



A S S U R A N C E D I M E N S I O N S

Consolidated Financial Statements and Independent  
Accountant's Review Report

**Rotary International District 6900**

June 30, 2022 and 2021

# Rotary International District 6900

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Finance Committee of  
**Rotary International District 6900:**

We have reviewed the accompanying consolidated financial statements of **Rotary International District 6900** (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 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 consolidated 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.

We are required to be independent of the Organization and to meet our ethical responsibilities, in accordance requirements related to our review.

### **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.

*Assurance Dimensions*

Jacksonville, Florida  
December 27, 2022

**Rotary International District 6900**  
**Consolidated Statements of Financial Position**  
**As of June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 466,332	\$ 555,364
Accounts receivable	1,541	4,047
Prepaid expenses	3,000	6,637
<b>TOTAL ASSETS</b>	<b><u>\$ 470,873</u></b>	<b><u>\$ 566,048</u></b>
<b><u>Liabilities and Net Assets</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 30,456	\$ 108,024
Deferred revenue	8,915	14,650
Total current liabilities	<u>39,371</u>	<u>122,674</u>
<b>NET ASSETS</b>		
Net assets without donor restrictions	431,502	443,374
Net assets with donor restrictions	-	-
Total net assets	<u>431,502</u>	<u>443,374</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 470,873</u></b>	<b><u>\$ 566,048</u></b>

**Rotary International District 6900**  
**Consolidated Statement of Activities**  
**For the Year Ended June 30, 2022**

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	Without Donor Restrictions	With Donor Restrictions	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>SUPPORT AND REVENUE</b>			
Membership dues	\$ 187,235	\$ -	\$ 187,235
Rotary International grants	185,016	-	185,016
	<u>372,251</u>	<u>-</u>	<u>372,251</u>
Contributions	-	164,640	164,640
District conference	93,000	-	93,000
Training seminars	10,095	-	10,095
Events	29,300	-	29,300
Governor's allowance	20,227	-	20,227
Other	9,100	-	9,100
Total support and revenue	<u>533,973</u>	<u>164,640</u>	<u>698,613</u>
Net assets released from restriction	<u>164,640</u>	<u>(164,640)</u>	<u>-</u>
<b>EXPENSES</b>			
Program services	685,502	-	685,502
General and administrative	24,983	-	24,983
Total expenses	<u>710,485</u>	<u>-</u>	<u>710,485</u>
<b>Change in net assets</b>	(11,872)	-	(11,872)
Net assets at the beginning of the year	443,374	-	443,374
<b>Net assets at the end of the year</b>	<u>\$ 431,502</u>	<u>\$ -</u>	<u>\$ 431,502</u>

**Rotary International District 6900**  
**Consolidated Statement of Activities**  
**For the Year Ended June 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Membership dues	\$ 165,619	\$ -	\$ 165,619
Rotary International grants	169,386	60,000	229,386
	<u>335,005</u>	<u>60,000</u>	<u>395,005</u>
Contributions	242	-	242
Governor's allowance	21,175	-	21,175
Other	585	-	585
Total support and revenue	<u>357,007</u>	<u>60,000</u>	<u>417,007</u>
Net assets released from restriction	<u>60,000</u>	<u>(60,000)</u>	<u>-</u>
<b>EXPENSES</b>			
Program services	313,299	-	313,299
General and administrative	89,134	-	89,134
Total expenses	<u>402,433</u>	<u>-</u>	<u>402,433</u>
<b>Change in net assets</b>	14,574	-	14,574
Net assets at the beginning of the year	428,800	-	428,800
<b>Net assets at the end of the year</b>	<u><u>\$ 443,374</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 443,374</u></u>

**Rotary International District 6900**  
**Consolidated Statement of Functional Expenses**  
**For the Year Ended June 30, 2022**

