
ROTARY INTERNATIONAL DISTRICT 5450, INC.

FINANCIAL STATEMENTS

AND

ACCOUNTANT'S REVIEW REPORT

Years Ended June 30, 2018 and 2017

Haskins & Associates, P.C.
Certified Public Accountants

6855 South Havana Street, Suite 580
Centennial, CO 80112-3868
303-779-5034
www.denvercpafirm.com

CONTENTS

	<u>Page</u>
Independent Accountant's Review Report	1
Financial Statements:	
Statements of Financial Position at June 30, 2018 and 2017	2
Statements of Activities for the Years Ended June 30, 2018 and 2017	3
Schedules of Expenses for the Years Ended June 30, 2018 and 2017	4
Statements of Cash Flows for the Years Ended June 30, 2018 and 2017	5
Notes to Financial Statements	6

Haskins & Associates, P.C.

Certified Public Accountants

Stephen P. Haskins, CPA

6855 South Havana Street, Suite 580
Centennial, CO 80112-3868
303-779-5034 • Fax 303-779-0314
www.denvercpafirm.com

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, 2018 and 2017, 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
April 22, 2019

Haskins & Associates, P.C.

ROTARY INTERNATIONAL DISTRICT 5450, INC

STATEMENTS OF FINANCIAL POSITION

June 30,

	2018	2017
ASSETS		
Cash, operating	\$ 87,707	\$ 122,685
Investments	48,389	48,518
Accounts receivable - miscellaneous	2,879	5,054
Prepaid expenses	4,785	6,388
Property and equipment - net	8,931	8,934
Total Assets	<u>\$ 152,691</u>	<u>\$ 191,579</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 13,667	\$ 20,820
Matching grants payable	-	15,043
Designated funds	-	45,000
Total Liabilities	<u>13,667</u>	<u>80,863</u>
Net Assets - Unrestricted	<u>139,024</u>	<u>110,716</u>
Total Liabilities and Net Assets	<u>\$ 152,691</u>	<u>\$ 191,579</u>

See accompanying notes and accountant's review report

ROTARY INTERNATIONAL DISTRICT 5450, INC

STATEMENTS OF ACTIVITIES

Years Ended June 30,

	2018	2017
REVENUES		
Per capita membership dues	\$ 145,425	\$ 134,685
Interest income	11	16
Dividend income	1,150	12
High Country AV Team	4,000	4,000
Miscellaneous income	206	849
Water and Sanitation Hygiene Symposium	6,690	117
Membership Seminar, net	384	-
Foundation Grant Seminar, net	-	442
Grants webinar, net	38	-
Environmental Sustainability, net	-	1,698
District Conference, net	16,779	-
Leadership Seminar Income, net	1,413	201
RI President's Dinner	919	-
TOTAL REVENUES	177,015	142,018
EXPENSES (See schedule)		
District operations	80,843	75,097
District program expenses	44,953	72,698
District committee expenses	9,898	4,863
International meeting expenses	8,501	12,698
Unrealized loss on investment	1,280	1,494
TOTAL EXPENSES	145,475	166,850
INCREASE (DECREASE) IN NET ASSETS BEFORE DEPRECIATION	31,540	(24,832)
DEPRECIATION EXPENSE	3,233	3,059
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	28,308	(27,891)
UNRESTRICTED NET ASSETS, Beginning of Year	110,716	138,607
UNRESTRICTED NET ASSETS, End of Year	\$ 139,024	\$ 110,716

