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## **Annual Meeting, September 20, 1993, New Orleans Hilton Riverside, New Orleans, Louisiana**

American Institute of Certified Public Accountants (AICPA)

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AMERICAN INSTITUTE  
of  
CERTIFIED PUBLIC ACCOUNTANTS

Annual Meeting

September 20, 1993  
New Orleans Hilton Riverside  
New Orleans, Louisiana

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\* \* \*

P R O C E E D I N G S

CHAIRMAN NETTERVILLE: If you would take your seats.

Good morning, ladies and gentlemen, and welcome to New Orleans.

I'm Jake Netterville, Chairman of the American Institute of CPA's Board of Directors and I would like to declare the 106th annual meeting of this Institute is now in session.

I bid you a special and warm welcome. This is my home state and New Orleans -- excuse me, Melinda -- is a suburb of my home city of Baton Rouge.

(Laughter.)

CHAIRMAN NETTERVILLE: I also want to welcome you on behalf of the host society, the Society of Louisiana CPAs.

This is a wonderful city with excellent restaurants and a number of interesting things to see and do.

I hope you will take advantage of this warm southern hospitality and our weather and that you will enjoy yourselves throughout your stay here.

We are honored this morning to have us welcomed by our Lieutenant Governor of the State of

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Louisiana, our first woman Lieutenant Governor in the its,  
and who is from by far the strongest political family in the  
State.

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6

7

I say that because her husband is John  
Schwerger who is one of five Public Service Commission  
members.

8

9

Melinda, we are delighted to have you this  
morning.

10

11

And on behalf of the State and the City,  
please give us your welcome.

12

(Applause)

13

14

LIEUTENANT GOVERNOR SCHWERGER: Thank you,  
Jake.

15

16

17

I'd like to say first how proud we are of  
you in your position and I want to thank all of you for  
choosing Louisiana for your annual meeting.

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22

I, as Lieutenant Governor, am also  
officially the Commissioner of Culture, Recreation and  
Tourism here in Louisiana. So as you can imagine, I love to  
see conventions come to New Orleans which is, excuse me, my  
home city --

23

(Laughter.)

24

25

LIEUTENANT GOVERNOR SCHWERGER: -- and to  
Louisiana.

1  
2 We are seeing that more and more people not  
3 only want to see New Orleans but, of course, our entire state  
4 which we feel is truly unique.

5 There is a fascination around the world  
6 with Louisiana with our Cajun food, our French culture, our  
7 music. People want to see alligators, swamps.

8 If you have time to do any of that, I can  
9 assure you we can point you in the right direction.

10 You need to see a little bit of the real  
11 Louisiana as well, of course, as -- I'm told you've already  
12 had the chance to dine last night in New Orleans and, of  
13 course, tonight, and I hope that you will shop and go visit  
14 our aquarium and the Riverfront and all of the things that we  
15 are so proud of.

16 Tourism is very big business for Louisiana.  
17 And it's a very exciting prospect for me to be in this job as  
18 Commissioner of Culture, Recreation and Tourism.

19 I've only been elected. Just about two  
20 years ago at this time I was running for my first political  
21 office and was elected and have been in office for about a  
22 year-and-a-half.

23 But it is -- I think the best part about  
24 the entire job is getting to meet so many people travelling  
25 around our State and then welcoming people like yourselves

1

2 from across our country to Louisiana because we are indeed  
3 very proud.

4

Again, I would like to say thank you, Jake,  
5 for asking me to be here.

6

I want you all to work hard, accomplish a  
7 lot, but also don't forget to spend some money and have a  
8 good time.

9

Thank you.

10

(Applause.)

11

CHAIRMAN NETTERVILLE: If you can recall  
12 back to the debate we had over women and family issues a  
13 year-and-a-half ago, little did you know that I would assure  
14 this group that we would elect a lady Lieutenant Governor to  
15 welcome you at that time.

16

Thank you very much, Melinda.

17

As most of you know, in 1991 the Institute  
18 abandoned its traditional annual meeting format which  
19 combined plenary sessions with well-known speakers and  
20 numerous technical sessions.

21

Since the early 1980s and through that  
22 time, attendance at the annual meeting had been  
23 disappointingly small.

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In spite of a number of innovations that  
25 the Board of Directors felt would make a more attractive

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meeting, the meetings were not terribly successful.

The meetings did not support themselves.

And the Board decided to expand the Fall Council Meeting and invite those AICPA members who wanted to watch the Council in action to be present throughout the Council meeting.

As a membership corporation, we are required by statute to hold an annual meeting, and the first hour-and-a-half this morning will be in that format.

Following a break we will reconvene and the Fall Meeting of Council will commence.

We are conscious of members' desire to obtain CPE credit where warranted, and I am pleased to report to you that the events during the next few days should qualify for five hours of CPE.

A copy of the annual joint message from the Chairman and President, together with the audited financial statements for the year just ended, have been distributed to Council and extra copies are available at the registration desk.

This material will also appear in The Journal of Accountancy which will be mailed to all members.

Once again this year, we have prepared a video which expands on our written annual report. The video



1

2

tapes the place of an oral report by the President and by me.

3

It has the added advantage of bringing you up-to-date on

4

events of the year by having you see some of the

5

personalities involved who serve on Institute Committees and

6

in various leadership positions throughout this profession.

7

Could we have the lights dimmed, please.

8

(A video was viewed by all assembled.)

9

CHAIRMAN NETTERVILLE: Thank you and

10

thanks to our production and communications department for

11

that very excellent video.

