

Rotary District 7475

Internal Review Committee Report

July 1, 2023 – June 30, 2024

The Internal Review Committee (“IRC”) of Rotary District 7475 met on Friday, August 23, 2024, for the annual review of the district finances, and the following report is provided.

It should be noted that the actions taken by this committee are not an audit, but an in-depth review of the transactions and an assessment thereof. The financial statements attached hereto have been generated by the District Treasurer and none of the members of this committee are providing an opinion, as per Generally Accepted Accounting Principles, on those financial statements.

Individuals Present

- Jaydip Sen, Chair, IRC
- Adrienne Bzura, PDG, Member, IRC
- John Mooney, Member, IRC
- John Hogan, Member, IRC
- Judi Frank, District Treasurer RY 2023-24
- Laura Lannin, District Treasurer RY 2024-25
- Larry Wefferling, Chair, District Finance Committee

Documents Provided

- Financial Statements (monthly and annual)
- Monthly Bank Statements
- Monthly bank reconciliations
- YTD transaction register listing details of deposits and payments
- Evidence of check payments along with supporting receipts and memos
- Credit Card statements
- General Ledger.

The finance committee chair gave an overview of the transactions, any noted exceptions, and provided an overview of the supporting documents. The finance committee chair and the treasurers were available for any questions, additional support documents as needed. Also, a brief training for the new members of the IRC was conducted by Rotarian Art Powell, past member of the District Internal Review Committee (FKA District Audit Committee).

Objective of the Internal Review Committee Annual Review Process

1. To ensure completeness of the financial statements under review with regards to the reporting of district finances to include, but not limited to, all:
 - (a) sources of the district's funds (RI, TRF, district, and club);
 - (b) funds received by or on behalf of the district from fundraising activities.
 - (c) grants received from TRF or TRF funds designated by the district for use.
 - (d) financial transactions of district committees.
 - (e) financial transactions of the governor by or on behalf of the district.
 - (f) expenditures of district funds.
 - (g) funds received by the governor from RI.

2. To make inquiries into the governance and internal controls of the district's finances and operations surrounding the financial statements under review.

Procedures Performed

To ensure the completeness, accuracy, and existence of every single transaction recorded under the cash account and to confirm the overall completeness of the financial statements including the final cash balance, the members of the Audit Committee, in pairs, did the following procedures. The first pair was PDG Adrienne Bzura and IRC chair Jaydip Sen. The second pair was IRC member John Mooney and IRC member John Hogan. Any questions that the IRC members had while performing the review procedures were discussed with Larry Wefferling, Judi Frank, and Laura Lannin. All transactions from the below three bank accounts were reviewed by the IRC.

1. Fulton Bank – 1438
2. Fulton Bank MM – 1447
3. TD Bank Grant Account – 1273

Outline of Procedures:

1. IRC members made inquiries to the Finance Committee chair with regards to district financial budget, consistent administration of district funds, segregation of duties for handling funds and policies for document retention and authorizations for disbursement of funds.
2. Annual financial statements were footed and read for reasonableness, presentation and for use of standard set of accounts.

3. All monthly financial statements were footed.
4. All monthly bank reconciliations were reviewed for any discrepancies.
5. For each month the following procedures were performed:
 - a. All cleared payments were traced to the transaction register and verified against the bank statement. For check payments, numbered checks along with supporting evidence were inspected to verify the amounts. If multiple receipts were provided as evidence, they were all footed and cross checked with the check amount.
 - b. Based on a materiality threshold, a random selection of disbursements was tested to ensure the support for the payments were reasonable. The IRC members made appropriate inquiries to the Finance committee chair to determine the reasonableness of the transaction and examined if appropriate authorizations were in place.
 - c. All credit card payments were traced to the transaction register and verified against the credit card statement.
 - d. All deposits were traced to the transaction register and verified against the bank statements.
 - e. All transactions from the bank statements and the bank reconciliation were cross checked with the transaction register to ensure completeness.
 - f. All payments not cleared in a particular month were noted and tracked in subsequent months when cleared and traced to the respective bank statement and the transaction register.
 - g. Any discrepancies found were noted and brought to the attention of the finance committee and the treasurer and appropriate evidence was provided or corrections posted.
6. A random sample of district grant payments recorded in the bank account statements were verified with the spending actuals from the District Grant report (DG2454816) filed with Rotary International for RY2023-24 as obtained from the Grants Center.

