

**SCF Softball Club 2023**  
**Capital Acquisition Checking Account (CAC) Audit – FINAL**

The Sun City Festival Softball Club audit consists of two parts. The audit is divided based on banking accounts:

- The Sun City Festival Softball Club primary checking account.
- The Sun City Festival Softball Club capital acquisition checking account.

This document reports the results of the 2023 audit for the CAC portion of the Sun City Festival Softball Club. Joseph Mastalerz and James Schultz completed the audit in accordance with the by-laws. The audit was performed utilizing the procedures and format identical to the Softball Club’s primary checking account.

**I. 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.

**II. 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 July 2023 and January 2024. Form CC-7 should be certified by the Softball Club President or Treasurer.

- Required financial reports for 2023 were submitted to the HOA by the required dates. The reports were certified by the Club Treasurer.

- Submit Form CC-4 “Semi-Annual Membership Roster” to the Lifestyle Director by July 2023 and January 2024.

- 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 2024.
    - There were no changes to SCF Club Officers for 2024.
  - Determine if Form(s) CC-6, “Accident/Incident Report(s),” were recorded and submitted to the Lifestyle Director as appropriate.
    - N/A-The CAC is a capital expenditure spending account.
- 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*).
- N/A-The CAC is a capital expenditure spending account and does not have inventory.
- 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.
- N/A-The CAC is a capital expenditure spending account and does not have inventory.
- 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 2023 financial audit was completed by Joseph Mastalerz and James Schultz and will be recorded in the 2024 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.

- We reviewed the available minutes of each general membership meeting conducted in 2023. A monthly CAC account balance distributed to the Softball Club members is not necessary. Whenever the checking account balance changed, it was communicated to the softball membership during the next general meeting.

**III. Disbursements:**

In 2023 the CAC portion of the Club spent \$9,277.56. The following table summarizes disbursements for 2023.

Non-Resale Supplies	\$0
Advertising - Marketing	\$0
Maintenance	\$0
Capital Expenditures	\$8,702.34
Miscellaneous	\$575.22
Total Disbursements	\$9,277.56

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
2/24	\$8,702.34	Picnic Area	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 one disbursement over \$500.00 in 2023. The expenditure was approved by the Club’s general membership at the 11/8/22 meeting.

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 except:  
The item was approved by the President and Treasurer, however the formal document used by the Club for disbursement from the primary account was not used. We recommend it be used in the future.

3. 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. However, some of the support for the invoice, which was from the HOA, did not match the invoiced amount detail. The Officers of the SCF Softball Club have been informed of the discrepancies and are reviewing them with the HOA. The total invoice amount 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 expenses under \$500 were for four checks totaling \$575.22. All four were reviewed.
- Completed with no discrepancies found.

**IV. Income:**

The CAC portion of the Club had income of \$7,965.00 in 2023. The below table represents a summary view of income.

60% Share from HOA (after the 25% taxes are taken out of gross income)	\$7,965.00
Total Income	\$7,965.00

The CAC portion of the Club receives from the HOA 60% of Banner Income net of 25% of gross taken out for taxes:

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.

- Also compared the income amount to records maintained by the HOA person responsible for the Banner records- 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 2023.
  - **Concern(s):** None

**V. Bank Reconciliations:**

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

- We reviewed the monthly bank reconciliations.
- **Comment(s):** The bank reconciliation for March was not done. The SCF Financial Audit Procedures require the bank account to be reconciled monthly.
- **Concern(s):** None

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

The reconciliations were reviewed for accuracy.

- **Concern(s):** None

C. Trace cash balances to Club Financial Records.

- All twelve months of the bank statements were reviewed and compared to the financial records. The Audit 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.

- 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, disbursements, and the Net Increase or Net Decrease of the CAC's cash balance in 2023.

<b>Total Income</b>	\$7,965.00
<b>Total Disbursements</b>	\$9,277.56
<b>Net Increase (Decrease)</b>	(\$1,312.56)

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

**Administrative Comments / Concerns:** None

**Reporting Comments / Concerns:** The 2023 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 / Concerns:** None

**Record Retention Comments / Concerns:** None

**Physical Inventory Comments/Concerns:** None

Respectfully Submitted,

***Audit Completed by:***

Joseph Mastalerz



February 9, 2023

James Schultz