12

Are there any questions this morning about

13

the video?

14

(No response.)

15

CHAIRMAN NETTERVILLE: We have another

16

brief video which we would like to show you this morning.

17

You will recall that the highlights video

18

reported that the Board of Directors had authorized a new and

19

comprehensive recruiting program in support of our effort to

20

bring the very best and brightest students into our

21

profession as certified public accountants.

22

One element of that program is to make

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contact with high school teachers and accounting professors

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on the college level and offer them information on the

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profession of accounting as a career opportunity.

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In response to requests made through these contacts, we will be sending a briefing package and video which expresses in easily understandable terms the challenge which we offer to students in high school and college.

If we could have the lights dimmed again, we would like to offer this very exciting promotional piece.

(A video was viewed by all assembled.)

CHAIRMAN NETTERVILLE: I see a lot of blue suits in the audience. I didn't see anyone walk in with orange tennis shoes.

(Laughter.)

CHAIRMAN NETTERVILLE: But, remember, this video is for those that we want to come into the profession, not necessarily for those already here in this room.

(Laughter.)

CHAIRMAN NETTERVILLE: It is now my pleasure to introduce to you the winners of several awards for achievement on the Uniform CPA Exams held since our last annual meeting.

The winners received their awards earlier today and are with us in the front of the hall, and I would ask them to stand as their names are called and be recognized.

Please hold your applause until I have

1

2 identified all of them.

3

4 First, the winners of the Sells Gold Medal  
5 Award for the highest grade total on the November 1992 exam,  
6 Laurie Stoll of Ohio.

6

7 We are privileged to have Kenneth G.  
8 Grapperhaus of Illinois, winner of the Sells Gold Award for  
9 the highest exam in May of 1993.

9

10 Eija A. Roulson of Michigan is the winner  
11 of the Sells Silver Medal Award for the second highest grade  
12 on the November '92 exam.

12

13 For the May '93 exam, we have Greg Ye of  
14 Minnesota who has been awarded the Sells Silver Medal.

14

15 The Sells Bronze Medal is awarded to  
16 candidates receiving the third highest grade totals in their  
17 respective exams.

17

18 The winner for November is Nina M. Dowd of  
19 Colorado.

19

20 The Bronx Medal winner for the May 1993  
21 exam is Steven J. Monohan of Illinois.

21

22 Please give these wonderful students your  
23 recognition.

23

(Applause.)

24

25 CHAIRMAN NETTERVILLE: Congratulations to  
all of you. This is a marvelous way for you to begin your

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career in accounting. And we wish you all the very best of  
luck in your professional careers.

Those of you who were present and who were  
Members of Council during the spring meeting at Hilton Head  
in 1992 will recall a quite spirited debate at the conclusion  
of Council when we passed a motion calling for the creation  
of an Executive Committee on Women and Family Issues.

That Committee has worked diligently during  
the past year chaired by Sam Vitkowski.

I have asked Sam to bring you up-to-date  
this morning with a brief report of the activities of that  
committee since its inception.

Sam, the mike is yours.

MR. SAM VITKOWSKI: Thank you, Jake.

I always thought that I think in public  
accounting I always wanted to wear orange tennis shoes but  
I've never had the opportunity yet.

(Laughter.)

MR. SAM VITKOWSKI: But I did attend a  
football game as part of my job of being responsible for  
recruiting for my firm about a year-and-a-half ago at  
Clemson.

And I said at the end of the game -- I hope  
there are not too many Clemson fans here -- but if I saw one

1

2 more person with orange tennis shoes I may throw up.

3

(Laughter.)

4

MR. SAM VITKOWSKI: And yet they probably  
5 wear them in Tennessee and Texas and a few other places also.

6

But I'm here to report to you today on the  
7 activities of the Women and Family Issues Executive Committee  
8 during our first year.

9

I also want to briefly share with you a few  
10 of my thoughts about the changes that I've seen over the  
11 eight-year period I have served on the Committee and with  
12 prior committees working on this issue.

13

You heard right. I'm probably one of the  
14 few who have served on one committee so long, eight years.

15

I never thought that I would serve that  
16 long on this committee.

17

But, first, a short report on the  
18 activities of our committee during the first year.

19

As we see it, this is our mission:

20

To influence the accounting profession to  
21 effect the necessary changes for developing and retaining a  
22 more competitive workforce such that:

23

Women achieve meaningful professional  
24 status including broad representation in top management and  
25 leadership positions;

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Men and women achieve a balance among  
personal, family and professional responsibilities.

You saw that on the video a few minutes  
ago, Dom Tarantino's comments and other people's comments on  
the video.

We set four goals when we first met.

First, to promote awareness and recognition  
within the profession of the need to remove barriers to and  
enhance women's upward mobility.

Two, to provide information to the  
profession about women's status and progress.

To provide guidance to the profession in  
developing programs and policies to address upward mobility  
and men and women's ability to balance their work, personal  
and family lives.

And, fourth, to support and monitor the  
AICPA's efforts to increase women's participation at all  
levels of the Institute.

To accomplish these goals we began several  
projects. I would like to speak about three briefly.

The first project is, the committee, with  
the assistance of the Planning and Research Division, will  
initially survey public accounting firms and later non-public  
members of the Institute to gather data on firms' women and

1

2 family initiatives and managing partners' outlooks on women's  
3 upward mobility.

4

5 The survey will provide baseline statistics  
6 to measure women's progress in gaining top management and  
7 leadership positions.

