April 4, 2019

Ref: LVCA's Annual Audit – Fiscal Year Ending December 31, 2018

Dear Madam President & Members of the Board:

The 2018 audit committee was comprised of three members: Jeff Blue, Lennard Grodzinsky and Dawn Gregorio. Treasurer Connie Gentry provided the Committee with detailed accounting and banking records for review before the actual audit meeting.

On 3/21/2019 Lennard Grodzinsky and Dawn Gregorio met with Connie Gentry to perform a detailed review of LVCA's books. Connie brought all the accounting records, including detailed receipts for all expenditures.

The audit committee began with confirming that the 2018 beginning and ending year balances agreed with the bank statement reconciliations. We determined that the annual change in cash position during the 2018 year matched the 2018 Profit & Loss Statement. We reviewed the Trial Balance, Balance Sheet, and Profit & Loss Statements. All were in balance and tied out to each other and the related statements from the bank. We chose many items from the accounting software's Transaction Detail Report and examined the backup from the Treasurer's source document files. Every item had adequate documentation and had been classified correctly. A follow-up call with Jeff confirmed that the items he had identified from the electronic records previously provided, had been addressed satisfactorily during the meeting. Connie is doing an excellent job of accurately recording the flow of money in and out of the Las Vegas Corvettes Association.

The 12/31/18 Profit & Loss Statement shows a loss of $10,479.41. This matches the reduction in our Current Assets – Cash Accounts, as confirmed with the bank statements. This planned reduction in cash reserves is in accordance with the 2018 budget. We believe this properly reflects the financial position of LVCA at 12/31/18. The audit committee is pleased to see this reduction in excess cash reserves. While the 2018 tax return has not been prepared at the time of the audit, we expect no tax liability.

The LVCA records we audited are Cash Basis records. A few years ago, the audit committee, of which Dawn & Lennard were a part, recommended that Connie include some accruals in the LVCA bookkeeping to assist in sorting out events that incur expenses in two separate years, like the Awards Banquet. It has become apparent that these accruals are more confusing and troubling than what they are worth. These accruals will no longer be made.

It was noted that Connie had classified our charity donation to St Baldrick's Foundation as an advertising expense. We were pleased to see this, as it follows our recommendation from last year's audit that wherever possible we claim donations as advertising expense. The purpose of this classification is to try and minimize any tax liability on our charitable donations. However, after further discussion, we're in agreement that this particular event does not qualify as advertising, but rather is a true charity donation. For the few charitable events that might qualify as advertising expense, it is necessary that we have documentary evidence that the charity did in fact help advertise LVCA.

The Audit Committee recommends that the Club fully review our IRS tax status, and non-profit corporation status, to ensure that we are in compliance with all laws and regulations, Federal and

State, and that we are proceeding in the most effective manner. The exercise, which is outside the scope of our annual audit, would also necessitate a thorough review of our governing documents, to make sure that they are consistent with current and/or proposed tax and corporate organizational strategies. It is recommended that the Club form a separate committee, or task force, to study this issue.

All in all, the records are in fine shape and we have Connie to thank for that. We are fortunate to have someone with accounting skills willing to donate so much time and effort for the club's benefit.

Sincerely,

Dawn J. Gregorio
Lennard Grodzinsky
Jeff Blue
2018 Audit Committee