	Program Services				General & Administrative	Total
	District Conference	Events & Training	Membership	Total		
Disaster relief	\$ -	\$ -	\$ 156,788	\$ 156,788	\$ -	\$ 156,788
District conference	147,373	-	-	147,373	-	147,373
Grants & scholarships	-	-	146,826	146,826	-	146,826
Youth programs	-	46,320	-	46,320	-	46,320
Production	42,345	-	-	42,345	-	42,345
Charitable donations	-	-	38,412	38,412	-	38,412
Allowance	7,974	7,974	7,974	23,922	7,972	31,894
Celebration	-	21,237	-	21,237	-	21,237
PETS	-	17,349	-	17,349	-	17,349
District Assembly	-	10,189	-	10,189	-	10,189
Events	-	8,439	-	8,439	-	8,439
Supplies	6,787	-	-	6,787	1,234	8,021
Labor	1,909	1,909	1,909	5,727	1,908	7,635
Website	-	-	-	-	5,467	5,467
District leadership	-	5,157	-	5,157	-	5,157
Credit card fees	-	-	-	-	3,772	3,772
Accounting fees	-	-	-	-	3,610	3,610
Zone Institute	-	3,606	-	3,606	-	3,606
Pins, shirts and banners	-	-	3,553	3,553	-	3,553
Bank fees	-	-	-	-	920	920
RLI	-	-	750	750	-	750
Awards	-	-	588	588	-	588
District training	-	134	-	134	-	134
Miscellaneous	-	-	-	-	100	100
Total expenses	<u>\$ 206,388</u>	<u>\$ 122,314</u>	<u>\$ 356,800</u>	<u>\$ 685,502</u>	<u>\$ 24,983</u>	<u>\$ 710,485</u>

**Rotary International District 6900**  
**Consolidated Statement of Functional Expenses**  
**For the Year Ended June 30, 2021**

	Program Services				General & Administrative	Total
	District Conference	Events & Training	Membership	Total		
Grants & scholarships	\$ -	\$ -	\$ 119,962	\$ 119,962	\$ 60,055	\$ 180,017
Charitable donations	-	-	84,406	84,406	-	84,406
Youth programs	-	28,986	-	28,986	-	28,986
Allowance	6,293	6,293	6,293	18,879	6,292	25,171
Labor	3,394	3,394	3,394	10,182	3,393	13,575
Zone Institute	-	11,217	-	11,217	-	11,217
Disaster relief	-	-	10,106	10,106	-	10,106
Awards	-	-	9,137	9,137	-	9,137
Public image	-	-	-	-	5,987	5,987
Accounting fees	-	-	-	-	5,375	5,375
Website	-	-	-	-	5,431	5,431
Pins, shirts and banners	-	-	4,982	4,982	-	4,982
GRSP assessments	-	3,750	-	3,750	-	3,750
Events	-	3,619	-	3,619	-	3,619
PETS	-	2,707	-	2,707	-	2,707
District conference	2,019	-	-	2,019	-	2,019
GRSP Conclave	-	1,700	-	1,700	-	1,700
Supplies	-	-	-	-	1,231	1,231
Committee	-	-	967	967	-	967
Bank fees	-	-	-	-	820	820
Credit card fees	-	-	-	-	711	711
District training	-	665	-	665	-	665
Interact/Rotaract	-	15	-	15	-	15
District directory	-	-	-	-	(161)	(161)
Total expenses	<u>\$ 11,706</u>	<u>\$ 62,346</u>	<u>\$ 239,247</u>	<u>\$ 313,299</u>	<u>\$ 89,134</u>	<u>\$ 402,433</u>



**Rotary International District 6900**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (11,872)	\$ 14,574
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Accounts receivable	2,506	8,100
Prepaid expenses	3,637	(6,637)
Accounts payable and accrued expenses	(77,568)	61,164
Deferred revenue	(5,735)	14,650
Net cash provided (used) by operating activities	<u>(89,032)</u>	<u>91,851</u>
<b>Net change in cash and cash equivalents</b>	(89,032)	91,851
<b>Cash and cash equivalents, beginning of period</b>	<u>555,364</u>	<u>463,513</u>
<b>Cash and cash equivalents, end of period</b>	<u>\$ 466,332</u>	<u>\$ 555,364</u>

# Rotary International District 6900

## Notes to Consolidated Financial Statements

### June 30, 2022 and 2021

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#### Note A – Organization and Description of Business

The Rotary International District 6900 (“District 6900”) is a non-profit association located in Thomasville, Georgia, and is a member of association of Rotary Clubs affiliated with Rotary International (“RI”). RI is a worldwide organization of business and professional leaders called Rotarians that provides humanitarian service. RI encourages high ethical standards in all vocations, and helps build goodwill and peace in the world. District 6900’s district contains approximately 4,000 members and 71 clubs, and covers a territory extending from north metro Atlanta southward through western Georgia to the Florida state line.

The consolidated financial statements include Rotary District 6900 Charitable Fund, Inc. (“Charitable Fund”), a wholly-owned entity of District 6900. The Charitable Fund was established to serve the interests of District 6900 by promoting and benefiting the people of the world by acquiring, receiving, and administering assets exclusively for charitable purposes.

