.5%
N/A	6.9%	8.8%	8.6%	3.2%	5.9%	13.6%	8.5%	7.9%	2.4%	2.5%	0.0%

**Merging with a non-CPA firm (if permitted by state law)**

Already in place	0.5%	1.5%	0.0%	0.0%	1.0%	0.0%	1.7%	0.0%	1.2%	0.0%	2.5%
Planning to provide	1.1%	0.0%	1.7%	1.6%	0.5%	0.0%	0.0%	0.0%	1.2%	0.0%	1.2%
Would consider	12.8%	14.7%	12.1%	11.3%	19.5%	13.6%	20.3%	19.0%	25.6%	27.8%	29.6%
Would not consider	73.4%	70.6%	77.6%	72.6%	66.4%	61.4%	64.4%	69.8%	69.5%	57.0%	55.6%
N/A	12.2%	13.2%	8.6%	14.5%	12.6%	25.0%	13.6%	11.1%	2.4%	15.2%	11.1%

**Outsourcing individual Tax Returns**

Already in place	3.7%	1.5%	3.4%	6.5%	2.9%	2.3%	0.0%	3.2%	3.7%	2.5%	8.6%
Planning to provide	0.5%	1.5%	0.0%	0.0%	0.9%	2.3%	0.0%	1.6%	1.2%	0.0%	1.2%
Would consider	21.8%	14.7%	17.2%	33.9%	16.3%	11.4%	6.8%	11.1%	14.6%	11.4%	24.7%
Would not consider	68.1%	75.0%	72.4%	56.5%	73.9%	72.7%	88.1%	76.2%	78.0%	81.0%	60.5%
N/A	5.9%	7.4%	6.9%	3.2%	6.0%	11.4%	5.1%	7.9%	2.4%	5.1%	4.9%

**Outsourcing write up work**

Already in place	1.1%	1.5%	1.7%	0.0%	3.2%	4.5%	1.7%	1.6%	1.2%	2.5%	2.5%
Planning to provide	0.5%	1.5%	0.0%	0.0%	1.0%	2.3%	1.7%	0.0%	2.4%	0.0%	0.0%
Would consider	23.4%	19.1%	19.0%	32.3%	19.6%	6.8%	10.2%	14.3%	8.5%	15.2%	25.9%
Would not consider	66.5%	64.7%	70.7%	64.5%	67.8%	68.2%	81.4%	74.6%	86.6%	77.2%	65.4%
N/A	8.5%	13.2%	8.6%	3.2%	8.5%	18.2%	5.1%	9.5%	1.2%	5.1%	6.2%



Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+

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**Going paperless**

Already in place	30.9%	25.0%	32.8%	35.5%	41.8%	20.5%	32.2%	50.8%	45.1%	40.5%	58.0%
Planning to provide	25.5%	20.6%	27.6%	29.0%	24.0%	25.0%	18.6%	22.2%	24.4%	32.9%	22.2%
Would consider	33.5%	42.6%	25.9%	30.6%	27.1%	29.5%	39.0%	22.2%	25.6%	24.1%	18.5%
Would not consider	6.4%	5.9%	10.3%	3.2%	5.1%	15.9%	8.5%	3.2%	4.9%	2.5%	1.2%
N/A	3.7%	5.9%	3.4%	1.6%	2.0%	9.1%	1.7%	1.6%	0.0%	0.0%	0.0%

**Accept credit cards for payment**

Already in place	36.2%	19.1%	39.7%	51.6%	33.6%	15.9%	28.8%	28.6%	41.5%	36.7%	54.3%
Planning to provide	8.0%	8.8%	10.3%	4.8%	5.3%	4.5%	10.2%	11.1%	2.4%	6.3%	1.2%
Would consider	27.7%	35.3%	29.3%	17.7%	34.9%	40.9%	28.8%	34.9%	39.0%	39.2%	27.2%
Would not consider	23.9%	29.4%	19.0%	22.6%	23.0%	31.8%	32.2%	25.4%	15.9%	12.7%	14.8%
N/A	4.3%	7.4%	1.7%	3.2%	3.2%	6.8%	0.0%	0.0%	1.2%	5.1%	2.5%

**Use / provide E-file cabinets for clients**

Already in place	12.8%	8.8%	10.3%	19.4%	14.0%	15.9%	6.8%	20.6%	17.3%	17.7%	12.3%
Planning to provide	11.2%	10.3%	13.8%	9.7%	13.9%	6.8%	15.3%	20.6%	14.8%	17.7%	23.5%
Would consider	51.6%	54.4%	51.7%	48.4%	50.1%	43.2%	54.2%	41.3%	53.1%	54.4%	53.1%
Would not consider	16.0%	16.2%	17.2%	14.5%	15.4%	22.7%	20.3%	12.7%	11.1%	7.6%	2.5%
N/A	8.5%	10.3%	6.9%	8.1%	6.7%	11.4%	3.4%	4.8%	3.7%	2.5%	8.6%

**Does your firm... (check all that apply)**

Have a Web site?	73.3%	44.4%	74.1%	93.5%	76.6%	69.7%	57.8%	53.4%	81.3%	92.3%	96.3%
Use time, bill, or calend. software?	96.4%	91.1%	96.6%	100.0%	95.0%	69.7%	86.7%	96.6%	96.3%	97.4%	100.0%
Accept payments @ Web site?	1.8%	6.7%	0.0%	0.0%	2.1%	0.0%	0.0%	3.4%	1.3%	0.0%	1.2%

**Which of the following software packages do you use for time, billing, and/or calendaring? (check all that apply)**

BillQuick (BQE Software)	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CPA Practice Management	14.8%	7.3%	12.7%	22.0%	20.8%	4.3%	7.7%	14.3%	16.0%	32.4%	53.8%
ImagineTime	1.9%	2.4%	1.8%	1.7%	1.7%	0.0%	0.0%	0.0%	1.3%	0.0%	0.0%
MYOB Plus (MYOB US)	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NetERP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Oracle Small Business Suite	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Power PM (Commercial Logics)	0.0%	0.0%	0.0%	0.0%	0.9%	0.0%	0.0%	1.8%	0.0%	1.4%	1.3%
Practice Solutions	13.5%	2.4%	10.9%	23.7%	14.9%	4.3%	7.7%	17.9%	28.0%	20.3%	20.0%
Practice Solutions PS	5.8%	4.9%	3.6%	8.5%	9.3%	0.0%	2.6%	14.3%	10.7%	17.6%	11.3%
ProSystem fx (CCH)	16.1%	0.0%	12.7%	30.5%	16.0%	0.0%	7.7%	7.1%	14.7%	14.9%	13.8%
Quickbooks (Intuit)	21.3%	46.3%	18.2%	6.8%	17.8%	47.8%	41.0%	17.9%	6.7%	1.4%	6.3%
Simple Accounting Pro	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%
Timeslips (Best Software)	20.0%	17.1%	36.4%	6.8%	15.4%	17.4%	38.5%	21.4%	8.0%	4.1%	1.3%
TPS Time & Billing	1.9%	4.9%	0.0%	1.7%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	16.8%	17.1%	18.2%	15.3%	18.9%	39.1%	23.1%	17.9%	24.0%	10.8%	12.5%

Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+
Number of firms	188	68	58	62	1,842	44	60	63	82	79	81
<b>Revenues -- Projected and Tracking</b>											
Planned Change for FY '06	13.3%	16.8%	11.5%	12.5%	13.4%	13.8%	10.9%	5.4%	9.8%	6.6%	8.2%
Tracking Change for FY '06	14.8%	20.6%	9.2%	15.2%	13.5%	18.1%	13.1%	8.2%	9.8%	5.2%	6.3%
Variance from Plan	1.4%	3.7%	-2.3%	2.7%	0.1%	4.3%	2.2%	2.7%	-0.1%	-1.4%	-1.9%
<b>Expenses -- Projected and Tracking</b>											
Planned Change for FY '06	7.8%	9.1%	4.9%	9.6%	7.3%	9.7%	5.5%	0.7%	5.1%	4.0%	6.6%
Tracking Change for FY '06	9.9%	10.0%	8.1%	11.7%	7.8%	10.6%	8.1%	1.6%	5.1%	4.6%	5.6%
Variance from Plan	2.1%	1.0%	3.2%	2.1%	0.6%	0.9%	2.6%	0.9%	0.0%	0.6%	-1.0%
<b>Which of the following do you have in place?</b>											
Succession plan	23.4%	12.5%	20.5%	31.1%	24.1%	6.3%	15.0%	16.1%	25.3%	32.1%	40.7%
Formal partner in training program	3.6%	0.0%	2.3%	6.6%	7.2%	0.0%	5.0%	3.6%	1.3%	3.8%	24.7%
Prac. cont. agrmt with another firm	7.3%	12.5%	6.8%	4.9%	5.9%	9.4%	32.5%	8.9%	2.5%	3.8%	0.0%
Malpractice insurance policy	92.7%	93.8%	93.2%	91.8%	93.8%	96.9%	85.0%	91.1%	93.7%	92.3%	95.1%
Written firm partnership agreement	43.1%	3.1%	29.5%	73.8%	44.8%	0.0%	0.0%	19.6%	48.1%	66.7%	86.4%
Partner compensation formula	35.0%	0.0%	27.3%	59.0%	30.2%	0.0%	2.5%	8.9%	30.4%	42.3%	54.3%
<b>Malpractice Ins. Cov. Limit</b>	1,336,667	1,314,815	941,250	1,646,226	1,580,499	556,897	641,541	925,673	1,156,944	1,384,559	2,514,082
<b>When was the partner agreement last updated?</b>											
Before 1995	11.9%	0.0%	7.7%	13.3%	6.2%	0.0%	0.0%	0.0%	10.5%	3.8%	2.9%
1995-1999	11.9%	0.0%	7.7%	13.3%	9.8%	0.0%	0.0%	0.0%	10.5%	15.4%	7.1%
2000-2002	25.4%	100.0%	23.1%	24.4%	18.8%	0.0%	0.0%	27.3%	23.7%	11.5%	10.0%
2003	13.6%	0.0%	23.1%	11.1%	10.6%	0.0%	0.0%	27.3%	7.9%	9.6%	8.6%
2004	3.4%	0.0%	7.7%	2.2%	13.4%	0.0%	0.0%	0.0%	2.6%	23.1%	21.4%
2005	18.6%	0.0%	23.1%	17.8%	25.4%	0.0%	0.0%	18.2%	26.3%	32.7%	20.0%
2006	15.3%	0.0%	7.7%	17.8%	15.7%	0.0%	0.0%	27.3%	18.4%	3.8%	30.0%
<b>Which of the following does the partner agreement provide for?</b>											
Buy-out	25.5%	0.0%	17.2%	61.3%	33.6%	0.0%	0.0%	14.3%	41.5%	63.3%	72.8%
Conduct	14.4%	0.0%	8.6%	35.5%	23.3%	0.0%	0.0%	4.8%	15.9%	31.6%	63.0%
Death	26.6%	1.5%	19.0%	61.3%	36.2%	0.0%	0.0%	14.3%	42.7%	62.0%	81.5%
Disability	21.8%	0.0%	13.8%	53.2%	32.8%	0.0%	0.0%	12.7%	37.8%	54.4%	77.8%
Early withdraw	14.4%	0.0%	8.6%	35.5%	24.8%	0.0%	0.0%	6.3%	25.6%	45.6%	67.9%
Mandatory age	9.0%	0.0%	1.7%	25.8%	13.4%	0.0%	0.0%	1.6%	4.9%	25.3%	49.4%
Non-competition	18.1%	0.0%	3.4%	51.6%	27.3%	0.0%	0.0%	7.9%	23.2%	50.6%	70.4%
Post withdrawal loan guarantees	1.6%	0.0%	1.7%	3.2%	2.2%	0.0%	0.0%	0.0%	2.4%	0.0%	4.9%
Retirement	17.0%	0.0%	5.2%	46.8%	22.8%	0.0%	0.0%	6.3%	20.7%	38.0%	70.4%
<b>If applicable, which of the following components are included in your buy-out valuation provision?</b>											
Clients retained	35.3%	0.0%	40.0%	34.1%	37.0%	0.0%	0.0%	10.0%	37.8%	33.3%	39.3%
Discount for early withdrawal	23.5%	0.0%	0.0%	29.3%	29.4%	0.0%	0.0%	0.0%	18.9%	35.4%	47.5%
Fee multiples	31.4%	0.0%	30.0%	31.7%	41.7%	0.0%	0.0%	60.0%	48.6%	50.0%	24.6%
Fixed amount for X years	33.3%	0.0%	30.0%	34.1%	36.7%	0.0%	0.0%	30.0%	27.0%	43.8%	39.3%
Life insurance in place	43.1%	0.0%	50.0%	41.5%	45.6%	0.0%	0.0%	30.0%	43.2%	50.0%	50.8%
Outside appraisal or valuation	3.9%	0.0%	10.0%	2.4%	7.2%	0.0%	0.0%	10.0%	2.7%	8.3%	1.6%
Years as partner/owner	23.5%	0.0%	0.0%	29.3%	21.4%	0.0%	0.0%	0.0%	2.7%	10.4%	47.5%
Terms of payments self-funded	39.2%	0.0%	50.0%	36.6%	36.9%	0.0%	0.0%	20.0%	35.1%	39.6%	41.0%

Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+

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**Which of the following are included in your partner compensation formula?**

Administrative duties	50.0%	0.0%	41.7%	52.8%	61.4%	0.0%	0.0%	20.0%	58.3%	54.5%	72.1%
Client billing	79.2%	0.0%	83.3%	77.8%	79.7%	0.0%	0.0%	20.0%	66.7%	75.8%	83.7%
Compliance w/ bus. Plan	14.6%	0.0%	8.3%	16.7%	11.1%	0.0%	0.0%	20.0%	4.2%	0.0%	16.3%
Interest on capital	31.3%	0.0%	25.0%	33.3%	40.9%	0.0%	0.0%	40.0%	29.2%	36.4%	46.5%
New clients	41.7%	0.0%	41.7%	41.7%	42.9%	0.0%	100.0%	40.0%	20.8%	27.3%	67.4%
New bus. from present clients	35.4%	0.0%	33.3%	36.1%	30.8%	0.0%	100.0%	20.0%	12.5%	24.2%	53.5%
Niche/new service development	12.5%	0.0%	0.0%	16.7%	16.4%	0.0%	100.0%	0.0%	4.2%	9.1%	30.2%
Timely billing	20.8%	0.0%	8.3%	25.0%	22.6%	0.0%	0.0%	20.0%	16.7%	18.2%	30.2%
Years of service	25.0%	0.0%	16.7%	27.8%	20.9%	0.0%	100.0%	0.0%	16.7%	15.2%	14.0%

**Which of the following marketing methods have you used and found to be effective?**

Advertising	36.4%	38.0%	41.5%	30.8%	37.0%	38.9%	53.3%	41.2%	35.7%	35.8%	47.5%
Client seminars & briefing	25.9%	20.0%	19.5%	36.5%	32.0%	19.4%	24.4%	21.6%	27.1%	40.3%	70.0%
Direct mail	20.3%	18.0%	14.6%	26.9%	19.0%	30.6%	8.9%	21.6%	21.4%	13.4%	32.5%
Newsletters	42.7%	28.0%	34.1%	63.5%	40.3%	33.3%	40.0%	35.3%	52.9%	41.8%	75.0%
Tele-prospecting	4.9%	4.0%	4.9%	5.8%	4.6%	5.6%	4.4%	2.0%	4.3%	6.0%	1.3%
Trade group memberships	32.2%	20.0%	29.3%	46.2%	39.3%	27.8%	26.7%	29.4%	32.9%	44.8%	60.0%
Other	32.2%	34.0%	26.8%	34.6%	32.1%	36.1%	31.1%	25.5%	35.7%	31.3%	13.8%

**Does your firm have working alliances with...**

Banks	62.3%	41.9%	67.5%	76.6%	63.1%	41.4%	71.1%	65.9%	68.9%	69.0%	75.4%
Insurance brokers	35.4%	25.6%	30.0%	48.9%	39.8%	34.5%	33.3%	36.4%	50.8%	48.3%	56.5%
Insurance companies	6.9%	7.0%	2.5%	10.6%	10.5%	6.9%	4.4%	11.4%	8.2%	19.0%	27.5%
Management consultants	11.5%	7.0%	10.0%	17.0%	17.4%	10.3%	13.3%	18.2%	11.5%	19.0%	24.6%
Other CPA firms	53.8%	53.5%	50.0%	57.4%	57.8%	44.8%	64.4%	47.7%	54.1%	46.6%	63.8%
Technology vendors	15.4%	11.6%	10.0%	23.4%	17.9%	10.3%	15.6%	15.9%	18.0%	27.6%	40.6%
Law firms	61.5%	55.8%	65.0%	63.8%	65.2%	51.7%	71.1%	63.6%	73.8%	65.5%	56.5%
Other	14.6%	23.3%	5.0%	14.9%	16.1%	17.2%	13.3%	13.6%	16.4%	8.6%	11.6%

Detailed descriptions of codes on page 1	All TX	Texas			All Firms	South Region					
		Small	Medium	Large		<150K	150-299K	300-549K	550-999K	1M-1.99M	2M+
Number of firms	188	68	58	62	1,842	44	60	63	82	79	81

**Survey Performance (1=Poor, 5=Excellent)**

**Survey Content - Clarity**

1 = Poor	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	3.2%	3.3%	2.0%	4.3%	3.5%	8.3%	1.8%	5.8%	0.0%	5.9%	3.0%
3	20.6%	13.3%	22.4%	28.3%	22.4%	30.6%	25.5%	9.6%	22.1%	29.4%	35.8%
4	49.7%	51.7%	44.9%	52.2%	51.4%	41.7%	49.1%	48.1%	58.8%	47.1%	52.2%
5 = Excellent	25.8%	31.7%	30.6%	13.0%	22.1%	19.4%	23.6%	36.5%	19.1%	17.6%	9.0%

**Survey Content - Relevance**

1 = Poor	0.6%	0.0%	0.0%	2.2%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	2.6%	1.7%	0.0%	6.7%	2.4%	5.6%	1.8%	0.0%	0.0%	1.5%	0.0%
3	11.7%	13.3%	8.2%	13.3%	15.2%	27.8%	16.4%	7.7%	11.8%	17.9%	15.2%
4	48.1%	45.0%	44.9%	55.6%	53.1%	41.7%	49.1%	51.9%	57.4%	52.2%	68.2%
5 = Excellent	37.0%	40.0%	46.9%	22.2%	28.9%	25.0%	32.7%	40.4%	30.9%	28.4%	16.7%

**Survey Content - Comprehensiveness**

1 = Poor	0.6%	0.0%	0.0%	2.2%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	3.9%	1.7%	2.0%	8.9%	2.8%	2.8%	1.8%	1.9%	0.0%	3.0%	1.5%
3	14.9%	16.7%	10.2%	17.8%	17.5%	30.6%	20.0%	7.7%	17.6%	13.4%	27.3%
4	48.7%	43.3%	49.0%	55.6%	52.1%	41.7%	36.4%	57.7%	52.9%	61.2%	51.5%
5 = Excellent	31.8%	38.3%	38.8%	15.6%	27.2%	25.0%	41.8%	32.7%	29.4%	22.4%	19.7%

**Survey Administration -- Online System**

1 = Poor	0.7%	1.7%	0.0%	0.0%	0.7%	0.0%	0.0%	1.9%	0.0%	0.0%	1.5%
2	2.6%	0.0%	0.0%	8.9%	1.7%	0.0%	3.7%	1.9%	0.0%	3.0%	0.0%
3	7.2%	6.8%	4.2%	11.1%	10.7%	19.4%	11.1%	1.9%	7.5%	7.5%	12.3%
4	37.5%	32.2%	35.4%	46.7%	37.1%	22.2%	31.5%	42.3%	40.3%	40.3%	38.5%
5 = Excellent	52.0%	59.3%	60.4%	33.3%	49.7%	58.3%	53.7%	51.9%	52.2%	49.3%	47.7%

**Survey Administration -- Support**

1 = Poor	1.0%	2.5%	0.0%	0.0%	1.2%	0.0%	0.0%	2.9%	0.0%	0.0%	2.8%
2	3.1%	2.5%	0.0%	7.4%	3.6%	0.0%	3.1%	2.9%	2.6%	5.1%	2.8%
3	17.5%	15.0%	10.0%	29.6%	21.6%	44.4%	18.8%	2.9%	15.4%	28.2%	30.6%
4	50.5%	47.5%	53.3%	51.9%	44.6%	27.8%	43.8%	55.9%	59.0%	43.6%	38.9%
5 = Excellent	27.8%	32.5%	36.7%	11.1%	29.0%	27.8%	34.4%	35.3%	23.1%	23.1%	25.0%

**2006 PCPS / TSCPA National Management of an Accounting Practice Survey  
Report prepared for: Texas Society of CPAs**

APPENDIX III

<b>ALL RESPONDENTS</b>	<b>All Firms</b>	<b>Dallas / Fort Worth</b>			<b>Houston</b>			<b>Austin / San Antonio</b>		
		<b>Small</b>	<b>Medium</b>	<b>Large</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>
Number of firms	1,842	22	20	9	9	8	15	13	8	17

**APPENDIX III -- METRO AREA TABLES**

**2006 PCPS / TSCPA National Management of an Accounting Practice Survey**  
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APPENDIX III

