

## SCF Softball Club 2023 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 primary checking account
- The Sun City Festival Club capital acquisition checking account

This document reports the results of the 2023 audit for the primary checking account for 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 developed by prior year auditors.

### 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. They were certified by the Club Treasurer.
  - Submit Form CC-4 "Semi-Annual Membership Roster" to the Lifestyle Director by July 2023 and January 2024.
    - 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 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.

- **Comment:** In 2016, the SCF Softball Safety Manager defined and implemented the guidelines our Softball Club would use to determine incidents requiring 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. In 2023, this procedure was further clarified to also report incidents anytime an individual left the softball field to seek immediate medical attention.
  
- 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 includes the disposition of old equipment and a physical description/life expectancy estimate of the new equipment of items over \$500*).
  - 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 are accurate. For 2023, we interpret the definition of inventory items to include all portable items valued over \$500 with a useful life greater than one year and not permanently attached.
  - The asset inventory was completed by club officers in January, 2024. We did not participate in the physical inventory count. We subsequently verified the inventory count in February, 2024 to ensure the inventory listing was accurate.
  - **Concern(s)** None
  
- D. Verify that a financial audit is conducted annually by two club members besides officers, one member who participated in the previous year's audit and one additional member. 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 minutes once approved. Neither of us participated on the previous year's audit. Going forward,

the audit should be performed by two club members including one member who participated on the previous year's audit.

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. All minutes recorded that the Treasurer or a Board Member provided a financial update showing revenues, disbursements, and bank account information at each meeting.

**III. Disbursements:**

In 2023 the Club spent \$20,959.09. The following table summarizes disbursements for 2023.

Non-Resale Supplies	\$3,633.91
Awards and Prizes	\$101.31
Resale Items	418.37
Banquet Expenses	4,903.24
States Tournament	3,879.28
Entertainment	\$371.14
Maintenance	\$2,558.81
Equipment Purchases	\$4,850.73
Website Maintenance	\$242.30
Total Disbursements	\$20,959.09

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

In 2023 the Club spent \$14,175.54 on items in excess of \$500.

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

Date	Amount	Purpose	Receipt Yes/No	Signatures Yes/NR	Membership Approval (See Note)
1/02	4,903.24	Banquet Expenses-Food/Beverages	Yes	Yes	Yes/Minutes
1/09	1,202.00	Softballs-18 doz	Yes	Yes	Yes/No Minutes



4/06	3,629.28	State Tournament- Food Supplies	Yes	Yes	Yes/Minutes
10/30	1,515.00	Jerseys-4 sets	Yes	Yes	Yes/No Minutes
12/01	919.20	Softball Club Hats (50)	Yes	Yes	Yes/No Minutes
12/18	534.18	Pitching Machine Caddy	Yes	Yes	N/A-(2) invoices. Both <\$500
12/21	1472.64	Softballs-24 doz	Yes	Yes	Yes/No Minutes

**Note:** Column represents member approvals, either by general meeting or Groupworks (GW) vote. Going forward, we recommend including GW voting results in membership meeting minutes.

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. See Reporting Comments/Concerns in Section VIII.
    - The audit team found seven disbursements over \$500.00 in 2023. It's unclear if all were discussed at general membership meetings and approved for expenditures, but were approved by computer vote through Groupworks. See Section VIII Reporting/Concerns for failures to record membership approved expenditures in the Minutes
  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 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.
- We reviewed multiple supporting invoices and other documentation of \$500 or less expenditures and verified that invoice and check amounts matched.

#### IV. Income:

The Club had an income of \$21,428.44 in 2023. The below table represents a summary view of income.

Member Dues	\$9,449.22
Team Sponsors	\$5,450.00
Misc. Income	\$185.00
League Tournament/Registration Fees	\$6,344.42
Total Income	\$21,428.64

##### 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 2023 to the Club's Membership List. Identify any discrepancies and verify the accuracy of the membership dues recorded in the Club's financial records.
  - Completed with minor discrepancies found. Member deposits were reconciled with the membership roster dated 1/6/24. One deposit was received by a member who was omitted from the roster. The dues for two members listed on the membership roster were deposited in January, 2024.

##### 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 \$11,979.42 of income from sources other than membership dues.
  - After comparing all income data recorded in the Club's Inflow records in Quick Books and the 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 is reconciled monthly.
- We reviewed QuickBooks 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.
  - **Comment(s):** Bank reconciliations were only performed for October-December, 2023. The SCF Club Financial Audit Procedures require the bank account to be reconciled monthly.
- B. Review all reconciliations since the prior annual audit and determine their accuracy.
- We reviewed the QuickBooks reports of bank records of deposits and checks written each month for all of 2023. Bank records matched Club records for all Club deposits and checks.
  - **Concern(s):** None
- C. Trace cash balances to Club Financial Records.
- As cash is collected and disbursed, the Treasurer records these transactions within the QuickBooks 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.
- The Club Treasurer accounts for all of the club's financial records.
  - **Concern(s):** None

## VII. Summary:

The following is a tabular summary of all income and expenses The net income (Loss) represents the Net Increase or Net Decrease in cash for our Club in 2023.

<b>Total Income</b>	\$21,428.64
<b>Total Expenses</b>	\$20,959.09
<b>Net Income (Loss)</b>	\$469. 55



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

**Administrative Comments / Concerns:** None

**Reporting Comments / Concerns:** The 2023 audit determined that the SCF Festival Softball Club has complied with Club By-Laws and Sun City Festival HOA guidelines. **Concerns:** None

**Disbursement Comments / Concerns:** Failure to record member approved expenditures in the membership minutes. Going forward, computer voting results (Groupworks) should be included in the minutes of the next general meeting.

**Income Comments / Concerns:** None

**Bank Reconciliations Comments / Concerns:** None

**Record Retention Comments / Concerns:** None

**Physical Inventory Comments/Concerns:**

As identified in the previous audit, there continues to be a storage issue for the club's significant number of softballs inventoried. At times, various Officers or Committee Chairs have taken the softballs to their homes to get them out of the extreme heat or for general storage. No controls are in place to identify the usage of the softballs. Therefore, it is difficult to know the actual inventory of the softballs. Also, the inventory could be more secure. The new Board of Directors should consider secure storage and usage controls. This audit recommendation may or may not be considered and is not a breach of any current guidelines. The auditors understand that this is a complicated issue, and that general storage areas are limited.

Respectfully Submitted,

***Audit Completed by:***

Joseph Mastalerz



February 9, 2024

James Schultz

