

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Financial Statements

June 30, 2017

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Table of Contents

	<u>Page</u>
INDEPENDENT ACCOUNTANT'S REPORT ON THE FINANCIAL STATEMENTS	3
BASIC FINANCIAL STATEMENTS:	
Statement of Financial Position	4
Statement of Activities	5
Statement of Cash Flows	6
Notes to Financial Statements	7-8
SUPPLEMENTARY INFORMATION:	
Budget Summary	9



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, 2017, 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 30, 2017

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Statement of Financial Position

June 30, 2017

Assets

Cash in bank	\$	259,599
Accounts receivable		4,326
Prepaid expenses		<u>20,520</u>
Total assets	\$	<u>284,445</u>

Liabilities and Net Assets

Liabilities:		
Accounts payable	\$	9,981
Accrued payroll taxes		567
Prepaid conference registrations		<u>3,382</u>
Total liabilities		<u>13,930</u>
Net assets:		
Unrestricted net assets:		
Unrestricted		174,904
Board designated (note 3)		<u>24,647</u>
		199,551
Temporarily restricted net assets (note 4)		<u>70,964</u>
Total net assets		<u>270,515</u>
Total liabilities and net assets	\$	<u>284,445</u>

See accompanying notes and accountant's review report.

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Statement of Activities
For the year ended June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
District dues	\$ 115,280	-	115,280
District events	45,990	-	45,990
International service projects contributions	-	85,800	85,800
Rotary Foundation Community Service Grant	-	86,896	86,896
Rotary Foundation Global Grants	-	25,000	25,000
Rotary International	14,162	-	14,162
Service to youth contributions	-	19,650	19,650
Interest earned	743	-	743
Miscellaneous income	65	-	65
Net assets released from restrictions	<u>261,570</u>	<u>(261,570)</u>	<u>-</u>
Total support and revenue	<u>437,810</u>	<u>(44,224)</u>	<u>393,586</u>
 Expenses:			
Programs:			
Club service	120,465	-	120,465
Community service	94,499	-	94,499
International service	151,643	-	151,643
Youth service	16,969	-	16,969
Administrative	<u>39,626</u>	<u>-</u>	<u>39,626</u>
Total expenses	<u>423,202</u>	<u>-</u>	<u>423,202</u>
Change in net assets	14,608	(44,224)	(29,616)
Net assets at beginning of year	<u>184,943</u>	<u>115,188</u>	<u>300,131</u>
Net assets at end of year	<u>\$ 199,551</u>	<u>70,964</u>	<u>270,515</u>

See accompanying notes and accountant's review report.

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Statement of Cash Flows
For the year ended June 30, 2017

Cash flows from operating activities:	
Cash received from members	\$ 152,216
Cash received from contributions	105,450
Cash received from Rotary International	121,810
Cash received from other	65
Interest received	743
Cash paid to suppliers and employees	<u>(450,073)</u>
Net cash flows from operating activities	<u>(69,789)</u>
Net increase (decrease) in cash	(69,789)
Cash at beginning of year	<u>329,388</u>
Cash at end of year	\$ <u><u>259,599</u></u>
Reconciliation of net income to net cash provided by operating activities:	
Change in net assets	\$ (29,616)
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) decrease in:	
Accounts receivable	(4,326)
Prepaid expenses	(20,520)
Increase (decrease) in:	
Accounts payable	(6,420)
Accrued payroll taxes	69
Due to Humanitarian Service Fund	(1,000)
Prepaid conference registrations	<u>(7,976)</u>
Net cash flows from operating activities	\$ <u><u>(69,789)</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.

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.

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, 2014 and prior are no longer open for examination by taxing authorities.

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Notes to Financial Statements, continued

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 27, 2017, 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	\$ 4,477
District Conference Assistance	6,000
PETS Assistance	10,861
Vision Assistance	<u>3,309</u>
	\$ <u>24,647</u>

(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, 2017 as follows:

Xicotepec	\$ 20,037
Youth Exchange	25,482
Friendship Exchange	669
Rotary Foundation district grants	5,031
Rotary Foundation global grants	<u>19,745</u>
	\$ <u>70,964</u>

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Budget Summary
Year Ended June 30, 2017

	<u>Revenue</u>	<u>Actual Expense</u>	<u>Net</u>	<u>Budget</u>	<u>Net to Budget Variance</u>
Support and revenue:					
District dues	\$ 115,280	-	115,280	117,000	(1,720)
Rotary International	14,162	-	14,162	16,500	(2,338)
Interest earned	743	-	743	500	243
Miscellaneous income	<u>65</u>	<u>-</u>	<u>65</u>	<u>2,275</u>	<u>(2,210)</u>
	<u>130,250</u>	<u>-</u>	<u>130,250</u>	<u>136,275</u>	<u>(6,025)</u>
Expenses:					
Club service:					
DG administrative	-	21,113	21,113	21,725	612
DGE administrative expense	-	13,999	13,999	13,200	(799)
DGN expenses	-	-	-	2,500	2,500
DGND expenses	-	367	367	1,300	933
Assistant governors	-	3,941	3,941	1,100	(2,841)
Committee expenses	-	88	88	5,850	5,762
Rotary foundation	-	122	122	800	678
Fall foundation banquet	4,037	4,037	-	500	500
District assembly	-	1,847	1,847	1,800	(47)
District meetings	-	3,115	3,115	2,445	(670)
District conference	41,953	43,948	1,995	3,000	1,005
NCPETS conference	-	8,805	8,805	5,000	(3,805)
Required meetings	-	16,061	16,061	21,000	4,939
Contingency fund	<u>-</u>	<u>3,022</u>	<u>3,022</u>	<u>13,000</u>	<u>9,978</u>
	<u>45,990</u>	<u>120,465</u>	<u>74,475</u>	<u>93,220</u>	<u>18,745</u>
Community service:					
Grants and expense	<u>86,896</u>	<u>94,499</u>	<u>7,603</u>	<u>-</u>	<u>(7,603)</u>
International service:					
Xicotepec Humanitarian project	85,800	69,539	(16,261)	-	16,261
Polio Plus	-	100	100	-	(100)
Global Grants	<u>25,000</u>	<u>82,004</u>	<u>57,004</u>	<u>-</u>	<u>(57,004)</u>
	<u>110,800</u>	<u>151,643</u>	<u>40,843</u>	<u>-</u>	<u>(40,843)</u>
Youth service:					
Youth Exchange	19,650	16,069	(3,581)	-	3,581
RYLA	<u>-</u>	<u>900</u>	<u>900</u>	<u>-</u>	<u>(900)</u>
	<u>19,650</u>	<u>16,969</u>	<u>(2,681)</u>	<u>-</u>	<u>2,681</u>
Administrative:					
District office expense	-	32,926	32,926	34,100	1,174
Professional fees	<u>-</u>	<u>6,700</u>	<u>6,700</u>	<u>7,000</u>	<u>300</u>
	<u>-</u>	<u>39,626</u>	<u>39,626</u>	<u>41,100</u>	<u>1,474</u>
Totals	\$ <u>393,586</u>	<u>423,202</u>	<u>(29,616)</u>	<u>1,955</u>	<u>(31,571)</u>

See accountant's review report.