

SHEHEEN, HANCOCK & GODWIN, LLP

CERTIFIED PUBLIC ACCOUNTANTS

1011 FAIR STREET

P.O. DRAWER 428

CAMDEN, SOUTH CAROLINA 29021

FOUNDED 1959

AUSTIN M. SHEHEEN, JR., CPA (1963-2020)

TERRY M. HANCOCK, CPA, EMERITUS

LARRY F. GODWIN, CPA

THOMAS B. MYERS, CPA

DARYL W. TAYLOR, CPA

ANTHONY E. BOYKIN, CPA

JANE M. PEACOCK, CPA

MATTHEW C. IRICK, CPA

J. RICHARD PARKER, CPA

R. MARC WOOD

SHANE E. KIRKLEY, CPA

B. KEACH JORDAN, CPA

JOHN C. BOYKIN, III, CPA

MEREDITH A. BLAKE, CPA

JOHN F. MARTIN, CPA

TRACY L. FAILE, CPA

M. EMILY SKUFCA, CPA, CIA, CFE

AMANDA B. BUCKELEW

STEPHANIE G. CARO

JASON B. HARRIS

ANNETTE L. PALMER, EA

MEMBERS OF
AMERICAN INSTITUTE OF CPA'S

SOUTH CAROLINA ASSOCIATION OF CPA'S

TELEPHONE
(803) 432-1424

FAX
(803) 432-1831

WEBSITE: WWW.SHGCPA.COM

September 19, 2022

To the Committee Members
Carolina Cup Racing Association, Inc.
Camden, South Carolina 29020

We have audited the financial statements of the Carolina Cup Racing Association, Inc. for the year ended June 30, 2022, and we will issue our report thereon dated September 19, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 19, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Carolina Cup Racing Association, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ending June 30, 2022. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements was:

Management's estimate of the useful lives of the fixed assets is based on management's experience with how long the fixed assets will last. We evaluated the key factors and assumptions used to develop the useful lives of the fixed assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 14, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of committee members and management of Carolina Cup Racing Association, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Sheheen, Hancock & Godwin, LLP

Sheheen, Hancock & Godwin, LLP
Camden, South Carolina