8

9 We have also established a State Society  
10 liaison network.

11

12 This network encourages greater activity at  
13 the local level in addressing women and family issues by  
14 facilitating communication among the State Societies and  
15 between the AICPA and the Societies.

16

17 At our last meeting in San Francisco on  
18 September 10th, we conducted a discussion the day before our  
19 meeting with representatives from several State Societies. We  
20 believe it is very important to work closely with the State  
21 Societies to learn about what they're doing and to let them  
22 know about what we're doing so we can look to ways where we  
23 can work together collaboratively.

24

25 Finally, we began to work with the  
Washington Office. We have provided the DC staff with a list  
of issues which affect our mission. They keep us informed  
when legislation is introduced which affects the mission.

26

27 In January, when we had our second meeting  
28 of the committee on January 19th, it was prior to the

1

2 Congress passing the Family and Medical Leave Act.

3

4 We really didn't have the time to respond  
5 or to comment. We thought that, gee, there won't be many more  
6 opportunities to do that in the future.

6

7 We were wrong because as we began to work  
8 with the DC office, we've had several opportunities to work  
9 on different issues.

9

10 We are currently developing a position  
11 statement on the Zoe Baird tax issue. I wonder if Zoe ever  
12 thought that she would be an issue. Probably not.

12

13 But we've looked at new legislation on Fair  
14 Labor Standards.

14

15 We looked at some stuff on the marriage  
16 penalty.

16

17 And one other interesting thing that has  
18 come up is, one of the staff attended a hearing of the Glass  
19 Ceiling Commission. It's a commission that is in the  
20 Department of Labor.

20

21 We wrote to the Executive Director, Joyce  
22 Miller, and said that we would like to meet with you and we  
23 would like to tell you about the advances and the projects  
24 that we have going on in the accounting profession.

24

25 And we are in the process of scheduling a  
meeting with her.



1  
2 We would like them to know that we have  
3 been doing a lot of good things in the profession to advance  
4 women and family issues.

5 We also produced a pamphlet on the Women  
6 and Family Issues Executive Committee for distribution and  
7 that is available at the registration desk.

8 The purpose of the pamphlet is to let  
9 people know who we are and what we are doing and what  
10 projects we are working on.

11 So, as I said, it's been eight years since  
12 I first started working on this special committee.

13 I was asked to join the committee by Dick  
14 Hickok who had served as Chair of the Future Issues  
15 Committee. I'm sure many of you know Dick.

16 One of the things that I have learned over  
17 this eight-year period is just in my business communications  
18 to refer to myself in this role as Chair as opposed to a  
19 Chairman.

20 I never thought, as I said, that I would  
21 serve for that long of a period of time. As you would  
22 imagine, over that period of time there are several incidents  
23 along the way which, when you look back, you say are funny.

24 I'm probably one of the few committee  
25 chairs who once asked the staff to leave the meeting because

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we had some private things we wanted to discuss. I hope that Rick Elam has forgiven me for asking him to leave the meeting.

He did tell me later that it was the first time he was ever thrown out of a meeting. That wasn't true. He was asked to leave for a few minutes with some others.

One other thing that was funny along the way to me is we once wanted to appear on the planning conference agenda for the conference that's scheduled for State Society Executive Directors, Presidents and Incoming Presidents.

So my job was to call the Chair of the Planning Conference, Dennis Steroski in Albuquerque, New Mexico. Maybe some of you know Dennis.

I didn't know who he was and I didn't know if he was a supporter of women and family issues or not. I had no idea who he was.

So I figured I wanted to get his attention and I wanted him to call me back if he couldn't talk to me then.

And I told his secretary, I said, tell him the Liberal Democrat in charge of the Women and Family Issues is on the line calling about the State Society Planning Conference.

1

2

So he calls me back a little while later.

3

4

5

6

He says: you know, when my secretary came in to tell me about who was calling, the staff accountant in my office said, "You mean there are two of you in the accounting profession?"

7

(Laughter.)

8

MR. SAM VITKOWSKI: Steroski and I.

9

I later found out he was a double, from Notre Dame Undergrad and Graduate School.

11

12

13

14

For the first few years I felt it was hard for us to get the attention of the membership of the Institute. I think at times people questioned why we had a committee.

15

16

That has changed dramatically as you see from this video which we just had.

17

18

There were several women on the video and several people talked about women and family issues.

19

So things have changed dramatically.

20

21

22

Until Frank Katusak became our staff in 1988 we had a turnover once a year on staff. That to me meant that maybe the issue wasn't exactly a hot one.

23

Now we've had continuity since 1988.

24

25

And, as you may recall, in 1988 we issued our first report. We were happy with this report. We went

2 about our business of monitoring our recommendations for two  
3 years.

4 But after we became a permanent committee  
5 in 1990, we decided to change our focus and become a  
6 committee that initiated projects and become proactive.

7 In February of '92 we issued a popular  
8 report on how the accounting profession was addressing women  
9 and family issues in the workplace because we thought we had  
10 a story to tell which was very good for the accounting  
11 profession.

12 Of course, in May of '92 Council here  
13 formed the Women and Family Issues Executive Committee.

14 Women and family issues are being addressed  
15 by many companies and organizations. It's a business  
16 necessity to address these issues.

17 I firmly believe that the most successful  
18 organizations in the future will be ones who learn to address  
19 this issue and other diversity issues.

