

**ROTARY INTERNATIONAL DISTRICT 7930**

**FINANCIAL STATEMENTS**

**JUNE 30, 2015 AND 2014**

ROTARY INTERNATIONAL DISTRICT 7930  
FINANCIAL STATEMENTS

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# *Grandmaison & Tripoli, LLP*

CERTIFIED PUBLIC ACCOUNTANTS  
and BUSINESS ADVISORS

## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors  
Rotary International District 7930  
Georgetown, MA 01833

We have reviewed the accompanying financial statements of Rotary International District 7930 (a non-profit organization), which comprise the statements of financial position as of June 30, 2015, and the related statements of activities and changes in net assets, and statements of cash flows for the year 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 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 Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether I am 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.

### **Accountants' 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.

### **Prior Year Financial Statements**

The June 30, 2014 financial statements of Rotary International District 7930 were reviewed by other accountants whose report dated September 26, 2014, stated that, based on their procedures, they are not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Grandmaison & Tripoli, LLP*

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Grandmaison & Tripoli, LLP  
Danvers, MA  
November 9, 2015

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**ROTARY INTERNATIONAL DISTRICT 7930**

**Statements of Financial Position**

**June 30, 2015 and June 30, 2014**

	<b>2015</b>	<b>2014</b>
<b><u>ASSETS</u></b>		
Current Assets:		
Cash	\$ 62,941	\$ 70,709
Grant Receivable	-	16,000
Membership Dues Receivable	27,266	10,040
Prepaid Expenses	-	710
<b>Total Assets</b>	<b>\$ 90,207</b>	<b>\$ 97,459</b>
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
Current Liabilities:		
Accounts Payable	\$ 3,978	\$ 6,802
Deferred Income	600	-
<b>Total Liabilities</b>	<b>4,578</b>	<b>6,802</b>
Net Assets:		
Unrestricted	33,411	35,616
Board Designated (Note 9)	45,828	45,813
Temporarily Restricted (Note 6)	6,390	9,228
<b>Total Net Assets</b>	<b>85,629</b>	<b>90,657</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 90,207</b>	<b>\$ 97,459</b>

See independent accountants' review report and notes to the financial statements.

ROTARY INTERNATIONAL DISTRICT 7930  
 Statements of Activities and Changes in Net Assets  
 For the Years Ended June 30, 2015 and 2014

	2015	2014
<b><u>UNRESTRICTED NET ASSETS</u></b>		
Revenues and Support:		
Program Service Revenue	\$ 109,128	\$ 135,669
Membership and Dues	98,677	96,879
Grants	-	16,000
Interest	15	140
Donated Services	-	3,247
Total Revenue and Support	207,820	251,935
Program and Service Expenses:		
District Events	141,864	150,959
Community Service and Foundation Support	32,163	39,252
District Operations	12,987	44,204
International Service	12,725	6,258
Other	1,027	1,477
Total Program and Service Expenses	200,766	242,150
Operating Expenses:		
General and Administrative	4,293	4,468
Accounting	4,950	7,490
Total Operating Expenses	9,243	11,958
Change in Unrestricted Net Assets	(2,189)	(2,173)
<b><u>TEMPORARILY RESTRICTED NET ASSETS</u></b>		
Contributions Restricted by Donors	47,053	106,372
Net Assets Released from Restrictions	(49,892)	(136,341)
Change in Temporarily Restricted Net Assets	(2,839)	(29,969)
Change in Net Assets	(5,028)	(32,142)
Net Assets - Beginning of Year	90,657	122,799
Net Assets - End of Year	\$ 85,629	\$ 90,657

See independent accountants' review report and notes to the financial statements.

