

**ROTARY INTERNATIONAL DISTRICT #7810, INCORPORATED**

**FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**(UNAUDITED)**

**ROTARY INTERNATIONAL DISTRICT #7810, INCORPORATED**

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**JUNE 30, 2019**

**(UNAUDITED)**

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# Shannon & Buffett, LLP

## Chartered Professional Accountants

HAL C. BUFFETT, CPA, CA GARRY L. ARMSTRONG, CPA, CA  
CLAUDE LEGER, CPA, CA RON W. SAUNTRY, CPA, CA

### INDEPENDENT PRACTITIONERS REVIEW ENGAGEMENT REPORT

September 5, 2019

To the Directors of Rotary International District #7810, Incorporated:

We have reviewed the accompanying financial statements of Rotary International District #7810, Incorporated that comprise the statement of financial position as at June 30, 2019 and the statements of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Practitioner's Responsibility*

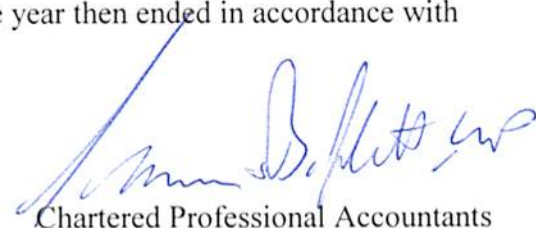
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

#### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Rotary International District #7810, Incorporated as at June 30, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants

**ROTARY INTERNATIONAL DISTRICT #7810, INCORPORATED**

**STATEMENT OF FINANCIAL POSITION - JUNE 30, 2019**

(UNAUDITED)

	<u>2019</u>	<u>2018</u>
<b><u>ASSETS</u></b>		
<b>Current:</b>		
Cash (note 3)	\$ 140,186	\$ 144,425
Accounts receivable	8,311	8,261
Prepaid expenses	<u>5,241</u>	<u>8,413</u>
	<u>\$ 153,738</u>	<u>\$ 161,099</u>
<b><u>LIABILITIES</u></b>		
<b>Current:</b>		
Accounts payable and accrued liabilities	\$ <u>7,500</u>	\$ <u>28,018</u>
<b><u>NET ASSETS</u></b>		
Unrestricted	140,582	128,446
Restricted funds (note 4)	<u>5,656</u>	<u>4,635</u>
	<u>146,238</u>	<u>133,081</u>
	<u>\$ 153,738</u>	<u>\$ 161,099</u>

On behalf of Rotary District 7810:

\_\_\_\_\_

District Governor

**ROTARY INTERNATIONAL DISTRICT #7810, INCORPORATED**

**STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED JUNE 30, 2019**

**(UNAUDITED)**

	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>Revenue:</b>		
Dues	\$ 53,350	\$ 50,374
Special events	23,423	27,938
Rotary International Allotment (note 5)	15,408	18,333
Youth services	27,402	19,761
District Insurance Policy	15,760	16,429
Foreign Exchange gain (loss)	<u>(289)</u>	<u>982</u>
	<u>135,054</u>	<u>133,817</u>
<b>Expenses:</b>		
Awards and grants	3,679	6,478
Bank interest and charges	348	72
Communications	4,379	4,041
Dues	2,249	2,291
Insurance - liability, directors and officers	16,007	16,448
Professional fees	2,285	3,138
Supplies	6,166	8,678
Travel and conferences	<u>86,358</u>	<u>78,718</u>
	<u>121,471</u>	<u>119,864</u>
<b>Excess of revenue over expenses</b>	<b><u>\$ 13,583</u></b>	<b><u>\$ 13,953</u></b>

**ROTARY INTERNATIONAL DISTRICT #7810, INCORPORATED**

**STATEMENT OF CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Restricted</u>					
	<u>District Grants</u>	<u>Youth Exchange Programs</u>	<u>World Community Service</u>	<u>Unrestricted</u>	<u>2019 Total</u>	<u>2018 Total</u>
Balance, beginning of year	\$ 1,354	\$ 1,224	\$ 2,057	\$ 128,446	\$ 133,081	\$ 121,655
Excess of revenue over expenses	-	1,447	-	12,136	13,583	13,953
Amounts paid to Rotary Foundation Polio Plus	-	-	-	-	-	(2,500)
Received from Rotary International	19,067	-	-	-	19,067	25,042
Grants to Rotary Clubs	(18,649)	-	-	-	(18,649)	(20,392)
Return of unexpended amounts	<u>(844)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(844)</u>	<u>(4,677)</u>
Balance, end of year	<u>\$ 928</u>	<u>\$ 2,671</u>	<u>\$ 2,057</u>	<u>\$ 140,582</u>	<u>\$ 146,238</u>	<u>\$ 133,081</u>

**Shannon & Buffett, LLP**

Chartered Professional Accountants

**ROTARY INTERNATIONAL DISTRICT #7810, INCORPORATED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED JUNE 30, 2019**

