

To: Rotary District Governor Weaver and District 7750 Leadership Counsel

Re: Management Letter for District Financial Statements for the Club Year ended June 30, 2016

Dear Mr. Weaver,

We have examined the accompanying Statement of Financial Position of Rotary International District 7750 for the Club year July 1st, 2015 to June 30th, 2016, and the related Cash Receipts and Disbursements statement for the year then ended. We examined the following:

- All sources of the districts funds
- All funds received by or on behalf of the district from fundraising activities
- Grants received from the Rotary Foundation or funds of the Rotary Foundation designated for district use
- All financial transactions of the district committees
- All financial transactions of the governor by or on behalf of the district
- All expenditures of the district's funds
- All funds received by the governor from RI

District Leadership is responsible for the preparation and fair presentation of the financial statements and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements. During our examination of the above referenced period, we became aware of matters that represent an opportunity for strengthening internal controls.

- Accounting for the Rotary District 7750 Youth Exchange program is maintained independently of the District records. A review of the Youth Exchange account showed a number of instances where contemporaneous documentation was not provided for expenditures. It is recommended that Youth Exchange accounting should be brought under the direction of the District Treasurer and all policies and standards of the District should be applicable to the Youth Exchange program administration and accounting.
- The District maintains its largest asset with the Spartanburg County Foundation. During the examined year, this asset incurred unrealized losses of \$10,859.65. Our examination found no investment plan or policy with which to measure the appropriateness of this risk of this asset. It is recommended that the District establish an investment policy and monitor its investments against this policy.

Our responsibility was to conduct the examination in accordance with Rotary International Bylaws 15.060.4. Our examination reviewed all income and expenditures for the Club year and traced each from the books of original entry into the Statement of Financial Position and the Cash Receipts and Disbursements statements. Based on our examination, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with Rotary International Bylaws 15.060.4 and conclude that the statements are fairly and accurately presented.



David Karr

Richard Rabb

Milton Shockley

Rotary District 7750 Financial Examination Committee

Rotary District 7750
Statement of Financial Position
As of June 30, 2016

	<u>Jun 30, 16</u>
ASSETS	
Current Assets	
Checking/Savings	
Bank of America Checking	14,963.07
District Grant Checking Account	380.03
Youth Exchange Checking Account	4,160.49
The Spartanburg County Foundati	241,399.59
Total Checking/Savings	<u>260,903.18</u>
Other Current Assets	
Due from Jack Newby	398.00
Total Other Current Assets	<u>398.00</u>
Total Current Assets	<u>261,301.18</u>
TOTAL ASSETS	<u>261,301.18</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Due for Disney Trip	372.89
Total Other Current Liabilities	<u>372.89</u>
Total Current Liabilities	<u>372.89</u>
Total Liabilities	372.89
Equity	
Retained Earnings	272,996.19
Net Income	<u>-12,067.90</u>
Total Equity	<u>260,928.29</u>
TOTAL LIABILITIES & EQUITY	<u>261,301.18</u>

Rotary District 7750
Cash Receipts and Disbursements Actual vs. Budget
June 2016 and Year to Date July 2015 through June 2016

