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**Haskins & Associates, P.C.**  
*Certified Public Accountants*

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**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

Executive Committee  
Rotary International District 5450, Inc.  
Frederick, Colorado

We have reviewed the accompanying financial statements of Rotary International District 5450, Inc. (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, cash flows and schedules of expenses for the years 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 company 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 engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review and 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 reviews, 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.

Centennial, CO  
January 18, 2017

*Haskins & Associates, PC*

**ROTARY INTERNATIONAL DISTRICT 5450, INC**

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30,**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash, operating	\$ 162,643	\$ 126,082
Certificates of deposit	0	40,781
Accounts receivable - miscellaneous	974	1,625
Prepaid expenses	4,388	8,897
Property and equipment - net	<u>10,295</u>	<u>10,873</u>
 Total Assets	 <u>\$ 178,300</u>	 <u>\$ 188,258</u>

**LIABILITIES AND NET ASSETS**

Accounts payable	\$ 9,694	\$ 12,560
Designated funds	<u>30,000</u>	<u>37,859</u>
Total Liabilities	<u>39,694</u>	<u>50,419</u>
 Net Assets - Unrestricted	 <u>138,607</u>	 <u>137,839</u>
 Total Liabilities and Net Assets	 <u>\$ 178,300</u>	 <u>\$ 188,258</u>

See accompanying notes and accountant's review report

# ROTARY INTERNATIONAL DISTRICT 5450, INC

## STATEMENTS OF ACTIVITIES

Years Ended June 30,

	2016	2015
REVENUES		
Per capita membership dues	\$ 138,330	\$ 140,130
Interest income	163	175
High Country AV Team	4,000	7,300
Sponsorship income	2,400	9,225
Miscellaneous income	2,456	136
Water Task Force, net	0	1,645
Club training workshop, net	0	431
Membership Seminar, net	123	0
Foundation Grant Seminar, net	647	665
District Conference, net	4,151	2,473
District Travel	0	658
Transitional Dinner, net	83	60
Leadership Seminar Income, net	1,198	1,477
RI Contribution, Education	7,859	0
TOTAL REVENUES	<u>161,410</u>	<u>164,375</u>
EXPENSES (See schedule)		
District operations	105,857	78,848
District program expenses	33,732	18,598
District committee expenses	2,855	3,135
International meeting expenses	15,486	7,532
Dues refund, prior year	0	41,081
TOTAL EXPENSES	<u>157,930</u>	<u>149,194</u>
INCREASE IN NET ASSETS BEFORE DEPRECIATION	3,480	15,181
DEPRECIATION EXPENSE	<u>2,713</u>	<u>1,519</u>
INCREASE IN UNRESTRICTED NET ASSETS	767	13,662
UNRESTRICTED NET ASSETS, Beginning of Year	<u>137,839</u>	<u>124,177</u>
UNRESTRICTED NET ASSETS, End of Year	<u>\$ 138,607</u>	<u>\$ 137,839</u>

See accompanying notes and accountant's review report

**ROTARY INTERNATIONAL DISTRICT 5450, INC**

**SCHEDULES OF EXPENSES**

Years Ended June 30,

	2016	2015
<b>DISTRICT OPERATIONS</b>		
District office operating expenses	\$ 65,828	\$ 37,723
District directory	283	0
Insurance, liability and directors and officers	1,373	1,394
PETS expense	26,848	31,692
Theme banners and pins	2,545	2,175
District travel	0	3,156
Visioning training	3,282	100
Professional services	2,412	2,608
Promotional Team Outlay	3,287	0
Total District Operations	<u>105,857</u>	<u>78,848</u>
<b>DISTRICT PROGRAM EXPENSES</b>		
Youth Exchange Program	2,500	2,500
Ambassadorial Scholarship program	0	353
Zone Institute	9,559	9,258
International Service	63	370
Community Service	706	497
World Community Service	375	117
Club Admin (AG & Meetings)	4,131	4,312
Peace Corp Alliance	324	0
Literacy Seminar, net	15	0
Water Task Force, net	4,185	0
President's Dinner	10,801	0
President's meeting	1,073	1,191
Total District Program Expenses	<u>33,732</u>	<u>18,598</u>
<b>DISTRICT COMMITTEE EXPENSES</b>		
Rotary Foundation-regular, seminar and alumni	414	450
Club extension	0	150
Public Relations	1,400	1,190
Membership committee	961	80
Membership seminar, net	0	265
District Awards Committee	0	1,000
Club training workshop, net	80	0
Total District Committee Expenses	<u>2,855</u>	<u>3,135</u>
<b>INTERNATIONAL MEETING EXPENSES</b>		
International Convention	<u>15,486</u>	<u>7,532</u>
Total International Meeting Expenses	<u>15,486</u>	<u>7,532</u>
Dues Refund, prior year	<u>0</u>	<u>41,081</u>
<b>TOTAL EXPENSES</b>	<u>\$ 157,930</u>	<u>\$ 149,194</u>

