

**ROTARY INTERNATIONAL
DISTRICT 7670**

ACCOUNTANT'S REVIEW REPORT
AND FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2009

CORLISS & SOLOMON, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Rotary International District 7670

Table of Contents

June 30, 2009

Accountant's Review Report.....	1
Financial Statements:	
<i>Statement of Financial Position</i>	2
<i>Statement of Activities</i>	3
<i>Statement of Cash Flows</i>	4
Notes to Financial Statements	5 - 6
Supplemental Schedule:	
<i>Detailed Schedule of Expenses</i>	7 - 8

CORLISS & SOLOMON, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

242 Charlotte Street
Suite 1
Asheville, NC 28801

Phone 828-236-0206
Fax 828-236-0209
www.candspllc.com

ACCOUNTANT'S REVIEW REPORT

To the District Council
Rotary International District 7670
Asheville, North Carolina

We have reviewed the accompanying statement of financial position of Rotary International District 7670 as of June 30, 2009, and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Rotary International District 7670.

A review consists primarily of inquiries of organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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 conformity with accounting principles generally accepted in the United States of America.

Our review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The supplemental schedule is presented only for purposes of additional analysis. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

Corliss & Solomon, PLLC

Corliss & Solomon, PLLC
February 19, 2010

Rotary International District 7670

Statement of Financial Position

As of June 30, 2009

Assets

Current Assets

Cash and Equivalents (Note 2)	\$	61,260
Accounts Receivable		5,403
Prepaid Expenses (Note 3)		<u>6,000</u>
Total Current Assets		<u>72,663</u>
Total Assets	\$	<u>72,663</u>

Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$	33,024
Agency Funds (Note 4)		<u>14,542</u>
Total Current Liabilities		<u>47,566</u>

Net Assets

Unrestricted		(5,759)
Temporarily Restricted (Note 5)		<u>30,856</u>
Total Net Assets		<u>25,097</u>
Total Liabilities and Net Assets	\$	<u>72,663</u>

See accompanying notes and accountant's review report.

Rotary International District 7670

Statement of Activities

For the Year Ended June 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Member Support and Other Revenue</u>			
Member Club Dues	\$ 96,399	\$ -	\$ 96,399
Meetings Income	70,031	-	70,031
Honor Air Donations (Note 5)	-	202,628	202,628
Polio Plus Campaign Raffle, Net (Note 6)	42,039	-	42,039
Interest Income	132	-	132
District Directory Sales	70	-	70
Net Assets Released from Restriction	200,411	(200,411)	-
Total Income	<u>409,082</u>	<u>2,217</u>	<u>411,299</u>
<u>Expenses</u>			
District Meetings	91,164	-	91,164
Membership	3,227	-	3,227
Rotary International Foundation	14,813	-	14,813
Rotary International Meetings	18,857	-	18,857
Service Projects	245,425	-	245,425
Youth Services	8,722	-	8,722
Information Services	6,070	-	6,070
Administrative	27,425	-	27,425
Total Expenses	<u>415,703</u>	<u>-</u>	<u>415,703</u>
Change in Net Assets	(6,621)	2,217	(4,404)
Net Assets, Beginning of Year	862	28,639	29,501
Net Assets, End of Year	<u>\$ (5,759)</u>	<u>\$ 30,856</u>	<u>\$ 25,097</u>

See accompanying notes and accountant's review report.

Rotary International District 7670

Statement of Cash Flows

For the Year Ended June 30, 2009

Cash Flows from Operating Activities

Change in Net Assets	\$ (4,404)
Adjustments to reconcile change in net assets to net cash provided or used by operating activities:	
(Increase) Decrease in Operating Assets	
Accounts Receivable	(5,403)
Increase (Decrease) in Operating Liabilities	
Accounts Payable	16,742
Agency Funds	<u>(23,314)</u>
Net Cash Used by Operating Activities	<u>(16,379)</u>

Cash Flows from Investing Activities

Decrease in Restricted Cash (Chan Gordon)	<u>23,205</u>
Net Cash Provided by Investing Activities	<u>23,205</u>
Net Change in Cash and Equivalents	6,826
Cash and Equivalents, Beginning of Year	<u>54,434</u>
Cash and Equivalents, End of Year	<u><u>\$ 61,260</u></u>

See accompanying notes and accountant's review report.

Rotary International District 7670

Notes to Financial Statements

Year Ended June 30, 2009

1. A. General Information

Description of the Organization

Rotary International District 7670 (Rotary 7670) is an administrative district of Rotary International. A volunteer organization, Rotary 7670 provides support to 52 member clubs in western North Carolina. Rotary International is a worldwide organization of business and professional leaders that promotes community service and high ethical standards in business and the professions. Rotary 7670 is supported primarily by dues from member clubs.

