

**MINUTES  
BUDGET AND FINANCE COMMITTEE MEETING  
DISTRICT OFFICE  
THURSDAY, OCTOBER 14, 2014**

**PRESENT:** Terry Geiger, PDG 12-13; Chris Knapp, Gov. 16-17; Loring Miller Gov. 15-16; Emmi Miller, Treasurer; John Ockenfels, Gov. 14-15; Don Patterson, PDG 11-12; Carolyn Scharff, Administrator; Bill Tubbs, PDG 04-05 (by telephone); and Gary Welch PDG 10-11.

**OTHERS PRESENT:** Matt Corwin

**ABSENT:** Jacque Andrew PDG 13-14 and Dennis Skinner PDG 03-04

The meeting was called to order by Chair Don Patterson at 3:05 P.M. A quorum was present.

Chair Patterson presented the Agenda and it was approved.

**MINUTES:**

**Motion**

Welch moved and L. Miller seconded that the Minutes of the June 19, 2014, meeting be approved as presented.

**Passed**

**OLD BUSINESS:**

**Webinar**

L. Miller inquired as to the status of Webinar as a method of holding district meetings. Ockenfels confirmed that Webinar is available for the district to use. HEF is the entity that has the license to use Webinar. Because of the Not-For-Profit status of HEF the annual fee for using Webinar through Tech Soup is \$750. This is a savings of approximately \$250.

**NEW BUSINESS:**

**Annual Review**

Matt Corwin, of Corwin, Reichter and Company, presented the Annual Review - Financial Report for approval by the Budget and Finance Committee (see attached). Patterson asked if the changes in fund balances would affect the amount to be committed along with the contingency. Matt Corwin will consult with Denny Skinner before the review is finalized and either he or Skinner will report back at the next Budget and Finance Committee. There was discussion as to how the format of the Annual Review-Financial Report and the included statements differ from the past. There was unanimous support the changes.

The report includes the following three statements:

Statement of Financial Position

Statement of Activities

Statement of Cash Flows

And

Notes to the Financial Statements

**Motion**

Geiger moved and Ockenfels seconded that the 2013-2014 Annual Review, as presented by Matt Corwin, be approved.

**Passed**

**990 Return**

Matt Corwin presented the annual 990 Return for District 6000. All of the figures and calculations for the 990 Return are found or formulated from the annual Financial Report.

**Motion**

Ockenfels moved and E. Miller seconded that the 990 Return be approved and submitted to the IRS as presented, contingent on the approval of D. Skinner.

**Passed**

**Resolution**

A resolution on the use of balance of the 2013-2014 Contingency Funds (PDG Andrew budget) be transferred to a new restricted account.(See attached Resolution.)

As stated in the Resolution, only the funds associated with the 2013-2014 budget are to be directed to the new restricted account and the funds are to be used as directed by the Resolution.

**Motion**

Geiger moved and L. Miller seconded that the Resolution written by PDG Andrew and presented by PDG and Chair Patterson be approved.

**Passed**

**Quarterly Financial Report**

E. Miller presented the Quarterly Financial Report as of September 30, 2014. During the presentation E. Miller noted that a closing transaction should be done to zero out the balance of the DSG Restricted account that has a balance of \$299. These funds must be directed to a qualifying district project within the district so as to meet the intent of the original funding of the account.

**Motion**

Ockenfels moved and L. Miller seconded to close the restricted DSG account in question and to transfer the balance to the Warm Coats Project.

**Passed**

**Motion**

Geiger moved and Welch seconded to approve the Quarterly Financial Report as presented by E. Miller.

**Passed**

**2015-2016 Proposed Budget Presentation**

DGE L. Miller presented a proposed budget for the Rotary Year 2015-2016.

There was general discussion as to the overall budget. All comments were positive.

There were specific questions concerning the Youth Exchange budget items, RYLA budget items and the Public Image budget item. Knapp explained the Youth Exchange budget items (see attachment), Welch requested that a minimum of \$500 be designated for RYLA expenses related to supplies and marketing of the RYLA program to the district. Tubbs requested that the funds designated in Miller's budget for Public Image be retained for Public Image.

Miller will present his budget at the December 11, 2014, meeting.

The meeting was adjourned at 4:45 P.M.

Respectfully submitted,

***Christopher W. Knapp***

Christopher W. Knapp, Acting Secretary

**ROTARY INTERNATIONAL DISTRICT 6000, INC.**

Financial Statements

June 30, 2014

**PRELIMINARY  
DRAFT**  
Discussion Purposes Only  
Corwin, Reichter & Company, PC

**ROTARY INTERNATIONAL DISTRICT 6000, INC.**

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**PRELIMINARY  
DRAFT**  
Discussion Purposes Only  
Corwin, Reichter & Company, PC



**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 statement of financial position of **Rotary International District 6000, Inc.**, (a not-for-profit organization), as of June 30, 2014, and the related statements of activities and cash flows for the year then ended. 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 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 conformity with accounting principles generally accepted in the United States of America.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. 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 has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we did not become aware of any material modifications that should be made to such information.

