

**ROTARY ZONES 33 & 34 INSTITUTE**

**REVIEWED FINANCIAL STATEMENTS**

**JUNE 30, 2009**  
**(With Comparative Amounts for 2008)**

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**ROTARY ZONES 33 & 34 INSTITUTE**  
**STATEMENT OF ASSETS, LIABILITIES,**  
**AND NET ASSETS - CASH BASIS**  
 June 30, 2009  
 (With Comparative Amounts for 2008)

<b>ASSETS</b>	<u><b>2009</b></u>	<u><b>2008</b></u>
Cash	\$ 93,680	\$ 142,796
Total assets	<u>\$ 93,680</u>	<u>\$ 142,796</u>
<b>LIABILITIES and NET ASSETS</b>		
Liabilities	\$ -	\$ -
Net Assets:		
Unrestricted	<u>93,681</u>	<u>142,796</u>
Total net assets	93,681	142,796
Total liabilities and net assets	<u>\$ 93,681</u>	<u>\$ 142,796</u>

See accompanying notes and accountant's report.

**ROTARY ZONES 33 & 34 INSTITUTE**  
**STATEMENT OF SUPPORT AND REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS - CASH BASIS**

Year Ended June 30, 2009  
(With Comparative Amounts for 2008)

<b>SUPPORT AND REVENUES</b>	<u>2009</u>	<u>2008</u>
Registration fees - Zone Institute meeting - 2007/2008	\$ -	\$ 207,079
Registration fees - Zone Institute meeting - 2008/2009	207,115	89,856
Southland breakfast ticket sales - 2007/2008	-	25,284
Southland breakfast ticket sales - 2008/2009	18,180	-
Other income	11,168	4,189
Interest income	-	1,267
Total unrestricted support and revenues	<u>236,463</u>	<u>327,675</u>
 <b>EXPENSES</b>		
Program expenses:		
Zone Institute meeting - 2007/2008	-	182,327
Zone Institute meeting - 2008/2009	230,938	5,050
Zone Institute meeting - 2009/2010	3,562	-
Zone Institute meeting - 2009/2011	1,000	-
Southland breakfast - 2007/2008	-	27,657
Southland breakfast - 2008/2009	19,610	2,160
Supporting services:		
Management and general	10,539	-
Executive committee - 2007/2008	-	22,986
Executive committee - 2008/2009	19,929	13,440
Total expenses	<u>285,578</u>	<u>253,620</u>
Increase (decrease) in unrestricted net assets	(49,115)	74,055
Net assets, beginning of year	142,796	68,741
Net assets, end of year	<u>\$ 93,681</u>	<u>\$ 142,796</u>

See accompanying notes and accountant's report.

**ROTARY ZONES 33 & 34 INSTITUTE**  
**STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS**  
Year Ended June 30, 2009  
(With Summarized Amounts for 2008)

	Program Services				Supporting Services			Total Supporting Services	Total 2009	Total 2008
	Zone Institute Meeting 2008/2009	Zone Institute Meeting 2009/2010	Zone Institute Meeting 2010/2011	Southland Breakfast 2008/2009	Total Programs	Management and General	Executive Committee			
Meals, lodging and entertainment	\$ 217,319	\$ -	\$ 1,000	\$ 18,832	\$ 237,151	\$ 5,244	\$ 19,929	\$ 25,173	\$ 262,324	\$ 200,726
Printing and reproduction	13,469	789	-	778	15,036	784	-	784	15,820	11,971
Gifts	-	-	-	-	-	-	-	-	-	8,636
Travel	-	-	-	-	-	-	-	-	-	16,203
Supplies and materials	-	-	-	-	-	-	-	-	-	4,399
Dues and subscriptions	-	-	-	-	-	-	-	-	-	3,475
Professional fees	-	-	-	-	-	2,400	-	2,400	2,400	2,100
Software	-	2,018	-	-	2,018	1,537	-	1,537	3,555	1,632
Postage	-	-	-	-	-	-	-	-	-	1,267
Miscellaneous	150	755	-	-	905	574	-	574	1,479	3,211
	<u>150</u>	<u>755</u>	<u>-</u>	<u>-</u>	<u>905</u>	<u>574</u>	<u>-</u>	<u>574</u>	<u>1,479</u>	<u>3,211</u>
Total expenses	<u>\$ 230,938</u>	<u>\$ 3,562</u>	<u>\$ 1,000</u>	<u>\$ 19,610</u>	<u>\$ 255,110</u>	<u>\$ 10,539</u>	<u>\$ 19,929</u>	<u>\$ 30,468</u>	<u>\$ 285,578</u>	<u>\$ 253,620</u>

See accompanying notes and accountant's report.

**ROTARY ZONES 33 & 34 INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2009

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

Rotary Zones 33 & 34 Institute (the “Organization”) is a North Carolina nonprofit organization. The Organization was created to host two annual meetings per year which provide opportunities for Organization leaders to meet and discuss current and plan future projects to help our communities. Approximately 1,000 leaders attend these two meetings.

**Basis of Accounting**

The accompanying financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under that basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The cash basis differs from generally accepted accounting principles primarily because the effects of prepayments for future events at the date of the financial statements are included in the financial statements as revenue earned during the year.

**Income Taxes**

Except for taxes pertaining to unrelated business income, the Organization is exempt from U.S. Federal income taxes under Section 501(c)(4) of the Internal Revenue Code. The Organization had no unrelated business income during the year ended June 30, 2009.

**Revenue Recognition**

The Organization’s policy is to prepare its financial statements on the cash basis of accounting; consequently, contributions and revenues are recognized when received rather than when promised or earned, and certain expenses and purchases are recognized when cash is disbursed rather than when the obligation is incurred.

**Contributions and Receipts**

All contributions and receipts are considered to be available for unrestricted use unless specifically restricted by the donor. There are no restrictions on any cash receipts for the year ended June 30, 2009.

**Concentration of Credit Risk**

The Organization maintains cash balances which may at times exceed the FDIC insured amount of \$250,000. At June 30, 2009, the Organization had no uninsured balances.

**Donated Materials, Equipment and Services**

Donated materials and equipment are recorded as contributions at their estimated fair market values at the date of receipt. Contributed services are recognized by the Organization if they typically need to be purchased by the Organization, require specialized skills and are provided by those persons who possess those skills, in accordance with *Accounting for Contributions Received and Contributions Made* of the FASB Accounting Standards Codification. The Organization has elected not to record the donated services in as much as no objective basis is available to measure the value of such services. A substantial number of volunteers have donated significant amounts of their time in the Organization’s program services and special events.

**ROTARY ZONES 33 & 34 INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2009

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Functional Expenses**

The costs of providing various services have been summarized on a functional basis in the statements of functional expenses – cash basis. Costs that are directly related to the Organization’s specific purpose have been recorded as a direct expense and included as program services. All costs were directly expensed as either program or management and general. There were no fundraising expenses as of June 30, 2009.

**Reclassification**

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements

**Prior Year Financial Information**

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended June 30, 2008, from which the summarized information was derived.

**Subsequent Events**

Management has performed an analysis of the activities and transactions subsequent to June 30, 2009 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2009. Management has performed their analysis through November 11, 2009.