**(UNAUDITED)**

	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>Cash generated from (used in):</b>		
<b>Operating activities:</b>		
Excess of revenue over expenses - Unrestricted	\$ 12,136	\$ 14,316
Change in accounts receivable	(50)	12,802
Change in prepaid expenses	3,172	(4,721)
Change in accounts payable	<u>(20,518)</u>	<u>18,964</u>
	<u>(5,260)</u>	<u>41,361</u>
<b>Increase (decrease) in cash</b>	(5,260)	41,361
<b>Unrestricted cash, beginning of year (note 3)</b>	<u>139,790</u>	<u>98,429</u>
<b>Unrestricted cash, end of year (note 3)</b>	<u>\$ 134,530</u>	<u>\$ 139,790</u>

**ROTARY INTERNATIONAL DISTRICT #7810, INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**(UNAUDITED)**

**General:**

Rotary International District #7810, Incorporated includes all Rotary Clubs in the Province of New Brunswick and clubs in eastern Maine. The District receives dues from these member Rotary Clubs. The District Governor acts as the official representative of Rotary International for the District and advises Rotary Clubs on Rotary International's policies and programs. The entity was incorporated in the state of Maine as a non-share corporation.

**1. Significant accounting policies:**

**Basis of presentation -**

Rotary International District #7810 Incorporated has elected to report in accordance with Canadian Accounting Standards for not-for-profit organizations.

**Donated services -**

The value of donated time and services to District 7810, which would normally be purchased has not been recorded in the financial statements.

**Income tax status -**

Rotary International District #7810, Incorporated is a not-for-profit entity as defined in the Income Tax Act of Canada and the tax code of the United States of America and is not subject to tax in either jurisdiction.

**Currency -**

These financial statements are presented in Canadian dollars.

**Revenue recognition -**

Revenue is recorded on the accrual basis using the deferral method. Dues revenue is recognized in the period to which they relate.

**Use of estimates -**

In preparing the District's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates.



**ROTARY INTERNATIONAL DISTRICT #7810, INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**(UNAUDITED)**

**2. Financial instruments:**

The District is exposed to credit risk with regard to its amounts receivable from clubs. The risk is not significant and is mitigated by the ability of the District management to compel payment from its member clubs.

The District is exposed to exchange risk with regard to the fact that some of its dues revenue is received in US dollars as well as some expenditures that are also made in US dollars, while the District reports for accounting purposes in Canadian dollars.

The District is not exposed to any significant liquidity, interest or other price risk.

**3. Cash:**

Cash consists of both restricted and unrestricted components. The restricted cash relates to the funds described in note 4 with the balances reported in the statement of changes in net assets, the breakdown is as follows:

	<u>2019</u>	<u>2018</u>
Unrestricted cash	\$ 134,530	\$ 139,790
Restricted cash (note 4)	<u>5,656</u>	<u>4,635</u>
	<u>\$ 140,186</u>	<u>\$ 144,425</u>

**4. Restricted funds:**

Restricted funds consist of three pools of funds, the World Community Service Fund, the District Grant Fund and Youth Exchange Program Funds. The funds are described as follows:

The World Community Service Fund represents funds accumulated for International activities through the World Community Service program as administered by Rotary International. Amounts are collected from member Rotary Clubs with a restriction that they be used for World Community Service which results in funds being used to support projects in conjunction with other Rotary organizations worldwide.

District Grants support local and international projects, scholarships, vocational training teams and related travel. The funds originate from Rotary International and they set the process for approval and disbursement of funds.

Youth Exchange Program Funds represent accumulated excess funds from these programs which are to be used to support the Youth Exchange programs in subsequent years.

**ROTARY INTERNATIONAL DISTRICT #7810, INCORPORATED**

**SCHEDULE OF EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2019**

**(UNAUDITED)**

**5. Rotary International Allotment:**

For the year ended June 30, 2019, District 7810 is participating in the second year of a three year pilot project with Rotary International to administer funding for the District Governor. These funds are advanced to the District at the beginning of the fiscal year and disbursed to the District Governor in accordance with Rotary International guidelines for these expenses and submission of supporting documentation. These expenditures are reported to Rotary International at the end of the fiscal year and any excess funding returned to Rotary International.

**ROTARY INTERNATIONAL DISTRICT #7810, INCORPORATED**

**SCHEDULE OF EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2019**

**(UNAUDITED)**

	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>Administration:</b>		
General	\$ 9,281	\$ 12,788
Insurance	16,007	16,448
Governor	<u>14,805</u>	<u>16,147</u>
	<u>\$ 40,093</u>	<u>\$ 45,383</u>
<b>Development:</b>		
District conference	\$ 21,295	\$ 27,056
Rotary leadership institute	3,250	5,000
Training	<u>24,896</u>	<u>18,322</u>
	<u>\$ 49,441</u>	<u>\$ 50,378</u>
<b>Programs:</b>		
Committee	\$ 3,551	\$ 2,576
Foundation	3,601	1,179
Youth services RYE	16,178	16,424
Youth services RYLA	5,591	-
Youth - Admin	<u>3,016</u>	<u>3,924</u>
	<u>\$ 31,937</u>	<u>\$ 24,103</u>