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As requested, I reviewed Golden Racquets' (GR's) financial records for 2022.

The terms of reference for the review were:

1. Do the GR records for the account balance match the bank records as shown in the monthly statements? In particular, do the beginning of the year balance and the end of year balances match between the GR and the bank records?
2. Does it appear that adequate records have been kept to give confidence that checks written from the GR account have been written for legitimate purposes, and checks received from members have been deposited and properly credited to the members? A few random spot checks of specific checks or deposits should be adequate to provide this confidence.

In addition, GR's Treasurer, Al McFarland, also asked me to review the IRS Form 990-EZ for 2022 that he has prepared.

Al provided the 16 Excel files he used to record GR's financial records during 2022, an explanation of the files, the IRS 990-EZ Form, and the review conducted of GR's 2021 financial records. In his explanation, Al stated, "The GR Board does not feel that the financial review needs to be as comprehensive as that conducted in 2021."

My review activities and conclusions follow.

Bank Statement and Checkbook Balances I reviewed each monthly bank statement from December 2021 through December 2022 and compared them to the checkbook register; the balances in the checkbook register match the figures in the monthly bank statements. The IRS requires that GR, as a tax exempt organization, maintain its accounts on a cash basis; therefore checks are regarded as expenditures at the time they are issued rather than when they are cashed. I reviewed the account balances on January 1, 2022, and December 31, 2022, by examining the December 2021 and December 2022 bank statements, adding the amounts of uncashed checks to the balances in the bank statements, and found that the 2022 opening and year end balances recorded in the GR record were accurate.

GR Expenditure Records I reviewed every check written during 2022 and confirmed that they were all for legitimate GR purposes. However, the records for two expenditures providing reimbursements for software purchases did not provide adequate documentation that the software was required for GR. Al provided emails documenting one of the purchases. The recipient of the other check provided documentation verifying the legitimacy of the expenditure.

GR Revenue Records Checks received by GR are recorded in revenue and monthly files as well as the checkbook register. I reviewed 5% of the checks listed in the

revenue file (26 of 543 checks) and verified that all of them had been entered as revenue and included in batches of deposits. The revenue file indicates the amounts and purposes of each check (GR dues, venue fees, contributions to Fairfax County Parks, miscellaneous) and includes a macro to verify that the sum of the purposes equals the amount of the check; the macro file column indicates that the purposes equaled the amounts of the checks in all cases. (The risk that a check was not deposited in the GR account is mitigated by the practice that a member is notified if he or she has not paid an amount due, in which case the member would seek information about the check from his or her bank and inform GR.)

IRS Form 990-EZ I confirmed that each number entered in the IRS form corresponds to the numbers in the GR financial records, with three exceptions -- lines 28 ("Provided organized tennis and pickleball matches on indoor and outdoor courts for 320 members"), 29 ("Organized a picnic for approximately 50 member volunteers and guests"), and 32 (the sum of lines 28 and 29). Al indicated to me that these numbers probably came from the IRS form for 2021 and need to be corrected.

Following conversations with me, Al provided updated versions of the RevenueExpenses2022 record and the IRS Form 990-EZ which take into the comments above.

In conclusion I would note that the financial records provided to me are very well organized and provide several helpful internal cross-checks.

Fred Temple