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

October 3, 2014

**ROTARY INTERNATIONAL DISTRICT 6000, INC.**

Statement of Financial Position

June 30, 2014

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<u>Assets</u>	
Cash in bank	\$ 239,450
Accounts receivable	<u>4,750</u>
Total assets	\$ <u><u>244,200</u></u>
 <u>Liabilities and Net Assets</u>	
Liabilities:	
Accounts payable	\$ 11,963
Accrued payroll taxes	570
Prepaid conference registrations	<u>6,000</u>
Total liabilities	<u>18,533</u>
Net assets:	
Unrestricted net assets:	
Unrestricted	141,104
Board designated (note 3)	<u>10,000</u>
	151,104
Temporarily restricted net assets (note 4)	<u>74,563</u>
Total net assets	<u>225,667</u>
Total liabilities and net assets	\$ <u><u>244,200</u></u>

See accompanying notes and accountant's review report.

**ROTARY INTERNATIONAL DISTRICT 6000, INC.**

Statement of Activities  
For the year ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
District dues	\$ 117,720	-	117,720
District events	52,698	-	52,698
International service projects contributions	-	146,655	146,655
Rotary Foundation Community Service Grant	58,921	-	58,921
Rotary International	15,101	-	15,101
Service to youth contributions	10,350	35	10,385
Interest earned	547	-	547
Miscellaneous income	207	-	207
Net assets released from restrictions	<u>126,852</u>	<u>(126,852)</u>	<u>-</u>
 Total support and revenue	 <u>382,396</u>	 <u>19,838</u>	 <u>402,234</u>
Expenses:			
Programs:			
Club service	116,435	-	116,435
Community service	49,529	-	49,529
International service	129,609	-	129,609
Youth service	19,865	-	19,865
Administrative	<u>35,738</u>	<u>-</u>	<u>35,738</u>
 Total expenses	 <u>351,176</u>	 <u>-</u>	 <u>351,176</u>
 Change in net assets	 31,220	 19,838	 51,058
 Net assets at beginning of year	 <u>119,884</u>	 <u>54,725</u>	 <u>174,609</u>
 Net assets at end of year	 <u>\$ 151,104</u>	 <u>74,563</u>	 <u>225,667</u>

PRELIMINARY  
DRAFT  
Discussion Purposes Only  
Corwin, Reichter & Company, PC

See accompanying notes and accountant's review report.

**ROTARY INTERNATIONAL DISTRICT 6000, INC.**

Statement of Cash Flows  
For the year ended June 30, 2014

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Cash flows from operating activities:	
Cash received from members	\$ 170,488
Cash received from contributions	157,040
Cash received from Rotary International	101,272
Cash received from other	207
Interest received	547
Cash paid to suppliers and employees	<u>(358,677)</u>
Net cash flows from operating activities	<u>70,877</u>
Net increase (decrease) in cash	70,877
Cash at beginning of year	<u>168,573</u>
Cash at end of year	\$ <u><u>239,450</u></u>
Reconciliation of net income to net cash provided by operating activities:	
Change in net assets	\$ 51,058
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) decrease in:	
Accounts receivable	27,320
Increase (decrease) in:	
Accounts payable	(6,152)
Accrued payroll taxes	(99)
Prepaid conference registrations	<u>(1,250)</u>
Net cash flows from operating activities	\$ <u><u>70,877</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, 2011 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 3, 2014, the date the financial statements were available to be issued.*

## ROTARY INTERNATIONAL DISTRICT 6000, INC.

### Notes to Financial Statements, continued

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#### 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
Youth Exchange	<u>5,000</u>
	\$ <u>10,000</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	\$ 71,288
Youth Exchange	1,583
District Simplified Grants	1,023
Friendship Exchange	<u>669</u>
	\$ <u>74,563</u>

