

Rotary International District 5010  
June 30, 2020  
Review Committee Report

District Governor Mr. Andre Layral

We have performed review procedures for the accompanying international Financial statements of Rotary International District 5010 for the fiscal year ended June 30, 2020, We believe our review procedures are adequate to meet the requirement as set forth in Rotary International Bylaws-Article 16.060.4.



Debra Mason



Karen Brewer Traver



Rotary International District 5010 Review Committee  
January 26, 2021

Dated: January 26, 2021

#### **D5010 “Review Committee” members**

- Debra Mason (Lead)
- Karen Brewer Tarver
- George Elgee

#### **Financial Statement (FS) Review Requirements**

- RI Bylaws Article 16.060.4 - “Annual Statement and Report of District Finances.”
  - States in part, that the DG must provide an annual statement of the District finances that has been “independently reviewed” to each Club in the District.
  - An “review committee” can perform the review and must have 3 Rotarians in good standing.
  - There are no specific required procedures to perform the FS review. The review committee will perform procedures that are deemed adequate to ensure that the requirements for an “independent review” have been met.
- RI Code of Polices Article 69.030.7 – “Failure to Report on Finances”
  - Requires the Governor to provide a copy of the financial report to the General Secretary.
  - Failure to report results in the Governor being ineligible to receive expense reimbursements from RI including Foundation awards.

#### **D5010 Accounting Overview**

- **Consolidated Financial Statement** – Dean McVey, CPA is the D5010 Past District Treasurer; Dean is a practicing CPA and has expert knowledge in accounting and financial statement matters. He was the treasurer for the year ended 6/30/2020 and primarily oversaw the Alaska Yukon fund.
  - **4 Divisions** – The FS consists of 4 Divisions “Alaska Yukon”; Youth Exchange; “RYLA”, “District Conference”, & “Grants”
    - **Alaska Yukon** – is the main division where the operating income and expenses of D5010 occur. Dean oversaw the accounting in QBs, which was updated by the contract assistant, Janine Becka. Current year Net assets are about \$381K.
    - **Youth Exchange** – includes all income and expenses related to the District 5010 YE program. Jeff Johnson is the YE Coordinator; Tonya Gamble is the Treasurer who supervises /reviews the accounting records (YE has a contract administrator that maintains accounting records in QuickBooks – Lisa Hyde – 3<sup>rd</sup> year in this position).
    - **RYLA** – activity is accounted for by Peggy Pollen. There is a single bank account, no other assets or liabilities. Net Assets are about \$13K.
    - **District Conference** – activity is accounted for by Evelyn Kuhr. Evelyn is also a practicing CPA and has expert knowledge in accounting and financial statement matters. Net Assets are about \$41K. There was no District Conference in FY 20 and registration fees were refunded.
    - **Grant Fund** – activity is accounted for by Debra Mason, CPA; prior to FY’16, Grant fund activity was not reported in the District FS. This is a temporarily restricted fund funded by Rotary International as “District Designated Funds”; these funds are used by D5010 Rotary Clubs who apply to D5010 Grants Committee for Club projects.

- **Accounting Records**

- **AK Yukon** – Obtained electronic files of the accounting records from Dean McVey
  - Excel print outs.
  - 12 months of bank reconciliations and statements for all bank and investment accounts
  - Deposits records
  - Check copies and receipts/invoices.
  - Records appear well organized & complete.
- **Youth Exchange:**
  - Obtained original accounting records from Tonya Gamble.
  - Accounting records appear well organized and complete.
- **RYLA**
  - FS and bank 6/30/20 reconciliation was provided by Peggy Pollen. Minor balance differences between PY equity, CY net income on P&L vs on Balance sheet. Final equity matches cash balance. Further procedures not considered necessary.
- **District Conference** – obtained QuickBooks from Evelyn Kuhr. No issues noted in the accounting.
- **Grant Fund:**
  - Obtained FY 6/30/20 bank statements & reconciliations from Debra Mason (all 12 months); full year check register, & summary FS
  - As noted above, Grant Fund FS was not included in D5010 combined FS in FY'15
  - Records tied out to bank statements.

