

District 6360 Financial Review

Financial Statements 2016-17

August 19, 2017

To the Board of Directors, District 6360, Rotary International

**Purpose:** The District 6360 Financial Review Committee (FRC) is established by Article IV, Section 6 of the District Manual of Procedure (DMOP) to perform an annual independent review of the District’s financial statements according to Article IV, Sec. 6 and Article V, Sec. 5.

**Review for the 2016-17 Year:** The FRC completed its review of the District 6360 Balance Sheet as of June 30, 2017, and the Profit & Loss statement for the twelve months then ended (the “financial statements”). Based on our review, the FRC believes that the financial statements are a fair and reasonable presentation of the assets and liabilities of District 6360 as of June 30, 2017 and the income and expense for the twelve months ended June 30, 2017, although income and expense was not included, consistent with previous years’ financial statements, for the following:

* District Rotary Foundation (TRF) grant funds received and grant expenditures, which are restricted funds, managed and reported by the District Rotary Foundation (TRF) Committee (the “DRFC”). These funds are reviewed separately by the Stewardship Subcommittee of the DRFC. The chairman of that subcommittee is also on the FRC.
* Youth Exchange Fund receipts and disbursements, which are restricted funds, managed and reported separately.

Although these funds are not part of the District’s operating budget and have not been reported in the District’s financial statements in past years, we understand that the Budget & Finance Committee plans to include them in future reports. These funds’ cash balances at June 30, 2017, are included in the District 6360 balance sheet.

The credit balance of $1,024, in “Other Current Assets, Undeposited Funds,” cleared in July 2017. Further actions and adjustments may be required in 2017-18 to address amounts, if any,that do not clear from Related-Party Payables – JetPay, Club Events and Other.

**The FRC’s financial review includes** reading the financial statements analytically, making enquiries, and agreeing cash balances certificates of deposit to bank statements. The financial review is not an audit nor a review in accordance with the *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

The financial review included:

* One member of the FRC, Jim Temple, attended the Budget & Finance Committee meeting on July 29, 2017, where preliminary financial statements were read and discussed. Financial statement items were identified for follow-up and possible adjustment.
* Updated financial statements were read and discussed by the three FRC members, who met with the District Treasurer on August 16. At this meeting we reviewed bank statements.
* Bank reconciliations on checking and money market accounts were provided along with a statements supporting the certificates of deposit.

**The Financial Review Committee is comprised of three members as required by the DMOP:**

Terry Allen, PDG, Area 2, Lakeshore Rotary Club.

Karl Kincade, AG, Area 1, Berrien Springs-Eau Claire Rotary Club, and Chairman of the District 6360 Foundation.

Jim Temple, Treasurer, Berrien-Springs-Eau Claire Rotary Club, and Chairman of the Stewardship Subcommittee of the District Rotary Foundation (TRF) Committee.

All three members have substantial business and financial statement experience. Jim also is a retired CPA (not in public practice) and a Certified Internal Auditor (inactive). He has over 36 years’ experience in auditing, accounting and financial reporting, and he teaches as an adjunct at Andrews University, Chan Shun School of Business.