

audit report

The leading source of equity solutions for state and local government

Summer/Fall • Issue 59



Tax Management Associates, Inc.



9 770317 847001



moving through the maze

How Do You See Yourself Reacting & Adapting in the Face of Change? | by Chip Cooke

Change can lead to many different emotions for many different people. It may come in the forms of relief, happiness, regret, great sadness, or most famously in Dr. Spencer Johnson's "Who Moved My Cheese," fear and insecurity over a new routine. Conversely, change may also lead to nothing at all. I mean, if you move from apartment 2A to apartment 2B, you probably won't even notice. Unfortunately, everyone on the planet noticed the great changes that came with 2020 and Covid-19.

How do you see yourself reacting and adapting in the face of change? I, for one, love a good routine. Routines are predictable, mostly manageable, and usually a sense of comfort to those who would embrace them. My wife teases me that I get up at the same time, go to work five days a week (in the office)

and strongly discourage day clothes past 8:00 pm (pajamas and TV for the win!). In stark contrast, my wife considers schedules an aberration and wouldn't embrace them even if it meant jail time.

So where does that leave me with change? I would like to think I have learned the life skills of improvising, adapting, and overcoming – but that doesn't always happen. More likely I'm going to endure the five stages of grief on changes as little as getting fries instead of onion rings. But, in the end, we all do our best to put on a positive face and attitude, and move forward as effectively as possible. You can wallow in seemingly negative change or choose to move through the maze and find a better outcome. That is precisely what TMA, our nation, state, and community did throughout 2020 and the first half of

2021. We are not necessarily looking for a "new normal", we are simply looking for a better normal than we had – all the while knowing that change is most assuredly going to happen again.

When Covid-19 became more than just an Asia / Pacific problem, the United States, and therefore TMA, had to start to deeply examine how we could maintain normalcy during a very uncertain time. Air travel ceased (yes, TMA folks see a lot of airplanes), grocery stores began to be depleted through panic buying, and the thought of SARS like personal protective equipment (masks) became a very real option. This change brought on fear mostly, but a metric ton of uncertainty as well. Then the hammer fell – the government would temporarily close, as would schools, religious institutions

and all non-essential businesses. Stay at home for two weeks – stop the spread.

Fortunately, at TMA, fear and a little shock turned quickly into problem-solving. If change is here, how do we craft the effects of change into happiness and productivity? We can't stop working – that would be disastrous and therefore not an option. First, we confirmed that we were an essential business. We worked with clients on new protocols for workflow and gave our team the option to come or go as they saw fit according to their own health needs. Many of us never left – and quite honestly, I think that changed most of the fear into positive feelings and most importantly hope. We begrudgingly slogged through the effects of a virus shutdown and vowed that our next change would be in everyone's best interest.

I wouldn't be honest if I said all other aspects of our life remained positive and depression free after the lockdowns. While churches still continued to do their best with Zoom sermons and virtual meetings, there is simply no way to reproduce a warm smile and a strong handshake. In addition to watching our own children navigate the pitfalls and inadequacies of virtual learning, we heard from many other parents who worried about the long-term negative effects of isolation. Even this past week, I heard from a very trusted source that school-aged children had suffered immensely with friendships that used to be all but certain. That for me, is change in its ugliest form.

I have no intention of letting change as we have known it produce a new normal of continued isolation, fear, depression,

and the constant threat that we are five minutes away from a new even more deadly variant. I long for another change when we come back to our offices, banter in the hallway, collaborate in our conference rooms, innovate in the shared spaces, and see our clients on a regular basis. I look for the next normal to be the old normal when kids gather on the sports fields and classrooms with their faces uncovered and expressions revealed. I dream of Silent Night in a full sanctuary on Christmas Eve shoulder-to-shoulder with people I haven't seen in over a year.

The changes we have all come to know recently have been the hardest of my life, but hopefully, you will join both myself and everyone at TMA in ignoring the bad and embracing the hope that is the good to come.



ask Jim

Jim Crutchfield, the longest standing employee in our Audit Division with 32 years of experience | by Ryan Hunter

How did you get started with Tax Management Associates (TMA)?

