

**CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
COUNCIL MEETING
BURLINGAME, CALIFORNIA
MINUTES**

**Friday-Saturday
Jan. 20-21, 2006**

**San Francisco Airport Marriott
Burlingame, CA**

Attendees:

Joan Alleckson	Nai Hwang
James Babcock	Glenn Imke
Dennis Brach	Robert Johnston
Beverly Brautigam	Robert Jones
Gregory Burke	Eduardo Jordan
Janice Carr	Michael Klarin
Gale Case	Barry Kohn
David Cieslak	Joseph Kovar
Andrea Cope	Hank Levy
Robert Cote	Narelle MacKenzie
Violeta Cristobal	Teresa Mason
Conrad Davis	John McWilliams
Mark Dauberman	Andrew Mintzer
John DiCarlo	John Moffat
Curtis Eakin	Daniel Morris
Michael Eulau	Kathleen O'Connor
Gary Finkel	Patrick Paggi
Perry Forschino	Marc Parkinson
Mary Kay Foss	Robert Petersen
Mark Fowler	D. Paul Regan
Joel Framson	Wendy Richards
Mitchell Freedman	Stu Robken
Robert Gaby	Barbara Rosenbaum
David George	Larry Russell
Timothy Good	Florence Rust
Karen Goodfriend	Jerry Sample
Bruce Gray	Diana Sanderson-Mori
Michael Gray	Hal Schultz
Jed Greene	Martin Seiden
Donald Gursey	Jeanne Shannon
Robert Healy	Lisa Silva
Paul Herrerias	Juan Soto
Margaret Hesse	Roger Stroud
Fausto Hinjosa	Daniel Thomas
Scott Hofferber	Laarni von Ruden
Jack Hoffman	Lynne Walline
Pamela Hunter	Nancy Wheeler-Chandler

Steven Wimmers
Gregg Wind
Leonard Wright

Christopher Yahng
John Ying
Dennis Young

Past Chairs Present-Voting:

Dennis Brach
Gale Case
David George
Donald Gurse
D. Paul Regan

Diana Sanderson-Mori
Hal Schultz
Nancy Wheeler-Chandler
Steve Wimmers

AICPA California Delegation Present:

John Costello
John Dodsworth
Katherine Leonard
Teresa Mason
Marc Parkinson
Bryan Polster

D. Paul Regan
Marylou Robken
Hal Schultz
Steve Wimmers
Chris Yahng

Staff Present:

John Dunleavy
Loretta Doon
Bruce Allen
John Angelo
Jerry Ascierio
Vince Chin
Sara Cleary
Soco Davenport
Rebecca Duffy
Gary Hammond

Julie Jameson
Susan Klein
Linda McCrone
Lisa McTaggart
Maria Nazario
John Phillips
Clar Rosso
Sarah St. Charles
Jeanne Tindel

Guests Present:

Carol Ach
John Benson
Joe Bunker
Ronald Durkin
Gerald Goldberg
Pamela Kelty
John Kennerson

Leslie Murphy
Jerry Nightingale
Patrick Rogan
Gregory Verdon
Debbie Wacker
Marianne Zhen

Action Items

- Unanimously approved the consent agenda.
- Approved amending Article II, Section 3 of the CalCPA Bylaws.
- Approved amendment to criteria for student membership to: Any person who is a full-time or part-time student and has never been licensed as a CPA may apply for CalCPA Student membership.
- Approved amendment to criteria for Candidate membership to: Any person who holds a bachelor's degree and is pursuing one of the California Board of Accountancy pathways to licensure and has never been licensed as a CPA may apply for CalCPA Candidate membership.
- Approved additional criteria for Associate membership as follows: Non-CPA professional working in financial, legal or banking services.
- Approved CalCPA interim budget for the period from May 1, 2006 through July 31, 2006.
- Approved an overall dues increase of \$25 for fiscal year 2006–07, except for students, educators, retired and candidates.
- Approved the following: Since the exposure period of the updated Standards on Business Valuation will expire prior to the next CalCPA Council, the Council authorizes the Board of Directors to review and withdraw or renew, as appropriate, CalCPA's objection to the standards.

Chair Report

Chris Yahng welcomed the group and acknowledged past presidents and chairs in attendance. He reviewed the consent agenda and it was approved. He went over the nominations procedures for at-large membership on the Nominations Committee for a two-year term for 2006–08.

He announced that the new Leadership Institute kicked off in early January. Fifteen members were selected to participate based on geographic and demographic criteria. The graduation ceremony will be held at the annual meeting in June. Another Leadership Institute will begin in November 2006. He thanked the Education Foundation for its \$25,000 contribution toward this important program. Yahng noted that the AICPA's business valuation exposure draft is expected to be rewritten and re-exposed in early 2006 with a comment period ending after tax season. Bob Peterson has been invited to participate in the rewriting of this exposure draft.

First Vice Chair Report

Marc Parkinson reported on CalCPA's goals to increase membership, specifically to reach 30,000 members by April 30, 2007. New member growth is greater than it has been in 15 years. Parkinson introduced proposed changes to CalCPA's bylaws and membership criteria. Council passed the motion to amend Article II, Section 3 of the Bylaws deleting, "person who presents written notification from the California Board of Accountancy of qualification to sit for the examination for certified public accountant", replacing it with, "CPA candidate". Council also passed changes to various membership criteria, including broadening the criteria for student membership by inserting "or part-time" and adding a clarification that a student member "and has never been licensed as a

CPA”. Council approved a motion to change the criteria for candidate membership by deleting “has registered to take or has taken the Uniform CPA Exam” and replacing it with “holds a bachelor’s degree and is pursuing one of the California Board of Accountancy pathways to licensure”. Lastly, council passed a motion to add an additional criterion to Associate membership: Non-CPA professional working in financial, legal or banking services.

