

Closed Executive Board Meeting 7/26/12

Board members present: Harold Riensche, Matt Catlin, Andy Simpson, Kim Skelton, and Renate Nieman. Members in attendance that arrived early: Dan and Sandy Youngren, Kim Feldt

Executive session of the board of directors was called to order by Harold Riensche. Kim Skelton, treasurer, had the board members look over a letter from KC Atkins, CPA for the association. The letter discussed the QuickBooks accounting files. As they were reviewing the letter Kim told the board that when he became treasurer on July 21, 2011 the QuickBooks files and the corporate hard files were a jumbled mess. He worked to create a new filing system and began to work his way forward through the mess as quickly as possible so he could pay bills, process payments and bill for dues. In the process of getting the business up and running and working on reconciling the bank statement for July 2011 he found that it was off by \$150. Kim said he went back to find the problem and discovered numerous other problems in the QuickBooks files. He said that he began working on determining what accounts were active and did the first billing cycle. With considerable work he was able to bring the books to a point where he was able to process payments and bill customers. Discussion was held on the history of billing of customers and the writing over of old customer records.

Kim said that he was unable to resolve the other issues and brought the QuickBooks files to the associations CPA. KC Atkins discovered the concerning issue of the double bank reconciliations that occurred in early July of 2011. The October 2010 statement was reconciled by KC in January of 2011 and matched to the penny to the bank. Kim discussed the process of the numerous steps necessary to re-reconcile a reconciled statement and that to do this is a time consuming three step processes. On 7/10/11 six months after the statement was reconciled by the CPA the October statement was re-reconciled. KC told Kim that there is not an accounting reason to do this. In KC's review of the numbers all the balances had been altered and no longer match the bank. Kim said that this was done by the treasurer of the corporation at the time. Kim stated that as the current treasurer it is his responsibility to bring the issue to the attention of the board and then the board must determine the action it will take. Kim continued to let the board know that after the annual meeting in 2011 the statements were re-reconciled for a third time and put back to the original state. This occurred during the period when the old secretary/treasurer was resigning. At this time Kim does not know why it was done. He said it is usually and required a considerable amount of work to re-reconcile the statements in this manner. Re reconciling statements that were correctly reconciled by a CPA is unusual and he felt it necessary to bring it to the attention of the board. Discussion was held.

Kim stated the CPA was going to finish his audit and that he felt that at a minimum the old treasurer should come and explain what happened to the board.

Harold Riensche and Kim discussed the check writing process through QuickBooks. Renate Nieman passed our meeting minutes from the July 19 board meeting, the Annual meeting on July 21, and the first new board meeting on July 21 for review and approval. Harold questioned the section in the annual meeting minutes on the road plan he presented. Discussion was held and Harold made changes they were accepted. A motion was made to approve all the meeting minutes it was seconded, all approved.

Meeting was adjourned