

**ROTARY INTERNATIONAL DISTRICT 6000, INC.**

Financial Statements

June 30, 2016

**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, 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 reviewed the information and, based on our review, we are not aware of any material modification that should be made to the information in order for it to be in accordance with accounting principles general accepted in the United States of America. We have not audited the information and accordingly, do not express an opinion on such information.

*Corwin, Reichter & Company, P.C.*

October 11, 2016

**ROTARY INTERNATIONAL DISTRICT 6000, INC.**

Statement of Financial Position

June 30, 2016

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Assets

Cash in bank	\$	<u>329,388</u>
Total assets	\$	<u><u>329,388</u></u>

Liabilities and Net Assets

Liabilities:		
Accounts payable	\$	16,401
Accrued payroll taxes		498
Due to Humanitarian Service Fund		1,000
Prepaid conference registrations		<u>11,358</u>
Total liabilities		<u>29,257</u>
Net assets:		
Unrestricted net assets:		
Unrestricted		171,102
Board designated (note 3)		<u>13,841</u>
		184,943
Temporarily restricted net assets (note 4)		<u>115,188</u>
Total net assets		<u>300,131</u>
Total liabilities and net assets	\$	<u><u>329,388</u></u>

See accompanying notes and accountant's review report.

**ROTARY INTERNATIONAL DISTRICT 6000, INC.**Statement of Activities  
For the year ended June 30, 2016

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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
District dues	\$ 115,770	-	115,770
District events	47,428	-	47,428
International service projects contributions	-	71,590	71,590
Rotary Foundation Community Service Grant	-	87,042	87,042
Rotary Foundation Global Scholarship	-	30,000	30,000
Rotary Foundation Global Grants	-	109,572	109,572
Rotary International	18,097	-	18,097
Service to youth contributions	2,400	22,410	24,810
Interest earned	607	-	607
Miscellaneous income	184	-	184
Net assets released from restrictions	<u>305,615</u>	<u>(305,615)</u>	<u>-</u>
 Total support and revenue	 <u>490,101</u>	 <u>14,999</u>	 <u>505,100</u>
 Expenses:			
Programs:			
Club service	118,493	-	118,493
Community service	101,192	-	101,192
International service	183,808	-	183,808
Youth service	21,086	-	21,086
Administrative	<u>35,909</u>	<u>-</u>	<u>35,909</u>
 Total expenses	 <u>460,488</u>	 <u>-</u>	 <u>460,488</u>
 Change in net assets	 29,613	 14,999	 44,612
 Net assets at beginning of year, as corrected	 <u>155,330</u>	 <u>100,189</u>	 <u>255,519</u>
 Net assets at end of year	 \$ <u>184,943</u>	 <u>115,188</u>	 <u>300,131</u>

See accompanying notes and accountant's review report.

**ROTARY INTERNATIONAL DISTRICT 6000, INC.**

Statement of Cash Flows  
For the year ended June 30, 2016

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Cash flows from operating activities:	
Cash received from members	\$ 174,656
Cash received from contributions	96,400
Cash received from Rotary International	244,711
Cash received from other	184
Interest received	607
Cash paid to suppliers and employees	<u>(469,870)</u>
Net cash flows from operating activities	<u>46,688</u>
Net increase (decrease) in cash	46,688
Cash at beginning of year	<u>282,700</u>
Cash at end of year	\$ <u><u>329,388</u></u>
Reconciliation of net income to net cash provided by operating activities:	
Change in net assets	\$ 44,612
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) decrease in:	
Accounts receivable	920
Prepaid expenses	388
Increase (decrease) in:	
Accounts payable	(9,829)
Accrued payroll taxes	59
Due to Humanitarian Service Fund	1,000
Prepaid conference registrations	<u>9,538</u>
Net cash flows from operating activities	\$ <u><u>46,688</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.** 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, 2013 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 11, 2016, 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	5,532
Vision Assistance	<u>3,309</u>
	<u>\$ 13,841</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, 2016 as follows:

