

August 3, 2012

TO: Presidents of the Rotary Clubs of District 5340  
Rotarians of District 5340

RE: Annual Report of the Finance Committee of District 5340  
District Financial Report thru 6-30-2012

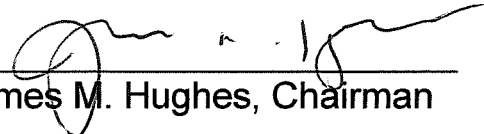
The District Finance Committee is charged with assisting to insure the overall financial health of the District by doing at least the following: maintaining books and records; preparing financial statements; providing budget oversight; advising the District Governor on financial matters. The Committee is to prepare an annual report to the Rotarians of D5340.

The District Finance Committee meets at least quarterly by a quorum of its members. Membership of the Committee consists of the District Governor; District Treasurer; DG Elect; DG Nominee, Immediate PDG and three members at large appointed for 3 year terms. Also invited to meetings are the District Administrative Manager; District Bookkeeper and DG Nominee Designate.

In recent years the Finance Committee has recognized that a great deal of activity is occurring in the name of the District, using the District Tax Identification Number and exposing the District to financial, liability and reputational risks. The Committee has worked extremely hard with Rotarians in the District to define these activities, to compel the filing of budgets, to bank thru the District or give the District access to their accounts, to prepare reports. The attached financial statements reflect inclusion of all known activity of District 5340 thru 6-30-12.

The Finance Committee of District 5340 is confirming that the information attached in the Financial Statement of District 5340 has been assembled, professionally reviewed and to the best of the knowledge of the District Finance Committee, is complete and correct.

August 3, 2012 For the Committee:

  
James M. Hughes, Chairman

**ROTARY INTERNATIONAL DISTRICT 5340**

**REVIEWED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
JUNE 30, 2012**

**ROTARY INTERNATIONAL DISTRICT 5340**

**FOR THE YEAR ENDED JUNE 30, 2012**

**TABLE OF CONTENTS**

**REVIEWED FINANCIAL STATEMENTS**

Independent Accountant's Review Report.....	1
Statement of Financial Position.....	2
Statement of Activities .....	3
Statement of Cash Flows .....	4
Notes to Financial Statements .....	5-11

**SUPPLEMENTAL SCHEDULE**

Detailed Schedule of Expenses .....	12
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**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

The District Treasurer  
Rotary International District 5340  
San Diego, California

We have reviewed the accompanying statement of financial position of Rotary International District 5340 (the "Organization") as of June 30, 2012, and the related statements of activities and cash flows, for the year then ended. 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 is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants (AICPA). Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 United States generally accepted accounting principles.

Our review was made for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with United States generally accepted accounting principles. The supplemental information is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information, and accordingly we do not express an opinion or provide any assurance on such supplementary information.



San Diego, California  
August 3, 2012

ROTARY INTERNATIONAL DISTRICT 5340

STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2012

**ASSETS**

Current Assets		
Cash and cash equivalents	\$	185,038
Accounts receivable		<u>6,840</u>
Total Current Assets		<u>191,878</u>
Property and equipment, net (Note 3)		3,482
Intangible assets, net (Note 3)		<u>9,567</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u><u>204,927</u></u></b>

**LIABILITIES AND NET ASSETS**

Accounts payable		10,165
Accrued expenses		4,939
Deferred revenue (Note 4)		2,058
Obligation refundable (Note 6)		<u>12,000</u>
Total Liabilities	\$	<u>29,162</u>
Net Assets		
Unrestricted		165,893
Temporarily Restricted (Note 5)		<u>9,872</u>
Total Net Assets		<u>175,765</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b><u><u>204,927</u></u></b>

See Notes to Financial Statements and Independent Accountant's Review Report.