ALL RESPONDENTS	All Firms	Dallas / Fort Worth			Houston			Austin / San Antonio		
		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large
Number of firms	1,842	22	20	9	9	8	15	13	8	17

**Region (as defined by U.S. Census)**

Midwest	22.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Northeast	9.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
South	37.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
West	29.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Census Division**

East North Central	14.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
East South Central	4.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Middle Atlantic	4.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
New England	5.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
South Atlantic	17.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
West North Central	7.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
West South Central	15.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mountain	9.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pacific	20.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Average Household Income** (see graphs or summary for definition)

Lower -- Bottom -- <\$35K	15.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.9%
Lower -- Top -- \$35-\$39K	28.4%	31.8%	55.0%	66.7%	77.8%	75.0%	93.3%	23.1%	12.5%	76.5%
Middle -- Bottom -- \$40-\$44K	19.2%	22.7%	20.0%	11.1%	11.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Middle -- Top -- \$45-49K	13.2%	13.6%	15.0%	22.2%	0.0%	0.0%	0.0%	76.9%	87.5%	17.6%
Upper -- Bottom -- \$50-59K	12.5%	31.8%	10.0%	0.0%	11.1%	25.0%	6.7%	0.0%	0.0%	0.0%
Upper -- Top -- \$60K+	10.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Firm Size**

<150K	13.6%	50.0%	0.0%	0.0%	44.4%	0.0%	0.0%	30.8%	0.0%	0.0%
150-299K	14.4%	50.0%	0.0%	0.0%	55.6%	0.0%	0.0%	69.2%	0.0%	0.0%
300-549K	15.4%	0.0%	60.0%	0.0%	0.0%	37.5%	0.0%	0.0%	50.0%	0.0%
550-999K	17.3%	0.0%	40.0%	0.0%	0.0%	62.5%	0.0%	0.0%	50.0%	0.0%
1M-1.99M	18.6%	0.0%	0.0%	44.4%	0.0%	0.0%	26.7%	0.0%	0.0%	64.7%
2M+	20.7%	0.0%	0.0%	55.6%	0.0%	0.0%	73.3%	0.0%	0.0%	35.3%

**2006 PCPS / TSCPA National Management of an Accounting Practice Survey**  
**Report prepared for: Texas Society of CPAs**

APPENDIX III

ALL RESPONDENTS	All Firms	Dallas / Fort Worth			Houston			Austin / San Antonio		
		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large

Number of firms	1,842	22	20	9	9	8	15	13	8	17
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**Which of the following categories best describes your practice unit?**

Sole practitioner	22.0%	72.7%	30.0%	0.0%	66.7%	0.0%	0.0%	69.2%	0.0%	0.0%
Single-office firm	65.5%	27.3%	65.0%	100.0%	33.3%	100.0%	73.3%	30.8%	87.5%	100.0%
Unified multi-office firm	9.8%	0.0%	5.0%	0.0%	0.0%	0.0%	13.3%	0.0%	12.5%	0.0%
Office of small regional firm*	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	13.3%	0.0%	0.0%	0.0%
Office of regional/national firm*	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Office of a 'Big 4' firm*	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Approximately how did firm size (measured in gross fees) change in Fiscal 2005 versus 2004?**

Increase 50+%	3.8%	9.1%	0.0%	0.0%	0.0%	12.5%	6.7%	15.4%	0.0%	0.0%
Increase 30-49%	3.5%	4.5%	5.0%	0.0%	0.0%	0.0%	13.3%	7.7%	12.5%	0.0%
Increase 20-29%	8.5%	9.1%	5.0%	22.2%	0.0%	12.5%	20.0%	0.0%	0.0%	11.8%
Increase 10-19%	25.3%	13.6%	40.0%	44.4%	22.2%	25.0%	26.7%	7.7%	37.5%	35.3%
Increase 6-9%	17.7%	9.1%	15.0%	11.1%	11.1%	12.5%	26.7%	15.4%	12.5%	0.0%
Increase 1-5%	17.6%	9.1%	10.0%	22.2%	22.2%	12.5%	0.0%	7.7%	12.5%	35.3%
No change	15.1%	36.4%	10.0%	0.0%	33.3%	25.0%	6.7%	46.2%	12.5%	11.8%
Decrease 1-5%	6.5%	4.5%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.9%
Decrease 6-9%	2.0%	4.5%	5.0%	0.0%	11.1%	0.0%	0.0%	0.0%	12.5%	0.0%
Decrease 10+%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Which of the following best characterizes your firm's increase? (if >20%)**

Inc. by merger -- acquisition	6.3%	16.7%	0.0%	0.0%	0.0%	0.0%	33.3%	0.0%	0.0%	0.0%
Inc. by merger -- non-acquisition	1.5%	0.0%	0.0%	0.0%	0.0%	50.0%	0.0%	0.0%	0.0%	0.0%
General business growth	80.0%	83.3%	100.0%	100.0%	100.0%	50.0%	50.0%	100.0%	100.0%	100.0%
Other reason	12.2%	0.0%	0.0%	0.0%	0.0%	0.0%	16.7%	0.0%	0.0%	0.0%

**Which of the following best characterizes your firm's decrease? (if >20%)**

Decreased by demerger or sale	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Decreased via downsizing	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Major client / staff loss	40.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
Other reason	40.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**How long has your firm been in business?**

Less than one year	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1 to 5 years	10.5%	40.9%	0.0%	11.1%	11.1%	0.0%	6.7%	30.8%	12.5%	5.9%
6 to 10 years	11.5%	9.1%	10.0%	0.0%	11.1%	12.5%	0.0%	7.7%	12.5%	11.8%
11 to 20 years	26.4%	22.7%	40.0%	44.4%	11.1%	37.5%	46.7%	38.5%	50.0%	23.5%
21 or more years	51.0%	27.3%	50.0%	44.4%	66.7%	50.0%	46.7%	23.1%	25.0%	58.8%

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		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large

Number of firms	1,842	22	20	9	9	8	15	13	8	17
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**Last Fiscal Year End Date**

January-August -- 2005	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
September-November -- 2005	3.8%	0.0%	0.0%	0.0%	0.0%	0.0%	6.7%	0.0%	0.0%	0.0%
December -- 2005	86.2%	95.5%	90.0%	100.0%	88.9%	100.0%	66.7%	92.3%	87.5%	76.5%
January-March -- 2006	2.8%	4.5%	0.0%	0.0%	11.1%	0.0%	0.0%	7.7%	12.5%	5.9%
April-June -- 2006	5.5%	0.0%	10.0%	0.0%	0.0%	0.0%	13.3%	0.0%	0.0%	11.8%
July or later -- 2006	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	13.3%	0.0%	0.0%	5.9%

**Is your firm a member of any one of the following groups? (check all that apply)**

PCPS	56.5%	27.3%	50.0%	66.7%	33.3%	50.0%	93.3%	53.8%	62.5%	76.5%
AICPA (individual membership)	89.8%	77.3%	85.0%	88.9%	77.8%	75.0%	100.0%	92.3%	75.0%	100.0%
AICPA Major Firms Group	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	6.7%	0.0%	0.0%	0.0%
AICPA MAP Large Firm Ntwk Grp	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.9%
AICPA MAP Med. Firm Ntwk Grp	1.2%	0.0%	0.0%	11.1%	0.0%	0.0%	6.7%	0.0%	0.0%	5.9%
AICPA MAP Small Firm Ntwk Grp	6.8%	0.0%	10.0%	22.2%	11.1%	12.5%	13.3%	0.0%	0.0%	0.0%
CPA Association or Network	15.4%	13.6%	25.0%	22.2%	11.1%	25.0%	33.3%	7.7%	0.0%	29.4%
State Society	96.5%	95.5%	95.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Ass'n for Acct Admin (AAA)	6.0%	0.0%	0.0%	22.2%	0.0%	0.0%	13.3%	0.0%	0.0%	11.8%
Other professional association	14.8%	13.6%	10.0%	11.1%	0.0%	50.0%	13.3%	7.7%	25.0%	29.4%
None of the above	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Which of the following describes your primary office location?**

Owned by the firm	12.3%	4.5%	10.0%	0.0%	0.0%	0.0%	6.7%	7.7%	37.5%	5.9%
Home office	6.9%	18.2%	5.0%	0.0%	0.0%	0.0%	0.0%	15.4%	0.0%	0.0%
Leased/rented office	68.9%	59.1%	80.0%	77.8%	77.8%	100.0%	86.7%	53.8%	62.5%	70.6%
Subleased / shared	3.8%	18.2%	5.0%	11.1%	11.1%	0.0%	0.0%	7.7%	0.0%	0.0%
Other	8.1%	0.0%	0.0%	11.1%	11.1%	0.0%	6.7%	15.4%	0.0%	23.5%

<b>Area of primary office (ft<sup>2</sup>)</b>	4,259	1,016	2,357	10,631	1,148	2,121	9,864	822	2,397	7,346
<b>Cost per square foot</b>	21.10	9.89	18.91	20.24	15.44	22.02	18.66	19.64	16.29	22.46

**Which of the following kinds of office accommodations are provided to staff?**

Private offices	82.6%	77.8%	75.0%	100.0%	66.7%	75.0%	92.9%	66.7%	87.5%	88.2%
Cubicles / workstations	41.2%	5.6%	35.0%	44.4%	11.1%	37.5%	50.0%	22.2%	37.5%	58.8%
Shared offices	22.6%	5.6%	5.0%	33.3%	22.2%	12.5%	28.6%	11.1%	37.5%	29.4%
'Hotel' offices	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	7.1%	0.0%	0.0%	0.0%
Other	2.8%	11.1%	5.0%	0.0%	11.1%	0.0%	0.0%	11.1%	0.0%	0.0%



**2006 PCPS / TSCPA National Management of an Accounting Practice Survey**  
**Report prepared for: Texas Society of CPAs**

APPENDIX III

ALL RESPONDENTS	All Firms	Dallas / Fort Worth			Houston			Austin / San Antonio		
		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large

Number of firms	1,842	22	20	9	9	8	15	13	8	17
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**FINANCIAL INFORMATION --- GROSS**

A/R (billed less allowances)	333,899	34,792	71,697	639,763	55,856	185,689	816,898	21,868	194,707	429,393
WIP (unbilled less allowances)	122,071	6,806	40,396	203,522	8,193	22,131	440,323	3,076	13,716	210,799
Firm capital (net capital of the firm)	344,405	33,466	62,695	330,454	33,207	151,356	1,072,203	49,173	138,309	660,109
Prior Year Net client fees earned	1,490,873	150,235	500,122	4,172,862	167,836	591,412	4,051,965	161,653	479,439	2,868,701

**Income**

Gross fees earned	1,798,587	165,481	562,493	5,010,284	187,769	664,418	5,482,385	176,155	634,170	3,523,773
Net write-ups / (write-downs)	-179,737	-6,128	-22,814	-429,229	-4,079	-30,570	-540,004	-12,483	-67,211	-407,272
Net client fees earned	1,616,241	161,024	544,242	4,581,055	185,503	645,311	4,978,382	166,553	583,761	3,164,415
Interest income	4,302	293	793	5,813	0	524	2,889	338	358	7,740
Other income - rents and royalties	7,991	0	9,414	11,365	522	1,304	5,767	124	11,274	10,027
Total income	1,627,599	161,238	554,132	4,598,234	186,025	647,008	4,986,653	166,910	595,349	3,181,726

**Expenses**

Prof'l salaries (excl. owners)	385,154	17,245	85,529	1,699,783	14,170	106,856	1,270,229	17,899	114,610	809,999
Paraprofessional salaries	55,479	7,872	35,676	43,536	13,038	56,170	105,594	12,388	26,181	86,847
Other salaries (excl. owners)	89,545	3,075	21,775	373,969	6,051	20,207	231,185	561	22,388	206,479
Payment to retired partners	14,255	0	0	41,580	0	0	15,465	0	2,523	14,315
Ret. plan costs (excl. owners)	16,607	0	2,945	53,832	879	3,640	49,975	172	4,520	31,749
Other ee benefits (excl. owners)	41,261	1,751	5,514	154,938	1,850	8,451	112,623	509	12,198	90,236
Dues, library	17,996	2,302	6,667	45,284	4,478	8,044	46,954	4,537	9,124	38,547
CPE	12,890	1,242	2,530	18,896	769	1,638	21,308	1,130	3,635	36,066
Malpractice Insurance	13,426	861	2,400	36,547	1,218	3,864	39,755	783	4,726	24,206
Office rent & other occ. costs	89,867	10,052	44,563	215,124	17,721	46,704	184,024	16,146	39,050	165,005
Interest	7,766	1,798	2,357	13,964	1,874	4,612	6,556	1,735	3,024	7,641
Computer / technology exp.	32,931	5,084	15,338	82,688	4,427	14,462	78,495	6,655	16,748	69,047
Promotion and marketing	22,709	1,670	5,690	65,085	418	5,154	46,359	1,098	5,686	60,810
Payroll taxes	49,156	1,463	16,358	161,483	2,495	19,438	154,484	3,021	21,801	96,989
Telephone & Internet	13,034	3,443	8,046	37,346	4,151	7,292	25,957	2,802	6,757	20,429
Depreciation	23,647	2,551	7,642	46,319	756	4,961	54,284	1,695	4,588	53,598
Other expenses	128,747	16,186	54,017	351,420	20,185	67,721	538,789	24,215	47,987	186,345
<i>Total expenses</i>	1,014,472	76,596	317,046	3,441,792	94,481	379,210	2,982,035	95,345	345,545	1,998,309

<b>Net remaining for owners</b>	613,127	84,642	237,086	1,156,442	91,544	267,799	2,004,617	71,566	249,804	1,183,418
<b>Net remaining per owner</b>	228,542	79,239	184,351	281,725	91,544	178,533	411,228	77,529	133,229	269,157
<b>Net remaining per owner-hour</b>	103.93	39.63	83.19	118.47	45.02	83.86	171.70	42.33	58.22	124.97
<b>Bad debt written off in FY '05</b>	\$19,380	\$3,020	\$6,662	\$64,392	\$1,993	\$12,326	\$44,268	\$1,340	\$5,093	\$33,094

**2006 PCPS / TSCPA National Management of an Accounting Practice Survey**  
**Report prepared for: Texas Society of CPAs**

APPENDIX III

ALL RESPONDENTS	All Firms	Dallas / Fort Worth			Houston			Austin / San Antonio		
		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large
Number of firms	1,842	22	20	9	9	8	15	13	8	17
<b>FINANCIAL INFORMATION --- PROPORTION OF NET CLIENT FEES</b>										
A/R (billed less allowances)	20.7%	21.6%	13.2%	14.0%	30.1%	28.8%	16.4%	13.1%	33.4%	13.6%
WIP (unbilled less allowances)	7.6%	4.2%	7.4%	4.4%	4.4%	3.4%	8.8%	1.8%	2.3%	6.7%
Firm capital (net capital of the firm)	21.3%	20.8%	11.5%	7.2%	17.9%	23.5%	21.5%	29.5%	23.7%	20.9%
Prior Year Net client fees earned	92.2%	93.3%	91.9%	91.1%	90.5%	91.6%	81.4%	97.1%	82.1%	90.7%
<b>Income</b>										
Gross fees earned	111.3%	102.8%	103.4%	109.4%	101.2%	103.0%	110.1%	105.8%	108.6%	111.4%
Net write-ups / (write-downs)	-11.1%	-3.8%	-4.2%	-9.4%	-2.2%	-4.7%	-10.8%	-7.5%	-11.5%	-12.9%
Net client fees earned	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest income	0.3%	0.2%	0.1%	0.1%	0.0%	0.1%	0.1%	0.2%	0.1%	0.2%
Other income - rents and royalties	0.5%	0.0%	1.7%	0.2%	0.3%	0.2%	0.1%	0.1%	1.9%	0.3%
Total income	100.7%	100.1%	101.8%	100.4%	100.3%	100.3%	100.2%	100.2%	102.0%	100.5%
<b>Expenses</b>										
Prof'l salaries (excl. owners)	23.8%	10.7%	15.7%	37.1%	7.6%	16.6%	25.5%	10.7%	19.6%	25.6%
Paraprofessional salaries	3.4%	4.9%	6.6%	1.0%	7.0%	8.7%	2.1%	7.4%	4.5%	2.7%
Other salaries (excl. owners)	5.5%	1.9%	4.0%	8.2%	3.3%	3.1%	4.6%	0.3%	3.8%	6.5%
Payment to retired partners	0.9%	0.0%	0.0%	0.9%	0.0%	0.0%	0.3%	0.0%	0.4%	0.5%
Ret. plan costs (excl. owners)	1.0%	0.0%	0.5%	1.2%	0.5%	0.6%	1.0%	0.1%	0.8%	1.0%
Other ee benefits (excl. owners)	2.6%	1.1%	1.0%	3.4%	1.0%	1.3%	2.3%	0.3%	2.1%	2.9%
Dues, library	1.1%	1.4%	1.2%	1.0%	2.4%	1.2%	0.9%	2.7%	1.6%	1.2%
CPE	0.8%	0.8%	0.5%	0.4%	0.4%	0.3%	0.4%	0.7%	0.6%	1.1%
Malpractice Insurance	0.8%	0.5%	0.4%	0.8%	0.7%	0.6%	0.8%	0.5%	0.8%	0.8%
Office rent & other occ. costs	5.6%	6.2%	8.2%	4.7%	9.6%	7.2%	3.7%	9.7%	6.7%	5.2%
Interest	0.5%	1.1%	0.4%	0.3%	1.0%	0.7%	0.1%	1.0%	0.5%	0.2%
Computer / technology exp.	2.0%	3.2%	2.8%	1.8%	2.4%	2.2%	1.6%	4.0%	2.9%	2.2%
Promotion and marketing	1.4%	1.0%	1.0%	1.4%	0.2%	0.8%	0.9%	0.7%	1.0%	1.9%
Payroll taxes	3.0%	0.9%	3.0%	3.5%	1.3%	3.0%	3.1%	1.8%	3.7%	3.1%
Telephone & Internet	0.8%	2.1%	1.5%	0.8%	2.2%	1.1%	0.5%	1.7%	1.2%	0.6%
Depreciation	1.5%	1.6%	1.4%	1.0%	0.4%	0.8%	1.1%	1.0%	0.8%	1.7%
Other expenses	8.0%	10.1%	9.9%	7.7%	10.9%	10.5%	10.8%	14.5%	8.2%	5.9%
<i>Total expenses</i>	62.8%	47.6%	58.3%	75.1%	50.9%	58.8%	59.9%	57.2%	59.2%	63.1%
<b>Net remaining for owners</b>	37.9%	52.6%	43.6%	25.2%	49.3%	41.5%	40.3%	43.0%	42.8%	37.4%
<b>Bad debt written off in FY '05</b>	1.2%	1.9%	1.2%	1.4%	1.1%	1.9%	0.9%	0.8%	0.9%	1.0%

**2006 PCPS / TSCPA National Management of an Accounting Practice Survey**  
**Report prepared for: Texas Society of CPAs**

APPENDIX III

ALL RESPONDENTS	All Firms	Dallas / Fort Worth			Houston			Austin / San Antonio		
		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large
Number of firms	1,842	22	20	9	9	8	15	13	8	17
<b>FINANCIAL INFORMATION --- PER PROFESSIONAL</b>										
A/R (billed less allowances)	42,465	25,946	32,064	53,840	50,270	70,739	38,158	20,306	50,247	28,543
WIP (unbilled less allowances)	15,525	5,076	18,066	17,128	7,374	8,431	20,568	2,857	3,540	14,012
Firm capital (net capital of the firm)	43,801	24,958	28,038	27,810	29,887	57,659	50,084	45,661	35,693	43,879
Prior Year Net client fees earned	189,606	112,040	223,662	351,173	151,052	225,300	189,273	150,106	123,726	190,690
<b>Income</b>										
Gross fees earned	228,740	123,410	251,556	421,647	168,992	253,111	256,090	163,572	163,657	234,234
Net write-ups / (write-downs)	-22,859	-4,570	-10,203	-36,122	-3,671	-11,646	-25,224	-11,591	-17,345	-27,072
Net client fees earned	205,550	120,086	243,394	385,525	166,953	245,833	232,547	154,656	150,648	210,347
Interest income	547	218	355	489	0	200	135	314	92	514
Other income - rents and royalties	1,016	0	4,210	956	470	497	269	115	2,909	667
Total income	206,994	120,245	247,816	386,971	167,423	246,479	232,934	154,988	153,638	211,497
<b>Expenses</b>										
Prof'l salaries (excl. owners)	48,983	12,861	38,250	143,048	12,753	40,707	59,334	16,621	29,577	53,843
Paraprofessional salaries	7,056	5,871	15,955	3,664	11,734	21,398	4,932	11,503	6,756	5,773
Other salaries (excl. owners)	11,388	2,293	9,738	31,472	5,446	7,698	10,799	521	5,778	13,725
Payment to retired partners	1,813	0	0	3,499	0	0	722	0	651	952
Ret. plan costs (excl. owners)	2,112	0	1,317	4,530	791	1,386	2,334	159	1,166	2,110
Other ee benefits (excl. owners)	5,248	1,306	2,466	13,039	1,665	3,219	5,261	472	3,148	5,998
Dues, library	2,289	1,717	2,982	3,811	4,030	3,064	2,193	4,213	2,354	2,562
CPE	1,639	926	1,131	1,590	693	624	995	1,049	938	2,397
Malpractice Insurance	1,708	642	1,073	3,076	1,097	1,472	1,857	727	1,220	1,609
Office rent & other occ. costs	11,429	7,496	19,929	18,104	15,949	17,792	8,596	14,993	10,077	10,968
Interest	988	1,341	1,054	1,175	1,687	1,757	306	1,611	780	508
Computer / technology exp.	4,188	3,792	6,860	6,959	3,985	5,509	3,667	6,180	4,322	4,590
Promotion and marketing	2,888	1,245	2,545	5,477	376	1,963	2,165	1,020	1,467	4,042
Payroll taxes	6,252	1,091	7,315	13,590	2,246	7,405	7,216	2,805	5,626	6,447
Telephone & Internet	1,658	2,568	3,598	3,143	3,736	2,778	1,213	2,602	1,744	1,358
Depreciation	3,007	1,903	3,418	3,898	680	1,890	2,536	1,574	1,184	3,563
Other expenses	16,374	12,071	24,157	29,574	18,166	25,798	25,168	22,485	12,384	12,387
<i>Total expenses</i>	129,018	57,122	141,788	289,649	85,033	144,461	139,295	88,535	89,173	132,833
<b>Net remaining for owners</b>	77,976	63,123	106,028	97,322	82,390	102,019	93,639	66,454	64,465	78,665
<b>Bad debt written off in FY '05</b>	2,465	2,252	2,979	5,419	1,794	4,696	2,068	1,244	1,314	2,200

