

Date: November 7, 2008

Rotary District 5440 Executive Committee

Time: 12:00 pm

Location: Laramie County Community College, Cheyenne, WY

MINUTES

| Members          | Role/Position | Present | Members         | Role/Position        | Present | Others Present  |
|------------------|---------------|---------|-----------------|----------------------|---------|-----------------|
| John Guyette     | Member/PDG    | P       | David Scriven   | Member/DGE           | P       | PDG Bill Pettus |
| Gordon Johnson   | Member/PDG    | A       | Dennis Tippetts | Member/Trainer       | P       | Susie Palmer    |
| George McIlvaine | Member/PDG    | P       | Bryan Cooke     | Ex-Officio/DGN       | P       |                 |
| Stuart Palmer    | Member/DG     | P       | Roger Schreiner | Ex-Officio/Treasurer | P       |                 |
| Nancy Pettus     | Member/PDG    | P       | Kellie Tovar    | Ex-Officio/Secretary | P       |                 |

P=Present A=Absent

| AGENDA/TOPIC  | DISCUSSION   | ACTION PLAN   | Open/<br>Closed |
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| Call to order at 12:15 pm by Interim Chairman McIlvaine                                 | We do have a quorum for today's meeting.   |   | C               |
| 1. Election of Executive Committee Chair for 2008-09                                    | Interim Chairman George McIlvaine asked for volunteers to chair the position.  | PDG John Guyette moved to elect George McIlvaine as chair of the Executive Committee for the 2008-09 Rotary year, PDG Nancy Pettus seconded. Motion passed.                 | C               |
| 2. Approval of Executive Committee meeting minutes dated June 5, 2008 and June 6, 2008. | Chairman George McIlvaine asked the committee to review their copies of the meeting minutes and asked if there were any questions or modifications to be made to either of the minutes. DGN Bryan Cooke noted that on page two, paragraph three of the June 6, 2008 meeting minutes the paragraph reads as follows: PDG Bill Muldoon, as this Rotary year District Bylaws chairman, commented that he has reviewed four to five drafts of the bylaws as they were being written and feels as written | PDG John Guyette moved to approve the June 5, 2008 meeting minutes as written and the June 6, 2008 meeting minutes as corrected, DGE David Scriven seconded. Motion passed. | C               |

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|   | <p>this a good working document.<br/>It should read as follows: PDG Bill Muldoon, as this Rotary year District Bylaws chairman, commented that he has reviewed four to five drafts of the bylaws as they were being written and feels as written this is a good working document.</p> <p>Hearing no other changes to be made, Chairman McIlvaine asked for a motion to approve the June 5, 2008 meeting minutes as written and the June 6, 2008 meeting minutes as corrected.</p>  |  |   |
| <p>3. District 5440 Financial Report – District Treasurer Roger Schreiner</p> |  |  |   |
| <p>a. Financial Report</p>  | <p>District Treasurer Roger Schreiner reported that all district dues have been collected for this Rotary year.</p> <p>Roger reported the current balances for the following accounts:<br/>District Savings: \$154,923.51<br/>District Checking: \$22,312.58<br/>Franklin Fund fair market value as of November 6, 2008 was \$38,920.34</p> <p>Discussion was held on the volatility of the stock market and the loss in the Franklin Fund. PDG John Guyette explained that Franklin Fund did have some Freddie Mac and Fannie Mae loans but is hoping the Federal Government will bail some of them out. The current dividend return is 8.77% and Franklin Funds is estimating a 24% return by the end of the year. PDG John Guyette also stated that the fund is a relatively conservative fund that</p> |  | C |

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|  | <p>statistically yields 10.99% annually and has a great track record.</p> <p>Chairman George McIlvaine noted that paragraph 4.4 of the District Bylaws reads as follows:</p> <p><i>A District Contingency Reserve Fund shall be established and maintained by the District in an amount sufficient to defray unexpected losses of the District. The minimum level of this Reserve Fund shall be Fifty Thousand and No/100 Dollars (\$50,000.00). Money in this Fund will be augmented by excess funds from prior year's activities, including any surplus remaining from the District Conference. The Fund shall be managed by the District Executive Committee which shall be responsible for annually reviewing the Fund level and making adjustments, as appropriate, in the minimum maintenance level. Expenditures from the Reserve fund shall be replaced with funds in succeeding year's budgets to keep it at its approved minimum level.</i></p> <p>Based on the District Bylaws, funds need to be moved into the Franklin Funds account in order to maintain the required \$50,000 balance. Discussion was also held with regards to reinvesting any future dividends and/or capital gains which are currently paid out each month.</p> <p>District Treasurer Roger Schreiner distributed a financial report dated June 30, 2008 (Report attached). No changes have been made for line items that were discussed with PDG Nancy Pettus because it will give a better overview of actual costs associated with each line item for</p> | <p>District Trainer Dennis Tippetts moved to reinvest dividends and/or capital gains in the Franklin Fund, DG Stuart Palmer seconded. Motion passed.</p> <p>This committee acknowledges the receipt of the June 30, 2008 financial report from District Treasurer Roger Schreiner.</p> | C |
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|  | <p>future budgeting purposes. Overall, expenses were \$935 less than budgeted for the 2007-08 Rotary year. Following district conference, the committee sent a check to Roger for deposit back into the district checking which totaled \$19,374.61 of which repaid the \$6,000 advance as well as the original \$9,810 conference allocation from district dues, which left a surplus from the conference of \$3,564.61. Roger is scheduled to undergo annual audit on November 17<sup>th</sup> and the committee will go through everything then.</p> <p>District Treasurer Roger Schreiner distributed a financial report dated September 30, 2008 (Report attached). This report shows accounts receivable in the amount of \$6,528 which is District dues still owing from Casper Rotary Club but they have since sent in their dues.</p> <p>The Russian committee account is now at \$2,564.66 with a \$375 deposit received after September 30<sup>th</sup>. Chairman McIvaine commented, for informational purposes only, that the District Russian Committee has maintained a separate account in past years; however, it made it easier for the committee to have the District Treasurer carry the account. PDG Nancy Pettus asked if this was the fund that helps support Russian RYLA and Chairman McIvaine clarified that the Russian RYLA is designated through the District budget and this is a separate account.</p> <p>District Treasurer Roger expanded on the September 30<sup>th</sup> financial report stating that we are anticipating a \$12,695 shortfall for the Rotary year and discretionary funds will need to be moved to cover the shortfall as called for</p> | <p>This committee acknowledges the receipt of the September 30, 2008 financial report from District Treasurer Roger Schreiner.</p> <p>No further action necessary.</p> <p>No further action necessary.</p> |  |
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in DG Stuart Palmer's budget. Roger indicated that this year's budget has a lump sum for expenses for the DG, DGE & DGN instead of having a separate line item for each expense. The directory cost is a one time expense and was paid in June but now shows in DG Stuart Palmer's budget.

