

**The Georgia Society of CPAs
Spring Council Meeting
May 4, 2015
Brasstown Valley Resort
Young Harris, GA**

Minutes

<i>Board Directors:</i>	<i>Council Members at Large:</i>	<i>Council Members at Large continued:</i>
Jennifer Birtz	Jenny Barber	Joe Spradlin
Amanda Carman	Jason Blair	Debbie Thaw
Barbara Evans	Jana Bledsoe	James Underwood
Lee Ellen Fields	Leslie Buice	Randall Webb
James Freeman	John Carson	
Kirk Jarrett	Larry Cohen	<i>Past Presidents/Chairs:</i>
Lowell Mooney	Scott Collins	Colin Blalock
Terry Parker	Andrea Comeau-Shirley	William Bomar
Boyd Search	Lisa Conti-Bacon	Stewart Carlin
Darrell Thaw	Mark Dawkins	John Cook
Brandon Verner	Robert Dow	Julian Deal
	Darla Eden	Royce Duncan
<i>Chapter Presidents:</i>	Jodi Feeley	Sam Johnson
Kathryn Fletcher	Beth Grimes	Paula Mooney
David Geer	Shawn Hale	Allen Poole
Tom Harrison	Bill Harshman	Bob Prator
Tiffany Jenkins	Carlton Hodges	Carolyn Riticher
Patrick McNabb	John Holden	Jim Underwood
Craig Moye	Clay Huffman	Scott Voynich
Geoffrey Smith	Bo Jackson	Bobby Whitmire
	Martha Merritt	
<i>Chapter Representatives:</i>	Chris Miller	<i>GSCPA Members:</i>
Donna Caruso	Gina Miller	Annette Arnold
Becky Hines	Howard Mosby	Debra Bowen
Tommy Lee	Larry Nichols	Abriel Davis
Beth Morrison	Denise O'Connell	Kel-Ann Eyler
Matthew Steinberg	Joel Pascaner	Brian Klinkert
James Young	Rose Patti	Kathleen Moreno
	David Pettigrew	Carl Peabody
<i>GSCPA Staff:</i>	Anita Pittman	Margaret Waldrep
Elizabeth Cook	Kay Proctor	Ian Waller
Nikelle Klareich	Geoffrey Rhines	
Jessica Mytrohovich	Donald Roland	
Steve Olson	Emily Sanders	
Jennifer Poff	Paula Sands	
Greg Wilder	Michael Skinner	
Calvin Wong	Beverly Smith	

I. Call to Order

Terry Parker, chair called the meeting to order at 9 a.m.

II. National Anthem

III. Invocation

Kirk Jarrett provided the invocation.

IV. Recognition of Past Presidents and Chairs

Terry Parker recognized all past presidents and chairs in attendance.

V. Minutes

A motion was made and approved to accept the minutes from the 2014 Fall Leadership Council Meeting as presented.

VI. Conversation with Lynne Riley

Boyd Search introduced Department of Revenue (DOR) Commissioner, Lynne Riley, to the Leadership Council. Ms. Riley began her current position with the DOR in January. Ms. Riley has been very impressed with the professionals at the DOR. During her brief time as commissioner, the DOR has reviewed legislation affecting tax laws in Georgia, invested in a software system for tax and film credit management, has started streamlining services between the Motor Vehicle Division and the Department of Driver Services, and has begun reviewing workforce development plans.

Ms. Riley mentioned her team continues to work with the tax court. Larry O'Neal was recently appointed as judge of the tax tribunal and Ms. Riley will be meeting with him following this meeting. She continues to work with various members of the legislature including GSCPA members, John Carson and Howard Mosby.

Ms. Riley mentioned the new \$5 fee for the hospitality industry was presented too late for analysis by the DOR, but believes there will be a net benefit. It is still too early to tell and the DOR will be monitoring this.

Ms. Riley informed the members that while there was an increase in fraudulent activity during this most recent tax season, there were not very many attempts in Georgia and less than a dozen were successful at fraudulent filing.

VII. Chair's Report

Terry Parker reported that he and Boyd Search have completed almost all of their chapter visits for the year.

GSCPA had a very successful year in Georgia legislature with the passing of House Bill 246. CPA Day at the Gold Dome was successful with many CPAs from throughout the state attending.

A new structure for chapters was implemented this year with new guidelines being distributed to assist in improving chapter operations. Chapters were provided an update on the new guidelines during the Chapter Presidents Breakfast this morning.

Over 3,700 unique members have subscribed to the new Special Interest Communities with several subscribing to more than one community.

GSCPA's Employee Benefit Plan Conference had over 100 people attend in person and 70 via livestream. During the conference, the Department of Labor (DOL) unveiled some of comments that will be in their report on a recent audit quality study they performed.

In August 2014, GSCPA had its first food fight in conjunction with food banks throughout the state. It was a huge success and GSCPA has started planning for another event this year and will be inviting industry members to participate. On May 21, 2015, the Educational Foundation will be holding their annual golf tournament to help raise money for scholarship programs. Mr. Parker encouraged everyone to attend the upcoming Annual Convention at Sandpearl Resort in Clearwater Beach, Florida.