**2006 PCPS / TSCPA National Management of an Accounting Practice Survey**  
**Report prepared for: Texas Society of CPAs**

APPENDIX III

ALL RESPONDENTS	All Firms	Dallas / Fort Worth			Houston			Austin / San Antonio		
		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large
Number of firms	1,842	22	20	9	9	8	15	13	8	17
<b>Charge interest on A/R? (% Yes)</b>	49.9%	19.0%	15.8%	55.6%	0.0%	28.6%	26.7%	8.3%	12.5%	17.6%
<b>Interest amount</b>	17.9%	16.5%	15.0%	15.6%	#VALUE!	16.0%	10.7%	4.5%	#VALUE!	10.0%

**How do you handle the collection of delinquent fees? (check all that apply)**

Suit for fees	7.9%	0.0%	5.0%	11.1%	0.0%	25.0%	6.7%	7.7%	0.0%	5.9%
Factoring	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Negotiation	50.7%	40.9%	35.0%	66.7%	11.1%	50.0%	60.0%	38.5%	37.5%	47.1%
Collection agencies	19.8%	9.1%	15.0%	22.2%	0.0%	12.5%	13.3%	0.0%	0.0%	5.9%
Small claims court	12.1%	4.5%	15.0%	0.0%	11.1%	25.0%	20.0%	15.4%	0.0%	5.9%
Other	11.1%	4.5%	5.0%	44.4%	11.1%	0.0%	6.7%	15.4%	12.5%	29.4%
Do not collect	26.2%	36.4%	50.0%	11.1%	55.6%	12.5%	26.7%	38.5%	50.0%	23.5%

**Accounts Receivable**

Current	48.9%	57.3%	46.0%	40.8%	54.6%	44.8%	47.6%	46.9%	50.4%	41.8%
Over 30 Days	15.1%	14.9%	15.4%	15.6%	16.6%	15.6%	17.4%	10.6%	17.9%	16.4%
Over 60 Days	10.2%	7.5%	15.9%	12.3%	5.4%	11.5%	9.5%	9.8%	8.5%	16.8%
<u>Over 90 Days</u>	<u>25.9%</u>	<u>20.3%</u>	<u>25.1%</u>	<u>31.3%</u>	<u>23.4%</u>	<u>28.1%</u>	<u>25.5%</u>	<u>32.8%</u>	<u>23.3%</u>	<u>25.0%</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**% of Fees by Service**

Audit: Non-public clients	11.1%	1.9%	7.8%	19.1%	3.0%	3.6%	21.1%	0.9%	4.0%	12.8%
Audit: Publicly held clients	0.6%	0.0%	0.0%	0.2%	0.0%	0.0%	5.9%	0.0%	0.0%	0.2%
Other Attest/Assurance Services	2.7%	0.5%	3.3%	1.0%	1.7%	2.9%	2.7%	1.5%	0.4%	1.6%
Niche Specialties	2.4%	3.0%	0.0%	0.3%	0.0%	4.3%	3.5%	0.2%	9.3%	4.0%
Compilations	9.5%	10.7%	10.3%	5.6%	16.7%	22.3%	4.3%	8.8%	12.3%	5.6%
Consulting services	7.1%	7.1%	7.1%	4.3%	4.9%	6.9%	9.5%	6.5%	21.5%	8.4%
Financial advisory services	1.2%	0.9%	2.6%	0.6%	2.1%	0.0%	0.3%	0.6%	0.9%	1.1%
Information technology consulting	0.7%	0.9%	0.3%	0.1%	0.6%	0.0%	0.0%	0.2%	0.0%	0.1%
Mergers and acquisitions	0.3%	1.0%	0.1%	0.3%	0.0%	0.0%	0.2%	0.0%	0.0%	0.1%
Risk Services/Internal Auditing	0.2%	0.0%	0.0%	0.9%	0.0%	0.0%	0.5%	0.1%	0.9%	0.0%
Tax -- individual	25.9%	32.1%	24.2%	20.1%	36.4%	21.9%	18.4%	35.8%	21.5%	25.5%
Tax -- other than individual	23.8%	29.4%	26.8%	28.1%	28.1%	28.8%	25.7%	26.3%	18.6%	31.1%
Write-up and data processing	11.9%	10.9%	14.2%	10.4%	5.2%	8.6%	6.3%	18.8%	8.4%	6.8%
<u>Other</u>	<u>2.7%</u>	<u>1.6%</u>	<u>3.6%</u>	<u>8.9%</u>	<u>1.3%</u>	<u>0.9%</u>	<u>1.7%</u>	<u>0.3%</u>	<u>2.4%</u>	<u>2.8%</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

<b>% billing clients hourly</b>	91.6%	86.4%	100.0%	88.9%	44.4%	87.5%	100.0%	100.0%	87.5%	100.0%
<b>% fees based on hourly billing</b>	78.9%	71.2%	85.1%	86.3%	76.3%	74.6%	88.0%	83.7%	85.2%	88.7%

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APPENDIX III

ALL RESPONDENTS	All Firms	Dallas / Fort Worth			Houston			Austin / San Antonio		
		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large

Number of firms	1,842	22	20	9	9	8	15	13	8	17
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**Which of the following non-hourly billing methods did your firm use?**

Commissions	3.6%	5.6%	30.8%	20.0%	12.5%	0.0%	7.7%	0.0%	14.3%	7.1%
Fixed fee	78.3%	61.1%	84.6%	80.0%	62.5%	66.7%	84.6%	70.0%	85.7%	78.6%
Periodic	11.6%	11.1%	0.0%	20.0%	25.0%	16.7%	15.4%	10.0%	0.0%	28.6%
Per tax form fee	16.8%	27.8%	0.0%	40.0%	25.0%	0.0%	7.7%	10.0%	14.3%	14.3%
Percentage of assets	3.0%	0.0%	7.7%	0.0%	12.5%	0.0%	0.0%	0.0%	14.3%	35.7%
Risk-based	3.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.1%
Transaction-based	7.5%	11.1%	0.0%	0.0%	12.5%	0.0%	7.7%	20.0%	14.3%	14.3%
Value billing	51.9%	38.9%	30.8%	60.0%	50.0%	50.0%	23.1%	20.0%	57.1%	57.1%

**Please click below if your firm does not use standard billing rates for:**

Professional staff	13.7%	23.1%	0.0%	14.3%	55.6%	16.7%	0.0%	33.3%	20.0%	0.0%
Clerical/administrative	21.9%	30.8%	0.0%	14.3%	55.6%	16.7%	0.0%	50.0%	20.0%	11.1%

**Do you typically bill separately for the following services?**

Copying	25.9%	15.4%	28.6%	28.6%	11.1%	0.0%	44.4%	0.0%	0.0%	0.0%
Clerical overtime	3.5%	0.0%	7.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Technology	31.3%	23.1%	21.4%	57.1%	0.0%	33.3%	33.3%	33.3%	20.0%	55.6%
Fax charges	15.0%	7.7%	21.4%	14.3%	11.1%	0.0%	22.2%	0.0%	0.0%	0.0%
Travel time	38.4%	23.1%	35.7%	42.9%	11.1%	16.7%	44.4%	33.3%	20.0%	44.4%
Mileage	43.2%	7.7%	35.7%	85.7%	0.0%	33.3%	44.4%	0.0%	0.0%	77.8%
Overnight Mail Delivery	64.3%	76.9%	78.6%	71.4%	44.4%	83.3%	44.4%	16.7%	80.0%	44.4%

**Est. billing rate for prof'l with annual salary ~ \$50,000**

\$95.11	\$92.76	\$93.45	\$96.38	\$98.25	\$89.14	\$106.13	\$87.10	\$95.00	\$98.88
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**What is your compensation year basis?**

Fiscal 2005	23.3%	27.3%	30.0%	33.3%	22.2%	0.0%	33.3%	7.7%	25.0%	11.8%
Calendar 2005	73.8%	68.2%	70.0%	66.7%	77.8%	100.0%	60.0%	92.3%	62.5%	88.2%
Other	2.9%	4.5%	0.0%	0.0%	0.0%	0.0%	6.7%	0.0%	12.5%	0.0%

**2006 PCPS / TSCPA National Management of an Accounting Practice Survey**  
**Report prepared for: Texas Society of CPAs**

APPENDIX III

ALL RESPONDENTS	All Firms	Dallas / Fort Worth			Houston			Austin / San Antonio		
		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large
Number of firms	1,842	22	20	9	9	8	15	13	8	17
<b>Professional Staff -- Full Time</b>										
<b>Number of Staff</b>										
Partners/Owners (inc. Part time)	2.683	1.068	1.286	4.105	1.000	1.500	4.875	0.923	1.875	4.397
Directors (11+ Years Exp)	0.896	0.091	0.650	1.111	0.000	0.625	3.000	0.077	0.250	2.000
Managers (6-10 Years Exp)	1.332	0.045	0.150	1.222	0.111	0.125	3.733	0.000	0.750	2.706
Sr Associates (4-5 Years Exp)	1.266	0.000	0.050	2.333	0.000	0.250	4.133	0.000	0.250	3.353
Associates (1-3 Years Exp)	1.340	0.136	0.100	1.778	0.000	0.125	5.067	0.077	0.750	2.000
New Professionals	0.346	0.000	0.000	1.333	0.000	0.000	0.600	0.000	0.000	0.588
<b>Total Professionals</b>	<b>7.863</b>	<b>1.341</b>	<b>2.236</b>	<b>11.883</b>	<b>1.111</b>	<b>2.625</b>	<b>21.408</b>	<b>1.077</b>	<b>3.875</b>	<b>15.044</b>

**% Who Are CPAs**

Partners / Owners	96.4%	93.6%	97.2%	97.4%	100.0%	91.7%	98.5%	91.7%	93.3%	99.0%
Directors (11+ Years Exp)	79.4%	0.0%	61.5%	90.0%	N/A	80.0%	88.9%	100.0%	100.0%	79.4%
Managers (6-10 Years Exp)	82.5%	100.0%	66.7%	100.0%	0.0%	0.0%	91.1%	N/A	50.0%	87.0%
Sr Associates (4-5 Years Exp)	62.3%	N/A	100.0%	57.1%	N/A	0.0%	59.7%	N/A	50.0%	63.2%
Associates (1-3 Years Exp)	20.9%	0.0%	0.0%	37.5%	N/A	0.0%	22.4%	100.0%	16.7%	14.7%
New Professionals	7.1%	N/A	N/A	33.3%	N/A	N/A	11.1%	N/A	N/A	0.0%

**% Who Are Males**

Partners / Owners	73.9%	72.3%	73.9%	81.2%	100.0%	66.7%	83.4%	58.3%	40.0%	68.2%
Directors (11+ Years Exp)	47.0%	0.0%	15.4%	40.0%	N/A	80.0%	60.0%	100.0%	50.0%	47.1%
Managers (6-10 Years Exp)	41.9%	0.0%	33.3%	45.5%	0.0%	100.0%	39.3%	N/A	16.7%	26.1%
Sr Associates (4-5 Years Exp)	33.7%	N/A	0.0%	66.7%	N/A	50.0%	48.4%	N/A	50.0%	28.1%
Associates (1-3 Years Exp)	33.1%	33.3%	0.0%	31.3%	N/A	0.0%	27.6%	0.0%	33.3%	20.6%
New Professionals	37.8%	N/A	N/A	50.0%	N/A	N/A	77.8%	N/A	N/A	20.0%

**Average Compensated Hours Per FT Professional**

Partners / Owners	2,199	2,000	2,216	2,378	2,033	2,129	2,395	1,831	2,288	2,154
Directors (11+ Years Exp)	2,165	1,904	2,079	2,308		2,239	2,172	2,167	2,203	2,103
Managers (6-10 Years Exp)	2,169	1,360	2,173	2,278	1,425	1,500	2,137		2,136	2,224
Sr Associates (4-5 Years Exp)	2,136		2,080	2,251		2,080	2,199		2,136	2,094
Associates (1-3 Years Exp)	2,093	1,715	2,061	2,227		2,080	1,952	1,694	2,127	1,939
New Professionals	1,866			1,530			1,904			2,264

**Average Chargeable Hours Per FT Professional**

Partners / Owners	1,367	1,244	1,464	1,297	1,526	1,399	1,321	1,376	1,521	1,060
Directors (11+ Years Exp)	1,439	1,303	1,510	1,754		1,619	1,414	1,234	1,459	1,425
Managers (6-10 Years Exp)	1,499	1,145	1,678	1,707	998	1,000	1,543		1,545	1,394
Sr Associates (4-5 Years Exp)	1,541		1,500	1,806		1,348	1,539		1,672	1,189
Associates (1-3 Years Exp)	1,514	1,650	1,392	1,876		1,500	1,482	1,062	1,678	1,198
New Professionals	1,295			1,009			1,682			1,248

**2006 PCPS / TSCPA National Management of an Accounting Practice Survey**  
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APPENDIX III

ALL RESPONDENTS	All Firms	Dallas / Fort Worth			Houston			Austin / San Antonio		
		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large

Number of firms	1,842	22	20	9	9	8	15	13	8	17
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**Full-Time Professional Staff -- Continued**

**Realization**

Partners / Owners	62.2%	62.2%	66.1%	54.5%	75.0%	65.7%	55.1%	75.2%	66.5%	49.2%
Directors (11+ Years Exp)	66.4%	68.4%	72.6%	76.0%	N/A	72.3%	65.1%	56.9%	66.2%	67.8%
Managers (6-10 Years Exp)	69.1%	84.2%	77.2%	75.0%	70.0%	66.7%	72.2%	N/A	72.3%	62.7%
Sr Associates (4-5 Years Exp)	72.1%	N/A	72.1%	80.2%	N/A	64.8%	70.0%	N/A	78.3%	56.8%
Associates (1-3 Years Exp)	72.4%	96.2%	67.5%	84.3%	N/A	72.1%	75.9%	62.7%	78.9%	61.8%
New Professionals	69.4%	N/A	N/A	66.0%	N/A	N/A	88.3%	N/A	N/A	55.1%

**Average Billing Rate**

Partners / Owners	167.89	131.14	159.29	225.78	138.89	171.00	240.33	123.23	150.00	202.00
Directors (11+ Years Exp)	133.61	80.50	94.56	160.33		114.80	173.67	100.00	112.50	129.56
Managers (6-10 Years Exp)	118.45	100.00	125.00	124.38	75.00	100.00	146.85		86.17	128.64
Sr Associates (4-5 Years Exp)	99.15		175.00	106.00		88.00	121.00		71.50	103.38
Associates (1-3 Years Exp)	80.35	55.00	75.00	79.54		65.00	105.82	65.00	61.08	85.58
New Professionals	76.02			85.00			96.75			101.67

**Average Compensation**

Partners / Owners	184,892	93,697	184,497	290,730	91,944	181,592	407,465	78,054	167,735	232,063
Directors (11+ Years Exp)	77,641	39,321	58,857	99,926		76,253	105,024	57,454	59,000	77,461
Managers (6-10 Years Exp)	64,717	34,000	61,272	67,597	23,562	90,000	74,800		54,675	72,597
Sr Associates (4-5 Years Exp)	54,041		55,000	54,507		54,130	60,692		48,547	44,633
Associates (1-3 Years Exp)	40,484	27,444	38,500	44,315		42,500	43,419	35,672	32,798	37,360
New Professionals	33,954			30,478			38,373			32,026

**Compensation Per Compensated Hour**

Partners / Owners	\$84.08	\$46.86	\$83.25	\$122.25	\$45.22	\$85.30	\$170.13	\$42.62	\$73.30	\$107.75
Directors (11+ Years Exp)	\$35.86	\$20.65	\$28.32	\$43.30	N/A	\$34.05	\$48.35	\$26.51	\$26.79	\$36.84
Managers (6-10 Years Exp)	\$29.83	\$25.00	\$28.20	\$29.68	\$16.53	\$60.00	\$35.00	N/A	\$25.60	\$32.65
Sr Associates (4-5 Years Exp)	\$25.30	N/A	\$26.44	\$24.21	N/A	\$26.02	\$27.60	N/A	\$22.73	\$21.31
Associates (1-3 Years Exp)	\$19.34	\$16.00	\$18.68	\$19.90	N/A	\$20.43	\$22.24	\$21.06	\$15.42	\$19.27
New Professionals	\$18.19	N/A	N/A	\$19.92	N/A	N/A	\$20.16	N/A	N/A	\$14.14

**2006 PCPS / TSCPA National Management of an Accounting Practice Survey**  
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APPENDIX III

ALL RESPONDENTS	All Firms	Dallas / Fort Worth			Houston			Austin / San Antonio		
		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large

Number of firms	1,842	22	20	9	9	8	15	13	8	17
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**Professional Staff -- Part Time**

**Number of Full Time Equivalents**

Directors (11+ Years Exp)	0.09	0.00	0.00	0.22	0.00	0.00	0.44	0.00	0.00	0.13
Managers (6-10 Years Exp)	0.27	0.00	0.06	0.22	0.10	0.38	0.44	0.02	0.06	0.65
Sr Associates (4-5 Years Exp)	0.22	0.00	0.03	0.34	0.00	0.09	0.45	0.07	0.03	0.79
Associates (1-3 Years Exp)	0.16	0.00	0.00	0.14	0.00	0.00	2.23	0.01	0.14	0.23
New Professionals	0.14	0.00	0.01	0.43	0.05	0.03	0.40	0.00	0.06	0.67

**Total PT Compensated Hours For FT Professionals**

Directors (11+ Years Exp)	187	0	0	465	0	0	908	0	0	262
Managers (6-10 Years Exp)	559	0	123	468	202	797	915	38	115	1,347
Sr Associates (4-5 Years Exp)	459	0	62	698	0	195	928	138	55	1,639
Associates (1-3 Years Exp)	338	0	0	287	0	0	4,641	13	295	489
New Professionals	292	0	29	885	111	67	834	0	119	1,398

**Total Chargeable Hours for PT Professionals**

Directors (11+ Years Exp)	122	0	0	366	0	0	633	0	0	186
Managers (6-10 Years Exp)	392	0	115	426	169	698	624	8	73	705
Sr Associates (4-5 Years Exp)	340	0	53	557	0	175	771	138	55	1,059
Associates (1-3 Years Exp)	233	0	0	209	0	0	1,778	0	240	354
New Professionals	201	0	28	722	78	34	707	0	119	969

**Realization**

Directors (11+ Years Exp)	65.5%			78.7%			69.7%			70.9%
Managers (6-10 Years Exp)	70.2%		93.2%	91.0%	83.5%	87.6%	68.2%	20.0%	63.3%	52.3%
Sr Associates (4-5 Years Exp)	74.1%		86.1%	79.7%		89.7%	83.0%	100.0%	100.0%	64.6%
Associates (1-3 Years Exp)	69.1%			72.8%			38.3%	3.5%	81.4%	72.4%
New Professionals	68.8%		97.4%	81.6%	70.0%	50.9%	84.8%		100.0%	69.3%

**Average Billing Rate**

Directors (11+ Years Exp)	156.32			145.00			186.25			202.67
Managers (6-10 Years Exp)	123.08		111.25	122.33	82.50	121.60	153.38	65.00	80.00	126.50
Sr Associates (4-5 Years Exp)	101.01		87.50	109.33		110.00	99.00	35.00	87.50	101.78
Associates (1-3 Years Exp)	85.27			83.75			92.80	100.00	101.67	89.38
New Professionals	72.15		70.00	89.00	65.00	85.00	76.81		75.00	73.80



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APPENDIX III

ALL RESPONDENTS	All Firms	Dallas / Fort Worth			Houston			Austin / San Antonio		
		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large

Number of firms	1,842	22	20	9	9	8	15	13	8	17
<b>Professional Staff -- Part Time</b>										