On the report it shows background checks in the amount of \$352.77 have been paid so far this year, which was partly the set up fees to USIS. Roger explained that DPO Dick Dresang's credit card is being charged monthly for background checks processed, Roger receives the statement and he writes a check to Dick Dresang for the charges. There was a \$280 expense in September that was posted in October and Roger just paid another \$510 that was the October charges posted in November. Therefore, the total cost of background checks as of this meeting date is \$1,142.77. Discussion was held on the need to have clubs pay for background checks in the future and it was noted that on June 5, 2008, the following motion was approved:

*DGE Stuart Palmer moved that background check applications be sent in by Club Protection Officers for all programs pertinent to District activities and at the next Executive Committee meeting it will be determined how to handle club sponsored programs, with an initial recommendation that each club have two certified Rotarians, with DGE Stuart Palmer's discretion to approve more per club, Dick Griffith seconded. Motion passed.*

DG Palmer stated that he has budgeted for 500 background checks this Rotary year

DPO Dick Dresang will separate background checks for district related

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|  | <p>related to district activities. DG Palmer will ask DPO Dick Dresang to separate district related activities from club related activities and then send a bill clubs for the club related activity background checks.</p> <p>Roger stated that this year, emergency donations spent from the District budget, is at \$2,000 for the Guatemala relief efforts.</p> <p>Roger also informed the committee that the annual fee to the State of WY will be made immediately.</p> <p>DG Palmer commented for informational purposes that three clubs have not paid their RI dues and are delinquent. Those three clubs are Thermopolis, Douglas and Lander. As of the date of this meeting, Lander is the only one still delinquent and their club has informed DG Palmer that they just received a semi-annual report from RI and will fill it out and return it this week.</p> | <p>activities from club related activities and will bill clubs for background checks related to club activities. DPO Dick Dresang will compile a report for the next Executive Committee meeting.</p> <p>No further action necessary.</p> <p>No further action necessary.</p> <p>No further action necessary.</p> |  |
| <p>3. District Governor's Report –<br/>Stuart Palmer</p> |  |   |  |
| <p>a. 2009 District<br/>Conference Update</p>            | <p>Stuart presented a promotional card advertising the conference. Jackson is preparing for a Friday night evening in town square with a BBQ at The Cowboy Bar. DGE Scriven commented that when entertainment starts, conversation ends because of the noise. Stuart stated that Shelly &amp; Kelly, a husband and wife folk music will serve as the night's entertainment with softer music and because we are "buying out the bar" the committee will control the music levels, etc.</p>   | <p>DG Palmer will keep this committee updated throughout the year.</p>  |  |

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|                       | <p>DG Palmer stated that 5 clubs are actively involved in putting on the conference. He stated that Joni Upsher is extremely helpful in putting it together. There will be a Seattle speaker who will talk about generational differences and a lot more exciting events.</p> <p>PDG Bill Pettus presented a conference evaluation summary for the Cody conference and stated that an overwhelming number of people present liked the shortened program. DG Palmer indicated the Jackson conference will be a shortened conference as well.</p> <p>It was noted that from the Cody conference, Sheiterbox is still high on club priority lists and Douglas has bought two and is working on a 3<sup>rd</sup>. PDG Guyette commented that Greeley Centennial has sold three of them to non-Rotarians. DG Palmer informed the committee that Pat Bols has one available to be sent around district for display if interested.</p> | <p>No further action necessary.</p> <p>No further action necessary.</p>                                     |  |
| <p>b. Club Visits</p> | <p>DG Stuart and Susie have visited 48 of 51 clubs so far this Rotary year. They have Ski Town ,USA, Jackson and Jackson Supper left on their schedule of visits.</p> <p>Stu and Susie were present at a special club meeting at Cody where 17 members received a surprise PHF from the Durell Williams donation. Now other members who have points were talking of pooling points to make others PHF.</p> <p>It was discussed that as of June 30, 2008, points will not be able to be transferred unless they are in 500 point increments TRF.</p>   | <p>No further action necessary.</p> <p>No further action necessary.</p> <p>No further action necessary.</p> |  |

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|  | DG Stu stated that there is interest for new clubs in Casper for a breakfast club and Jackson Supper wants to pursue one in Pinedale.  | DGE Dave Scriven and DGN Bryan Cooke can work with cooperating clubs in establishing these new clubs. |  |
| c. End Polio Now Update                                      | Our clubs are working hard to raise funds for the End Polio Now campaign and DG Stu learned at the Zone Institute in September that our District has raised the most money in Zone 25 so far with \$71,000 at that time.   | No further action necessary.  |  |
| d. TRF giving for the Rotary year                            | DG Stu's club goal is \$237,000 for the year, however, right now the challenge is retaining members. Stu stated there will be a session tomorrow on membership retention at Foundation/Membership seminar and Diane Kessel Knight will do the presentation.<br><br>Stu also stated that with the current economic times that Districts 5450, 5470 & 5440 are proposing getting together and creating a job bank for Rotarians who have positions available for work to post for those Rotarians who have or will lose their positions. | No further action necessary.<br><br>No further action necessary.                                      |  |
| e. Laramie District Assembly (Foundation/Membership Seminar) | DG Palmer handed out an agenda for the assembly and stated that the focus is on retention and membership. Loveland Mountain View has three members who will do a presentation on ways to recruit and retain young professional members. PDG Cathy Smith will talk on long range planning.<br><br>The location is the Hilton Garden Inn in Laramie, WY.   | DG Palmer will update the committee at next meeting as to the success of this assembly.               |  |
| f. D.K. Lee Luncheon   | The all club luncheon will be held on January 16, 2009 in Ft. Collins at the Marriott Hotel with a capacity of 500. Greeley Centennial club  | DG Palmer will update the committee at next meeting as to the success of this luncheon.               |  |

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|  | president, Roseann Guyette, is chair of the committee.  |  |   |
| g. Club issues – Actions taken for member convicted of crime | Gillette Energy has a member convicted of a felony and they have emailed DG Stu asking what actions to take with regard to the member. DG Stu has responded that it's the individual club board's decision but he asked them to be sure their decision will not bring ill will on Rotary.   | Stu will keep advised on this situation.   |   |
| 4. DGE report – David Scriven                                |   |  |   |
| a. District Treasurer  | DGE Scriven informed the committee that Joni Kumor has accepted the position of 2009-10 district treasurer and will remain in that capacity for a three year term. She has been the treasurer of the Casper 5 Trails club and is a CPA. She will act as Treasurer-elect for the interim and work on training with Roger.                  | No further action necessary.   | C |
| b. PETS  | DGE Scriven has been part of the regular meetings for PETS planning. The dates are February 27-March 1, 2009 and John Kenney will be a guest speaker. Breakout sessions will focus on district and club communication and what the district does for the club. Friday AG training in morning followed by a buffet lunch in David's suite. | DGE Scriven will update the committee at next meeting as to the progress of registrations for PEs and PENS for PETS. | O |
| c. District Assemblies                                       | DGE Scriven has been going over every combination of a district assembly that has been tried and Dave thinks they are very important. He was considering 13 locations to cover a broad range so clubs don't have far distances to travel. Online/conference calls may be an option for assemblies as well.                                | DGE Scriven will update the committee at next meeting.   | O |
| d. 2010 District   | DGE Scriven stated that there will be no  |  |   |

Conference

Mazatlan conference even though he likes the international concept. DG Palmer commented that he talked with Steamboat Springs on DGE Scriven's behalf and they said they would think about doing a conference on Dave's behalf. DGE Scriven stated that Casper has a lot going for it being in the middle of the district, however, a location is difficult. He stated there will be a Thursday night home hospitality followed by a dessert social at the art museum, a barbeque on Friday night as well as lots of free time activities. The event center is an option because it is close to all the hotels and would be easy to shuttle people back and forth.

PDG Guyette suggested that district money be spent to encourage new Rotarians to attend a district conference and perhaps a way to do that is to have each club present an award to one Rotarian who has never attended a district conference and pay their registration fee. PDG McIlvaine stated that he gave away 10 free conference registrations to Cheyenne club members and only one came. Discussion was held on how to structure and promote district paid registration fees for first time attendees.

It was decided that a voucher will be sent to the club president and they will be responsible to award the voucher to a Rotarian who has never been to a district conference, the attendee then fills out their registration form and attaches the voucher and mails in their registration form for the conference. This will help account for how many vouchers are used and how much district funds needs to be sent to the conference committee for this promotion.

PDG John Guyette moved to set aside funds from the reserves to promote the district conference to get more people to come, PDG Nancy Pettus seconded. George asked if there should be a limit on the amount of funds. Discussion was held. Restrictions are that the Rotarian would have to be a first time attendee to a district conference and it will be an award of \$200 towards their registration fee per Rotarian/per club. Motion passed.

DG Palmer, DGE Scriven and PDG Guyette will work out the details.