I was about a month away from getting my degree in computer programming and I had a job lined up as a programmer. I had been talking with Tom Tucker, Chief Operations Officer, for months about TMA, and he had such noteworthy stories with all of the travel he was doing performing audits. It sounded like a perfect fit for me so when Tom informed me that I had the job, I told him I had two phone calls to make. The first to my wife and the second to my employer at the time. Thirty-two (32) years later we are both still here if that tells you anything about the company.

What was TMA like when you started back in 1989?

I was only thirty (30) years old at the time. We were using accounting thirteen (13) column pads of paper and calculators. The laptop screens were backlit, about five (5) inches in size, and about ten (10) pounds! I wrote the first templates for the audit division before Excel became popular which was an interesting task (this seems like ages ago).

Are there any unusual places you have been for the job?

I have seen pigs get slaughtered and turned into bacon. I have seen chickens grow from eggs to hens. I have seen how hotdogs and sausages are made. I have even been to a haunted hotel before. I have done audits at the front counters of hardware stores, restaurants, department stores, and even a number of audits at the family dining room table. That kind of makes it personal if you know what I mean!!

What has been the biggest change you had to encounter while at TMA?

I was the first employee to transfer with the company and moved my entire family to the Gwinnett County area. I truly loved my time in Georgia but after a little over six (6) years, they asked me to move back to Charlotte. One of my highlights was getting to watch the Olympics and realizing how many people moved to Atlanta after the event.

What is the best part of your job?

The best part is definitely the site inspections. I love seeing how things are made and discussing how the business owner got their start.

Favorite activities outside of work?

I enjoy tennis, swimming, fishing, and hiking. I also love to golf so that can be considered hiking when I seem to find myself in the woods.

What advice would you give a new TMA auditor?

Always tell the truth no matter how hard it seems and talk straight about the variances. Be helpful in every way possible and present everything in a positive light. Always say something positive before you say something unpleasant. You must have good customer service on the front end and the back end of every audit. Also, make sure you treat people the way you want to be treated.

What did you want to be when you grew up?

I wanted to be a Marine when I was in elementary school and later on wanted to be a Police officer. I actually applied to be a Police officer and was accepted into the Police Academy but I did not take it any further than being accepted.

Most spontaneous thing you have done.

I was fifty (50) years old in Hawaii when I went cliff diving. I looked over the 70-foot ledge for ten minutes before I finally jumped. I could hear my wife laughing at me on my way down. I also heard her laughing as I made my way back up.

What are you interested in that most people are not?

My two favorite interests are the two things you're not supposed to talk about. Religion and politics. Nothing will get people more upset than discussing Religion and politics. I love to study the Bible and the history of the Bible. Whether you believe the Bible or not, the book has a history behind it. Politics is the strangest thing I have ever researched. Like history, politics repeats itself, so it is stimulating for me to study.

What songs hit you with a wave of nostalgia every time you hear them?

I listened to Country music as a teenager such as Glen Campbell, Tonia Tucker, Buck Owens, and Linda Ronstadt. In my 20's, I changed and listened to '70s and '80s; anywhere from the Bee Gees to Journey.

Is there a specific song that is special to you?

My wife and I have a song that we danced to on our first date, it is called "Always and Forever" by Heatwave. It became our song. When my wife and I hear that song we always stop what we are doing to slow dance and sing the lyrics together. We still do not know the words to the song but that is what makes it funny!

What is the secret to getting to know you?

I am an open book. I have a lot of interests and enjoy hearing other points of view. Especially when the views are contrary to my own.

What was the best thing that happened to you?

Definitely my two (2) grandchildren. I love being a kid around them. I am their Papa and my wife is Gigi. According to their parents, they would live with us if they could! We get together about four (4) times a week.

What would a world populated by clones of you be like?

All the locks would have the same combination. Passwords too.

What is the funniest joke you know by heart?

What's red and smells like blue paint? Red paint. That is a Papa (grandpa) joke.

What is the weirdest gift you have ever received?

