

# THE PROFESSIONAL PUBLIC ACCOUNTANT

Bi-Monthly

May - June 2002



Published Bi-Monthly by and for the Members of the Public Accountants Society of Colorado

## In This Issue

**Service to the Profession**  
Page 1

**Directory**  
Page 2

**Governor's Notebook**  
Page 3

**Meet a Member**  
**President's Message**  
Page 4

**ColoradoAccountant.org**  
Page 5

**Andersen/Enron Interview**  
Page 6 & 7

**State Director's Report**  
**IRS News**  
Page 8

**Contested Election**  
Page 9

**Absentee Ballot**  
Page 10

**Calander of Events**  
Page 11

Executive Offices  
10201 Monterey Circle  
Northglenn, CO 80260-6047  
Phone: 303-457-4451  
Toll-free: 800-578-4451  
Fax: 303-457-0770  
JackDirksen@  
coloradoaccountant.org  
<http://www.coloradoaccountant.org>

## Service to the Profession

Jack Dirksen, PASC Executive Secretary  
Northglenn, CO



Here is your chance to serve on a state board and provide a service to both the Public Accountants Society of Colorado and the State of Colorado at the same time.

The Colorado State Board of Accountancy is made up of seven members appointed by the Governor. Members are appointed for terms of four years each. A member may not serve more than two consecutive terms. Five members of the board shall be currently active licensed certified public accountants and two members of the board shall be members of the public who do not hold a certified public accountant certificate. This means the public members can be almost anyone; however, for these members to be really effective members of the board, it helps if they have accounting and/or business experience.

The terms of two certified public accountants and one public member expire August 1, 2002. Two of these individuals are eligible for reappointment; however, they must complete and file the State of Colorado form "Application for Boards and Commissions Office of the Governor" with the Governor's office as any other applicant. This form should be filed in late May or early June.

The board meets on the last Wednesday of each month except in November and December when they usually meet on a Wednesday near the fifteenth of the month. On Thursday before each meeting, each board member receives a packet of information for the up coming board meeting. The meetings begin at 9:00 a.m. and usually last from two and one half to three and one half hours.

I encourage all of you to consider serving on this board. The application form can be found and downloaded at:

[http://www.state.co.us/gov\\_dir/govnr\\_dir/bc/bcappaa.pdf](http://www.state.co.us/gov_dir/govnr_dir/bc/bcappaa.pdf)

## NSA Annual Convention

**August 20 - 23, 2002**

**Honolulu, HI**

## Do your clients have difficulty obtaining a mortgage loan?

### WE HAVE THE SOLUTION FOR SMALL BUSINESS OWNERS!!

Whether it be for a Purchase, or Refinance, we offer a variety of programs to assist those who are self-employed:

\$\$ 100% Financing on Stated Income: CPA letter for filing status ONLY

\$\$ Bank Statement Programs; Personal or Business using up to 80% of Gross Deposits (averaged for 24 months)

\$\$ No Income No Asset Verification Programs (NINA) Qualify based on Credit Score ONLY

### AGGRESSIVE SOLUTIONS EQUAL OUTSTANDING RESULTS!!

**ALL CREDIT LENDING CORPORATION**  
303-657 9500 303-657-9499 fax

[www.ColoradoLoanSource.com](http://www.ColoradoLoanSource.com)