Conclusion

Based on the procedures performed outlined in this report, it is the conclusion of the Internal Review Committee that all transactions posted to the books and records of Rotary District 7475 for the fiscal year ended June 30, 2024, are accurate and the financial statements attached hereto reflect those transactions.

Respectfully submitted,
Jaydip Sen, Chairperson

Rotary International District 7475
Balance Sheet
As of June 30, 2024

	<u>Jun 30, 24</u>
ASSETS	
Current Assets	
Checking/Savings	
TD DG 4073	1,000.00
TD Youth Exchange 4172	10,000.00
TD Money Market 3900	10,000.00
TD Operating 3140	10,000.00
Fulton Bank 1438	148,186.33
Fulton Bank MM 1447	162,291.90
TD Grant 1273	10,922.13
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Total Checking/Savings	352,400.36
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Total Current Assets	352,400.36
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TOTAL ASSETS	352,400.36
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LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	5,189.61
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Total Accounts Payable	5,189.61
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Other Current Liabilities	
Accts Payable	
District Grant	9,626.00
PETS	4,892.43
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Total Accts Payable	14,518.43
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Total Other Current Liabilities	14,518.43
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Total Current Liabilities	19,708.04
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Total Liabilities	19,708.04
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Equity	
Restricted Net Assets	
RYLA	4,405.72
STYEP	9,054.09
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Total Restricted Net Assets	13,459.81

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Accrual Basis

Rotary International District 7475
Balance Sheet
As of June 30, 2024

	<u>Jun 30, 24</u>
Unrestricted Net Assets	230,777.17
Net Income	<u>88,455.34</u>
Total Equity	<u>332,692.32</u>
TOTAL LIABILITIES & EQUITY	<u><u>352,400.36</u></u>

	<u>Jul '23 - Jun 24</u>
Ordinary Income/Expense	
Income	
STYEP Income	87,022.82
Affinity Programs	881.54
District Conference Registration	7,548.07
Dues	90,530.00
Investments	
Interest-Savings	<u>2,177.06</u>
Total Investments	2,177.06
PETS	22,500.00
RI Governor's Stipend	8,436.00
Rotary International	
RI Grant	<u>55,412.00</u>
Total Rotary International	55,412.00
RYLA Income	<u>22,150.00</u>
Total Income	<u>296,657.49</u>
Gross Profit	296,657.49
Expense	
Administration	
District Website & Data Base	4,137.96
Online Solutions	1,004.15
Supplies and Postage	<u>636.55</u>
Total Administration	5,778.66
Award	
District Grants	<u>55,230.00</u>
Total Award	55,230.00
Bank Service Charge	105.00
Conference/Convention/Assembly	
RYLA	32,330.29
Zone 28-32 7 Officers	<u>8,545.05</u>
Total Conference/Convention/Assembly	40,875.34

Rotary International District 7475
Profit & Loss
July 2023 through June 2024

	<u>Jul '23 - Jun 24</u>
District Leadership	
District Governor (RI Stipend)	8,436.00
District Governor Elect	1,718.31
District Governor ND	425.00
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Total District Leadership	10,579.31
District Meetings	
Rotary Business Networking	0.00
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Total District Meetings	0.00
District Projects	
STYEP Expense	64,800.87
E.S.S.E.X Membership	493.80
E.S.S.E.X. Leadership Training	2,000.00
District Projects - Other	300.00
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Total District Projects	67,594.67
Operations	
Postage, Mailing Service	9.65
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Total Operations	9.65
Training	
District Trainings	68.98
Foundation/MOU Workshops	2,800.00
PETS	25,160.54
Pre-PETS	0.00
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Total Training	28,029.52
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Total Expense	208,202.15
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Net Ordinary Income	88,455.34
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Net Income	<u><u>88,455.34</u></u>