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|                                    | <p>DGE Scriven stated that he wants to hold a Rotaract/Interact district conference at same time as the regular conference with a separate speaker on Saturday morning.</p>  | <p>DGE Scriven will update the committee at next meeting.</p>  |  |
| <p>e. PolioPlus</p>                | <p>DGE Scriven wants to use the Public Relations grant during his year to promote a PolioPlus money drive. It would be structured where every club would have a designated location for collection of funds, similar to Salvation Army kettle drive, with 100% of the proceeds going to the End Polio Now campaign.</p>  | <p>DGE Scriven will update the committee as this project evolves.</p>  |  |
| <p>5. DGN report – Bryan Cooke</p> | <p>DGN Cooke obtained an example of an RFP at a Zone Institute presentation by Kelly Adkinson, a PDG from Utah, who used this concept for their district conference. DGN Cooke circulated the RFP among the committee members and PDG McIlvaine commented that he would hesitate to have 100% of the profits paid to the club hosting the conference, perhaps a 50/50 split with the District would be appropriate. DGN Cooke said he would keep this in mind and he is also considering approaching 5450 and asking them to consider holding a joint District conference.</p> <p>For informational purposes, DGN Cooke passed out a packet from Arapahoe Community College to DG Palmer and DGE Scriven which has a lot of information on grants.</p> <p>DGN Cooke stated that the BBB is very interested in getting more publicity in the District for the BBB/Rotary Ethics Scholarship and the inclusion a BBB/Rotary Ethics</p> | <p>DGN Cooke will update the committee as the 2011 District Conference develops.</p> <p>No further action necessary.</p> |  |

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|   | <p>Scholarship Committee listing in the district directory may be an option.</p> <p>DGN Cooke put a program together for the District Foundation/Membership Seminar on Programs of the Rotary Foundation as well as a Matching Grants with Partners program.</p>  |  |          |
| <p>6. Continuing Business</p> <p>a. Future Vision Plan – DG Stuart Palmer</p> | <p>PDG Bill Pettus has been through the Future Vision Plan training four times and each time it gets better. As the District Foundation Chair he recommends that our District participate in the pilot program. It will take a 2/3 majority vote of the clubs to allow the district to submit our District as a pilot District.</p> <p>For informational purposes only, effective July 1, 2009, PDG Bill Pettus will be the Regional Zone Coordinator for Zone 27.</p> <p>DGN Cooke stated that he would like to see the District Foundation Committee expand and a good member to add to that committee would be Myra Monfort.</p> | <p>PDG John Guyette moves that District 5440 applies to be a pilot District in the Future Vision Plan to The Rotary Foundation, DG Stuart Palmer seconded. Motion passed.</p> <p>DGE Dave Scriven will be in charge of appointing a new District Foundation Chair for 2009-2012.</p> | <p>C</p> |
| <p>b. Background check costs</p>  | <p>See above.</p>   |  |          |
| <p>c. Protection Policies- Update from Dick Dresang draft</p>                 | <p>DG Palmer stated that he was to have them from DPO Dick Dresang but has not received them.</p>   | <p>DG Stuart Palmer will contact DPO Dick Dresang and present the updated protection policies at the next meeting.</p>   | <p>O</p> |
| <p>d. District Bylaws – Minor Changes – PDG George McIlvaine</p>              | <p>DG Palmer suggests modifying the bylaws to allow specific committees such as YE and RYLA to serve beyond the three year term limit now in the current bylaws. Discussion was held and it was recommended to ask the Bylaws Committee to rewrite the article to allow</p>   | <p>PDG George McIlvaine will send this and any other changes to Bylaws Committee for review and Kellie Tovar will send out current Bylaws to club presidents and post on website because they are not printed in district</p>  | <p>O</p> |

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|  | the Executive Committee to authorize longer terms for committee members when necessary.<br><br>PDG George McIlvaine stated that the bylaws call for the appointment of three members of the Executive Committee to serve on the Finance Committee.   | directory.<br><br>PDG John Guyette, PDG George McIlvaine and DG Stuart Palmer will be the members of the Finance Committee.  | C          |
| 6. New Business  |  |  | O          |
| a. Foundation Dinner                                     | The Foundation dinner will be held in Denver on January 16, 2009. The planning committee has requested early and often advertising for this dinner to get more registrations.  | Club presidents who have attendees receiving PHF awards can have them presented by DK Lee at this event as well as at the all club luncheon earlier in the day.  | O          |
| b. Kellie Tovar's Pay                                    | Ratification to increase Kellie Tovar's hourly pay as of July 1, 2008 to \$21.50/hr.<br><br>DG Palmer stated that Kellie has asked to be considered a salaried employee instead of an hourly employee. Discussion was held and Kellie will schedule regular office hours for Thursdays from 9am-12pm excluding holidays.   | PDG Nancy Pettus moved to approve the increase in hourly pay to \$21.50/hr effective July 1, 2008, District Trainer Dennis Tippetts seconded. Motion approved.<br><br>DGE Dave Scriven moved to make Kellie a salaried employee, PDG John Guyette seconded. Motion passed. | C<br><br>C |
| c. Ratification of District Emergency Fund Disbursements | DG Palmer stated that in addition to the \$2,000 in emergency funds already dispersed to the Guatemalans that he has had requests from Louisiana and Texas for emergency relief due to the recent hurricanes. DG Palmer would like to send \$2,000 to Louisiana and \$2,000 to Texas where homes were literally demolished. PDG John Patton contacted DG Palmer earlier in the week and said that funds are coming in very slowly. Stu is asking this committee consider and ratify this disbursement. This will | PDG Nancy Pettus moves to ratify the disbursement of emergency funds, Dennis Tippetts seconded. Motion passed.   | C          |

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|  | <p>leave \$4,000 in the emergency funds budget.</p> <p>PDG Nancy Pettus explained that the monies from the silent auction held at the Cody district conference was used to establish a scholarship fund at UW that will provide two \$1,000 scholarships to middle elementary/junior high teachers for continuing education. The teachers awarded this scholarship have to be teaching in the district. The silent auction made approximately \$7,000 which will sustain the two scholarships for just three years. PDG Pettus would like to use some of the excess funds from the Cody district conference to fund this scholarship for additional years. PDG Pettus also commented that each year she will be putting an item in the district conference silent auction and she will ask the conference committee to designate that the funds for that item go directly to this scholarship program. The name of the scholarship is Rotary District 5440 Scholarship. PDG Pettus is asking for \$5,000 of district funds, most of which was profits from the district conference, be put into this scholarship.</p> | <p>DGE Dave Scriven moves to approve the distribution of \$5,000 to the Rotary District 5440 Scholarship, PDG John Guyette seconded. Motion passed.</p>  | C |
| <p>d. Cody Conference excess funds</p>               |   | <p>DG Stuart Palmer stated that the Rotarian will hear something by end of week.</p>   | C |
| <p>e. Summer YE Program</p>                          | <p>Kellie Tovar received a phone call from a Rotarian concerned that their club had not yet received Summer YE applications/information on the program.</p>   | <p>PDG George McIlvaine asked the committee to consider starting a District Foundation which would allow the District to control our own grants, etc. District Treasurer Roger Schreiner commented that if the District started it's own foundation there would need to be a separate group of trustees, strict rules and regulations to follow and required forms to do follow-up</p> | C |
| <p>f. District Foundation – PDG George McIlvaine</p> |   | <p>No further action necessary.</p>  | C |

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|  | reports.  |  |   |
| g. Ratification of District 5440 checking accounts |   | <p>Dennis Tippets moved to adopt a checking account at the First Interstate Bank of Jackson, in the name of Rotary District 5440, for the specific purpose of conducting a district conference in Jackson, PDG Nancy Pettus seconded. Motion passed.</p> <p>Dennis Tippets moved to adopt a checking account at the First Interstate Bank of Casper, in the name of Rotary District 5440 for the specific purpose of conducting a district conference in Casper, PDG Nancy Pettus seconded. Motion passed.</p> | C |
| h. Membership Job Listing Site                     | See above.  |  |   |
| i. LCCC Online Meetings                            | <p>Michael Warters of LCCC suggested the use of Leader Phone for upcoming meetings. The charge is 9.5¢/minute to do a conference call and that is for everybody who logs into the system. To conduct a Leader Phone meeting participants have to log onto the website and can see presentation for 20 cents a minute. It was recommended to mute the phone if not talking by doing *6 on the phone. Different leaders can run the meeting at different times therefore different presentation can be viewed throughout meeting.</p> | The committee would like to look into this option further.   | O |
| j. Russian RYLA                                    | PDG George McIlvaine commented that Heather Amen made trip to Russia to help with   | No further action necessary.   | C |