## Accountants - CPA's

### Do you need additional clients?

**If you are expanding an existing accounting practice or just starting a new one and need more clients immediately!**

Please Call

**(303) 980-0826**

### FINANCIAL BUSINESS SERVICES

1241 S. Jellison Street  
Lakewood, CO 80232

### The Professional Public Accountant

	<b>PASC Board of Directors</b>			<b>Pikes Peak Chapter</b>	
President	Yvonne L. Dunkel, PA	(303) 935-0208	President	Colleen Garwood, PA	(719) 481-2047
President-Elect	Matthew C. Lewis, PA	(970) 874-7621	Vice President	Don Jackson, PA	(719) 471-7266
Secretary	Anne C. Skorski, PA	(303) 279-7398	Secretary	Janette Noeller, PA	(719) 390-4800
Treasurer	Dedrick N. Dollar, PA	(970) 416-7471	Treasurer	Doug LeNoue, PA	(719) 520-5181
Past President	Sharon Layne, PA	(303) 857-2706			
Director	Carlos G. Klinger, PA	(303) 480-9764		<b>Western Slope Chapter</b>	
Director	Larry French, PA	(970) 867-9040	President	Donna Myers, PA	(970) 824-8836
Director	Helen Gerlick, PA	(303) 431-5925	Vice President	Brad Peters, CFP	(970) 874-7621
Director	Colleen Garwood, PA	(719) 481-2047	Sec./Treas.	Rob Streit, PA	(970) 243-2497
Director	Donna Myers, PA	(970) 824-8836			
NSA State Dir	William D. Eskew, PA	(719) 471-7266		<b>District IX</b>	
				Governor	Andrew T. Morehead (970) 454-2208
	<b>Hi Plains Chapter</b>			Legal Counsel	John N. McNamara Jr. (303) 837-9222
Co-President	Larry French, PA	(970) 867-9040		Legis. Liaison	Betsy Clark Murray (303) 478-1207
	Julian W. Hoschouer Jr., PA	(970) 474-2575		Exec. Secretary	Jack Dirksen, PA (303) 457-4451
V. President	John C. Hase, PA	(970) 522-9231			Toll-Free (Colo/Wyo) (800) 578-4451
Sec./Treas.	Sharon K. Woodside, PA	(970) 744-6103			Fax# (303) 457-0770
				Editor	Deanna S. Cross (303) 480-1755
	<b>Mile High Chapter</b>				
President	Helen Gerlick, PA	(303) 431-5925			
Vice President	Lori Anderson, CPA	(303) 333-7933			
Secretary	Cynthia Trombly, PA	(303) 671-6114			
Treasurer	Deanna Snell Cross, PA	(303) 480-1755			

**We welcome any and all input or articles that you may wish to submit. Mail to 10651 Livingston Drive, Northglenn, CO 80234 or fax to 303-480-1690 or email to [dscross@wyoming.com](mailto:dscross@wyoming.com).**

# From the Governor's Notebook

Andrew T. Morehead, Eaton, CO NSA Governor, District IX



In my last column I promised a few comments on the Arthur Andersen/Enron affair and the lessons we need to learn from it. These are personal comments, in no way reflecting the position of NSA or any of the state organizations of which I am a member.

It seems to me that there are three areas in which reforms are needed urgently if Wall Street, the individual investor and the accounting profession are to return to both profitability and respectability.

First, we must work to change radically the business relationships that are riddled with conflicts of interest and incentives to take actions contrary to many ethical standards. Whether it is the Wall Street analyst touting a stock in which his company has an investing banking interest or large investment interest, or the Big 5 auditor acutely aware that the lucrative consulting contracts awarded to his firm are intertwined with the auditors' relationship with management, we seem to have lost that sense of perspective and independence that financial advisors of all types must have if they are to be faithful to their client's needs.

Numerous answers have been proposed: prohibit accounting firms from offering consulting and other services to their audit clients; tougher statutory regulation of the auditors; mandatory rotation of clients and their audit firms every five years or so; and banning companies' hiring managers and internal auditors from their external auditors' firm, among others. Experience has shown that peer review (Andersen evidently passed Deloitte Touche's peer review with no problems) and self-regulation by entities dominated by the Big 5 did not work, so the government will probably step in. With some discretion, I would hope.

Next, there is the matter of the accounting standards themselves. Many of us have heard Accounting Today columnist Paul Miller of Colorado Springs on the subject through NSA and the Colorado society, and whether you agree with Paul that "GAAP is CRAP" we must admit that the off-balance sheet maneuvers, synthetic leases, aggressive revenue recognition and other techniques used by modern day companies with the connivance of the accounting profession cry for reform and more rigorous standards. If the entities now involved (most notably FASB) do not promote reform, then Congress and the SEC will do it for us, with the usual results (e.g., the tax code) when the legislative and administrative arms of government combine to change policy.

Finally, where was the Board of Directors of Enron when all this was occurring? Obviously the checks and balances that are

supposed to exist had little effect at Enron, where a strong chief executive and management team managed to push aside shareholders' and employees' interests in favor of their stock options and insider dealings with controlled companies. Where were the independent directors? Where was the audit committee? There was an almost total failure of corporate governance, most notably in the lack of any oversight function. Here is an area where legislative reform is both necessary and appropriate, as the laws governing corporate form and function are changed, hopefully on a nationwide and uniform basis.

While we in the profession may disagree on solutions, I trust we will not cavil on the need for reform. In my opinion, we need to support change in the profession and only if we take the lead can we expect to achieve results that are to our liking. We will have opportunities at both the national and state levels during the coming year to educate our representatives on the accounting profession, its problems and prospects. Let's take those opportunities, individually and collectively, while working to make our profession a better one.

