

To: ASC Executive Board
From: Chris Eskridge
Date: April 15, 1997
Re: Treasurer's Mid-Year Report

We have been engaged in a number of activities:

1 -We have engaged in the normal flow of business; invoicing, collecting, paying our bills, maintaining the books, etc. I can report to the Board that these fiscal functions are moving smoothly and with dispatch.

2 - We have attached several financial reports, as follows:

a. **Balance Sheet** (as of 3/31/97): Note that we have approximately \$578,000 in total assets, \$507,000 of which is invested in a variety of stocks, bonds and certificates of deposit. We have \$420,000 in equity. We are in a solid fiscal position as an organization.

b. **Annual Profit and Loss Statement** (1/96 - 12/96): Note that we showed a profit of roughly \$65,000 for 1996.

c. **Profit and Loss Budget Comparison** (thru 3/31/97): Note that while 25 percent of the year has past, we have spent 18.5 percent of the budget, and have generated 25.5 percent of the expected income for the year to date. We have generated \$28,000 in net income for the year to date.

Representatives from the IRS came to Columbus and examined our financial records several months ago. We have not received a follow-up letter from the IRS. We had anticipated an IRS concern regarding the relative size of our equity as compared to our annual budget. This was apparently not the case.

There were some concern raised regarding our failure to withhold social security taxes for our part-time employees. Our accountant has advised us not to withhold social security taxes for our part-time people, so the matter is yet to be resolved. A second issue was raised regarding the status of Sue Beelman's retirement account. Even though she is part-time, the initial IRS response was that ASC should be contributing to Sue's retirement account. Sue has her own tax deferred retirement account, but ASC does not contribute to this account. We do not contribute to Sarah's personal tax deferred account either. Sarah does have a Sun Life retirement account into which ASC makes a contribution each month. Some health insurance issues for Sue were also raised. At this juncture we simply must wait to hear back from the IRS before taking any formal action in any

of these areas.

The IRS indicated that we should be issuing 1099 forms to all entities that receive more than \$600 per year from ASC (ie., part-time assistants, printers, accountants, etc). We will issue 1099 forms in the future. We did, at IRS request, complete 1099 forms for 1995 and 1996.

Our relatively solid financial health seems to stem from three factors:

1. Membership, which appears to be up. We peaked at 3,200 members in 1996.
2. We had approximately 2,150 persons register for the Chicago meetings, the largest number of registrants we have ever had at a meeting.
3. Library subscriptions to Criminology continue to sell well.

In sum, the organization is in sound financial health at this current time.