

ROTARY ZONES 33 & 34 INSTITUTE

**FINANCIAL STATEMENTS
(Reviewed)**

JUNE 30, 2007 & 2006

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INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors
Rotary Zones 33 & 34 Institute
Lakeland, Florida 33813

We have reviewed the accompanying statements of Assets, Liabilities and Net Assets of Rotary Zones 33 & 34 Institute (a nonprofit organization) as of June 30, 2007 and 2006, the statements of Support, Revenues and Expenses, and the statements of Program and Supporting Expenses 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 the Organization.

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, 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 generally accepted accounting principles.

Gospodarek, C.P.A., P.A.

September 24, 2007

ROTARY ZONES 33 34 INSTITUTE

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS

JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
	<u>ASSETS</u>	
CURRENT ASSETS		
Cash in Bank	\$ 68,741	\$ 91,096
Prepaid Expenses	1,272	-
TOTAL CURRENT ASSETS	<u>70,013</u>	<u>91,096</u>
 TOTAL ASSETS	 <u>\$ 70,013</u>	 <u>\$ 91,096</u>
	<u>LIABILITIES & NET ASSETS</u>	
 ACCOUNTS PAYABLE	 <u>\$ -</u>	 <u>\$ -</u>
 NET ASSETS		
Unrestricted	70,013	91,096
TOTAL NET ASSETS	<u>70,013</u>	<u>91,096</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 70,013</u>	 <u>\$ 91,096</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANTS' REVIEW REPORT

**ROTARY ZONES 33 34 INSTITUTE
STATEMENTS OF SUPPORT, REVENUES AND EXPENSES
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
SUPPORT AND REVENUES		
Registration Fees-Zone Institute Meeting	\$ 168,395	\$ 165,173
Southland Breakfast Ticket Sales	32,490	18,830
Caribbean Income	45,136	-
Interest Income	2,601	1,381
	<u>248,622</u>	<u>185,384</u>
Total Support and Revenues		
	<u>248,622</u>	<u>185,384</u>
 EXPENSES		
Program Services		
Zone Institute Meeting	187,761	154,223
Southland Breakfast	30,406	24,220
Caribbean Expense	42,759	-
	<u>260,926</u>	<u>178,443</u>
Total Program Services		
	<u>260,926</u>	<u>178,443</u>
 Supporting Services		
Executive Committee	8,779	4,391
Management and General	-	-
	<u>8,779</u>	<u>4,391</u>
Total Supporting Services		
	<u>8,779</u>	<u>4,391</u>
 Total Expenses		
	<u>269,705</u>	<u>182,834</u>
 INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	 \$ (21,083)	 \$ 2,550
 UNRESTRICTED NET ASSETS-Beginning of Year	 <u>91,096</u>	 <u>88,546</u>
 UNRESTRICTED NET ASSETS-End of Year	 <u>\$ 70,013</u>	 <u>\$ 91,096</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANTS' REVIEW REPORT

**ROTARY ZONES 33 34 INSTITUTE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (21,083)	\$ 2,550
Adjustments to reconcile change in net assets to net cash used by operating activities:		
(Increase)/Decrease in Prepaid Expenses	(1,272)	-
Increase/(Decrease) in Accounts Payable	<u>-</u>	<u>(30,130)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(22,355)</u>	<u>(27,580)</u>
NET INCREASE (DECREASE)	(22,355)	(27,580)
CASH AND CASH EQUIVALENTS - BEGINNING	<u>91,096</u>	<u>118,676</u>
CASH AND CASH EQUIVALENTS - ENDING	<u><u>\$ 68,741</u></u>	<u><u>\$ 91,096</u></u>