	Jul '23 - Jun 24	Budget
Ordinary Income/Expense		
Income		
STYEP Income	87,022.82	
Affinity Programs	881.54	
District Conference Registration	7,548.07	
Dues	90,530.00	87,500.00
Investments		
Interest-Savings	2,177.06	500.00
Total Investments	2,177.06	500.00
PETS	22,500.00	22,500.00
PETS Registration	0.00	0.00
RI District Governor Income	0.00	0.00
RI Governor's Stipend	8,436.00	12,550.00
Rotary International		
Global Scholar	0.00	0.00
RI Grants (DDF)	55,412.00	66,000.00
Total Rotary International	55,412.00	66,000.00
RYLA Income	22,150.00	
Total Income	296,657.49	189,050.00
Gross Profit	296,657.49	189,050.00
Expense		
Rotary Action Plan		
Membership Development	0.00	0.00
Public Image Club Support	0.00	0.00
Foundation Fundraising	0.00	0.00
Total Rotary Action Plan	0.00	0.00
Rotary Intl Award		
RI Grants (DDF)	0.00	0.00
Global Scholar	0.00	0.00
Total Rotary Intl Award	0.00	0.00
Administration		
Office Expense	0.00	0.00
District Website & Data Base	4,137.96	3,500.00
Merchant Service Fees	0.00	750.00
Online Solutions	1,004.15	1,000.00
RLI Dues	0.00	600.00
Supplies and Postage	636.55	1,750.00
Total Administration	5,778.66	7,600.00

Rotary International District 7475
 Profit & Loss Budget Overview
 July 2023 through June 2024

	Jul '23 - Jun 24	Budget
Award		
District Grants	55,230.00	66,000.00
Membership	0.00	0.00
Total Award	55,230.00	66,000.00
Awards and Recognition	0.00	0.00
Bank Service Charge	105.00	0.00
Conference/Convention/Assembly		
RYLA	32,330.29	
District Conference		
Entertainment	0.00	20,000.00
Gifts	0.00	0.00
Gratuities	0.00	0.00
Hospitality Room	0.00	0.00
Meals	0.00	0.00
Postage	0.00	0.00
Pre Conference Review	0.00	0.00
Printing	0.00	0.00
Venue	0.00	0.00
Web Site	0.00	0.00
District Conference - Other	0.00	0.00
Total District Conference	0.00	20,000.00
Rotary International Convention	0.00	6,000.00
Vocational Assembly	0.00	500.00
Zone 28-32 7 Officers	8,545.05	12,000.00
Total Conference/Convention/Asse...	40,875.34	38,500.00
2% Contingency	0.00	0.00
District Leadership		
20 Assistant Governors	0.00	2,700.00
3 Deputy Governors	0.00	2,000.00
District Governor	0.00	3,000.00
District Governor (RI Stipend)	8,436.00	12,550.00
District Governor Elect	1,718.31	3,000.00
District Governor ND	425.00	2,000.00
District Governor Nominee	0.00	500.00
Governor's Aide	0.00	0.00
ImmediatePast District Governor	0.00	0.00
Total District Leadership	10,579.31	25,750.00