20 I am currently or I've just achieved --  
21 taken the job as Chair of the Beta Alpha Psi National  
22 Advisory Forum. And I frequently speak to student groups  
23 about the accounting profession and the progress that we've  
24 made in this area.

25 One of the things that I talk to them about

1

2 in many of my presentations, which I would like to talk to  
3 you about very briefly, is this idea of some of the notions  
4 that we bring into the workplace.

5

And I remind the students when I talk to  
6 them about sometimes the need to discard all notions about  
7 people.

8

One of the notions that I became aware of  
9 actually was one that you heard last year during the  
10 presidential campaign.

11

In the summer of '92 I asked a friend of  
12 mine, who is a CPA, I asked him about his opinion of the  
13 First Lady.

14

And he commented very negatively about her  
15 when her husband was running for President.

16

And I asked him if he knew much about this  
17 person.

18

And he said, no, he didn't know about the  
19 work she had done for children, the Children's Defense Fund,  
20 or work for education. But she really didn't fit his picture  
21 of how he saw a woman.

22

And what I learned from that conversation  
23 is that sometimes people need to let go of their notions  
24 about what places they believe people may have in the  
25 workplace.

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And sometimes men need to change their views of the roles of women.

There was a woman by the name of Deborah Tannen who wrote a book about men and women in communication. It was called "You Just Don't Understand."

She wrote a column which appeared in The New York Times in October of '92 about the real Hillary factor.

In the first paragraph she said, and I'll quote: While I was a guest on a radio talk show discussing how women's and men's communication styles could lead to a misunderstanding, a man called to say that he and his wife got along very well because they're agreed there could only be one boss in the house and he was it.

The host responded that she did not believe that anyone needed to be boss.

She took another call. It was from another man who said: That's what's wrong with women. You want to dominate us.

This woman said: I'm now going to scream into the microphone. And she did.

And my point is, that I make to students, is that all of us have to examine our notions.

And I think we have been doing that over

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the year with this committee.

It's time for me to say thank you for the privilege of working on these issues for you. I hope over the years that we've made a difference. I believe the profession is moving forward and we are changing.

How many times do you think would you have thought five years ago that we would have seen the video that we saw on recruiting?

I think we have a lot of -- have made a lot of progress of which we can be very proud.

I have many people to thank including all the staff with whom I have worked.

We'll start by thanking Frank Katusak who I mentioned earlier, who played a big role in the success of the committee.

I also would like to thank Bea Sanders and Cecelia Maneley, our current staff. Cecelia is the person we hired to work with us full-time and she has done an outstanding job.

I think all of us can also be very proud of the leadership of Jerry Polanksy, Jake Netterville and Dom Tarantino and Phil Chenok on these issues.

I'm pleased to tell you that Jerry will be joining the new Executive Committee when it forms in October.

And I would like to thank all of the members of the committee over the years because they have done a great job, including our first Chair, Brenda Acken. We both pass into the sunset today.

And I would like to leave you with one quote that has guided us since we started in 1985.

Back in '85 the issue was tough. As I said, many people didn't think at the time that it was a very important one.

But it's a paragraph from a speech that was given by Robert Kennedy in 1965 in Johannesburg, South Africa and I would like to leave you with this.

"It's from a numberless diverse acts of courage and belief that human history is shaped. Each time a man or a woman stands up for an ideal of acts to improve the lot of others, or strikes out against injustice, they send forth a tiny ripple of hope, and crossing each other from a million different centers of energy and daring, those tiny ripples build a current that can take down the mightiest walls of oppression and resistance."

I think we've made progress and I think all of us in our profession can be very proud of the work that we have accomplished, that we have done over the years.

Thank you very much for allowing me to



1

2     serve you.

3

4     privilege.

5

(Appause.)

6

7     CHAIRMAN NETTERVILLE:   Thank you, Sam, and  
8     especially, Sam, the work of your committee during its first  
9     year of business.

9

10     The Gold Medal is the highest honor  
11     bestowed by the American Institute of Certified Public  
12     Accountants to a member whose influence on the profession as  
13     a whole is distinguished when compared to other contemporary  
14     leaders.

14

15     It was in 1944 that the Institute  
16     established the Gold Medal for distinguished service to the  
17     profession, and several members who have achieved that honor  
18     are with us today.

18

19     We would like to recognize those members at  
20     this time and ask them to stand and remain standing. I'll ask  
21     you to hold your applause until I have introduced all that I  
22     have seen.

22

They are:

23

Stan Scott;

24

Sam Derieux;

25

Herb Miller;

1

2

Bob Ellyson;

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John Meinert;

4

Bill Kanaga;

5

B. Z. Lee;

6

and Marvin Strait.

7

Congratulations, again, to all of you.

8

(Applause.)

9

CHAIRMAN NETTERVILLE: I have asked Bill

10

Kanaga, who is Chairman of the Awards Committee, former

11

Chairman of the Institute's Board, and himself a Gold Medal

12

award winner, to come to the microphone now and make this

13

year's presentation.

14

Bill.

15

MR. WILLIAM KANAGA: Thank you, Jake.

16

When you said that this Gold Medal was

17

first awarded in 1944, that sounded like a long time ago. But

18

Don and I, our awardee this morning, both started that trek

19

in the profession in the 40's.

20

It's been a great life.

21

I must say that we have come a long way,

22

baby, when you are watching that recruiting video.

23

(Laughter.)