District 6900 is governed by the current District Governor, assistant governors, and a body of past District Governors (collectively, the “Council of Governors”) and carries out its work through various committees. The purpose of District 6900 is to promote RI through the following program service activities:

*District Conference* – Hold an annual conference to which every Rotarian and their family are invited. This conference promotes fellowship between clubs and members, and allows for celebration and recognition of achievements throughout the year.

*International Service* – Prove for group study exchange (adults) and participate in the Georgia Rotary Student Program (youth), which allows individuals from the United States and abroad to share cultures to foster international understanding. Also included in this area is disaster relief outside the United States.

*Community Service* – Perform community service projects that are coordinated at the District level (including domestic disaster relief) or use of District Simplified Grant Funds from the RI Foundation.

*Club Service* – Coordinate inter-club activities that allow members of different clubs to network and find opportunities to work together.

*Vocational Service* – Help individuals achieve their potential in their workplace at school, and in their community while valuing and preserving honesty, fairness and integrity.

*Promotion of RI Foundation* – Hold events each year that educate Rotarians on the benefits of contributing to the RI Foundation.

*Leadership Development* – Develop members for club leadership positions. This is done primarily through grants to the multi-district President-Elect Training Seminar (“PETS”) as well as through an annual District Assembly.

#### Note B – Significant Accounting Policies

##### Principles of Consolidation

The accompanying consolidated financial statements and related notes include the District 6900 and its wholly owned subsidiary Charitable Fund described in Note A (collectively referred to as the “Organization”). All significant inter-company accounts and transactions have been eliminated in consolidation.

##### Basis of Accounting

The Organization prepares its consolidated financial statements using the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

# Rotary International District 6900

## Notes to Consolidated Financial Statements

### June 30, 2022 and 2021

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#### Note B – Significant Accounting Policies (continued)

##### Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### Accounting Pronouncements

The Organization periodically reviews new accounting standards that issued as Accounting Standards Updates (“ASU”) by the Financial Accounting Standards Board (“FASB”). The Organization carefully considers all new pronouncements that alter previous U.S. GAAP, and has identified the following new accounting standards that it believes merits further discussion. Other accounting standards that have been issued or proposed by FASB that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption.

##### Recently Adopted Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. The standard requires certain information be disclosed related to contributed nonfinancial assets, including disaggregation by category on the statement of activities and changes in net assets—modified cash basis by type of contributed nonfinancial asset, qualitative information about whether the contributed nonfinancial asset was monetized or utilized during the reporting period, the nonprofit’s policy about monetizing rather than utilizing the contributed nonfinancial assets, a description of any donor restrictions associated with the contributed nonfinancial assets, and the valuation techniques and inputs used to arrive at fair value measurement. The amendments in the ASU should be applied on a retrospective basis and are effective for annual reporting period beginning after June 15, 2021. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

##### Cash and Cash Equivalents

The Organization considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Cash equivalents consist of money market accounts. The Organization places its cash with high quality financial institutions. At times, cash may be in excess of FDIC insurance limits. The Organization does not believe it is exposed to any significant credit risk on cash.

##### Accounts Receivable

Accounts receivable derive from unpaid membership dues. The Organization determines the allowance on its accounts receivable based on historical experience and a review of specific accounts. Delinquent accounts are charged off when all normal collection procedures have been exhausted and it appears probable that the receivable will not be collected. As of June 30, 2022 and 2021, all accounts receivable were considered collectible and no allowance was deemed necessary.

# Rotary International District 6900

## Notes to Consolidated Financial Statements

### June 30, 2022 and 2021

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#### Note B – Significant Accounting Policies (continued)

##### Revenue Recognition

Membership dues revenues are recorded in accordance with ASC 606, which is recognized when: (i) a contract with a customer has been identified, (ii) the performance obligation(s) in the contract have been identified, (iii) the transaction price has been determined, (iv) the transaction price has been allocated to each performance obligation in the contract, and (v) the Company has satisfied the applicable performance obligation at a point in time or over time.

The Organization bills members for nonrefundable membership dues annually on a July through June cycle. To avoid late fees, dues must be paid in full by July 15th. After July 31st, delinquent accounts have their access terminated and must incur reinstatement fees to restore service. The company defer the revenue for the training and celebrations that are yet to happen.

