



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, 2024 and 2023

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, 2024 and 2023, 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
November 6, 2024

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also d/b/a McNAMARA and ASSOCIATES, LLC

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Rotary International District 6900
Consolidated Statements of Financial Position
As of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 362,553	\$ 630,764
Accounts receivable	1,039	-
Other receivable	19,811	-
Prepaid expenses	14,230	6,407
TOTAL ASSETS	<u>\$ 397,633</u>	<u>\$ 637,171</u>
<u>Liabilities and Net Assets</u>		
Accounts payable and accrued expenses	\$ 4,580	\$ 204,718
Deferred revenue	6,340	35,615
TOTAL LIABILITIES	<u>10,920</u>	<u>240,333</u>
NET ASSETS		
Net assets without donor restrictions	386,713	396,838
Net assets with donor restrictions	-	-
Total net assets	<u>386,713</u>	<u>396,838</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 397,633</u>	<u>\$ 637,171</u>

Rotary International District 6900
Consolidated Statement of Activities
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Membership dues	\$ 192,800	\$ -	\$ 192,800
Rotary International grants	240,203	-	240,203
	<u>433,003</u>	<u>-</u>	<u>433,003</u>
District conference	138,790	-	138,790
Governor's allowance	24,384	-	24,384
Training seminars	8,460	-	8,460
Events	1,050	-	1,050
Other	2,067	-	2,067
Contributions	-	103	103
	<u>-</u>	<u>103</u>	<u>103</u>
Total support and revenue	<u>607,754</u>	<u>103</u>	<u>607,857</u>
Net assets released from restriction	<u>103</u>	<u>(103)</u>	<u>-</u>
EXPENSES			
Program services	585,630	-	585,630
General and administrative	32,352	-	32,352
	<u>617,982</u>	<u>-</u>	<u>617,982</u>
Change in net assets	(10,125)	-	(10,125)
Net assets at the beginning of the year	396,838	-	396,838
Net assets at the end of the year	<u><u>\$ 386,713</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 386,713</u></u>

Rotary International District 6900
Consolidated Statement of Activities
For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Membership dues	\$ 203,265	\$ -	\$ 203,265
Rotary International grants	187,246	-	187,246
	<u>390,511</u>	<u>-</u>	<u>390,511</u>
District conference	93,520	-	93,520
Governor's allowance	22,167	-	22,167
Contributions	-	21,204	21,204
Training seminars	10,120	-	10,120
Events	9,890	-	9,890
Other	667	-	667
	<u>526,875</u>	<u>21,204</u>	<u>548,079</u>
Net assets released from restriction	<u>21,204</u>	<u>(21,204)</u>	<u>-</u>
EXPENSES			
Program services	552,876	-	552,876
General and administrative	29,867	-	29,867
	<u>582,743</u>	<u>-</u>	<u>582,743</u>
Change in net assets	(34,664)	-	(34,664)
Net assets at the beginning of the year	431,502	-	431,502
Net assets at the end of the year	<u>\$ 396,838</u>	<u>\$ -</u>	<u>\$ 396,838</u>

Rotary International District 6900
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services				General & Administrative	Total
	District Conference	Events & Training	Membership	Total		
Grants & scholarships	\$ -	\$ -	\$ 239,574	\$ 239,574	\$ 622	\$ 240,196
District conference	165,540	-	-	165,540	-	165,540
Production	29,052	-	-	29,052	-	29,052
Allowance	6,511	6,511	6,511	19,533	6,510	26,043
PETS	-	21,742	-	21,742	-	21,742
Events	-	21,338	-	21,338	-	21,338
Zone Institute	-	18,001	-	18,001	-	18,001
District Assembly	-	17,169	-	17,169	-	17,169
District leadership	-	14,919	-	14,919	-	14,919
Awards	-	-	9,853	9,853	-	9,853
Accounting fees	-	-	-	-	8,241	8,241
Supplies	5,304	-	-	5,304	1,583	6,887
Youth programs	-	6,787	-	6,787	-	6,787
Pins, shirts and banners	-	-	6,600	6,600	-	6,600
Website	-	-	-	-	5,395	5,395
Public image	691	-	-	691	3,602	4,293
Credit card fees	-	-	-	-	3,822	3,822
Planning	3,151	-	-	3,151	-	3,151
Interact/Rotaract	-	2,847	-	2,847	-	2,847
GRSP Conclave	-	2,400	-	2,400	-	2,400
Miscellaneous	-	-	-	-	1,589	1,589
Bank fees	-	-	-	-	988	988
RLI	-	-	750	750	-	750
Committee	-	-	379	379	-	379
Total expenses	\$ 210,249	\$ 111,714	\$ 263,667	\$ 585,630	\$ 32,352	\$ 617,982