## Unsolicited Commentary from R. L. Cross

Writing in 1972 about the crash of 1969-70, *Adam Smith* identified the following "list of villains" in *Supermoney* published by Random House. Describing that crash as the "worst blood bath in the last 40 years" he blamed:

1. *The conglomerate movement with all its rhetoric about leverage and synergy.*
2. *Accountants playing footsie with management and certifying earnings that weren't earnings at all.*
3. *Corporate Treasurers who looked at company pension funds as new found profit centers.*
4. *Investment advisors who massacred client portfolios trying to make good on over promises.*
5. *The new breed of investment managers who churned the worst collection of new issues and other junk in history.*
6. *Elements of the financial press which promoted neophytes into geniuses.*
7. *Securities salesmen who peddle items based on mark up or a good story but have no relevance to the client's portfolio.*
8. *Sanctimonious partners of major firms who wrung their hands while deploying an army of untrained salesmen to forage among even less trained investors.*
9. *Mutual fund managers who used every gimmick imaginable trying to become millionaires over night*
10. *Portfolio managers who collected bonanza incentives of the "heads I win, tails you lose" kind.*
11. *Security analysts who forgot their ethics to become story tellers and let their institutions be taken in by a whole parade of confidence men.*

## Sound Familiar? Is Madison Avenue an omission?

## Meet A Member

Ronald L. Schumacher, PA, Denver, CO

I've been an accountant for the past 30 years. I decided to become an accountant after I got married in May 1969. I had not been to college yet, as I had worked for two years after high school, spent four years in the Navy as a radar man and worked for a couple more years doing various jobs (i.e. truck driver, fertilizer application for farmers, and a backhoe operator for Kansas-Nebraska Natural Gas Company). Then I met my wife, Kathy, and I started to college at Nebraska Western College in Scottsbluff, Nebraska in September 1969. I had no idea what my major was going to be. I signed up for some business classes and one of them was accounting. I aced the class the first semester and took the next accounting class in the next semester, which I also aced.

After I received my AA degree, I transferred to the University of Denver, attending there until my GI Bill ran out, then transferred to the University of Colorado at Denver to finish my schooling. After 14 1/2 years from the time I got started, I finally got my BSBA in accounting. You might ask why did it take so long for me to graduate.

I got a part time job at a pathology laboratory as a bookkeeper. I worked in the afternoon after my classes. They gave me more and more responsibility and I started taking less than a full load of classes. It got to where I was taking only one class per semester and working 40 hours per week. It wasn't too long before the Laboratory made me the controller of the Lab. I also started doing income taxes in January 1972. I had taken an income tax class at DU and saw an ad in the paper for a job preparing income tax returns in the evenings and on weekends, for a company called Tax Corporation of America.

TCA was based in California, which had tax preparers around the country who made house calls and gathered information for individual's income tax returns and sent this information on input sheets to California for processing. TCA paid the preparer commissions for their services. They

furnished all the supplies plus annual training etc each year. My side business of tax return preparation grew to a point where I needed to make a decision as to what I was going to do, either continue working for the Lab or do my own thing as an accountant.

I handed in my resignation to the Lab in October, 1978, and prepared over 400 tax returns in early 1979 for tax year 1978, twice as many as I had prepared during 1978. I also took on some bookkeeping clients. It was fairly tight financially as I was making \$25 K at the Lab when I resigned, and grossed \$32 K with a net of about \$20 K in 1979. I became area manager for TCA in October of 1979 and in late July 1980 TCA filed for bankruptcy and went out of business. Here I was, with a wife and two small sons, ages 3 and 1, making \$5 K less than I was at the Lab. I have to admit I was beginning to think I had made a mistake in quitting the lab, but I was determined to succeed. I found myself some software and rented an office and processed approximately 1,000 tax returns for tax preparers who no longer had TCA to process for them, as well as preparing over 600 tax returns myself.

In January 1982 I opened my office at 1895 Pearl Street, Denver and my wife Kathy and another tax preparer came on board. That year our office did about 1,100 individual tax returns and 25 business returns. Our business has grown to where we are preparing about 1,700 individual tax returns and 180 entities. That's the how and why of my business.

I serve on the boards of Old South Pearl Street Association (business group), West University Community Association (neighborhood association), and Sandstone Creek Club Condo Association (a timeshare property in Vail), and I am an Assistant Scoutmaster for BSA Troop 199. I have volunteered as "Santa" for twenty years for schools, nursing homes and other groups. I like to vacation and do take 10 to 12 weeks each year, most with Kathy and some with the Scouts.

## From the President

Yvonne Dunkel, PA, ATA  
Denver CO

Greetings to all that survived a really busy tax season. It is time to get ready for a change of pace. If possible, you might think about taking some time to relax (ha-ha). Ok, so how about planning some CPE.

