

Audit of Pickleball Club Financials – FY2024

I was asked to audit the financial records for fiscal year ended Sept 30, 2024 for the Westbrook Village Pickleball Club. The club has decided to operate on a fiscal year that began October 1, 2023 and ended September 30, 2024. Following is a summary of my review.

I was provided all documents maintained by Treasurer Skip Desaulniers to record all financial transactions on a monthly basis. Documents include: bank statements, deposit details, vendor invoices paid, reimbursements to members for club related expenditures and a master spreadsheet used to record all transactions. The spreadsheet serves as a monthly financial statement for the club. The spreadsheet identifies all revenues and expenditures for each month and reconciles beginning and ending cash balances to bank statements. Following are my observations.

- The current practice is to use the spreadsheet to post actual transactions into categories of expense (or revenue). Transactions are identified per a line by line review of the monthly bank statement as provided by PNC Bank. Each month, a beginning balance is shown on the spreadsheet that represents the beginning balance per the bank statement. Each transaction is posted to the spreadsheet and reconciled to the ending balance per the bank statement. This is a good practice that ensures all transactions are properly recorded and categorized and balanced to the actual cash bank balance.
- The club has recently engaged with a company, Square Inc., to act as a clearinghouse for all deposits. Revenue for items such as membership dues, purchases for party tickets, member badges are all processed by Square Inc. by use of a secure, “on-line” and simple process for members to make purchases. Deposits to PNC Bank are made directly by Square Inc. on behalf of the club. Details of deposits are provided by Square Inc to help enable the Club to differentiate the types of revenues received. Square Inc. charges a nominal per transaction fee of approximately 3%. The decision to utilize Square Inc.’s services is a convenience for both members and the Club and has improved process time by virtually eliminating the cumbersome process of writing, endorsing and depositing checks. This is a notable improvement from past practices.
- The spreadsheet includes a column representing fiscal year 2024 budget for all revenue and expense categories. The budget was approved by the board (prior to each fiscal year). This practice allows the Pickleball Board to, at any time, review revenue and expenses in terms of what was budgeted for each category.

- For the audit, I selected five months of transactions for specific review. Bank statements were provided to me for the months of October, November and December of 2023 and March and September 2024. I was also provided transaction receipts for expenditures for those periods. In reviewing these periods, I found that all transactions per the bank statement were properly recorded on the spreadsheet. Regarding revenue, the club should consider simply segregating Operational Revenue and Capital Improvement Revenue on the spreadsheet. Currently ALL revenue is shown as Operational Revenue, then separately identifies Capital Revenue (which ends up as double counting), then creating an additional line to subtract our Capital Revenue. But it is noted that in each month sampled, all revenue and expenditures tied out to the bank statement – thus beginning and ending financial statement account balances were reconciled to beginning and end of month bank statements.
- Within the spreadsheet provided for each month for the Club, there is a supplementary schedule regarding Capital Improvements. This “sub-schedule” identifies specific projects identified by the club for future improvements. Also included is an accounting for funds currently on hand that are “earmarked” for Capital Improvement. This is a good practice that keeps in focus both future projects as well as current funding available towards those projects. Keep in mind, the future improvement expenditures not at all a responsibility of the Club, but rather the HOA itself. But maintaining such a fund to offer to the HOA as assistance in payment can only help the process of ultimate approval by the HOA. The Capital Improvement sub-schedule should continue to be maintained by the Club.
- It was noted earlier above that the annual budget is identified on the spreadsheet. At the end of the fiscal year 2024, the spreadsheet can be reviewed by the Board (and / or club members) to determine total budgeted revenue and expenses versus total actual revenues and expenses. Such a review should be part of an annual financial review.
- For FY 2024 total budgeted revenue was \$9,900. Total actual revenue was \$13,200. This represents about \$3,300 of revenue in excess of budget.
- FY 2024 total budgeted expenses were \$9,300 and total actual expenses were \$9,700. This represents about \$400 of expenses in excess of budget. It should be noted that FY 2024 expenditures included a capital expenditure of \$1,126 for a bike rack. Capital expenditures are not budgeted for, which is appropriate since the Capital Improvement “sub-schedule” (discussed above), details amounts available for expenditure and specific projects needed to be addressed.

Finally, I will comment as I did in prior year’s audit that it is worth noting that as a sanctioned Westbrook Village Homeowner Association Club, the Pickleball Club is subject to audit at any time. The Pickleball Club is one of the largest clubs in the HOA and as such generates many financial transactions. For this reason, it is in the best interest of the Club and the HOA that accurate records be kept. In my opinion, the records kept and recorded by Club fairly represent the financial records of the Club.

Sil Maiorana

10/30/2024