ROTARY INTERNATIONAL DISTRICT 7930  
 Statements of Cash Flows  
 For the Years Ended June 30, 2015 and 2014

	2015	2014
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in Net Assets	\$ (5,028)	\$ (32,142)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by (used by) Operating Activities:		
(Increase)/Decrease in Grant Receivable	16,000	(16,000)
(Increase)/Decrease in Membership Dues Receivable	(17,226)	(6,279)
(Increase)/Decrease in Prepaid Expenses	710	2,988
Increase/(Decrease) in Accrued Expenses	-	(7,000)
Increase/(Decrease) in Accounts Payable	(2,824)	446
Increase/(Decrease) in Deferred Income	600	-
Net Cash Provided by/(used in) Operating Activities	(2,740)	(25,845)
Net Increase/(Decrease) in Cash and Cash Equivalents	(7,768)	(57,987)
Cash and Cash Equivalents, Beginning of Year	70,709	128,696
Cash and Cash Equivalents, End of Year	\$ 62,941	\$ 70,709

See independent accountants' review report and notes to the financial statements.

ROTARY INTERNATIONAL DISTRICT 7930  
NOTES TO FINANCIAL STATEMENTS

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Business:**

Rotary International District 7930 (the "Organization") was established in the Commonwealth of Massachusetts. The Organization was established to promote the humanitarian service mission of Rotary International by providing training and leadership services to the member clubs in their District. During the current year, the Organization provided services to 47 member clubs.

**Financial Statement Presentation:**

The financial statements of Rotary International District 7930 have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

The Organization follows the guidelines established in the Financial Accounting Standards Board Account Standards Codification Section 958. The Organization is required to report information regarding its financial position and activities according to (3) classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets depending on the nature of the restriction placed by the donor.

**Income Taxes and Uncertain Tax Positions**

The Organization has been granted tax exempt status under Internal Revenue Code (IRC) Section 501(c)(4) and is classified as other than a private foundation as defined by Section 509(a) of the IRC. Therefore it is generally exempt from federal and state income taxes. Accordingly, no provisions for income taxes have been provided for in the accompanying financial statements.

The Organization is required by FASB Accounting Standards Codification ASC 740-10 to evaluate and disclose tax positions that could have an effect on the Organization's financial statements.

The Organization reports its activities to the Internal Revenue Service on an annual basis. These information returns are generally subject to audit and review by the IRS for a period of three years after filing. No returns are under examination as of June 30, 2015.

Substantially all of the Organization's income, expenditures and activities relate to its tax exempt purpose. Therefore, management has determined that the Organization is not subject to unrelated business income taxes and will continue to qualify as a tax exempt entity.

**Estimates:**

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Membership Dues/Receivable:**

Membership dues receivable is stated at the amount management expects to collect from outstanding balances. The Organization does not charge interest on past due receivables. An allowance for doubtful accounts has not been established because of the Organization's past experience with collection.

**Management's Review:**

Management has evaluated subsequent events through November 9, 2015, the date the financial statements were available to be issued. There were no reportable events to be disclosed.

**Fair Value Measurements:**

The fair value of financial assets and liabilities is measured according to the *Fair Value Measurements and Disclosures* topic of the FASB Accounting Standards Codification. Fair Value is required to be evaluated and adjusted according to the following valuation techniques.

- Level 1 - Fair value is determined using quoted market prices in active markets for identical assets and liabilities.
- Level 2 - Fair value is determined using quoted market prices in active markets for similar assets and liabilities, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant inputs are observable in the market for substantially the full term of the assets or liabilities.
- Level 3 - Fair value is determined using inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The market for assets and liabilities using level 3 measures is typically inactive.

**NOTE 2 - CASH EQUIVALENTS**

For the purpose of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

	<u>2015</u>	<u>2014</u>
Cash	\$ 17,113	\$24,896
Money Market Fund	<u>45,828</u>	<u>45,813</u>
	<u>\$62,941</u>	<u>\$ 70,709</u>



ROTARY INTERNATIONAL DISTRICT 7930  
NOTES TO FINANCIAL STATEMENTS

**NOTE 3 – CONCENTRATIONS OF CREDIT RISK**

The Organization maintains operating accounts at various financial institutions. Accounts at certain financial institutions are insured up to \$250,000 per depositor by Federal Deposit Insurance Corporation (“FDIC”). As of June 30, 2015 and 2014, the Organization had no cash balances in excess of insured limits.

