



FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024



Independent Accountant's Review Report

Board of Directors
Rotary International District 7620
Annapolis, Maryland

I have reviewed the accompanying financial statements of Rotary International District 7620 (the District), which comprise the related statements of financial position as of June 30, 2024, and the related statements of activities, functional expenses and 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 organization's 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, I 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 financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

My 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 me 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. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Accountant's Conclusion

Based on my review, I am 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.

Bethesda, Maryland
June 19, 2025

Certified Public Accountants

Rotary International District 7620

**Statement of Financial Position
June 30, 2024**

Assets

Cash	\$	115,419
Investments		68,814
Accounts Receivable		750
Prepaid Expenses		2,045
Property and Equipment - Net		-
Total Assets	\$	<u>187,028</u>

Liabilities and Net Assets

Liabilities

Accounts Payable and Accrued Expenses	\$	12,365
Deferred Revenue		<u>18,350</u>
Total Liabilities		<u>30,715</u>

Net Assets

Without Donor Restrictions		<u>156,313</u>
Total Net Assets		<u>156,313</u>
Total Liabilities and Net Assets	\$	<u>187,028</u>

See Accompanying Notes to Financial Statements

See Independent Accountant's Review Report

Rotary International District 7620

**Statement of Activities
For the Year Ended June 30, 2024**

Revenue

Membership Dues	\$	165,560
District Conference Registration		76,181
Rotary Youth Leadership Awards		41,640
Other Service Program Revenue		16,882
Contributions and Grants		111,732
Foundation Contributions		12,315
DG Installation Event		13,360
Investment Income (Loss) - Net		4,768

Total Revenue

442,438

Expenses

Program Services		355,621
General and Administration - Total Supporting Services		90,270

Total Expense

445,891

Change in Net Assets

(3,453)

Net Assets, Beginning of Year

159,766

Net Assets, End of Year

\$ 156,313

See Accompanying Notes to Financial Statements

See Independent Accountant's Review Report

Rotary International District 7620

**Statement of Functional Expense
For the Year Ended June 30, 2024**

	Program	General and Administrative	Total
Grants, Scholarships and Related Expenses	\$ 128,390	\$ -	\$ 128,390
Consulting and Professional Fees	-	64,981	64,981
Occupancy	4,176	-	4,176
Meetings and Events	223,055	-	223,055
Office Expense	-	6,419	6,419
Travel	-	5,236	5,236
Insurance	-	7,050	7,050
Information Technology	-	6,584	6,584
Total	\$ 355,621	\$ 90,270	\$ 445,891

See Accompanying Notes to Financial Statements

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Rotary International District 7620

**Statement of Cash Flows
For the Year Ending June 30, 2024**

Cash Flows from Operating Activities

Increase (Decrease) in Net Assets	\$	(3,453)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used in) Operating Activities		
(Gains) Losses on Investments		(2,609)
(Increase) Decrease in Assets		
Accounts Receivable		4,706
Prepaid Expenses		3,276
Increase (Decrease) in Liabilities		
Accounts Payable and Accrued Expenses		3,051
Deferred Revenue		18,350
		<hr/>
Net Cash Provided by (Used in) Operating Activities		23,321

Cash Flows from Investing Activities

Purchases of Investments		<hr/> (2,159)
Net Cash Provided by (Used in) Investing Activities		<hr/> (2,159)

Increase (Decrease) in Cash **21,162**

Cash, Beginning of Year

94,257

Cash, End of Year

\$ 115,419

See Accompanying Notes to Financial Statements

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Rotary International District 7620

Notes to Financial Statements June 30, 2024

1. ORGANIZATION

District 7620 of Rotary International (the District) is an unincorporated nonprofit organization governed by its By-Laws and the Constitution and By-Laws of Rotary International and the Rotary International Manual of Procedures. The District presently consists of approximately 70 local civic organizations, the service area of which includes the District of Columbia and part of Maryland bounded by the Susquehanna River on the Northeast, the Pennsylvania line on the North, the Potomac River on the South and Southwest, and the Chesapeake Bay on the East. The District is a nonprofit organization exempt from income tax under Section 501(c)(4) of the Internal Revenue Code. The District exists to cultivate, promote, and disseminate knowledge and information concerning Rotary International and to facilitate objectives of the local clubs.

