



MINUTES
2019-2020 ANNUAL MEETING OF MEMBERS
JUNE 21-22, 2019
SHERATON NEW ORLEANS; NEW ORLEANS, LA

I. AWARDS LUNCHEON

Past Chairman of the Board and chair of the Awards Committee Kathy Kapka welcomed everyone to New Orleans. She recognized the 2019 Rising Stars and 50-year Continuous Members who were in attendance at the lunch. Ms. Kapka invited Travis Garmon, chair of the Chapter Coordinating Steering Committee, to join her on stage to present the Outstanding Chapter Awards.

Mr. Garmon presented the Outstanding Chapter Awards to the following chapters:

Outstanding Small Chapter

TXCPA Southeast Texas
Josh LeBlanc, CPA - Chapter President

Outstanding Medium Chapter

TXCPA Central Texas Chapter
Lindsey Skinner, CPA, CGMA – Chapter President

Ms. Kapka presented the following TXCPA awards:

Outstanding Committee Chairman

Edie T. Cogdell, CPA, CGMA (San Antonio) – CPE Advisory Board

Young CPA of the Year

Joshua LeBlanc, CPA (Southeast Texas)

Distinguished Public Service

William H. Hornberger, CPA (Dallas)

Distinguished Member

Stephen M. McEachern, CPA (Houston)
Joyce J. Smith, CPA, CPGMA (Austin)

Honorary Member

Ann Tague (East Texas)
Kathy Kelly (Fort Worth)

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Meritorious Service to the Accounting Profession

Robert M. McAdams, CPA (San Antonio)

NOMINATION AND APPROVAL OF DISTINGUISHED AND HONORARY MEMBERS

Ms. Kapka explained that the Distinguished Member and Honorary Member recognition requires a Board of Directors vote. Since the Board is not officially in session at the Awards Luncheon, a motion to ratify all the actions taken at the awards luncheon will be voted on at the Board meeting to be held immediately after the luncheon.

The Distinguished Member recipients were Stephen M. McEachern, CPA (Houston) and Joyce J. Smith, CPA, CGMA (Austin). The Honorary Member recipients were Ann Tague (East Texas) and Kathy Kelly (Fort Worth). Ms. Kapka made the following motion, which was seconded.

Motion:

To extend Distinguished Member status to Stephen M. McEachern, CPA (Houston) and Joyce J. Smith, CPA, CGMA (Austin) and Honorary Member status to Ann Tague (East Texas) and Kathy Kelly (Fort Worth).

- **Motion approved with none opposed**

Ms. Kapka asked Immediate Past Chairman Stephen Parker to come to the stage. Mr. Parker presented his Chairman's Special Recognition Awards to:

Kathryn W. Kapka, CPA, CGMA (East Texas)
Melinda Bentley, CAE (TXCPA)

II. CALL TO ORDER

Chairman Lei Testa called to order at 1:39 p.m. the following entities: Society, Board of Directors, Accounting Education Foundation, CPE Foundation, Accountancy Museum and Annual Meeting of Members and welcomed everyone to New Orleans.

Ms. Testa asked new Board members to stand to be recognized.

Introduction of VIPs

Ms. Testa recognized past TXCPA presidents/chairmen and current TSBPA members in attendance.

Appointment of Parliamentarian

Ms. Testa appointed Ken Horwitz, CPA (Dallas) as Parliamentarian.

She shared that President & CEO, Jodi Ann Ray, was unable to attend the meeting due to a family emergency.

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III. ASCERTAIN QUORUM AND APPROVAL OF MINUTES

Mark Goldman, Secretary, declared a quorum present and made the following motion which was seconded.

Motion:

To approve the minutes as presented from the Midyear Board of Directors and Members Meeting held January 30, 2019 in Austin, TX.

- **Motion passed with none opposed**

IV. RATIFICATION OF MOTIONS AT AWARDS LUNCHEON

Ms. Testa explained that because the Board was not officially in session at the luncheon, she would open the floor for a motion for approval by the members to ratify all motions/actions that were made earlier at the Awards Luncheon. She made the following motion which was seconded.

Motion:

That all motions and actions made at the Awards Luncheon be ratified.

- **Motion passed with none opposed**

V. STATE OF THE PROFESSION

Ms. Testa invited AICPA President & CEO, Barry Melancon, to the stage. Mr. Melancon presented on current trends and the rapidly changing landscape of the accounting profession. He held a Q&A with the members following his presentation.

VI. TOWN HALL

A video narrated by Chairman Testa and Immediate Past Chairman Stephen Parker was shown. The video highlighted work done over the past year on the Strategic Plan, TXCPA 2020, and priorities for 2019-2020. Highlights from the past year included:

Advocacy

- Bill reauthorizing the State Board for another 12 years was passed in both houses and by the Governor.
- Language in the Texas Public Accountancy Act was updated for Texas to have firm mobility and is now aligned with the Uniform Accountancy Act.
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- The recommendation to change the composition of the State Board to a majority of public members was removed from the final staff report.
- The Texas State Board was responsive to the request to consider CPE Reciprocity and adopted updated rules in May to make this possible.