Xicotepec	\$ 3,776
Youth Exchange	21,901
Friendship Exchange	669
Rotary Foundation district grants	12,110
Rotary Foundation global grants	<u>76,732</u>
	<u>\$ 115,188</u>

(5) Correction of an Error in Net Assets

As stated in note 2 above, the District receives contributions which are either temporarily restricted, permanently restricted or unrestricted, based on any restrictions put on the funds by the donors of the funds. The Rotary Foundation is a significant contributor to the District in the form of grants. The grants can only be spent for specific purposes or programs, with limitations on the types of expenses which can be paid from the grant. Grant funds unspent are returned to The Rotary Foundation. As such, these grants meet the definition of a temporarily restricted contribution. As of the end of June 30, 2015, the District had unspent grant money totaling \$30,163 from The Rotary Foundation. The net assets at the beginning of year as reported on the statement of activities have been corrected as follows to properly report these funds as temporarily restricted net assets:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Nets assets at beginning of year, as previously reported	\$ 185,493	70,026
Correction	<u>(30,163)</u>	<u>30,163</u>
Nets assets at beginning of year, as corrected	<u>\$ 155,330</u>	<u>100,189</u>



**ROTARY INTERNATIONAL DISTRICT 6000, INC.**

Budget Summary  
Year Ended June 30, 2016

	<u>Revenue</u>	<u>Actual Expense</u>	<u>Net</u>	<u>Budget</u>	<u>Net to Budget Variance</u>
Support and revenue:					
District dues	\$ 115,770	-	115,770	117,750	(1,980)
Rotary International	18,097	-	18,097	15,450	2,647
Interest earned	607	-	607	500	107
Miscellaneous income	184	-	184	-	184
	<u>134,658</u>	<u>-</u>	<u>134,658</u>	<u>133,700</u>	<u>958</u>
Expenses:					
Club service:					
DG administrative	-	22,985	22,985	24,650	1,665
DGE administrative expense	-	8,917	8,917	13,200	4,283
DGN expenses	-	1,089	1,089	1,500	411
DGND expenses	-	-	-	300	300
Assistant governors	-	6,033	6,033	5,100	(933)
Committee expenses	-	-	-	6,000	6,000
Rotary foundation	-	-	-	800	800
Fall foundation banquet	7,228	7,743	515	500	(15)
District assembly	-	1,585	1,585	1,800	215
Vision training facilitation	-	188	188	400	212
Rotary Leadership Institute	-	-	-	500	500
Grant management seminars	-	1,156	1,156	1,750	594
District conference	40,200	43,165	2,965	3,000	35
Foundation/membership seminars	-	1,138	1,138	1,000	(138)
District PETS conference	-	8,663	8,663	5,000	(3,663)
Required meetings	-	15,852	15,852	15,800	(52)
Contingency fund	-	2	2	12,200	12,198
	<u>47,428</u>	<u>118,516</u>	<u>71,088</u>	<u>93,500</u>	<u>22,412</u>
Community service:					
Grants and expense	<u>87,042</u>	<u>101,192</u>	<u>14,150</u>	<u>-</u>	<u>(14,150)</u>
International service:					
Xicotepec Humanitarian project	71,590	117,065	45,475	-	(45,475)
Global Scholarship	30,000	33,818	3,818	-	(3,818)
Global Grants	109,572	32,925	(76,647)	-	76,647
	<u>211,162</u>	<u>183,808</u>	<u>(27,354)</u>	<u>-</u>	<u>27,354</u>
Youth service:					
Youth Exchange	22,410	20,615	(1,795)	-	1,795
RYLA	2,400	471	(1,929)	500	2,429
	<u>24,810</u>	<u>21,086</u>	<u>(3,724)</u>	<u>500</u>	<u>4,224</u>
Administrative:					
District office expense	-	29,311	29,311	32,375	3,064
Professional fees	-	6,575	6,575	7,000	425
	<u>-</u>	<u>35,886</u>	<u>35,886</u>	<u>39,375</u>	<u>3,489</u>
Totals	\$ <u>505,100</u>	<u>460,488</u>	<u>44,612</u>	<u>325</u>	<u>44,287</u>

See accountant's review report.