

ANNUAL ASSESSMENT OF ROTARY DISTRICT 5520 FINANCES
DISTRICT 5520 AUDIT COMMITTEE REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

The District 5520 audit committee, consisting of Kimberly Warren, CPA, Cyndi Maestas-Henry, CPA, Paul Christensen, CPA Retired and Rob Butler, CPA Retired, as chairman, performed the annual assessment of the District's finances as required by the District's bylaws. The purpose of the assessment is to review available information to determine whether the District has adequately reported its financial results for the year and to make recommendations for improvements in controls or reporting. The assessment is not an "audit" or "review" as defined by the applicable professional standards of the AICPA. The committee developed a written program to direct its review to ensure that the stated goals of the assessment were met and to ensure consistency of the committee members' efforts.

Primary Source Documents:

- 1) The financial statements and budgets for the year
- 2) The District's QuickBooks file for the year as maintained by the District's bookkeeper, Debbie LeMon
- 3) Copies of bank statements and bank reconciliations for all bank accounts for the year
- 4) Minutes of all meetings of the District's Finance Committee for the year
- 5) The prior year's Annual Financial Assessment Report to the District.

SUMMARY OF FINANCIAL RESULTS:

ROTARY DISTRICT 5520
FISCAL YEAR ENDED JUNE 30, 2020

	<u>Actual</u>	<u>Budgeted</u>	Better (Worse) Than <u>Budget</u>
Total Revenues	266,668	480,989	(214,321)
Total Expenses	222,908	480,941	258,033
Net	43,760	48	43,712

Specific Programs and Administration:

PETS:

Revenue	0	15,625	(15,625)
Expenses	34	16,000	15,966
Net	(34)	(375)	341

District Conference:

Revenue	400	73,000	(72,600)
Expenses	386	50,000	49,614
Net	14	23,000	(22,986)

District Grants:

Revenue	119,043	116,726	2,317
Expenses	119,043	115,321	(3,722)
Net	0	1,405	(1,405)

RYLA

Revenue	10,366	119,000	(108,634)
Expenses	1,958	132,500	130,542
Net	8,408	(13,500)	21,908

Youth Exchange:

Revenue	36,410	38,400	(1,990)
Expenses	22,984	36,450	13,466
Net	13,426	1,950	11,476

Other Programs and Administration:

Membership Dues	69,330	73,500	(4,170)
Rotary Leadership Institute	980	5,000	(4,020)
Bi-District Conference	8,380	6,000	2,380
Other	21,759	33,738	(11,979)
Total Other Program Revenues	100,449	118,238	(17,789)

Rotary Leadership Institute	330	5,000	4,670
Bi-District Conference	9,756	5,000	(4,756)
District Bookkeeper and Exec. Secretary	31,415	34,863	3,447
Other	37,001	85,808	48,807
Total Administrative and Other Expenses	78,503	130,671	52,168

Net Other Programs and Administration	21,946	(12,433)	34,379
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The large variances between actual and budgeted amounts can be explained by the effects of the Covid 19 pandemic on all operations and is not a concern for the year under review. In addition to the above, the balance sheet at the end of year reported total cash in checking and savings accounts of \$157,344 (\$187,882 prior year). However, of this amount, \$13,781 (\$79,588 prior year accrued payables) is committed to be transferred to the new RYLA foundation separate from the District in fiscal year 2021. This leaves \$143,563 as available free cash at June 30, 2020. This compares to \$108,294 in free cash at June 30, 2019. The balance sheet also reported total unrestricted net equity of \$162,344 (before the transfer to RYLA in Fiscal 2021) as compared to \$118,584 in the prior year.

COMMITTEE FINDINGS:

The committee's review did not disclose any major accounting or reporting errors in the District's financial records and, therefore, recommend that the financial statements for the fiscal year ended June 30, 2020 be accepted by the District and the District Finance Committee.

The committee also wants to commend Debbie LeMon, District Bookkeeper, for a job well done and thank her for her cooperation. The committee's prior year recommendations to improve bookkeeping and reporting appear to have been substantially implemented. Her second year on the job has provided consistency and continued improvement in overall reporting.

