

Minutes
District 5440 Annual Meeting
June 7, 2008

DG Nancy Pettus called the meeting to order at 8:17 am.

1. DG Nancy Pettus presented the District 5440 Annual Business Meeting minutes of June 8, 2007. DG Nancy Pettus commented that these minutes were sent to the club presidents prior to this district conference for review. DG Nancy Pettus asked for questions or a motion to approve the 2007 Annual Business meeting minutes as written. Stan Lowe moved to approve the minutes as written, Curt Hopkin seconded. Motion passed.

2. PDG Lynne Baker presented the 2006-07 Audit Committee Report (see attached report). DG Nancy Pettus asked for questions or a motion to approve the Audit Committee Report as presented. DGND Bryan Cooke moved to approve the report as presented, PDG John Guyette seconded. Motion passed.

3. DG Nancy Pettus explained to the conference attendees that the majority of club presidents voted for the District to incorporate at the 2006 District Conference in Sheridan, WY, and the District incorporation was completed in all four of our represented states this Rotary year. Therefore, new District Bylaws are needed for the District to act as an incorporated entity. The incorporation allows us to put the protection policies in place throughout the District and fall under the District incorporation. DG Nancy explained that pursuant to current District Bylaws each club receives one vote with regards to Bylaws. She asked all club presidents to stand as the voting delegate for their club. DG Nancy also asked that any person who received a proxy vote from their club president, not in attendance this weekend, to please stand. The standing count shows there are 38 voting delegates in attendance. DG Nancy Pettus asked for the voting delegates present to suspend the rules of the current District Bylaws with regard to Article 9A, because the next agenda item, District 5440 Bylaws, is not to amend the current Bylaws but to adopt new Bylaws. PDG John Patton moved to suspend Article 9A of the current District Bylaws, President Patrick Bols seconded. Motion passed.

4. PDG George McIlvaine presented the proposed ROTARY INTERNATIONAL DISTRICT 5440, INC. Bylaws and informed the voting delegates of the major changes from the old Rotary District 5440 Bylaws as follows:

Article 3.3 — “ROTARY INTERNATIONAL DISTRICT 5440, INC. shall be governed by a Board of Directors, also know as the Executive Committee.” PDG McIlvaine explained that a reference to a Board of Directors had to be added because of the rules of Incorporation but the members comprising the Executive Committee has not changed from the old Bylaws.

Article 3.8 – “A District Leadership Plan shall be maintained for the use, benefit and information of all district officers and Rotarians.” PDG McIlvaine explained that the incorporation of the District Leadership Plan replaces the use of the District Manual of Procedures as referenced in the old Bylaws

Article 4.5 – “The Executive Committee shall establish a subcommittee named the Finance Committee. The Finance Committee shall be comprised of three (3) members of

Minutes
District 5440 Annual Meeting
June 7, 2008

the Executive Committee, serving three-year, staggered terms.” PDG McIlvaine explained that under the old Bylaws, The Finance Committee was separate from the Executive Committee making it difficult to make financial decisions for the District at Executive Committee meetings because members of the Finance Committee were not typically present at Executive Committee meetings. Therefore, when a recommendation was made by the Executive Committee, the chair would have to inform the Finance Committee members and then report back to the Executive Committee and it would delay any actions by the Executive Committee.

Article 5.1 - last sentence – “Other District-wide meetings as required or desirable may be held with the approval and sanction of the District Governor or as called for by RI.” This wording was added because the Rotary International Manual of Procedure only calls for specific meetings to be held by a District Governor, however, RI continues to add more meeting requirements than covered in the RI MOP.

Article 6.3 – “The District Governor shall appoint all District Committee members and designate each Committee Chairs. Appointees shall be current members. In good standing, of a ROTARY INTERNATIONAL DISTRICT 5440, INC. club.” PDG McIlvaine explained that to protect the incorporation of the District it is necessary to have only Rotarians in good standing with their club serve on District committees.

PDG McIlvaine stated that these were the major changes from the old Bylaws to the new proposed ROTARY INTERNATIONAL DISTRICT 5440, INC. Bylaws and in addition to these changes is an Addendum to be considered. The Addendum covers the following items:

Article 3.3 - First line of paragraph change “know” to “known”.

Article 4.2 - Last sentence following the words “by action of the Rotary”; insert the word “International” after the word Rotary.