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|                                   | their RYLA.   |  |   |
| k. Souvenir                       | A Russian Musical Group called Souvenir may be coming here for a month to do concerts throughout the district. It will cost about \$30,000 to do the project and PDG George McIlvaine asked the committee if they would have a problem with him soliciting the clubs for ticket sales. The Russian committee would be responsible for the project.                              | DG Stuart Palmer moved that the district will support this project if the local clubs will support it, PDG John Guyette seconded. Motion passed. | C |
| l. Intercountry Russian Committee | PDG George McIlvaine is our representative for the Intercountry Russian Committee. George stated that PDG John Guyette went to the Los Angeles, CA meeting. The next meeting location proposed is a remote location that will take about \$5,000 just to get there. PDG George McIlvaine informed the committee that he probably will not attend the next Intercountry meeting. | No further action necessary.   | C |
| Adjournment                       | Chairman George McIlvaine adjourned the meeting at 4:05 pm.   | The next meeting date, time and location TBD.  |   |



**SCHREINER & WESKAMP, LLC**

*(Certified Public Accountants)*

1607 East 19th Street  
Cheyenne, Wyoming 82001

Executive Committee  
Rotary District 5440

ACCOUNTANTS' COMPILATION REPORT

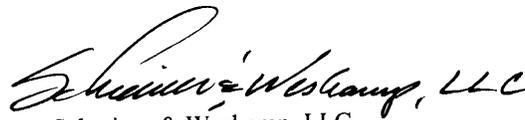
We have compiled the accompanying balance sheets for the general and district conference funds of Rotary District 5440 as of June 30, 2008, and the related statements of revenue and expenses for the twelve months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations and cash flow. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying financial statements and our accountants' compilation report are for the internal use of the management of Rotary District 5440 and should not be used or relied upon by any other party for any purpose. Additional users of these financial statements and our accountants' compilation report are hereby advised that the liability of Schreiner & Weskamp, LLC to third party users who use or rely on this information may be limited pursuant to 1995 Wyoming Session Laws, Chapter 155 creating Wyoming Statute Section 33-3-201.

We are not independent with respect to Rotary District 5440.

  
Schreiner & Weskamp, LLC  
Certified Public Accountants

November 6, 2008

**ROTARY INTL DISTRICT 5440  
BALANCE SHEET  
June 30, 2008**

**ASSETS**

|   | <b>GENERAL FUND</b>  |
|---|----------------------|
| <b>CURRENT ASSETS</b>                   |                      |
| CHECKING-FIRST NATL BANK OF WY          | \$ 25,976.34         |
| ANB-MONEY MARKET                        | 29,628.87            |
| RESERVE FUND-FRANKLIN INC. FUND-AT COST | 51,319.05            |
| PREPAID EXPENSES                        | 3,564.45             |
| ACCOUNTS RECEIVABLE                     | 20,605.23            |
| <b>Total Current Assets</b>             | <b>131,093.94</b>    |
| <b>TOTAL ASSETS</b>                     | <b>\$ 131,093.94</b> |

**LIABILITIES & FUND BALANCES**

|  |                      |
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| <b>CURRENT LIABILITIES</b>                     |                      |
| FICA/MEDICARE PAYABLE                          | \$ 1,164.43          |
| FEDERAL INCOME TAX PAYABLE                     | 495.00               |
| CO STATE INCOME TAX PAYABLE                    | 301.00               |
| ACCOUNTS PAYABLE                               | 6,957.21             |
| UNEARNED REVENUE                               | 395.00               |
| <b>Total Current Liabilities</b>               | <b>9,312.64</b>      |
| <b>Total Liabilities</b>                       | <b>9,312.64</b>      |
| <b>FUND BALANCES</b>                           |                      |
| BEGINNING FUND BALANCES                        | 124,089.00           |
| DESIGNATED FUNDS-RUSSIAN COMMITTEE             | 5,177.53             |
| RESTRICTED FUNDS-INTERACT SCHOLARSHIPS         | 2,150.00             |
| RESTRICTED FUNDS-RYLA SCHOLARSHIPS             | 3,500.00             |
| CURRENT NET REVENUE                            | (13,135.23)          |
| <b>Total Fund Balances</b>                     | <b>121,781.30</b>    |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <b>\$ 131,093.94</b> |

**ROTARY INTL DISTRICT 5440  
STATEMENT OF INCOME/BUDGET  
Twelve Months Ended June 30, 2008**

**GENERAL FUND**

|                          | <u>Year to Date</u><br><u>June 30, 2008</u> | <u>Annual</u><br><u>Budget</u> | <u>Budget</u><br><u>Variance</u> |
|--------------------------|---|--------------------------------|----------------------------------|
| <b>REVENUE</b>           |   |                                |                                  |
| DISTRICT DUES-REGULAR    | \$ 69,468.00                                | \$ 68,670.00                   | \$ 798.00                        |
| DISTRICT DUES-CONFEREN   | 9,924.00                                    | 9,810.00                       | 114.00                           |
| R I ALLOCATION           | 12,461.00                                   | 10,000.00                      | 2,461.00                         |
| R I ALLOC-SIMP GRANTS    | 19,919.00                                   | 19,919.00                      | 0.00                             |
| REFUND-P E T S           | (648.82)                                    | 1,500.00                       | (2,148.82)                       |
| DISTRICT ASSEMBLIES      | 2,856.27                                    | 2,500.00                       | 356.27                           |
| MID YEAR ASSEMBLY        | 0.00  | 2,500.00                       | (2,500.00)                       |
| R I PRES DINNER-NET      | (95.00)                                     | 100.00                         | (195.00)                         |
| SUMMER YOUTH EXCHANGE    | 1,282.43                                    | 400.00                         | 882.43                           |
| INTEREST/DIVIDENDS       | 6,247.11                                    | 6,000.00                       | 247.11                           |
| MISCELLANEOUS INCOME     | 7,300.45                                    | 500.00                         | 6,800.45                         |
| RUSSIAN COMM. DONATION   | 2,000.00                                    | 0.00                           | 2,000.00                         |
| NET INCOME FROM DIST. C  | <u>13,374.61</u>                            | <u>0.00</u>                    | <u>13,374.61</u>                 |
| <b>TOTAL REVENUE</b>     | <u>144,089.05</u>                           | <u>121,899.00</u>              | <u>22,190.05</u>                 |
| <b>EXPENSES</b>          |   |                                |                                  |
| DG-TRAVEL EXPENSES       | 15,811.23                                   | 15,000.00                      | (811.23)                         |
| DG-POSTAGE,SUPPLIES, ET  | 2,188.10                                    | 2,000.00                       | (188.10)                         |
| DG-TELEPHONE             | 230.23                                      | 500.00                         | 269.77                           |
| DG-ZONE INSTITUTE        | 2,500.00                                    | 2,500.00                       | 0.00                             |
| DG-INTL CONVENTION       | 3,385.95                                    | 3,500.00                       | 114.05                           |
| DG-INTL ASSEMBLY         | 1,056.12                                    | 2,000.00                       | 943.88                           |
| DG-FOUNDATION SEMINAR    | 500.00                                      | 500.00                         | 0.00                             |
| DG-CONTINGENCY ACCT      | 8,992.43                                    | 4,500.00                       | (4,492.43)                       |
| DGE-TRAVEL & MEALS       | 2,602.64                                    | 2,000.00                       | (602.64)                         |
| DGE-SUPPLIES,POST,TELE,  | 1,250.84                                    | 1,000.00                       | (250.84)                         |
| DGE-ZONE INSTITUTE       | 2,620.62                                    | 3,000.00                       | 379.38                           |
| DGE-INTL ASSEMBLY        | 514.38                                      | 1,000.00                       | 485.62                           |
| DGE-INTL CONVENTION      | 2,000.00                                    | 2,000.00                       | 0.00                             |
| DGN-ZONE INSTITUTE, SUPP | 2,301.46                                    | 2,500.00                       | 198.54                           |
| ADG-TRAVEL, PETS, SUPPLI | 5,376.39                                    | 5,000.00                       | (376.39)                         |
| ADMIN-SALARIES           | 22,524.38                                   | 22,000.00                      | (524.38)                         |
| ADMIN-SALARIES-YOUTH EX  | 2,306.25                                    | 3,000.00                       | 693.75                           |
| ADMIN-PAYROLL TAXES      | 1,900.04                                    | 1,950.00                       | 49.96                            |
| ADMIN-OFFICE RENT        | 1,200.00                                    | 1,200.00                       | 0.00                             |
| ADMIN-DIRECTORY COST     | 3,192.27                                    | 3,500.00                       | 307.73                           |
| ADMIN-DIST OFF SUPPLIES  | 3,477.10                                    | 2,000.00                       | (1,477.10)                       |
| ADMIN-DIST OFF NEW EQUI  | 0.00  | 750.00                         | 750.00                           |
| ADMIN-DIST OFF TELEPHON  | 580.12                                      | 1,000.00                       | 419.88                           |
| ADMIN-DIST OFF MAINT     | 698.20                                      | 250.00                         | (448.20)                         |
| ADMIN-DIST OFF INTERNET  | 761.71                                      | 800.00                         | 38.29                            |

