

Capital Acquisition Account (CAC) - FINAL

This document reports the results of the 2022 audit for the Sun City Festival Softball Club. Thomas Boudreau and Al Skakoon completed the audit in accordance with the by-laws. This is the first audit of the Capital Acquisition checking account. The audit was performed utilizing the procedures and format identical to the Softball Club's primary checking account.

1. Administrative:

- A. Review the *Sun City Festival Community Chartered Club Rules and Procedures Manual* and the *Sun City Festival Softball Club By-Laws*.
 - The HOA CCRP and Club By-Laws were reviewed for conformance. As a result of this review, we found no issues or concerns.
- B. Update the steps and procedures in this program, as deemed necessary to conform to the HOA CCRP and Club By-Laws
 - No updates are deemed necessary at this time.

2. Reporting:

- A. Determine if the appropriate forms were submitted to the HOA Lifestyle Director at the appropriate times.
 - Submit Form CC-7, "Financial Report Semi-Annual and Annual Reporting," to the Lifestyle Director by January 2023. Form CC-7 should be certified by the Softball Club President or Treasurer.
 - Required financial reports for 2022 were submitted to the HOA by the required dates. The report was certified by the Club Treasurer.
 - Submit Form CC-4 "Semi-Annual Membership Roster" to the Lifestyle Director by January 2023.
 - The CAC is a capital expenditure spending account and does not have club members. No report is needed.
 - Determine if Form CC-5, "New Club Officers," was submitted to the Lifestyle Director as appropriate by January 2023.
 - The names of the SCF Softball Club individuals identified to sign CAC checks was submitted to the Lifestyle Director.

- Determine if Form(s) CC-6, “Accident/Incident Report(s),” were recorded and submitted to the Lifestyle Director as appropriate.
 - **Comment:** There were no CAC incidents that would require a CC-6 to be submitted to the HOA.

- B. Determine that the Treasurer completed an updated copy of the physical asset inventory and attached it to the year-end financial reports submitted to the Lifestyle Director (*This attachment included the disposition of old equipment and a physical description/life expectancy estimate of the new equipment of items over \$500*).
 - The banners attached to the fence do not qualify as equipment purchases over \$500 to be inventoried.
 - The Batter’s Box project is considered a modification or improvement to the physical structure. It does not qualify as an inventory item.
 - The Picnic Area cement would not be considered an inventory item.
 - Based on the above statements, there were no inventory items held by the CAC to be inventoried.

- C. Obtain the most recent physical inventory list completed by the Treasurer (for the year being audited). Using this list as a starting point, review the inventory for all assets valued at over \$500, with a life longer than one year, to verify that the assets on hand and the inventory list are accurate.
 - There were no assets attached to the CAC to be inventoried. See section “B” above.

- D. Verify that a financial audit is conducted annually by two club members besides officers. This audit was submitted to the club President and noted that it was completed at a general membership meeting. This should be recorded in the meeting minutes.
 - The 2022 financial audit was completed by Thomas Boudreau/Al Skakoon and will be recorded in the 2023 Softball club minutes once approved.

- E. Verify that the Treasurer provided members with a financial presentation reporting revenues, disbursements, and bank account information at Club Membership meetings and that the presentations were recorded in meeting minutes.
- I reviewed the available minutes of each general membership meeting conducted in 2022. A monthly CAC account balance distributed to the Softball Club members is not necessary. Whenever the checking account changed due to an item of capital expenditure, it was communicated to the softball membership during the general meeting.

III Disbursements:

In 2022 the Club spent \$1,376.82. The following table summarizes disbursements for 2022.

Non-Resale Supplies	\$0
Advertising - Marketing	\$0
Maintenance	\$1,346.82
Equipment Purchases	\$0
Miscellaneous	\$30.00
Total Disbursements	\$1,376.82

- A. Review disbursements for individual expenditures of more than \$500 since the last annual audit.

The below table presents our review of disbursements over \$500.00.

Date	Amount	Purpose	Receipt Yes/No	Signatures Yes/NR	Minute Approval
12/10	\$1,376.82	Batter's Box Materials	Yes	Yes	Yes

- Verify that all \$500 expenditures were approved by a majority vote of the general membership as recorded in the minutes of the meeting at which the vote occurred.
 - The audit team found One disbursement over \$500.00 in 2022. The expenditure was approved by the Club's general membership meeting by an email ballot in July.

2. Verify that all checks over \$500 were approved by two Executive Board members

- The one expenditure over \$500 was approved in accordance with established guidelines.
- Review supporting invoices and other supporting documentation and compare the invoice amount and payee information to the check.
 - Receipts were available for the single disbursement over \$500. Invoice amounts matched the check amount.

B. Review a sample of \$500 or less disbursements (at least 10%) and compare for simple accuracy between invoice amounts and check amounts.

- The only expense under \$500 was for checks in the amount of \$30.

IV. Income

The Club had an income of \$9,450.00 in 2022. The below table represents a summary view of income.

HOA 60% Share Checks (after the 25% taxes are taken out of gross income)	\$9,450.00
Total Income	\$9,450.00

A. HOA 60% Sharing of Banner Income:

1. Review the financial records and determine that all HOA checks were recorded and deposited in the CAC's bank account.
 - Completed with no discrepancies found.

Other Income:

1. Determine that all income received from other sources has been recorded in the CAC financial records and deposited in the bank checking account.
 - There was no other income in 2022.
 - **Concern(s):** None

V. Bank Reconciliations

A. Review bank reconciliations to determine if the CAC's bank account was reconciled.

- We reviewed Quick Books reports summarizing monthly statements. These same statements were compared against information maintained by the Treasurer.
- **Concern(s):** None

A. Review all reconciliations since the prior annual audit and determine their accuracy.

- 2022 was the first year for the CAC checking account. The checking account was reconciled.
- **Concern(s):** None

B. Trace cash balances to Club Financial Records.

- There were no cash transactions within the CAC checking account for 2022.
- **Concern(s):** None

VI. Record Retention

A. Verify that all financial records are retained for a minimum of seven years.

- The Club Treasurer accounted for and maintained all financial records for the CAC checking account.
- **Concern(s):** None

VII. Summary

The following is a tabular summary of all income, expenses, and the Net Increase or Net Decrease of our Club in 2022.

Source of Income	Income
Total Income	\$9,450.00
Total Expenses	\$1,376.82
Net Gain	\$8,073.18

VIII. Summary/Comments of any Auditor Concerns and Observations follow:

Administrative Comments / Concerns: None

Reporting Comments / Concerns: The 2022 audit determined that the CAC has complied with Club By-Laws and Sun City Festival HOA guidelines.

Concerns: None

Disbursement Comments / Concerns: None

Income Comments / Concerns: None

Bank Reconciliations Comments / Monthly bank statements and related Quick Books reports were provided to the Club officers throughout the year.

Concerns: None

Record Retention Comments / Concerns: None

Physical Inventory Comments/Concerns: None

Respectfully Submitted,

Audit Completed by:

Thomas Boudreau

Al Skakoon

January 20th, 2022