ROTARY INTERNATIONAL DISTRICT 5340

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Rotary club dues	\$ 110,313	\$ -	\$ 110,313
Youth program income	133,739	1,269	135,008
District event income	130,852	-	130,852
Global grant international service	30,480	-	30,480
Public relations grant	13,000	-	13,000
District grant community service	72,850	-	72,850
Other income	21,706	-	21,706
Rotary international reimbursement	16,385	-	16,385
Net assets released from restriction	4,880	(4,880)	-
Total Support and Revenue	<u>534,205</u>	<u>(3,611)</u>	<u>530,594</u>
 <b>EXPENSES</b>			
Programs			
Club service	239,116	-	239,116
International service	31,336	-	31,336
Youth service	134,089	-	134,089
Community service	72,850	-	72,850
Administrative and management	18,662	-	18,662
Total Expenses	<u>496,053</u>	<u>-</u>	<u>496,053</u>
Change in Net Assets	38,152	(3,611)	34,541
Net Assets at Beginning of Year	<u>127,741</u>	<u>13,483</u>	<u>141,224</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 165,893</u>	<u>\$ 9,872</u>	<u>\$ 175,765</u>

See Notes to Financial Statements and Independent Accountant's Review Report.

ROTARY INTERNATIONAL DISTRICT 5340

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2012

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$	34,541
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation expense		1,404
Amortization expense		1,063
(Increase) Decrease in:		
Accounts receivable		15,320
Other current assets		6,699
Increase (Decrease) in:		
Accounts payable		10,165
Accrued expenses		2,301
Deferred revenue		(5,537)
Obligation refundable		12,000
Cash Provided by Operating Activities		<u>77,956</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property and equipment		<u>(10,630)</u>
Cash (Used) in Investing Activities		<u>(10,630)</u>
Net Increase in Cash and Cash Equivalents		67,326
Cash and Cash Equivalents, Beginning of Year		<u>117,712</u>
Cash and Cash Equivalents, End of Year	\$	<u><u>185,038</u></u>

See Notes to Financial Statements and Independent Accountant's Review Report.

**ROTARY INTERNATIONAL DISTRICT 5340**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2012**

**NOTE 1 NATURE OF OPERATIONS**

Rotary International District 5340 (the "Organization") is a unincorporated association formed in 1941. The Organization is a nonprofit entity exempt from Federal and State income taxes under Section 501(c)(4) of the Internal Revenue Code (IRC) and Section 23701(d) of the California Revenue and Taxation Code (California Code) and is classified as a social welfare Organization. Rotary International District 5340 (Rotary 5340) is an administrative district of Rotary International. A volunteer Organization; Rotary 5340 provides support to 64 member clubs in Southern California and humanitarian service locally and internationally. 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 5340 is supported primarily by dues from member clubs, participation fees from Rotarian members, and grants from Rotary International and The Rotary Foundation.

Rotary 5340 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.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in the preparation of the Organization's financial statements:

**Basis of Accounting**

The financial statements of the Organization are prepared on the accrual basis of accounting, in conformity with United States generally accepted accounting principles.

**Basis of Presentation**

The financial statements are presented in conformity with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Financial Statements of Not-for-Profit Organizations*. Accordingly, net assets and revenues, gains and losses are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes there-in are classified and reported as follows:

- **Unrestricted** net assets are those currently available, at the discretion of the District Treasurer and Management, for use in the Organization's operations.
- **Temporarily restricted** net assets are those that are stipulated by donors for specific operating purposes, special programs, or for capital projects. Temporarily restricted amounts include contributions restricted by donors and the Flag Court Project.
- **Permanently restricted** net assets are generally reserved for situations when donors make permanent endowments.

As of 2012, the Organization did not have any permanently restricted net assets.



**ROTARY INTERNATIONAL DISTRICT 5340**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

Revenue is reported as an increase in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as a decrease in unrestricted net assets. Gains and losses on investments and other assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is limited by donors or by law.

If an expense is incurred for a purpose for which temporarily restricted net assets are available, a donor-imposed restriction is fulfilled to the extent of the expense incurred. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as release from restrictions in the statement of activities.

**FASB Codification** – The FASB sets Generally Accepted Accounting Principles (GAAP) that the Organization follows to ensure consistent reporting of financial condition, results of operations, and cash flows. In June 2009, the FASB established the FASB ASC as the sole source of authoritative GAAP.

