



NCACPA Board of Directors Meeting Minutes March 18, 2021 Kelli Knoble, CPA, Chair, presiding

Members participating

Walter Davenport	Jared Korver	Michelle Tracz
Kelli Knoble	Jose Rodriguez	Scott Showalter
Abi Raja	Arleen Thomas	Scott Hughes
Bryan Swerbinsky	Shawana Hudson	Beth Monaghan
Whitney Gann	Alex Lehmann	Austin Wachter
Rob Rowan		

Newly elected NCACPA board members (effective May 1, 2021)

George Beckwith	Dr. Kevin James	Kimberly Branch
Jeanette Franzel	Kristin Pappas	

Staff participating

Sharon Bryson	Amelia Hodges	Jackie Asekhauno
Mark Sotichack	Lorrie Gold	Robert Broome
Nikki Vann	Teka Miller-Alston	Samantha McKeon

Guests - NC State Board of CPA Examiners members/staff

David Nance	Noel Allen	Jennifer Van Zant
Frank Trainor	Gary Massey	Art Winstead
Barton Baldwin	Michael Massey	
Bernita Demery	Wanda Taylor	

Guests

Dave Horne, NCACPA Legislative Counsel/Lobbyist
Thomas Stith, President, North Carolina Community College System
Colleen Conrad, National Association of State Boards of Accountancy
Carl Mayes, Association of International Certified Professional Accountants

Board Development

Board Chair Kelli Knoble called the meeting to order and welcomed all those participating. She allowed for individual round robin introductions of all individuals participating in the meeting.

Thomas Stith, President, North Carolina Community College System

North Carolina Community College System President, Thomas Stith, presented his vision and roadmap directed at strengthening the NC Community College System. President Stith noted a collaborative approach can sustain the state's economy by translating education into opportunities and showcasing accessible and affordable offerings. He briefly noted his legislative priorities, including a 5% increase in

staff and faculty salaries, budget stabilization, modernization of IT systems, and various capital improvement programs.

It was acknowledged and agreed that a continuance of strategic, collaborative discussions between NCACPA and President Stith's office can simultaneously and positively influence the NC Community College System's curriculum offerings, our state's student population, and the accounting pipeline.

At the conclusion of President Stith's presentation, round robin introductions of attendees were completed and the CPAs in attendance recited the *Oath of a North Carolina CPA*.

CPA Evolution Update, Colleen Conrad & Carl Mayes

NASBA Executive Vice President & Chief Operating Officer, Colleen Conrad, and AICPA Associate Director of CPA Quality & Evolution, Carl Mayes, co-presented an update to both boards on activities related to the CPA Evolution initiative. Their session showcased results of the recent "AICPA/NASBA Curriculum Gap Analysis Survey," and highlighted current opportunities on emerging topics within the accounting education curriculum, as well as the development of faculty resources facilitating transition to the new CPA Exam (slated for launch in January of 2024). Currently, NASBA and AICPA are scheduled to share a related Exposure Draft requesting public comment in the summer of 2022. It was noted the Exposure Draft will provide a great opportunity for NCACPA members – and of course, our NCACPA Board and the NC State Board – to continue to share feedback regarding the topic of CPA Evolution.

Kelli Knoble thanked Colleen and Carl for their informative presentation and expressed appreciation to members of the NC State Board for their participation in the morning portion of our meeting.

Administrative Matters

Consent Agenda

Kelli inquired if there were any comments concerning the consent agenda, which included:

- minutes of the January 13, 2021, board meeting;
- revisions to the NC CPA Foundation bylaws; and
- nominees to be ratified for appointment to the NC CPA Foundation Board of Directors.

There being no questions or comments, a motion was made and unanimously approved to accept the consent agenda as presented.

Strategic Discussions

Governance & Operational Effectiveness

Treasurer's Discussion

January 2021 Financial Statements

Treasurer Whitney Gann reported on the January 2021 financial statements, noting a year-to-date surplus from operations of \$1.5 million before factoring in investment returns of \$777 thousand, or approximately 14%. The surplus is primarily driven by the cost reductions enacted throughout the year. CPE margin is tracking above 60%, and we are projecting approximately \$800 thousand in surplus for the year-ending April 30, 2021.

Investment Committee Spending Policy

Whitney summarized the Investment Committee's drafted Spending Policy and how it works in alignment with NCACPA's Cash Management Policy. The Spending Policy's goal is to provide guidelines on prudently withdrawing and spending investment earnings in order to support NCACPA's strategic initiatives. A motion was made and unanimously approved to accept the Investment Committee Spending Policy.

Approval of the 2021-2022 Fiscal Year Budget

Whitney discussed the 2022 fiscal year budget noting it was developed as a zero-based budget, fully integrating strategy into the process. She noted that the Executive Committee, after a full presentation by the NCACPA Leadership Team, recommended approving the budget. Based on discussions during the January board meeting, Mark clarified that dues are set to increase by 2% this fiscal year (translating to no more than a \$2-5 increase per category), and that there will be no PD program fee increases. A motion was made and unanimously approved to accept the Fiscal Year 2022 budget.

Committee Restructure Task Force Update

In order to provide context to the newly elected board members, Task Force Chair, Scott Showalter, shared a summary of the three-phased approach the CRTF has taken in the process of implementing this initiative. He relayed the task force is now in Phase III, which centers around implementation. Since the January board meeting, the task force has gathered feedback from Association stakeholders (from multiple demographics) and is now focused on addressing those comments/concerns. Additionally, the CRTF has begun the process of drafting a communication plan to speak to these changes. The goal is for May 1, 2021, to be the official beginning of our overall implementation efforts and related transition.

Discussion of 2019-2020 Board Survey Results

Kelli led a discussion focusing on several of the survey questions, and board members commented on the following common themes:

- Interest in including other industry issues into meeting agendas;
- Pride in the effectiveness of our virtual meetings amidst a very challenging year; and
- The desire to meet in person again once it is safe to do so... but until then, continuing to find opportunities to engage between board meetings; to which Kelli suggested working with NCACPA staff to find a resource or networking group that would fit one's specific interests and skillsets.

Report from the Chair-Elect

Shawana Hudson expressed her gratitude for being nominated as incoming Chair, along with her excitement to continue leading NCACPA's strategic roadmap during the upcoming year. She announced the individuals she has requested to serve on the 2021-22 Executive Committee: George Beckwith as Chair-Elect; Whitney Gann as Treasurer; Kelli Knoble as Immediate Past Chair; with both Beth Monaghan and Jose Rodriguez serving as at-large members. A motion was made and unanimously approved to accept the recommended 2021-22 Executive Committee roster.

Shawana then referenced the newly-formed list of 2021–2022 Board Standing Committees.

Other Board Responsibilities

Other Business

Kelli Knoble acknowledged and expressed sincere appreciation for the outstanding service of the five board members with terms ending April 30, 2021. The following officers and directors were recognized: Scott Hughes, Walter Davenport, Michelle Tracz, Scott Showalter, and Immediate Past Chair Austin Wachter. Austin then took a few minutes to congratulate and thank Kelli for her incredible job of leading the board as Chair during the past year.

Adjournment

There being no further business to conduct, Kelli Knoble thanked everyone for their participation and adjourned the meeting at 12:48 pm.

Respectfully submitted,
Sharon H. Bryson, M.Ed., NCACPA CEO
Secretary to the Board