**ROTARY INTL DISTRICT 5440**  
**STATEMENT OF INCOME/BUDGET**  
**Twelve Months Ended June 30, 2008**

**GENERAL FUND**

|                           | <u>Year to Date</u><br><u>June 30, 2008</u> | <u>Annual</u><br><u>Budget</u> | <u>Budget</u><br><u>Variance</u> |
|---------------------------|---|--------------------------------|----------------------------------|
| ADMIN-DIST OFF POSTAGE/   | 371.96                                      | 500.00                         | 128.04                           |
| ADMIN- SPORG EXPENSE      | 0.00  | 800.00                         | 800.00                           |
| ADMIN-DIST OFF MISC EXP   | 3,765.11                                    | 500.00                         | (3,265.11)                       |
| ADMIN-DIST TREAS EXP      | 551.39                                      | 800.00                         | 248.61                           |
| AMBASS/PEACE SCHOLARS     | 0.00  | 400.00                         | 400.00                           |
| MEMBERSHIP                | 286.09                                      | 300.00                         | 13.91                            |
| AWARDS                    | 1,253.68                                    | 2,000.00                       | 746.32                           |
| RI FDN ALUMNI, PH SOCIETY | 0.00  | 100.00                         | 100.00                           |
| DISTRICT ASSEMBLIES       | 3,308.50                                    | 2,500.00                       | (808.50)                         |
| DIST CONF GSE ALLOC       | 2,000.00                                    | 2,000.00                       | 0.00                             |
| DIST CONF Y EXCH ALLOC    | 3,500.00                                    | 3,500.00                       | 0.00                             |
| EXECUTIVE COMMITTEE       | 344.77                                      | 300.00                         | (44.77)                          |
| RI FDN GRANTS             | 0.00  | 150.00                         | 150.00                           |
| PETS SCHOLARSHIPS         | 585.00                                      | 750.00                         | 165.00                           |
| GROUP STUDY EXCHANGE      | 1,162.38                                    | 1,600.00                       | 437.62                           |
| BYLAWS, ADVISORY, INSUR   | 0.00  | 150.00                         | 150.00                           |
| LITERACY, FRIENDSHIP EXC  | 0.00  | 500.00                         | 500.00                           |
| AUDIT, FIN., NOMINATING   | 110.73                                      | 300.00                         | 189.27                           |
| PUBLIC RELATIONS          | 0.00  | 250.00                         | 250.00                           |
| INTERACT, ROTARACT, RYL   | 0.00  | 600.00                         | 600.00                           |
| MID WINTER ASSEMBLY       | 0.00  | 3,000.00                       | 3,000.00                         |
| DIST RI FDN CHAIR, ANNUAL | 299.98                                      | 300.00                         | 0.02                             |
| YOUTH EXCHANGE            | 3,952.82                                    | 3,000.00                       | (952.82)                         |
| DIST. SIMPLIFIED GRANT    | 22,150.00                                   | 25,000.00                      | 2,850.00                         |
| MISC COMMITTEES           | 2,000.00                                    | 0.00                           | (2,000.00)                       |
| DISTRICT CONF DUES ALLO   | 9,810.00                                    | 9,810.00                       | 0.00                             |
| DISTRICT TRAINER EXPENS   | 201.41                                      | 2,000.00                       | 1,798.59                         |
| RUSSIAN COMM. SUPPORT     | 3,600.00                                    | 3,600.00                       | 0.00                             |
| DONATIONS                 | 10,000.00                                   | 10,000.00                      | 0.00                             |
| <b>TOTAL EXPENSES</b>     | <u>157,224.28</u>                           | <u>158,160.00</u>              | <u>935.72</u>                    |
| <b>NET REVENUE</b>        | <u>\$ (13,135.23)</u>                       | <u>\$ (36,261.00)</u>          | <u>\$ 23,125.77</u>              |

**SCHREINER & WESKAMP, LLC**

*(Certified Public Accountants)*

1607 East 19th Street

Cheyenne, Wyoming 82001

Executive Committee  
Rotary District 5440

ACCOUNTANTS' COMPILATION REPORT

We have compiled the accompanying balance sheet of the general fund of Rotary District 5440 as of September 30, 2008, and the related general fund statement of revenue and expenses for the 3 Months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations and cash flow. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying financial statements and our accountants' compilation report are for the internal use of the management of Rotary District 5440 and should not be used or relied upon by any other party for any purpose. Additional users of these financial statements and our accountants' compilation report are hereby advised that the liability of Schreiner & Weskamp, LLC to third party users who use or rely on this information may be limited pursuant to 1995 Wyoming Session Laws, Chapter 155 creating Wyoming Statute Section 33-3-201.

We are not independent with respect to Rotary District 5440.

Schreiner & Weskamp, LLC  
Certified Public Accountants

November 6, 2008

**ROTARY INTL DISTRICT 5440  
BALANCE SHEET  
September 30, 2008**

**ASSETS**

|   | <u>GENERAL FUND</u>  |
|---|----------------------|
| <b>CURRENT ASSETS</b>                   |                      |
| CHECKING-FIRST NATL BANK OF WY          | \$ 63,576.07         |
| ANB-MONEY MARKET                        | 109,923.51           |
| RESERVE FUND-FRANKLIN INC. FUND-AT COST | 51,319.05            |
| ACCOUNTS RECEIVABLE                     | <u>6,528.00</u>      |
| <b>Total Current Assets</b>             | <u>231,346.63</u>    |
| <b>TOTAL ASSETS</b>                     | <u>\$ 231,346.63</u> |

**LIABILITIES & FUND BALANCES**

|  |                      |
|--|----------------------|
| <b>CURRENT LIABILITIES</b>                     |                      |
| FICA/MEDICARE PAYABLE                          | \$ 524.66            |
| FEDERAL INCOME TAX PAYABLE                     | 50.00                |
| CO STATE INCOME TAX PAYABLE                    | <u>33.50</u>         |
| <b>Total Current Liabilities</b>               | <u>608.16</u>        |
| <b>Total Liabilities</b>                       | <u>608.16</u>        |
| <b>FUND BALANCES</b>                           |                      |
| BEGINNING FUND BALANCES                        | 110,953.77           |
| DESIGNATED FUNDS-RUSSIAN COMMITTEE             | 2,189.66             |
| RESTRICTED FUNDS-INTERACT SCHOLARSHIPS         | 2,150.00             |
| RESTRICTED FUNDS-RYLA SCHOLARSHIPS             | 3,500.00             |
| CURRENT NET REVENUE                            | <u>111,945.04</u>    |
| <b>Total Fund Balances</b>                     | <u>230,738.47</u>    |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <u>\$ 231,346.63</u> |