**Total Compensation**

Directors (11+ Years Exp)	8,112	0	0	22,878	0	0	59,924	0	0	19,628
Managers (6-10 Years Exp)	20,142	0	6,947	14,075	7,142	30,219	37,298	154	2,183	51,212
Sr Associates (4-5 Years Exp)	13,280	0	2,110	18,500	0	4,750	28,416	1,079	1,656	51,549
Associates (1-3 Years Exp)	6,884	0	0	7,049	0	0	45,598	662	6,853	8,966
New Professionals	5,927	0	552	16,393	1,111	2,250	15,063	0	2,522	21,708

**Compensation Per Compensated Hour**

Directors (11+ Years Exp)	\$43.39			\$49.20			\$66.02			\$74.83
Managers (6-10 Years Exp)	\$36.03		\$56.32	\$30.08	\$35.28	\$37.93	\$40.75	\$4.00	\$19.07	\$38.02
Sr Associates (4-5 Years Exp)	\$28.96		\$34.14	\$26.49		\$24.36	\$30.61	\$7.79	\$30.39	\$31.46
Associates (1-3 Years Exp)	\$20.40			\$24.57			\$9.82	\$50.00	\$23.23	\$18.35
New Professionals	\$20.31		\$18.94	\$18.51	\$10.00	\$33.71	\$18.06		\$21.19	\$15.53
	0									

**Total Full Time Equivalent Staff**

Partner / Owner	2.683	1.068	1.286	4.105	1.000	1.500	4.875	0.923	1.875	4.397
Directors (11+ Years Exp)	0.986	0.091	0.650	1.335	0.000	0.625	3.436	0.077	0.250	2.126
Managers (6-10 Years Exp)	1.601	0.045	0.209	1.447	0.208	0.508	4.173	0.018	0.805	3.354
Sr Associates (4-5 Years Exp)	1.486	0.000	0.080	2.669	0.000	0.344	4.580	0.067	0.276	4.141
Associates (1-3 Years Exp)	1.502	0.136	0.100	1.916	0.000	0.125	7.298	0.083	0.892	2.235
New Professionals	0.486	0.000	0.014	1.759	0.053	0.032	1.001	0.000	0.057	1.260
<b>Total</b>	<b>8.745</b>	<b>1.341</b>	<b>2.339</b>	<b>13.231</b>	<b>1.262</b>	<b>3.134</b>	<b>25.363</b>	<b>1.168</b>	<b>4.155</b>	<b>17.512</b>

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APPENDIX III

ALL RESPONDENTS	All Firms	Dallas / Fort Worth			Houston			Austin / San Antonio		
		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large

Number of firms	1,842	22	20	9	9	8	15	13	8	17
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**Full Time Non-Professional Staff**

**Number of Staff**

Internal technical support	0.194	0.000	0.000	0.333	0.000	0.000	0.267	0.000	0.000	0.529
Administrator / OM	0.483	0.045	0.250	0.556	0.222	0.500	1.067	0.000	0.875	1.118
Paraprofessionals	0.927	0.091	0.600	0.444	0.333	0.500	1.333	0.077	0.250	1.941
Clerical (data entry, etc.)	1.255	0.136	0.450	4.556	0.111	0.125	3.933	0.000	0.125	2.824
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

**Average Compensated Hours Per FTE**

Internal technical support	2,148			2,279			2,117			2,235
Administrator / OM	2,139	2,080	2,061	2,065	2,083	2,195	2,166		1,995	2,148
Paraprofessionals	2,044	1,950	2,093	1,976	1,429	2,141	2,065	1,500	2,032	1,991
Clerical (data entry, etc.)	1,996	1,873	1,626	2,121	2,080	1,745	1,923		2,080	2,103
Other	2,042		2,080	2,182						2,155

**Average Chargeable Hours Per FT Employee**

Internal technical support	327			47			55			122
Administrator / OM	301	0	518	423	171	902	107		158	212
Paraprofessionals	1,215	1,750	1,268	1,266	724	1,596	1,426	0	1,295	1,328
Clerical (data entry, etc.)	451	1,250	408	145	1,000	983	334		1,700	340
Other	331		282	480						139

**Average Billing Rate**

Internal technical support	102.32			112.50			88.33			92.75
Administrator / OM	72.44	60.00	51.60	81.00	47.50	62.00	97.92		46.75	69.92
Paraprofessionals	68.48	57.50	65.56	83.33	55.00	190.00	85.00	50.00	70.00	70.22
Clerical (data entry, etc.)	53.56	40.00	52.40	51.67	35.00	65.00	65.08		75.00	55.92
Other	1730.00	22.00	18.00	8.00	9.00	8.00	15.00	13.00	8.00	16.00

**Average Compensation**

Internal technical support	56,042			55,816			75,158			46,487
Administrator / OM	49,002	36,000	27,234	57,556	27,865	43,307	64,895		28,508	46,460
Paraprofessionals	39,374	32,321	40,779	52,590	21,650	51,774	45,240	32,140	49,100	41,032
Clerical (data entry, etc.)	30,933	25,621	24,336	44,504	16,000	32,000	35,212		25,000	30,341
Other	42,698		24,025	30,888						60,510

**Compensation Per Compensated Hour**

Internal technical support	\$26.08	N/A	N/A	\$24.49	N/A	N/A	\$35.51	N/A	N/A	\$20.80
Administrator / OM	\$22.91	\$17.31	\$13.22	\$27.87	\$13.38	\$19.73	\$29.97	N/A	\$14.29	\$21.63
Paraprofessionals	\$19.27	\$16.57	\$19.48	\$26.62	\$15.15	\$24.18	\$21.90	\$21.43	\$24.17	\$20.60
Clerical (data entry, etc.)	\$15.50	\$13.68	\$14.97	\$20.98	\$7.69	\$18.34	\$18.32	N/A	\$12.02	\$14.43
Other	\$20.91	N/A	\$11.55	\$14.16	N/A	N/A	N/A	N/A	N/A	\$28.09

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APPENDIX III

ALL RESPONDENTS	All Firms	Dallas / Fort Worth			Houston			Austin / San Antonio		
		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large

Number of firms	1,842	22	20	9	9	8	15	13	8	17
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**Part-Time Non-Professional Staff**

**Number of Full Time Equivalents**

Internal technical support	0.024									0.026
Administrator / OM	0.056		0.023	0.174				0.037		0.037
Paraprofessionals	0.195	0.073	0.054		0.023	0.200	0.106	0.115		0.074
Clerical (data entry, etc.)	0.265	0.066	0.077	0.315		0.120	0.366	0.046	0.063	0.542
Other	0.040	0.010		0.480	0.065		0.054			0.069

**Total Compensated Hours**

Internal technical support	50	0	0	0	0	0	0	0	0	55
Administrator / OM	117	0	48	361	0	0	0	77	0	76
Paraprofessionals	405	152	112	0	48	416	221	239	0	155
Clerical (data entry, etc.)	550	137	160	654	0	250	760	95	130	1,128
Other	83	20	0	998	135	0	112	0	0	143

**Total Chargeable Hours**

Internal technical support	8	0	0	0	0	0	0	0	0	11
Administrator / OM	17	0	0	33	0	0	0	0	0	0
Paraprofessionals	265	73	90	0	4	313	81	191	0	130
Clerical (data entry, etc.)	129	35	61	29	0	100	77	74	0	245
Other	21	3	0	126	0	0	7	0	0	45

**Average Billing Rate**

Internal technical support	73.98									48.00
Administrator / OM	57.98		35.00	45.00						
Paraprofessionals	65.18	57.00	75.00		100.00	80.00	68.00	51.50		58.25
Clerical (data entry, etc.)	46.59	38.20	50.00	46.67		35.00	68.60	36.00		49.29
Other	65.61	30.00		46.67	40.00		92.00			35.00

**Average Compensation**

Internal technical support	1,095	0	0	0	0	0	0	0	0	924
Administrator / OM	2,534	0	831	9,832	0	0	0	269	0	1,043
Paraprofessionals	7,526	2,206	3,015	0	693	15,292	4,920	4,087	0	2,771
Clerical (data entry, etc.)	8,055	2,209	2,354	12,612	0	3,357	13,572	3,517	2,500	17,788
Other	1,725	275	0	15,231	628	0	2,152	0	0	1,621

**Compensation Per Compensated Hour**

Internal technical support	\$21.81									\$16.86
Administrator / OM	\$21.64		\$17.50	\$27.20				\$3.50		\$13.68
Paraprofessionals	\$18.57	\$14.50	\$26.94		\$14.43	\$36.75	\$22.31	\$17.11		\$17.91
Clerical (data entry, etc.)	\$14.64	\$16.15	\$14.71	\$19.28		\$13.44	\$17.85	\$36.87	\$19.23	\$15.77
Other	\$20.87	\$13.44		\$15.27	\$4.66		\$19.25			\$11.35

**2006 PCPS / TSCPA National Management of an Accounting Practice Survey**  
**Report prepared for: Texas Society of CPAs**

APPENDIX III

ALL RESPONDENTS	All Firms	Dallas / Fort Worth			Houston			Austin / San Antonio		
		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large

Number of firms	1,842	22	20	9	9	8	15	13	8	17
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**For Professionals**

<b>Bonus/incentive % of total</b>	6.3%	4.0%	6.4%	6.3%	30.0%	9.4%	5.4%	0.0%	5.9%	6.0%
<b>Avg annl base salary % inc</b>	7.2%	3.2%	10.8%	8.7%	3.3%	3.9%	6.1%	2.5%	4.3%	10.5%

**Which of the following factors were used in determining bonus / incentive payments for professional staff?**

Attaining chargeable hours targets	56.7%	66.7%	60.0%	66.7%	0.0%	80.0%	58.3%	0.0%	14.3%	85.7%
Obtaining new clients	43.1%	66.7%	40.0%	16.7%	0.0%	40.0%	50.0%	0.0%	28.6%	78.6%
Obtaining new proj. from ex. clients	19.9%	33.3%	10.0%	16.7%	0.0%	20.0%	25.0%	0.0%	0.0%	28.6%
Outstanding individual achievement	65.8%	66.7%	40.0%	83.3%	100.0%	60.0%	58.3%	0.0%	14.3%	64.3%
Passing CPA exam	23.9%	33.3%	0.0%	0.0%	0.0%	0.0%	16.7%	0.0%	14.3%	14.3%
Other	36.0%	66.7%	40.0%	50.0%	100.0%	20.0%	50.0%	0.0%	71.4%	42.9%

**New Hires**

# New hires meeting 150	0.43	0.00	0.10	1.22	0.00	0.13	1.53	0.08	0.25	0.76
# New hires not meeting 150	0.29	0.00	0.05	0.56	0.11	0.13	0.80	0.08	0.25	0.18
Sal for new hires meeting 150	38,895		50,000	42,625		50,000	45,500	30,000	37,250	37,775
Sal for new hires not meeting 150	36,115		38,000	36,167	16,000	42,500	42,900	17,700	36,500	36,668

<b>% with flex. work arrangements</b>	77.5%	77.8%	76.5%	77.8%	66.7%	42.9%	80.0%	66.7%	75.0%	88.2%
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**Adjust billing rates seasonally?**

Yes, routinely	9.9%	0.0%	11.8%	0.0%	11.1%	0.0%	7.1%	0.0%	0.0%	5.9%
Occasionally	24.3%	22.2%	29.4%	33.3%	33.3%	42.9%	21.4%	0.0%	25.0%	23.5%
Rarely	26.9%	33.3%	41.2%	11.1%	11.1%	42.9%	28.6%	33.3%	25.0%	23.5%
Never	36.7%	44.4%	17.6%	44.4%	22.2%	14.3%	42.9%	66.7%	50.0%	47.1%
N/A, do not use billing rates	2.1%	0.0%	0.0%	11.1%	22.2%	0.0%	0.0%	0.0%	0.0%	0.0%

<b>% losing prof'l staff during 2003</b>	45.6%	0.0%	35.3%	88.9%	25.0%	42.9%	86.7%	22.2%	50.0%	88.2%
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<b># of Voluntary terminations</b>	2.77		0.33	2.63	1.00	1.00	3.08	1.50	1.67	1.64
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<b># of Involuntary terminations</b>	0.91		0.60	0.88	0.00	0.00	1.11	0.00	0.50	0.73
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<b>Ret plan for non-owners?</b>	70.9%	18.2%	75.0%	100.0%	22.2%	100.0%	80.0%	23.1%	75.0%	100.0%
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**Retirement Plan Type:**

401(k)	46.2%	0.0%	20.0%	62.5%	0.0%	50.0%	66.7%	0.0%	16.7%	64.7%
Defined Benefit	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25.0%	0.0%	0.0%
Sep IRA	11.3%	25.0%	26.7%	12.5%	50.0%	37.5%	16.7%	25.0%	16.7%	5.9%
SIMPLE	33.4%	50.0%	53.3%	25.0%	50.0%	12.5%	8.3%	50.0%	66.7%	17.6%
Other	7.8%	25.0%	0.0%	0.0%	0.0%	0.0%	8.3%	0.0%	0.0%	11.8%

**Provide for partner retirement?**

Yes	44.1%	9.1%	20.0%	55.6%	0.0%	50.0%	46.7%	7.7%	50.0%	47.1%
No	42.1%	59.1%	65.0%	22.2%	50.0%	50.0%	53.3%	61.5%	37.5%	52.9%
Not applicable	13.7%	31.8%	15.0%	22.2%	50.0%	0.0%	0.0%	30.8%	12.5%	0.0%

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**Is retirement plan for non-owners funded?**

Yes	55.3%	25.0%	41.2%	62.5%	0.0%	62.5%	66.7%	0.0%	66.7%	47.1%
No, paid by...	18.4%	0.0%	17.6%	25.0%	50.0%	12.5%	8.3%	0.0%	16.7%	17.6%
Not applicable	26.3%	75.0%	41.2%	12.5%	50.0%	25.0%	25.0%	100.0%	16.7%	35.3%

**Funded by?**

Insurance	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Retirement plan	85.3%	100.0%	100.0%	60.0%	0.0%	80.0%	62.5%	0.0%	75.0%	62.5%
Other	13.7%	0.0%	0.0%	40.0%	0.0%	20.0%	37.5%	0.0%	25.0%	37.5%

<b>Number of retirees</b>	4.62			1.00		1.00	2.00			7.00
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**Paid by?**

Equity (capital account) buyout	36.6%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	33.3%
Consulting contract	5.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Stock purchase	12.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%
Other	45.8%	0.0%	100.0%	100.0%	0.0%	100.0%	0.0%	0.0%	100.0%	33.3%

<b>% with employee handbook</b>	71.2%	50.0%	71.4%	100.0%	33.3%	75.0%	93.3%	25.0%	42.9%	82.4%
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**Which of the following paid time off (PTO) policies are in place at your firm? (check all that apply)**

Comp time off for OT/excess hours	55.8%	33.3%	53.8%	77.8%	33.3%	62.5%	53.3%	75.0%	50.0%	64.7%
Formal sick leave policy	58.7%	16.7%	84.6%	77.8%	33.3%	62.5%	46.7%	50.0%	37.5%	76.5%
Provide comp leave for dep illness	20.6%	16.7%	15.4%	22.2%	33.3%	25.0%	6.7%	0.0%	25.0%	23.5%
Formal vacation policy	72.5%	66.7%	84.6%	88.9%	33.3%	87.5%	53.3%	75.0%	75.0%	88.2%
Agg. PTO inc. both vac. & sick days	35.0%	33.3%	38.5%	44.4%	0.0%	25.0%	66.7%	25.0%	37.5%	17.6%
PTO for professional activities	57.2%	16.7%	38.5%	44.4%	0.0%	37.5%	66.7%	50.0%	62.5%	41.2%
PTO for community activities	36.0%	0.0%	23.1%	33.3%	0.0%	25.0%	26.7%	25.0%	25.0%	23.5%
Maternity leave in excess of FMLA	11.9%	0.0%	7.7%	33.3%	0.0%	12.5%	6.7%	0.0%	12.5%	23.5%
None of the above	3.5%	16.7%	0.0%	0.0%	66.7%	0.0%	0.0%	25.0%	0.0%	0.0%

<b># of sick leave days for new hires</b>	5.97	5.00	5.67	7.00	3.00	5.33	17.00	5.00	8.67	4.85
<b># of sick leave days for vacation</b>	9.48	6.67	7.40	11.00	10.00	5.00	11.33	8.00	7.00	8.00
<b># of sick leave days for agg PTO</b>	17.14	8.50	10.00	15.60		12.67	26.71	10.00	8.25	17.00

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		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large

Number of firms	1,842	22	20	9	9	8	15	13	8	17
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**Does your firm provide/pay for the following benefits for employees?**

Cafeteria plan	38.3%	4.5%	15.0%	88.9%	0.0%	12.5%	73.3%	0.0%	0.0%	82.4%
Cell phone reimbursement	23.1%	31.8%	15.0%	33.3%	22.2%	0.0%	53.3%	30.8%	25.0%	17.6%
Child care reimbursement	11.2%	0.0%	0.0%	22.2%	11.1%	0.0%	13.3%	0.0%	12.5%	23.5%
Continuing education courses	82.2%	63.6%	80.0%	100.0%	33.3%	87.5%	100.0%	53.8%	75.0%	100.0%
CPA examination fees	38.1%	4.5%	35.0%	44.4%	11.1%	37.5%	46.7%	15.4%	37.5%	11.8%
CPA examination review courses	23.5%	4.5%	25.0%	11.1%	22.2%	25.0%	20.0%	7.7%	12.5%	11.8%
Dependent health insurance	29.4%	4.5%	10.0%	33.3%	22.2%	0.0%	33.3%	0.0%	0.0%	23.5%
Dependent life insurance	8.6%	0.0%	0.0%	22.2%	11.1%	0.0%	6.7%	0.0%	0.0%	11.8%
Dental insurance	26.0%	4.5%	10.0%	33.3%	0.0%	12.5%	53.3%	0.0%	25.0%	29.4%
Home connectivity (e.g., DSL)	14.1%	18.2%	10.0%	33.3%	11.1%	0.0%	20.0%	7.7%	12.5%	11.8%
Life insurance	47.7%	0.0%	10.0%	88.9%	11.1%	12.5%	80.0%	7.7%	37.5%	82.4%
Long term care insurance	3.6%	0.0%	0.0%	11.1%	0.0%	0.0%	0.0%	15.4%	0.0%	5.9%
Long term disability insurance	27.6%	4.5%	15.0%	77.8%	0.0%	12.5%	53.3%	23.1%	0.0%	58.8%
Master's/advanced deg.	13.4%	0.0%	0.0%	33.3%	0.0%	12.5%	0.0%	0.0%	0.0%	11.8%
Medical reimbursement plan	25.8%	18.2%	35.0%	55.6%	11.1%	12.5%	26.7%	7.7%	0.0%	52.9%
Professional dues	78.0%	54.5%	90.0%	100.0%	33.3%	87.5%	93.3%	69.2%	62.5%	100.0%
Professional licenses	77.5%	50.0%	80.0%	100.0%	22.2%	87.5%	100.0%	53.8%	62.5%	100.0%
Retirement plan	68.0%	22.7%	70.0%	100.0%	22.2%	62.5%	100.0%	23.1%	50.0%	100.0%
Short term disability insurance	13.0%	4.5%	15.0%	33.3%	0.0%	0.0%	26.7%	0.0%	0.0%	35.3%
Vision plan	15.1%	0.0%	0.0%	33.3%	0.0%	12.5%	33.3%	0.0%	0.0%	23.5%
Other	3.3%	0.0%	0.0%	11.1%	0.0%	0.0%	6.7%	0.0%	12.5%	17.6%
Health insurance	72.6%	27.3%	60.0%	100.0%	22.2%	87.5%	100.0%	23.1%	62.5%	94.1%

**Health Insurance Type**

HMO	18.7%	0.0%	6.7%	0.0%	20.0%	0.0%	0.0%	0.0%	28.6%	0.0%
MSA	4.2%	0.0%	13.3%	0.0%	0.0%	0.0%	0.0%	20.0%	0.0%	0.0%
POS	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
PPO	48.1%	70.0%	73.3%	88.9%	60.0%	62.5%	93.3%	60.0%	57.1%	93.8%
Traditional	19.0%	10.0%	6.7%	11.1%	0.0%	25.0%	6.7%	0.0%	0.0%	0.0%
Other	6.2%	20.0%	0.0%	0.0%	20.0%	12.5%	0.0%	20.0%	0.0%	6.3%
Not sure	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14.3%	0.0%

**% of Health Insurance Paid By Firm**

0-20%	6.4%	33.3%	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%	16.7%	6.3%
21-40%	2.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	16.7%	0.0%
41-60%	8.4%	0.0%	20.0%	11.1%	0.0%	0.0%	6.7%	0.0%	0.0%	6.3%
61-80%	12.4%	0.0%	0.0%	0.0%	0.0%	14.3%	13.3%	0.0%	0.0%	12.5%
81-100%	70.3%	66.7%	80.0%	88.9%	100.0%	85.7%	80.0%	66.7%	66.7%	75.0%
Average	77.5%	63.3%	82.0%	85.6%	90.0%	87.1%	84.7%	63.3%	66.7%	80.0%

