

# **6/30/09 Financial Report Summary for SS Board**

**For presentation at 7/14/09 SS Board meeting**

## **Official Financial Report by McFadyen & Sumner CPA, received July 8, 2009**

This Summary is prepared by the SS Executive Director for the use of the Board. It is not intended to be a substitute for the full report submitted by M&S, but to assist SS Board members in understanding and interpreting the M&S report. The Summary allows Staff to include information logged AFTER the month-end report was completed, along with other pertinent information. **Staff notes are highlighted in blue.**

### **Pages 1-2: Bank Reconciliation Worksheet**

Beginning balance (6/1/09):	21,987.80
Deposits and credits (6/1/09-6/30/09):	13,864.10
Checks and debit memos (6/1/09-6/30/09):	(15,265.44)
Checks and debit memos in transit (as of 6/30/09):	(13,464.51)
<b>Ending balance with in-transit entries (6/30/09):</b>	<b>7,121.95</b>

### **Pages 3-4: Bank Reconciliation Transmittal**

Confirms Checkbook Balance reconciles to 7,121.95, so no "Checkbook Adjustments" are required.

Confirms General Ledger reconciles to 7,121.95, so no "General Ledger Adjustments" are required.

Confirms Bank Balance reconciles to 7,121.95, so no "Other Bank Items" or "Bank Adjustments" required.

### **Page 5: McFadyen & Sumner "Client Letter" to SS Board of Directors**

This **Client Letter** is included with every monthly "Compilation Report" submittal from M&S. Similar language is used by M&S to all other clients receiving a "Compilation Report" level of service.

**"Management"** is the SS Executive Director.

**"Users"** are the SS Board of Directors.

**"Omitted disclosures"** – these are long narrative descriptions of accounting practices, i.e., depreciation schedules, that are not included in a "Compilation Report."

**"Statement of cash flows"** – this is provided to the SS Board of Directors by the SS Executive Director.

**"Compilation"** - the 3 levels of service that accountants typically provide are compilation, review and audit. Compilations are the lowest level of service. SS pays approximately \$2,400 annually for the monthly M&S Compilation Reports, or "compilation" level of service.

**"Not independent with respect to the entity"** – SS also uses M&S services for payroll, accounts payable and IRS form 990 preparation. We pay approximately \$3,500 annually for these services. If a financial audit of SS were required, M&S could not perform an independent financial audit because they are also providing these other services.

### **Page 6: Statement of Financial Position**

Total Assets (includes Current, Fixed and Other Assets)	14,400.72
Net Assets (includes Net Assets and Net Income)	14,400.72
Liabilities	0
<b>Total Liabilities and Net Assets</b>	<b>14,400.72</b>

**Page 7-8: Statement of Activities**

Total 2008-09 Revenue	131,821.96
Total 2008-09 Expense	(149,377.33)
2008-09 Operating Income	(17,555.37)
2008-09 Other Income	1,852.07
<b>2008-09 Net Income (Loss)</b>	<b>(15,703.30)</b>

**Additional Staff Notes:**

As of 6/30/09, we had \$20,000 of unpaid “receivables” (2 invoices @ \$10,000 each to Concurrent Technologies Corporation). One of the \$10,000 payments was received on 7/10/09. Had this \$20,000 in income been received by 6/30/09, our 2008-09 Net Income would have been \$4,296.70 instead of a \$15,703.30 loss for the year.

The “Statement of Activities” section of the Financial Report, which now includes only 2 columns – current month activity and YTD activity - will be modified for 2009-10 to include 3 columns – current month activity, YTD activity, and annual budget – for each income and expense line item.

**Pages 9-12: General Ledger**

Shows fine detail on all activities, and confirms the General Ledger is in balance.