COMMITTEE RECOMMENDATION:

Although the committee believes that the financial statements as presented (copy attached) are acceptable, there is one item of concern that could improve future reporting. That is:

The Youth Exchange Program maintains its own set of books on QuickBooks and provides a copy of the monthly financial statements and bank statements and reconciliations to the District Bookkeeper. The District Bookkeeper then posts a monthly journal entry in the District's books to account for changes in the accounts for the month. No supporting documents (receipts, invoices, etc.) are provided to the District Bookkeeper. The committee recommends that the Youth Exchange Program provide a monthly backup copy of the program's QuickBooks to the District Bookkeeper. This will allow the District Bookkeeper to better monitor the financial activities of the Youth Exchange Program and better fulfill her responsibilities as the District Bookkeeper. The committee reviewed the Youth Exchange Program's financial statements, bank statements and reconciliations and did not note anything unusual.

Respectfully submitted,

District 5520 Audit Committee



Robert Butler, CPA Retired

Committee Chairman

Submitted September 26, 2020

Rotary International District 5520, Inc.
Balance Sheet Prev Year Comparison
 As of June 30, 2020

	Jun 30, 20	Jun 30, 19
ASSETS		
Current Assets		
Checking/Savings		
RYLA Account - NMB&T	13,780.97	0.00
Grants Account - NMB&T	3,395.94	0.00
Operating Account - NMB&T	33,738.60	0.00
Youth Exchange Savings Account	15,891.38	15,887.62
District 5520 Distr Convention	0.00	4,724.68
District Governor Funding	180.00	180.00
5520 First American MMA	68,678.03	68,540.65
Operating Account - Citizens LC	0.00	3,641.06
Grants Account - Citizens LC	0.00	4,492.94
RYLA Account - Citizens LC	0.00	82,160.91
Youth Exchange Checking Acco...	21,679.18	8,253.78
Total Checking/Savings	157,344.10	187,881.64
Accounts Receivable		
Accounts Receivable	0.00	7,800.00
Total Accounts Receivable	0.00	7,800.00
Other Current Assets		
RYLA 2021 Prepaid	5,000.00	0.00
Convention 2020 - Prepaid	0.00	2,490.00
Total Other Current Assets	5,000.00	2,490.00
Total Current Assets	162,344.10	198,171.64
TOTAL ASSETS	162,344.10	198,171.64
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
RYLA Payables (estimated)	0.00	79,587.56
Total Other Current Liabilities	0.00	79,587.56
Total Current Liabilities	0.00	79,587.56
Total Liabilities	0.00	79,587.56
Equity		
Net Assets-Unrestricted	118,584.08	149,057.01
Net Income	43,760.02	-30,472.93
Total Equity	162,344.10	118,584.08
TOTAL LIABILITIES & EQUITY	162,344.10	198,171.64

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Accrual Basis

Rotary International District 5520, Inc.
Profit & Loss Prev Year Comparison
July 2019 through June 2020

	Jul '19 - Jun 20	Jul '18 - Jun 19
Ordinary Income/Expense		
Income		
Training Registration		
PETS	0.00	12,925.00
Total Training Registration	0.00	12,925.00
District Conference		
District Conference - Other	400.00	16,956.25
Donations/Sponsorships	0.00	3,300.00
Registrations	0.00	38,155.00
Total District Conference	400.00	58,411.25
DDF Funding		
District Grants	117,946.00	61,778.00
District Grants Admin Holdback	1,097.00	1,853.00
Total DDF Funding	119,043.00	63,631.00
DG RI Allocation	21,617.90	27,689.10
Bi-District Conference	8,380.00	4,800.00
Interest Income	141.14	165.26
Membership Dues	69,330.00	70,530.00
Rotary Leadership Institute	980.00	700.00
RYLA Income Account		
Donations	10,000.00	0.00
Camp Sponsorships	0.00	0.00
Girl's RYLA Income	0.00	61,944.00
Boys RYLA Income	0.00	44,856.00
Other	365.75	340.00
Total RYLA Income Account	10,365.75	107,140.00
Youth Exchange Income		
District Conference	0.00	35.00
Fees - Outbound	17,600.00	21,680.00
Fees - Inbound	18,800.00	17,680.00
Other Income	9.80	0.00
Total Youth Exchange Income	36,409.80	39,395.00
Total Income	266,667.59	385,386.61
Gross Profit	266,667.59	385,386.61
Expense		
Other District Expenses		
Bi-District Conference Exp	9,755.66	5,391.18
Cruise Expenses	0.00	2,500.00
District Awards	0.00	1,527.70
Sonny Brown Business of the Yea	0.00	700.00
Four Way Test Essay Contest	600.00	970.11
Total Other District Expenses	10,355.66	11,088.99
District Grants		
District Grants	117,946.00	2,302.08
District Grants Module	1,097.00	0.00
District Grants Support	0.00	61,778.00
Total District Grants	119,043.00	64,080.08
District Conference Expenses		
Conference Expenses	385.66	50,483.37
Total District Conference Expenses	385.66	50,483.37
Administration		
Youth Protection Background Cks	40.80	0.00