The Codification does not change how the Organization accounts for its transitions or the nature of the related disclosures made. The change was made effective by the FASB for periods ending on or after September 15, 2009. The adoption of the Codification did not impact the Organization's financial position and results of operations. The Organization has updated these financial statements to reflect the guidance in the Codification.

**Cash Equivalents**

The Organization considers all highly liquid instruments with maturity of three months or less to be cash equivalent. These assets are valued at amortized cost, which approximates fair value. There were no cash equivalents held by the Organization at June 30, 2012. Total cash held by the Organization at June 30, 2012 was \$185,038. There were no restrictions placed on cash balances as of June 30, 2012.

The Organization maintains its cash and cash equivalents in a commercial bank in the United States. Accounts at U.S. banks are insured by the Federal Deposit Insurance Corporation (FDIC). The FDIC fully insures U.S. institutions on deposits held in transaction accounts through December 31, 2012, at which time the FDIC will establish new limits.

**Accounts Receivable**

Rotary International allocation is recorded at net realizable value consisting of the carrying amount less an allowance for uncollectible amounts. Management of the Organization has a policy to use the allowance method to account for uncollectible account balances. The allowance may be applicable and established based upon estimated loss related to specific accounts as determined by historical experience and the age of the balance.

**ROTARY INTERNATIONAL DISTRICT 5340**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2012**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment**

Furniture, fixtures and equipment are capitalized at cost and depreciated over five to ten years using principally the straight-line method for financial reporting purposes. Expenditures for major renewals and betterments that extend the useful lives of the building are capitalized and depreciated over the life of the improvement. Expenditures for maintenance and repairs are charged to expense as incurred. Donated assets are capitalized at the estimated fair market value at the date of the gift.

**Asset Impairment Assessment**

In accordance with FASB ASC 360-10, the Organization regularly evaluates its long-lived assets for indicators of possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If management determines that impairment has occurred, a loss is recognized based on the difference between the assets' carrying values over their estimated fair values. Based on its review, management does not believe that any impairment has occurred as of June 30, 2012.

**Recognition of Revenue**

Contributions are recognized as revenue in the period when cash or unconditional promises-to-give have been received, or ownership of donated assets is transferred to the Organization. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met. Any non-cash gifts that the Organization may receive are recorded as support at the estimated fair market value on the date of the gift. Resources given to the Organization that do not have an objective basis for valuation are not recorded. All contributions are considered available for unrestricted use, unless specifically restricted by the donor or subject to other legal restrictions.

Contributions are recorded as temporarily or permanently restricted if they are received with donor stipulations that limit their use through purpose and/or time restrictions. When donor restrictions expire, that is, when the purpose restriction is fulfilled or the time restriction expires, the net assets are released and reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization's policy is to record temporarily restricted contributions received and expended in the same accounting period as temporarily restricted contributions and net assets released from restrictions.

**Income Taxes**

The Organization is exempt from Federal and State of California income taxes under IRC Section 501(c)(4) and California Section 23701(d). In addition to being exempt from filing nonprofit information returns, nonprofit organizations are potentially subject to Federal and State income taxes on activities unrelated to their tax-exempt purpose. The Organization is not aware of any such activities that it may have engaged in during the year ended June 30, 2012. Accordingly, no provision for income taxes is made in the accompanying financial statements.

ROTARY INTERNATIONAL DISTRICT 5340

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Income Taxes (Continued)**

The Organization has not taken an unsubstantiated tax position that would require provision of a liability under ASC 740, "Income Taxes." Under ASC 740, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not that the position will be sustained. The Organization does not believe there are any material uncertain tax positions and, accordingly, has not recognized any liability for unrecognized tax benefits. The Organization has filed any applicable information returns in all jurisdictions, when they have been required. For the year ended June 30, 2012, there were no interest or penalties recorded or included in the financial statements.

**Risks and Uncertainties**

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near-term and that such changes could materially affect account balances and the amounts reported in the financial statements.

**Use of Estimates**

The preparation of financial statements in conformity with the cash basis of accounting requires the Organization's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Recent Accounting Pronouncements**

The accounting standards initially adopted in the 2012 financial statements described below affected certain note disclosures but did not impact the statement of financial position or the statement of activities.

