

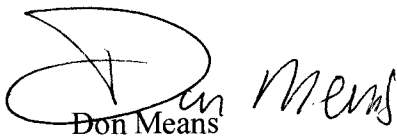
BUSINESS ADVISOR

Over the course of the past year the BCCA continues to be running well with an excellent Board overseeing the continuing operations of the club. Rich Bihl as Treasurer has done an outstanding job with budgeting and accounting of the clubs' assets. In speaking with Rich over the past year he seems to have the job well in hand.

Several concerns from an overseer need to be addressed. First, the BCCA continues to increase their investment portfolio. This isn't necessarily a bad thing, but from the most current Balance Sheet provided by the Treasurer, the increase is \$50,000 from just a year ago for a total of \$191,136. The BCCA is fiscally sound, and there is always a need to have an emergency fund for unseen circumstances, but what that dollar amount should be needs to be discussed. My recommendation is that some long-term plan or strategy should be developed to address this. Whether the goal is to have a certain amount "stashed" away and find opportunities to use these dollars or leave well enough alone until something is needed. A plan should be developed.

The second item is even more urgent. The club has used a tax attorney to do taxes since the late 1990's. Ed Sledsik & Associates completed the taxes each year. Ed was a dog lover and showed and judge for many years and many of the BCCA members new him personally. It is important to note, that without an official audit of the books, this was another set of eyes looking over the accounting of the club and correcting any errors if found. While the "review committee" looks over the books, none on the committee are usually accountants or have a real finance background. They generally look at the summary of the accounts. I have felt having another set of eyes reviewing what was done over the course of a year is a valuable benefit for the club. This past year, it was determined that the Treasurer would complete the taxes and file on behalf of the club. This is detrimental and must be addressed. There is no recourse if the BCCA is audited by the IRS. The BCCA has no advocate to work with. If an audit happens in 3 years, will our Treasurer remember what and why the forms were completed. If this is the new precedent, how many Treasurers will be willing to sign the IRS forms? The question is not "if" the Treasurer can complete the taxes. They are fairly easy and "yes" I could complete them also. The question is, does the BCCA want Treasurers completing taxes? Does the BCCA want another set of eyes to oversee their books? Is the BCCA comfortable if audited by the IRS to have any Treasurer work with the IRS? I would not volunteer as a Treasurer for the BCCA if required to sign IRS forms for the benefit of the BCCA. My recommendation is to re-hire Sledsik & Associates immediately to protect the BCCA. This isn't faulting this or future Treasures in any way, this is to protect future years of the BCCA if something isn't filed correctly. I want on the record for the future that the BCCA MUST hire a tax attorney that can complete all taxes, and I am personally recommending the Sledsik & Associates.

Regards,


Don Means