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Accrual Basis

Rotary International District 5520, Inc.
Profit & Loss Prev Year Comparison
July 2019 through June 2020

	Jul '19 - Jun 20	Jul '18 - Jun 19
District Bookkeeper		
NM Gross Receipts Tax	899.74	945.00
Bookkeeper-Travel & Other Rei...	0.00	856.18
District Bookkeeper Contract	11,550.00	12,000.00
Total District Bookkeeper	12,449.74	13,801.18
District Secretary		
NM GRT	1,364.33	1,310.42
Executive Secretary's Contract	17,325.00	16,766.77
Secretary-Travel & Other Reimb.	276.28	1,000.00
Total District Secretary	18,965.61	19,077.19
Insurance		
Insurance - Other	0.00	740.00
Total Insurance	0.00	740.00
Office Expenses		
Bank Service Charges & CC Fees	2,626.69	2,050.00
Computer Software	0.00	64.67
Club Runner Subscription	3,418.00	3,077.00
Postage and Delivery	56.80	106.80
Supplies	839.77	1,335.53
Telephone	0.00	62.50
Total Office Expenses	6,941.26	6,696.50
PR, Marketing & Membership		
PR, Marketing & Mbrshp - Other	0.00	644.96
Website	0.00	199.60
Total PR, Marketing & Membership	0.00	844.56
Planning & Training		
Zone Leadership	0.00	2,000.00
PETS	34.28	25,797.45
AG/LG Training	884.57	1,630.19
Zone Institute	2,841.46	8,700.91
E-Training Expenses	267.32	249.80
Long Range Planning	206.73	0.00
Rotary Leadership Institute	329.68	409.95
Total Planning & Training	4,564.04	38,788.30
Total Administration	42,961.45	79,947.73
District Governor Expenses		
DG Elect Expense		
Zone Leadership Meeting	0.00	500.00
RI Convention	0.00	2,000.00
Travel, Flags, Banners & Pins	16.22	3,000.62
Zone Institute	0.00	2,000.00
Total DG Elect Expense	16.22	7,500.62
DG Expense		
RI Allocation		
Club Visits	16,437.80	15,906.82
District Training Meetings	3,301.48	5,218.03
District Conference	796.14	1,904.45
Office Supplies	1,082.48	4,659.80
Total RI Allocation	21,617.90	27,689.10

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Accrual Basis

Rotary International District 5520, Inc.
Profit & Loss Prev Year Comparison
July 2019 through June 2020

