

To: Rotary District Governor Weaver and District 7750 Leadership Counsel  
Re: Management Letter for District Financial Statements for the Club Year ended June 30, 2017  
Date: November 24, 2017

Dear Mr. Weaver,

We have examined the accompanying Statement of Financial Position of Rotary International District 7750 for the Club year July 1<sup>st</sup>, 2016 to June 30<sup>th</sup>, 2017, 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.

- Based on previous recommendation, the accounting for the Rotary District 7750 Youth Exchange program was integrated into the District records. However, our review of the Youth Exchange account still showed several instances where contemporaneous documentation was not provided for expenditures. It is recommended that Youth Exchange accounting should be brought under the full 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 Youth Exchange program should be reviewed regularly by District leadership.
- The District maintains its largest asset with the Spartanburg County Foundation. During the examined year, this asset incurred unrealized gains of \$21,169.77. Our examination found no investment plan or policy with which to measure the appropriateness of 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  
Randy Bell  
Rotary District 7750 Financial Examination Committee

**Rotary District 7750**  
**Statement of Financial Position**  
As of June 30, 2017

	<u>Jun 30, 17</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Bank of America Checking	7,186.25
District Grant Checking Account	429.03
Youth Exchange Checking Account	7,850.32
The Spartanburg County Foundati	252,040.17
<b>Total Checking/Savings</b>	<u>267,505.77</u>
<b>Total Current Assets</b>	<u>267,505.77</u>
<b>TOTAL ASSETS</b>	<b><u>267,505.77</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Equity</b>	
Retained Earnings	260,126.25
Net Income	7,379.52
<b>Total Equity</b>	<u>267,505.77</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>267,505.77</u></b>

**Rotary District 7750**  
**Cash Receipts and Disbursements Actual vs. Budget**  
**June 2017 and Year to Date July 2016 through June 2017**

	Jun-17	July 16 -June 17	Annual Budget	Budget Variance
<b>Income</b>				
Member Dues		92,785.00	93,450.00	-665.00
Self Supporting Events				
All Club Conference				
All Club Conference Dues		15,906.00	16,020.00	-114.00
All Club Conference Registration fees	-388.91	35,490.00	34,200.00	1,290.00
All Club Conference Sponsorships		11,530.00	1,500.00	10,030.00
CART	388.91	388.91	0.00	388.91
Polio Plus		957.00	0.00	957.00
Silent Auction		9,151.00	0.00	9,151.00
Total District Conference	0.00	73,422.91	51,720.00	21,702.91
Registration Fees				
Mid Year Assembly			4,250.00	-4,250.00
Area Training	225.00	225.00	0.00	225.00
District Awards & Installation Registration fees	6,390.00	8,935.00	7,200.00	1,735.00
District Awards & Installation Sponsorships	4,050.00	4,050.00	1,000.00	3,050.00
Total Registration Fees	10,665.00	13,210.00	12,450.00	760.00
Total Self Supporting Events	10,665.00	86,632.91	64,170.00	22,462.91
Newsletter - RI Grant	3,000.00	3,000.00	3,000.00	0.00
RI Allocation for DG expenses	9,120.00	9,120.00	9,120.00	0.00
Youth Exchange				
Contributions	1,200.00	8,200.00	0.00	8,200.00
Fees from Participants	1,339.89	12,334.19	0.00	12,334.19
Total Youth Exchange	2,539.89	20,534.19	0.00	20,534.19
License Plates				
<b>Total Income</b>	<b>25,324.89</b>	<b>212,072.10</b>	<b>169,740.00</b>	<b>42,332.10</b>
<b>Gross Profit</b>	<b>25,324.89</b>	<b>212,072.10</b>	<b>169,740.00</b>	<b>42,332.10</b>
<b>Expense</b>				
District Expenses				
DG Fund	332.67	3,588.14	3,500.00	88.14
DGE Fund	1,758.05	3,444.29	3,500.00	-55.71
DGN Fund	303.29	902.97	1,500.00	-597.03
Assistant Governor's Fund	1,061.48	3,657.33	5,700.00	-2,042.67
Vice Governor Fund			450.00	-450.00
Rotary International Convention - Atlanta			1,100.00	-1,100.00
RLI Chair		344.98	500.00	-155.02
Administration Support	1,250.00	13,300.00	13,300.00	0.00
Council of Governor's		3,558.36	3,800.00	-241.64
District Newsletter	825.00	3,300.00	3,000.00	300.00
Accounting Fees	0.00	725.00	550.00	175.00
CART		691.68	0.00	691.68
District Website	3,720.00	5,312.59	4,250.00	1,062.59
Supplies	475.35	758.27	640.00	118.27
Merchant fees	-81.38	682.46	300.00	382.46
Awards	1,169.97	1,222.97	700.00	522.97
GRAT Training			600.00	-600.00
RLI Dues		300.00	300.00	0.00
TRF-Paul Harris Society			200.00	-200.00
TRF-Foundation Grants Admin			500.00	-500.00
TRF-Alumni			250.00	-250.00