Article 5.6 - The following language will be added to this paragraph: “The council of Past District Governors and the District Governor shall develop an advisory committee to assist the District Governor Nominee and District Governor Nominee Designate in matters of the district, including district conference.”

Article 6.3c – Delete last sentence of this paragraph in its entirety.

Article 9.1 - Line seven of paragraph change “o” to “to”.

PDG John Patton, being a member of the District Bylaws Committee, asked for a motion to adopt the Rotary International District 5440, Inc. Bylaws as presented. AG Nancy Muldoon moved to adopt the Rotary International District 5440, Inc. Bylaws as presented, along with the presented Addendum items, President Rob Weed seconded. PDG John Patton asked for questions or comments from the floor. DGND Bryan Cooke noted that Article 3.7 - next to last line, needs to read Executive Committee (not Committees), Article 4.5a - first line, should read Presidents-Elect (not Presidents-elects), Article 4.10 -

Minutes
District 5440 Annual Meeting
June 7, 2008

the word “three” in parentheses should read (thirty), AG William Patton noted that Article 6.3 - last two sentences should read as one entire sentence, not two. Therefore it should read: “Appointees shall be current members in good standing of a ROTARY INTERNATIONAL DISTRICT 5440, INC. club. PDG Lynne Baker questioned Article 7.3a and 7.3c timing conflicts. Article 7.3a states “The last day for receipt of nominations from the clubs will be no later than the first day of May.”, however, Article 7.3c states “The Nominating Committee shall meet no later than the first day of May to make its selection.” PDG Baker asked how these two days be the same. PDG McIlvaine explained this was an oversight, and Article 7.3a should read “no later than the first day of March”. PDG Lynne Baker asked about selection process being earlier this Rotary year and PDG John Patton explained that the wording states “no later than” so a District Nominating Committee could call a meeting earlier in the year if they so choose. Hearing no further comments or questions from the floor, DG Nancy Pettus asked the voting delegates stand. DG Nancy Pettus explained that there is a motion to adopt the Rotary International District 5440, Inc. Bylaws. The vote was unanimous, Motion passed.

5. DGE Stuart Palmer presented the 2008-09 District Budget. DGE Palmer stated that pursuant to the 2006-07 Audit Committee recommendations, while working with DG Nancy Pettus and District Treasurer Roger Schreiner, he kept in mind the surplus funds in the District and the need to use them. He further explained that the District has not had a balanced budget for the last several years and funds were being transferred from the surplus funds to cover each year’s budget, therefore he presented a budget to the Presidents-Elect that had an increase in District dues of \$10 per member, which adds an additional \$31,000 into the budget. Pursuant to the vote of Presidents-Elect at PETS, DGE Palmer was supporting the RI Convention bid for Denver, Colorado and had committed \$31,000 to that effort, however, District 5450, the District spearheading the Convention bid, decided to take Denver out of the running for an RI Convention based on the lack of convention facilities. Therefore, the \$31,000 committed funds will now be returned to our District budget. DGE Palmer explained that he will work with the Assistant Governors to find programs within the District to spend some of this surplus money. DGE Palmer thanked District Treasurer Roger Schreiner for his help in getting a good working budget by creating line items that could work for each group, which takes away the necessity of going to Executive Committee or Finance Committee for approval to disperse funds. DGE Palmer noted that we also have emergency donations of \$10,000 written into the budget and a District Governor, in consultation with the Executive Committee, can disperse those funds. PP Deb Theriault questioned the Summer Youth Exchange Committee line items on the budget showing revenue for the program, but no expense line. DGE Palmer explained that the expense line item was removed because in the last several years there has been no reimbursement requests for Summer Youth Exchange. However, if those reimbursement requests are under \$1,000 it is not concerning and it will be covered. Public Relations Committee Chair, Robin Mundell, questioned the District PR Grants being acquired which have to be paid for in advance of RI reimbursing a District and there is no line item for PR Grants. Again, DGE Palmer stated that those funds are available just not shown by a line item. DGE Palmer explained that this budget was approved and adopted by the 2008-09 Club Presidents-elect in March, 2008 at the Presidents-Elect Training Seminar.

6. DGN David Scriven announced that Rotary International District 5440 will have an outbound GSE team and an inbound GSE team with western Australia during 2009-2010. PP

Minutes
District 5440 Annual Meeting
June 7, 2008

Gerry Crites moved to approve the inbound and outbound GSE teams for 2009-2010, PDG Lynne Baker seconded. Motion passed.