**Procedures performed:**

- **Consolidated Financial Statement:** George Elgee, incoming District Treasurer, obtained a copy of District QB files and the accounting information for the other funds. He prepared the consolidated financial statement. He believes the FS is complete and accurate. Checked the footing and traced the numbers between the statement of financial position, activities and changes in activities as well as traced to the individual funds' accounting records.
  - Prior period adjustments were required for two functions as there was activity that had changed from the prior year balances in the accounting software, which impacted beginning net assets, and needed to be adjusted for current year presentation.
- **Form 990** – Obtained copies of D5010 F990s for years ended 6/30/19 (filed 7/13/2020), prepared by Charlotte Thorp, CPA, signed by Dean McVey.
- **Biennial Report** – online search at State of Alaska – last report was filed 06/08/20; status is “Good Standing”; next report due 7/2/2022.
- **Year over Year Analysis**
  - Compared D5010 FS FY '20 to FY'19 financial results.
  - Revenues for FY'20 are lower than FY '19 by about \$63K; further analysis reflects that revenues were mixed with General operation and District Conference had lower revenues and RYLA and Youth exchange had more revenue than prior year.
  - Expenses are more than prior year by about \$28K; all Divisions except District Conference had more expenses than prior year.
- **Budget vs Actual Analysis**
  - **Alaska – Yukon** - Obtained QBs generated budget comparison to actual report for 6/30/20; Revenue were \$7K less than budget, mostly due to decrease in club dues received.

and Training due to COVID related issues; scanned individual account balances for abnormalities; none noted

- **Youth Exchange**
  - Gross revenue was \$301K actual compared to \$302.5 budgeted; total expenses were \$283.6K actual compared to \$313.7K budgeted; line item amounts appear reasonable; no further analysis needed.
- **District Conference:** District Conference was canceled in FY20 and all registration fees were refunded. Because of credit card fees the result was a loss of \$2.5K for FY 20
- **RYLA–** Reviewed the budget worksheet but it appeared to be the year end P&L numbers. No budget to actual report was produced. RYLA should input the budget into their QuickBooks program.
- **Bank Statement Reconciliations**
  - **AK-Yukon –** Observed QBs prepared bank reconciliations for FY 2020; reviewed twelve months
    - 6/30/20 – traced reconciled bank balance to consolidated balance sheet for WF checking, savings, and investment accounts.
    - Agreed both bank statement balances to bank reconciliation “ClearedBalance”.
  - **Youth Exchange -** Observed QBs prepared bank recons for 6/30/20
    - 6/30/20 – traced reconciled bank balance to consolidated balance sheet for WF checking.
  - **RYLA –** bank balance per RYLA balance sheet and bank statement is \$13,670; traced to D5010 Combined FS.
  - **District Conference**
    - Traced ending bank statement balance to bank reconciliation & agreed bank reconciliation balance plus undeposited funds to D5010 “Cash” balance account in combined FS \$40,731.
  - **Grant Fund**
    - Traced bank statement balance at 6/30/20 to summary of activity prepared by Debra – no reconciling items
    - Reviewed FY ’20 Revenue & Expenses; \$97.5K receipts from TRF; \$98K disbursed to D5010 Clubs.

#### **Other Comments / Recommendations:**

D5010 Manual of Operating Procedures (Rev. May 2016), Article X, Fiscal Matters, section 7 a. 2. requires the following:

All expenditures from District funds must be in accordance with the District budget, reviewed by the District Treasurer and Finance Committee chair and properly approved by the District Governor and appropriate District Committee chair. The Finance Committee Chair will approve expenses incurred by the Governor.

#### **PRIOR YEAR FINDING**

**This procedure was** not being followed for the fiscal year ended 6/30/2019. Instead, the current DG was approving expenditures, not the chair. The Finance committee either needs to follow the MOP procedures or update the MOP.

**Current Year - This procedure was** followed for the fiscal year ended 6/30/2020

**ROTARY INTERNATIONAL DISTRICT 5010**  
**Combined Statement of Financial Position**  
**June 30, 2020 and 2019**

	Alaska Division	Youth Exchange Division	RYLA Division	District Conference	Grant Funds	Total June 30, 2020	Total June 30, 2019
<b>ASSETS</b>							
Cash	\$ 30,166	\$ 4,607	\$ 13,670	\$ 40,731	\$ 1,292	\$ 90,467	\$ 159,794
Short term investments	352,981	157,096	-	-	-	510,076	540,480
Accounts receivable	918	576	-	-	-	1,493	2,003
Prepaid expenses and deposits	4,687	7,850	-	-	-	12,537	108,239
Equipment, net of depreciation	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 388,752</b>	<b>\$ 170,128</b>	<b>\$ 13,670</b>	<b>\$ 40,731</b>	<b>\$ 1,292</b>	<b>\$ 614,573</b>	<b>\$ 810,516</b>
<b>LIABILITIES</b>							
Accounts payable and other	\$ 6,888	\$ 605	314	\$ -	\$ -	\$ 7,807	\$ 32,331
Deferred revenue	-	14,300	-	-	-	14,300	192,400
Scholarship Reserve Fund	-	3,322	-	-	-	3,322	3,322
<b>Total liabilities</b>	<b>6,888</b>	<b>18,227</b>	<b>314</b>	<b>-</b>	<b>-</b>	<b>25,429</b>	<b>228,053</b>
<b>NET ASSETS</b>							
Net Assets Without Donor Restrictions							
Designated - District Reserves per MOP	125,000	-	-	-	-	125,000	125,000
Designated - Membership Retention	5,562	-	-	-	-	5,562	6,561
Undesignated	251,302	151,901	13,356	40,731	-	457,290	448,852
<b>Total Unrestricted Net Assets</b>	<b>381,864</b>	<b>151,901</b>	<b>13,356</b>	<b>40,731</b>	<b>-</b>	<b>587,852</b>	<b>580,413</b>
Net Assets With Donor Restrictions	-	-	-	-	1,292	1,292	2,050
<b>Total Net Assets</b>	<b>381,864</b>	<b>151,901</b>	<b>13,356</b>	<b>40,731</b>	<b>1,292</b>	<b>589,144</b>	<b>582,463</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 388,752</b>	<b>\$ 170,128</b>	<b>\$ 13,670</b>	<b>\$ 40,731</b>	<b>\$ 1,292</b>	<b>\$ 614,573</b>	<b>\$ 810,516</b>