24

MR. WILLIAM KANAGA: Fellow Members of the

25

Institute and Guests:

1  
2                   What I am about to do is one of those  
3 pleasures one has on too few occasions in one's life, to  
4 honor an old friend and to discharge in a small way the debt  
5 that all of us here in this room and in the profession have  
6 to one who has contributed so much to our profession over so  
7 many years.

8                   I have to say that one of the nicest things  
9 about this committee that I'm on is that we don't have to  
10 consider any more the latest technical standards nor are we  
11 challenged by any of the latest government regulations.

12                  All we have to do, which is a great  
13 pleasure, is to discuss the positive, significant  
14 contributions made by so many fellow professionals,  
15 volunteers, over their professional careers.

16                  Before I share with you the scroll which  
17 gives the principal contributions made by this year's  
18 honoree, let me spend a few minutes sharing some bits of  
19 information on James Don Edwards so you will have a better  
20 feel who he is and what he represents in his life.

21                  I think this could well be a Louisiana  
22 morning, Jake.

23                  Our candidate grew up in, not far from  
24 here, in northern Louisiana, the son of a God-fearing  
25 minister of the Southern Baptist Church.

Those early days made a strong imprint on Don and all the tasks that it has been my pleasure to witness in his life: commitment, desire, sacrifice, integrity, fairness and forthrightness.

I think if any of you know Don you know those fit him.

He graduated Louisiana State in those early years, married a native of New Orleans whom he met up in Baton Rouge, his lovely spouse, Clara, down here in the front row.

He set out on a career of bringing the challenges of our profession to a whole series of our younger generations.

He has throughout his career found time from his responsibilities and busy campus schedule to serve not only the academic community as the President of the American Accounting Association, but also many activities of our own Institute, including service on our Board of Directors.

He was never in my mind and my experience deterred by people who disagreed with him.

I can remember Don's steadfast support of the increase in academic requirements for accounting graduates in seemingly endless discussions of that at the

1

2 Board in the face of a phalanx of opposition by a few  
3 determined deans of business schools.

4 That didn't bother our candidate. It only  
5 spurred him on.

6 His interests have gone beyond our  
7 profession. He has had an abiding interest in athletics that  
8 has involved him through the thick and thin with the  
9 University of Georgia athletics and service on its athletics  
10 governing board.

11 As the son of the soil, who in Athens,  
12 Georgia, hasn't been the beneficiary of the Edwards'  
13 vegetable gardening?

14 The apple of his and Clara's eyes are two  
15 granddaughters whose parents had to live and to settle in  
16 Athens near their children and still be grandparents.

17 What a great pleasure that is for you, Don,  
18 one that I share and am blessed by, that is, nearby  
19 grandchildren.

20 While we are not here to honor Clara, I  
21 believe her many years of participation and the sacrifices  
22 that go with Don's contributions entitle her to stand and be  
23 recognized by our audience as well.

24 Clara.

25 (Applause.)

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3

4

MR. WILLIAM KANAGA: And their son and daughter-in-law: son, Jim, and daughter-in-law, Lisa, and granddaughter Chelsea.

5

(Applause.)

6

7

MR. WILLIAM KANAGA: And now to the award itself.

8

9

10

11

The overriding requirement, as Jake just mentioned, in our committee's deliberation is that the candidate must have great influence on the profession on the whole when compared with other contemporary leaders.

12

13

How well Don met that standard is reflected in the honor that we pay him today.

14

15

16

Don, please join me up here at the dias while I share with all here the citation which can probably grace the walls of the Edwards' home.

17

18

19

I looked at the print on this award and decided to read from a duplicate that Don Schneeman presented me.

20

21

So I will give the award to you in just a minute, Don, but here is what the scroll says.

22

23

James Don Edwards has been dedicated to accounting education during his entire adult life.

24

25

To the benefit of the accounting profession that commendable commitment has included a lengthy and

1

2 significant involvement with the American Institute of  
3 Certified Public Accountants.

4

5 Let me say when I read this earlier this  
6 morning, the thing that impressed me the most, I think, was  
7 the degree of dedication starting in the 1960s through the  
8 '70s and '80s and to the present day, a period of three  
9 decades.

9

10 A complete listing of Dr. Edwards' service  
11 to the AICPA would be so lengthy as possibly to obscure this  
12 immense contribution in critical arenas:

12

13 To the AICPA Board of Directors and this  
14 Governing Council;

14

15 The Trueblood Committee on Objectives of  
16 Financial Statements;

16

17 The Anderson Committee on Standards of  
18 Professional Conduct;

18

19 Board of Examiners;

19

20 The Benevolent Fund;

20

21 Service as a Trustee of the Financial  
22 Accounting Foundation;

22

23 And as managing editor of the centennial  
24 issue of The Journal of Accountancy in 1987.

24

25 In addition, he has been active in the  
Michigan and Georgia Societies and was Vice Chairman of the

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Georgia State Board of Accountancy.

Professor Edwards has held faculty positions at three prominent universities - Michigan State, Minnesota and Georgia - and has served as either visiting administrator, professor or scholar at universities in Canada, Italy, Brazil and England at Oxford.

Don has never allowed responsibilities as dean or department head to lessen his dedication to teaching.

As a teacher he has consistently brought to the classroom insights from the world of business, from the accounting profession.

Many of today's accounting professors had Professor Edwards either as chairman or member of their doctoral dissertation committee.

While he served as department head at Michigan State University the number of prospective Ph.D. accounting students in residence grew from five to forty-five.

Dr. Edwards has been a prolific contributor to accounting literature with over one hundred articles in leading professional journals and with twenty-one books to his credit.