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		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large
Number of firms	1,842	22	20	9	9	8	15	13	8	17
% using engagement letters	91.0%	66.7%	88.2%	100.0%	66.7%	100.0%	92.3%	83.3%	66.7%	93.3%
% w/ disc. control of client funds?	14.3%	4.8%	5.9%	22.2%	11.1%	28.6%	15.4%	18.2%	16.7%	21.4%
<b>Does your firm provide the following services?</b>										
Bankruptcy or insolvency services	13.8%	10.0%	22.2%	11.1%	0.0%	0.0%	6.7%	15.4%	0.0%	23.5%
Business valuation	40.7%	20.0%	22.2%	55.6%	11.1%	25.0%	26.7%	7.7%	37.5%	47.1%
Corp. Gov. & Audit Comm. Guidance	11.5%	0.0%	16.7%	11.1%	0.0%	12.5%	13.3%	0.0%	0.0%	5.9%
Cost Segregation	15.6%	10.0%	5.6%	11.1%	0.0%	12.5%	13.3%	7.7%	25.0%	17.6%
Eldercare	9.6%	0.0%	11.1%	11.1%	33.3%	12.5%	13.3%	15.4%	0.0%	5.9%
Estate tax planning	70.6%	40.0%	88.9%	77.8%	55.6%	50.0%	80.0%	61.5%	37.5%	94.1%
Executive searches	11.8%	0.0%	0.0%	22.2%	0.0%	0.0%	13.3%	7.7%	12.5%	17.6%
Forecasts and projections	59.5%	40.0%	61.1%	55.6%	22.2%	62.5%	60.0%	30.8%	37.5%	70.6%
Forensic accounting	25.0%	15.0%	27.8%	0.0%	0.0%	37.5%	46.7%	7.7%	12.5%	23.5%
Human resources services	10.3%	10.0%	5.6%	11.1%	0.0%	12.5%	6.7%	7.7%	0.0%	17.6%
Insurance	9.3%	10.0%	5.6%	0.0%	33.3%	25.0%	13.3%	15.4%	12.5%	23.5%
International services	8.1%	5.0%	0.0%	22.2%	0.0%	0.0%	33.3%	15.4%	12.5%	11.8%
Investment advisory services	18.6%	20.0%	11.1%	33.3%	11.1%	0.0%	0.0%	15.4%	12.5%	35.3%
IT hardware sales	3.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.7%	0.0%	5.9%
IT hardware sel. & inst.	9.7%	5.0%	5.6%	33.3%	11.1%	0.0%	6.7%	7.7%	0.0%	0.0%
IT software sales	9.4%	10.0%	0.0%	22.2%	0.0%	0.0%	0.0%	7.7%	0.0%	5.9%
IT software sel & impl.	25.4%	30.0%	16.7%	55.6%	44.4%	25.0%	13.3%	15.4%	0.0%	23.5%
Investment / securities sales	12.1%	20.0%	27.8%	11.1%	22.2%	12.5%	6.7%	15.4%	12.5%	11.8%
Legal services within your firm	1.2%	0.0%	0.0%	0.0%	0.0%	12.5%	6.7%	0.0%	0.0%	0.0%
Litigation support	42.1%	25.0%	44.4%	55.6%	0.0%	25.0%	66.7%	23.1%	25.0%	64.7%
Market or ec. feasibility studies	6.5%	5.0%	11.1%	11.1%	0.0%	12.5%	13.3%	7.7%	0.0%	5.9%
Mergers and acquisitions	31.4%	30.0%	27.8%	55.6%	11.1%	25.0%	40.0%	15.4%	25.0%	41.2%
Not for profits	67.4%	55.0%	61.1%	66.7%	77.8%	50.0%	80.0%	46.2%	62.5%	64.7%
Outsourced controllership	27.6%	30.0%	33.3%	33.3%	11.1%	37.5%	60.0%	15.4%	25.0%	35.3%
Payroll processing	61.1%	40.0%	61.1%	33.3%	44.4%	37.5%	40.0%	46.2%	25.0%	47.1%
Performance measurement	12.7%	20.0%	11.1%	11.1%	11.1%	12.5%	13.3%	7.7%	0.0%	17.6%
Personal financial planning	40.9%	15.0%	44.4%	44.4%	44.4%	12.5%	40.0%	23.1%	37.5%	64.7%
R&D	3.8%	5.0%	5.6%	0.0%	0.0%	0.0%	13.3%	0.0%	0.0%	5.9%
Section 404 Internal control	4.8%	0.0%	0.0%	11.1%	0.0%	0.0%	13.3%	0.0%	0.0%	5.9%
Strategic planning	27.6%	35.0%	38.9%	44.4%	0.0%	12.5%	53.3%	7.7%	12.5%	41.2%
Web Trust	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	3.2%	0.0%	0.0%	22.2%	0.0%	0.0%	0.0%	0.0%	0.0%	5.9%

**2006 PCPS / TSCPA National Management of an Accounting Practice Survey**  
**Report prepared for: Texas Society of CPAs**

APPENDIX III

ALL RESPONDENTS	All Firms	Dallas / Fort Worth			Houston			Austin / San Antonio		
		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large
Number of firms	1,842	22	20	9	9	8	15	13	8	17
<b>Which, if any, of the following services has your firm ADDED in the last three years?</b>										
Bankruptcy or insolvency services	1.1%	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Business valuation	5.3%	4.5%	0.0%	0.0%	0.0%	12.5%	13.3%	0.0%	12.5%	5.9%
Corp. Gov. & Audit Comm. Guidance	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cost Segregation	5.5%	4.5%	0.0%	11.1%	0.0%	0.0%	6.7%	7.7%	12.5%	5.9%
Eldercare	2.1%	0.0%	0.0%	0.0%	11.1%	0.0%	0.0%	7.7%	0.0%	0.0%
Estate tax planning	2.3%	4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Executive searches	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Forecasts and projections	1.8%	9.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Forensic accounting	2.9%	0.0%	0.0%	0.0%	0.0%	12.5%	6.7%	0.0%	12.5%	0.0%
Human resources services	1.5%	0.0%	0.0%	11.1%	0.0%	0.0%	6.7%	0.0%	0.0%	0.0%
Insurance	2.3%	9.1%	5.0%	0.0%	11.1%	0.0%	6.7%	0.0%	12.5%	0.0%
International services	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	12.5%	0.0%
Investment advisory services	3.0%	4.5%	0.0%	0.0%	0.0%	0.0%	6.7%	0.0%	25.0%	5.9%
IT hardware sales	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
IT hardware sel. & inst.	1.0%	0.0%	0.0%	11.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
IT software sales	1.5%	4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
IT software sel & impl.	2.2%	4.5%	0.0%	11.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Investment / securities sales	2.4%	13.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	12.5%	0.0%
Legal services within your firm	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Litigation support	3.1%	0.0%	0.0%	11.1%	0.0%	12.5%	0.0%	7.7%	12.5%	5.9%
Market or ec. feasibility studies	0.5%	9.1%	0.0%	0.0%	0.0%	12.5%	6.7%	7.7%	0.0%	0.0%
Mergers and acquisitions	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.7%	0.0%	0.0%
Not for profits	2.2%	9.1%	0.0%	0.0%	22.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Outsourced controllership	3.0%	0.0%	5.0%	11.1%	0.0%	12.5%	6.7%	0.0%	0.0%	0.0%
Payroll processing	2.8%	13.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Performance measurement	1.6%	4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Personal financial planning	2.5%	9.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.8%
R&D	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	6.7%	0.0%	0.0%	0.0%
Section 404 Internal control	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%	6.7%	0.0%	0.0%	5.9%
Strategic planning	1.0%	4.5%	0.0%	0.0%	0.0%	0.0%	6.7%	0.0%	12.5%	0.0%
Web Trust	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



**2006 PCPS / TSCPA National Management of an Accounting Practice Survey**  
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ALL RESPONDENTS	All Firms	Dallas / Fort Worth			Houston			Austin / San Antonio		
		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large
Number of firms	1,842	22	20	9	9	8	15	13	8	17
<b>Which, if any, of the following services has your firm DISCONTINUED in the last three years?</b>										
Bankruptcy or insolvency services	1.4%	0.0%	5.0%	0.0%	11.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Business valuation	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.7%	0.0%	0.0%	0.0%
Corp. Gov. & Audit Comm. Guidance	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cost Segregation	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Eldercare	0.9%	4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Estate tax planning	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Executive searches	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Forecasts and projections	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Forensic accounting	0.7%	0.0%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Human resources services	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Insurance	0.5%	4.5%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
International services	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Investment advisory services	1.1%	4.5%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.9%
IT hardware sales	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
IT hardware sel. & inst.	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
IT software sales	0.9%	0.0%	0.0%	11.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
IT software sel & impl.	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Investment / securities sales	1.1%	9.1%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.8%
Legal services within your firm	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Litigation support	0.9%	0.0%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Market or ec. feasibility studies	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mergers and acquisitions	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Not for profits	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Outsourced controllership	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Payroll processing	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	12.5%	0.0%
Performance measurement	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Personal financial planning	0.6%	9.1%	5.0%	0.0%	0.0%	0.0%	6.7%	0.0%	0.0%	0.0%
R&D	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Section 404 Internal control	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Strategic planning	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Web Trust	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**2006 PCPS / TSCPA National Management of an Accounting Practice Survey**  
**Report prepared for: Texas Society of CPAs**

APPENDIX III

ALL RESPONDENTS	All Firms	Dallas / Fort Worth			Houston			Austin / San Antonio		
		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large
Number of firms	1,842	22	20	9	9	8	15	13	8	17
<b>Hiring non-CPA professionals</b>										
Already in place	44.8%	18.2%	40.0%	55.6%	33.3%	50.0%	80.0%	23.1%	50.0%	70.6%
Planning to provide	7.7%	13.6%	5.0%	0.0%	11.1%	0.0%	0.0%	7.7%	25.0%	11.8%
Would consider	31.4%	45.5%	40.0%	22.2%	22.2%	12.5%	13.3%	15.4%	25.0%	11.8%
Would not consider	11.2%	18.2%	15.0%	22.2%	22.2%	0.0%	6.7%	30.8%	0.0%	5.9%
N/A	4.9%	4.5%	0.0%	0.0%	11.1%	37.5%	0.0%	23.1%	0.0%	0.0%
<b>Making non-CPAs owners in the firm</b>										
Already in place	4.6%	0.0%	0.0%	0.0%	0.0%	0.0%	6.7%	0.0%	12.5%	0.0%
Planning to provide	1.6%	0.0%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Would consider	21.3%	9.1%	10.0%	22.2%	11.1%	12.5%	20.0%	7.7%	12.5%	35.3%
Would not consider	61.5%	72.7%	75.0%	77.8%	66.7%	62.5%	73.3%	76.9%	75.0%	58.8%
N/A	11.0%	18.2%	10.0%	0.0%	22.2%	25.0%	0.0%	15.4%	0.0%	5.9%
<b>Hiring interns for professional staffing</b>										
Already in place	27.8%	4.5%	5.0%	77.8%	11.1%	12.5%	40.0%	7.7%	12.5%	41.2%
Planning to provide	6.1%	4.5%	15.0%	0.0%	11.1%	12.5%	13.3%	15.4%	12.5%	0.0%
Would consider	41.8%	45.5%	40.0%	11.1%	44.4%	12.5%	40.0%	23.1%	75.0%	35.3%
Would not consider	18.4%	45.5%	40.0%	0.0%	33.3%	25.0%	6.7%	30.8%	0.0%	17.6%
N/A	5.9%	0.0%	0.0%	11.1%	0.0%	37.5%	0.0%	23.1%	0.0%	5.9%
<b>Merging with a non-CPA firm (if permitted by state law)</b>										
Already in place	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Planning to provide	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	6.7%	0.0%	12.5%	0.0%
Would consider	19.5%	18.2%	15.0%	11.1%	33.3%	0.0%	13.3%	15.4%	12.5%	17.6%
Would not consider	66.4%	77.3%	85.0%	77.8%	55.6%	62.5%	80.0%	61.5%	75.0%	70.6%
N/A	12.6%	4.5%	0.0%	11.1%	11.1%	37.5%	0.0%	23.1%	0.0%	11.8%
<b>Outsourcing individual Tax Returns</b>										
Already in place	2.9%	0.0%	5.0%	11.1%	0.0%	0.0%	6.7%	0.0%	12.5%	11.8%
Planning to provide	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Would consider	16.3%	18.2%	5.0%	33.3%	22.2%	12.5%	40.0%	7.7%	25.0%	47.1%
Would not consider	73.9%	81.8%	90.0%	55.6%	66.7%	62.5%	53.3%	76.9%	50.0%	35.3%
N/A	6.0%	0.0%	0.0%	0.0%	11.1%	25.0%	0.0%	15.4%	12.5%	5.9%
<b>Outsourcing write up work</b>										
Already in place	3.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Planning to provide	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Would consider	19.6%	18.2%	15.0%	44.4%	44.4%	25.0%	33.3%	7.7%	25.0%	52.9%
Would not consider	67.8%	63.6%	80.0%	55.6%	44.4%	50.0%	66.7%	76.9%	62.5%	41.2%
N/A	8.5%	18.2%	5.0%	0.0%	11.1%	25.0%	0.0%	15.4%	12.5%	5.9%

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ALL RESPONDENTS	All Firms	Dallas / Fort Worth			Houston			Austin / San Antonio		
		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large

Number of firms	1,842	22	20	9	9	8	15	13	8	17
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**Going paperless**

Already in place	41.8%	31.8%	25.0%	33.3%	11.1%	37.5%	53.3%	23.1%	37.5%	35.3%
Planning to provide	24.0%	4.5%	20.0%	33.3%	33.3%	25.0%	13.3%	30.8%	37.5%	47.1%
Would consider	27.1%	54.5%	40.0%	33.3%	55.6%	25.0%	33.3%	23.1%	12.5%	11.8%
Would not consider	5.1%	9.1%	15.0%	0.0%	0.0%	0.0%	0.0%	0.0%	12.5%	5.9%
N/A	2.0%	0.0%	0.0%	0.0%	0.0%	12.5%	0.0%	23.1%	0.0%	0.0%

**Accept credit cards for payment**

Already in place	33.6%	27.3%	40.0%	66.7%	33.3%	62.5%	46.7%	7.7%	50.0%	52.9%
Planning to provide	5.3%	13.6%	5.0%	0.0%	11.1%	0.0%	0.0%	7.7%	25.0%	17.6%
Would consider	34.9%	36.4%	35.0%	22.2%	11.1%	12.5%	33.3%	38.5%	12.5%	5.9%
Would not consider	23.0%	18.2%	20.0%	11.1%	44.4%	12.5%	20.0%	30.8%	12.5%	17.6%
N/A	3.2%	4.5%	0.0%	0.0%	0.0%	12.5%	0.0%	15.4%	0.0%	5.9%

**Use / provide E-file cabinets for clients**

Already in place	14.0%	4.5%	5.0%	33.3%	0.0%	25.0%	20.0%	15.4%	12.5%	11.8%
Planning to provide	13.9%	9.1%	10.0%	11.1%	0.0%	12.5%	13.3%	15.4%	25.0%	17.6%
Would consider	50.1%	63.6%	55.0%	33.3%	66.7%	50.0%	53.3%	46.2%	37.5%	52.9%
Would not consider	15.4%	13.6%	25.0%	0.0%	33.3%	0.0%	13.3%	7.7%	12.5%	11.8%
N/A	6.7%	9.1%	5.0%	22.2%	0.0%	12.5%	0.0%	15.4%	12.5%	5.9%

**Does your firm... (check all that apply)**

Have a Web site?	76.6%	50.0%	70.0%	88.9%	60.0%	87.5%	93.3%	50.0%	87.5%	94.1%
Use time, bill, or calend. software?	95.0%	87.5%	100.0%	100.0%	100.0%	87.5%	100.0%	87.5%	100.0%	100.0%
Accept payments @ Web site?	2.1%	12.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Which of the following software packages do you use for time, billing, and/or calendaring? (check all that apply)**

BillQuick (BQE Software)	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CPA Practice Management	20.8%	7.1%	5.0%	22.2%	20.0%	14.3%	40.0%	0.0%	25.0%	11.8%
ImagineTime	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
MYOB Plus (MYOB US)	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NetERP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Oracle Small Business Suite	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Power PM (Commercial Logics)	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Practice Solutions	14.9%	0.0%	5.0%	33.3%	0.0%	14.3%	6.7%	0.0%	12.5%	17.6%
Practice Solutions PS	9.3%	7.1%	5.0%	0.0%	20.0%	0.0%	6.7%	0.0%	12.5%	11.8%
ProSystem fx (CCH)	16.0%	0.0%	10.0%	33.3%	0.0%	0.0%	33.3%	0.0%	12.5%	35.3%
Quickbooks (Intuit)	17.8%	57.1%	20.0%	22.2%	40.0%	14.3%	6.7%	28.6%	12.5%	0.0%
Simple Accounting Pro	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Timeslips (Best Software)	15.4%	14.3%	45.0%	11.1%	0.0%	42.9%	6.7%	42.9%	25.0%	5.9%
TPS Time & Billing	1.2%	7.1%	0.0%	11.1%	0.0%	0.0%	0.0%	14.3%	0.0%	0.0%
Other	18.9%	7.1%	20.0%	0.0%	20.0%	28.6%	6.7%	14.3%	12.5%	29.4%

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**Report prepared for: Texas Society of CPAs**

APPENDIX III

ALL RESPONDENTS	All Firms	Dallas / Fort Worth			Houston			Austin / San Antonio		
		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large
Number of firms	1,842	22	20	9	9	8	15	13	8	17
<b>Revenues -- Projected and Tracking</b>										
Planned Change for FY '06	13.4%	14.4%	6.8%	11.0%	9.0%	8.8%	22.6%	31.3%	39.8%	11.1%
Tracking Change for FY '06	13.5%	18.4%	9.2%	13.0%	8.3%	7.0%	30.0%	30.8%	13.3%	12.8%
Variance from Plan	0.1%	4.1%	2.3%	2.0%	-0.7%	-1.8%	7.4%	-0.5%	-26.4%	1.7%
<b>Expenses -- Projected and Tracking</b>										
Planned Change for FY '06	7.3%	7.5%	3.6%	8.0%	0.7%	5.8%	19.8%	20.0%	8.3%	6.8%
Tracking Change for FY '06	7.8%	4.3%	5.7%	12.0%	-2.0%	5.3%	23.5%	21.3%	8.0%	9.4%
Variance from Plan	0.6%	-3.2%	2.1%	4.0%	-2.7%	-0.4%	3.8%	1.3%	-0.3%	2.6%
<b>Which of the following do you have in place?</b>										
Succession plan	24.1%	10.0%	25.0%	33.3%	0.0%	33.3%	35.7%	0.0%	14.3%	23.5%
Formal partner in training program	7.2%	0.0%	0.0%	0.0%	0.0%	16.7%	14.3%	0.0%	0.0%	11.8%
Prac. cont. agrmt with another firm	5.9%	10.0%	16.7%	0.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Malpractice insurance policy	93.8%	100.0%	91.7%	77.8%	100.0%	100.0%	100.0%	100.0%	85.7%	94.1%
Written firm partnership agreement	44.8%	10.0%	25.0%	66.7%	0.0%	33.3%	78.6%	0.0%	28.6%	88.2%
Partner compensation formula	30.2%	0.0%	33.3%	55.6%	0.0%	50.0%	64.3%	0.0%	14.3%	58.8%
<b>Malpractice Ins. Cov. Limit</b>	1,580,499	1,000,000	825,000	1,666,667	1,212,500	1,083,333	1,788,462	2,514,286	666,667	1,656,250
<b>When was the partner agreement last updated?</b>										
Before 1995	6.2%	0.0%	33.3%	0.0%	0.0%	0.0%	9.1%	0.0%	0.0%	20.0%
1995-1999	9.8%	0.0%	0.0%	16.7%	0.0%	50.0%	18.2%	0.0%	0.0%	6.7%
2000-2002	18.8%	100.0%	33.3%	33.3%	0.0%	0.0%	18.2%	0.0%	0.0%	20.0%
2003	10.6%	0.0%	0.0%	0.0%	0.0%	0.0%	9.1%	0.0%	0.0%	26.7%
2004	13.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2005	25.4%	0.0%	33.3%	16.7%	0.0%	0.0%	27.3%	0.0%	100.0%	6.7%
2006	15.7%	0.0%	0.0%	33.3%	0.0%	50.0%	18.2%	0.0%	0.0%	20.0%
<b>Which of the following does the partner agreement provide for?</b>										
Buy-out	33.6%	0.0%	15.0%	55.6%	0.0%	25.0%	73.3%	0.0%	12.5%	58.8%
Conduct	23.3%	0.0%	0.0%	33.3%	0.0%	25.0%	40.0%	0.0%	12.5%	23.5%
Death	36.2%	4.5%	5.0%	66.7%	0.0%	25.0%	60.0%	0.0%	25.0%	76.5%
Disability	32.8%	0.0%	5.0%	44.4%	0.0%	25.0%	60.0%	0.0%	25.0%	70.6%
Early withdraw	24.8%	0.0%	0.0%	22.2%	0.0%	25.0%	40.0%	0.0%	0.0%	35.3%
Mandatory age	13.4%	0.0%	5.0%	11.1%	0.0%	0.0%	26.7%	0.0%	0.0%	29.4%
Non-competition	27.3%	0.0%	0.0%	55.6%	0.0%	0.0%	53.3%	0.0%	12.5%	52.9%
Post withdrawal loan guarantees	2.2%	0.0%	0.0%	0.0%	0.0%	12.5%	6.7%	0.0%	0.0%	5.9%
Retirement	22.8%	0.0%	5.0%	55.6%	0.0%	12.5%	53.3%	0.0%	0.0%	41.2%
<b>If applicable, which of the following components are included in your buy-out valuation provision?</b>										
Clients retained	37.0%	0.0%	33.3%	33.3%	0.0%	50.0%	27.3%	0.0%	0.0%	33.3%
Discount for early withdrawal	29.4%	0.0%	0.0%	33.3%	0.0%	0.0%	9.1%	0.0%	0.0%	25.0%
Fee multiples	41.7%	0.0%	0.0%	0.0%	0.0%	0.0%	36.4%	0.0%	0.0%	25.0%
Fixed amount for X years	36.7%	0.0%	0.0%	50.0%	0.0%	50.0%	36.4%	0.0%	0.0%	8.3%
Life insurance in place	45.6%	0.0%	33.3%	66.7%	0.0%	100.0%	18.2%	0.0%	0.0%	41.7%
Outside appraisal or valuation	7.2%	0.0%	33.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Years as partner/owner	21.4%	0.0%	0.0%	33.3%	0.0%	0.0%	36.4%	0.0%	0.0%	16.7%
Terms of payments self-funded	36.9%	0.0%	33.3%	33.3%	0.0%	50.0%	45.5%	0.0%	100.0%	50.0%

