



MINUTES
2020-2021 ANNUAL MEETING OF MEMBERS
JUNE 26, 2020
VIRTUAL

I. **AWARDS PRESENTATION**

Past Chairman of the Board and chair of the Awards Committee Jim Oliver welcomed everyone to the Awards Presentation. He recognized the 2020 Rising Stars. Travis Garmon, chair of the Chapter Coordinating Steering Committee, presented the Outstanding Chapter Awards to the following chapters:

Outstanding Small Chapter

TXCPA San Angelo
Jacklyn Ochoa, CPA - Chapter President

Outstanding Medium Chapter

TXCPA Permian Basin
Chad Valentine, CPA – Chapter President

The following TXCPA awards were presented:

Outstanding Committee Chairman

Gary Tonniges, Jr., CPA – Fort Worth
CPE Advisory Board

Young CPA of the Year

Jimmy Hudson, CPA, CGMA – Permian Basin
Lindsey Skinner, CPA, CGMA – Central Texas

Distinguished Public Service

Terri Hornberger, CPA - Dallas

Distinguished Member

Jay Randy Vogel, CPA – San Antonio

Meritorious Service to the Accounting Profession

Roselyn Morris, Ph.D., CPA - Austin

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Nomination & Approval of Distinguished Member

Mr. Oliver explained that the Distinguished Member recognition requires two votes - a vote of board of directors to nominate and then a unanimous vote of members present to extend distinguished membership status. Because the board is not officially in session, the vote will be ratified during the board meeting following the awards presentation.

Mr. Oliver made the following motion, which was seconded.

Motion:

For his long-standing dedication and commitment to the accounting profession and TXCPA, I move that the Board nominate Jay Randy Vogel – San Antonio as a Distinguished Member.

- **Motion approved with none opposed**

Mr. Oliver then made the following motion, which was seconded.

Motion:

I move for approval of Distinguished Member Status for Jay Randy Vogel by the members present.

- **Motion approved with none opposed**

Immediate Past Chairman Lei Testa presented her Chairman's Special Recognition Awards to:

David Donnelly, CPA – Houston
Celina Cereceres, CPA – Houston
Julia Hayes, CPA – Southeast Texas
Lucas LaChance, CPA, CIA – Dallas
Steve Phillips, CPA, CGMA – Fort Worth
Blake Rodgers, CPA – Dallas
Ben Simiskey, CFP®, CPA/PFS - Houston

II. CALL TO ORDER

Chairman Jerry Spence called to order at 10:00 a.m. the following entities: Society, Board of Directors, Accounting Education Foundation, CPE Foundation, Accountancy Museum and the Peer Assistance Foundation.

Appointment of Parliamentarian

Chairman Spence appointed Ken Horwitz, CPAA – Dallas as Parliamentarian.

Votes

Chairman Spence stated votes would be handled electronically via Zoom given the virtual format.

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Motions would appear on screen with the option to vote for, against or to abstain and all board members should submit their vote. Once all votes are submitted, the results will be shown.

III. ASCERTAIN QUORUM AND APPROVAL OF MINUTES

Priscilla Soto, 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 24-25, 2020 in Houston, TX.

- **Motion passed with none opposed**

IV. RATIFICATION OF MOTIONS AT AWARDS LUNCHEON

Chairman Spence explained that because the Board was not officially in session at the awards presentation, he would open the floor for a motion for approval by the members to ratify all motions/actions that were made earlier at the presentation. The following motion was made by Lei Testa, which was seconded.

Motion:

That all motions and actions made at the Awards Presentation for this year's Distinguished Member, Jay Randy Vogel be ratified.

- **Motion passed with none opposed**

V. MOTION REGARDING ACCOUNTANCY MUSEUM

A motion was tabled at the Midyear Board Meeting in January 2020 regarding the dissolution of the Accountancy Museum to allow further discussion with the Accounting Education Foundation Board of Trustees. Chairman Spence reviewed the proposal to dissolve the separate entity for the Museum and to transition the objective of documenting and sharing the history of the profession under the umbrella of the Accounting Education Foundation. The following motion was made by Lei Testa and was seconded.

Motion:

That the Board of Directors approve the proposed motion to dissolve the Accountancy Museum and to transition the objective of documenting and sharing the history of the profession under the umbrella of the Accounting Education Foundation as presented.

- **Motion passed with none opposed**

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VI. TREASURER'S REPORT

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

Mr. Kelley reviewed the investments portfolio, and the COVID-19 impact on operations.

Mr. Phillips presented the financial statements. The Society ended the year with a net revenue of \$1,258,000 as compared to a budgeted net revenue of \$189,000. The fund balance for the Society at year-end was \$6,250,251 which is 102% of net operating expenses.

The CPE Foundation ended the year with a net revenue of \$212,000 as compared to a budgeted net expense of (\$112,000). The fund balance was \$1,483,535 which is 69% of net operating expenses.