Effective January 1, 2010, the Organization adopted FASB issued Statement of Financial Accounting Standards (SFAS) No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles*. SFAS No. 168 establishes the FASB ASC as the sole source of authoritative accounting principles recognized by the FASB to be applied by nonpublic entities in the preparation of financial statements in conformity with GAAP (the GAAP hierarchy).

As of January 1, 2010 the Organization had adopted FASB ASC 740-10 (formerly FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*). FASB ASC 740-10 interprets the guidance in FASB ASC 740 (formerly SFAS No. 109, *Accounting for Income Taxes*). With implementation of FASB ASC 740-10 reporting entities will utilize different thresholds and measurement requirements when compared to prior technical literature. The interpretation requires that computation of current and deferred income tax assets and liabilities only consider tax positions that are more likely than not to be sustained if the taxing authority examined the position. The Organization has no uncertain tax position that qualifies for either recognition or disclosure in the financial statements.

ROTARY INTERNATIONAL DISTRICT 5340

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

In 2009, FASB issued Accounting Standards Update (ASU) 2009-06 *Implementation Guidance on Accounting for Uncertainty in Income Taxes and Disclosure Amendments for Nonpublic Entities (Topic 740)*. This pronouncement provides implementation guidance to not-for-profit entities with respect to uncertain tax positions, including such areas as whether the Organization is subject to income taxes for unrelated business income, or the status of the Organization's classification as an entity exempt from taxes under Federal and State tax regulations. As a result of this pronouncement, the Organization evaluates tax positions and has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Organization is not subject to examination by the Federal and State agencies for years prior to 2008.

In May 2011, the FASB issued ASU 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards (Topic 820) – Fair Value Measurement* (ASU 2011-04), to provide a consistent definition of fair value and ensure that the fair value measurement and disclosure requirements are similar between U.S. GAAP and International Financial Reporting Standards. ASU 2011-04 changes certain fair value measurement principles and enhances the disclosure requirements particularly for Level 3 fair value measurements. ASU 2011-04 is effective for the Organization prospectively for the year ending June 30, 2012. The Organization is currently evaluating the impact of pending adoption of ASU 2011-04 on its financial statements.

In July 2010, the FASB issued ASU 2010-20, *Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses*. This enhances the disclosure requirements for financing receivables in ASC 310, *Receivables*. The amended disclosures are designed to provide more information to financial statement users about the credit quality of a creditor's portfolio of financing receivables and the adequacy of its allowance for credit losses by requiring entities to disclose; the name of the credit risk inherent in the receivables; how the entity analyzes and assesses credit risk to estimate the allowance for credit losses; and the changes in both the receivables and the allowance for credit losses, and the reason for those changes. Financing receivables include, but are not limited to, loans, trade accounts receivable, notes receivable, and receivables related to a lessor's leveraged, direct financing, and sales-type leases. ASU 2010-20 is effective for fiscal years ending on or after December 15, 2011. The adoption of this guidance did not have a material impact on the Organization's financial statements.

**ROTARY INTERNATIONAL DISTRICT 5340**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**NOTE 3 FIXED ASSETS AND INTANGIBLES**

Buildings and equipment consist of the following as of June 30, 2012:

Furniture, fixtures and equipment	\$	8,445
Total Buildings and Equipment, at Cost		8,445
Accumulated depreciation		(4,963)
Net Buildings and Equipment	\$	3,482
Intangible Assets		
Website development costs	\$	19,668
Accumulated amortization		(10,101)
Net Intangible Assets	\$	9,567

Depreciation and amortization expense for the year ended June 30, 2012 was \$1,404 and \$1,063 respectively.

**NOTE 4 DEFERRED REVENUE**

The Organization receives pre-registration funds for Rotary conferences that will be held in the near future. Pre-registration fees are recognized as revenue in the accounting period during which the conference is held. Advance pre-registration payments received during the year ended June 30, 2012, which will be recognized as revenue during the next fiscal year is \$2,058.