In June, the Society is holding its convention in Snowmass. Phil Gomez is going to present a seminar on Quickbooks. For further information, check the flyer you received at the end of April. It will be a great way to relax and join other society members in the mountains.

In August, NSA, is holding the annual convention in Hawaii! (I think I could relax there). September has NCPE presenting the Partnership and Corporation seminars. NCPE then begins the Tax Update Series for 2002 in October.

Now if you are still relaxed, you can fill in your spare time with the other extensions that need to be filed; quarterly reports and of course, sales and use taxes. I hope you all had a prosperous and not too harrowing tax season, and I look forward to seeing you at the upcoming seminars.

## PASC

### Annual Convention & Accounting Forum

June 9-12, 2002

Snowmass, Colorado

# ColoradoAccountant.org

Joanne L. Konrade, PASC Webmistress, Broomfield, CO



I have a confession to make; I am a brass door knocker collector and an ebay.com junkie. Well, now that you know this sordid detail about me, lets go shopping.

1. Go to your internet browser and type <http://ebay.com> in the "Location" box.

2. Think of something you are interested in like "gold fountain pen" or "book (title if you like) Shakespeare" or "abacus" and type these words in the box found in the upper right corner of your screen.

3. Click the circle to the right called "Find It". The search will begin.

4. To the left under "Basic Search" you will see the words you entered. Below them is a box to expand your search to find your words in both the title and the description of each auction item. Click the box, then click "Search" below it.

For the words "gold fountain pen" my first search found 102 auctions. By expanding the search, 1,092 auctions are found. Narrow your search by adding the words "Mont Blanc" to "gold fountain pen" so it now reads "Mont Blanc gold fountain pen". Click "Search" again and now only 58 auctions are listed.

The auctions will be listed by their ending date and time; those which end first will be listed first. You may see a small picture of the auction item, a description of the item which is your click link to the auction itself, the current bid price, how many bids have been made and the amount of time left before the auction ends.

5. Choose an auction and click the description link.

You will now see a lot of information about the auction you have chosen. Information will be shown about the seller, who the current high bidder is, types of payment which will be accepted, description of the item, larger pictures of the item and at the bottom are the bidding instructions. I won't go into detail about the bidding process here. You can read everything you need to know to become a registered bidder and how bidding works when you get to this point.

My suggestion if you want to try bidding is to:

A. Find something wonderful.

B. Read the comments other ebay.com users have made about the seller by clicking the number to the right of the seller's name.

C. Be sure you understand the added cost of shipping.

D. Decide what amount you are willing to pay for the item.

E. Make your bid. You will receive an email confirming your bid. There will be a link in the email to the auction so you can click on the link to check the auction as its end nears.

F. If you win, you will receive instructions by email about how to pay for your auction and instruct the seller to send the item to you.

I have never had a bad experience shopping on ebay.com. This may be because I only buy from sellers with good history. The best sellers provide good descriptions and good pictures. I ask the sellers by email for clarification of anything which is unclear to me. I make sure I know the value of what I'm bidding on. A good way to research value is to go to <http://google.com> and search for the item you are researching. A full length Eddie Bauer goose down coat similar to one I bought for \$50 sells for \$450. I have been outwitted by other buyers, but that's the fun of learning how to bid. I have been a seller for a few items which is also very exciting waiting for someone to bid on my auction. Sometimes the final bid comes in the last five seconds of the auction.

Some of the wonderful bargains I've gotten include original art, brass door knockers, a digital camera, goose down coats, a fur hat, a vintage rag doll in the box and more. Sellers I've purchased from have been from all over the US and the world. A piece of art came from Denmark, door knockers from England and fur hat from Canada among others.

Take a look at ebay.com. You will be amazed at the vast number of common and unique items available. If you don't find what you want, look again tomorrow. Auctions begin and end daily.

If you decide to try it, send me an email and show me what you've won. Half the fun is sharing your great find with someone.

## Arthur Andersen & Co. 2002 Fiasco & Its Professional Impact

“What kind of reporting relationship do you think should exist between you, the client, and your professional accountant?”

Dedrick N. Dollar, PA, Stove Prairie, CO, PASC Treasurer

**Procedure:** Each subject interviewed was asked the title question identically at the beginning of each interview. The subjects are identified herein by Alpha Codes only. Dee Dollar is the interviewer without exception. A brief occupational/professional classification is given for each subject only for the readers' comparative purposes. No statistics have been established for any conclusions, results, reliability or validity. The intent of this study is for informational purposes only that may lead to a scientific hypothesis resulting in a valid/reliable study of Andersen & Co.'s impact on the accounting profession in the U.S. and, in deed, the international communities.