##### Contributions, Grants and Other Support

Contributions, grants and other support received are recorded as unrestricted in net assets without donor restrictions, or as temporarily restricted or permanently restricted depending on the existence and/or nature of any donor restrictions, in net assets with donor restrictions. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases net assets with donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

##### Donated Services and In-Kind Support

The Organization may receive services, equipment and material without payment or compensation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills and are performed by people with those skills that would otherwise be purchased by the Organization. A substantial number of volunteers donate significant amounts of time to the Organization. The value of these contributed services have not been recorded in the consolidated financial statements as they do not meet the criteria for recognition.

##### Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Board Designated Net Assets* – Net assets subject to Board designation, which are comprised of certificates of deposit classified as cash equivalents. They do not have any donor restrictions associated with them. The Board has set up an endowment for the ongoing support of the Organization, and, generally, the interest earned on board designated assets is available for support for current operations.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Rotary International District 6900**  
**Notes to Consolidated Financial Statements**  
**June 30, 2022 and 2021**

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**Note B – Significant Accounting Policies (continued)**

**Functional Allocation of Expenses**

Expenses that can be identified with a specific function are charged directly to that function, whereas costs common to multiple functions have been allocated. Salaries and wages, benefits and payroll taxes are allocated based on employee estimates of the percentage of time spent in each function. Facilities, telecommunications, office, printing, supplies and insurance expenses are allocated based on salary allocations. These functions are defined as follows:

*Program Expenses* – The costs related to providing services related to the Organization’s mission.

*General and Administrative* – Activities that provide governance, oversight, business and financial management, financial recordkeeping, budgeting, legal, and human resource management services.

**Income Taxes**

District 6900 is a not-for-profit entity and qualifies as a tax-exempt organization under Section 501(c)(4) of the Internal Revenue Code (“IRC”) whereby only unrelated business income, as defined by Section 512(a)(1), is subject to federal income tax. For the years ended June 30, 2022 and 2021, the Organization did not have any unrelated business income.

The Charitable Fund is not classified as a private foundation. It is a not-for-profit entity and qualifies as tax exempt under Section 501(c)(3). For the years ended June 30, 2022 and 2021, the Charitable Fund did not have any unrelated business income.

The Organization follows the income tax standard for uncertain tax positions. The Organization has evaluated their tax positions and determined they have no uncertain tax positions as of June 30, 2022 and 2021. Should the Organization’s tax-exempt status be challenged in the future, the Organization’s 2020, 2021 and 2022 tax years are open for examination by the Internal Revenue Service.

**Note C – District Conference**

The following table details the revenue earned and expenses incurred for the conferences during the years ended June 30, 2022 and 2021. For the year ended June 30, 2021, the District did not hold an annual conference due to COVID, but still incurred expenses. The Organization accrued approximately \$15,000 in registration fees for the annual conference/celebration that happened in August 2021.

	2022	2021
Revenue:		
Conference registration and other fees	\$ 93,000	\$ -
Membership dues designated for conference	58,845	-
Total conference revenue	<u>151,845</u>	<u>-</u>
Expenses:		
Event production	174,985	-
Supplies	6,787	-
Speaker fees	5,213	-
Convention center expense	5,000	-
Governor’s fees	4,000	-
Miscellaneous	520	6,637
Total conference expenses	<u>196,505</u>	<u>6,637</u>
Net surplus (deficit)	<u>\$ (44,660)</u>	<u>\$ (6,637)</u>

**Rotary International District 6900**  
**Notes to Consolidated Financial Statements**  
**June 30, 2022 and 2021**

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**Note D – Net Assets without Donor Restrictions - Board Designated**

At June 30, 2021, the Board had designated approximately \$42,000 of net assets without donor restrictions to support the district conference/celebration held in August 2021. There were no board designated net assets as of June 30, 2022.

**Note E – Liquidity and Availability of Financial Assets**

The Organization’s management monitors its liquidity so that it is able to cover operating expenses. Management budgets for such costs based on the prior year actual expenses and anticipated future expenses. Budgets are approved by the board of directors in August for the following year.

Management has budgeted approximately \$479,000 of operating expenses to be paid within one year of the balance sheet date, and anticipates sufficient revenue and support to cover them. The Organization has the following financial assets available within one year of the balance sheet date for general expenditures are as follows:

Cash and cash equivalents	\$ 466,332
Accounts receivable	1,541
Total	<u>\$ 467,873</u>

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization relies on donations to meet its operating needs.

**Note F – Subsequent Events**

Subsequent events have been evaluated through December 27, 2022, which is the date the financial statements were available to be issue.