

April 3, 2016

To: Ken Small
District Governor, Rotary District 5440, 2015-16

From: PDG David Scriven
Chairman, Rotary District 5440 Audit Committee Chairman

The Rotary District 5440 Audit Committee made up of PDG Mary McCambridge, Steve Misch, and PDG David Scriven, chairman, met on February 29, 2016 in Loveland, Colorado to conduct the annual audit of Rotary District 5440 finances. Audit committee members PDG Bob Hamblin and Bob Loosely were unable to attend the meeting.

Rotary District 5440 Treasurer, Joni Kumar, was not in attendance but did provide the required documents for the audit and was available by telephone to answer any questions the Audit Committee had. Required documents included profit and loss statements, receipts, cancelled checks, bank statements, requests for reimbursement, the 2014-15 budget vs actual and the general ledger.

Following is a summary of the Audit Committee's review for Rotary year 2014-15 for which Phil Murphy served as Rotary District 5440 Governor.

Total Current Assets (6/30/2015)	\$164,218.16
Total Current Liabilities and Equity (6/30/2015)	\$164,218.16
Total Income	\$172,209.76
Total Expenses	\$176,571.96
Net Ordinary Loss	(\$4,361.96)
Conference Income	\$0.00
Interest Income	\$3,625.00
Net Loss for Year	(\$736.96)

The value of the District Investment Funds as of June 30, 2015 was \$79,966.73. This amount has stayed fairly consistent over the years and is providing the District with a nice buffer for unexpected expenses.

NOTES ON AUDIT REVIEW FOR ROTARY YEAR 2014-15
ROTARY DISTRICT 5440

Audit Committee members were assigned to examine Rotary District expenditures for propriety, support and proper formats for paperwork.

All major expense in excess of \$2000.00 requires two signatures on checks written for payment. Every cancelled check in this category was reviewed and 100 percent had the proper signatures.

All committee members reviewed a random assortment of files containing invoices with attached check stubs. No specific errors were found on any reviewed documents. Requests for reimbursement were reviewed thoroughly and all payments were made in accordance with district policy. Checks made for these requests were evaluated and no errors were found.

In comparing budget items with actual expenses, two items were significantly out of balance, the District Conference which showed a negative balance of \$6,151.96 and the background checks showed a negative balance of \$2,872.00. On the positive side, several line items showed either more income or fewer expenses than budgeted to bring the total balance within a reasonable number. For example, the budgeted number for DG allotment from Rotary International was \$15,000 and the actual amount received from RI was \$18,419. The cause of the imbalance in background checks was due to an increase in fees caused by unforeseen State Department regulations. This line item has since been removed from the budget as every Rotarian is now responsible for their own background checks.

Treasurer Kumor keeps Rotary District 5440 financial records neat and orderly and easy to review. No errors or mistakes were found.

On behalf of the committee, we thank you for the opportunity to serve Rotary District 5440.

Yours in Rotary,


PDG David H. Scriven
Audit Committee Chair, 2015-2016