

Albuquerque Square Dance Club, Inc.
A Non-Profit Corporation
ASDC Board Meeting
January 22, 2020

Board Members present: Ben Allen, Gale Askren, Margaret Bolshazy, Jerry Gilbreath, Larada Horner-Miller, Alice LaCelle, Lin Miller, Sheri Pastian, Bob Stevens. Absent: None

Emergency meeting, Board members only.

Meeting was called to order by President Jerry Gilbreath at 4:56 p.m.

We have a **petition, dated January 16, 2020, signed by 47 ASDC members, requesting a full CPA audit of the ASDC financial records, to be completed within 60 days.** (Copy attached.) The petition mentions **discrepancies between membership numbers and dues collected**, as shown on the membership list of June 5, 2019, and the Treasurer's Report that Sheri presented at the Annual Meeting on January 4, 2020, showing membership dues of \$2,470. With 151 single year memberships and 32 new and return members, the expected income from dues should have been over \$3000. The petition requests an audit followed by a meeting of the ASDC membership to hear the opinion of the CPA.

Sheri sent the Board a very detailed email on January 19 explaining what had happened to create the reporting error, but Ben said he did not understand it. **Sheri explained that the error was due the Treasurer's Report being run so early in the year: The report reflected income through January 3, 2020, but excluded the January 2019 income, which was \$1,200. Our fiscal year runs February 1 through January 31.** The petition noted **two shortages, \$750 and \$550, which total \$1,300.** Larada and Margaret readily understood the Quickbooks technicalities Sheri referenced, but Ben said he did not. We usually have our annual meeting much closer to the end of January each year, so the report more closely reflects our fiscal year. Ben said that Randy Pratt had asked a valid question in the Annual Meeting about the membership dues discrepancy, and he did not receive an adequate answer, so we should not be surprised to receive a petition requiring action. We delivered an inaccurate report at the membership meeting, and Ben wanted to know what we would be doing to address the issue. **Sheri said that she can issue a revised report.** Ben stressed that we must communicate clearly, and see if the membership is satisfied.

Larada said that Sheri has served as Treasurer for years, and done a phenomenal job, and we should not lose sight of that just because she made a few mistakes. Margaret agreed, and said that she has also served as Treasurer for non-profits, and she has made mistakes as well – it isn't possible to avoid all mistakes.

Bob said we need a Treasurer's Report that reflects the fiscal year of February 1, 2019 through January 31, 2020. Margaret said any report needs to address the figures on the petition: \$750 and 550. Lin said there is some confusion over whether we are talking about doing a report for the calendar year of 2019, January through December. Margaret feels that running a report for the calendar year of 2019 will most likely address the figures in the petition. Larada agreed, but she said we still need a revised report for the fiscal year. **We also need an explanation to the membership that is in layman's terms, not requiring accounting knowledge to understand. To prevent this problem in the future, we need to have annual meetings at the end of January or the beginning of February.**

Larada wants to go ahead with the audit to clear Sheri's name. Jerry feels that the Board has to address the petition, but not necessarily conduct an audit. The way he reads the By-laws, we have to respond to the petition, but we aren't automatically required to do the audit. Gale asked about the 60 days mentioned in the petition. Jerry said that is a deadline selected by the writers of the petition, but the **By-laws only require the Board to address a petition, not necessarily execute the exact terms of the petition.** Per our accountant, the **cost of a full audit by a CPA would be \$7,000 to \$8,000.** He also said that it is tax season, and we would be hard pressed to find an accountant with the time to do a full audit on such short notice. The Board agreed that we would prefer to avoid the high cost of an audit if possible. Sheri said she is ready to show the books to Carolyn McDowell (the first signatory on the Petition) and any other members who want to see them, if that will help. **Our books are reviewed regularly by our CPA.**

Ben said we should issue an amended, corrected Treasurer's Report to the entire membership, with an explanation of how the error occurred on the first report, and ask if the membership really supports spending the money for an audit, or will they be satisfied with the explanation. Sheri agreed that she could do this – a revised report and explanation, and she can start on it immediately. Lin said the explanation is difficult for the average person to follow, although people familiar with Quickbooks and bookkeeping, like Larada and Margaret, have no problem understanding it. Jerry suggested that Sheri reach out for any help needed, particularly from Larada and Margaret. Margaret agreed to help, and said the entire Board must read the explanation and sign off on it before it is distributed. Jerry is leaving January 25 for two weeks, and Alice is also leaving on the 25th for one week.

Coincidentally, we are currently undergoing a **three day audit by the IRS**, with an agent who flew in from Seattle. She has not finished the audit yet, but so far she has not reported any major issues. She was surprised that we are able to support our building with only the rental fees and dues in the amounts we are collecting. This audit seems to have nothing to do with the audit petition, which calls for a CPA audit, and it seems unlikely the IRS would have responded to an audit request re this petition so quickly. On the other hand, it suggests that someone may have requested an IRS audit at an earlier date. In any case, the auditor feels that we may qualify for a lower tax bracket. She also said that we need to be completing a W2 tax form for our cleaning lady. Our CPA is helping with the IRS audit, and this will cost us an accounting fee.

Gale had a question about some of the people who claimed to have paid dues for 2019, where Sheri has no record of them having paid dues. Sheri said she received a check from the Wilde Bunch treasurer, John Arnold, in February of 2019, for dues for five people for the year 2018, and also for some 2018 guest fees. John stated that the money had been collected in 2018 but not passed on to Sheri. Sheri made the deposit and entered a note in Quickbooks that it was for 2018. John gave Sheri written documentation that the dues and fees were for 2018, and she has that in her possession. This has no bearing on discrepancies in the financial report, but it contributed to the confusion at the Annual Meeting over paid memberships.

Meeting adjourned at 5:33.

Next Board meeting will be February 10 at 5:30 p.m.