**ROTARY INTL DISTRICT 5440**  
**STATEMENT OF REVENUE AND EXPENSES**  
**Three Months Ended September 30, 2008**

**GENERAL FUND**

|                                     | Three Months<br>Ended     |                      | Budget             |
|-------------------------------------|---------------------------|----------------------|--------------------|
|                                     | <u>September 30, 2008</u> | <u>Annual Budget</u> | <u>Remaining</u>   |
| <b>REVENUE</b>                      |                           |                      |                    |
| DISTRICT DUES-REGULAR               | \$ 103,819.00             | \$ 102,920.00        | \$ 899.00          |
| DISTRICT DUES-CONFERENCE FUND       | 10,047.00                 | 9,960.00             | 87.00              |
| LEADERSHIP TRAINING INCOME          | 1,190.00                  | 5,000.00             | (3,810.00)         |
| R I ALLOCATION                      | 11,040.00                 | 10,000.00            | 1,040.00           |
| R I ALLOC-SIMP GRANTS               | 0.00                      | 25,704.00            | (25,704.00)        |
| REFUND-P E T S                      | 0.00                      | 1,500.00             | (1,500.00)         |
| R I PRES DINNER-NET                 | 0.00                      | 100.00               | (100.00)           |
| SUMMER YOUTH EXCHANGE PRGM          | 0.00                      | 400.00               | (400.00)           |
| INTEREST/DIVIDENDS                  | 823.49                    | 5,500.00             | (4,676.51)         |
| MISCELLANEOUS INCOME                | 412.50                    | 500.00               | (87.50)            |
| <b>TOTAL REVENUE</b>                | <u>127,331.99</u>         | <u>161,584.00</u>    | <u>(34,252.01)</u> |
| <b>EXPENSES</b>                     |                           |                      |                    |
| DG-TRAVEL AND EXPENSES              | 0.00                      | 25,000.00            | 25,000.00          |
| DG-CONTINGENCY ACCT                 | 40.00                     | 5,000.00             | 4,960.00           |
| DGE-TRAVEL & EXPENSES               | 0.00                      | 10,000.00            | 10,000.00          |
| DGN-TRAVEL AND EXPENSES             | 0.00                      | 4,000.00             | 4,000.00           |
| ADG-TRAVEL, PETS, SUPPLIES, ETC.    | 0.00                      | 10,000.00            | 10,000.00          |
| ADMIN-SALARIES                      | 3,429.25                  | 23,100.00            | 19,670.75          |
| ADMIN-SALARIES-YOUTH EXCH           | 0.00                      | 3,000.00             | 3,000.00           |
| ADMIN-PAYROLL TAXES                 | 262.33                    | 2,000.00             | 1,737.67           |
| ADMIN-OFFICE RENT                   | 300.00                    | 1,200.00             | 900.00             |
| ADMIN-DIRECTORY COST                | 3,464.45                  | 3,750.00             | 285.55             |
| ADMIN-DIST OFF SUPPLIES             | 38.26                     | 2,100.00             | 2,061.74           |
| ADMIN-DIST OFF NEW EQUIP            | 0.00                      | 500.00               | 500.00             |
| ADMIN-DIST OFF TELEPHONE            | 133.04                    | 1,000.00             | 866.96             |
| ADMIN-DIST OFF MAINT                | 0.00                      | 500.00               | 500.00             |
| ADMIN-DIST OFF INTERNET             | 192.63                    | 800.00               | 607.37             |
| ADMIN-DIST OFF POSTAGE/SHIPPING     | 200.75                    | 550.00               | 349.25             |
| ADMIN- SWIFTPAGE EXPENSE            | 164.79                    | 1,200.00             | 1,035.21           |
| ADMIN-DIST OFF MISC EXP             | 0.00                      | 700.00               | 700.00             |
| ADMIN-DIST TRAINER                  | 0.00                      | 2,200.00             | 2,200.00           |
| ADMIN-DIST TREAS EXP                | 0.00                      | 1,200.00             | 1,200.00           |
| AMBASS/PEACE SCHOLARSHIPS           | 0.00                      | 1,000.00             | 1,000.00           |
| MEMBERSHIP                          | 0.00                      | 300.00               | 300.00             |
| AWARDS                              | 0.00                      | 2,300.00             | 2,300.00           |
| RI FDN ALUMNI, PH SOCIETY, POLIOPUS | 0.00                      | 150.00               | 150.00             |
| DIST CONF GSE ALLOC                 | 0.00                      | 2,000.00             | 2,000.00           |
| DIST CONF Y EXCH ALLOC              | 0.00                      | 3,500.00             | 3,500.00           |

**ROTARY INTL DISTRICT 5440**  
**STATEMENT OF REVENUE AND EXPENSES**  
**Three Months Ended September 30, 2008**

**GENERAL FUND**

|  | Three Months<br>Ended     |                       | Budget               |
|--|---------------------------|-----------------------|----------------------|
|  | <u>September 30, 2008</u> | <u>Annual Budget</u>  | <u>Remaining</u>     |
|  |                           |                       |                      |
| EXECUTIVE COMMITTEE                    | 0.00                      | 315.00                | 315.00               |
| RI FDN GRANTS                          | 0.00                      | 150.00                | 150.00               |
| PETS SCHOLARSHIPS                      | 0.00                      | 750.00                | 750.00               |
| GROUP STUDY EXCHANGE                   | 53.85                     | 1,600.00              | 1,546.15             |
| BYLAWS, ADVISORY, INSURANCE            | 0.00                      | 200.00                | 200.00               |
| LITERACY, FRIENDSHIP EXCHANGE          | 0.00                      | 650.00                | 650.00               |
| AUDIT, FIN., NOMINATING                | 0.00                      | 300.00                | 300.00               |
| PUB RELATIONS, RI CONV PROMO           | 0.00                      | 400.00                | 400.00               |
| INTERACT, ROTARACT, RYLA               | 0.00                      | 500.00                | 500.00               |
| BACKGROUND CHECKS                      | 352.77                    | 5,000.00              | 4,647.23             |
| DIST RI FDN CHAIR, ANNUAL GIVING, PERM | 0.00                      | 300.00                | 300.00               |
| YOUTH EXCHANGE                         | 0.00                      | 3,000.00              | 3,000.00             |
| DIST. SIMPLIFIED GRANT                 | 0.00                      | 25,704.00             | 25,704.00            |
| MISC COMMITTEES                        | 375.00                    | 0.00                  | (375.00)             |
| DISTRICT CONF DUES ALLOC               | 0.00                      | 9,960.00              | 9,960.00             |
| DISTRICT TRAINING                      | 1,179.83                  | 5,000.00              | 3,820.17             |
| RUSSIAN COMM. SUPPORT EXPENSES         | 3,000.00                  | 3,000.00              | 0.00                 |
| RUSSIAN INTERCOUNTRY DUES              | 200.00                    | 400.00                | 200.00               |
| DONATIONS                              | 2,000.00                  | 10,000.00             | 8,000.00             |
|  | <u>15,386.95</u>          | <u>174,279.00</u>     | <u>158,892.05</u>    |
| <b>TOTAL EXPENSES</b>                  |                           |                       |                      |
|  | <u>15,386.95</u>          | <u>174,279.00</u>     | <u>158,892.05</u>    |
| <b>NET REVENUE</b>                     | <u>\$ 111,945.04</u>      | <u>\$ (12,695.00)</u> | <u>\$ 124,640.04</u> |