	Jul '19 - Jun 20	Jul '18 - Jun 19
Contingency/Discretionary	825.59	4,422.10
Council of Governors Expenses	0.00	1,296.65
Travel & Office Cost basis	0.00	1,077.85
Zone Institute	1,406.28	0.00
Total DG Expense	23,849.77	34,485.70
DG Nominee Expenses		
Zone Leadership Meeting	0.00	359.86
RI Convention	0.00	1,500.00
Zone Institute	1,353.28	2,000.00
Total DG Nominee Expenses	1,353.28	3,859.86
Total District Governor Expenses	25,219.27	45,846.18
District Program Expenses		
New Generations Programs		
Youth Exchange Expense		
Meeting Expenses		
Rebound Orientation	0.00	121.00
Training (SCRYE, NAYEN)	3,459.51	7,257.67
Outbound Interviews	1,754.06	1,784.66
September Weekend	4,335.69	2,722.68
December Weekend	4,038.47	3,998.96
In Bound Ski Weekend	3,522.60	3,343.94
District Conference	0.00	7,581.97
Outbound Orientation	95.80	1,317.83
Total Meeting Expenses	17,206.13	28,128.71
Operating Expenses		
Scholarship	0.00	1,636.20
Telephone / Network	295.56	392.08
Postage	676.71	1,420.96
Printing	93.41	53.11
Supplies (flags, pins)	824.38	297.67
Membership Fees	1,885.00	1,720.00
CBCs	1,542.35	1,474.25
Bank Service Chgs	0.00	73.83
Misc Expenses	460.86	473.93
Total Operating Expenses	5,778.27	7,542.03
Total Youth Exchange Expense	22,984.40	35,670.74
RYLA Expenses		
Boys RYLA Expense	0.00	54,148.36
Girls RYLA Expense	37.93	74,429.23
Other & Transport Expenses	1,920.20	186.30
Total RYLA Expenses	1,958.13	128,763.89
Total New Generations Programs	24,942.53	164,434.63
Total District Program Expenses	24,942.53	164,434.63
Total Expense	222,907.57	415,880.98
Net Ordinary Income	43,760.02	-30,494.37
Other Income/Expense		
Other Income		
Nominating Committee Income	0.00	300.00
RI President's Visit	0.00	14,350.00
Total Other Income	0.00	14,650.00

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Accrual Basis

Rotary International District 5520, Inc.
Profit & Loss Prev Year Comparison
July 2019 through June 2020

	Jul '19 - Jun 20	Jul '18 - Jun 19
Other Expense		
Expenses - Nominating Committee	0.00	278.56
Expenses - RI President's Visit	0.00	14,350.00
Total Other Expense	0.00	14,628.56
Net Other Income	0.00	21.44
Net Income	43,760.02	-30,472.93

Rotary International District 5520, Inc.

Profit & Loss Budget vs. Actual

July 2019 through June 2020

	Jul '19 - Jun 20	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
Training Registration			
PETS	0.00	15,625.00	-15,625.00
LG/AG Registration	0.00	0.00	0.00
Total Training Registration	0.00	15,625.00	-15,625.00
District Assembly	0.00	0.00	0.00
District Conference			
Polio THUMBS UP Dinner	0.00	0.00	0.00
District Conference - Other	400.00	3,000.00	-2,600.00
Donations/Sponsorships Registrations	0.00	20,000.00	-20,000.00
Registrations	0.00	50,000.00	-50,000.00
Total District Conference	400.00	73,000.00	-72,600.00
DDF Funding			
District Grant Support	0.00	0.00	0.00
District Grants	117,946.00	114,226.00	3,720.00
District Grants Admin Holdback	1,097.00	2,500.00	-1,403.00
Total DDF Funding	119,043.00	116,726.00	2,317.00
DG RI Allocation	21,617.90	32,138.00	-10,520.10
Leadership Shirts Income	0.00	1,500.00	-1,500.00
Bi-District Conference	8,380.00	6,000.00	2,380.00
Interest Income	141.14	100.00	41.14
Membership Dues	69,330.00	73,500.00	-4,170.00
Miscellaneous Income	0.00	0.00	0.00
Rotary Leadership Institute	980.00	5,000.00	-4,020.00
RYLA Income Account			
Donations	10,000.00	0.00	10,000.00
Camp Sponsorships	0.00	119,000.00	-119,000.00
Other	365.75	0.00	365.75
RYLA Income Account - Other	0.00	0.00	0.00
Total RYLA Income Account	10,365.75	119,000.00	-108,634.25
Youth Exchange Income			
District Conference	0.00	0.00	0.00
Fees - Outbound	17,600.00	19,200.00	-1,600.00
Fees - Inbound	18,800.00	19,200.00	-400.00
District Support	0.00	0.00	0.00
Other Income	9.80	0.00	9.80
Total Youth Exchange Income	36,409.80	38,400.00	-1,990.20
Total Income	266,667.59	480,989.00	-214,321.41
Gross Profit	266,667.59	480,989.00	-214,321.41
Expense			
Other District Expenses			
TRF Promotion/Support	0.00	0.00	0.00
Bi-District Conference Exp	9,755.66	5,000.00	4,755.66
Leadership Shirts Expense	0.00	1,500.00	-1,500.00
District Assembly Expense	0.00	0.00	0.00
Financial Review	0.00	0.00	0.00
Cruise Expenses	0.00	3,500.00	-3,500.00
District Awards	0.00	1,500.00	-1,500.00
Sonny Brown Business of the ...	0.00	500.00	-500.00
Four Way Test Essay Contest	600.00	1,000.00	-400.00
Total Other District Expenses	10,355.66	13,000.00	-2,644.34
District Grants			
District Grant Community Ass...	0.00	0.00	0.00
District Grants	117,946.00	114,226.00	3,720.00
District Grants Module	1,097.00	1,095.00	2.00
District Grants Support	0.00	0.00	0.00
Total District Grants	119,043.00	115,321.00	3,722.00
District Conference Expenses			
Conference Expenses	385.66	50,000.00	-49,614.34
Total District Conference Expen...	385.66	50,000.00	-49,614.34