Education Foundation

Beverly Brautigam reviewed the Education Foundation’s financial statements. She noted that attendance at events this year has exceeded last year by approximately 1,200 people. She also encouraged any interested council members to apply for membership on the Board of Trustees.

Treasurer’s Report

Teresa Mason reviewed CalCPA’s current financial statements. She reviewed changes to the budget process, including how the budget is developed and timing of the development. The council approved a three-month budget from the period of May 1, 2006–July 31, 2006. Council also approved a \$25 dues increase for all membership types except students, candidates, educators, and retired.

Review of Nominations Process

Nancy Wheeler-Chandler introduced the Nomination Committee and the 2006–07 applicants to CalCPA leadership positions. The Nomination Committee will meet immediately following the council meeting to interview candidates and nominate a slate of officers.

CEO/COO Report

John Dunleavy reviewed changes that have been made over the past year to streamline processes between CalCPA and the Education Foundation, and noted the success of these changes, including the merging of several departments and a major database conversion. He noted the organizations are working on some great ideas for membership and chapter growth, and that CalCPA and the Education Foundation are in excellent shape.

Loretta Doon noted that CalCPA and the Education Foundation are working in an integrated fashion and there is extensive collaboration. She said one of her goals is to strengthen and leverage CalCPA’s relationship with the AICPA. Doon also talked about how the organization is using statistical surveying, breakout sessions, and other data gathering means to help develop directions. Doon noted that staff is energetic and passionate about serving members, and that with a strong staff and strong leaders we will make a great organization.

Open Forum

Open forum was held.

Leadership Institute

John Angelo reported on the success of the Leadership Institute. Fifteen members are participating. There is a mixture of members who are already in leadership and members in chapters who are interested in leadership. The five-day program is being lead by Bill Reeb, a CPA and consultant from Texas. A second Leadership Institute will begin in November.

Special Award

CalCPA presented Gerald Goldberg, retired executive director of the Franchise Tax Board, with a special achievement award. Goldberg then addressed the group.

Address by Leslie Murhpy

AICPA Chair Leslie Murphy reported that the image of the profession is very strong. She noted that the AICPA's 360 Degrees of Financial Literacy has been tremendously successful and has received several awards. The CPA profession's response to hurricane relief was extensive and decisive. She announced that revisions to the UAA Statute are expected to be released in early 2006, which will contain easier substantial equivalency methods and a peer review compromise. Other key AICPA activities Murphy reported on include: In May 2005 AICPA Council voted to support development of GAAP for private companies and there is an AICPA/FASB Working Group; a task force has been established to assist in the issue of transparency of peer review results and a report is expected in February; the Center for Public Company Audit Firms is being restructured to focus on public policy issues, and, as part of this restructuring, the two peer review programs will be merged; and the computerized CPA Exam has been successful but there are fewer test takers than there were with the paper and pencil exam. She also reported that the AICPA is relocating its New Jersey operations to Durham, North Carolina.

Breakout Sessions

Council members participated in breakout sessions on recruiting and staffing, succession planning, and improving member networking. Each breakout group reported on its discussion.

Financial Literacy

John McWilliams, chair of the Financial Literacy Committee, reported on the program's growth, particularly in high schools. He noted that the East Bay Chapter and San Diego Chapter have been very successful establishing relationships with high schools. Next year, this focus will expand to include colleges and community colleges. McWilliams reported that Assemblymember and CPA Roger Niello is carrying a resolution to declare April 2006 Financial Literacy Month. He then spoke of the California Summit on Financial Literacy, which will be held Wednesday, April 26, 2006 at the Sacramento Convention Center. He noted that legislators will be invited to the event and a reception immediately following. He encouraged all council members to attend.

Government Relations

Bruce Allen reported on legislative activity. He noted that the special districts bill impacting auditors is dead for this session; and abusive tax shelter legislation is moving forward. Allen reported that CalCPA is working with the California Board of

Accountancy to resolve issues related to its new practice privilege regs that are interfering with interstate commerce.

Bob Petersen, Government Relations Committee chair, spoke on the business valuation exposure draft that the AICPA expects to re-exposed in early 2006. He noted that there have been significant and substantial improvements, but cautioned that there could be further changes prior to issuance. The council thanked Petersen for his extensive efforts in this area. Since the revised exposure draft comment period could end before the next council meeting in June 2006, a motion was made and approved, as described above, giving the board of directors the authority to either withdraw or renew the objection to the business valuation exposure draft that was approved at the council's July 2005 meeting.

Don Gurseley encouraged council members' participation in CPA-PAC.

Election Results

Jed Greene and Joel Framson were elected to at-large membership on the Nominations Committee for a two-year term from 2006–08.

Research & Information Update

Clar Rosso reported on CalCPA's activities related to obtaining constant input and feedback from members. She also reviewed key findings from recent focus groups of managing partners from the 50 largest firms in the state, and a statewide survey of members and nonmembers. She noted that CalCPA also collects information via informal polling, daily media scans, council breakout sessions and other means. Overall, CalCPA is very well regarded by both members and nonmembers, but there is substantial room for membership growth and the delivery of more targeted benefits to members.

Open Forum

An open forum followed.

Meeting adjourned 11:17 a.m.