TRF-Partnered Training	1,015.66	1,015.66	3,000.00	-1,984.34
D7750 Charities Support		500.00	500.00	0.00
RYLA	1,879.76	1,879.76	2,500.00	-620.24
Interact			2,000.00	-2,000.00
Rotaract			1,100.00	-1,100.00
Youth Exchange	8,714.58	24,719.67	7,850.00	16,869.67
Zone Institute	1,442.37	7,147.94	7,700.00	-552.06
Zone Institute Fee		450.00	500.00	-50.00
Zone Institute - PDG's & PP	701.73	4,701.73	5,500.00	-798.27
AG & Committee Chair Training	242.76	345.51	1,000.00	-654.49
District Trainer - Club visit mileage	99.00	739.79	1,000.00	-260.21
Carolina PETS (AG & VG)	2,005.48	8,084.58	9,900.00	-1,815.42
PETS Notebooks and copies	75.00	838.66	760.00	78.66
RI Convention	3,480.25	3,480.25	6,100.00	-2,619.75
Public Relations		718.07	1,000.00	-281.93
DGE Deposit for 2017 Awards/Installation Banquet			500.00	-500.00
District Foundation Chair - Club visits	151.28	369.98	500.00	-130.02
District Literacy Chair - Club visits		265.00	400.00	-135.00
Friendship Exchange	991.28	991.28	0.00	991.28
RI Allocation for DG Expenses	9,120.00	9,120.00	9,120.00	0.00
<b>Total District Expenses</b>	<b>40,733.58</b>	<b>107,156.92</b>	<b>105,570.00</b>	<b>1,586.92</b>
<b>Self Supporting Events Expenses</b>				
<b>All Club Conference Expenses</b>				
Conference Expenses	2,538.91	51,817.66	51,720.00	97.66
Silent Auction and Polio Plus		10,108.00	0.00	10,108.00
Foundation Banquet			0.00	0.00
Mid Year Assembly		1,017.88	4,250.00	-3,232.12
2016-2017 All Club Conference Deposit			0.00	0.00
2017-2018 All Club Conference Deposit			0.00	0.00
District Awards & Installation Banquet	11,598.74	11,598.74	8,200.00	3,398.74
Swamp Rabbit Fundraiser Eventt			0.00	0.00
<b>Total Self Supporting Events Expenses</b>	<b>14,137.65</b>	<b>74,542.28</b>	<b>64,170.00</b>	<b>10,372.28</b>
<b>Total Operating Expenses</b>	<b>54,871.23</b>	<b>181,699.20</b>	<b>169,740.00</b>	<b>11,959.20</b>
<b>Net Operating Income</b>	<b>-29,546.34</b>	<b>30,372.90</b>		<b>30,372.90</b>
<b>Other Income/Expenses</b>				
<b>Other Income</b>				
Grants Funded by The Rotary Foundation	108,187.00	108,187.00	0.00	108,187.00
Carryover - prior year's grants		1,200.00	0.00	1,200.00
District Grants to D7750 Clubs	-49,657.00	-49,657.00	0.00	-49,657.00
Global Grant to Haiti Partners in Agriculture	-58,530.00	-58,530.00	0.00	-58,530.00
Investment Income	2,782.77	2,782.77	0.00	2,782.77
Unrealized Gain/Loss on Investments	21,169.77	21,169.77	0.00	21,169.77
<b>Total Other Income</b>	<b>23,952.54</b>	<b>25,152.54</b>		<b>25,152.54</b>
<b>Other Expenses</b>				
District Supplemental Grants funded by District 7750		31,381.00	0.00	31,381.00
District Grants Allocated		2,500.00	0.00	2,500.00
Polio Plus Match	500.00	8,500.00	0.00	8,500.00
Investment Fees	2,509.92	2,509.92	0.00	2,509.92
Member Event Grant Program	2,025.00	2,355.00	0.00	2,355.00
Video - Women in Rotary	0.00	900.00	0.00	900.00
<b>Total Other Expenses</b>	<b>5,034.92</b>	<b>48,145.92</b>		<b>48,145.92</b>
<b>Net Income</b>	<b>-10,628.72</b>	<b>7,379.52</b>		<b>7,379.52</b>