## ROTARY INTERNATIONAL DISTRICT 6000, INC.

Budget Summary  
Year ended June 30, 2014

	Actual			Budget	Net to Budget Variance
	Revenue	Expense	Net		
Support and revenue:					
District dues	\$ 117,720	-	117,720	121,500	(3,780)
Rotary International	15,101	-	15,101	17,100	(1,999)
Interest earned	547	-	547	500	47
Miscellaneous income	207	-	207	-	207
	<u>133,575</u>	<u>-</u>	<u>133,575</u>	<u>139,100</u>	<u>(5,525)</u>
Expenses:					
Club service:					
DG administrative	-	24,127	24,127	20,600	(3,527)
DGE administrative expense	-	5,847	5,847	14,000	8,153
DGN expenses	-	1,562	1,562	1,500	(62)
DGND expenses	-	106	106	300	194
Assistant governors	-	4,840	4,840	6,000	1,160
Committee expenses	-	5,169	5,169	5,500	331
Rotary foundation	-	-	-	700	700
Fall foundation banquet	5,500	4,075	(1,425)	600	2,025
District assembly	-	1,754	1,754	1,500	(254)
Vision training facilitation	-	-	-	1,000	1,000
Grant management seminars	-	377	377	1,500	1,123
District conference	47,198	47,906	708	5,000	4,292
Foundation/membership seminars	-	1,106	1,106	1,000	(106)
District PETS conference	-	4,344	4,344	7,000	2,656
Required meetings	-	13,122	13,122	16,300	3,178
Contingency fund	-	2,100	2,100	12,700	10,600
	<u>52,698</u>	<u>116,435</u>	<u>63,737</u>	<u>95,200</u>	<u>31,463</u>
Community service:					
Grants and expense	58,921	49,529	(9,392)	-	9,392
International service:					
Xicotepec Humanitarian project	146,655	127,569	(19,086)	-	19,086
PolioPlus	-	2,040	2,040	-	(2,040)
	<u>146,655</u>	<u>129,609</u>	<u>(17,046)</u>	<u>-</u>	<u>17,046</u>
Youth service:					
Youth Exchange	10,385	13,023	2,638	3,000	362
RYLA & SCYRE	-	6,842	6,842	3,000	(3,842)
	<u>10,385</u>	<u>19,865</u>	<u>9,480</u>	<u>6,000</u>	<u>(3,480)</u>
Administrative:					
District office expense	-	28,763	28,763	31,550	2,787
Professional fees	-	6,975	6,975	6,100	(875)
	<u>-</u>	<u>35,738</u>	<u>35,738</u>	<u>37,650</u>	<u>1,912</u>
Totals	\$ <u>402,234</u>	<u>351,176</u>	<u>51,058</u>	<u>250</u>	<u>50,808</u>

See accountant's review report.

## **RESOLUTION**

Whereas, the center of our Rotary organization is the local clubs and all action emanates from the clubs, it is critical that clubs receive appropriate assistance and support to become and remain vibrant;

Whereas, the success and vibrancy of clubs is hinged significantly on the preparation of the president-elect via attendance at President-Elect Training Seminar (PETS);

Whereas, the process of club visioning is beneficial to club strategic planning, goal setting/attainment and maintaining relevancy;

Whereas, \$10, 598 remain in the District 6000 contingency fund from the 2013-14 Rotary year;

Whereas, the District's budget funds originated from the dues paid by District 6000 clubs;

Whereas, as the District 6000 Governor for the 2013-14 year, it is within my purview to recommend the use of the remaining contingency funds;

Therefore, be it resolved that my recommendation would be the following,

- that a restricted fund account be established with the remaining contingency funds and that those funds be used in the following ways;
- that two-thirds of the remaining contingency funds be made available to District 6000 clubs that need and request assistance for their Presidents-elect to attend PETS with funds used to cover PETS registration and lodging (max 2 nights);
- and that the remaining one-third of the contingency funds be made available to District 6000 clubs that request assistance with club visioning and officer succession planning with funds used for the travel expenses of the visioning facilitator(s).

(Clubs in the district would be notified of such a resolution, should it be approved, immediately through letters to the current Presidents, via the District Newsletter and through the District E-News.)

Thank you for your consideration of this use of the contingency funds.

Best regards and appreciation,

Jacque  
(10/9/2014)

## Youth Exchange Budget - Proposed 2015 - 2016

### Inbound - Outbound Fees

Outbound Fees	14 x \$2200	\$30,800	\$30,800
<b>Total Fees</b>			<b>\$30,800</b>

### Inbound - Outbound Expenses

Office Supplies			
Paper			
Printer Ink	2 X 120	\$240	
Business Cards	\$50	\$50	
			\$290
Postage			
International	14 x 100	\$1,400	
Domestic	14 x 3.00	\$42	
			\$1,442
Background Checks			
Student Host Families	14 x 3 Fam Members x 3 Fam x \$8	\$1,008	
Volunteers	20 clubs x 3 members x \$8	\$480	
Committee	36 members x \$8	\$288	
			\$1,776
Events			
Fall Kick Off			
Rent	\$300	\$300	
Food	14+28 Fam +14 Counselors +30 Comm x\$5	\$430	
			\$730
Retreat			
Rent/Meals		\$3,000	
Entertainment		\$300	
			\$3,300
Spring Training - Pella			
Rent		\$300	
Food		\$400	
			\$700
Pumpkin			
Rent		\$0	
			\$0
Picnic			
Rent		\$0	
Food		\$0	

\$0

District Conference

Rooms	14 rooms @ \$120	\$1,680
Conf. Meals	34 x2x20	\$1,360
Pizza Party	10 X 15	\$150
Display materials	0	\$0

\$3,190

SCRYE

Dues		\$400	
Per Student Out	14x80	\$1,120	
Per Student In	14x35	\$490	
Meetings			
Winter	Registration	4 x \$200	\$800
	Hotel	4 x \$200	\$800
Summer	Registration	4 x \$200	\$800
	Hotel	4 x \$200	\$800
	Miscellaneous Exp	\$200	\$200

\$5,410

NAYEN/Rotary International Conference

Registration	2x250	\$500
Hotel	300	\$300
Travel	200	\$200

\$1,000

**Total - Inbound and Administraion Expenses**

**\$17,838 \$17,838**