	Jun-16	July 15 - June 16	Annual Budget	Budget Variance
Income				
Member Dues		94,464.00	94,680.00	-216.00
Self Supporting Events				
All Club Conference				
All Club Conference Dues		15,744.00	15,780.00	-36.00
All Club Conference Registration fees	1,280.00	37,750.00	32,400.00	5,350.00
All Club Conference Sponsorships		16,300.00	1,700.00	14,600.00
Silent Auction		<u>6248.29</u>	<u>0</u>	<u>6248.29</u>
Total District Conference	<u>1,280.00</u>	<u>76,042.29</u>	<u>49,880.00</u>	<u>26,162.29</u>
Registration Fees				
Foundation Banquet		7,640.00	6,000.00	1,640.00
Foundation Seminar Sponsorship		5,800.00	1,500.00	4,300.00
Mid Year Assembly		4,100.00	3,750.00	350.00
Foundation Seminars			0.00	0.00
District Awards & Installation Banquet	5,000.00	7,000.00	6,000.00	1,000.00
Governor's Installation Sponsor	1,800.00	2,300.00	1,500.00	800.00
Club Leadership Training			0.00	0.00
MLK Dream Weekend			0.00	0.00
Swamp Rabbit Hockey fundraiser		<u>899.25</u>	<u>0.00</u>	<u>899.25</u>
Total Registration Fees	<u>6,800.00</u>	<u>27,739.25</u>	<u>18,750.00</u>	<u>8,989.25</u>
Total Self Supporting Events	8,080.00	103,781.54	68,630.00	35,151.54
Newsletter - RI Grant 2014-2015		3,000.00	0.00	3,000.00
Newsletter - RI Grant 2015-16		3,000.00	3,000.00	0.00
RI Allocation for DG expenses	10,467.00	10,467.00	0.00	10,467.00
Youth Exchange				
Contributions	2,350.00	2,350.00	0.00	2,350.00
Fees from Participants	6,405.00	6,405.00	0.00	6,405.00
Fundraising Events Profits	<u>6,863.96</u>	<u>6,863.96</u>	<u>0.00</u>	<u>6,863.96</u>
Total Youth Exchange	<u>15,618.96</u>	<u>15,618.96</u>	<u>0.00</u>	<u>15,618.96</u>
License Plates				
Total Income	<u>79,173.96</u>	<u>230,331.50</u>	<u>166,310.00</u>	<u>64,021.50</u>
Gross Profit	79,173.96	230,331.50	166,310.00	64,021.50
Expense				
District Expenses				
DG Fund	2,078.88	3,229.01	3,500.00	-270.99
DGE Fund	131.76	3,737.59	3,500.00	237.59
DGN Fund			1,500.00	-1,500.00
Vice Governor Fund			0.00	0.00
Assistant Governor's Fund	883.18	3,360.82	5,700.00	-2,339.18
RLI Chair			500.00	-500.00
Administration Support	1,275.00	13,200.00	13,200.00	0.00
Council of Governor's		3,819.28	3,600.00	219.28
District Newsletter		3,000.00	3,000.00	0.00
District Directory			0.00	0.00
Accounting Fees		550.00	1,900.00	-1,350.00
District Website		1,561.15	1,600.00	-38.85

GSE Expenses			0.00	0.00
Supplies	537.45	888.41	750.00	138.41
Caribbean Partnership		200.00	0.00	-200.00
Merchant fees	-1,041.57	526.38	0.00	526.38
Awards	390.76	390.76	750.00	-359.24
GRAT Training		263.88	1,000.00	-736.12
RLI Dues		325.00	300.00	25.00
TRF-Paul Harris Society		404.24	200.00	204.24
TRF-Foundation Grants Admin			500.00	-500.00
TRF-Alumni			250.00	-250.00
TRF-Partnered Training	1,361.06	1,460.06	4,000.00	-2,539.94
RYLA	1,360.00	1,360.00	2,000.00	-640.00
Interact			1,500.00	-1,500.00
Rotaract	355.68	355.68	1,000.00	-644.32
Youth Exchange	12,844.56	18,844.56	6,000.00	12,844.56
Zone Institute		9,010.00	10,000.00	-990.00
Zone Institute Fee		0.00	450.00	-450.00
Zone Institute - PDG's & PP		2,500.00	7,000.00	-4,500.00
AG & Committee Chair Training		712.60	1,100.00	-387.40
Carolina PETS (AG & VG)	1,108.29	10,149.99	8,450.00	1,699.99
PETS Notebooks and copies		182.53	680.00	-497.47
RI Convention	4,597.45	13,045.25	13,000.00	45.25
RI Convention 2017	763.00	763.00	0.00	763.00
Public Relations			750.00	-750.00
RI Allocation for DG Expenses	10,467.00	10,467.00	0.00	10,467.00
Total District Expenses	37,112.50	104,307.19	97,680.00	6,627.19
Self Supporting Events Expenses				
All Club Conference Expenses	1,470.37	65,541.80	49,880.00	15,661.80
Foundation Banquet		11,588.60	7,500.00	4,088.60
Mid Year Assembly		5,634.29	3,750.00	1,884.29
2016-2017 All Club Conference Deposit		2,000.00	0.00	2,000.00
2017-2018 All Club Conference Deposit		750.00	0.00	750.00
District Awards & Installation Banquet	9,116.33	9,116.33	7,500.00	1,616.33
Swamp Rabbit Fundraiser Eventt		881.25	0.00	881.25
Total Self Supporting Events Expenses	10,586.70	95,512.27	68,630.00	26,882.27
Total Operating Expenses	47,699.20	199,819.46	166,310.00	33,509.46
Net Operating Income	31,474.76	30,512.04		30,512.04
Other Income/Expenses				
District Supplemental Grants funded by District 7750		-33,194.00	0.00	-33,194.00
District Grants Funded by TRF	45,008.00	45,008.00	0.00	45,008.00
District Grants Funded by TRF Allocated	-45,008.00	-45,008.00	0.00	-45,008.00
Net Investment Income	1,473.71	1,473.71	0.00	1,473.71
Unrealized Gain/-Loss on Investments	-10,859.65	-10,859.65		
Net Income	-22,919.18	-12,067.90	0.00	-12,067.90