SEE ACCOMPANYING NOTES AND ACCOUNTANTS' REVIEW REPORT

ROTARY ZONES 33 34 INSTITUTE

STATEMENTS OF PROGRAM AND SUPPORTING EXPENSES
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	2007						2006				
	Program Services			Supporting Services			Program Services		Supporting Services		
	Zone Institute Meeting	Southland Breakfast	Think Carribbean	Executive Committee	Management and General	Total Expenses	Zone Institute Meeting	Southland Breakfast	Executive Committee	Management and General	Total Expenses
Printing and Postage	\$ 6,612	\$ -	\$ -	\$ 8,779	\$ -	\$ 15,391	\$ 7,358	\$ -	\$ 3,369	\$ -	\$ 10,727
Hotel Fees	-	-	-	-	-	-	-	-	-	-	-
Room and Food	135,616	30,406	-	-	-	166,022	90,144	24,220	-	-	114,364
Professional Services	2,100	-	-	-	-	2,100	2,000	-	-	-	2,000
Website Maintenance	-	-	-	-	-	-	-	-	-	-	-
Entertainment and Speakers	5,090	-	-	-	-	5,090	4,261	-	-	-	4,261
Travel and Transportation	13,676	-	-	-	-	13,676	25,543	-	1,022	-	26,565
Bank Card Fees	1,154	-	-	-	-	1,154	3,436	-	-	-	3,436
Office Expenses	477	-	-	-	-	477	1,874	-	-	-	1,874
Supplies	19,752	-	-	-	-	19,752	3,936	-	-	-	3,936
Caribbean Project	-	-	42,759	-	-	42,759	-	-	-	-	-
Photography	500	-	-	-	-	500	500	-	-	-	500
Gifts	1,800	-	-	-	-	1,800	5,146	-	-	-	5,146
Miscellaneous	-	-	-	-	-	-	10,025	-	-	-	10,025
Golf Tournament	984	-	-	-	-	984	-	-	-	-	-
Institute Programs	-	-	-	-	-	-	-	-	-	-	-
Totals	\$ 187,761	\$ 30,406	\$ 42,759	\$ 8,779	\$ -	\$ 269,705	\$ 154,223	\$ 24,220	\$ 4,391	\$ -	\$ 182,834

SEE ACCOMPANYING NOTES AND ACCOUNTANTS' REVIEW REPORT

**ROTARY ZONES 33 & 34 INSTIUTE
NOTES TO FINANCIAL STATEMENTS**

Note 1. Organization and Summary of Significant Accounting Policies:

Rotary Zones 33 & 34 Institute is a North Carolina nonprofit organization, and except for taxes pertaining to unrelated business income, 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, 2007.

The accompanying financial statements have been prepared in conformity with the industry audit guide entitled Audits of Voluntary Health and Welfare Organizations published by the American Institute of Certified Public Accountants. The significant accounting policies followed by the Organization are described below.

Accrual Basis

The Organization's financial statements are presented on the accrual basis of accounting. Support and revenues are recognized when the when a donor makes a promise to give. Expenses are recognized when incurred.

Contributions and Receipts

All contributions and receipts are considered to be available for unrestricted use unless specifically restricted by the donor. They are none for the years ended June 30, 2007 and 2006.

Cash Equivalents

For the purpose of reporting cash flow, cash and cash equivalents include highly liquid debt instruments purchased with a maturity of three months or less.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**ROTARY ZONES 33 & 34 INSTITUTE
NOTES TO FINANCIAL STATEMENTS**

Note 1. Organization and Summary of Significant Accounting Policies: (continued)

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, possess specialized skills and are provided by those persons with those skills, in accordance with FASB 116. 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.

Note 2. Income Tax Status

The Internal Revenue Service has ruled that the Organization qualifies under Section 501(c)(4) of the Internal Revenue Code and is, therefore, not subject to tax under present income tax laws. Contributions to the Organization are deductible as provided in Section 170 of the Internal Revenue Code.

Note 3. Fair Value of Financial Instruments

In compliance with SFAS No. 107, the Organization reports the following information, regarding the fair value of financial instruments at June 30, 2007. According to SFAS No. 107, fair value is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. However, the Organization makes no representation that a market or potential purchaser (as defined above) exists for any of its financial instruments.

The reported carrying amount in the June 30, 2007 financial statements and accompanying notes should be a reasonable estimate of the fair value of the financial instrument of cash, due to its relatively short period of time to realization.

No other financial instruments are reported in the financial statements dated June 30, 2007.

Note 4. Concentrations

The Organization maintains its cash accounts in one North Carolina commercial bank. Accounts at the bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000 per bank. At June 30, 2007 and 2006, total cash and equivalents on deposit were less than the FDIC insured amount.