See accompanying notes and accountant's review report

**ROTARY INTERNATIONAL DISTRICT 5450, INC**

**STATEMENTS OF CASH FLOWS**

Years Ended June 30,

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in unrestricted net assets	\$ 767	\$ 13,662
Reconciliation of increase in net assets to net cash flows from operating activities:		
Depreciation expense	2,713	1,519
(Increase) decrease in:		
Accounts receivable-miscellaneous	651	7,257
Prepaid expenses	4,509	(1,655)
Increase (decrease) in:		
Designated funds	(7,859)	0
Accounts payable and payroll taxes payable	<u>(2,866)</u>	<u>(12,816)</u>
Net cash flows provided (used) by operating activities	<u>(2,085)</u>	<u>7,967</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of equipment	(2,136)	(7,262)
Redemption of certificate of deposit	<u>40,781</u>	<u>0</u>
Net cash flows provided (used) by investing activities	<u>38,645</u>	<u>(7,262)</u>
<b>INCREASE IN CASH</b>	<b>36,560</b>	<b>705</b>
<b>CASH, OPERATING - Beginning of Year</b>	<u><b>126,082</b></u>	<u><b>125,377</b></u>
<b>CASH, OPERATING - End of Year</b>	<u><u><b>\$ 162,643</b></u></u>	<u><u><b>\$ 126,082</b></u></u>

See accompanying notes and accountant's review report

# ROTARY INTERNATIONAL DISTRICT 5450, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

#### Organization

District 5450 of Rotary International (Rotary District 5450) is a non-profit organization which includes club members from the metropolitan area of Denver, Colorado and the following counties in Colorado: Jackson, Grand, Summit, Clear Creek, Gilpin, Boulder, Douglas, Jefferson, Adams, Arapahoe, Washington, Yuma, the southern part of Morgan and portions of Weld and Elbert Counties. All the funds acquired by Rotary District 5450 are to be used for District purposes and programs.

Rotary District 5450 was incorporated on September 13, 2006.

#### Basis of Accounting

The financial statements of the organization are prepared on the accrual basis of accounting.

#### Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. All net assets are unrestricted.

#### Income Taxes

Rotary International District 5450, Inc. is a tax-exempt organization as defined by Section 501(c)(4) of the Internal Revenue Code. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

#### Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, Rotary District 5450, Inc. considers certificates of deposit and all unrestricted highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

#### Use of Estimates in the Preparation of Financial Statements

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

See accountant's review report

# ROTARY INTERNATIONAL DISTRICT 5450, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2 – PROPERTY AND EQUIPMENT

All property and equipment which has a useful life of more than one year is capitalized and carried at cost. Depreciation is provided for over the estimated useful lives of the respective assets on a straight-line basis.

	<u>Estimated Useful Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value 6/30/2016</u>
Equipment	5 years	<u>\$ 18,480</u>	<u>\$ 8,185</u>	<u>\$ 10,295</u>

	<u>Estimated Useful Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value 6/30/2015</u>
Equipment	5 years	<u>\$ 16,345</u>	<u>\$ 5,472</u>	<u>\$ 10,873</u>

### NOTE 3 – FUNDS HELD IN DESIGNATED FUNDS

The funds held in designated funds for the years ended June 30, 2016 and 2015 were held for specific purposes and were used to support local and international projects by clubs in District 5450 that promote the principles of Rotary. For the year ended June 30, 2016 and 2015, \$30,000 was contributed for simplified grants and \$30,000 was disbursed.

### NOTE 4 – DESCRIPTION OF FUNDS

Besides the general fund and the designated funds which are handled by the District Treasurer, the organization has other funds which are managed separately by committees for the District. These committees receive and disburse monies for Rotary Youth Leadership Awards (RYLA), the President Elect Training Seminar (PETS), the Rotary Youth Exchange Program, the District Conference, and the District Assembly.

This review includes the general fund; designated funds; and receipts and disbursements of the general fund including amounts received from: PETS, the District Conference, and the District Assembly. The following entities and/or funds are not included in this review: the Rotary Youth Exchange Program, the District Conference, the District Assembly, RYLA and PETS.

### NOTE 5 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 18, 2017, the date the financial statements were available to be issued.

See accountant's review report