

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Financial Statements

June 30, 2020

ROTARY INTERNATIONAL DISTRICT 6000, INC.

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Corwin, Reichter & Company, P.C.

Certified Public Accountants | Business Advisors

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

District Governor
Rotary International District 6000, Inc.

We have reviewed the accompanying financial statements of **Rotary International District 6000, Inc.**, (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The supplementary information appearing on page 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. We have not audited or reviewed such information and, accordingly, do not express an opinion, nor provide any assurance on it.

Corwin, Reichter & Company, P.C.

December 3, 2020

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Statement of Financial Position

June 30, 2020

Assets

Cash in bank	\$	<u>249,826</u>
Total assets	\$	<u><u>249,826</u></u>

Liabilities and Net Assets

Liabilities:		
Accounts payable	\$	15,078
Accrued payroll taxes		<u>865</u>
Total liabilities		<u>15,943</u>
Net assets:		
Without donor restrictions:		
Undesignated		61,646
Board designated (note 3)		<u>7,295</u>
		68,941
With donor restrictions (note 4)		<u>164,942</u>
Total net assets		<u>233,883</u>
Total liabilities and net assets	\$	<u><u>249,826</u></u>

See accompanying notes and accountant's review report.

ROTARY INTERNATIONAL DISTRICT 6000, INC.Statement of Activities
For the year ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue:			
District dues	\$ 107,810	-	107,810
District events	6,103	-	6,103
International service projects contributions	-	31,450	31,450
Rotary Foundation Community Service Grant	-	150,725	150,725
Rotary Foundation Disaster Relief	-	25,100	25,100
Rotary International	9,370	-	9,370
Service to youth contributions	-	11,871	11,871
Interest earned	994	-	994
Miscellaneous income	1,600	-	1,600
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>342,431</u>	<u>(342,431)</u>	<u>-</u>
Total support and revenue	<u>468,308</u>	<u>(123,285)</u>	<u>345,023</u>
Expenses:			
Programs:			
Club service	74,009	-	74,009
Community service	150,725	-	150,725
International service	77,367	-	77,367
Youth service	114,338	-	114,338
Administrative	39,249	-	39,249
Donations	<u>88,268</u>	<u>-</u>	<u>88,268</u>
Total expenses	<u>543,956</u>	<u>-</u>	<u>543,956</u>
Change in net assets	(75,648)	(123,285)	(198,933)
Net assets at beginning of year	<u>144,589</u>	<u>288,227</u>	<u>432,816</u>
Net assets at end of year	\$ <u>68,941</u>	<u>164,942</u>	<u>233,883</u>

See accompanying notes and accountant's review report.

ROTARY INTERNATIONAL DISTRICT 6000, INC.
Statement of Functional Expenses
For the year ended June 30, 2020

	Program Services					Supporting Services	Total
	Club Service	Community Service	International Service	Youth Service	Total Program	General Operations	
Compensation and benefits	\$ -	-	-	-	-	16,720	16,720
Grants	-	150,095	61,130	-	211,225	-	211,225
Program supplies	-	390	-	4,042	4,432	-	4,432
Professional fees	-	-	-	-	-	7,200	7,200
Occupancy	-	-	-	-	-	7,221	7,221
Travel	28,946	-	9,810	13,879	52,635	586	53,221
Conferences, conventions, and meetings	21,606	240	-	88,541	110,387	-	110,387
Advertising and promotion	3,997	-	-	2,740	6,737	-	6,737
Office expenses	16,502	-	6,427	1,216	24,145	4,341	28,486
Information technology	2,958	-	-	240	3,198	1,544	4,742
Dues and subscriptions	-	-	-	1,800	1,800	-	1,800
Donations	-	-	-	-	-	88,268	88,268
Other	-	-	-	1,880	1,880	1,637	3,517
Total functional expenses	\$ <u>74,009</u>	<u>150,725</u>	<u>77,367</u>	<u>114,338</u>	<u>416,439</u>	<u>127,517</u>	<u>543,956</u>

See accompanying notes and accountant's review report.

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Statement of Cash Flows
For the year ended June 30, 2020

Cash flows from operating activities:	
Cash received from members	\$ 114,313
Cash received from contributions	43,321
Cash received from Rotary International	185,195
Cash received from other	6,600
Interest received	994
Cash paid to suppliers and employees	<u>(463,991)</u>
Net cash flows from operating activities	<u>(113,568)</u>
Net increase (decrease) in cash	(113,568)
Cash at beginning of year	<u>363,394</u>
Cash at end of year	\$ <u><u>249,826</u></u>

See accompanying notes and accountant's review report.

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Notes to Financial Statements

(1) Organization and Purpose

Rotary International (RI) is an association of Rotary clubs throughout the world. The mission of RI is to provide service to others, promote integrity and advance world understanding, goodwill, and peace through its fellowship of business, professional and community leaders. A District is a geographical territory in which Rotary clubs are associated for RI administrative purposes. A territory consisting of a majority of counties located in southern Iowa has been assigned to **Rotary International District 6000, Inc.** The District's primary sources of support and revenue are dues received from member clubs, participation fees from Rotarian members, and support for its programs received from Rotarian members and others.

(2) Significant Accounting Policies

Method of Accounting

These financial statements were prepared on the accrual basis of accounting following accounting principles generally accepted in the United States of America.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) as defined in the FASB Accounting Standards Codification (ASC) Topic 958, Not-For-Profit Entities. Under ASC Topic 958, the District is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Cash and Cash Equivalents

The District considers all unrestricted highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents.

The District maintains cash deposits with financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Any balances in excess of FDIC limits are uninsured. Management regularly monitors the financial condition of any institution in which it has depository accounts and believes the risks of loss are minimal.