His recognitions include:

The presidency of the American Accounting



1

2 Association;

3

4 Accountant-of-the-Year Award;

5

6 Outstanding Educator Award;

7

8 The Louisiana State University Hall of Fame  
9 Silver Medal for Outstanding Contribution to Accounting  
Literature;

10

11 From the Georgia Society of Certified  
12 Public Accountants its Outstanding Educator of the Year  
Award.

13

14 In recognition of such a distinguished  
15 career and with great appreciation -- and I might add  
16 personal appreciation -- the Institute presents the Gold  
Medal, its highest award, to James Don Edwards.

17

(Standing ovation.)

18

19 MR. WILLIAM KANAGA: Don assures me that  
it is gold.

20

(Laughter.)

21

22 MR. WILLIAM KANAGA: The one they gave me  
was a goldplate.

23

(Laughter.)

24

25 DR. JAMES DON EDWARDS: It's certainly  
overwhelming to be here this morning and to accept this

1

2     award.

3

4                     I accept this award on behalf of my family,  
5     my professional colleagues that I have had the privilege to  
6     work with since 1949.

6

7                     I'm one of the few people in the accounting  
8     profession that has taught in six different decades.

8

9                     The opportunity to have had many of you  
10    that are in this room my fellow students and to work with  
11    many of you on professional activities on behalf of the  
12    greatest profession in the country.

12

13                    Let me say that only in America could an  
14    individual like myself receive an award like this.

14

15                    First of all, I graduated from high school,  
16    North Louisiana. I was known at the time as an eminent  
17    scholar. I finished tenth in my high school class. The only  
18    problem is there were ten in the class.

18

19                    (Laughter.)

19

20                    DR. JAMES DON EDWARDS:   And today there is  
21    a third of the surviving members of that class that are here,  
22    myself and one other individual.

22

23                    So you can see that, as was said earlier,  
24    we've come a long way.

24

25                    The other distinction we had was that I was  
   born in Jones County, Mississippi, which is not far from

1

2     here, about sixty miles.

3

4                     During the War Between The States Jones  
5     County, Mississippi, made a strategic political decision.  
6     That decision was to secede from the Confederacy. Lest you  
7     might have thought that they were located in south  
8     Mississippi and that they might join the Union, they likewise  
9     seceded from the Union.

9

(Laughter.)

10

DR. JAMES DON EDWARDS:     And they did so on  
11     the basis that they had enough difficulty themselves and  
12     proceeded to elect their own president.

13

So those are things that happened to  
14     someone, as I said to you a moment ago, only in America can  
15     that happen.

16

This profession has meant a great deal to  
17     me and to my family.

18

We've travelled something in excess of one  
19     million miles -- something in excess of one million miles on  
20     professional and academic activities. We have a lot of  
21     frequent flier miles.

22

The opportunity to participate has been  
23     rewarding to me and has been truly an educational experience.

24

It has given me the opportunity to  
25     participate in professional activities and on universities

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campuses.

Don Schneeman said to me, when you get up to speak, Don, you are to use a clock, not a calendar.

(Laughter.)

DR. JAMES DON EDWARDS: The reason he said that is that he has been in some meetings with me before that when I felt very strongly about an issue, I was not reluctant to at least express my opinion.

There are a number of people who have had a great personal and professional impact on my career and my life and I'm grateful to every one of them.

One is my sister, and she is sitting in the front row.

Another is a close personal friend -- he's a double Gold Medal winner of the American Institute -- Herb Miller, who is sitting in the rear of the room. And with his humility he would be sitting back there.

And, of course, the current department head of the University of Georgia, Russ Fairfield, and his wife, Marla, who are sitting in the back of the room.

These wonderful nieces and nephews that are sitting here in the front row. I didn't know we had so many until we stop and count them.

Now, for a few comments about the

1

2 profession, lest I miss that opportunity to say something  
3 about the future.

4

Yes, we have a litigation problem.

5

6 Yes, we are addressing that problem under  
7 the great leadership of people like Jake Netterville, Phil  
8 Chenok, our prior Chairman and our future Chairman.

8

9 We are going to address that issue to apply  
10 a standard of fairness applicable to our professional  
11 responsibility to the public.

11

12 Lest we forget, that the United States  
13 Supreme Court has given us a charge. That charge came down to  
14 us during the period I was serving on your Board of  
15 Directors.

15

16 That charge says that our responsibility in  
17 fulfilling the attest audit function transcends all of our  
18 responsibility to client and all other parties.

18

19 Not only was that dictum handed down by the  
20 United States Supreme Court -- it was written by the Chairman  
21 of the Court -- but it also was unanimously signed by all of  
22 the members of the Court.

22

23 We, as professionals, should keep in mind  
24 what that really says in terms of our unique responsibility.

24

25 We have been given a franchise in fifty  
states and four territories. That unique responsibility is to

1

2 enhance financial credibility regarding financial reporting  
3 to all of our constituent groups.

4

5 We define those constituent groups as  
6 creditors and investors.

6

7 Ed Jenkins, I was delighted to hear a  
8 summary of your report and I'll look forward to hearing more  
9 about it.

9

10 I think that it's one of the greatest  
11 opportunities that the accounting profession has had  
12 certainly in the last decades to examine carefully what we  
13 are going to do in financial reporting as it relates to these  
14 constituent groups.

