

This document reports the results of the 2021 audit for the Sun City Festival Softball Club. The audit was completed by Mike Lacenski and Rich Shoemaker, in accordance with the by-laws. The audit was performed utilizing the procedures and format developed by prior year auditors.

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, I 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 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 2021 and July 15, 2021. Form CC-7 should be certified by the Softball Club President or Treasurer.

- Required financial reports for 2021 were submitted to the HOA by the required dates. They were certified by the Club Treasurer.

- Submit Form CC-4 "Semi-Annual Membership Roster" to the Lifestyle Director by January 15, 2021 and July 15, 2021.

- Roster reports were submitted to the HOA by the required dates. They were both signed by the Club Treasurer.

- Determine if Form CC-5, "New Club Officers" was submitted to the Lifestyle Director as appropriate.

- The names for all SCF Club Officers for 2021 were submitted to the Lifestyle Director informing the HOA of the incoming new club officers. It was submitted and signed by the President.

- Determine if Form(s) CC-6, "Accident/Incident Report(s)" were recorded and submitted to the Lifestyle Director as appropriate.

- **Comment:** In 2016 the SCF Softball Safety Manager defined and implemented the guidelines our Softball Club would use in determining incidents that would require reporting. Incidents that involve contacting the Emergency Medical Services (EMS), via 911 calls, or the SCF local Fire Department would require an Accident/Incident Report to be completed. These guidelines were complied with during 2021.

B. Determine that an updated copy of the physical asset inventory was completed by the Treasurer and attached to the mid-year and year-end financial reports to the Lifestyle Director (*This attachment should include the disposition of old equipment and the cost(s), and a physical description/life expectancy estimate of the new equipment*).

- Updated inventories were attached to the required financial reports and submitted to the Lifestyle Director.

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 is accurate.

- Using the most recent asset inventory list, I verified that the assets and the

inventory used is accurate.

D. Verify that a financial audit is conducted annually by two club members, other than officers, with auditors serving two one-year terms, with one rotating out each year; and that the results of the audit were presented to the general membership (and recorded in the meeting minutes).

- The 2021 financial audit was completed by Mike Lacenski and Rich Shoemaker and will be recorded as so in the 2022 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 general minutes of each general membership meetings conducted in 2021. All minutes recorded the fact that the treasurer provided members with a financial presentation showing revenues, disbursements, and bank account information at each meeting.

III Disbursements

In 2021 the Club spent \$11,885. The following table summarizes disbursements for 2021.

Non-Resale Supplies	\$8,495.34
Awards and Prizes	\$215.00
Entertainment	\$166.66
Maintenance	\$1,488.48
Equipment Purchases	\$1,334.12
Website Maintenance	\$185.40
Total Disbursements	\$11,885.00

A. Review disbursements for individual expenditures 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	Signature Yes/NR	Minute Approval
11/26/21	\$2,184.96	40 dozen softballs	Yes	Yes	Yes
12/14/21	\$829.45	Blade for tractor	Yes	Yes	Yes

1. 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 two disbursements over \$500.00 in 2021. All were duly discussed at general membership meetings and approved for the expenditures.

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

- All \$500 checks were approved in accordance with established guidelines.

3. Review supporting invoices and other supporting documentation and compare the invoice amount and payee information to the check.

- Receipts were available for all disbursements over \$500. Invoice amount matched the check amount.

B. Review a sample of disbursements of \$500 or less made since the 2018 audit (at least 10%) and compare for simple accuracy between invoice amounts and check amounts.

- I reviewed a sampling of supporting invoices and other documentation of expenditures of \$500 or less and verified that invoice and check amounts matched.

IV. Income

The Club had an income of \$12,344.00 in 2021. The below table represents a summary view of income.

Member Dues	\$5,310.00
Supplies sold to members/misc. income	\$50.00
Team Sponsors	\$5,800.00
League/Tournament Registration Fees	\$1,184.00
Total Income	\$12,344.00

A. Membership Dues

1. Review the financial records and determine that all member dues have been recorded and deposited in the Club's Bank account.
 - Completed with no discrepancies found.
2. Compare the list of people that paid membership dues for 2021 to the Club's Membership List. Identify any discrepancies and verify accuracy of the membership dues recorded in the Club's financial records.
 - Completed with no discrepancies found.

Other Income

1. Determine that all income received from other sources, e.g. tournament advertising, tournament entry fees, raffles, and the sales of food and other club items have been recorded in the Club's financial records, and deposited in the Club's bank account.
 - The Club received a total of \$7,034 of income from sources other than membership dues.
 - After comparing all income data recorded in the Club's Inflow records (in Quicken), and the scanned deposit slips of the monthly bank account statements, the Audit Team is confident that all income was deposited.
 - **Concern(s):** None

V. Bank Reconciliations

A. Review bank reconciliations to determine if the Club's Bank Account was reconciled monthly.

- I reviewed Quicken reports summarizing monthly statements. These same statements were compared against information maintained by the Treasurer and financial information reported at the Club's general meetings.
- **Concern(s):** None

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

- I reviewed Quicken reports of bank records of deposits and checks written each month for all of 2021. Bank records matched Club records for all

Club deposits and checks.

- **Concern(s):** None

B. Trace cash balances to Club Financial Records.

- As cash is collected and disbursed, the Treasurer records these transactions within a Quicken Books program. The program contains income by month and expenditures by month. All 12 months of bank statements were reviewed and compared to these reports. The Audit Team found 100% accuracy in all transactions.

- **Concern(s):** None

VI. Record Retention

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

- All financial records from the Club's startup date are being kept by the Club Treasurer.

- **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 2020.

Source of Income	Income
Total Income	\$12,344.00
Total Expenses	\$11,885.00
Net Income	\$459.00

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

Administrative Comments / Concerns: None

Reporting Comments / Concerns: The 2021 audit determined that the SC Festival Softball Club 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 / Concerns: Monthly bank statements and related Quicken reports were provided electronically to the Club officers throughout the year. **Concerns:** None

Record Retention Comments / Concerns: None

Physical Inventory Comments/Concerns: The auditors observed that the club has accumulated a new softball inventory of considerable value. While the room is secure, the access to the room is broad and perhaps without adequate verification of who is accessing at specific times. The Board may consider discussing the viability of limiting access or establishing a way to track who is entering at specific times.

The auditors were informed that the purchase of Scorebooks for managers may be discontinued. The Board may consider issuing a definitive statement in that regard.

Respectfully Submitted,

Signed

Mike Lacenski
Rich Shoemaker

1/31/21

SCF Softball Club
Profit & Loss
January through December 2021

	<u>Jan - Dec 21</u>
Income	
MEMBER DUES	
21-22	4,710.00
20-21	600.00
Total MEMBER DUES	<u>5,310.00</u>
SPONSORS	
Club	1,825.00
West Valley League	3,975.00
Total SPONSORS	<u>5,800.00</u>
LEAGUE REGISTRATION FEES	
States Tournament	1,184.00
Total LEAGUE REGISTRATION FEES	<u>1,184.00</u>
Misc Income	5.00
Sale of Supplies To Members	45.00
Contributions or Donations	0.00
Total Income	<u>12,344.00</u>
Expense	
Awards & Prizes	215.00
Entertainment	166.66
Equipment Purchases	1,334.12
Maintenance	1,488.48
Non Resale Supplies	8,495.34
Website Maintenance	185.40
Total Expense	<u>11,885.00</u>
Net Income	<u><u>459.00</u></u>