

**ROTARY INTERNATIONAL DISTRICT 6000, INC.**

Financial Statements

June 30, 2021

## 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, 2021, 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.*

November 4, 2021

**ROTARY INTERNATIONAL DISTRICT 6000, INC.**

Statement of Financial Position

June 30, 2021

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Assets

Cash in bank	\$	<u>267,800</u>
Total assets	\$	<u><u>267,800</u></u>

Liabilities and Net Assets

Liabilities:		
Accounts payable	\$	10,000
Accrued payroll taxes		871
Prepaid conference registrations		<u>4,177</u>
Total liabilities		<u>15,048</u>
Net assets:		
Without donor restrictions:		
Undesignated		107,593
Board designated (note 3)		<u>7,295</u>
		114,888
With donor restrictions (note 4)		<u>137,864</u>
Total net assets		<u>252,752</u>
Total liabilities and net assets	\$	<u><u>267,800</u></u>

See accompanying notes and accountant's review report.

**ROTARY INTERNATIONAL DISTRICT 6000, INC.**Statement of Activities  
For the year ended June 30, 2021

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	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue:			
District dues	\$ 103,590	-	103,590
District events	32,771	-	32,771
Rotary Foundation Community Service Grant	-	101,040	101,040
Rotary Foundation Global Scholarship	-	30,000	30,000
Rotary Foundation Disaster Relief	-	25,000	25,000
Rotary International	16,501	-	16,501
Interest earned	376	-	376
Miscellaneous income	11,041	-	11,041
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>183,119</u>	<u>(183,119)</u>	<u>-</u>
Total support and revenue	<u>347,398</u>	<u>(27,079)</u>	<u>320,319</u>
Expenses:			
Programs:			
Club service	67,189	-	67,189
Community service	161,039	-	161,039
International service	30,451	-	30,451
Youth service	1,693	-	1,693
Administrative	<u>41,079</u>	<u>-</u>	<u>41,079</u>
Total expenses	<u>301,451</u>	<u>-</u>	<u>301,451</u>
Change in net assets	45,947	(27,079)	18,868
Net assets at beginning of year	<u>68,941</u>	<u>164,943</u>	<u>233,884</u>
Net assets at end of year	\$ <u>114,888</u>	<u>137,864</u>	<u>252,752</u>

See accompanying notes and accountant's review report.

**ROTARY INTERNATIONAL DISTRICT 6000, INC.**  
Statement of Functional Expenses  
For the year ended June 30, 2021

	Program Services					Supporting Services	Total
	Club Service	Community Service	International Service	Youth Service	Total Program	General Operations	
Compensation and benefits	\$ -	-	-	-	-	20,387	20,387
Grants	-	150,893	30,000	-	180,893	-	180,893
Program supplies	-	-	-	325	325	-	325
Professional fees	-	-	-	-	-	7,400	7,400
Occupancy	-	-	-	-	-	7,115	7,115
Travel	5,123	-	-	-	5,123	55	5,178
Conferences, conventions, and meetings	41,789	-	-	64	41,853	-	41,853
Advertising and promotion	4,652	-	-	-	4,652	-	4,652
Office expenses	11,220	146	-	70	11,436	3,490	14,926
Information technology	4,405	-	451	-	4,856	1,631	6,487
Dues and subscriptions	-	-	-	425	425	-	425
Donations	-	10,000	-	-	10,000	-	10,000
Other	-	-	-	809	809	1,001	1,810
<b>Total functional expenses</b>	<b>\$ <u>67,189</u></b>	<b><u>161,039</u></b>	<b><u>30,451</u></b>	<b><u>1,693</u></b>	<b><u>260,372</u></b>	<b><u>41,079</u></b>	<b><u>301,451</u></b>

See accompanying notes and accountant's review report.

**ROTARY INTERNATIONAL DISTRICT 6000, INC.**

Statement of Cash Flows  
For the year ended June 30, 2021

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Cash flows from operating activities:	
Cash received from members	\$ 140,538
Cash received from contributions	-
Cash received from Rotary International	172,541
Cash received from other	11,041
Interest received	376
Cash paid to suppliers and employees	<u>(306,522)</u>
Net cash flows from operating activities	<u>17,974</u>
Net increase (decrease) in cash	17,974
Cash at beginning of year	<u>249,826</u>
Cash at end of year	\$ <u><u>267,800</u></u>

See accompanying notes and accountant's review report.