Professional Excellence

- Past Chairman, Kathy Kapka, created a new and free on-demand ethics course for CPA members.
- TXCPA has invested in a new learning management platform for delivery of programs to members. The TXCPA Passport, which is an annual subscription to unlimited on-demand CPE programs, launched. Members can now access over 160 hours of on demand programming at a very affordable price.
- Peer Review continues to go through change. The focus is to use resources as effectively as possible and make the program educational and supportive. In January TXCPA began conducting technical reviews for Louisiana Society of CPAs.

Community and Connection

- Based on feedback from the membership value study, leadership recommended holding dues and chapters have agreed, so there will be no dues increase for 2019-2020. The focus remains on increasing and demonstrating the value of membership.
- A new visual identity and refreshed brand was introduced in January.
- Based on conversations the chapter task force had throughout the year, TXCPA is increasing the visibility of shared resources that are available to chapters including technology platforms, expanding and enhancing chapter leader training, and providing easier access to reports, resources and metrics.

Priorities for 2019-2020

Based on the successes over the past year and continued input from members, priorities for 2019-2020 are:

- Engaging the next generation of CPAs
- Enhancing State and Chapter collaboration
- Extending our brand to promote the profession
- Expanding digital learning opportunities
- Educating stakeholders on the significance of professional licensing

Following the video, Ms. Testa invited Immediate Past Chairman Stephen Parker and Chairman-elect Jerry Spence to join her on stage. Mr. Spence helped moderate a Q&A session with Ms. Testa and Mr. Parker taking questions from the board.

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VII. IN MEMORIAM

Ms. Testa invited John Sharbaugh, Managing Director, Governmental Affairs, to the stage. Mr. Sharbaugh asked for a moment of silence for Jimmie Lee Masson, Past President (1984-1984), who passed away on April 5, 2019.

VIII. TREASURER'S REPORT

Immediate Past Treasurer Ben Simiskey, Treasurer Billy Kelley and Chief Financial Officer Steve Phillips presented the financial statements and budgets.

Mr. Simiskey reviewed the investments portfolio, group billing and auto-renewal updates, outsourcing and future investments.

Mr. Phillips presented the financial statements. The Society ended the year with a net revenue of \$561,000 as compared to a budgeted net revenue of \$111,000. The fund balance for the Society at year-end was \$4,992,356 which is 73% of net operating expenses.

The CPE Foundation ended the year with a net expense of (\$73,000) as compared to a budgeted net expense of (\$224,000). The fund balance was \$1,271,672 which is 54% of net operating expenses.

Mr. Kelley presented the Society and CPE budgets for 2019-2020. The budget process and the key items impacting the proposed budget for the Society were explained. Key elements include a 3% salary increase, 6.5% healthcare increase, brand implementation/promotion, compensation/benefits study and IT upgrades. No dues increase is being recommended for 2019-2020. TXCPA has as \$5,000 capitalization policy. One item was proposed for the capital budget - \$50,000 for a TXCPA App. The total proposed budget for the Society for 2019-2020 is a net revenue of \$189,000.

Key elements for the CPE budget include course fee reduction and revenue from the TXCPA Passport and Conference Webcasting. The total proposed budget for the CPE Foundation for 2019-2020 is a net expense of (\$112,000).

Mr. Kelley made the following motion which was seconded.

Motion:

The TXCPA Board of Directors approve the following 2019-2020 proposed budgets as presented

- **TXCPA**
- **CPE Foundation**
- **Capital Budget**

- **Motion passed with none opposed**

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IX. LEADING WITH INNOVATION

Ms. Testa invited Scott Steinberg, President & CEO, BIZDEV, to the stage. Mr. Steinberg is a strategic consultant, trends expert and author of Make Change Work for You, Millennial Marketing and Becoming Essential. Mr. Steinberg delivered a keynote presentation on Leading with Innovation: How to Future-Proof Yourself, Fearlessly Innovate, and Succeed in the New Normal.

X. RECESS MEETING

Ms. Testa recessed the meeting at 5:30 p.m. and invited everyone to the reception and dinner starting at 6:30 p.m.

XI. RECONVENE MEETING

Ms. Testa reconvened the meeting on Saturday, June 22, 2019 at 8:34 a.m. She invited Anu Varadharajan to the stage.

XII. AN EDUCATOR'S PERSPECTIVE ON POSITIONING THE PROFESSION

Anu Varadharajan, a lecturer at Tulane University, presented on the changing landscape of the accounting profession. She led a discussion with the board about the important role they play in the future development of the profession and how the perception of students has changed about the CPA Profession.

XIII. CPA EVOLUTION

Ms. Testa invited Chairman-elect Jerry Spence to the stage. Mr. Spence provided updates on CPA Evolution, a combined NASBA-AICPA effort aimed at evolving the CPA licensure to reflect the skills and knowledge CPAs increasingly need in a technology-driven marketplace. AICPA and NASBA have asked for state societies to discuss and provide feedback on the guiding principles. Time was given for the board to break into groups to discuss. Mr. Spence opened the floor for members to share their feedback on each principle. The feedback will be shared with the Executive Board and will help TXCPA prepare a written response to NASBA and AICPA by early August.

