

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Financial Statements

June 30, 2018

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, 2018, and the related statements of activities and cash flows 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 9 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 1, 2018

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Statement of Financial Position

June 30, 2018

<u>Assets</u>	
Cash in bank	\$ 233,753
Accounts receivable	9,723
Prepaid expense - statue	<u>63,500</u>
Total assets	\$ <u>306,976</u>
 <u>Liabilities and Net Assets</u>	
Liabilities:	
Accounts payable	\$ 31,903
Accrued payroll taxes	527
Prepaid conference registrations	<u>7,429</u>
Total liabilities	<u>39,859</u>
Net assets:	
Unrestricted net assets:	
Unrestricted	127,254
Board designated (note 3)	<u>21,853</u>
	149,107
Temporarily restricted net assets (note 4)	<u>118,010</u>
Total net assets	<u>267,117</u>
Total liabilities and net assets	\$ <u>306,976</u>

See accompanying notes and accountant's review report.

ROTARY INTERNATIONAL DISTRICT 6000, INC.Statement of Activities
For the year ended June 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
District dues	\$ 113,250	-	113,250
District events	39,726	-	39,726
International service projects contributions	-	82,736	82,736
Rotary Foundation Community Service Grant	-	102,915	102,915
Rotary Foundation Global Grants	-	39,389	39,389
Rotary International	15,578	-	15,578
Service to youth contributions	-	37,269	37,269
Interest earned	840	-	840
Miscellaneous income	415	-	415
Net assets released from restrictions	<u>215,263</u>	<u>(215,263)</u>	<u>-</u>
 Total support and revenue	 <u>385,072</u>	 <u>47,046</u>	 <u>432,118</u>
 Expenses:			
Programs:			
Club service	121,592	-	121,592
Community service	105,446	-	105,446
International service	87,147	-	87,147
Youth service	22,670	-	22,670
Administrative	41,688	-	41,688
Donations	<u>56,973</u>	<u>-</u>	<u>56,973</u>
 Total expenses	 <u>435,516</u>	 <u>-</u>	 <u>435,516</u>
 Change in net assets	 (50,444)	 47,046	 (3,398)
 Net assets at beginning of year	 <u>199,551</u>	 <u>70,964</u>	 <u>270,515</u>
 Net assets at end of year	 \$ <u>149,107</u>	 <u>118,010</u>	 <u>267,117</u>

See accompanying notes and accountant's review report.

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Statement of Cash Flows
For the year ended June 30, 2018

Cash flows from operating activities:	
Cash received from members	\$ 152,051
Cash received from contributions	120,005
Cash received from Rotary International	157,457
Cash received from other	415
Interest received	841
Cash paid to suppliers and employees	<u>(456,615)</u>
Net cash flows from operating activities	<u>(25,846)</u>
Net increase (decrease) in cash	(25,846)
Cash at beginning of year	<u>259,599</u>
Cash at end of year	\$ <u><u>233,753</u></u>
Reconciliation of net income to net cash provided by operating activities:	
Change in net assets	\$ (3,398)
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) decrease in:	
Accounts receivable	(5,397)
Prepaid expenses	(42,980)
Increase (decrease) in:	
Accounts payable	21,922
Accrued payroll taxes	(40)
Prepaid conference registrations	<u>4,047</u>
Net cash flows from operating activities	\$ <u><u>(25,846)</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.

Financial Statement Presentation

The District reports information regarding its financial position and activities according to three classes of net asset: unrestricted, temporarily restricted net assets, and permanently restricted net assets, as applicable.

Cash and Cash Equivalents

The District considers all unrestricted highly liquid investments with an initial maturity of three months or less 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 receivables are unsecured. Account 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 receivables and historical experience, the District considers all accounts receivables to be fully collectible and therefore no allowance for doubtful accounts is recorded. The District does not charge interest on delinquent receivables.

Revenue Recognition

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

All donor-restricted support is reported as an increase in temporarily restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), a decrease in temporarily restricted net assets is reported.

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Notes to Financial Statements, continued

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. If the District determined a liability was necessary any related potential tax, interest expense and penalties would be charged to operations. In general, tax returns for years ended June 30, 2015 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 November 1, 2018, 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
Conference Assistance	3,000
Polio Statue	11,478
Vision Assistance	<u>2,899</u>
	\$ <u>21,853</u>

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Notes to Financial Statements, continued

(4) Temporarily Restricted Net Assets

Temporarily restricted net assets 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. Temporarily restricted net assets are available as of June 30, 2018 as follows:

Xicotepec	\$ 20,142
Youth Exchange	39,225
RYLA	855
Friendship Exchange	669
Rotary Foundation district grants	2,500
Rotary Foundation global grants	<u>54,619</u>
	\$ <u>118,010</u>

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Budget Summary
Year Ended June 30, 2018

	<u>Revenue</u>	<u>Actual Expense</u>	<u>Net</u>	<u>Budget</u>	<u>Net to Budget Variance</u>
Support and revenue:					
District dues	\$ 113,250	-	113,250	117,750	(4,500)
Rotary International	15,578	-	15,578	20,000	(4,422)
Interest earned	840	-	840	500	340
Miscellaneous income	415	-	415	200	215
	<u>130,083</u>	<u>-</u>	<u>130,083</u>	<u>138,450</u>	<u>(8,367)</u>
Expenses:					
Club service:					
DG administrative	-	28,562	28,562	21,225	(7,337)
DGE administrative expense	-	9,323	9,323	11,950	2,627
DGN expenses	-	1,627	1,627	2,000	373
DGND expenses	-	326	326	800	474
Assistant governors	-	2,727	2,727	2,650	(77)
Committee expenses	-	4,229	4,229	3,850	(379)
Rotary foundation	-	121	121	-	(121)
District assembly	-	742	742	1,800	1,058
District meetings	-	2,669	2,669	2,500	(169)
District conference	35,746	36,262	516	5,200	4,684
RI Conference Breakfast	3,980	2,920	(1,060)	-	1,060
NCPETS conference	-	11,137	11,137	6,300	(4,837)
Required meetings	-	20,821	20,821	23,100	2,279
Contingency fund	-	126	126	12,600	12,474
	<u>39,726</u>	<u>121,592</u>	<u>81,866</u>	<u>93,975</u>	<u>12,109</u>
Community service:					
Grants and expense	<u>102,915</u>	<u>105,446</u>	<u>2,531</u>	<u>-</u>	<u>(2,531)</u>
International service:					
Xicotepec Humanitarian project	82,736	82,632	(104)	-	104
Global Grants	39,389	4,515	(34,874)	-	34,874
	<u>122,125</u>	<u>87,147</u>	<u>(34,978)</u>	<u>-</u>	<u>34,978</u>
Youth service:					
Youth Exchange	36,369	22,625	(13,744)	-	13,744
RYLA	900	45	(855)	-	855
	<u>37,269</u>	<u>22,670</u>	<u>(14,599)</u>	<u>-</u>	<u>14,599</u>
Administrative:					
District office expense	-	34,838	34,838	36,930	2,092
Professional fees	-	6,850	6,850	7,000	150
	<u>-</u>	<u>41,688</u>	<u>41,688</u>	<u>43,930</u>	<u>2,242</u>
Donations	<u>-</u>	<u>56,973</u>	<u>56,973</u>	<u>-</u>	<u>(56,973)</u>
Totals	\$ <u>432,118</u>	<u>435,516</u>	<u>(3,398)</u>	<u>545</u>	<u>(3,943)</u>

See accountant's review report.