

DECEMBER 2019 FINANCIAL STATEMENTS

SOCIETY

The Society has improved its financial position in the first seven months of the fiscal year, with revenue of \$1,247,158. The unrestricted fund balance at December 31, 2019 was 90% of budgeted expenses. The strong performance of the investment portfolio provides for \$676,677 of the net revenue. Total revenue for the period is tracking with the budget, with member dues slightly behind budget and peer review fees slightly ahead of budget.

There have been savings in salaries and benefits as the Governmental Affairs Director position has been vacant since July 31. Interviews are currently being conducted, and it is anticipated that the position will be filled this spring. The Society continues to experience significant cost savings as a result of outsourcing IT, human resources and two accounting positions. These savings are reflected in department expenses and should result in a \$250,000 favorable budget variance at year end, when combined with savings in other department areas. The membership department is utilizing technology and staff resources to conduct recruitment and retention efforts and should also finish the year with a significant favorable budget variance.

Many programs and services are reflected in the expense section including the new TXCPA brand campaign, a TXCPA app, the triennial compensation study, our New Orleans Annual Meeting of Members, the member survey and three issues of *Today's CPA*. A strategic planning retreat will be held in June 2020, and research expenses have already been incurred as we prepare for the retreat.

CPE

Conferences continue to be the biggest revenue generator for CPE with \$1,099,439 earned from 16 conferences in the first seven months of the fiscal year. This includes the two-day, three-city CPE Expo held in December, which had total revenue of \$301,538.

Sixty-seven four- and eight-hour classroom presentations have been held, with total revenue of \$224,760. The classroom presentations continue to struggle and have experienced 25 cancellations despite reducing our classroom offerings for 2019-2020.

Four clusters in four different locations were offered this past summer. They had total revenue of \$199,265. Each cluster offers 18 four-hour programs over three days.

CPE launched the TXCPA Passport in 2019-2020, and this proved to be very successful. The Passport is a library of one- and two-hour programs whereby a subscriber can take any and all courses on demand. It is offered to members for \$199, and 815 subscriptions have been sold to date for total revenue of \$162,815.

MEMBER DUES

One of the primary reasons given by former members for non-renewal is that dues are too high. When state dues are combined with chapter dues and suggested voluntary contributions, CPA members receive an invoice ranging from \$405 to \$635.

Given this perception and the current financial strength of the Society, the TXCPA Executive Board is recommending no dues increase for 2020-2021. It is further recommended that the chapters do not increase local dues. By partnering together, this will be the second year without an increase in member dues.

The hope is that by increasing programs and services, such as TXCPA Exchange and the TXCPA app, without raising the dues rate, we can increase the value of membership and enhance the member experience.