**ROTARY INTL DISTRICT 5440  
General Ledger**

| Date     | Reference T | Description                            | Beginning Balance | Current Amount  | Period End Amount | YTD Balance       |
|----------|-------------|--|-------------------|-----------------|-------------------|-------------------|
|          | 13201       | DESIGNATED FUNDS-RUSSIAN COMI          | (5,177.53)        |                 |                   |                   |
| 07/11/08 | 1582        | BANK OF AMERICA-RUSSIAN LUNCH          |                   | 172.07          |                   |                   |
| 07/28/08 | 1597        | JOHN GUYETTE-TICKETS OLGA AND KRISTINA |                   | 2,670.80        |                   |                   |
| 07/24/08 | JULYDEP1    | DEPOSIT                                |                   | (155.00)        |                   |                   |
|          |             |  | July              | <u>2,687.87</u> | (2,489.66)        |                   |
| 08/21/08 | 1608        | GLOBUS RELIEF                          |                   | 300.00          |                   |                   |
|          |             |  | August            | <u>300.00</u>   | (2,189.66)        |                   |
|          |             |  |                   | <u>2,987.87</u> |                   | <u>(2,189.66)</u> |

Range of Accounts Specified:

YTD Profit/(Loss) 0.00

Number of Transactions 4

The General Ledger is in balance 0.00

C H E C K



FRANKLIN TEMPLETON  
INVESTMENTS

MB 01 056001 15822 B 210 A  
ROTARY INTERNATIONAL DISTRICT 5440  
PO BOX 505  
CHEYENNE WY 82003-0505

## Transaction Confirmation \*

October 1, 2008 Page 1 of 1

**Financial Advisor:** GUYETTE, JOHN B.  
COMMUNITY BANKERS SECURITIES LLC  
1-970/506-9911

**Customer Service:** franklintempleton.com  
Shareholder Services 1-800/632-2301  
TDD (Hearing Impaired) 1-800/851-0637

**Mailing Address:** 3344 Quality Drive  
PO Box 2258  
Rancho Cordova, CA 95741-2258



### Franklin Income Fund - Class C

NASDAQ Symbol: FCISX

**Fund-Account Number:** 209-2869826  
**Asset Summary Number:** 04826972

#### Transaction Details

| DATE     | TRANSACTION   | DOLLAR AMOUNT | SHARE PRICE | SHARES | TOTAL SHARES |
|----------|---|---------------|-------------|--------|--------------|
| 10-01-08 | BEGINNING BALANCE   | \$45,330.74   |             |        | 22,894.315   |
| 10-01-08 | DIV PAID OUT 0.0116   | \$265.57      | \$1.98      | 0.000  | 22,894.315   |
| 10-01-08 | <b>TOTAL ACCOUNT VALUE: \$45,330.74 AT \$1.98 PER SHARE</b> |               |             |        |              |

#### Shareholder Information

• **Added convenience with less paper.**

Receive your fund distribution by electronic deposit to your bank account in as little as two business days and help the environment by reducing paper waste. To learn more about direct deposit, please call us at 1-800/632-2301.



Please tear at perforation below.

**BOARD OF DIRECTORS RESOLUTION  
TO OPEN BANK ACCOUNT FOR**

**\_\_\_\_\_ Rotary International District 5440, Inc. \_\_\_\_\_**

Upon a motion duly made, seconded, and unanimously carried, it was adopted that

A checking account will be opened at a Jackson, Wyoming Bank for the purpose of maintaining a depository for District banking purposes, including the 2009 District Conference.

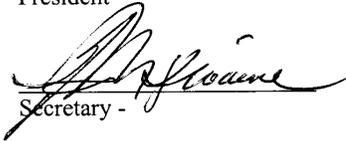
RESOLVED, that the District Treasurer, Roger Schreiner, be authorized and directed to open a bank account for the Corporation with First Interstate Bank, in the Town of Jackson, Wyoming, which hereby is authorized to honor the deposits of the Corporation, and checks drawn against such deposits signed by any two of the following Rotarians; Roger Schreiner, Stuart Palmer or Robert Weed, as long as there are funds in the account.

The undersigned, Roger Schreiner, certifies that he is the duly elected Treasurer of this Corporation, and that the above is a true and correct copy of the resolution that was duly adopted at a meeting of the Board of Directors, which was held in accordance with State law and the Bylaws of the Corporation.

Dated: November 7, 2008



\_\_\_\_\_  
President



\_\_\_\_\_  
Secretary -

\_\_\_\_\_, Director

\_\_\_\_\_, Director

\_\_\_\_\_, Director

\_\_\_\_\_, Director

**SCHREINER & WESKAMP, LLC**

*(Certified Public Accountants)*  
1800 Carey Avenue, Suite 500  
Cheyenne, Wyoming 82001

Executive Committee  
Rotary District 5440

ACCOUNTANTS' COMPILATION REPORT

We have compiled the accompanying balance sheet of the general fund of Rotary District 5440 as of April 30, 2008, and the related general fund statement of revenue and expenses for the 10 Months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations and cash flow. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying financial statements and our accountants' compilation report are for the internal use of the management of Rotary District 5440 and should not be used or relied upon by any other party for any purpose. Additional users of these financial statements and our accountants' compilation report are hereby advised that the liability of Schreiner & Weskamp, LLC to third party users who use or rely on this information may be limited pursuant to 1995 Wyoming Session Laws, Chapter 155 creating Wyoming Statute Section 33-3-201.

We are not independent with respect to Rotary District 5440.

Schreiner & Weskamp, LLC  
Certified Public Accountants

May 13, 2008

**ROTARY INTL DISTRICT 5440  
BALANCE SHEET  
April 30, 2008**

**ASSETS**

|   | <u>GENERAL FUND</u>  |
|---|----------------------|
| <b>CURRENT ASSETS</b>                   |                      |
| CHECKING-FIRST NATL BANK OF WY          | \$ 8,384.93          |
| ANB-MONEY MARKET                        | 89,453.29            |
| RESERVE FUND-FRANKLIN INC. FUND-AT COST | <u>51,319.05</u>     |
| <b>Total Current Assets</b>             | <u>149,157.27</u>    |
| <b>TOTAL ASSETS</b>                     | <u>\$ 149,157.27</u> |

**LIABILITIES & FUND BALANCES**

|  |                      |
|--|----------------------|
| <b>CURRENT LIABILITIES</b>                     |                      |
| FICA/MEDICARE PAYABLE                          | \$ 293.27            |
| FEDERAL INCOME TAX PAYABLE                     | 120.00               |
| CO STATE INCOME TAX PAYABLE                    | 90.00                |
| ACCOUNTS PAYABLE                               | <u>1,000.00</u>      |
| <b>Total Current Liabilities</b>               | <u>1,503.27</u>      |
| <b>Total Liabilities</b>                       | <u>1,503.27</u>      |
| <b>FUND BALANCES</b>                           |                      |
| BEGINNING FUND BALANCES                        | 123,089.00           |
| DESIGNATED FUNDS-RUSSIAN COMMITTEE             | 3,677.53             |
| RESTRICTED FUNDS-INTERACT SCHOLARSHIPS         | 3,500.00             |
| RESTRICTED FUNDS-RYLA SCHOLARSHIPS             | 3,500.00             |
| CURRENT NET REVENUE                            | <u>13,887.47</u>     |
| <b>Total Fund Balances</b>                     | <u>147,654.00</u>    |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <u>\$ 149,157.27</u> |

