

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Financial Statements

June 30, 2015

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, 2016, 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. The information is the representation 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.

October 11, 2016

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Statement of Financial Position

June 30, 2015

<u>Assets</u>	
Cash in bank	\$ 282,700
Accounts receivable	920
Prepaid expenses	<u>388</u>
Total assets	\$ <u>284,008</u>
 <u>Liabilities and Net Assets</u>	
Liabilities:	
Accounts payable	\$ 26,229
Accrued payroll taxes	440
Prepaid conference registrations	<u>1,820</u>
Total liabilities	<u>28,489</u>
Net assets:	
Unrestricted net assets:	
Unrestricted	176,893
Board designated (note 3)	<u>8,600</u>
	185,493
Temporarily restricted net assets (note 4)	<u>70,026</u>
Total net assets	<u>255,519</u>
Total liabilities and net assets	\$ <u>284,008</u>

See accompanying notes and accountant's review report.

ROTARY INTERNATIONAL DISTRICT 6000, INC.Statement of Activities
For the year ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
District dues	\$ 117,699	-	117,699
District events	42,500	-	42,500
International service projects contributions	-	114,511	114,511
Rotary Foundation Community Service Grant	87,503	-	87,503
Rotary Foundation Global Scholarship	30,000	-	30,000
Rotary International	13,523	-	13,523
Service to youth contributions	-	30,075	30,075
Interest earned	602	-	602
Miscellaneous income	105	-	105
Net assets released from restrictions	<u>149,123</u>	<u>(149,123)</u>	<u>-</u>
 Total support and revenue	 <u>441,055</u>	 <u>(4,537)</u>	 <u>436,518</u>
 Expenses:			
Programs:			
Club service	116,794	-	116,794
Community service	72,833	-	72,833
International service	162,645	-	162,645
Youth service	19,148	-	19,148
Administrative	<u>35,247</u>	<u>-</u>	<u>35,247</u>
 Total expenses	 <u>406,667</u>	 <u>-</u>	 <u>406,667</u>
 Change in net assets	 34,388	 (4,537)	 29,851
 Net assets at beginning of year	 <u>151,105</u>	 <u>74,563</u>	 <u>225,668</u>
 Net assets at end of year	 \$ <u>185,493</u>	 <u>70,026</u>	 <u>255,519</u>

See accompanying notes and accountant's review report.

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Statement of Cash Flows
For the year ended June 30, 2015

Cash flows from operating activities:	
Cash received from members	\$ 155,099
Cash received from contributions	144,586
Cash received from Rotary International	135,776
Cash received from other	105
Interest received	602
Cash paid to suppliers and employees	<u>(392,918)</u>
Net cash flows from operating activities	<u>43,250</u>
Net increase (decrease) in cash	43,250
Cash at beginning of year	<u>239,450</u>
Cash at end of year	\$ <u><u>282,700</u></u>
Reconciliation of net income to net cash provided by operating activities:	
Change in net assets	\$ 29,851
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) decrease in:	
Accounts receivable	3,830
Prepaid expenses	(388)
Increase (decrease) in:	
Accounts payable	14,266
Accrued payroll taxes	(129)
Prepaid conference registrations	<u>(4,180)</u>
Net cash flows from operating activities	\$ <u><u>43,250</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.

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. In general, tax returns for years ended June 30, 2012 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 October 8, 2015, the date the financial statements were available to be issued.

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Notes to Financial Statements, continued

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	\$ 5,000
PETS Assistance	102
Vision Assistance	<u>3,498</u>
	\$ <u>8,600</u>

(4) Temporarily Restricted Net Assets

Temporarily restricted net assets consist of monies received by **Rotary International District 6000, Inc.** for specific projects. Interest earned on any invested funds is included in the fund's receipts. Temporarily restricted net assets are available for the following specific projects:

Xicotepec	\$ 49,252
Youth Exchange	20,106
Friendship Exchange	<u>669</u>
	\$ <u>70,026</u>

ROTARY INTERNATIONAL DISTRICT 6000, INC.

Budget Summary
Year Ended June 30, 2015

	Actual			Budget	Net to Budget Variance
	Revenue	Expense	Net		
Support and revenue:					
District dues	\$ 117,699	-	117,699	118,500	(801)
Rotary International	13,523	-	13,523	15,450	(1,927)
Interest earned	602	-	602	500	102
Miscellaneous income	105	-	105	-	105
	<u>131,929</u>	<u>-</u>	<u>131,929</u>	<u>134,450</u>	<u>(2,521)</u>
Expenses:					
Club service:					
DG administrative	-	20,999	20,999	21,450	451
DGE administrative expense	-	10,672	10,672	14,600	3,928
DGN expenses	-	-	-	1,500	1,500
DGND expenses	-	-	-	300	300
Assistant governors	-	4,851	4,851	5,500	649
Committee expenses	-	56	56	6,500	6,444
Rotary foundation	-	-	-	300	300
Fall foundation banquet	4,300	4,300	-	500	500
District assembly	-	2,024	2,024	2,500	476
Vision training facilitation	-	-	-	500	500
Rotary Leadership Institute	-	400	400	-	(400)
Grant management seminars	-	667	667	1,750	1,083
District conference	38,200	39,658	1,458	4,000	2,542
Foundation/membership seminars	-	1,109	1,109	1,000	(109)
District PETS conference	-	14,357	14,357	6,000	(8,357)
Required meetings	-	11,771	11,771	15,600	3,829
Contingency fund	-	5,930	5,930	12,200	6,270
	<u>42,500</u>	<u>116,794</u>	<u>74,294</u>	<u>94,200</u>	<u>19,906</u>
Community service:					
Grants and expense	<u>87,503</u>	<u>72,833</u>	<u>(14,670)</u>	<u>-</u>	<u>14,670</u>
International service:					
Xicotepec Humanitarian project	114,511	136,548	22,037	-	(22,037)
Global Scholarship	30,000	26,097	(3,903)	-	3,903
PolioPlus	-	-	-	-	-
	<u>144,511</u>	<u>162,645</u>	<u>18,134</u>	<u>-</u>	<u>(18,134)</u>
Youth service:					
Youth Exchange	30,075	16,553	(13,522)	(500)	13,022
RYLA	-	2,595	2,595	1,500	(1,095)
SCYRE	-	-	-	1,000	1,000
	<u>30,075</u>	<u>19,148</u>	<u>(10,927)</u>	<u>2,000</u>	<u>12,927</u>
Administrative:					
District office expense	-	28,147	28,147	32,869	4,722
Professional fees	-	7,100	7,100	6,700	(400)
	<u>-</u>	<u>35,247</u>	<u>35,247</u>	<u>39,569</u>	<u>4,322</u>
Totals	\$ <u>436,518</u>	<u>406,667</u>	<u>29,851</u>	<u>(1,319)</u>	<u>31,170</u>

See accountant's review report.