

**CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**  
**Board of Directors Meeting**  
**Minutes**

Friday, December 2, 2005

Hyatt Regency Newport Beach  
Newport Beach, California

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**Members Present**

Chris Yahng, Chair  
Paul Regan  
Marc Parkinson  
Teresa Mason  
Dennis Young  
Joan Alleckson  
Mark Dauberman  
Greg Burke  
Janice Carr  
Paul Herrerias  
Margaret Hesse  
Pam Hunter  
Steve Kramer  
Stu Robken

**Staff Present**

John Dunleavy  
Loretta Doon  
Bruce Allen  
John Angelo  
Clar Rosso  
Sarah St. Charles  
Linda McCrone  
Kristin Klingvall  
Vince Chin

**Action Items**

- The board unanimously approved the Sept. 16, 2005 board minutes.
- The board unanimously approved \$10,000 from the contingency fund for the Leadership Institute.
- The board unanimously approved a modified version of the Membership Committee's proposed changes to the criteria for student, candidate and associate membership.
- The board unanimously approved a three-month budget for approval by council that would extend the current FY05–06 budget period from April 2006 to July 2006.

**Chair Report**

Chris Yahng reported that he has been attending chapter, state committee and discussion group meetings, noting that he is impressed with the involvement and dedication of volunteers and staff. He was particularly impressed with chapters that combine scholarship night with meet the firms night. The Leadership Institute is set to begin Jan. 10-11. The 15 participants were selected from 25 applicants are being notified. Bill Reeb is facilitating the program. Each participant must pay \$149, but the remainder of the costs will be subsidized. The Education Foundation is contributing \$25,000 to the Leadership Institute. Yahng, requested that the board approve designating up to \$10,000 from the contingency fund for the Leadership Institute. The graduation ceremony from the Leadership Institute will occur at the annual meeting. The next Leadership Institute is scheduled for fall 2006.

Yahng reported that partly due to the extensive work of CalCPA members, the business valuation exposure draft is expected to be rewritten and reexposed in early 2006 with a comment period ending after tax season. Bob Peterson has been invited to be part of the team that will rewrite the standard. The AICPA Board has appointed Steve Wimmers as its board liaison to California. At its fall meeting, the AICPA Council approved the formation of the Public Company Auditors' Forum. This entity will be independent of the AICPA—although it can be disbanded by decision of the AICPA Council—and will comment on policies of the PCAOB, SEC, NASBA and Congress.

### **First Vice Chair Report**

Marc Parkinson reported that membership projections are on track. He noted that as part of the planning process for membership development, CalCPA is conducting focus groups with managing partners from large firms, collected information from council and is beginning a survey of member and nonmember CPAs in California starting next week.

Parkinson also introduced the Membership Committee's proposed changes to the criteria for student, candidate and associate membership. After some discussion, the board approved a modified version of the proposal, see attached. The board noted that the changes will help CalCPA grow as well as strengthen alliances and build coalitions. It was clarified that only CPA members can advertise themselves as CalCPA members.

### **Treasurer Report**

Teresa Mason reported that projections for the year ending April 31, 2006, show an increase in net assets of approximately \$500,000 before realized and unrealized gains. The board unanimously approved a three-month budget for approval by council that would extend the current FY05/06 budget period from April 2006 to July 2006. This extended budget is a quarter of the 2005–06 fiscal year budget and is necessary because the Council will approve the 2006–07 fiscal year budget at the June 2006 Council meeting. Mason reported that CalCPA is overhauling its budget planning schedule so that the FY2007–08 budget can be approved at the January 2007 council meeting. Also, during the current budget cycle, the Finance Committee will meet with management staff to discuss next year's budget on a program and project basis..

### **November and January Council Meetings**

John Angelo reviewed outcomes of the November council meeting and its new format. Everyone agreed, and the evaluations concurred, that the additional one-day meeting was a success. Members liked the speakers, brainstorming sessions and discussions with peers. ChrisYahng reported that the information collected from council will be analyzed with other information that is being gathered to assess CalCPA's strategic direction. Discussion followed regarding how to report back to council as well as regarding the focus and format of the brainstorming sessions at the next council meeting.

### **Strategic Vision Advisory Task Force**

Chris Yahng reported that to date in addition to Lou Savett, the following members have been appointed to the Strategic Vision Advisory Task Force, Patricia Cochran, Violeta Cristobal, Bob MacIntosh, Bryan Polster and Dan Ray.