Rotary International District 5520, Inc.

Profit & Loss Budget vs. Actual

July 2019 through June 2020

	Jul '19 - Jun 20	Budget	\$ Over Budget
Administration			
Youth Protection Background ...	40.80	500.00	-459.20
District Assembly Expenses	0.00	1,500.00	-1,500.00
District Bookkeeper			
NM Gross Receipts Tax	899.74	945.00	-45.26
Bookkeeper-Travel & Other R...	0.00	500.00	-500.00
District Bookkeeper Contract	11,550.00	12,000.00	-450.00
District Bookkeeper - Other	0.00	0.00	0.00
Total District Bookkeeper	12,449.74	13,445.00	-995.26
Dues and Subscriptions	0.00	300.00	-300.00
Equipment Expenses			
Purchase Small Equipment	0.00	400.00	-400.00
Total Equipment Expenses	0.00	400.00	-400.00
District Secretary			
NM GRT	1,364.33	1,417.50	-53.17
Executive Secretary's Contract	17,325.00	18,000.00	-675.00
Secretary-Travel & Other Rei...	276.28	2,000.00	-1,723.72
Total District Secretary	18,965.61	21,417.50	-2,451.89
Office Expenses			
Bank Service Charges & CC ...	2,626.69	2,000.00	626.69
Club Runner Subscription	3,418.00	3,000.00	418.00
Postage and Delivery	56.80	200.00	-143.20
Supplies	839.77	500.00	339.77
Telephone	0.00	320.00	-320.00
Total Office Expenses	6,941.26	6,020.00	921.26
PR, Marketing & Membership			
PR, Marketing & Mbrshp - Ot...	0.00	2,500.00	-2,500.00
Membership Development	0.00	2,500.00	-2,500.00
Website	0.00	1,500.00	-1,500.00
Total PR, Marketing & Member...	0.00	6,500.00	-6,500.00
Planning & Training			
Zone Leadership	0.00	2,000.00	-2,000.00
PETS	34.28	16,000.00	-15,965.72
AG/LG Training	884.57	2,000.00	-1,115.43
Zone Institute	2,841.46	4,500.00	-1,658.54
E-Training Expenses	267.32	250.00	17.32
Long Range Planning	206.73	600.00	-393.27
Rotary Leadership Institute	329.68	5,000.00	-4,670.32
Total Planning & Training	4,564.04	30,350.00	-25,785.96
Total Administration	42,961.45	80,432.50	-37,471.05
District Governor Expenses			
DG Elect Expense			
Zone Leadership Meeting	0.00	500.00	-500.00
DGE gift for DG	0.00	0.00	0.00
RI Convention	0.00	2,000.00	-2,000.00
Travel, Flags, Banners & Pins	16.22	3,000.00	-2,983.78
Zone Institute	0.00	1,500.00	-1,500.00
Total DG Elect Expense	16.22	7,000.00	-6,983.78
DG Expense			
RI Allocation			
Club Visits	16,437.80	0.00	16,437.80
District Training Meetings	3,301.48	0.00	3,301.48
District Conference	796.14	0.00	796.14
Office Supplies	1,082.48	0.00	1,082.48
RI Allocation - Other	0.00	32,138.00	-32,138.00
Total RI Allocation	21,617.90	32,138.00	-10,520.10

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Accrual Basis

Rotary International District 5520, Inc.