### CG Interview: Owner/Mgr. Heating A/C Co. Annual Gross > \$1Million

[after title question]

CG: “I’ve heard a lotta stuff in the news about this crap, but I don’t see how it affects me”.

Dee: “I understand, but keeping this news you’ve heard in mind, what do you think of your relationship between yourself, your business and your accountant?”

CG: “Well. . .I expect my accountant to report and speak on my behalf and stress the good not the bad” “He (the accountant) fills out loan applications and does our financials for the bank loans. We always’ve gotten our loans approved so the reports must be okay.”

Dee: “If you were to default on a loan, do you think the preparer of the reports should be held responsible?”

CG: “I wouldn’t think so.”

Dee: “Why not.”

CG: “Well. . .(long pause). . .I’d never thought about it that way. We have to have the reports or the bank won’t process much less approve the loans.”

Dee: “Do you review and approve the reports going to the bank on your behalf?”

CG: “Yes, oh yes, of course we – my husband and myself – do.”

Dee: “Then the accountant/report preparer is not responsible?”

CG: “He (the accountant) is then I suppose. But we don’t understand all that he does with those reports. We go over them sometime, but we rely on his (the accountant) expertise.”

Dee: “Good, then you have a trusting relationship with your accountant?”

CG: “Yes.”

Dee: “Have you ever coaxed or tried to influence your accountant concerning the report results? For example, increase profits or sales or both just for the purposes of borrowing funds?

Another situation may be in income tax reporting. Few sales may mean less tax dollars?”

CG: (Laughs) “Well, we don’t want to pay anymore taxes than we have to. But we don’t cheat or change the numbers at all. We’ve always repaid our loans so it must be okay.”

Dee: “It sounds as though there are no big problems between you and your accountant or with your lenders or Uncle Sam.”

CG: “None that I’m aware of.”

Dee: “Excellent”

**Conclusion:** Afterward, CG advised me that she did discuss these matters with her accountant and now has a better understanding of the relationship and the accountant’s responsibility both to her business and persons/entities receiving the financial reports.

**Opinion:** There are many small business clients in the States who feel an accountant is just a necessity for “some reason”, but that there is no real responsibility involved and the accountant should do whatever is reported to him at the client’s desires regardless of factual source data. This is a challenge to the strength and security of each professional accountant that can be met only by integrity and consistent/reliable procedures of receiving data and reporting. There usually is no concept of “independence” between client and accountant. Therefore, it is the responsibility of the accountant to maintain that independence if certain reporting procedures require. Most small business accountants fall into a category of “friend and confidant” of the client. This is a matter of preference; however, when reporting to lending institutions or other financial interested parties watch out! So long as the client is financially healthy and pays his bills, or the buyer of that business is profitable there would normally be no problem. It’s when the problems arise and hurt the lender’s wallet or business results that the Reporting on loan or sale is in question – It does happen! No accountant wants to be in that position. Even if the lender or buyer merely suspects some “embellishment”, it can hurt the professional by creating in the reader’s mind (and his colleagues) a behavior of avoiding that preparer without stating any reason. Not a good place to be!

### BG Interview CEO Electronic Support Outsourcing Annual Gross > \$100Million

[after title question]

BG: “We’ve tried to remain in a good position on the credibility level of our reporting internally and externally. We have our own internal audit department that oversees internal financial reporting. When time comes for corporate consolidated reporting, we refer

## Arthur Andersen/Enron, continued

our prepared reports to an outside firm who is independent of our employment.”

Dee: “This sounds like the intended, ideal situation for any company large or small that has reporting requirements that are used in lending/buying/stock transactions. Have you experienced any exceptions to his during your tenure as CEO?”

BG: “We find this ‘ideal’ situation to be painful and stressful at times. During our infancy, which wasn’t all that long ago, we were anxious about our various equity and earnings ratios – especially when a desirable purchase by a European giant seemed a potential parent company with the ability to afford many expansions we needed and wanted. We stuck by our ideals and presented a real picture of our condition. It all worked out for the best and we now have an excellent parent company with successfully growing international markets in a relatively new industry.”

Dee: “You were going to say. . .”

BG: “When I was with smaller growing concerns and had only a small voice in the financial decisions, I did see exceptions to what I consider the optimum relationship. These ‘exceptions’ created more anxiety than any subsequent efforts made within good practice. My conclusion is to do it right, then there’s more peace of mind and probably success too. I don’t have to worry about some additional problem should some glitch create a downward plunge in performance or profits or both.”

Dee: “So it sounds as though you have had some kind of experience with an exception to ‘independent third party reporting?’”