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APPENDIX III

ALL RESPONDENTS	All Firms	Dallas / Fort Worth			Houston			Austin / San Antonio		
		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large
Number of firms	1,842	22	20	9	9	8	15	13	8	17
<b>Which of the following are included in your partner compensation formula?</b>										
Administrative duties	61.4%	0.0%	50.0%	60.0%	0.0%	66.7%	66.7%	0.0%	100.0%	40.0%
Client billing	79.7%	0.0%	100.0%	60.0%	0.0%	100.0%	88.9%	0.0%	100.0%	80.0%
Compliance w/ bus. plan	11.1%	0.0%	25.0%	20.0%	0.0%	0.0%	33.3%	0.0%	0.0%	10.0%
Interest on capital	40.9%	0.0%	25.0%	40.0%	0.0%	33.3%	22.2%	0.0%	0.0%	30.0%
New clients	42.9%	0.0%	50.0%	20.0%	0.0%	66.7%	77.8%	0.0%	0.0%	30.0%
New bus. from present clients	30.8%	0.0%	25.0%	40.0%	0.0%	66.7%	55.6%	0.0%	0.0%	20.0%
Niche/new service development	16.4%	0.0%	0.0%	20.0%	0.0%	0.0%	22.2%	0.0%	0.0%	10.0%
Timely billing	22.6%	0.0%	25.0%	20.0%	0.0%	0.0%	33.3%	0.0%	0.0%	20.0%
Years of service	20.9%	0.0%	0.0%	40.0%	0.0%	33.3%	33.3%	0.0%	0.0%	10.0%

**Which of the following marketing methods have you used and found to be effective?**

Advertising	37.0%	50.0%	23.1%	37.5%	0.0%	14.3%	21.4%	16.7%	71.4%	25.0%
Client seminars & briefing	32.0%	12.5%	38.5%	37.5%	40.0%	14.3%	42.9%	16.7%	14.3%	43.8%
Direct mail	19.0%	12.5%	7.7%	37.5%	20.0%	28.6%	28.6%	16.7%	14.3%	25.0%
Newsletters	40.3%	18.8%	46.2%	62.5%	60.0%	42.9%	50.0%	41.7%	14.3%	87.5%
Tele-prospecting	4.6%	12.5%	7.7%	12.5%	0.0%	14.3%	0.0%	0.0%	0.0%	12.5%
Trade group memberships	39.3%	31.3%	38.5%	62.5%	40.0%	57.1%	57.1%	16.7%	28.6%	43.8%
Other	32.1%	37.5%	30.8%	37.5%	0.0%	28.6%	42.9%	33.3%	28.6%	31.3%

**Does your firm have working alliances with...**

Banks	63.1%	64.3%	58.3%	75.0%	33.3%	66.7%	83.3%	40.0%	50.0%	75.0%
Insurance brokers	39.8%	35.7%	50.0%	62.5%	33.3%	33.3%	50.0%	20.0%	0.0%	50.0%
Insurance companies	10.5%	7.1%	8.3%	12.5%	0.0%	0.0%	0.0%	20.0%	0.0%	0.0%
Management consultants	17.4%	14.3%	8.3%	25.0%	0.0%	16.7%	16.7%	20.0%	25.0%	16.7%
Other CPA firms	57.8%	57.1%	50.0%	62.5%	50.0%	50.0%	58.3%	0.0%	50.0%	58.3%
Technology vendors	17.9%	21.4%	0.0%	12.5%	0.0%	0.0%	33.3%	20.0%	25.0%	25.0%
Law firms	65.2%	78.6%	66.7%	62.5%	33.3%	50.0%	66.7%	80.0%	75.0%	50.0%
Other	16.1%	14.3%	8.3%	25.0%	0.0%	16.7%	16.7%	60.0%	0.0%	16.7%

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APPENDIX III

ALL RESPONDENTS	All Firms	Dallas / Fort Worth			Houston			Austin / San Antonio		
		Small	Medium	Large	Small	Medium	Large	Small	Medium	Large
Number of firms	1,842	22	20	9	9	8	15	13	8	17

**Survey Performance (1=Poor, 5=Excellent)**

**Survey Content - Clarity**

1 = Poor	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	3.5%	0.0%	0.0%	28.6%	0.0%	14.3%	0.0%	0.0%	0.0%	0.0%
3	22.4%	17.6%	16.7%	14.3%	0.0%	28.6%	20.0%	8.3%	14.3%	58.3%
4	51.4%	52.9%	44.4%	57.1%	62.5%	28.6%	60.0%	66.7%	42.9%	33.3%
5 = Excellent	22.1%	29.4%	38.9%	0.0%	37.5%	28.6%	20.0%	25.0%	42.9%	0.0%

**Survey Content - Relevance**

1 = Poor	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%
2	2.4%	0.0%	0.0%	14.3%	0.0%	0.0%	0.0%	8.3%	0.0%	9.1%
3	15.2%	23.5%	11.1%	42.9%	0.0%	14.3%	10.0%	0.0%	14.3%	0.0%
4	53.1%	35.3%	44.4%	28.6%	87.5%	42.9%	50.0%	41.7%	14.3%	81.8%
5 = Excellent	28.9%	41.2%	44.4%	14.3%	12.5%	42.9%	30.0%	50.0%	71.4%	9.1%

**Survey Content - Comprehensiveness**

1 = Poor	0.4%	0.0%	0.0%	14.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	2.8%	0.0%	0.0%	14.3%	0.0%	14.3%	10.0%	0.0%	0.0%	9.1%
3	17.5%	17.6%	11.1%	28.6%	12.5%	28.6%	10.0%	8.3%	0.0%	18.2%
4	52.1%	47.1%	61.1%	28.6%	75.0%	28.6%	50.0%	33.3%	42.9%	63.6%
5 = Excellent	27.2%	35.3%	27.8%	14.3%	12.5%	28.6%	30.0%	58.3%	57.1%	9.1%

**Survey Administration -- Online System**

1 = Poor	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	1.7%	0.0%	0.0%	28.6%	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%
3	10.7%	5.9%	5.6%	0.0%	0.0%	14.3%	20.0%	16.7%	0.0%	0.0%
4	37.1%	35.3%	50.0%	57.1%	37.5%	14.3%	40.0%	33.3%	16.7%	63.6%
5 = Excellent	49.7%	58.8%	44.4%	14.3%	62.5%	71.4%	30.0%	50.0%	83.3%	36.4%

**Survey Administration -- Support**

1 = Poor	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	3.6%	7.7%	0.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	21.6%	15.4%	14.3%	0.0%	0.0%	20.0%	33.3%	22.2%	0.0%	50.0%
4	44.6%	46.2%	64.3%	50.0%	66.7%	40.0%	66.7%	55.6%	25.0%	50.0%
5 = Excellent	29.0%	30.8%	21.4%	0.0%	33.3%	40.0%	0.0%	22.2%	75.0%	0.0%

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<b>ALL RESPONDENTS</b>	<b>All Firms</b>	<b>Other</b>					
		<b>Small</b>	<b>Medium</b>	<b>Large</b>			
Number of firms	1,842	14	16	19			

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ALL RESPONDENTS	All Firms	Other					
		Small	Medium	Large			
Number of firms	1,842	14	16	19			

**Region (as defined by U.S. Census)**

Midwest	22.2%	0.0%	0.0%	0.0%			
Northeast	9.7%	0.0%	0.0%	0.0%			
South	37.7%	100.0%	100.0%	100.0%			
West	29.8%	0.0%	0.0%	0.0%			
Other	0.6%	0.0%	0.0%	0.0%			

**Census Division**

East North Central	14.4%	0.0%	0.0%	0.0%			
East South Central	4.3%	0.0%	0.0%	0.0%			
Middle Atlantic	4.6%	0.0%	0.0%	0.0%			
New England	5.1%	0.0%	0.0%	0.0%			
South Atlantic	17.6%	0.0%	0.0%	0.0%			
West North Central	7.8%	0.0%	0.0%	0.0%			
West South Central	15.7%	100.0%	100.0%	100.0%			
Mountain	9.1%	0.0%	0.0%	0.0%			
Pacific	20.7%	0.0%	0.0%	0.0%			
Other	0.6%	0.0%	0.0%	0.0%			

**Average Household Income (see graphs or summary for definition)**

Lower -- Bottom -- <\$35K	15.7%	78.6%	75.0%	78.9%			
Lower -- Top -- \$35--\$39K	28.4%	14.3%	18.8%	15.8%			
Middle -- Bottom -- \$40-\$44K	19.2%	0.0%	0.0%	5.3%			
Middle -- Top -- \$45-49K	13.2%	7.1%	6.3%	0.0%			
Upper -- Bottom -- \$50-59K	12.5%	0.0%	0.0%	0.0%			
Upper -- Top -- \$60K+	10.9%	0.0%	0.0%	0.0%			

**Firm Size**

<150K	13.6%	57.1%	0.0%	0.0%			
150-299K	14.4%	42.9%	0.0%	0.0%			
300-549K	15.4%	0.0%	62.5%	0.0%			
550-999K	17.3%	0.0%	37.5%	0.0%			
1M-1.99M	18.6%	0.0%	0.0%	63.2%			
2M+	20.7%	0.0%	0.0%	36.8%			



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ALL RESPONDENTS	All Firms	Other					
		Small	Medium	Large			

Number of firms	1,842	14	16	19			
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**Which of the following categories best describes your practice unit?**

Sole practitioner	22.0%	92.9%	0.0%	0.0%			
Single-office firm	65.5%	7.1%	100.0%	78.9%			
Unified multi-office firm	9.8%	0.0%	0.0%	21.1%			
Office of small regional firm*	2.3%	0.0%	0.0%	0.0%			
Office of regional/national firm*	0.3%	0.0%	0.0%	0.0%			
Office of a 'Big 4' firm*	0.1%	0.0%	0.0%	0.0%			

**Approximately how did firm size (measured in gross fees) change in Fiscal 2005 versus 2004?**

Increase 50+%	3.8%	14.3%	0.0%	0.0%			
Increase 30-49%	3.5%	7.1%	0.0%	0.0%			
Increase 20-29%	8.5%	0.0%	12.5%	0.0%			
Increase 10-19%	25.3%	21.4%	37.5%	15.8%			
Increase 6-9%	17.7%	7.1%	18.8%	31.6%			
Increase 1-5%	17.6%	21.4%	25.0%	5.3%			
No change	15.1%	21.4%	6.3%	26.3%			
Decrease 1-5%	6.5%	0.0%	0.0%	21.1%			
Decrease 6-9%	2.0%	7.1%	0.0%	0.0%			
Decrease 10+%	0.0%	0.0%	0.0%	0.0%			

**Which of the following best characterizes your firm's increase? (if >20%)**

Inc. by merger -- acquisition	6.3%	25.0%	0.0%	0.0%			
Inc. by merger -- non-acquisition	1.5%	0.0%	0.0%	0.0%			
General business growth	80.0%	75.0%	100.0%	0.0%			
Other reason	12.2%	0.0%	0.0%	0.0%			

**Which of the following best characterizes your firm's decrease? (if >20%)**

Decreased by demerger or sale	10.0%	0.0%	0.0%	0.0%			
Decreased via downsizing	10.0%	0.0%	0.0%	0.0%			
Major client / staff loss	40.0%	0.0%	0.0%	0.0%			
Other reason	40.0%	0.0%	0.0%	0.0%			

**How long has your firm been in business?**

Less than one year	0.7%	0.0%	0.0%	0.0%			
1 to 5 years	10.5%	28.6%	0.0%	0.0%			
6 to 10 years	11.5%	21.4%	25.0%	0.0%			
11 to 20 years	26.4%	42.9%	18.8%	5.3%			
21 or more years	51.0%	7.1%	56.3%	94.7%			

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ALL RESPONDENTS	All Firms	Other					
		Small	Medium	Large			

Number of firms	1,842	14	16	19			
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**Last Fiscal Year End Date**

January-August -- 2005	1.0%	0.0%	0.0%	0.0%			
September-November -- 2005	3.8%	0.0%	0.0%	0.0%			
December -- 2005	86.2%	100.0%	100.0%	89.5%			
January-March -- 2006	2.8%	0.0%	0.0%	0.0%			
April-June -- 2006	5.5%	0.0%	0.0%	10.5%			
July or later -- 2006	0.8%	0.0%	0.0%	0.0%			

**Is your firm a member of any one of the following groups? (check all that apply)**

PCPS	56.5%	35.7%	50.0%	47.4%			
AICPA (individual membership)	89.8%	92.9%	93.8%	100.0%			
AICPA Major Firms Group	0.7%	0.0%	0.0%	0.0%			
AICPA MAP Large Firm Ntwk Grp	0.6%	0.0%	0.0%	0.0%			
AICPA MAP Med. Firm Ntwk Grp	1.2%	0.0%	0.0%	10.5%			
AICPA MAP Small Firm Ntwk Grp	6.8%	0.0%	6.3%	10.5%			
CPA Association or Network	15.4%	21.4%	18.8%	26.3%			
State Society	96.5%	100.0%	100.0%	94.7%			
Ass'n for Acct Admin (AAA)	6.0%	0.0%	0.0%	5.3%			
Other professional association	14.8%	14.3%	12.5%	10.5%			
None of the above	0.0%	0.0%	0.0%	0.0%			

**Which of the following describes your primary office location?**

Owned by the firm	12.3%	14.3%	0.0%	21.1%			
Home office	6.9%	14.3%	6.3%	0.0%			
Leased/rented office	68.9%	57.1%	81.3%	63.2%			
Subleased / shared	3.8%	7.1%	6.3%	0.0%			
Other	8.1%	7.1%	6.3%	15.8%			

<b>Area of primary office (ft2)</b>	4,259	1,102	2,903	7,901			
<b>Cost per square foot</b>	21.10	8.97	13.83	15.85			

**Which of the following kinds of office accommodations are provided to staff?**

Private offices	82.6%	61.5%	87.5%	94.7%			
Cubicles / workstations	41.2%	30.8%	25.0%	26.3%			
Shared offices	22.6%	7.7%	12.5%	15.8%			
'Hotel' offices	1.3%	7.7%	0.0%	0.0%			
Other	2.8%	0.0%	0.0%	0.0%			

**2006 PCPS / TSCPA National Management of an Accounting Practice Survey**  
**Report prepared for: Texas Society of CPAs**

ALL RESPONDENTS	All Firms	Other					
		Small	Medium	Large			

Number of firms	1,842	14	16	19			
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**FINANCIAL INFORMATION --- GROSS**

A/R (billed less allowances)	333,899	48,633	99,890	309,721			
WIP (unbilled less allowances)	122,071	2,423	40,828	244,969			
Firm capital (net capital of the firm)	344,405	20,698	99,059	991,981			
Prior Year Net client fees earned	1,490,873	153,921	507,478	2,345,817			

**Income**

Gross fees earned	1,798,587	146,397	557,646	2,688,820			
Net write-ups / (write-downs)	-179,737	2,413	-10,375	-318,348			
Net client fees earned	1,616,241	147,948	549,217	2,370,472			
Interest income	4,302	395	947	3,396			
Other income - rents and royalties	7,991	48	3,004	22,971			
Total income	1,627,599	148,250	552,871	2,396,482			

**Expenses**

Prof'l salaries (excl. owners)	385,154	5,659	95,155	531,357			
Paraprofessional salaries	55,479	9,577	28,608	154,191			
Other salaries (excl. owners)	89,545	7,477	24,739	114,277			
Payment to retired partners	14,255	877	2,063	42,156			
Ret. plan costs (excl. owners)	16,607	664	2,252	23,663			
Other ee benefits (excl. owners)	41,261	613	7,591	45,884			
Dues, library	17,996	3,691	10,593	34,133			
CPE	12,890	1,247	3,528	20,515			
Malpractice Insurance	13,426	788	3,571	19,571			
Office rent & other occ. costs	89,867	9,884	40,149	125,246			
Interest	7,766	1,898	4,588	27,215			
Computer / technology exp.	32,931	5,258	15,146	37,613			
Promotion and marketing	22,709	2,476	3,983	30,017			
Payroll taxes	49,156	2,580	17,675	78,716			
Telephone & Internet	13,034	3,238	7,094	21,188			
Depreciation	23,647	2,947	9,045	31,601			
Other expenses	128,747	15,841	48,484	200,404			
<i>Total expenses</i>	1,014,472	74,714	324,262	1,537,746			

<b>Net remaining for owners</b>	613,127	73,536	228,609	858,736			
<b>Net remaining per owner</b>	228,542	76,259	137,878	204,408			
<b>Net remaining per owner-hour</b>	103.93	40.64	62.56	81.29			
<b>Bad debt written off in FY '05</b>	\$19,380	\$2,563	\$3,189	\$26,828			

**2006 PCPS / TSCPA National Management of an Accounting Practice Survey**  
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ALL RESPONDENTS	All Firms	Other					
		Small	Medium	Large			

Number of firms	1,842	14	16	19			
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**FINANCIAL INFORMATION --- PROPORTION OF NET CLIENT FEES**

A/R (billed less allowances)	20.7%	32.9%	18.2%	13.1%			
WIP (unbilled less allowances)	7.6%	1.6%	7.4%	10.3%			
Firm capital (net capital of the firm)	21.3%	14.0%	18.0%	41.8%			
Prior Year Net client fees earned	92.2%	104.0%	92.4%	99.0%			

**Income**

Gross fees earned	111.3%	99.0%	101.5%	113.4%			
Net write-ups / (write-downs)	-11.1%	1.6%	-1.9%	-13.4%			
Net client fees earned	100.0%	100.0%	100.0%	100.0%			
Interest income	0.3%	0.3%	0.2%	0.1%			
Other income - rents and royalties	0.5%	0.0%	0.5%	1.0%			
Total income	100.7%	100.2%	100.7%	101.1%			

**Expenses**

Prof'l salaries (excl. owners)	23.8%	3.8%	17.3%	22.4%			
Paraprofessional salaries	3.4%	6.5%	5.2%	6.5%			
Other salaries (excl. owners)	5.5%	5.1%	4.5%	4.8%			
Payment to retired partners	0.9%	0.6%	0.4%	1.8%			
Ret. plan costs (excl. owners)	1.0%	0.4%	0.4%	1.0%			
Other ee benefits (excl. owners)	2.6%	0.4%	1.4%	1.9%			
Dues, library	1.1%	2.5%	1.9%	1.4%			
CPE	0.8%	0.8%	0.6%	0.9%			
Malpractice Insurance	0.8%	0.5%	0.7%	0.8%			
Office rent & other occ. costs	5.6%	6.7%	7.3%	5.3%			
Interest	0.5%	1.3%	0.8%	1.1%			
Computer / technology exp.	2.0%	3.6%	2.8%	1.6%			
Promotion and marketing	1.4%	1.7%	0.7%	1.3%			
Payroll taxes	3.0%	1.7%	3.2%	3.3%			
Telephone & Internet	0.8%	2.2%	1.3%	0.9%			
Depreciation	1.5%	2.0%	1.6%	1.3%			
Other expenses	8.0%	10.7%	8.8%	8.5%			
<i>Total expenses</i>	62.8%	50.5%	59.0%	64.9%			

<b>Net remaining for owners</b>	37.9%	49.7%	41.6%	36.2%			
<b>Bad debt written off in FY '05</b>	1.2%	1.7%	0.6%	1.1%			

**2006 PCPS / TSCPA National Management of an Accounting Practice Survey**  
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ALL RESPONDENTS	All Firms	Other					
		Small	Medium	Large			

Number of firms	1,842	14	16	19			
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**FINANCIAL INFORMATION --- PER PROFESSIONAL**

A/R (billed less allowances)	42,465	46,956	29,857	21,106			
WIP (unbilled less allowances)	15,525	2,339	12,204	16,693			
Firm capital (net capital of the firm)	43,801	19,984	29,609	67,598			
Prior Year Net client fees earned	189,606	148,613	151,687	159,854			