**NOTE 5 TEMPORARILY RESTRICTED NET ASSETS**

**Flag Court.** The Rotary Flag Court was dedicated on April 8, 2005 as a Centennial Project for Rotary District 5340.

Approximately \$114,000 in donations were raised from District 5340 Rotarians and their Rotary Clubs to fund the construction of the flag court, including "Rotary Flag Court" signage and two wall-mounted plaques depicting the Object of Rotary and the 4-Way Test. Individual donors (Rotary Clubs and Rotarians) also received name recognition on individual flagpole plaques for their donations. From these funds \$100,000 was paid to the Padres for use and naming of the Rotary Flag Court. Residual funds are used for the purchase of the plaques, the Rotary flags, and as a reserve for ticket operations.

The current configuration of flag poles is: three large center poles, which fly the U.S., California State, and Padres or Rotary flags. Behind the three large poles are five smaller poles flying the flags of the five branches of the Military (Army, Air Force, Navy, Marines, Coast Guard). At the perimeter are fifteen smaller poles flying the flags of the individual MLB teams grouped by the three divisions.

**ROTARY INTERNATIONAL DISTRICT 5340**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2012**

**NOTE 5 TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)**

In addition to maintaining the signage in perpetuity, the Padres have agreed to set aside six Rotary group events per year (one per month during the baseball season), whereby Rotarians are offered discounted tickets and are given opportunities for on-field recognition, scoreboard recognition, and additional recognitions. During these Rotary group events the "large" Rotary flag will fly alone along side the U.S. Flag pole, and opposite the California State Flag pole. At all other Padres games the "small" Rotary Flag will fly directly beneath the large Padres Flag on this pole. A basic purpose of the Rotary-Padres agreement is "expand mutual involvement between the Padres and Rotary in community relations programs and events". It is further expected Rotary will derive benefit from the presence of the Rotary Flag Court with respect to its public image and membership development efforts.

**NOTE 6 CONCENTRATIONS**

The Organization's primary source of income consists of contributions from members and regular attendees. Contributions constituted approximately 90% of the Organization's revenue for the year ended June 30, 2012. The Organization's market is concentrated in the County of San Diego, California.

**NOTE 7 RELATED PARTIES**

It is not uncommon for Organization's to conduct joint efforts with related organizations such as other Organization and/or community nonprofit organizations to accomplish a common goal. Rotary International District 5340 does work in the community with other organizations and nonprofits. All financial matters are kept separate and any member donations for these projects are considered temporarily restricted until properly disbursed for their purpose. There is no combining of funds from any other outside organization. As of June 30, 2012 the Organization had a \$12,000 related party payable to the Rotary Foundation, for Nairobi Aku VTT Grant.

**NOTE 8 SUBSEQUENT EVENTS**

On July 1, 2011, the Organization adopted FASB ASC 855-10, *Subsequent Events* (formerly Statement of Accounting Standards No.165). This standard establishes general standards of accounting for and disclosure of events that occur after the statement of financial position date but before statements are available to be issued. All events or transactions have been evaluated that occurred after June 30, 2012 through August 3, 2012, the date these financial statements were available to be issued. During this period there were no material recognizable subsequent events.

**ROTARY INTERNATIONAL DISTRICT 5340**

**SUPPLEMENTAL SCHEDULE**

**FOR THE YEAR ENDED  
JUNE 30, 2012**

ROTARY INTERNATIONAL DISTRICT 5340

SUPPLEMENTAL SCHEDULE  
DETAILED SCHEDULE OF EXPENSES

FOR YEAR ENDED JUNE 30, 2012

Club Service	
Public relations	\$ 22,437
District administrator salary	20,742
Other district club service expense	<u>195,937</u>
Total Club Service	<u>239,116</u>
International Service	
International grants	<u>31,336</u>
Total International Service	<u>31,336</u>
Youth Service	
Youth services	<u>134,089</u>
Total Youth Service	<u>134,089</u>
Community Service	
District grants	<u>72,850</u>
Total Community Service	<u>72,850</u>
Administrative and Management Expenses	
Financial review	3,956
Insurance and bond	1,131
Office expense	11,249
Phone/fax	<u>2,326</u>
Total Administrative Expenses	<u>18,662</u>
Total Expenses	\$ <u><u>496,053</u></u>

See Notes to Financial Statements and Independent Accountant's Review Report.