XIV. ANNUAL BUSINESS OF AFFILIATED ENTITIES

Election of Accountancy Museum

Ms. Testa explained that the Board of Directors are the members of the Accountancy Museum and that they approve the election of the museum directors each year. The Executive Board members are elected as the directors according to the bylaws.

Ms. Testa made the following motion which was seconded.

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Motion:

The TXCPA Board of Directors approves the following members as directors of the Accountancy Museum of the Texas Society of CPAs for 2019-2020.

**Lei Testa – Fort Worth
Jerry Spence – Corpus Christi
Stephen Parker – Houston
Billy Kelley – Permian Basin
Edie Cogdell – San Antonio
Mark Goldman – San Antonio
Julia Hayes – Southeast Texas
Michele Heyman – Austin**

**Jimmy Hudson – Permian Basin
Mohan Kuruvilla – Houston
Tram Le – Fort Worth
Tim Pike - Dallas
Angela Ragan – Central Texas
Kate Rhoden - Austin
Susan Roberts – Fort Worth
Jodi Ann Ray – TXCPA President & CEO**

- Motion passed with none opposed

CPA-PAC Report

Ms. Testa invited Jesse Dominguez, Chairman of the CPA-PAC Committee, to come to the stage. Mr. Dominguez highlighted the CPA-PAC fundraising goal, which is calculated on a calendar year basis. The goal for 2019 is \$198,000. Each chapter's share of the goal is based on the number of CPA members. There are six months left for chapters to help meet the goal.

Annual Meeting of the CPE Foundation

Ms. Testa asked Edie Cogdell, Chairman of the CPE Advisory Board, to come to the stage. Ms. Cogdell gave an annual report of the CPE Foundation. She highlighted the TXCPA Passport and Webcast Pass that are now available for members to purchase to access CPE courses. Since its launch, 487 Passports have been purchased. Three Professional Issues Updates were delivered in 2018-2019 with over 3,000 registrants. The free ethics course was completed by 541 registrants.

Annual Meeting of the Peer Assistance Foundation

Ms. Testa invited Steve Mize, Chair of the Peer Assistance Committee, to the stage. Mr. Mize shared that this was the 25th Anniversary for the TXCPA Peer Assistance Foundation. He highlighted the work of the Accountants Confidential Assistance Network (ACAN) for the past year. Results included: 176 peer assistance group meetings conducted; 59 mentored under an Agreed Consent Order (ACO), 47 referrals completed an ACAN consultation; 30 candidates signed the pledge to remain sober; and 28 CPA volunteers served as mentors.

Mr. Mize presented the financials of ACAN for 2018-2019. The 2019 year-end fund balance was \$105,322. Primary sources of revenue include an annual grant from TSBPA and member contributions. Primary expenses include the program director and volunteer training.

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Accounting Education Foundation Report

Ms. Testa asked Art Agulnek, President of the Accounting Education Foundation (AEF), to come to the stage. Mr. Agulnek reported on the 2018-2019 fiscal year scholarships that were awarded to students (50 scholarships of \$2,500 each) and noted that 5 Texas students were awarded the AICPA Minority Scholarship. He mentioned the Accounting Education Conference, underwritten by the AEF, had 65 participants and offered 14 hours of CPE.

Mr. Agulnek reviewed sources of funding which include dues check off, pledges, memorial contributions and silent auction proceeds. He then held the drawing for the AEF Raffle.

XV. OPEN FORUM

Members were afforded the opportunity to discuss issues or topics of their choice during an open forum. Members were also able to submit questions within the conferences i/o app.

XVI. CLOSING REMARKS

Ms. Testa invited members to attend the Midyear Board of Directors and Members meeting January 24-25, 2020 in Houston. She asked everyone to complete the online evaluation to provide their feedback and to obtain their CPE certificate. All final PowerPoints will be loaded to the materials webpage.

XVII. ADJOURNMENT

There being no further business, the meeting was adjourned at 12:32 p.m.

MOTIONS PASSED

- 1. Approval to extend Distinguished Member status to Stephen M. McEachern, CPA (Houston) and Joyce J. Smith, CPA, CGMA (Austin) and Honorary Member status to Ann Tague (East Texas) and Kathy Kelly (Fort Worth).**
- 2. Approval of the minutes from the Midyear Board of Directors and Members Meeting held January 30, 2019 as presented**
- 3. Approval that all motions and actions made at the Awards Luncheon be ratified.**
- 4. Approval of the Society, CPE Foundation and Capital budgets for 2019-2020 as presented.**
- 5. Approval of the 2019-2020 Executive Board members as directors of the Accountancy Museum of the Texas Society of Certified Public Accountants.**

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Respectfully submitted,

Holly McCauley
X _____

Holly McCauley
Manager, Governance & Executive Operations

X Jan 14, 2020

Date

Approved by:

Mark Goldman
X Mark Goldman (Jan 14, 2020) _____

Mark Goldman
2019-20 Secretary, TXCPA

X Jan 14, 2020

Date