**Income**

Gross fees earned	228,740	141,349	166,683	183,227			
Net write-ups / (write-downs)	-22,859	2,330	-3,101	-21,694			
Net client fees earned	205,550	142,846	164,163	161,534			
Interest income	547	382	283	231			
Other income - rents and royalties	1,016	46	898	1,565			
Total income	206,994	143,138	165,256	163,306			

**Expenses**

Prof'l salaries (excl. owners)	48,983	5,464	28,442	36,209			
Paraprofessional salaries	7,056	9,246	8,551	10,507			
Other salaries (excl. owners)	11,388	7,219	7,395	7,787			
Payment to retired partners	1,813	846	617	2,873			
Ret. plan costs (excl. owners)	2,112	641	673	1,612			
Other ee benefits (excl. owners)	5,248	592	2,269	3,127			
Dues, library	2,289	3,564	3,166	2,326			
CPE	1,639	1,204	1,055	1,398			
Malpractice Insurance	1,708	761	1,067	1,334			
Office rent & other occ. costs	11,429	9,543	12,001	8,535			
Interest	988	1,833	1,371	1,855			
Computer / technology exp.	4,188	5,077	4,527	2,563			
Promotion and marketing	2,888	2,390	1,190	2,046			
Payroll taxes	6,252	2,491	5,283	5,364			
Telephone & Internet	1,658	3,126	2,120	1,444			
Depreciation	3,007	2,845	2,704	2,153			
Other expenses	16,374	15,295	14,492	13,656			
<i>Total expenses</i>	129,018	72,137	96,923	104,788			

<b>Net remaining for owners</b>	77,976	71,000	68,332	58,518			
<b>Bad debt written off in FY '05</b>	2,465	2,475	953	1,828			

**2006 PCPS / TSCPA National Management of an Accounting Practice Survey**  
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ALL RESPONDENTS	All Firms	Other					
		Small	Medium	Large			
Number of firms	1,842	14	16	19			
<b>Charge interest on A/R? (% Yes)</b>	49.9%	9.1%	18.8%	31.6%			
<b>Interest amount</b>	17.9%	6.0%	10.7%	13.2%			

**How do you handle the collection of delinquent fees? (check all that apply)**

Suit for fees	7.9%	7.1%	0.0%	5.3%			
Factoring	0.2%	0.0%	0.0%	5.3%			
Negotiation	50.7%	14.3%	31.3%	68.4%			
Collection agencies	19.8%	7.1%	18.8%	5.3%			
Small claims court	12.1%	14.3%	0.0%	5.3%			
Other	11.1%	7.1%	6.3%	10.5%			
Do not collect	26.2%	50.0%	50.0%	15.8%			

**Accounts Receivable**

Current	48.9%	59.4%	40.3%	46.5%			
Over 30 Days	15.1%	7.1%	19.1%	14.6%			
Over 60 Days	10.2%	12.0%	15.2%	10.8%			
<u>Over 90 Days</u>	<u>25.9%</u>	<u>21.5%</u>	<u>25.4%</u>	<u>28.1%</u>			
Total	100.0%	100.0%	100.0%	100.0%			

**% of Fees by Service**

Audit: Non-public clients	11.1%	1.9%	12.7%	21.2%			
Audit: Publicly held clients	0.6%	0.0%	0.0%	2.5%			
Other Attest/Assurance Services	2.7%	0.0%	2.8%	2.0%			
Niche Specialties	2.4%	0.0%	0.4%	0.5%			
Compilations	9.5%	15.2%	12.6%	6.3%			
Consulting services	7.1%	4.4%	6.8%	6.3%			
Financial advisory services	1.2%	0.0%	0.0%	1.5%			
Information technology consulting	0.7%	0.0%	0.7%	0.2%			
Mergers and acquisitions	0.3%	0.0%	0.2%	0.6%			
Risk Services/Internal Auditing	0.2%	0.0%	0.6%	0.0%			
Tax -- individual	25.9%	37.8%	24.1%	22.1%			
Tax -- other than individual	23.8%	24.1%	24.1%	23.2%			
Write-up and data processing	11.9%	13.3%	11.8%	10.8%			
<u>Other</u>	<u>2.7%</u>	<u>3.3%</u>	<u>3.3%</u>	<u>2.9%</u>			
Total	100.0%	100.0%	100.0%	100.0%			

<b>% billing clients hourly</b>	91.6%	71.4%	93.8%	100.0%			
<b>% fees based on hourly billing</b>	78.9%	77.1%	78.5%	92.4%			

**Which of the following non-hourly billing methods did your firm use?**

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ALL RESPONDENTS	All Firms	Other					
		Small	Medium	Large			
Number of firms	1,842	14	16	19			
Commissions	3.6%	0.0%	0.0%	0.0%			
Fixed fee	78.3%	83.3%	53.3%	63.6%			
Periodic	11.6%	8.3%	13.3%	9.1%			
Per tax form fee	16.8%	16.7%	20.0%	9.1%			
Percentage of assets	3.0%	0.0%	0.0%	0.0%			
Risk-based	3.2%	0.0%	0.0%	0.0%			
Transaction-based	7.5%	0.0%	6.7%	18.2%			
Value billing	51.9%	41.7%	53.3%	72.7%			

**Please click below if your firm does not use standard billing rates for:**

Professional staff	13.7%	30.0%	18.2%	7.1%			
Clerical/administrative	21.9%	40.0%	18.2%	14.3%			

**Do you typically bill separately for the following services?**

Copying	25.9%	20.0%	9.1%	28.6%			
Clerical overtime	3.5%	0.0%	0.0%	7.1%			
Technology	31.3%	0.0%	27.3%	42.9%			
Fax charges	15.0%	10.0%	18.2%	42.9%			
Travel time	38.4%	20.0%	18.2%	28.6%			
Mileage	43.2%	10.0%	36.4%	57.1%			
Overnight Mail Delivery	64.3%	60.0%	72.7%	42.9%			

**Est. billing rate for prof'l with annual salary ~ \$50,000**

\$95.11	\$91.00	\$90.00	\$89.89			
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**What is your compensation year basis?**

Fiscal 2005	23.3%	21.4%	25.0%	10.5%			
Calendar 2005	73.8%	78.6%	62.5%	78.9%			
Other	2.9%	0.0%	12.5%	10.5%			

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ALL RESPONDENTS	All Firms	Other					
		Small	Medium	Large			

Number of firms	1,842	14	16	19			
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**Professional Staff -- Full Time**

**Number of Staff**

Partners/Owners (inc. Part time)	2.683	0.964	1.658	4.201			
Directors (11+ Years Exp)	0.896	0.000	0.625	1.684			
Managers (6-10 Years Exp)	1.332	0.000	0.313	2.105			
Sr Associates (4-5 Years Exp)	1.266	0.071	0.250	3.211			
Associates (1-3 Years Exp)	1.340	0.000	0.438	2.632			
New Professionals	0.346	0.000	0.063	0.842			
<b>Total Professionals</b>	<b>7.863</b>	<b>1.036</b>	<b>3.346</b>	<b>14.675</b>			

**% Who Are CPAs**

Partners / Owners	96.4%	96.3%	98.0%	97.7%			
Directors (11+ Years Exp)	79.4%	N/A	50.0%	93.8%			
Managers (6-10 Years Exp)	82.5%	N/A	60.0%	87.5%			
Sr Associates (4-5 Years Exp)	62.3%	0.0%	25.0%	83.6%			
Associates (1-3 Years Exp)	20.9%	N/A	28.6%	22.0%			
New Professionals	7.1%	N/A	0.0%	0.0%			

**% Who Are Males**

Partners / Owners	73.9%	44.4%	75.4%	70.2%			
Directors (11+ Years Exp)	47.0%	N/A	40.0%	31.3%			
Managers (6-10 Years Exp)	41.9%	N/A	20.0%	42.5%			
Sr Associates (4-5 Years Exp)	33.7%	0.0%	0.0%	32.8%			
Associates (1-3 Years Exp)	33.1%	N/A	28.6%	30.0%			
New Professionals	37.8%	N/A	0.0%	6.3%			

**Average Compensated Hours Per FT Professional**

Partners / Owners	2,199	1,877	2,204	2,514			
Directors (11+ Years Exp)	2,165		2,156	2,157			
Managers (6-10 Years Exp)	2,169		2,116	2,238			
Sr Associates (4-5 Years Exp)	2,136	1,800	2,285	2,181			
Associates (1-3 Years Exp)	2,093		1,976	2,136			
New Professionals	1,866		1,812	1,914			

**Average Chargeable Hours Per FT Professional**

Partners / Owners	1,367	1,223	1,120	1,420			
Directors (11+ Years Exp)	1,439		1,421	1,480			
Managers (6-10 Years Exp)	1,499		1,376	1,500			
Sr Associates (4-5 Years Exp)	1,541	1,500	1,766	1,493			
Associates (1-3 Years Exp)	1,514		1,494	1,487			
New Professionals	1,295		758	1,227			



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ALL RESPONDENTS	All Firms	Other					
		Small	Medium	Large			

Number of firms	1,842	14	16	19			
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**Full-Time Professional Staff -- Continued**

**Realization**

Partners / Owners	62.2%	65.2%	50.8%	56.5%			
Directors (11+ Years Exp)	66.4%	N/A	65.9%	68.6%			
Managers (6-10 Years Exp)	69.1%	N/A	65.0%	67.0%			
Sr Associates (4-5 Years Exp)	72.1%	83.3%	77.3%	68.4%			
Associates (1-3 Years Exp)	72.4%	N/A	75.6%	69.6%			
New Professionals	69.4%	N/A	41.8%	64.1%			

**Average Billing Rate**

Partners / Owners	167.89	105.00	142.27	162.55			
Directors (11+ Years Exp)	133.61		98.33	113.10			
Managers (6-10 Years Exp)	118.45		74.80	102.73			
Sr Associates (4-5 Years Exp)	99.15	80.00	53.00	81.21			
Associates (1-3 Years Exp)	80.35		75.00	71.69			
New Professionals	76.02		35.00	77.20			

**Average Compensation**

Partners / Owners	184,892	76,372	135,781	255,157			
Directors (11+ Years Exp)	77,641		53,819	65,742			
Managers (6-10 Years Exp)	64,717		41,224	60,073			
Sr Associates (4-5 Years Exp)	54,041	30,000	36,273	45,105			
Associates (1-3 Years Exp)	40,484		36,467	38,460			
New Professionals	33,954		20,467	28,817			

**Compensation Per Compensated Hour**

Partners / Owners	\$84.08	\$40.70	\$61.61	\$101.48			
Directors (11+ Years Exp)	\$35.86	N/A	\$24.97	\$30.48			
Managers (6-10 Years Exp)	\$29.83	N/A	\$19.48	\$26.84			
Sr Associates (4-5 Years Exp)	\$25.30	\$16.67	\$15.88	\$20.68			
Associates (1-3 Years Exp)	\$19.34	N/A	\$18.46	\$18.01			
New Professionals	\$18.19	N/A	\$11.30	\$15.05			

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ALL RESPONDENTS	All Firms	Other					
		Small	Medium	Large			

Number of firms	1,842	14	16	19			
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**Professional Staff -- Part Time**

**Number of Full Time Equivalent**

Directors (11+ Years Exp)	0.09	0.00	0.00	0.07			
Managers (6-10 Years Exp)	0.27	0.00	0.10	0.38			
Sr Associates (4-5 Years Exp)	0.22	0.00	0.12	0.25			
Associates (1-3 Years Exp)	0.16	0.00	0.11	0.09			
New Professionals	0.14	0.00	0.06	0.17			

**Total PT Compensated Hours For FT Professionals**

Directors (11+ Years Exp)	187	0	0	146			
Managers (6-10 Years Exp)	559	0	214	781			
Sr Associates (4-5 Years Exp)	459	0	244	520			
Associates (1-3 Years Exp)	338	0	223	194			
New Professionals	292	0	121	357			

**Total Chargeable Hours for PT Professionals**

Directors (11+ Years Exp)	122	0	0	115			
Managers (6-10 Years Exp)	392	0	154	554			
Sr Associates (4-5 Years Exp)	340	0	216	428			
Associates (1-3 Years Exp)	233	0	182	144			
New Professionals	201	0	83	258			

**Realization**

Directors (11+ Years Exp)	65.5%			79.2%			
Managers (6-10 Years Exp)	70.2%		72.0%	71.0%			
Sr Associates (4-5 Years Exp)	74.1%		88.4%	82.2%			
Associates (1-3 Years Exp)	69.1%		81.7%	74.0%			
New Professionals	68.8%		68.3%	72.2%			

**Average Billing Rate**

Directors (11+ Years Exp)	156.32			104.50			
Managers (6-10 Years Exp)	123.08		127.75	138.18			
Sr Associates (4-5 Years Exp)	101.01		81.25	93.40			
Associates (1-3 Years Exp)	85.27		72.50	65.67			
New Professionals	72.15		70.00	58.33			

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ALL RESPONDENTS	All Firms	Other					
		Small	Medium	Large			

Number of firms	1,842	14	16	19			
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**Professional Staff -- Part Time**

**Total Compensation**

Directors (11+ Years Exp)	8,112	0	0	4,747			
Managers (6-10 Years Exp)	20,142	0	6,903	26,972			
Sr Associates (4-5 Years Exp)	13,280	0	6,155	19,864			
Associates (1-3 Years Exp)	6,884	0	3,637	3,041			
New Professionals	5,927	0	1,873	5,155			

**Compensation Per Compensated Hour**

Directors (11+ Years Exp)	\$43.39			\$32.62			
Managers (6-10 Years Exp)	\$36.03		\$32.29	\$34.54			
Sr Associates (4-5 Years Exp)	\$28.96		\$25.25	\$38.17			
Associates (1-3 Years Exp)	\$20.40		\$16.29	\$15.64			
New Professionals	\$20.31		\$15.46	\$14.45			
	0						

**Total Full Time Equivalent Staff**

Partner / Owner	2.683	0.964	1.658	4.201			
Directors (11+ Years Exp)	0.986	0.000	0.625	1.754			
Managers (6-10 Years Exp)	1.601	0.000	0.415	2.481			
Sr Associates (4-5 Years Exp)	1.486	0.071	0.367	3.461			
Associates (1-3 Years Exp)	1.502	0.000	0.545	2.725			
New Professionals	0.486	0.000	0.121	1.014			
Total	8.745	1.036	3.731	15.635			

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ALL RESPONDENTS	All Firms	Other					
		Small	Medium	Large			

Number of firms	1,842	14	16	19			
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**Full Time Non-Professional Staff**

**Number of Staff**

Internal technical support	0.194	0.000	0.125	0.158			
Administrator / OM	0.483	0.071	0.188	0.842			
Paraprofessionals	0.927	0.286	0.500	3.158			
Clerical (data entry, etc.)	1.255	0.071	0.438	2.368			
Other	0.000	0.000	0.000	0.000			

**Average Compensated Hours Per FTE**

Internal technical support	2,148		2,099	2,253			
Administrator / OM	2,139	2,192	2,061	2,234			
Paraprofessionals	2,044	2,000	1,897	2,062			
Clerical (data entry, etc.)	1,996	2,080	1,798	2,027			
Other	2,042			1,661			

**Average Chargeable Hours Per FT Employee**

Internal technical support	327		1,340	273			
Administrator / OM	301	0	323	385			
Paraprofessionals	1,215	1,140	1,111	1,350			
Clerical (data entry, etc.)	451	1,700	724	527			
Other	331			465			

**Average Billing Rate**

Internal technical support	102.32		43.00	124.33			
Administrator / OM	72.44		46.67	66.31			
Paraprofessionals	68.48	55.00	55.00	59.60			
Clerical (data entry, etc.)	53.56	30.00	39.60	44.06			
Other	1730.00	14.00	16.00	16.00			

**Average Compensation**

Internal technical support	56,042		31,292	48,617			
Administrator / OM	49,002	24,340	22,312	42,218			
Paraprofessionals	39,374	24,815	27,019	33,246			
Clerical (data entry, etc.)	30,933	22,268	22,267	26,538			
Other	42,698			22,202			

**Compensation Per Compensated Hour**

Internal technical support	\$26.08	N/A	\$14.91	\$21.58			
Administrator / OM	\$22.91	\$11.10	\$10.83	\$18.90			
Paraprofessionals	\$19.27	\$12.41	\$14.25	\$16.12			
Clerical (data entry, etc.)	\$15.50	\$10.71	\$12.38	\$13.09			
Other	\$20.91	N/A	N/A	\$13.36			

**2006 PCPS / TSCPA National Management of an Accounting Practice Survey**  
**Report prepared for: Texas Society of CPAs**

ALL RESPONDENTS	All Firms	Other					
		Small	Medium	Large			

Number of firms	1,842	14	16	19			
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**Part-Time Non-Professional Staff**

**Number of Full Time Equivalents**

Internal technical support	0.024		0.014	0.018			
Administrator / OM	0.056	0.047		0.037			
Paraprofessionals	0.195	0.068	0.214	0.630			
Clerical (data entry, etc.)	0.265	0.314	0.188	0.281			
Other	0.040	0.012	0.004	0.145			

**Total Compensated Hours**

Internal technical support	50	0	30	38			
Administrator / OM	117	98	0	78			
Paraprofessionals	405	142	446	1,310			
Clerical (data entry, etc.)	550	652	391	584			
Other	83	26	7	301			

**Total Chargeable Hours**

Internal technical support	8	0	24	1			
Administrator / OM	17	13	0	33			
Paraprofessionals	265	117	240	807			
Clerical (data entry, etc.)	129	295	1,533	168			
Other	21	0	0	4			

**Average Billing Rate**

Internal technical support	73.98		20.00	40.00			
Administrator / OM	57.98	20.00		51.00			
Paraprofessionals	65.18	35.00	43.33	60.43			
Clerical (data entry, etc.)	46.59	34.71	43.40	37.00			
Other	65.61			39.33			

**Average Compensation**

Internal technical support	1,095	0	199	572			
Administrator / OM	2,534	641	0	1,943			
Paraprofessionals	7,526	1,614	4,543	21,927			
Clerical (data entry, etc.)	8,055	5,500	4,252	6,861			
Other	1,725	143	59	2,311			

**Compensation Per Compensated Hour**

Internal technical support	\$21.81		\$6.69	\$15.13			
Administrator / OM	\$21.64	\$6.54		\$25.06			
Paraprofessionals	\$18.57	\$11.33	\$10.19	\$16.74			
Clerical (data entry, etc.)	\$14.64	\$8.43	\$10.87	\$11.74			
Other	\$20.87	\$5.56	\$8.00	\$7.68			

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**For Professionals**

Bonus/incentive % of total	6.3%	0.0%	8.8%	10.6%			
Avg annl base salary % inc	7.2%	0.0%	12.8%	6.4%			

**Which of the following factors were used in determining bonus / incentive payments for professional staff?**

Attaining chargeable hours targets	56.7%	0.0%	50.0%	83.3%			
Obtaining new clients	43.1%	0.0%	12.5%	50.0%			
Obtaining new proj. from ex. clients	19.9%	0.0%	0.0%	41.7%			
Outstanding individual achievement	65.8%	0.0%	50.0%	41.7%			
Passing CPA exam	23.9%	0.0%	12.5%	25.0%			
Other	36.0%	0.0%	50.0%	16.7%			

**New Hires**

# New hires meeting 150	0.43	0.00	0.13	0.63			
# New hires not meeting 150	0.29	0.07	0.50	0.74			
Sal for new hires meeting 150	38,895		32,750	35,712			
Sal for new hires not meeting 150	36,115	30,000	31,400	32,938			
% with flex. work arrangements	77.5%	55.6%	62.5%	63.2%			

**Adjust billing rates seasonally?**

Yes, routinely	9.9%	11.1%	0.0%	10.5%			
Occasionally	24.3%	44.4%	26.7%	10.5%			
Rarely	26.9%	22.2%	46.7%	36.8%			
Never	36.7%	22.2%	26.7%	42.1%			
N/A, do not use billing rates	2.1%	0.0%	0.0%	0.0%			

% losing prof'l staff during 2003	45.6%	11.1%	50.0%	63.2%			
# of Voluntary terminations	2.77	1.00	1.29	8.85			
# of Involuntary terminations	0.91	0.00	0.50	0.13			

Ret plan for non-owners?	70.9%	35.7%	75.0%	94.7%			
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**Retirement Plan Type:**

401(k)	46.2%	20.0%	8.3%	66.7%			
Defined Benefit	1.3%	0.0%	0.0%	0.0%			
Sep IRA	11.3%	40.0%	8.3%	11.1%			
SIMPLE	33.4%	40.0%	83.3%	5.6%			
Other	7.8%	0.0%	0.0%	16.7%			

**Provide for partner retirement?**

Yes	44.1%	15.4%	40.0%	63.2%			
No	42.1%	46.2%	60.0%	31.6%			
Not applicable	13.7%	38.5%	0.0%	5.3%			

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**Is retirement plan for non-owners funded?**

Yes	55.3%	60.0%	41.7%	36.8%			
No, paid by...	18.4%	40.0%	8.3%	26.3%			
Not applicable	26.3%	0.0%	50.0%	36.8%			

**Funded by?**

Insurance	1.0%	0.0%	0.0%	0.0%			
Retirement plan	85.3%	100.0%	80.0%	100.0%			
Other	13.7%	0.0%	20.0%	0.0%			

<b>Number of retirees</b>	4.62						
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**Paid by?**