BG: “Yes, I have indirectly as well. We presently have a support contract with a large entity that is newsworthy of some rather clandestine accounting practices. The SEC is investigating, and that’s public record and a published fact. What gets me is that the published discrepancies and questions seem as a result of some infantile acts, and I don’t understand why any company would attempt to get by with it. Greed, perhaps.”

Dee: “I won’t attempt to say or to explain why, but we know it does occur. We have Enron and Arthur Andersen & Co.”

BG: “Well we’re all tired of hearing about that, but it reminds us that somewhere out there are crosschecks that keep us in line and on the up and up with our creditors and stockholders, one and the same really. I have enough problems communicating with some shareholders (clients usually in your case) without impeding the process with any ‘extracurricular’ activity!” (Laughs)

Dee: “I am using some, if not all, my interviews on which to base an article for the Newsletter published by Public Accountants Society of Colorado. Do you have any objection to that or any comment?”

BG: “No objection at all. You’ve explained the ‘coding’ of publishing these and if it helps Professionals maintain independence when it’s required, that’s great. My personal accountant certainly doesn’t maintain ‘independence’ since she spends almost as much time in my family as the family members themselves, but her (the accountant) primary responsibility and directive is reporting to me and the resulting tax preparation. We’re not concerned with her (the accountant) familiarity in this situation.”

**Conclusion:** In later dialog with BG I concluded he understood a difference in formality and level of familiarity between client and accountant. There is a situation when full independence is required, and there is a very comfortable level of social and professional relationship that is perfectly accepted when the reporting is not critical to a third party for purposes of lending or buying.

**Collective:** Of all the interviews conducted, the following factors and properties were readily identified:

1. Even after the Enron-Andersen & Co. negative news saturation, clients had little or no reason to think this situation were possible with him/her. Most clients felt this applied only to Big Business. During discussion, some agreed the relationship was of significant importance, certainly when third party interests are involved, regardless of business volume.
2. Some clients felt a “little bit” of “inside knowledge” or “familiarity” were justified and okay when reporting to a third party because the accountant is a part of the business really.
3. Most clients considered the factual, unadulterated numbers to be unchangeable and relied on the professional to present them in such a manner as to reach the desired reporting objective.

**Opinion:** More than 80% of all business is defined as small business, and that’s where most of us are involved as professional accountants, regardless of our fields of concentration. It is the responsibility of each one of us to ascertain whether we are influenced enough to skew, embellish or otherwise taint any report intended for a third party who is a lender, investor or buyer. There are legitimate means and procedures to highlight the positive facts we wish and to diminish the negative facts. The responsibility of final interpretation is that of the reader. Few if any of us must deal with the big boys like the Security Exchange Commission, but most of us do deal with national banking, mortgage lending and, of course, Uncle Sam.

I strongly recommend the use of specific procedures that are unique to a particular client that will produce the best possible reporting within prudent professional behavior and procedures. Many of these “assists” are addressed during various seminars and workshops offered by our own PASC and affiliated organizations. Continuing education within our profession is extremely important for these reasons as well as many others not addressed here. The time of the calendar year is rapidly approaching with numerous seminars pertaining to our tax practices and to our practice management properties as well. Hopefully, we’ll have new and more frequent workshops/seminars in practice management.

## NSA State Director's Report

William D. Eskew, PA, EA, ABA  
Colorado Springs, CO.



Well, another "Tax Season" is behind us. I hope you have taken some time out of the office routine to "smell the roses", and have worked at getting connected with the "real world" in the last few weeks. I hope that you have put more emphasis on your personal routine, and let your mind, body and soul know there is a life beyond the office.

As much as we would like to we can't stray too far from our business regimen. Because now is the time to focus on off-season tasks. Besides all those projects we put off during the busy season, there are many important events in the up coming months that are vital for our continued success. I hope you set aside some of the following dates on your calendar and join us for these important events.

May 22, 2002 Estate & Trust Tax Seminar-Colorado Springs, CO

May 31-June 1, 2002 Serving Aging America Seminar - Las Vegas, NV

June 10-12, 2002 PASC 54<sup>th</sup> Annual Convention - Snowmass Village, CO

### Tax Filing Season Was One for the Record Books

The Internal Revenue Service announced that its just completed tax season was a solid success, setting new records for processing returns and conducting electronic transactions.

"Our employees delivered a splendid filing season", said IRS Commissioner Charles O. Rossotti. "We put America's taxpayers first, processing more refunds than ever and for a record average amount."

Among this year's filing season record setters were:

**Electronic filing:** As of April 19, nearly 45.8 million taxpayers had e-filed, breaking the 40.2 million record for all of last year. Nearly 105,000 electronic return originators - up from 90,000 last year - participated in IRS e-file, giving their clients the most accurate returns and the fastest possible refunds.