7. DG Nancy Pettus explained the process of having a proxy vote carried to the Rotary International Convention. Nancy offered to carry the vote of any club who didn't have a member going to the LA convention.

8. DG Nancy Pettus explained the District needs to vote on a District representative to the 2010 Council on Legislation. She asked all conference attendees who had a Council on Legislation ballot in their packet to please cast their vote on their ballot and raise their hand for the Sergeant at Arms to pick up. There were 58 votes cast by voting delegates and the elected Council on Legislation District representative is PDG Lynne Baker and PDG William Pettus as the alternate.

The meeting was adjourned at 8:55 am.

Minutes
District 5440 Annual Meeting
June 7, 2008

ROTARY INTERNATIONAL DISTRICT 5440
2006-2007 AUDIT COMMITTEE

The Rotary District 5440 Audit Committee met on December 14, 2007, in Cheyenne to review the financial reports for Rotary year 2006-2007 as required and authorized by Article IV, Section G of the District 5440 Bylaws. The following report fulfills our responsibilities to Rotary International on behalf of Rotary District 5440.

The Audit Committee reviewed the following financial documents: District Financial Reports including Income Statements and Expense Accounts; Checking, Money Market, and Investments Accounts; District Conference Committee, District Cowboy Country Youth Exchange, and the District Russian Programs reports.

- 1) Income statements for all funds were read and receipts were compared with bank deposits. No exceptions were noted.
- 2) Income and Expense accounts for all funds were compared to budgeted amounts with explanations requested from District Treasurer Roger Schreiner and PDG George McIlvaine. No unreasonable variances were found.
- 3) Checking account balances were traced to bank statements and their reconciliations. No exceptions were noted.
- 4) Investment accounts were traced to their respective statements with no discrepancies found. Interest income was also tested and all accounts appeared reasonable. The statements for all investment accounts were scanned for any unauthorized activity with none observed.
- 5) IRS Form #990 was filed on behalf of District 5440 by the District Treasurer in a timely manner.
- 6) No current financial reports were available from the District Russian Committee or District 5440 Cowboy Country Youth Exchange Committee.
- 7) NOTE: According to District 5440 Bylaws Article IV, Section D, excess funds from the District Conference (budgeted income over budgeted expenses) are to be returned to the District. It is not the responsibility of the District Conference Committee to determine how to distribute these funds.

The Audit Committee congratulates PDG George McIlvaine and his administrative team for maintaining fiscal responsibility during his year as District Governor, 2006-2007. In particular, we want to acknowledge District Treasurer Roger Schreiner on the excellent work he does to maintain current and accurate financial records for District 5440.

Recommendations:

- 1) An inventory of District Assets residing in the District office should be attached to this report and updated annually.
- 2) The level of surplus funds in the District checking and money market accounts at the close of the 2006-2007 Rotary year exceeds \$81,000. The District Audit Committees recommends that this needs the immediate attention of the District Finance Committee and the District Executive Committee with this surplus being used to benefit all Rotarians in District 5440.
- 3) The District Audit Committee strongly encourages all committees and individuals receiving and spending funds from the District to submit itemized accountings of these transactions to the

Minutes
District 5440 Annual Meeting
June 7, 2008

District Treasurer, District Finance Committee or District Governor. It would be extremely valuable to the District Audit Committee in addition to being very useful in preparing the annual budget.

Submitted by District 5440 Audit Committee,

PDG Lynne Baker, chair _____

PDG William Muldoon _____

PDG Mike Tormey _____

Scott Meier _____

Bill Widmaier _____

**ROTARY DISTRICT 5440
OFFICE EQUIPMENT
1/31/08**

1. Noblis Computer – ID #20489353
2. Viewsonic computer monitor – Serial #21601160255
3. HP LaserJet 3330 – Serial #W3B0128763
4. Dell 2300 MP Projector – Serial #TW-0G5371-50082-610-0045 (\$1,199.00)
5. HP Color LaserJet 2605dn – Serial #CNGC719842 (\$606.23)
6. Ativa CX12W Shredder (\$99.99)
7. LINKSYS Wireless Router – Serial #CDFB0E8A1062
8. Geneva 4-drawer Filing Cabinet (beige color)
9. Noblis Laptop-Serial #4351K300210Q00068
10. Computer desk
11. 6 shelf Bookshelf
12. 5 shelf Bookshelf