Equity (capital account) buyout	36.6%	0.0%	100.0%	60.0%			
Consulting contract	5.2%	0.0%	0.0%	40.0%			
Stock purchase	12.4%	0.0%	0.0%	0.0%			
Other	45.8%	100.0%	0.0%	0.0%			

<b>% with employee handbook</b>	71.2%	100.0%	75.0%	100.0%			
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**Which of the following paid time off (PTO) policies are in place at your firm? (check all that apply)**

Comp time off for OT/excess hours	55.8%	0.0%	46.7%	73.7%			
Formal sick leave policy	58.7%	100.0%	73.3%	89.5%			
Provide comp leave for dep illness	20.6%	0.0%	33.3%	36.8%			
Formal vacation policy	72.5%	100.0%	80.0%	84.2%			
Agg. PTO inc. both vac. & sick days	35.0%	0.0%	33.3%	21.1%			
PTO for professional activities	57.2%	0.0%	60.0%	73.7%			
PTO for community activities	36.0%	0.0%	40.0%	52.6%			
Maternity leave in excess of FMLA	11.9%	0.0%	6.7%	10.5%			
None of the above	3.5%	0.0%	0.0%	0.0%			

<b># of sick leave days for new hires</b>	5.97		5.36	6.21			
<b># of sick leave days for vacation</b>	9.48		10.00	9.54			
<b># of sick leave days for agg PTO</b>	17.14		10.83	12.50			

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**Does your firm provide/pay for the following benefits for employees?**

Cafeteria plan	38.3%	0.0%	25.0%	68.4%			
Cell phone reimbursement	23.1%	7.1%	18.8%	15.8%			
Child care reimbursement	11.2%	0.0%	0.0%	21.1%			
Continuing education courses	82.2%	50.0%	93.8%	100.0%			
CPA examination fees	38.1%	7.1%	43.8%	63.2%			
CPA examination review courses	23.5%	7.1%	12.5%	21.1%			
Dependent health insurance	29.4%	14.3%	0.0%	26.3%			
Dependent life insurance	8.6%	0.0%	0.0%	0.0%			
Dental insurance	26.0%	0.0%	12.5%	5.3%			
Home connectivity (e.g., DSL)	14.1%	14.3%	12.5%	10.5%			
Life insurance	47.7%	7.1%	31.3%	84.2%			
Long term care insurance	3.6%	0.0%	0.0%	5.3%			
Long term disability insurance	27.6%	0.0%	6.3%	63.2%			
Master's/advanced deg.	13.4%	0.0%	6.3%	0.0%			
Medical reimbursement plan	25.8%	7.1%	18.8%	26.3%			
Professional dues	78.0%	35.7%	87.5%	94.7%			
Professional licenses	77.5%	42.9%	75.0%	100.0%			
Retirement plan	68.0%	21.4%	62.5%	94.7%			
Short term disability insurance	13.0%	0.0%	12.5%	10.5%			
Vision plan	15.1%	0.0%	0.0%	0.0%			
Other	3.3%	0.0%	0.0%	0.0%			
Health insurance	72.6%	21.4%	87.5%	89.5%			

**Health Insurance Type**

HMO	18.7%	0.0%	14.3%	5.9%			
MSA	4.2%	50.0%	0.0%	0.0%			
POS	2.8%	0.0%	0.0%	0.0%			
PPO	48.1%	50.0%	50.0%	58.8%			
Traditional	19.0%	0.0%	35.7%	29.4%			
Other	6.2%	0.0%	0.0%	5.9%			
Not sure	0.9%	0.0%	0.0%	0.0%			

**% of Health Insurance Paid By Firm**

0-20%	6.4%	33.3%	0.0%	5.6%			
21-40%	2.5%	0.0%	0.0%	0.0%			
41-60%	8.4%	0.0%	14.3%	5.6%			
61-80%	12.4%	0.0%	14.3%	11.1%			
81-100%	70.3%	66.7%	71.4%	77.8%			
Average	77.5%	63.3%	81.4%	81.1%			



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		Small	Medium	Large			
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% using engagement letters	91.0%	69.2%	83.3%	75.0%			
% w/ disc. control of client funds?	14.3%	7.1%	33.3%	18.8%			
<b>Does your firm provide the following services?</b>							
Bankruptcy or insolvency services	13.8%	0.0%	13.3%	26.3%			
Business valuation	40.7%	7.1%	13.3%	57.9%			
Corp. Gov. & Audit Comm. Guidance	11.5%	0.0%	6.7%	21.1%			
Cost Segregation	15.6%	0.0%	6.7%	15.8%			
Eldercare	9.6%	0.0%	6.7%	10.5%			
Estate tax planning	70.6%	42.9%	80.0%	100.0%			
Executive searches	11.8%	7.1%	13.3%	5.3%			
Forecasts and projections	59.5%	28.6%	46.7%	73.7%			
Forensic accounting	25.0%	7.1%	20.0%	31.6%			
Human resources services	10.3%	0.0%	6.7%	5.3%			
Insurance	9.3%	7.1%	0.0%	26.3%			
International services	8.1%	14.3%	0.0%	5.3%			
Investment advisory services	18.6%	0.0%	0.0%	26.3%			
IT hardware sales	3.9%	0.0%	0.0%	10.5%			
IT hardware sel. & inst.	9.7%	0.0%	6.7%	15.8%			
IT software sales	9.4%	0.0%	0.0%	15.8%			
IT software sel & impl.	25.4%	14.3%	13.3%	10.5%			
Investment / securities sales	12.1%	14.3%	6.7%	26.3%			
Legal services within your firm	1.2%	0.0%	0.0%	0.0%			
Litigation support	42.1%	0.0%	40.0%	68.4%			
Market or ec. feasibility studies	6.5%	7.1%	0.0%	15.8%			
Mergers and acquisitions	31.4%	0.0%	33.3%	42.1%			
Not for profits	67.4%	50.0%	60.0%	84.2%			
Outsourced controllership	27.6%	21.4%	33.3%	10.5%			
Payroll processing	61.1%	64.3%	80.0%	84.2%			
Performance measurement	12.7%	14.3%	6.7%	21.1%			
Personal financial planning	40.9%	21.4%	20.0%	52.6%			
R&D	3.8%	0.0%	0.0%	0.0%			
Section 404 Internal control	4.8%	0.0%	0.0%	5.3%			
Strategic planning	27.6%	14.3%	6.7%	42.1%			
Web Trust	0.3%	0.0%	0.0%	0.0%			
Other	3.2%	0.0%	0.0%	5.3%			

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ALL RESPONDENTS	All Firms	Other					
		Small	Medium	Large			
Number of firms	1,842	14	16	19			
<b>Which, if any, of the following services has your firm ADDED in the last three years?</b>							
Bankruptcy or insolvency services	1.1%	0.0%	0.0%	0.0%			
Business valuation	5.3%	7.1%	6.3%	0.0%			
Corp. Gov. & Audit Comm. Guidance	1.1%	0.0%	0.0%	0.0%			
Cost Segregation	5.5%	0.0%	6.3%	0.0%			
Eldercare	2.1%	0.0%	0.0%	5.3%			
Estate tax planning	2.3%	7.1%	0.0%	0.0%			
Executive searches	1.4%	0.0%	0.0%	5.3%			
Forecasts and projections	1.8%	7.1%	0.0%	0.0%			
Forensic accounting	2.9%	0.0%	6.3%	0.0%			
Human resources services	1.5%	0.0%	0.0%	5.3%			
Insurance	2.3%	7.1%	0.0%	0.0%			
International services	1.3%	7.1%	0.0%	0.0%			
Investment advisory services	3.0%	0.0%	0.0%	0.0%			
IT hardware sales	0.4%	0.0%	0.0%	0.0%			
IT hardware sel. & inst.	1.0%	0.0%	0.0%	0.0%			
IT software sales	1.5%	0.0%	6.3%	0.0%			
IT software sel & impl.	2.2%	0.0%	6.3%	0.0%			
Investment / securities sales	2.4%	7.1%	0.0%	0.0%			
Legal services within your firm	0.2%	0.0%	0.0%	0.0%			
Litigation support	3.1%	0.0%	6.3%	0.0%			
Market or ec. feasibility studies	0.5%	0.0%	0.0%	0.0%			
Mergers and acquisitions	1.1%	0.0%	0.0%	0.0%			
Not for profits	2.2%	0.0%	0.0%	0.0%			
Outsourced controllership	3.0%	0.0%	0.0%	0.0%			
Payroll processing	2.8%	7.1%	0.0%	0.0%			
Performance measurement	1.6%	0.0%	0.0%	5.3%			
Personal financial planning	2.5%	0.0%	0.0%	0.0%			
R&D	0.9%	0.0%	0.0%	0.0%			
Section 404 Internal control	1.7%	0.0%	0.0%	0.0%			
Strategic planning	1.0%	0.0%	0.0%	5.3%			
Web Trust	0.1%	0.0%	0.0%	0.0%			
Other	0.5%	0.0%	0.0%	0.0%			

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Number of firms	1,842	14	16	19			
<b>Which, if any, of the following services has your firm DISCONTINUED in the last three years?</b>							
Bankruptcy or insolvency services	1.4%	7.1%	0.0%	0.0%			
Business valuation	3.0%	7.1%	0.0%	5.3%			
Corp. Gov. & Audit Comm. Guidance	0.8%	7.1%	0.0%	0.0%			
Cost Segregation	0.2%	7.1%	0.0%	0.0%			
Eldercare	0.9%	7.1%	6.3%	0.0%			
Estate tax planning	0.2%	0.0%	0.0%	0.0%			
Executive searches	0.3%	0.0%	0.0%	0.0%			
Forecasts and projections	0.2%	0.0%	0.0%	0.0%			
Forensic accounting	0.7%	7.1%	0.0%	0.0%			
Human resources services	0.3%	7.1%	0.0%	0.0%			
Insurance	0.5%	7.1%	0.0%	0.0%			
International services	0.2%	7.1%	0.0%	0.0%			
Investment advisory services	1.1%	7.1%	0.0%	0.0%			
IT hardware sales	0.9%	7.1%	0.0%	0.0%			
IT hardware sel. & inst.	0.9%	7.1%	0.0%	0.0%			
IT software sales	0.9%	7.1%	0.0%	0.0%			
IT software sel & impl.	0.8%	0.0%	0.0%	0.0%			
Investment / securities sales	1.1%	7.1%	0.0%	5.3%			
Legal services within your firm	0.1%	7.1%	0.0%	0.0%			
Litigation support	0.9%	7.1%	0.0%	0.0%			
Market or ec. feasibility studies	0.1%	7.1%	0.0%	0.0%			
Mergers and acquisitions	0.1%	7.1%	0.0%	0.0%			
Not for profits	0.7%	0.0%	0.0%	0.0%			
Outsourced controllership	0.3%	0.0%	0.0%	0.0%			
Payroll processing	1.1%	0.0%	0.0%	0.0%			
Performance measurement	0.1%	0.0%	0.0%	0.0%			
Personal financial planning	0.6%	0.0%	0.0%	0.0%			
R&D	0.1%	7.1%	0.0%	0.0%			
Section 404 Internal control	0.1%	7.1%	0.0%	0.0%			
Strategic planning	0.1%	0.0%	0.0%	0.0%			
Web Trust	0.2%	7.1%	0.0%	0.0%			
Other	0.0%	0.0%	0.0%	0.0%			

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Number of firms	1,842	14	16	19			
<b>Hiring non-CPA professionals</b>							
Already in place	44.8%	28.6%	50.0%	57.9%			
Planning to provide	7.7%	0.0%	0.0%	0.0%			
Would consider	31.4%	21.4%	43.8%	31.6%			
Would not consider	11.2%	42.9%	0.0%	5.3%			
N/A	4.9%	7.1%	6.3%	5.3%			
<b>Making non-CPAs owners in the firm</b>							
Already in place	4.6%	0.0%	0.0%	5.3%			
Planning to provide	1.6%	0.0%	0.0%	0.0%			
Would consider	21.3%	21.4%	25.0%	10.5%			
Would not consider	61.5%	64.3%	75.0%	73.7%			
N/A	11.0%	14.3%	0.0%	10.5%			
<b>Hiring interns for professional staffing</b>							
Already in place	27.8%	14.3%	50.0%	36.8%			
Planning to provide	6.1%	7.1%	6.3%	5.3%			
Would consider	41.8%	42.9%	18.8%	47.4%			
Would not consider	18.4%	28.6%	12.5%	10.5%			
N/A	5.9%	7.1%	12.5%	0.0%			
<b>Merging with a non-CPA firm (if permitted by state law)</b>							
Already in place	1.0%	0.0%	0.0%	0.0%			
Planning to provide	0.5%	0.0%	0.0%	0.0%			
Would consider	19.5%	7.1%	12.5%	5.3%			
Would not consider	66.4%	78.6%	81.3%	68.4%			
N/A	12.6%	14.3%	6.3%	26.3%			
<b>Outsourcing individual Tax Returns</b>							
Already in place	2.9%	0.0%	0.0%	0.0%			
Planning to provide	0.9%	7.1%	0.0%	0.0%			
Would consider	16.3%	14.3%	31.3%	21.1%			
Would not consider	73.9%	64.3%	62.5%	73.7%			
N/A	6.0%	14.3%	6.3%	5.3%			
<b>Outsourcing write up work</b>							
Already in place	3.2%	0.0%	6.3%	0.0%			
Planning to provide	1.0%	7.1%	0.0%	0.0%			
Would consider	19.6%	14.3%	18.8%	10.5%			
Would not consider	67.8%	64.3%	68.8%	84.2%			
N/A	8.5%	14.3%	6.3%	5.3%			

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ALL RESPONDENTS	All Firms	Other					
		Small	Medium	Large			
Number of firms	1,842	14	16	19			
<b>Going paperless</b>							
Already in place	41.8%	21.4%	43.8%	26.3%			
Planning to provide	24.0%	35.7%	31.3%	21.1%			
Would consider	27.1%	28.6%	12.5%	47.4%			
Would not consider	5.1%	7.1%	6.3%	0.0%			
N/A	2.0%	7.1%	6.3%	5.3%			
<b>Accept credit cards for payment</b>							
Already in place	33.6%	14.3%	25.0%	47.4%			
Planning to provide	5.3%	7.1%	12.5%	0.0%			
Would consider	34.9%	35.7%	31.3%	15.8%			
Would not consider	23.0%	35.7%	31.3%	31.6%			
N/A	3.2%	7.1%	0.0%	5.3%			
<b>Use / provide E-file cabinets for clients</b>							
Already in place	14.0%	14.3%	12.5%	15.8%			
Planning to provide	13.9%	14.3%	18.8%	0.0%			
Would consider	50.1%	50.0%	50.0%	52.6%			
Would not consider	15.4%	14.3%	12.5%	21.1%			
N/A	6.7%	7.1%	6.3%	10.5%			
<b>Does your firm... (check all that apply)</b>							
Have a Web site?	76.6%	33.3%	62.5%	100.0%			
Use time, bill, or calend. software?	95.0%	100.0%	100.0%	100.0%			
Accept payments @ Web site?	2.1%	11.1%	0.0%	0.0%			
<b>Which of the following software packages do you use for time, billing, and/or calendaring? (check all that apply)</b>							
BillQuick (BQE Software)	0.6%	0.0%	0.0%	0.0%			
CPA Practice Management	20.8%	11.1%	13.3%	18.8%			
ImagineTime	1.7%	0.0%	6.7%	6.3%			
MYOB Plus (MYOB US)	0.1%	0.0%	0.0%	0.0%			
NetERP	0.0%	0.0%	0.0%	0.0%			
Oracle Small Business Suite	0.0%	0.0%	0.0%	0.0%			
Power PM (Commercial Logics)	0.9%	0.0%	0.0%	0.0%			
Practice Solutions	14.9%	0.0%	13.3%	37.5%			
Practice Solutions PS	9.3%	0.0%	0.0%	12.5%			
ProSystem fx (CCH)	16.0%	0.0%	20.0%	18.8%			
Quickbooks (Intuit)	17.8%	44.4%	20.0%	6.3%			
Simple Accounting Pro	0.1%	0.0%	0.0%	0.0%			
Timeslips (Best Software)	15.4%	11.1%	26.7%	6.3%			
TPS Time & Billing	1.2%	0.0%	0.0%	0.0%			
Other	18.9%	33.3%	13.3%	12.5%			

**2006 PCPS / TSCPA National Management of an Accounting Practice Survey**  
**Report prepared for: Texas Society of CPAs**

ALL RESPONDENTS	All Firms	Other					
		Small	Medium	Large			
Number of firms	1,842	14	16	19			
<b>Revenues -- Projected and Tracking</b>							
Planned Change for FY '06	13.4%	21.7%	6.4%	5.4%			
Tracking Change for FY '06	13.5%	28.3%	6.0%	8.3%			
Variance from Plan	0.1%	6.7%	-0.4%	2.9%			
<b>Expenses -- Projected and Tracking</b>							
Planned Change for FY '06	7.3%	12.7%	3.7%	4.3%			
Tracking Change for FY '06	7.8%	16.7%	10.3%	4.0%			
Variance from Plan	0.6%	4.0%	6.6%	-0.3%			
<b>Which of the following do you have in place?</b>							
Succession plan	24.1%	14.3%	20.0%	36.8%			
Formal partner in training program	7.2%	0.0%	0.0%	0.0%			
Prac. cont. agrmt with another firm	5.9%	0.0%	6.7%	15.8%			
Malpractice insurance policy	93.8%	85.7%	93.3%	94.7%			
Written firm partnership agreement	44.8%	0.0%	40.0%	57.9%			
Partner compensation formula	30.2%	0.0%	26.7%	63.2%			
<b>Malpractice Ins. Cov. Limit</b>	1,580,499	425,000	1,210,714	1,500,000			
<b>When was the partner agreement last updated?</b>							
Before 1995	6.2%	0.0%	0.0%	9.1%			
1995-1999	9.8%	0.0%	0.0%	18.2%			
2000-2002	18.8%	0.0%	33.3%	36.4%			
2003	10.6%	0.0%	50.0%	0.0%			
2004	13.4%	0.0%	16.7%	9.1%			
2005	25.4%	0.0%	0.0%	27.3%			
2006	15.7%	0.0%	0.0%	0.0%			
<b>Which of the following does the partner agreement provide for?</b>							
Buy-out	33.6%	0.0%	25.0%	52.6%			
Conduct	23.3%	0.0%	12.5%	42.1%			
Death	36.2%	0.0%	37.5%	47.4%			
Disability	32.8%	0.0%	18.8%	42.1%			
Early withdraw	24.8%	0.0%	18.8%	42.1%			
Mandatory age	13.4%	0.0%	0.0%	31.6%			
Non-competition	27.3%	0.0%	6.3%	47.4%			
Post withdrawal loan guarantees	2.2%	0.0%	0.0%	0.0%			
Retirement	22.8%	0.0%	6.3%	47.4%			
<b>If applicable, which of the following components are included in your buy-out valuation provision?</b>							
Clients retained	37.0%	0.0%	50.0%	40.0%			
Discount for early withdrawal	29.4%	0.0%	0.0%	60.0%			
Fee multiples	41.7%	0.0%	75.0%	50.0%			
Fixed amount for X years	36.7%	0.0%	50.0%	50.0%			
Life insurance in place	45.6%	0.0%	50.0%	60.0%			
Outside appraisal or valuation	7.2%	0.0%	0.0%	10.0%			
Years as partner/owner	21.4%	0.0%	0.0%	40.0%			
Terms of payments self-funded	36.9%	0.0%	50.0%	20.0%			



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Number of firms	1,842	14	16	19			
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**Survey Content - Clarity**

1 = Poor	0.3%	0.0%	0.0%	0.0%			
2	3.5%	0.0%	0.0%	0.0%			
3	22.4%	7.7%	18.2%	12.5%			
4	51.4%	61.5%	54.5%	62.5%			
5 = Excellent	22.1%	30.8%	27.3%	25.0%			

**Survey Content - Relevance**

1 = Poor	0.4%	0.0%	0.0%	0.0%			
2	2.4%	0.0%	0.0%	0.0%			
3	15.2%	7.7%	0.0%	12.5%			
4	53.1%	46.2%	54.5%	56.3%			
5 = Excellent	28.9%	46.2%	45.5%	31.3%			

**Survey Content - Comprehensiveness**

1 = Poor	0.4%	0.0%	0.0%	0.0%			
2	2.8%	0.0%	0.0%	0.0%			
3	17.5%	15.4%	9.1%	18.8%			
4	52.1%	38.5%	36.4%	68.8%			
5 = Excellent	27.2%	46.2%	54.5%	12.5%			

**Survey Administration -- Online System**

1 = Poor	0.7%	0.0%	0.0%	0.0%			
2	1.7%	0.0%	0.0%	0.0%			
3	10.7%	0.0%	0.0%	18.8%			
4	37.1%	25.0%	27.3%	37.5%			
5 = Excellent	49.7%	75.0%	72.7%	43.8%			

**Survey Administration -- Support**

1 = Poor	1.2%	0.0%	0.0%	0.0%			
2	3.6%	0.0%	0.0%	0.0%			
3	21.6%	0.0%	0.0%	20.0%			
4	44.6%	40.0%	33.3%	50.0%			
5 = Excellent	29.0%	60.0%	66.7%	30.0%			