**ROTARY INTERNATIONAL DISTRICT 5010**  
**Statement of Activity and Changes in Net Assets**  
**Year Ended June 30, 2020**

	<u>Alaska/ Yukon Division</u>	<u>Youth Exchange Division</u>	<u>RYLA Division</u>	<u>District Conference</u>	<u>Grant Funds</u>	<u>Totals</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>						
Revenues	\$ 145,451	\$ 301,487	\$ 16,100	\$ 42,375	-	\$ 505,413
Expenses	<u>(152,496)</u>	<u>(283,603)</u>	<u>(16,518)</u>	<u>(44,941)</u>	<u>-</u>	<u>(497,558)</u>
Increase (decrease) in net assets without donor restrictions	(7,045)	17,884	(418)	(2,566)	-	7,855
Net assets without donor restrictions						
Beginning of year	<u>388,909</u>	<u>134,017</u>	<u>13,774</u>	<u>43,297</u>	<u>-</u>	<u>579,997</u>
End of year	<u>\$ 381,864</u>	<u>\$ 151,901</u>	<u>\$ 13,356</u>	<u>\$ 40,731</u>	<u>\$ -</u>	<u>\$ 587,852</u>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:</b>						
Revenues					\$ 97,535	\$ 97,535
Expenses					<u>(98,293)</u>	<u>(98,293)</u>
Increase in net assets with donor restrictions					(758)	(758)
Net assets with donor restrictions						
Beginning of year					<u>2,050</u>	<u>2,050</u>
End of year					<u>\$ 1,292</u>	<u>\$ 1,292</u>
Total Net Assets						<u>\$ 589,144</u>

**ROTARY INTERNATIONAL DISTRICT 5010**  
**Statements of Activity**  
**ALASKA AND YUKON DISTRICT SUMMARY**  
**Years Ended June 30,**

	<b>14-15 (Sutliff)</b>	<b>15-16 (Gamble)</b>	<b>16-17 (O'Brien)</b>	<b>17-18 (Keiling)</b>	<b>18-19 (Fejes)</b>	<b>19-20 (Layral)</b>
Summary						
Revenue						
Alaska and Yukon	\$ 170,610	\$ 149,419	\$ 154,277	\$ 135,774	\$ 149,386	\$ 145,451
Expenses						
Alaska and Yukon	128,649	123,434	127,071	132,900	155,002	152,496
Net increase (decrease) in net assets	<u>\$ 41,961</u>	<u>\$ 25,985</u>	<u>\$ 27,206</u>	<u>\$ 2,874</u>	<u>\$ (5,616)</u>	<u>\$ (7,045)</u>

**ROTARY INTERNATIONAL DISTRICT 5010**

**Statements of Activity**

**ALASKA AND YUKON DISTRICT**

**Years Ended June 30,**

**ALASKA AND YUKON**

**Revenue:**

	<b>14-15 (Sutliff)</b>	<b>15-16 (Gamble)</b>	<b>16-17 (O'Brien)</b>	<b>17-18 (Keiling)</b>	<b>18-19 (Fejes)</b>	<b>19-20 (Layral)</b>
Per capita dues	\$ 112,580	\$ 109,395	\$ 114,379	\$ 112,645	\$ 110,464	\$ 98,940
Dues- District Conference						\$ 8,245
Rotary International support	40,831	33,906	35,399	17,962	29,666	27,743
Public relations campaign	13,357	2,120	-	-	-	-
Other	3,785	3,928	4,429	2,966	4,940	5,030
Interest	57	70	70	2,201	4,316	5,493
	<u>170,610</u>	<u>149,419</u>	<u>154,277</u>	<u>135,774</u>	<u>149,386</u>	<u>145,451</u>