# ROTARY INTERNATIONAL DISTRICT 6000, INC.

## Notes to Financial Statements

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(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.** (District 6000). 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

*District 6000 considers all unrestricted highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents.*

*District 6000 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.*

Net Assets

*District 6000 classifies resources into two classes of net assets as follows:*

*Net assets without donor restrictions are net assets not subject to donor-imposed stipulations, including all revenues, expenses, gains and losses that are not changes in net assets with donor restrictions. These include support from Rotary International, dues and any other payments for services and other activities. In addition, the Board has designated certain net assets without donor restriction for specific programs or uses. These designations include club extension and vision assistance.*

*Net assets with donor restrictions are net assets subject to donor-imposed stipulations. The donor-imposed restrictions are temporary in nature, which may or will be met by fulfillment of the stipulated purpose and/or the passage of time.*



# ROTARY INTERNATIONAL DISTRICT 6000, INC.

## Notes to Financial Statements

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### Revenue Recognition

Unconditional contributions are recognized at fair value at the date the promise is received.

District 6000 recognizes revenue from member dues over the membership period, which is one year aligned with the fiscal year.

Revenues derived from District 6000 events are recognized when the event has occurred. At June 30, 2021, deferred revenue was \$4,177 (2020; \$0)

### Advertising Costs

Costs for advertising and promotion are expenses as incurred. Advertising and promotion in the current year is \$4,652.

### Tax Status

District 6000 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. District 6000 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, 2018 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.

### Adopted Accounting Pronouncements

District 6000 adopted ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606) issued by the FASB in May 2014. The pronouncement was issued to clarify the principles for recognizing revenue and to develop a common revenue standard and disclosure requirements for U.S. GAAP and International Financial Reporting Standards. District 6000 adopted this standard on July 1, 2020, which did not have an impact on their financial statements.

### Contributed Services

District 6000 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.

### Subsequent Events

Management has evaluated subsequent events through November 4, 2021, the date the financial statements were available to be issued.

### (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

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(4) Net Assets with Donor Restrictions

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, 2021 are as follows:

Subject to expenditure for specific purpose:

Xicotepec	\$ 21,920
Youth Exchange	37,197
RYLA	58,747
Friendship Exchange	669
Rotary Foundation district grants	2,569
Rotary Foundation global grants	<u>16,762</u>
	\$ <u>137,864</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	\$ 451
Youth Exchange	839
RYLA	790
Rotary Foundation district grants	151,039
Rotary Foundation global grants	<u>30,000</u>
	\$ <u>183,119</u>

(6) Availability of Financial Assets

The District has \$267,800 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 \$112,088, which equals approximately twelve months of their current budgeted operating expenses.

**ROTARY INTERNATIONAL DISTRICT 6000, INC.**

Budget Summary  
Year Ended June 30, 2021

	Actual			Net to Budget
	Revenue	Expense	Net	Variance
Support and revenue:				
District dues	\$ 103,590	-	103,590	(4,710)
Rotary International	16,501	-	16,501	1,101
Interest earned	376	-	376	(624)
Miscellaneous income	2,941	-	2,941	2,941
	<u>123,408</u>	<u>-</u>	<u>123,408</u>	<u>(1,292)</u>
Expenses:				
Club service:				
DG administrative	8,100	19,812	11,712	8,888
DGE administrative expense	-	3,768	3,768	4,132
DGN expenses	-	-	-	2,500
DGND expenses	-	-	-	1,000
Assistant governors	-	-	-	2,800
Committee expenses	-	-	-	2,610
Rotary foundation	-	1,820	1,820	680
Fall foundation banquet	-	-	-	500
District assembly	-	-	-	1,100
District meetings	-	-	-	1,750
District conference	32,771	36,948	4,177	(3,177)
NCPETS conference	-	675	675	7,525
Required meetings	-	4,166	4,166	20,534
	<u>40,871</u>	<u>67,189</u>	<u>26,318</u>	<u>50,842</u>
Community service:				
Grants and expense	126,040	151,039	24,999	(24,999)
Contingency fund	-	10,000	10,000	2,800
	<u>126,040</u>	<u>161,039</u>	<u>34,999</u>	<u>(22,199)</u>
International service:				
Xicotepc Humanitarian project	-	451	451	(451)
Global Scholarship	30,000	30,000	-	-
	<u>30,000</u>	<u>30,451</u>	<u>451</u>	<u>(451)</u>
Youth service:				
Youth Exchange	-	903	903	(903)
RYLA	-	790	790	(790)
	<u>-</u>	<u>1,693</u>	<u>1,693</u>	<u>(1,693)</u>
Administrative:				
District office expense	-	33,679	33,679	3,275
Professional fees	-	7,400	7,400	(300)
	<u>-</u>	<u>41,079</u>	<u>41,079</u>	<u>2,975</u>
Totals	\$ <u>320,319</u>	<u>301,451</u>	<u>18,868</u>	<u>(9,314)</u>

See accountant's review report.