VIII. **Treasurer's Report**

Rodney Chandler delivered the report through a video message. The Society has a overall net asset of \$67K in the operations budget which is \$21K ahead of budget for the year. The Society has made these margins in a fluid CPE market and the net CPE margin represents 99% of the budget. Dues revenue and expenses compare favorably and the investment portfolio has a net income of \$90k dollars for a total of \$3.7 million. Mr. Chandler thanked GSCPA staff for their work on the budget. The Treasurer's Report was received by Council.

IX. **Budget**

Rodney Chandler shared with Council the process of planning the Society's budget. The budget includes an analysis of reserves compared to other societies and a long term budget projection to help determine when a surplus will occur. The budget has been reviewed and approved by staff, the Budget Committee and GSCPA Board of Directors. Proposed changes to the 2015-2016 budget include increasing dues by \$5 per membership class and increase CPE fees by \$6 per registration. Expenses should remain the same.

Greg Wilder presented the details of the budget and recognized members of the Budget Committee in attendance. Dues revenue is anticipated to be \$40K higher due to recruitment campaigns and the increase in dues. The CPE margin is expected to be \$229K higher due to increased registration fees. The budget currently reflects \$38,200 deficit excluding investments.

Mr. Wilder informed the group on GSCPA's philosophy regarding dues increases is to implement small and frequent increases instead of one large increase in order to make it easier for members to adjust.

A motion was made and approved to ratify the budget.

X. **CEO Update**

Boyd Search informed Council that HB 246 has been passed. This bill incorporated several changes including the definition of attest.

The Department of Labor (DOL) released a study about 10 years ago showing a deficiency rate of

approximately 30% in ERISA audits. They recently performed another study and will be releasing a report soon showing the overall deficiency rate has risen to 40%. AICPA and State Societies launched campaigns in 2007-2008 in response to the first study to enhance audit quality, but the DOL believes audit quality continues to decline based on evidence from the recent study.

Some of the findings related to the new study are peer review is not a useful identifier in determining the quality of work a firm is doing, there is a zero correlation between the amount charged and quality of work performed, and that the audit quality issue doesn't appear to be just related to employee benefit plans, but to all audits in general.

The AICPA is developing several initiatives in response to this study. The AICPA's Enhanced Audit Quality Initiative was released in August 2014 and GSCPA responded to this document. Recently, the AICPA released a concept paper on the Future of Practice Monitoring and GSCPA is in the process of drafting a response.

XI. Public Service Award

Beth Morrison presented GSCPA's Public Service Award to Mark Wyssbrod.

XII. Nominating Committee Report

Darrell Thaw, chair of the Nominating Committee, presented the report. A motion was made and approved to elect Barbara Evans and Rodney Chandler to the AICPA Council delegation.

XIII. Insurance Trust Report

Carlton Hodges presented the report. GSCPA's Insurance Trust is administered by Pritchard & Jerden and is a free standing entity under GSCPA. The insurance trust offers group dental, life and long term disability to member firms who meet the requirements. GSCPA's Insurance Trust had a 3.95% increase in firm members over the last year with a 10% overall increase during the last five years. Community rating is currently 20—25%.

Recess the Council Meeting

XIV. Educational Foundation Report

Scott Collins delivered The Educational Foundation Report.

Scott Collins presented the list of nominated directors for the upcoming year. A motion was made and approved to elect the directors of The Educational Foundation. An electronic vote for officers will be sent out after the meeting.

Council members were encouraged to support The Educational Foundation at the upcoming Golf Tournament or through the Annual Giving Campaign.

During the 2014-2015 fiscal year, The Educational Foundation awarded \$102,875 in scholarships to 37 students at 17 colleges and universities. An additional \$15,500 in Academic Excellence Awards were sent to 36 students. The Foundation tried to spread the scholarships throughout the state. Since the Endowment Campaign in 2008, the Foundation has awarded \$668K dollars to accounting students in Georgia.

The Foundation has approved their budget for the upcoming year and will be looking at developing a planned giving campaign. Mr. Collins reminded everyone to think about the Foundation when creating their wills and/or trusts.

Council Meeting Reconvened

XV. Annual Convention

Brandon Verner, chair of the Annual Convention Task Force, encouraged everyone to attend the upcoming Annual Convention on June 21-24, 2015 at Sandpearl Resort in Clearwater Beach, Florida.

XVI. Open Forum

Jim Underwood shared that he believes GSCPA and the State Board should continue to work together and begin reviewing the A&A CPE requirements for the state of Georgia.

XVII. Ethics Presentation

Perry Tomlinson presented an Ethics presentation to Council members.

XVIII. Adjourn

The meeting adjourned at 3:30 p.m.

Respectfully submitted,



Boyd E. Search, CAE
Chief Executive Officer/Secretary