Ms. Cogdell presented the Society and CPE budgets for 2020-2021. The budget process and the key items impacting the proposed budget for the Society were explained. Key elements include a 3% salary increase, which will be frozen and reviewed by the Compensation Committee, and a 0% healthcare increase. No dues increase is being recommended for 2020-2021. TXCPA has a \$5,000 capitalization policy. No new items were proposed for the capital budget. The total proposed budget for the Society for 2020-2021 is a net revenue of \$185,000.

The total proposed budget for the CPE Foundation for 2020-2021 is a net revenue of \$64,000.

Ms. Cogdell made the following motion which was seconded.

Motion:

The TXCPA Board of Directors approve the following 2020-2021 proposed budgets as presented

- TXCPA
- CPE Foundation

- **Motion passed with none opposed**

VII. DISCUSSION WITH U.S. SENATOR JOHN CORNYN

Chairman Spence introduced U.S. Senator John Cornyn. Jodi Ann Ray, President & CEO, participated in a discussion with Senator Cornyn about the federal response to the COVID-19 pandemic, balancing public health and economic concerns and how to best move toward recovery.

VIII. STATE OF THE SOCIETY

Updates on COVID-19 and the work of TXCPA were provided by Chairman Spence, Ms. Ray and Chairman-elect Jason Freeman.

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Organizational Flexibility

- TXCPA continues to focus on organizational flexibility as one of its guiding principles in the strategic plan.
- Flexibility has been more important than ever since COVID-19 hit.
- Staff remains committed to providing quality service to its members, while adapting to the new environment including working remotely.

Responding to Members Needs

- TXCPA has added a Coronavirus Resource page to its website.
- The CPE Foundation continues to assist chapters with their educational programming including hosting virtual programs for the chapters.
- Facebook Live Fridays have been popular in sharing the latest developments and legislative changes with members.
- TXCPA Exchange is more active than ever with members helping each other.

COVID Pulse Survey

- Over 1,000 TXCPA members participated in the COVID-19 Pulse Survey.
- The survey will be used to help TXCPA and 17 other state CPA societies get a better understanding on how the pandemic is affecting members and what they need most.
- More than 90% felt TXCPA had met or exceeded their expectations during the pandemic.

Priorities Update

Updates on priorities from 2019-2020 were shared by Chairman Spence, Ms. Ray, Tim Pike, Lei Testa, Sheila Enriquez and Kate Rhoden.

The priorities for 2019-2020 were:

- Engaging the Next Generation of CPAs
- Enhancing State and Chapter Collaboration
- Extending our Brand to Promote the Profession
- Expanding Digital Learning Opportunities and
- Educating Stakeholders on the Significance of the CPA License

Engaging & Growing Membership

- Membership at the end of 2019-2020 was slightly down at 27,167.
- Overall renewal rates were slightly up from the same time last year.
- TXCPA will continue to focus on expanding its diversity in leadership, which will help provide greater opportunities to attract and retain the next generation of CPAs.

Personalization

- Looking ahead, TXCPA will continue to explore its membership model to be sure it is delivering the right mix of benefits and the right membership structure for the market.
- Personalization has been added to TXCPA communications and the TXCPA Passport to offer more flexibility for members to customize their content choices.

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CPA Pipeline

- A key focus area is building the CPA Pipeline.
- TXCPA will continue to promote the profession to students and educators.
- The Accounting Education Foundation will work to reorganize student and educator initiatives to help allocate more resources to this area.

Practice Ready

- TXCPA has partnered with Thomson Reuters on a program called Practice Ready.
- This is a free online program designed to help students bridge the gap from their classroom learning to being ready to enter the workforce and being well-prepared to leverage their knowledge in the workplace.
- The University of Houston has been piloting the program.

Collaboration with Chapters

- TXCPA continues to make several technology platforms available to its chapters including website hosting, the NetForum database and its Career Center.
- A Chapter Leader Portal was launched this year, giving chapter leaders access to data or training within the TXCPA website.
- Work on the affiliation agreement will continue in coordination with strategic planning discussions.

Brand & CPA Evolution

- Promotion of the profession is a core initiative for TXCPA.
- A focused campaign to promote CPAs in Texas was launched this year – The CPA Advantage.
- This includes a digital toolkit of resources for members and an ad campaign to the public.
- The digital toolkit includes downloadable brochures, PPTs, social media and media outreach tips and more.
- CPA Evolution is an initiative from AICPA and NASBA, designed to ensure the CPA credential will continue to reflect the rapidly changing skills and competencies that accounting professionals need today and in the future.
- If approved by the NASBA board this summer, the new model will become the framework for CPA licensure in the future.