Tax-Exempt Status

Rotary 7670 is a regional district of Rotary International, a 501(c)(4) organization, and it derives its tax-exempt status as a component of that organization.

B. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

Financial statement presentation follows Statement of Financial Accounting Standards (SFAS) No 117, "Financial Statements of Not-for-Profit Organizations." SFAS No. 117 establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into net asset categories according to externally imposed restrictions.

Use of 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 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 period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of reporting on the statement of cash flows, the organization considers highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents. Restricted funds are not considered to be cash equivalents.

2. Cash and Equivalents

Cash consisted of the following as of June 30, 2009:

Operating Account	\$ 18,338
Money Market Account	17,500
Honor Air Fund	25,422
Total Cash and Equivalents	<u>\$ 61,260</u>

3. Prepaid Expenses

Prepaid expenses consisted of the following as of June 30, 2009:

Advance to District Governor Elect	\$ 6,000
Total Prepaid Expenses	<u>\$ 6,000</u>

4. Agency Funds

As of June 30, 2009, Rotary 7670 held funds for the following Rotary International programs:

Kenya Water Project	\$ 13,642
Haiti Relief	900
Total Agency Funds	<u>\$ 14,542</u>

5. Temporarily Restricted Net Assets

Temporarily restricted net assets were as follows as of June 30, 2009:

HonorAir Fund	\$ 25,422
Interact Fund	5,434
Total Temporarily Restricted Net Assets	<u>\$ 30,856</u>

Honor Air – Contributions to this fund are used to honor World War II veterans by providing an all expenses paid flight to Washington, DC to enable these veterans to tour the World War II memorial and witness the changing of the guard at the Tomb of the Unknown Soldier in Arlington Cemetery. Contributions to the fund and disbursements for travel costs during the year were \$202,628 and 177,206, respectively.

Interact Fund – This fund is restricted to support of interact clubs in high schools. There were no disbursements from the fund during the year ended June 30, 2009.

6. Polio Plus Campaign Raffle

During the year ended June 30, 2009, Rotary 7670 held a district-wide raffle to raise funds for the Rotary International program to eradicate polio worldwide. The raffle proceeds were \$91,112 and related expenses \$49,073, which included the raffle prize – an automobile with a cost of \$44,000. Rotary District 7670 supplemented the net proceeds of \$42,039 with \$1,230 of its own funds, making its total contribution to Rotary International for this campaign \$43,269.

SUPPLEMENTAL SCHEDULE

Rotary International District 7670

Detailed Schedule of Expenses

For the Year Ended June 30, 2009

District Meetings

District Assembly	\$	2,373
District Conference		65,483
District Leadership Team Train		389
Foundation Banquet		9,364
Foundation Seminar		2,651
Membership Seminar		2,311
Mid-Year Assembly		2,873
PETS		5,720
Total District Meetings		<u>91,164</u>

Membership

Chair (Travel & Expenses)		283
Awards & Recognition		1,740
Extension		1,204
Total Membership		<u>3,227</u>

Rotary International Foundation

Chair (Travel & Expense)		233
Grants & Volunteers		216
Group Study Exchange		12,263
Paul Harris Society		1,607
Scholarships		494
Total RI Foundation		<u>14,813</u>

Rotary International Meetings

International Convention		5,469
Zone Institute		11,707
Zone Training		1,681
Total RI Meetings		<u>18,857</u>

Service Projects

Honor Air Program		177,206
Grant to Rotary Foundation for Polio Plus		43,269
Club Projects (From Chan Gordon Fund)		23,205
CART Fund		64
Wheelchair Project		1,681
Total Service Projects		<u>245,425</u>

(Continued on next page)

See accountant's report.

Rotary International District 7670

Detailed Schedule of Expenses

For the Year Ended June 30, 2009

(Continued from previous page)

Youth Services

Chair (Travel & Expenses)	309
Rotaract	500
RYLA	500
Youth Exchange	7,413
Total Youth Services	<u>8,722</u>

Information Services

District Directory	5,650
Public Relations	420
Total Information Services	<u>6,070</u>

Administrative

DG Recognition	1,425
DG Travel	3,352
District Governor	1,619
District Office Expense	6,218
District Office Rent	2,100
District Treasurer	146
District Web Site & Database	1,197
Executive Secretary	6,000
Financial Review	3,430
Insurance & Bond	326
Other Expenses	1,612
Total Administrative	<u>27,425</u>

Total Expenses \$ 415,703

See accountant's report.