

OFF SOUNDINGS CLUB



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April 4, 2003

To: Commodore H. Wes Maxwell and Members of the Board of Governors

From: Vice Commodore John Brooks and William Loweth

Subject: Audit of Club's Financial Records

At the January 17, 2003 Board Meeting, Commodore Maxwell commissioned an audit of the club's financial records, in view of the expected appointment of a new treasurer at the Club's Annual Meeting on April 5, 2003. Brooks and Loweth were appointed as a committee to conduct such a review.

Commodore Maxwell, Vice Commodore Brooks, and Public Relations Chairman Bill Loweth met with Treasurer Bob Geary on March 17, 2003, for the purpose of reviewing the Club's financial records and accounting systems. The audit committee reviewed the November 30, 2000 audit report, and endorsed the following parameters for their review:

- a. Evaluate the systems, procedures and records used, as to their ability to allow the Treasurer to carry out his functions, and to keep the Board of Governors informed.
- b. Review the detailed back-up accounting information for adequacy in tracking and verification of receipts and expenses.
- c. Verify the bottom line balance as of December 31, 2002.

The data supporting the December financial report was reviewed in detail, as well as an itemized category report for the period 1/1/02 through 12/31/02. We found the records to be in outstanding condition, with easy verification to bank statements. The level of detail in the expense categories is found to be appropriate for the proper financial management of club cash flows and fund balances. The bank statements confirm the bottom line balance reported on the December financial report.

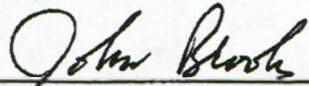
The audit committee noted that the John Norcross fund balance amount is being distinctly maintained, while these funds are located within the Club's Fidelity Account. The audit committee commends the Treasurer for his care with this fund, and suggests that the Governing Board be refreshed on the history of the Norcross Fund.

Although the audit committee did not review each invoice, our review did ascertain the validity of the financial data, and of the records being maintained by the Treasurer, and

found that the parameters for the audit were passed. The audit committee commends the diligence and dedication of Treasurer Bob Geary.

The audit committee recommends that the Board of Governors accept and approve this report.

Respectfully Submitted,



John Brooks, Vice Commodore

Bill Loweth

Cc: Neal S. O'Connell
Robert P. Geary
Norman B. Peck