**ROTARY INTL DISTRICT 5440**  
**STATEMENT OF REVENUE AND EXPENSES**  
**Ten Months Ended April 30, 2008**

**GENERAL FUND**

|                                  | Ten Months<br>Ended   |                      | Budget           |
|----------------------------------|-----------------------|----------------------|------------------|
|                                  | <u>April 30, 2008</u> | <u>Annual Budget</u> | <u>Remaining</u> |
| <b>REVENUE</b>                   |                       |                      |                  |
| DISTRICT DUES-REGULAR            | \$ 69,468.00          | \$ 68,670.00         | \$ 798.00        |
| DISTRICT DUES-CONFERENCE FUND    | 9,924.00              | 9,810.00             | 114.00           |
| R I ALLOCATION                   | 12,461.00             | 10,000.00            | 2,461.00         |
| R I ALLOC-SIMP GRANTS            | 19,919.00             | 19,919.00            | 0.00             |
| REFUND-P E T S                   | 0.00                  | 1,500.00             | (1,500.00)       |
| DISTRICT ASSEMBLIES              | 2,035.27              | 2,500.00             | (464.73)         |
| MID YEAR ASSEMBLY                | 0.00                  | 2,500.00             | (2,500.00)       |
| R I PRES DINNER-NET              | 0.00                  | 100.00               | (100.00)         |
| SUMMER YOUTH EXCHANGE PRGM       | 792.43                | 400.00               | 392.43           |
| INTEREST/DIVIDENDS               | 5,281.69              | 6,000.00             | (718.31)         |
| MISCELLANEOUS INCOME             | 4,925.00              | 500.00               | 4,425.00         |
| RUSSIAN COMM. DONATIONS RECEIVED | 2,000.00              | 0.00                 | 2,000.00         |
| <b>TOTAL REVENUE</b>             | <u>126,806.39</u>     | <u>121,899.00</u>    | <u>4,907.39</u>  |
| <b>EXPENSES</b>                  |                       |                      |                  |
| DG-TRAVEL EXPENSES               | 12,527.18             | 15,000.00            | 2,472.82         |
| DG-POSTAGE,SUPPLIES, ETC         | 1,256.92              | 2,000.00             | 743.08           |
| DG-TELEPHONE                     | 230.23                | 500.00               | 269.77           |
| DG-ZONE INSTITUTE                | 2,500.00              | 2,500.00             | 0.00             |
| DG-INTL CONVENTION               | 0.00                  | 3,500.00             | 3,500.00         |
| DG-INTL ASSEMBLY                 | 1,056.12              | 2,000.00             | 943.88           |
| DG-FOUNDATION SEMINAR            | 500.00                | 500.00               | 0.00             |
| DG-CONTINGENCY ACCT              | 5,456.51              | 4,500.00             | (956.51)         |
| DGE-TRAVEL & MEALS               | 1,074.69              | 2,000.00             | 925.31           |
| DGE-SUPPLIES,POST,TELE, ETC.     | 893.59                | 1,000.00             | 106.41           |
| DGE-ZONE INSTITUTE               | 2,605.11              | 3,000.00             | 394.89           |
| DGE-INTL ASSEMBLY                | 0.00                  | 1,000.00             | 1,000.00         |
| DGE-INTL CONVENTION              | 0.00                  | 2,000.00             | 2,000.00         |
| DGN-ZONE INSTITUTE, SUPPLIES     | 1,269.46              | 2,500.00             | 1,230.54         |
| ADG-TRAVEL, PETS, SUPPLIES, ETC. | 4,263.00              | 5,000.00             | 737.00           |
| ADMIN-SALARIES                   | 18,009.25             | 22,000.00            | 3,990.75         |
| ADMIN-SALARIES-YOUTH EXCH        | 1,127.50              | 3,000.00             | 1,872.50         |
| ADMIN-PAYROLL TAXES              | 1,464.45              | 1,950.00             | 485.55           |
| ADMIN-OFFICE RENT                | 1,000.00              | 1,200.00             | 200.00           |
| ADMIN-DIRECTORY COST             | 3,192.27              | 3,500.00             | 307.73           |
| ADMIN-DIST OFF SUPPLIES          | 2,235.19              | 2,000.00             | (235.19)         |
| ADMIN-DIST OFF NEW EQUIP         | 0.00                  | 750.00               | 750.00           |
| ADMIN-DIST OFF TELEPHONE         | 479.21                | 1,000.00             | 520.79           |
| ADMIN-DIST OFF MAINT             | 178.20                | 250.00               | 71.80            |

**ROTARY INTL DISTRICT 5440**  
**STATEMENT OF REVENUE AND EXPENSES**  
**Ten Months Ended April 30, 2008**

**GENERAL FUND**

|  | Ten Months<br>Ended   |                       | Budget              |
|--|-----------------------|-----------------------|---------------------|
|  | <u>April 30, 2008</u> | <u>Annual Budget</u>  | <u>Remaining</u>    |
| ADMIN-DIST OFF INTERNET                | 633.31                | 800.00                | 166.69              |
| ADMIN-DIST OFF POSTAGE/SHIPPING        | 367.10                | 500.00                | 132.90              |
| ADMIN- SPORG EXPENSE                   | 0.00                  | 800.00                | 800.00              |
| ADMIN-DIST OFF MISC EXP                | 1,374.65              | 500.00                | (874.65)            |
| ADMIN-DIST TRAINER                     | 51.41                 | 0.00                  | (51.41)             |
| ADMIN-DIST TREAS EXP                   | 112.34                | 800.00                | 687.66              |
| AMBASS/PEACE SCHOLARSHIPS              | 0.00                  | 400.00                | 400.00              |
| MEMBERSHIP                             | 161.03                | 300.00                | 138.97              |
| AWARDS                                 | 214.00                | 2,000.00              | 1,786.00            |
| RI FDN ALUMNI, PH SOCIETY, POLIOPUS    | 0.00                  | 100.00                | 100.00              |
| DISTRICT ASSEMBLIES                    | 2,318.50              | 2,500.00              | 181.50              |
| DIST CONF GSE ALLOC                    | 2,000.00              | 2,000.00              | 0.00                |
| DIST CONF Y EXCH ALLOC                 | 3,500.00              | 3,500.00              | 0.00                |
| EXECUTIVE COMMITTEE                    | 344.77                | 300.00                | (44.77)             |
| RI FDN GRANTS                          | 0.00                  | 150.00                | 150.00              |
| PETS SCHOLARSHIPS                      | 585.00                | 750.00                | 165.00              |
| GROUP STUDY EXCHANGE                   | 267.20                | 1,600.00              | 1,332.80            |
| BYLAWS, ADVISORY, INSURANCE            | 0.00                  | 150.00                | 150.00              |
| LITERACY, FRIENDSHIP EXCHANGE          | 0.00                  | 500.00                | 500.00              |
| AUDIT, FIN., NOMINATING                | 110.73                | 300.00                | 189.27              |
| PUBLIC RELATIONS                       | 0.00                  | 250.00                | 250.00              |
| INTERACT, ROTARACT, RYLA               | 0.00                  | 600.00                | 600.00              |
| MID WINTER ASSEMBLY                    | 0.00                  | 3,000.00              | 3,000.00            |
| DIST RI FDN CHAIR, ANNUAL GIVING, PERM | 0.00                  | 300.00                | 300.00              |
| YOUTH EXCHANGE                         | 3,000.00              | 3,000.00              | 0.00                |
| DIST. SIMPLIFIED GRANT                 | 21,150.00             | 25,000.00             | 3,850.00            |
| MISC COMMITTEES                        | 2,000.00              | 0.00                  | (2,000.00)          |
| DISTRICT CONF DUES ALLOC               | 9,810.00              | 9,810.00              | 0.00                |
| DISTRICT TRAINER EXPENSES              | 0.00                  | 2,000.00              | 2,000.00            |
| RUSSIAN COMM. SUPPORT EXPENSES         | 3,600.00              | 3,600.00              | 0.00                |
| DONATIONS                              | 0.00                  | 10,000.00             | 10,000.00           |
| <b>TOTAL EXPENSES</b>                  | <u>112,918.92</u>     | <u>158,160.00</u>     | <u>45,241.08</u>    |
| <b>NET REVENUE</b>                     | <u>\$ 13,887.47</u>   | <u>\$ (36,261.00)</u> | <u>\$ 50,148.47</u> |