Rotary International District 6900
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services				General & Administrative	Total
	District Conference	Events & Training	Membership	Total		
District conference	\$ 145,526	\$ -	\$ -	\$ 145,526	\$ -	\$ 145,526
Grants & scholarships	-	-	127,872	127,872	663	128,535
Disaster relief	-	-	52,083	52,083	-	52,083
Production	45,508	-	-	45,508	-	45,508
Charitable donations	-	-	33,779	33,779	-	33,779
Allowance	6,939	6,939	6,939	20,817	6,938	27,755
Events	-	23,930	-	23,930	-	23,930
PETS	-	19,634	-	19,634	-	19,634
Zone Institute	-	16,413	-	16,413	-	16,413
District Assembly	-	14,103	-	14,103	-	14,103
District leadership	-	11,795	-	11,795	-	11,795
Youth programs	-	11,082	-	11,082	-	11,082
Accounting fees	-	-	-	-	9,076	9,076
Celebration	-	8,459	-	8,459	-	8,459
Awards	-	-	8,160	8,160	-	8,160
Website	-	-	-	-	5,395	5,395
Credit card fees	-	-	-	-	4,794	4,794
Pins, shirts and banners	-	-	3,481	3,481	-	3,481
Labor	840	840	840	2,520	840	3,360
Interact/Rotaract	-	2,109	-	2,109	-	2,109
Supplies	957	-	-	957	870	1,827
GRSP Conclave	-	1,700	-	1,700	-	1,700
Planning	1,259	-	-	1,259	-	1,259
Committee	-	-	939	939	-	939
Bank fees	-	-	-	-	790	790
RLI	-	-	750	750	-	750
Public image	-	-	-	-	501	501
Total expenses	\$ 201,029	\$ 117,004	\$ 234,843	\$ 552,876	\$ 29,867	\$ 582,743

See accompanying notes and independent accountant's review report.

Rotary International District 6900
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ (10,125)	\$ (34,664)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Accounts receivable	(1,039)	1,541
Other receivable	(19,811)	-
Prepaid expenses	(7,823)	(3,407)
Accounts payable and accrued expenses	(200,138)	174,262
Deferred revenue	(29,275)	26,700
Net cash provided (used) by operating activities	<u>(268,211)</u>	<u>164,432</u>
Net change in cash and cash equivalents	(268,211)	164,432
Cash and cash equivalents, beginning of period	<u>630,764</u>	<u>466,332</u>
Cash and cash equivalents, end of period	<u>\$ 362,553</u>	<u>\$ 630,764</u>

Rotary International District 6900

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

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, 2024 and 2023

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

Accounting standards promulgated by the Financial Accounting Standards Board (“FASB”) are subject to change. Changes in such standards may have an impact on the Organization's future financial statements. The Organization periodically reviews new accounting standards that are issued. Although some of these accounting standards may be applicable to the Organization, the Organization has not identified any new standards that it believes merit further discussion as the Organization expects that none would have a significant impact on its financial statements.

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 Federal Deposit Insurance Corporation (FDIC) insurance limits. The Organization does not believe it is exposed to any significant credit risk on cash. As of June 30, 2024 and 2023, the Organization had approximately \$132,000 and \$350,000, respectively, in cash in excess of FDIC limits.

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, 2024, all accounts receivable were considered collectible, and no allowance was deemed necessary.

Revenue Recognition

Membership dues revenues are recorded in accordance with Accounting Standard Codification (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 Organization has satisfied the applicable performance obligation at a point in time or over time.

The Organization bills the clubs in its district for the number of members each club has semiannually in July and January. The Organization defers the revenue for the training and celebrations that have yet to happen.

Rotary International District 6900

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Note B – Significant Accounting Policies (continued)

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.

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.

Rotary International District 6900
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

Note B – Significant Accounting Policies (continued)

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, 2024 and 2023, 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, 2024 and 2023, 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, 2024 and 2023. Should the Organization’s tax-exempt status be challenged in the future, the Organization’s 2022, 2023 and 2024 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, 2024 and 2023.

	2024	2023
Revenue:		
Conference registration, sponsorships and other fees	\$ 138,790	\$ 93,520
Membership dues designated for conference	57,840	58,305
Total conference revenue	<u>196,630</u>	<u>151,825</u>
Expenses:		
Event production	171,328	176,770
Convention center	17,525	2,038
Governor’s fees and allowance	9,486	2,975
Speaker fees	5,915	6,529
Supplies	5,304	5,553
Miscellaneous	691	2,360
Total conference expenses	<u>210,249</u>	<u>193,250</u>
Net deficit	<u>\$ (13,619)</u>	<u>\$ (41,425)</u>

Note D – 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 \$394,000 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	\$ 362,553
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Rotary International District 6900
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

Note D – Liquidity and Availability of Financial Assets (continued)

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 E – Subsequent Events

Subsequent events have been evaluated through November 6, 2024, which is the date the financial statements were available to be issued.