Accounts Receivable

Accounts receivable are recorded at the transaction amount in the period that goods and services are provided. Accounts receivable are considered past due if not collected within thirty days of billing. All accounts receivable are unsecured. Accounts receivable are considered uncollectible by the District after several contacts have been made and the balance remains uncollected. Based on the evaluation of outstanding accounts receivable and historical experience, the District considers all accounts receivable to be fully collectible and therefore no allowance for doubtful accounts is recorded. The District does not charge interest on delinquent receivables.

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Notes to Financial Statements

Revenue Recognition

Revenues received are recorded as unrestricted or restricted support, depending on the existence and/or nature of donor imposed restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions in the statement of activities and expenses as net assets released from restrictions.

Advertising Costs

Costs for advertising and promotion are expenses as incurred. Advertising and promotion in the current year is \$6,737.

Tax Status

The District has qualified as an exempt organization within the provisions of Internal Revenue Code Section 501(c)(4). As such, no provision for income tax expense has been made in the accompanying financial statements. The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances. The District reports no net unrelated business taxable income; however, such status is subject to final determination upon examination of the related tax returns by the appropriate taxing authorities. In general, tax returns for years ended June 30, 2017 and prior are no longer open for examination by taxing authorities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through December 3, 2020, the date the financial statements were available to be issued.

Contributed Services

The District receives a substantial amount of services donated by its members in carrying out the District's programs. No amounts have been recognized in the statement of activities because the criteria for recognition under generally accepted accounting principles have not been satisfied.

(3) Board Designated Net Assets

The board has designated funds to be used for specific programs as follows:

Club Extension	\$ 4,476
Vision Assistance	<u>2,819</u>
	\$ <u>7,295</u>

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Notes to Financial Statements

(4) Net Assets with Donor Restriction

Net assets with donor restrictions consist of monies received by **Rotary International District 6000, Inc.** for specific projects or purposes. Interest earned on any invested funds is included in the fund's receipts. Net assets with donor restrictions available as of June 30, 2020 are as follows:

Subject to expenditure for specific purpose:

Xicotepec	\$ 22,370
Youth Exchange	38,036
RYLA	59,537
Friendship Exchange	669
Rotary Foundation district grants	27,568
Rotary Foundation global grants	<u>16,762</u>
	\$ <u>164,942</u>

(5) Satisfaction of Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors, as follows.

Purpose restrictions accomplished:

Xicotepec	\$ 26,438
Youth Exchange	17,869
RYLA	96,469
Rotary Foundation district grants	150,725
Rotary Foundation global grants	<u>50,930</u>
	\$ <u>342,431</u>

(6) Availability of Financial Assets

The District has \$249,826 of financial assets, consisting of cash, available within one year of the balance sheet date to meet cash needs for general expenditures. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The District is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner, the District must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. The District has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The District has a goal to maintain unrestricted financial assets equal to three to six months of their operating expenses to ensure adequate funding. Operating expenses are defined as the total of club service and administrative expenses. As of the end of the year the District has unrestricted financial assets of \$84,884, which equals approximately seven and a half months of their current budgeted operating expenses.

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Budget Summary
Year Ended June 30, 2020

	Actual			Net to Budget Variance	
	Revenue	Expense	Net		
	<u>Revenue</u>	<u>Expense</u>	<u>Net</u>	<u>Budget</u>	
Support and revenue:					
District dues	\$ 107,810	-	107,810	111,000	(3,190)
Rotary International	9,370	-	9,370	14,000	(4,630)
Interest earned	994	-	994	600	394
	<u>118,174</u>	<u>-</u>	<u>118,174</u>	<u>125,600</u>	<u>(7,426)</u>
Expenses:					
Club service:					
DG administrative	1,600	25,617	24,017	23,750	(267)
DGE administrative expense	-	11,026	11,026	6,300	(4,726)
DGN expenses	-	1,749	1,749	2,000	251
DGND expenses	-	-	-	1,000	1,000
Assistant governors	-	503	503	3,000	2,497
Committee expenses	-	308	308	6,050	5,742
Rotary foundation	-	-	-	500	500
Fall foundation banquet	6,103	6,627	524	500	(24)
District assembly	-	-	-	1,000	1,000
District meetings	-	-	-	2,000	2,000
District conference	-	(188)	(188)	3,000	3,188
NCPETS conference	-	8,145	8,145	9,000	855
Required meetings	-	7,022	7,022	22,700	15,678
Contingency fund	-	13,200	13,200	13,200	-
	<u>7,703</u>	<u>74,009</u>	<u>66,306</u>	<u>94,000</u>	<u>27,694</u>
Community service:					
Grants and expense	<u>175,825</u>	<u>150,725</u>	<u>(25,100)</u>	<u>-</u>	<u>25,100</u>
International service:					
Xicotepec Humanitarian project	31,450	26,437	(5,013)	-	5,013
Global Grants	-	50,930	50,930	-	(50,930)
	<u>31,450</u>	<u>77,367</u>	<u>45,917</u>	<u>-</u>	<u>(45,917)</u>
Youth service:					
Youth Exchange	4,121	17,869	13,748	-	(13,748)
RYLA	7,750	96,469	88,719	-	(88,719)
	<u>11,871</u>	<u>114,338</u>	<u>102,467</u>	<u>-</u>	<u>(102,467)</u>
Administrative:					
District office expense	-	32,049	32,049	39,250	7,201
Professional fees	-	7,200	7,200	7,100	(100)
	<u>-</u>	<u>39,249</u>	<u>39,249</u>	<u>46,350</u>	<u>7,101</u>
Donations	-	88,268	88,268	-	(88,268)
Totals	\$ <u>345,023</u>	<u>543,956</u>	<u>(198,933)</u>	<u>(14,750)</u>	<u>(184,183)</u>

See accountant's review report.