**Expenses:**

**District Governor**

Club visits and travel	16,027	11,491	13,444	13,499	13,094	13,335
Promotional	727	2,064	3,634	3,632	4,542	
Zone conference and spouse	3,141	5,112	3,284	5,266	2,997	4,444
Meetings	-	-	735	-	1,616	1,998
Phone, fax, internet, postage	3,146	958	2,704	2,402	1,575	4,335
District conference and spouse	1,661	1,837	3,363	1,478	1,070	
Awards & other	998	136	221	-	762	650
PETS conference	-	1,510	-	1,110	181	
International convention and spouse	-	-	2,225	7,921	-	
	<u>25,700</u>	<u>23,108</u>	<u>29,610</u>	<u>35,308</u>	<u>25,837</u>	<u>24,763</u>

**District Governor Elect & Nominee**

Zone conference and spouse	9,646	9,497	6,642	8,612	10,312	10,062
PETS	5,095	2,798	4,274	8,671	9,252	9,195
Leadership development	3,736	9,671	11,615	7,385	8,026	1,947
Blue denim	-	-	-	6,562	7,827	6,920
International convention and spouse	3,038	-	3,367	3,603	6,469	-
Assistance district governor	8,048	6,573	6,545	6,614	4,948	4,934
Op Com conference	3,518	2,919	1,557	1,692	2,195	1,597
District conference	1,377	1,746	1,825	1,249	1,732	
Organizational expense	1,795	3,713	6,233	-	-	
	<u>36,253</u>	<u>36,917</u>	<u>42,058</u>	<u>44,388</u>	<u>50,761</u>	<u>34,654</u>



**ROTARY INTERNATIONAL DISTRICT 5010**  
**Statements of Activity**  
**ALASKA AND YUKON DISTRICT, Continued**  
**Years Ended June 30,**

	<b>14-15</b> <b>(Sutliff)</b>	<b>15-16</b> <b>(Gamble)</b>	<b>16-17</b> <b>(O'Brien)</b>	<b>17-18</b> <b>(Keiling)</b>	<b>18-19</b> <b>(Fejes)</b>	<b>19-20</b> <b>(Layral)</b>
<b>ALASKA AND YUKON (continued)</b>						
<b>Program expenses</b>						
Excess reserves programs	-	-	-	-	18,540	46,900
District conference and assembly	8,108	8,415	8,930	9,015	8,632	
Public image	18,357	6,759	836	1,519	5,010	
Planning & leadership meeting	-	-	1,375	1,076	2,109	
Membership/extension	100	4,172	2,596	2,360	3,041	
Nominating	663	688	1,587	1,864	1,269	1,938
Club visioning	-	-	-	-	1,163	484
Foundation	555	2,442	4,201	644	1,003	
New generations	-	-	25	242	500	
Leadership academy	2,572	3,128	2,416	1,378	483	750
Grants	1,077	856	1,469	500	303	300
Group cultural exchange	-	-	-	1,062	-	
	<u>31,432</u>	<u>26,460</u>	<u>23,435</u>	<u>19,660</u>	<u>42,053</u>	<u>50,372</u>
<b>Other expenses</b>						
Office support staff	24,000	24,000	24,000	24,000	24,000	28,000
Communications & website	2,299	3,031	2,539	2,560	5,462	7,601
Bank charges	1,086	874	957	1,166	1,947	1,891
Other	1,375	865	978	1,601	1,564	538
Liability insurance	-	-	1,227	2,452	1,242	2,478
Storage unit rent	-	715	740	1,020	1,020	1,020
Council on legislation	-	2,100	-	-	993	
Printing, postage, office supplies	747	1,333	777	745	123	179
Strategic planning	-	4,031	750	-	-	
Young Leader Zone						1,000
Women of action	5,757	-	-	-	-	
	<u>35,264</u>	<u>36,949</u>	<u>31,968</u>	<u>33,544</u>	<u>36,351</u>	<u>42,707</u>
<b>Total expenses</b>	<u>128,649</u>	<u>123,434</u>	<u>127,071</u>	<u>132,900</u>	<u>155,002</u>	<u>152,496</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	41,961	25,985	27,206	2,874	(5,616)	(7,045)
Transfer to District Conference	-	-	(27,772)	-	-	
<b>NET ASSETS, beginning of year</b>	324,270	366,231	392,216	391,650	394,524	388,908
<b>NET ASSETS, end of year</b>	<u>\$ 366,231</u>	<u>\$ 392,216</u>	<u>\$ 391,650</u>	<u>\$ 394,524</u>	<u>\$ 388,908</u>	<u>\$ 381,863</u>