

Tahlequah Area Chamber Board of Directors
President's Report presented by Dr. Steve Turner
January 27, 2015

Dear Valued Chamber Members,

Today Alan Chapman, CPA, presented the audit of the financial position only of the Tahlequah Area Chamber of Commerce as of June 30, 2014. As you are aware, things changed drastically at the Chamber on June 12, 2014, when David Moore submitted his resignation through an email after being called to attend a special meeting of the Board of Directors. The purpose of the June 12th meeting was to get answers related to Chamber finances. The outcome of that meeting was the launch of a complex criminal investigation. You are also aware that charges have been filed in District Court against Mr. Moore for taking \$439,660.62 over a five year period.

As I have stated publically and in writing, the investigation would ultimately reveal two dollar amounts; the amount of funds taken that we now know to be approximately \$440,000, and the liability for collected but unremitted payroll taxes to both the Oklahoma Tax Commission and the Internal Revenue Service. Mr. Chapman's audit finds this amount to be \$159,751. You can read the audit by going to <http://www.tahlequahchamber.com/transparency-page.html>. He goes on to say "At the date of the financial statement, June 30, 2014, uncertainty remains over the penalties and interest associated with payroll taxes, that could be imposed or adjusted by the Department of Treasury, and the unknown effect of the outcome of this uncertainty."

I call your attention to NOTE 4: GOING CONCERN ISSUE

"At June 30, 2014, uncertainty remains over the possibility of adjustments related to penalties and interest on payroll taxes by the Department of Treasury, the amounts and effects of those adjustment which could have an adverse effect on the Chambers ability to continue as a going concern."

Through multiple discussions with investigators, we believe that the tax liability will be assigned where it belongs, to whomever the courts determine is responsible for taking the funds.

It is also important to call your attention to one item under the heading of Current Liabilities. Mr. Chapman identifies as Unearned Revenue – Community Profile Ad Sales in the amount of \$25,670. This amount is identified as a liability because the Community Profile Publication had not be produced at the time of the audit. I am happy to report that the Board has contracted with Lawton Publishing Company to produce the publication and it should be available for distribution very soon.

I also want to point out that the financial position of the Chamber has improved dramatically since June 30, 2014. All bad debts as of June 30, 2014, have been paid, property taxes are paid in full, the Chamber building is insured, and we have money in the bank. Your Chamber is in a much better position today than it was on June 30.

The Chamber Board of Directors is also making available to you the report dated December 11, 2014, from the State Auditor Inspector related to potential embezzlement at the Chamber. The State Auditor was asked by the Oklahoma State Bureau of Investigation to assist with their criminal investigation. Please note that this report is being released publically with the permission of the OSBI and the District Attorney. To read the document go to <http://www.tahlequahchamber.com/transparency-page.html>.

Under the heading **WHAT WE FOUND**, the report states, "We found a misappropriation of funds at the Tahlequah Area Chamber of Commerce totaling almost \$440,000".

I will not offer comments related to the State Auditor's Report since the ownership of the document rests with the OSBI. I trust you will read it and come to your own informed conclusions. Certainly, criminal proceedings will shed additional light on the level of victimization our community has experienced.

In conclusion, thank you for your continued support of the Tahlequah Area Chamber of Commerce. I am optimistic the Chamber will be a vital part of the community for decades to come. Rest assured, the Board of Directors is committed to showcasing all that is good and right in Tahlequah and the surrounding area.