**Home computer e-filing:** People filed more than 9.1 million returns from their home computers, a 34% increase over the total for all of last year.

**Refunds:** The IRS has processed more than 77 million refunds, worth nearly \$150 billion - a record average of \$1,937.

**Direct Deposit:** Nearly 36.5 million taxpayers have used direct

deposit for their refunds, surpassing the almost 34 million for all of 2001.

**Electronic payments:** There were more than 626,000 e-payments, a rise of eight percent over the same time last year. This includes 62,000 more electronic funds withdrawals and 15,000 fewer credit card charges.

**Tax processing:** Workers at IRS Centers had processed more than 88.5 million returns as of April 19, the earliest that this total has been reached.

**Web activity:** The IRS site at [www.irs.gov](http://www.irs.gov) remains one of the most used sites during the tax season, with 1.97 billion hits, a 28 percent increase from last year. The 78 million hits on April 15 set a new daily record for the site. Through March, the number of files downloaded topped 212 million, a 46 percent increase over the same period last year.

### NSA Scholarships

Students interested in applying for NSA scholarship consideration may obtain application material from a variety of sources including the financial aid office, accounting department or career center at their school. Application materials are also available on the NSA website at <http://www.nsacct.org> in the CONSUMER section or by contacting the NSA Scholarship Foundation office at 800-966-6679, extension 1312. The deadline for applications is March 10, 2002. After a three-level screening process, final recipients will be announced in July 2002. Contact Susan Noell at NSA at the above 800 number for further clarification.

### e-mail

Jack Dirksen, PASC Executive Secretary

The Public Accountants Society of Colorado is on the Internal Revenue Service mailing list for receiving News Releases and notices. This information comes to the society office. If the information comes via e-mail, we forward it to everyone (bulk mail) on our e-mail list. If the information comes via fax or regular mail, the pertinent information is presented in our newsletter.

If you want to receive this information, we need to have your current e-mail address, and it cannot be restricted to receiving e-mail via bulk mailings. Please keep the office informed as to your current e-mail address as well as other important information such as your current address and telephone numbers. We can readily get your e-mail address from any message you send to our e-mail address and sign with your name. Thanks for your help.

## A Contested Election at PASC!! A Miracle of the New Millenium?

For the first time in recent memory, PASC will have a contested election for the office of President-Elect. At this deadline, three qualified members of PASC have agreed to stand for election to that office. They are:

**Robert L. Cross, PA, ABA, ATA - Northglenn, CO**  
**Helen Gerlick, PA - Wheat Ridge CO**  
**Donna G. Myers, PA - Craig CO**

In addition, **Colleen A. Garwood, PA - Monument CO** has agreed to stand for election to the office of Secretary. No other candidates have come forward for this office as of this notice. Nominations from the floor will also be recognized at the time of the election at the PASC Convention.

The PASC bylaws provide for the certification of Absentee Ballots. Strict adherence to the bylaws would preclude the use of Absentee Ballots because they must be "requested of the Secretary no later than May 1st and must be returned to the Secretary 14 days before the annual meeting". Since the report of the nominations committee is outside the stated deadlines, the bylaws committee will propose the adoption of a special rule by the delegates attending the convention that any Absentee Ballot received by either the Secretary or the Executive Secretary earlier than five days (June 6, 2002) prior to the election, be certified and counted.

Request your Absentee Ballot from the office of the Executive Secretary and return it to either Jack Dirksen or Anne Skorski. Members can vote on-line at [ColoradoAccountant.org](http://ColoradoAccountant.org). Fax or e-mail facsimiles of a ballot will also be acceptable if the delegates attending adopt the proposed special rule.

An acceptable Absentee Ballot is also provided at Page 10 of this newsletter.

### Wanting to Improve Your Practice? TaxAdvantage Has The Tools You Need!

- **New Client Services** - Services competitors never think about.
- **Additional Sources of Revenue for You** - Without having to work more hours.
- **Marketing Tools that Work** - Designed to match your practice and client base.
- **Your Own Web Site** - With a portal to over 11,000 pages of information.
- **Quality Accounting Education** - Tuition *free*.
- **Access to Industry Leaders** - To help you solve your problems.
- **Affordable** - For any practice size.

To learn how TaxAdvantage can benefit you, request information by email or phone.