See accompanying notes and accountant's review report

ROTARY INTERNATIONAL DISTRICT 5450, INC

SCHEDULES OF EXPENSES

Years Ended June 30,

	2018	2017
DISTRICT OPERATIONS		
District office operating expenses	\$ 70,980	\$ 66,306
District directory	2,041	338
Insurance, liability and directors and officers	1,377	1,681
Theme banners and pins	2,767	2,989
Red Rocks donation	1,000	1,000
Visioning training	278	384
Professional services	2,400	2,400
Total District Operations	<u>80,843</u>	<u>75,097</u>
DISTRICT PROGRAM EXPENSES		
Zone Institute	7,960	9,064
Rotary Leadership Institute	87	193
Rotary Scholarship	62	103
Temple Buell Scholarship	103	246
Community Service	171	274
World Community Service	181	228
Club Admin (Training, Education & Meetings)	5,189	4,190
PETS expense	28,558	30,008
Paul Harris Society	796	561
Vocational Training Team	-	1,405
Foundation Grant Seminar, net	130	-
Membership Seminar, net	-	189
Literacy Seminar, net	308	118
District Conference, net	-	20,394
Transitional Dinner, net	292	1,322
Club Training Workshop, net	454	-
RI President's Dinner	-	3,780
Club Presidents' Meeting	661	621
Total District Program Expenses	<u>44,953</u>	<u>72,698</u>
DISTRICT COMMITTEE EXPENSES		
Rotary Foundation	2,133	1,336
Public Relations	5,831	300
Committees - Membership, Service Resources and Youth Services	1,935	3,226
Total District Committee Expenses	<u>9,898</u>	<u>4,863</u>
INTERNATIONAL MEETING EXPENSES		
International Convention	<u>8,501</u>	<u>12,698</u>
Total International Meeting Expenses	<u>8,501</u>	<u>12,698</u>
UNREALIZED LOSS ON INVESTMENTS	<u>1,280</u>	<u>1,494</u>
TOTAL EXPENSES	<u><u>\$ 145,475</u></u>	<u><u>\$ 165,356</u></u>

See accompanying notes and accountant's review report

ROTARY INTERNATIONAL DISTRICT 5450, INC

STATEMENTS OF CASH FLOWS

Years Ended June 30,

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in unrestricted net assets	\$ 28,308	\$ (27,890)
Reconciliation of increase in net assets to net cash flows from operating activities:		
Unrealized losses from investments	1,280	1,494
Depreciation expense	3,233	3,059
(Increase) decrease in:		
Accounts receivable-miscellaneous	2,175	(4,080)
Prepaid expenses	1,603	(2,000)
Increase (decrease) in:		
Designated funds	(45,000)	15,000
Matching grants payable	(15,043)	15,043
Accounts payable and payroll taxes payable	<u>(7,153)</u>	<u>11,126</u>
Net cash flows provided (used) by operating activities	<u>(30,598)</u>	<u>11,752</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	(3,229)	(1,698)
Purchase of investments	<u>(1,151)</u>	<u>(50,012)</u>
Net cash flows provided (used) by investing activities	<u>(4,380)</u>	<u>(51,710)</u>
INCREASE (DECREASE) IN CASH	(34,978)	(39,958)
CASH, OPERATING - Beginning of Year	<u>122,685</u>	<u>162,643</u>
CASH, OPERATING - End of Year	<u>\$ 87,707</u>	<u>\$ 122,685</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. The Organization applied for and received a tax-exempt status under Section 501(c) (3) effective July 1, 2018.

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 6/30/2018</u>
Equipment	5 years	<u>\$ 23,408</u>	<u>\$ 14,477</u>	<u>\$ 8,931</u>

	<u>Estimated Useful Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value 6/30/2017</u>
Equipment	5 years	<u>\$ 20,178</u>	<u>\$ 11,244</u>	<u>\$ 8,934</u>

NOTE 3 – FAIR VALUE MEASUREMENT

Generally accepted accounting principles define fair value, establish a framework for measuring fair value and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market.

Valuation techniques that are consistent with the market, income, or cost approach are used to measure fair value.

See accountant's review report

ROTARY INTERNATIONAL DISTRICT 5450, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – FAIR VALUE MEASUREMENT - CONTINUED

The following are the major categories of assets and liabilities measured at fair value on a recurring basis as of June 30, 2017 and 2018 with:

Description	Level 1: Quoted prices in active markets	Level 2: Internal models with significant observable market parameters	Level 3: Internal models with significant unobservable market parameters	Total at 6/30/2018
Mutual Funds	\$ 48,389	\$ -	\$ -	\$ 48,389

Description	Level 1: Quoted prices in active markets	Level 2: Internal models with significant observable market parameters	Level 3: Internal models with significant unobservable market parameters	Total at 6/30/2017
Mutual Funds	\$ 48,518	\$ -	\$ -	\$ 48,518

NOTE 4 – FUNDS HELD IN DESIGNATED FUNDS

The funds held in designated funds for the years ended June 30, 2017 and 2018 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.

See accountant's review report

ROTARY INTERNATIONAL DISTRICT 5450, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – 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), and the Rotary Youth Exchange Program.

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

NOTE 6 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 22, 2019, the date the financial statements were available to be issued.

See accountant's review report