14

15 As many of you know, as in the case of the  
16 Supreme Court decision, to select kind of real world  
17 illustrations for those of you who are in practice and  
18 education I might add, but there is a 1982 annual report  
19 issued by a company called Alin. It's owned eighty-five  
20 percent by Mr. Day.

20

21 Mr. Day issued a public report because he  
22 wanted to provide information to his investors and creditors.

22

23 The report has more than one professional  
24 opinion from one of the now and continuing Big Six accounting  
25 firms, Price Waterhouse.

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They not only issued a professional opinion

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regarding an historical cost financial statement, but the current value financial statement. Remember, 1982.

And they also make an observation regarding the forecast.

A classical set of financial statements that contain the historical cost statements, current value statements, a forecast of how the resources that were going to be acquired by the creditors of the enterprise were going to be invested; not only that, but a five-year statement of how those resources were likely to be used.

And in addition to that, the management was positive enough to compare the results of performance with what they forecast.

What we ought to do is look at corporate financial statements or business enterprise statements from the viewpoint of a professional accountant or the management.

What he said, going back to the 1973 Trueblood Report, that we have a responsibility to creditors and investors.

And that means accountability and understandability; not technical responsibility that we have but an opportunity to communicate the financial results in the most understandable method that we are capable of doing in terms of reporting to our constituent groups.

1  
2 Early auditors and early accountants, and  
3 you'll find it reported in John Terry's book, thought that  
4 the whole question of independence, the drafting of a code of  
5 professional conduct, would not be accepted by the members of  
6 the accounting profession on an historical basis because the  
7 very fact that there was a code that was drafted that stated  
8 we ought to be independent would be offensive to members of  
9 the profession, the fact that we would draft a code that  
10 would say that we, in fact, had to be independent.

11 As one regulatory body -- Bob Mednick  
12 writes about it in one of his recent articles, that I  
13 promised I would footnote him and not plagiarize him again  
14 -- it says that a definition of independence required thirty  
15 printed pages, thirty printed pages, to determine whether or  
16 not we were, in fact, independent in the performance of our  
17 professional responsibilities.

18 If it requires thirty pages, it's  
19 indescribable.

20 What it means is that independence in the  
21 performance of our professional responsibilities as we've  
22 understood them, and as the United States Supreme Court has  
23 said we must, is that our responsibility is to the public.

24 Going back to Colonel Montgomery's  
25 statement at the 50th anniversary of our professional



1  
2 meeting, he accepted the presidency of the association to  
3 combine two competing organizations that really were not very  
4 friendly towards each other, he too said we have a unique  
5 responsibility and that we should continue to fulfill that  
6 responsibility as professionals for the future.

7 I think it would not be appropriate for me  
8 to conclude these brief remarks without saying something  
9 about accounting education, although I've been reminded by  
10 two former members that if I did they would kick me in the  
11 shin at the end of this meeting because I was not given the  
12 award based upon my contribution in accounting education but  
13 rather to the profession.

14 Ladies and gentlemen, there are two or  
15 three people in this hall that have spent decades working for  
16 the 150-hour requirement.

17 We debated it, as Bill said, with deans and  
18 vice presidents of universities and bureaucracies and with  
19 ourselves.

20 We did so about as vigorously as we did  
21 anything other than maybe our appearances on the Anderson  
22 Committee.

23 To a large extent we may very well have won  
24 the battle by having thirty or more states enact the 150-  
25 hour requirement. But, you know, one hundred and fifty hours

1  
2 has little more meaning than reporting that you have  
3 \$6,523,874.16 in the bank.

4 Looking at that single number and having  
5 single figure fixation means very little.

6 What we need to do as professionals,  
7 because all of us have a future, have an interest in the  
8 future of the accounting profession, all of us have an  
9 interest in that person -- I haven't seen many professors  
10 that look like that and I'm going to try it pretty soon.

11 (Laughter.)

12 DR. JAMES DON EDWARDS: I'm going to  
13 experiment with that approach in accounting education.

14 But if we look at the 150-hours -- and I  
15 think if I hear it one more time it's going to be offensive  
16 to me, one of the early strong proponents of it.

17 What we really need to do is to apply a  
18 concept or a standard that we utilize in accounting during  
19 all of my career, and that's substance over form -- substance  
20 over form.

21 What's the substance of that education  
22 going to be and who are the individuals going to be and what  
23 are their backgrounds that are going to provide that  
24 educational opportunity for the people that enter our  
25 profession in the future?

1  
2 Don Edwards would be nothing, probably a  
3 laundry truck driver at \$15 a week, had it not been for the  
4 accounting profession.

5 All that Clara and I may have experienced  
6 over forty-seven years -- people ask me how long have you  
7 been married. I say forty-seven years. And I also add to the  
8 same woman. That's not easy.

9 (Laughter.)

10 DR. JAMES DON EDWARDS: You'll note we are  
11 getting some applause on that, Clara.

12 (Laughter.)

13 DR. JAMES DON EDWARDS: Lest I complete my  
14 remarks, it's important to you that I give you a fifteen-  
15 second report on the Benevolent Fund.

16 First of all, thank you for your  
17 contribution. Thank you for entrusting to us, 40,000 of you  
18 contributing to this worthy cause.

19 Also thank you for providing the funds, as  
20 reported to you in Phoenix, for an individual, thirty-eight  
21 years of age, with twin sons. We agreed to provide financial  
22 support for her for the remainder of her natural life.