**NOTE 4 – RELATED PARTY TRANSACTIONS**

The Organization is a member of Rotary International (RI). RI is an organization of business and professional leaders united worldwide who provide humanitarian service, encourage high ethical standards in all vocations and help build goodwill and peace in the world.

RI provides funding to the Organization to assist with carrying on its mission in the form of reimbursements for public relation expenses and also provides funding for various grant programs.

Public relations grant: During the years ended June 30, 2015 and 2014, the Organization applied for public relations reimbursements in the amount of \$0 and \$16,000 respectively and received grant funds in the amount of \$16,000 and \$0 respectively.

Foundation managed grants: During the years ended June 30, 2015 and 2014, the Organization was the beneficiary of foundation grants from the Rotary Foundation of which the Organization used to support the local Rotary chapters. Grants received during the years ended June 30, 2015 and 2014 were \$47,053 and \$106,372.

Donations: During the years ended June 30, 2015 and 2014, the Organization made donations to the Rotary Foundation in the amount of \$23,263 and \$16,020 respectively.

**NOTE 5 – ALLOCATION OF EXPENSES**

The cost of providing various programs and other activities on a functional basis are summarized below. Direct costs are charged directly to the program based on specific identification. Indirect costs have been allocated among the programs and supporting services.

	<u>2015</u>	<u>2014</u>
Program Expenses		
Direct	\$ 249,632	\$ 377,014
Indirect	<u>1,027</u>	<u>1,477</u>
	250,659	378,491
Administrative Expenses	<u>9,243</u>	<u>11,958</u>
Total Expenses	<u>\$ 259,902</u>	<u>\$ 390,449</u>

ROTARY INTERNATIONAL DISTRICT 7930  
NOTES TO FINANCIAL STATEMENTS

**NOTE 6 – TEMPORARILY RESTRICTED ASSETS**

All of the restrictions on net assets as of June 30, 2015 and 2014 result from restricted contributions awarded by The Rotary Foundation to the District's Managed Grant Program. District Managed Grants fund local and international humanitarian service projects that benefit a community in need and must fall into one of 6 areas outlined by the Rotary Foundation. Rotary member clubs in good standing can apply to the District for project funds.

Temporarily restricted net assets are temporarily restricted funds that have been awarded to The District during the year, but not paid out to member clubs by the close of the year. Funds are released from restriction when the related expenditures are made and documented to the District.

Temporarily Restricted Net Assets at the end of June 30, 2015 and 2014 were \$6,390 and \$9,228 respectively.

**NOTE 7 – DONATED SERVICES**

Certain professional services have been donated to the Organization during the year. The estimated value of these services has been reflected in the accompanying financial statements as support with a like amount included in management and general expenses. Contributed services and material include the following:

	<u>2015</u>	<u>2014</u>
Review and Tax Preparation	<u>\$0</u>	<u>\$3,428</u>

**NOTE 8 - FAIR VALUE MEASUREMENTS**

The following assets carried at fair value are reviewed and adjusted on a recurring basis:

<u>Asset</u>	<u>Fair Value</u>	Based On		
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
<u>June 30, 2015</u>				
Money Market Funds	\$45,828	\$45,828	\$ 0	\$ 0
<u>June 30, 2014</u>				
Money Market Funds	\$45,813	\$45,813	\$ 0	\$ 0

The money market fund amounts above are included in cash in the statements of financial position. There were no transfers between Levels 1, 2 or 3 during 2015 or 2014.

ROTARY INTERNATIONAL DISTRICT 7930  
NOTES TO FINANCIAL STATEMENTS

**NOTE 9 - BOARD DESIGNATED NET ASSETS**

The Bylaws of the Organization require all remaining unrestricted funds each year to be under the control of the Board of Trustees in a said Permanent Named Fund. These funds shall be used for any and all District purposes or used alternatively only after an approval of majority vote by the Board of Trustees. If the fund balance falls below \$20,000 the vote must be unanimous.

**NOTE 10 - RECLASSIFICATIONS**

Certain reclassifications have been made to the financial statement presentation to correspond to the current year's format. Total equity and net income are unchanged due to these reclassifications.