Advocacy

- TXCPA is developing a statewide coalition of peer professional associations regarding the significance of professional licensing.
- TXCPA will continue to keep a close eye on the November 2020 election and candidates the CPA-PAC should support.
- The 87th legislative session begins in January 2021. The Legislative Advisory Committee will meet in the fall to develop and propose a legislative agenda for TXCPA.

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IX. STRATEGIC PLAN UPDATES

Ben Simiskey, Strategic Planning Committee Chair, and Eric Curtis with Curtis Strategy presented an update on the strategic plan and an overview of next steps.

X. ENTITY UPDATES

Pre-recorded videos for the Peer Assistance Foundation, Accounting Education Foundation, CPA-PAC and CPE Foundation were played providing updates for each.

CPE Foundation

Kelly Hunter, CPE Advisory Board Chair, provided updates on the CPE Foundation. The CPE Foundation continues to develop content for the LMS (Learning Management System) which includes Webcast and On-Demand delivery. In 2019-2020, 865 TXCPA Passports were purchased, which provides unlimited access to on-demand courses. The free ethics course provided to all members was completed by 3,410 members with an overall 4.7 rating. Over 2,500 Professional Issues Update courses were completed, which is also a free resource to members. The CPE Foundation has converted several conferences to a virtual platform because of COVID-19. Over 1,700 attendees have participated in these conferences.

Peer Assistance Foundation

George Arce, Chair of the Peer Assistance Committee, shared updates for 2019-20. The Peer Assistance Foundation conducted 180 group meetings and had 30 CPA volunteer mentors who helped mentor 60 individuals under an Agreed Consent Order. Twenty-seven (27) referrals completed consultation and 44 Candidates signed the pledge to remain sober. The end of year fund balance was \$97,203.

Accounting Education Foundation

Art Agulnek, President of the Accounting Education Foundation, shared updates of the AEF. In 2019-20, the AEF received 82 applications for scholarships, and awarded 50 \$2,500 scholarships to students at 18 colleges/universities. The AEF also participated in the AICPA Minority Scholarship program, contributing \$10,000. Four Texas members received scholarships through the program. The AEF also provides funding for the Accounting Educator's Conference. The AEF will work to reorganize its structure in the coming year. An Education Foundation Director and support position will be hired to help develop statewide strategies and to centralize education and student efforts under the AEF umbrella.

Four positions are open on the Accounting Education Foundation Board of Trustees. Mr. Agulnek made the following motion which was seconded.

Motion:

The TXCPA Board of Directors approve the following individuals as trustees for the Accounting Education Foundation with terms expiring May 31, 2024:

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- **Charlotte Jungen – Houston**
- **Michael Brown – Central Texas**
- **Tracie Miller-Nobles – Austin**
- **Bryan Morgan - Austin**

- **Motion passed with none opposed**

CPA-PAC

Jesse Dominguez, Chair of the CPA-PAC, presented updates on the CPA-PAC. The 2020 Campaign Budget is \$402,000. The bulk of giving will be done in late summer leading up to the November election. The CPA-PAC has a member contribution participation goal of 7% for 2020-21. An updated handout was shared for chapters and members to use that promotes how TXCPA protects the value of the CPA License.

XI. CLOSING REMARKS

Chairman Spence invited members to attend Advocacy Day & Midyear Board Meeting January 26-27, 2021 in Austin.

XII. ADJOURNMENT

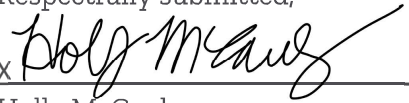
There being no further business, the meeting was adjourned at 12:00 p.m.

MOTIONS PASSED

- 1. Approval to nominate Jay Randy Vogel – San Antonio as a Distinguished Member.**
- 2. Approval of Distinguished Member status for Jay Randy Vogel – San Antonio.**
- 3. Approval of the minutes from the Midyear Board of Directors and Members Meeting held January 24-25, 2020 in Houston, TX as presented.**
- 4. Approval that all motions and actions made at the Awards Presentation be ratified.**
- 5. Approval of the proposed motion to dissolve the Accountancy Museum and to transition the objective of documenting and sharing the history of the profession under the umbrella of the Accounting Education Foundation.**
- 6. Approval of the Society and CPE Foundation budgets for 2020-2021 as presented.**
- 7. Approval of Charlotte Jungen – Houston; Michael Brown – Central Texas; Tracie Miller-Nobles – Austin; and Bryan Morgan – Austin as trustees for the Accounting Education Foundation with terms expiring May 31, 2024.**

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Respectfully submitted,

X  _____

Holly McCauley

Manager, Governance & Executive Operations

X 7/22/2020 _____

Date

Approved by:

X  _____
X Priscilla Soto (Aug 11, 2020 17:45 CDT)

Priscilla Soto

2020-2020 Secretary, TXCPA

X Aug 11, 2020 _____

Date




Minutes from TXCPA EB Meeting and Annual Meeting

Final Audit Report

2020-08-11

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