

District 6360 Financial Review

Financial Statements 2019-20

August 29, 2020

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 2019-20 Year:** The FRC completed its review of the District 6360 Balance Sheet as of June 30, 2020, 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, 2020 and the income and expense for the twelve months ended June 30, 2020. Total assets were $199,906, including $195,236 in cash checking accounts, savings and certificates of deposit. Income for the twelve-month period exceeded expenses by $10,467.

There were no proposed adjustments to the financial statements as a result of our financial review.

We commend District Treasurer Tina Spanos, Assistant Treasurer Eugene Haas, District CFO Ingrid Nova, and District Governor Marjorie Haas for their effective and diligent stewardship of the District’s financial resources.

**The FRC’s financial review included** reading the financial statements analytically, making enquiries, examining supporting documentation for selected expenditures, and agreeing cash balances and certificates of deposit to supporting 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:

* The financial statements were read and discussed by the three FRC members, who met with the 2019-20 District Assistant Treasurer Eugene Haas and District Chief Financial Officer Ingrid Nova on August 29 (PDG Sandelin and CFO Ingrid Nova participated by Zoom.) At this meeting we reviewed bank statements and a credit union statement supporting the cash and certificates of deposit. The General checking account balance was reconciled satisfactorily to the bank statement, and reconciling amounts were agreed to checks and deposits that cleared on the subsequent month’s bank statement.
* Other current assets totaled $4,200, consisting of refundable deposits for the RI Foundation event at Firekeepers, the District conference and the RYLA camp. Supporting documentation for these expenditures was examined, and refunds received in July for the Foundation event and District conference were agreed to the July bank statement. The RYLA deposit of $500 is being applied to the 2021 RYLA camp.
* The FRC reviewed the detailed listing of income and expenses for the year, selected certain expense items, and examined the supporting documentation. The total of selected expense amounts, including payroll, was $81,448, or 42% of total expenses of $192,238. Included in total expenses is $56,787 of the District Rotary Foundation (TRF) Committee grants paid, the details of which are included in a separate TRF Committee Stewardship review.
* Payroll tax reports to the IRS and Michigan Department of Treasury were examined for the quarter ended June 30. The amounts payable were included in Balance Sheet liabilities at June 30 and were agreed to payments on the July bank statement.
* Pandemic-related dues reimbursements to Rotary clubs of $30,368 were reported as a Balance Sheet liability and as a reduction of District dues income, and the method of calculating refunds to the clubs was included in the financial review.
* Refunds for the canceled Great Lakes PETS hotel rooms and meals were refunded to the District, individuals or Rotary clubs. Amounts payable to the Rotary clubs were included in Balance Sheet liabilities at June 30 and paid in August 2020.

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

Karl Sandelin, PDG and Past-President of the Kalamazoo Rotary Club.

Karl Kincade, Assistant Treasurer and former Chairman of the District 6360 Foundation, former AG, Area 1, and Past-President of the Berrien Springs-Eau Claire Rotary Club

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

The three members have substantial business and financial statement experience. Jim also is a retired CPA (not in public practice) and Certified Internal Auditor (inactive). He has over 36 years’ experience in auditing, accounting and financial reporting. In recent years, he taught Auditing, Income Taxation and Macroeconomics as an adjunct at Andrews University School of Business.