The District organizes an annual conference to raise support and increase networking possibilities for its members. The District also organizes an annual training program for high school youth called Rotary Youth Leadership Awards (RYLA). Rotary's training program for youth leaders emphasizes leadership, citizenship and personal growth.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the District have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which requires the District to report information regarding its financial position and activities in accordance with the accrual basis of accounting and the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the District. These net assets may be used at the discretion of management and the Board of Directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the District or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Use of Estimates

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

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Rotary International District 7620

Notes to Financial Statements June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable are stated at unpaid balances less an allowance for credit losses. The District estimates credit losses using historical experience, current conditions, and reasonable and supportable forecasts. It is the District's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Management considers all amounts to be fully collectible. Accordingly, an allowance for credit losses has not been established.

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statement of activities. Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statement of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

Property and Equipment

Property and equipment acquisitions with a cost greater than \$500 and a projected useful life exceeding one year are capitalized and recorded at cost or fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Expenditures for repairs and maintenance are expensed as incurred.

Contributions and Grants

Contributions and grants, including unconditional promises to give, are recognized as revenues in the period received or pledged. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets, other than cash, are recorded at their estimated fair value at the date of gift. Contributed services and materials are recorded at their estimated fair value if they would otherwise be purchased if not provided by donation and provided by professionals in their field.

There were no unrecognized conditional contributions as of June 30, 2024.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, the categories of expenses that are attributable to more than one program or supporting function have been allocated among the programs and supporting services based on time and effort.

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Rotary International District 7620

Notes to Financial Statements June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The District is exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code. However, entities that are classified under this section of the code are subject to tax on unrelated business income as defined by IRS regulations. The District had no unrelated business income for the year ended June 30, 2024.

Accounting principles generally accepted in the United States of America require the District to evaluate tax positions taken and recognize a tax liability if it is more likely than not that uncertain tax positions taken would not be sustained upon examination by taxing authorities. The District has analyzed tax positions taken and has determined that, as of June 30, 2024, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The District's tax returns are subject to examination by taxing authorities, generally for a period of three years after the returns are filed.

Subsequent Events

Management has evaluated subsequent events through June 19, 2025 the date which the financial statements were available to be issued. The accompanying financial statements recognize the effects of subsequent events that provided evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. The accompanying financial statements do not recognize the effect of subsequent events with conditions that did not exist at the statement of financial position date, but disclosures of such events, if any, are included in the accompanying notes.

3. CONCENTRATION OF CREDIT RISK

The District maintains its cash balances in banks insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. As of June 30, 2024, the District's bank balances did not exceed the FDIC insured limit.

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Rotary International District 7620

**Notes to Financial Statements
June 30, 2024**

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The District reports certain assets and liabilities (or one or the other) at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the District can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market corroborated inputs.

Level 3 - Unobservable inputs for the asset or liability. In these situations, the District develops inputs using the best information available in the circumstances. In some cases, the inputs used to measure the fair value of an asset or liability might be categorized within different levels of the after value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level or input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgement, taking into account factors specific to the asset or liability.

The fair value measurements consisted of the following:

	<u>Fair Value</u>	<u>Level 1</u>
Money Funds	\$ 24,321	\$ 24,321
Equities	38,590	38,590
Fixed Income	5,903	5,903
	<u>\$ 68,814</u>	<u>\$ 68,814</u>

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Rotary International District 7620

**Notes to Financial Statements
June 30, 2024**

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Investment income consisted of the following:

Dividends and Interest	\$ 2,159
Gains and (Losses)	2,609
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Investment Income (Loss) - Net	\$ 4,768
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5. PROPERTY AND EQUIPMENT

Property, equipment and accumulated depreciation are as follows at June 30, 2024:

Equipment	\$ 23,877
Accumulated Depreciation	(23,877)
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	\$ -
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There was no depreciation expense recorded during the year ended June 30, 2024.

6. NET ASSETS

There were no net assets with donor restrictions as of June 30, 2024.

Net assets without donor restrictions for the year ended June 30, 2024 were undesignated.

7. LIQUIDITY AND AVAILABILITY

The following represents the District's financial assets at June 30, 2024:

Financial Assets at Year End:	
Cash	\$ 115,419
Investments	68,814
Accounts Receivable	750
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Total Financial Assets	184,983
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Less Amounts Not Available To Be Used Within One Year:	
Net Assets With Donor Restrictions	-
Less: Net Assets With Purpose Restrictions To Be Met in Less Than a Year	-
Quasi Endowment Established by the Board	-
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	-
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Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ 184,983
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As part of the District's liquidity management plan, cash in excess of daily requirements is assessed to determine if amounts can be transferred to income generating accounts.

See Independent Accountant's Review Report