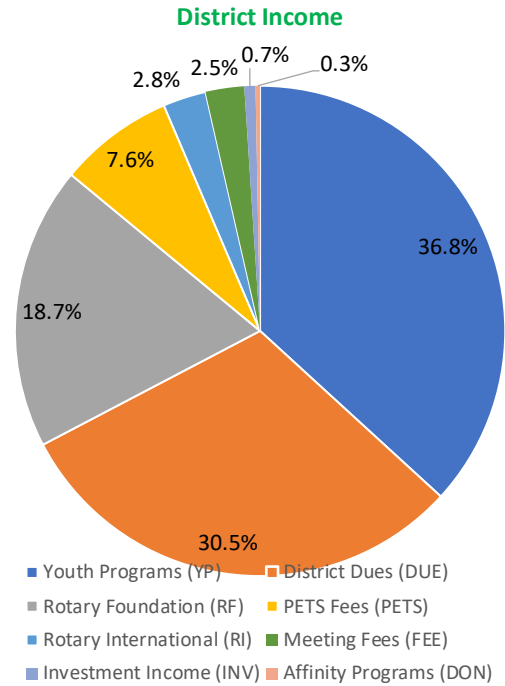
	Jul '23 - Jun 24	Budget
District Meetings		
Adv Council of Past Governors	0.00	2,000.00
Rotary Business Networking	0.00	0.00
District Meetings - Other	0.00	2,000.00
Total District Meetings	0.00	4,000.00
Youth Programs		
Interact	0.00	0.00
Background Checks	0.00	0.00
YE Short-term Program Support	0.00	0.00
YE Longterm Program Support	0.00	0.00
RYLA Scholarship	0.00	0.00
STYEP Expense	65,100.87	
E.S.S.E.X Fees	493.80	750.00
E.S.S.E.X. Meetings&Training	2,000.00	2,000.00
Youth Support (New Interact)	0.00	1,500.00
Total Youth Programs	67,594.67	4,250.00
Fundraising	0.00	0.00
Operations		
Postage, Mailing Service	9.65	0.00
Total Operations	9.65	0.00
District Learning		
AG Training	0.00	1,000.00
District Learning Assembly	0.00	7,500.00
District Ongoing Learning	68.98	1,000.00
Foundation	0.00	0.00
Foundation/MOU Workshops	2,800.00	3,750.00
Membership	0.00	6,600.00
PETS (PEs and AGs)	25,160.54	22,500.00
Pre-PETS	0.00	
Public Image	0.00	0.00
Rotary Leadership Institute	0.00	600.00
Total District Learning	28,029.52	42,950.00
Travel and Meetings		
Conference, Convention, Meeting	0.00	0.00
Total Travel and Meetings	0.00	0.00
Total Expense	208,202.15	189,050.00
Net Ordinary Income	88,455.34	0.00

Rotary International District 7475
Profit & Loss Budget Overview
July 2023 through June 2024

	<u>Jul '23 - Jun 24</u>	<u>Budget</u>
Other Income/Expense		
Other Expense		
Exchange	0.00	0.00
Total Other Expense	0.00	0.00
Net Other Income	0.00	0.00
Net Income	88,455.34	0.00

DISTRICT BUDGET FINAL FOR CLUB APPROVAL
District 7475
2023- 2024

Category	DISTRICT REVENUES	Total
YP	Short-term Youth Exchange (Japan)	87,022.82
YP	Rotary Youth Leadership Awards (RYLA)	22,150.00
DUE	District Dues paid by Clubs (\$52/Member)	90,530.00
RF	Rotary Foundation Grants (District Designated Fund)	55,412.00
PETS	President Elect Training (PETS)	22,500.00
RI	Rotary International District Governor Funding	8,436.00
FEE	Meeting Fees paid by Clubs	7,548.07
INV	Investment Income	2,177.06
DON	Affinity Programs	881.54
	Total district revenue	296,657.49



Category	DISTRICT EXPENSES	Total
YP	Short-term Youth Exchange (Japan)	64,800.87
YP	Rotary Youth Leadership Awards (RYLA)	30,330.29
YP	Eastern States Student Exchange (ESSEX)	2,493.80
YP	Background Checks	2,000.00
GSP	District Grant payments to Clubs	55,230.00
PETS	President Elect Training (PETS)	25,160.54
DO	District Governor Expenses	8,436.00
DO	District Website	5,142.11
DO	District Governor Elect Expenses	1,718.31
DO	Office & Administration Expenses	646.20
DO	District Governor Nominee Expenses	425.00
DO	Bank Fees	105.00
TRN	Rotary International & Zone Meetings & Training	8,545.05
TRN	District Training Events	2,868.98
TRN	Training Materials	300.00
	Total district expenses	208,202.15
	Surplus (Transferred to Emergency Fund)	88,455.34

