

USS TURNER JOY REUNION GROUP (TJRG)

NOTES TO CALENDAR YEAR 2021 (CY2021) FINANCIAL STATEMENTS--Audited

Ending December 31, 2021

1. **NOTE on Unconditional Promises to Give.** The TJRG By-Laws and Guidelines (BL&G's) were finalized on December 16, 2019 and started distribution to the membership on December 26, 2019. We continue the policy of cheerfully asking members to pay dues as their budgets allow. Out of the current 362 members, some 84% have their dues paid up to date and we hope to continue increasing that percentage.
2. **Compensation.** All the Executive Committee (EXCOM) staff are non-paid volunteers as well as TJRG Members! Dave Leverenz has joined the EXCOM as the TJRG 21MC Newsletter Editor and worked with Jim Chester to get out the 12/18/2021 Newsletter.
3. **EXCOM Mailing Fees.** After we were granted official 501 (c) 7 status on 7/23/19, to work on maintaining FULL Compliance with IRS RR&G's; certain Postage Expenses were either directly allocated or re-allocated for FULL DISCLOSURE of EXCOM mailing costs and are delineated in the 2021 TJRG Financial Statements.
4. **Donations.** Before we were required by the IRS to become a separate 501 (c) 7 Veterans Social Group, it is my understanding the unregulated TJRG would send in donations for the Drydocking Maintenance funds for the USS Turner Joy, which are run by the Bremerton Historic Ships Association (BHSA), a 501 (c) 3 non-profit Corporation. Under the past unregulated setup, it is my understanding Drydocking Maintenance funds donated were tax deductible. All donations to our 501 (c) 7 non-profit, tax exempt Veterans Social Group are **NOT** tax deductible per the IRS. However, the donations received have made our large Veteran's Group financially healthy, which was our goal!
5. **Two differing TJRG Statement of Activities are submitted to give a better FULL DISCLOSURE picture to the membership.** The TJRG finished CY 2021 with \$1,249.18 in Designated and Temporary Restricted Funds, with \$ 749.18 paid by 1/12/22. The \$500 Honorarium reserved for Dale Byhre may or may not be paid in CY 2022, depending upon circumstances. In both TJRG Statement of Activities for CY 2021, the Reunion Portion of Revenues and Expenses are delineated in **RED** and have been previously audited iaw IRS RR&G's and reported to the membership in the 11/14/2021 21MC Newsletter. The TJRG Statement of Activities by Date Group Financial Statement for CY 2021 does include the 11/14/2021 21MC Newsletter information and all financial data disclosed to the TJRG Membership is included in the 6/23/21 to 12/18/21 to 12/31/21 column.
6. **WA State Charitable Registration.** Washington State Office of the Secretary of State Charitable Organization Registration under WA State Statue RCW 19.09 Informed the TJRG on January 26th, 2021, that we have maintained FULL (100%) Compliance.
7. **Third [Separate] Statement of Activities for CY 2021!** For CY 2021, there is a third [Separate] Statement of Activities, which shows the Hampton Inns and Suites Hotel Rate Reduction invoices for our 2021 TJRG Reunion, previously reported [in error] as "Null and Void" on 9/9/21. I was notified on 11/3/2021 that the management at the Hampton Inns and Suites had indeed done the Hotel Rate Reduction Incentive for the Members and key guests of the TJRG at the reunion.

Jim Chester was informed via telephone that a package of invoices totaling \$ 1,991.18 was on the way! Jim Chester received the package of the invoices on 11/8/2021 and started an audit iaw IRS RR&G's and notified the Hotel management in Bremerton that we were required to do the internal audit. NO Objections were noted in CY 2021! Three letters were sent with various member donation payments [NOT from TJRG NFCU Funds] from 11/13/21 to 12/23/21, when the audit was complete and all billing error adjustments and five payments from TJRG member donations were made. This third [Separate] Statement of Activities is the final reporting to the TJRG Membership that now FULLY answers the previous estimated financial disclosure of page 9 of the 11/14/2021 21MC Newsletter. The entire EXCOM had decided in 2019, to do our best NOT to fall below \$10,000 of TJRG Funds in our NFCU Checking and Savings accounts; thus, when this financial situation arose in early to mid-November of 2021, TJRG member donations were provided, subject to outside Grant submission for reimbursement of TJRG member donated funds to pay for this 'contract irregularity'. After discussion with some EXCOM members, it was decided to adjudicate this matter fairly between the TJRG EXCOM and the Bremerton Hampton Inns and Suites Hotel management to each group's total satisfaction, which required an internal audit to be done iaw IRS RR7G's for 501 (c) 7 entities. The entire adjudication effort went very smooth and was done on time to the FULL satisfaction of both parties. Thus, we have maintained our excellent working relationship with the Bremerton Inns and Suites Hotel next to the USS TURNER JOY (DD-951)! After further research in the IRS RR&G's, the Grant Request for refund of funds was rescinded due to 'possible violation of the IRS 35/15 rule'. We can not maintain our tax exempt 501 (c) 7 status if the 35/15 rule is violated!!!! Thus, the original number(s) of invoices totaling \$ 1991.18 was FULLY adjudicated for \$ 1880.28 from TJRG Member donations and did not reduce TJRG NFCU Funds. IRS RR&G's require this special internal audit be reviewed by at least two EXCOM Members as Satisfactory. These NOTES to the TJRG Financial statements are Un-Audited and when the review is completed and the regular CY 2021 audit is complete, and the remainder of financial statements will go from Un-Audited to Audited, this will be reported to membership in the 2021 Audited Notes to the Financial Statements and posted in the future on our Web Site!

8. **Statement of CASH FLOWS and BALANCES for CY 2021.** The **RED** portions delineate the previously audited financial information for the TJRG 2021 Reunion and reported to the TJRG Membership in the 11/14/2021 21MC Newsletter.