

From: Darrell Davies

To: WSSA Board of Directors

Re: Financial Audit (Review) of 2022 Financial Statements

August 15th, 2023

I was asked by Dave Reardon, the current WSSA 2022 Treasurer to perform an audit (review) of the WSSA books for the calendar year 2022 and present the findings to the WSSA BoD. I performed a similar review for the 2021 financial statements last year. Although I am not a CPA, I worked 40 years in the aluminum industry as an industrial management accountant and am very familiar with reviewing books for reasonableness, appropriate controls, and potential fraud.

Dave provided me with copies of the bank statements for each month of 2022, original invoices, umpire attendance forms and a variety of EXCEL spreadsheets which included the bank account reconciliations, player roster, check register, cash receipts register, and detailed account activity. My starting point was the 12/31/2021 bank balance per the bank statement.

Annual membership fees are the single primary source of income for the WSSA. I compared the net fees recorded and the receipts register with the 2022 master player roster. The net income recorded, including 5 half year players, represents 191 players across 12 teams, certainly reasonable. The remaining sources of income were primarily from the 13 sponsors and the annual golf tournament. Those receipts were also tested for accuracy and reasonableness.

The largest expenses to the WSSA are the umpires, uniforms and field rentals. It was suggested last year that a method be developed wherein the treasurer could support the weekly payments to the umpires. A form was created which is now used by the treasurer to support the payments based on a text message sent by the Deputy Commissioner indicating which umpires worked by day and field. Based on the payments made the league paid for about 59 games per team which appears reasonable. I also reviewed the receipts for the uniforms finding no discrepancies and determined we paid for 32.5 days of playing at Olsen field, certainly reasonable.

A concern in a review of the statements of a small volunteer organization such as the WSSA is the amount of cash which may be handled by the treasurer, primarily in the form of membership receipts and cash handled for the golf tournament. At some point you simply have to trust the treasurer and review the financial statements to ensure they are reasonable and what you would expect. This is essentially what I have done and I feel the statements are a proper reflection of last year's activity. Most important is I found every month-end bank statement to agree to the detailed ledgers. I also traced 3 checks written to Dave Reardon and signed by him, tying them back to what appeared to be legitimate league expenses.

The PDF I have provided is a version of the "published" financial statement for the period Jan. 1, 2022 to Dec 31, 2022 with my review tests and notes. The bank balances agree to the bank statements and I found nothing to indicate a material difference between the income and expenses as shown on the financial statement.

Please advise if you have any questions concerning my review.

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