Profit & Loss Budget vs. Actual

July 2019 through June 2020

	Jul '19 - Jun 20	Budget	\$ Over Budget
Nominating Committee	0.00	0.00	0.00
Contingency/Discretionary	825.59	4,000.00	-3,174.41
Council of Governors Expen...	0.00	2,000.00	-2,000.00
PDG Pin	0.00	100.00	-100.00
RI Convention	0.00	2,000.00	-2,000.00
Travel & Office Cost basis	0.00	1,000.00	-1,000.00
Zone Institute	1,406.28	1,500.00	-93.72
Total DG Expense	23,849.77	42,738.00	-18,888.23
DG Nominee Expenses			
Zone Leadership Meeting	0.00	500.00	-500.00
RI Convention	0.00	1,500.00	-1,500.00
Zone Institute	1,353.28	1,500.00	-146.72
Total DG Nominee Expenses	1,353.28	3,500.00	-2,146.72
Total District Governor Expenses	25,219.27	53,238.00	-28,018.73
District Program Expenses			
New Generations Programs			
Youth Exchange Expense			
Meeting Expenses			
Rebound Orientation	0.00	300.00	-300.00
Training (SCRYE, NAYEN)	3,459.51	5,000.00	-1,540.49
Outbound Interviews	1,754.06	2,400.00	-645.94
September Weekend	4,335.69	3,150.00	1,185.69
December Weekend	4,038.47	3,650.00	388.47
In Bound Ski Weekend	3,522.60	3,190.00	332.60
District Conference	0.00	6,100.00	-6,100.00
Outbound Orientation	95.80	4,700.00	-4,604.20
Total Meeting Expenses	17,206.13	28,490.00	-11,283.87
Operating Expenses			
Scholarship	0.00	0.00	0.00
Telephone / Network	295.56	120.00	175.56
Postage	676.71	1,500.00	-823.29
Printing	93.41	300.00	-206.59
Supplies (flags, pins)	824.38	900.00	-75.62
Membership Fees	1,885.00	2,200.00	-315.00
CBCs	1,542.35	2,500.00	-957.65
Bank Service Chgs	0.00	80.00	-80.00
Misc Expenses	460.86	360.00	100.86
Committee Travel	0.00	0.00	0.00
Total Operating Expenses	5,778.27	7,960.00	-2,181.73
Total Youth Exchange Expen...	22,984.40	36,450.00	-13,465.60
RYLA Expenses			
Boys RYLA Expense	0.00	55,000.00	-55,000.00
Girls RYLA Expense	37.93	73,000.00	-72,962.07
Other & Transport Expenses	1,920.20	4,500.00	-2,579.80
RYLA Expenses - Other	0.00	0.00	0.00
Total RYLA Expenses	1,958.13	132,500.00	-130,541.87
Total New Generations Progra...	24,942.53	168,950.00	-144,007.47
Total District Program Expenses	24,942.53	168,950.00	-144,007.47
Reconciliation Discrepancies	0.00	0.00	0.00
Total Expense	222,907.57	480,941.50	-258,033.93
Net Ordinary Income	43,760.02	47.50	43,712.52
Other Income/Expense			
Other Income			
Disaster Response Grant	0.00	0.00	0.00
Total Other Income	0.00	0.00	0.00

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Accrual Basis

Rotary International District 5520, Inc.

Profit & Loss Budget vs. Actual

July 2019 through June 2020

	Jul '19 - Jun 20	Budget	\$ Over Budget
Other Expense			
Donation - RYLA	0.00	0.00	0.00
Disaster Response Grant Paid	0.00	0.00	0.00
Total Other Expense	0.00	0.00	0.00
Net Other Income	0.00	0.00	0.00
Net Income	43,760.02	47.50	43,712.52