### **Education Foundation Report**

John Dunleavy reported that the Education Foundation is doing well. The webcasts are successful and other states have been purchasing this product. The Foundation is building an on-site studio for webcasts and is analyzing the possibility of broadcasting from instructor offices to reduce costs. Plans are underway to promote the Education Foundation's 40<sup>th</sup> anniversary in 2006.

### **CEO Report**

John Dunleavy commended the staff on the sharing of services between the Education Foundation and CalCPA. The two organizations are now sharing one database, and Dunleavy noted that the conversion process promoted communication and bonding between the staff of the two entities.

### **COO Report**

Loretta Doon praised CalCPA's staff and management team, noting that the senior management team holds weekly coordinating calls and there are monthly combined meetings of directors of both entities. There is some space reconfigurations underway at the Redwood City offices. She noted that CalCPA's chapters host more than 900 events annually, and the volunteer base is strong. Doon is attending CAMICO and GIT meetings to develop stronger relations with our sister organizations.

### **Open forum**

Dennis Young, current CalCPA secretary, suggested that corporate secretary be combined with treasurer. Greg Burke looked into this and determined that we could combine these positions. The suggestion was made to develop a directory of organizations with similar business purpose such as ASWCPA, IMA and NABA. John Dunleavy stated that the Education Foundation would be glad to assemble this information. Joan Alleckson informed us of the availability of undergraduates from foreign countries needing work experience and willing to work for free. However because of possible legal issues, employers are reluctant to offer internships. It would be helpful to develop a point sheet of legal issues. Sarah St. Charles will look into the California Chamber of Commerce to see what information is available.

### **Department Reports**

In Government Relations, Bruce Allen reported that legislation on special district audits and tax shelters is anticipated in January. He also reported that the IRS is publishing estimates of tax return preparation costs in the Form 1040 instructions. The AICPA has formally complained about this listing. Allen noted that CPA-PAC funding is around \$400,000 and that CPA-PAC Chair Don Gurse is working on a promotion campaign to increase contributions to prepare CalCPA for the elections in 2006.

John Angelo reviewed additional specifics about the Leadership Institute and leadership development in general. He noted that Tom Rimerman's speech at the November Council meeting was so well received that he may produce an article for *California CPA*. Nominations closed Dec. 1 for statewide offices, and the number of nominees is consistent with prior years. ... Participation in the statewide Membership Committee by chapters is strong. ... The Business and Industry Committee's audio conferences have been well-received and the number of participants is growing. ... The Accounting Education Committee continues to host roundtables the day before they meet for local educators. There is concern among educators about cheating in college and a desire to place increasing emphasis on the importance of integrity to the CPA profession. ... The Members Insurance and Benefits Committee recently negotiated an affinity partnership with Intuit for a Quickbooks discount. ... CalCPA will participate in Beta Alpha Psi's western regional conference and members are also working with local chapters to encourage collaboration on CalCPA's financial literacy initiative.

Vince Chin commended the chapter coordinators for their extensive accomplishments with chapter events. Major areas of focus for chapters are young professionals, student events and scholarships, and financial literacy. Chapters awarded \$145,000 in scholarships last year and plan to award \$225,000 in this fiscal year. CalCPA's scholarship program actually inspired Cal State Monterey Bay State College to take steps toward establishing an accounting major.

Linda McCrone discussed the Peer Review Committee's increased monitoring and mentoring of peer reviewers. She noted that the program's newsletter, *Exit Conference*, will begin to be delivered electronically to reviewers. ... McCrone noted that a staff team is developing a plan that will build on the work of the State Committees Task Force and help improve communication between state committees.

Clar Rosso reported that the website's integration with AM4 will be completed by the beginning of 2006, resulting in increased efficiencies organization-wide. Demand for CPA speakers in high school classrooms has skyrocketed, mainly due to the addition of personal finance presentations. From July through October 2005, Members appeared before 1,500 students. In November 2005, members presented to 1,100 students and only a fraction of the visit requests have been fulfilled. CalCPA's advertising revenue is exceeding projections.

### **State Committee Liaison Report**

Board members reported on the state committees. Business in Industry is working on having representation at every chapter and is writing guidance for the chapters. Personal Financial Planning is working with the Education Foundation to possibly provide web casts on advanced level topics. Accounting Education will begin inviting local practitioners as well as educators to its roundtables.

The meeting adjourned at 2:00 p.m.