**TaxAdvantage<sub>sm</sub>**  
**Info@taxadvantage.com**  
**800-867-0065 Ext. 1013**  
**www.taxadvantage.com**

**Absentee Ballot**  
**Public Accountants Society of Colorado**  
**Election of Officers at the 2002 Annual Convention**  
**Snowmass, Colorado**

**Office of President-Elect**

- Robert L. Cross, PA, ABA, ATA - Northglenn CO
- Helen Gerlick, PA - Wheat Ridge CO
- Donna G. Myers, PA - Craig CO
- \_\_\_\_\_

Write in Candidate

Mark only 1 box

**Office of Secretary**

- Colleen A. Garwood, PA, MBA - Monument CO
- \_\_\_\_\_

Write in Candidate

Mark only 1 box

**Mail or FAX to:**

<b>Jack D. Dirksen</b>	<b>or</b>	<b>Anne C. Skorski</b>
<b>Monterey Management</b>		<b>General Business Services</b>
<b>10201 Monterey Circle</b>		<b>678 Partridge Circle</b>
<b>Northglenn, CO 80260-6047</b>		<b>Golden, CO 80403-1548</b>
<b>Fax (303) 457-0770</b>		<b>Fax (303) 278-7487</b>

Copy this page, mark the ballot and mail or fax it to Jack Dirksen or Anne Skorski before June 6, 2002. If you prefer, you can vote on-line at [ColoradoAccountant.org](http://ColoradoAccountant.org).

I certify that this ballot is my only vote as a qualified active member of PASC for this election.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Member Signature

\_\_\_\_\_  
Membership Number from Certificate

## Important Upcoming Seminars

### Pikes Peak Chapter

Estates and Trusts Tax Seminar - May 22nd  
8:00 AM to 5:00 PM  
\$110 for Members - \$120 for Non Members

### Mile High Chapter

Watch for a schedule in the near future

### Western Slope Chapter

Watch for a schedule in the near future

## Now Available with PASC Logo

Polo Shirts, Denim Shirts, Vests and Caps

### Polo Shirts

Mens - \$35  
Womens - \$45

### Denim Shirts

Long Sleeve - \$36  
Short Sleeve - \$30

### Vests

Berber - \$67  
Fleece - \$56

### Wall Vests

Canvas Duck - \$53

### Caps

White/Navy or Gray/Navy - \$12.75

by Amazing

Monogramming, LLC

Custom Embroidery

**Dawn Finnerty • Bard Phifer**

Box 475 • 1556 Water Street

Wheatland, WY 82201

Vox 307.322.4021 Toll Free 888.462.0796

Fax 307.322.4036

www.amazingmonogramming.com

sewing@amazingmonogramming.com

**Call Deanna for more information 303-480-1755**

## PUBLIC ACCOUNTANTS SOCIETY OF COLORADO

### Seminar/Workshop Calendar 2002

#### May 22, 2002

Estates and Trusts Tax Seminar Colorado Spgs, CO

#### June 9-12, 2002

Annual Convention Snomass, CO

#### September 17 & 18, 2002

NCPE Corp & Partnership Denver, CO

### NCPE 1040 Tax Seminars - Fall 2002

October 30 & 31 Denver, CO

October 30 & 31 Grand Junctn, CO

November 20 & 21 Colorado Spgs, CO

December 2 & 3 Denver, CO

For more information on PASC events, Call  
(303) 457-4451 or (800) 578-4451 or  
visit our website [www.coloradoaccountant.org](http://www.coloradoaccountant.org)

## NSA Calendar of Events for 2002

#### May 29 - 30 -

**Leadership Conference**

**Las Vegas, NV**

#### May 31 - June 1 -

**Serving Aging America**

**Las Vegas, NV**

#### August 21-27 -

**NSA Annual Convention**

**Honolulu, HI**

#### September 21-22 -

**Leadership Conference**

**St Louis, MO**

#### October 2002 -

**Leadership Conference**

**Albuquerque, NM**

#### November 2002 -

**National Tax Institute**

**Atlantic City, NJ**

#### December 2002 -

**National Tax Institute/  
Practice Development**

**Las Vegas, NV**

For more information on NSA events visit the web site  
[www.nsacct.org](http://www.nsacct.org), or call (800) 966-6679

ADDRESS SERVICE REQUESTED

---

# AgriPlan® / **BIZPLAN**®

## Wants to help you build your business!

- **AgriPlan/BizPlan, which allows qualified self-employed individuals to deduct 100% of their family medical expenses, will increase your revenue through generous commissions and consultation opportunities!**
- AgriPlan/BizPlan is a great door opener that will bring you new clients.
- AgriPlan/BizPlan has more than 25 years experience in the financial services business.
- AgriPlan/BizPlan works with over 10,000 financial professionals just like you.

**For more information, contact:**

**1-800-422-4661, and press 7**

COAW