For a wedding gift, my Grandma gave me a hand towel with butterflies on it. Yup, one (1) hand towel, that's it. I placed this hand towel in my bowling bag. I think of her every time I use it and wonder why she gave me this single butterfly hand towel!



tension of stasis & change

Nothing is Ever Perfect or Complete | by Dr. Mark Cooke, Ph.D. | Originally Published in THE NATIONAL CIO REVIEW®

Technologists are well marinated in the cultural broth of change. We love, anticipate, applaud and judge the next version. We even have a kind of ritualized practice of naming these epochs (cf. “Cranky Crocodile,” “Irritated Orangutan,” or “Chocolate Chewbacca”), and cataloging them as minor shifts (version 3.0.14 to 3.0.15) and major ones (Device 10, OS 2025). One might say that we are obsessed with innovation, and that to the average technologist nothing is ever perfect or complete. Before we have even finished the current iteration, we have a curated list of things to improve in the next release.

Oursensibilitiesaboutchangearenotwell reflected across the entire organization. In fact, I would assert that those cultural biases toward change actually quite perturb the more traditionally business minded. Perhaps with a little relativism

we can understand why, too. Change is expensive. Research and development is extra overhead and headcount. Quite a few articles have pointed out that ten new ideas die before they even make it to market. That’s a lot of waste, and it’s bad for balance sheets.

But we know from researchers and business case studies that the only organizations that continue to thrive over time are those that balance the tension between stasis and change. Stasis is reflected in the desire of corporate leaders, board members, and stockholders to exploit existing markets and keep profit margins wide. Contrast this with change, which is the inevitable need of a corporation to shift in alignment with market conditions. O’Reilly and Tushman (2016) refer to this as the bilateral ability of successful companies to exploit and explore, changing their

goods, services, and internal culture anticipating market opportunities.

The first friction found herein can be described allegorically by one interpretation of Darwin’s theory of evolution. You see, even though we often phrase survival as resulting from successful adaptation, what we really mean is that there was enough random genetic variation that some lucky lineage happened to stumble into a proclivity for staying alive. It’s just chance, pure randomness, that it was the right move at the right time. I would assert that this holds true for businesses as well. If 90% fail, this isn’t necessarily because these were inferior ideas. It’s rather that they were either not well timed with the market (too early or too late), or no longer aligned due to unforeseen undulations.

What this logically means is that

businesses should invest in some exponentialnumberofnewopportunities - minor variations and major ones - in order to guarantee success long term. As already mentioned, though, this is costly. And exponential cost is almost certainly frowned upon when the business is currently successful (and practically impossible when it is not). Hard to argue, in other words, spending the hard won profits of today for the totally uncertain, profits of tomorrow. CEO’s get fired when earnings targets aren’t met today. Not many, if any, get fired for what the five year plan looks like.

The second friction comes from the cultural rigidity that naturally emerges from successful companies. It is the identity, often reciprocally reflected with the brand: “We are Company X.” These corporate identities often create conceptions of who we are and what we do. Simultaneously, these identity

boundaries stifle innovation and make leadership recalcitrant to new products, services, technologies, or business processes. What people fail to reconcile is that boundaries exist around what is within them, but are more so defined by what is outside. This means that an identity was formed in a particular moment of time, under specific market conditions, and created a company whose identity has outlasted its environment.

Nonetheless, changing culture, and in particular changing a company’s identity, is perhaps one of the most perilous duties of anyone focused on innovation and change. At least for the last twenty years this has largely fallen on technologists and technology leaders to accomplish. Perhaps for tech heavy companies, and those like pharmaceuticals and chemical manufacturing that are dependent on research and development this is less so. But for the average goods or services

firm we have plenty of examples of how the last two decades have wiped out major institutions just because the sands shifted under their feet and they weren’t ready to accept a different version of themselves.

It’s easy enough to play critic to history, but I would point to these two fundamental frictions, tensions between stasis and change, in all of those executive boardrooms of the bygone companies. If we could obtain recordings of meetings where there was the opportunity for change, we would most likely observe that there was either insufficient capital dedicated to innovation (compared to the invested capital in infrastructure at the time) or that the identity was so far misaligned with the needed innovation that implementing change was impossible.

Likely it was both.



data analytics
Open-source tool revolutionizing the way governments work with data



software
Cost Analysis Valuation System (CAVS) and Taxscribe online listing designed by TMA



homestead
Eliminate invalid residence exemptions



audit
Fairness and Equity across the tax base

let's discuss

the revenue enhancement initiatives that **TMA** can implement in your jurisdiction