23 And that was a period, time to be estimated  
24 to be six months.

25 Unfortunately, it was two-thirds of that.

1

2 And you helped make her days much more comfortable during  
3 those six months.

4 I would like to thank you for this award.

5 I would like to thank you for the  
6 opportunity of serving; the Chairman, the President of the  
7 American Institute of Certified Public Accountants.

8 It will be something that we always will  
9 remember and treasure from this day for the remainder of our  
10 lives.

11 Thank you very much, Bill.

12 (Applause.)

13 DR. JAMES DON EDWARDS: He's respecting  
14 age. He is making sure I don't fall down the steps.

15 (Applause.)

16 CHAIRMAN NETTERVILLE: Don, let me add my  
17 personal congratulations and great pride to have you, a  
18 Louisiana State University graduate, accept that award in our  
19 home state. My best.

20 This year J. H. Cohn and Company have  
21 completed their sixth year as independent auditors of the  
22 American Institute of CPAs, and I am pleased to introduce Dan  
23 Davitt who will present the auditor's report.

24 And as Dan is coming forward, let me  
25 mention to you a first in the history of the American

1

2 Institute and perhaps in commercial auditing.

3

4 As you will recall, the Board's white paper  
5 on meeting the financial reporting needs of the future called  
6 for management to give a report on internal control and that  
7 report to be opined by the independent auditor.

8

9 We didn't say because -- we said this  
10 because we believed it. We have taken appropriate steps. And  
11 to my knowledge this is the first.

12

13 If you will notice the annual report, you  
14 will see two opinions: one the normal and, two, the opinion  
15 by the auditors on our internal control documents.

16

17 I think you should be very proud of being  
18 not only the proponents of this, but doing it as well.

19

20 Dan.

21

22 MR. DAN DAVITT: Thank you, Jake.

23

24 Good morning.

25

26 As a representative of J. H. Cohn and  
27 Company, I am pleased to present the AICPA's annual financial  
28 statements for the year ended December 31, '93 to the  
29 members.

30

31 I would also like to, as my tradition, not  
32 read the numbers but just to make some general comments in  
33 looking at the profitability of the Institute this year,  
34 especially in comparison to last year where we had a

35

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2 relocation move, also looking at the profitability over  
3 budget and looking at the amount of the cash flow generated  
4 from operations.

5

I would refer you to management's  
6 discussion/analysis for some more overview summary,  
7 highlights of the financial record. That is on page 21.

8

As far as the financial statements  
9 themselves are concerned, the only major difference this year  
10 is in footnote 4, which is long-term debt as a result of the  
11 Institute taking out additional funds for leasehold  
12 improvements and equipment generated by the move from  
13 Manhattan to Jersey City.

14

The only other two things that I would like  
15 to mention, which Jake has previously touched upon, are the  
16 new opinions that are in this annual report: On page 17  
17 management's responsibilities for the financial statements  
18 and the internal control system.

19

Management in the past has had a management  
20 report, has commented on their responsibility for the  
21 financial statements and their internal control system.

22

But in following the recommendations of the  
23 Committee of Sponsoring Organizations of the Treadway  
24 Commission, popularly known as COSO, and the Internal  
25 Control-Integrated Framework, management has reported based

on the reporting for external parties. That is on page 17.

And then management also engaged J. H. Cohn and Company to examine their assertion on the effectiveness of the internal control structure which we undertook that engagement and followed the Statement of Standards Practice which was issued just recently in May of 1993.

And with the help of management and staff and internal audit we were able to render that. You will find that on page 19.

At this time I would like to thank the Board, Council, management and the staff of the Institute for extending full cooperation to us during our audits which we appreciated.

Any questions?

(No response.)

MR. DAN DAVITT: Thank you.

CHAIRMAN NETTERVILLE: Thank you, Dan.

I want to mention at this annual meeting that the Audit Committee as well as the Board of Directors has recommended to Council -- will recommend to Council the election of J. H. Cohn for the auditors for the 1993-'94 year and that will take place at our Council meeting.

This concludes the business of the annual meeting unless there are any comments or questions.

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I would be glad to recognize you at this  
time.

(No response.)

CHAIRMAN NETTERVILLE: I see there is  
none.

We will take a fifteen-minute break and  
then come back for our Council meeting for the rest of the  
day and tomorrow.

Thank you.

(Which were all the proceedings at the  
Annual Meeting, which concluded at 10:25 a.m.)

\* \* \*

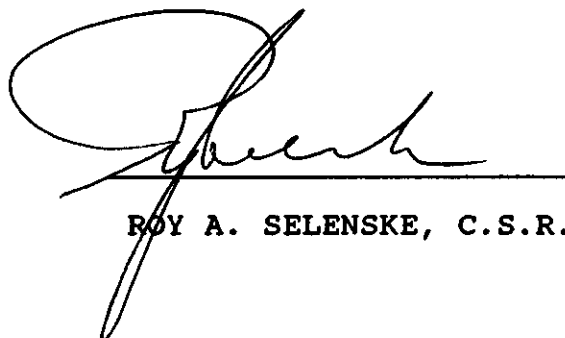


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5 STATE OF NEW YORK )  
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11 I, ROY A. SELENSKE, a Certified Shorthand  
12 (Stenotype) Reporter and Notary Public within  
13 and for the State of New York, do hereby certify  
14 that the foregoing pages 1 through 47 taken at  
15 the time and place aforesaid, is a true and  
16 correct transcription of my shorthand notes.

17 IN WITNESS WHEREOF, I have hereunto set my  
18 name this 11th day of October, 1993.

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ROY A. SELENSKE, C.S.R.

\* \* \*