

**CANADIAN ROTARY COMMITTEE FOR
INTERNATIONAL DEVELOPMENT**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2006

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ROBINSON LOTT & BROHMAN

Chartered Accountants & Business Advisors

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AUDITORS' REPORT

To the Members of the Canadian Rotary Committee for International Development

We have examined the statement of financial position of the Canadian Rotary Committee for International Development as at March 31, 2006 and the statement of receipts and expenditures - contribution agreement funds for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

As discussed in note 2 of the financial statements, the Rotary clubs or districts sponsoring the projects are required to account for the disbursement of project funds in relation to the approved budget. We are unable to audit the individual Rotary club projects or the accounting thereof other than to satisfy ourselves that the approved CIDA contributions have been disbursed as shown in the attached statements.

In our opinion, except for the effect of adjustments if any, which we might have determined to be necessary had we been able to audit individual projects as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2006 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Guelph, Ontario
May 4, 2006

Chartered Accountants

**CANADIAN ROTARY COMMITTEE FOR INTERNATIONAL DEVELOPMENT
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2006**

	A S S E T S	
	2006	2005
CURRENT		
Cash	\$ 42,675	\$ 59,825
GST receivable	319	6,901
Accounts receivable	<u>1,456</u>	<u>1,670</u>
	<u>44,450</u>	<u>68,396</u>
 RESTRICTED		
Cash	<u>6,715</u>	<u>0</u>
	<u>\$ 51,165</u>	<u>\$ 68,396</u>
	 L I A B I L I T I E S	
CURRENT		
Accounts payable	\$ <u>13,486</u>	\$ <u>2,089</u>
 RESTRICTED FUND		
Tsunami	<u>6,715</u>	<u>0</u>
 UNEXPENDED COMMITMENTS		
Contribution agreement funds (statement 2)	<u>30,964</u>	<u>66,307</u>
	<u>\$ 51,165</u>	<u>\$ 68,396</u>
 APPROVED ON BEHALF OF THE BOARD:		
_____ Director		
_____ Director		

**CANADIAN ROTARY COMMITTEE FOR INTERNATIONAL DEVELOPMENT
STATEMENT OF RECEIPTS AND EXPENDITURES - CONTRIBUTION AGREEMENT FUNDS
FOR THE YEAR ENDED MARCH 31, 2006**

	2006	2005
RECEIPTS		
Advances from CIDA - Contribution Agreement	\$ 677,998	\$ 678,002
Rotary contribution to administration	38,433	25,077
Administrative cost recovery	65,147	0
Management fees and other income	<u>7,219</u>	<u>0</u>
	<u>788,797</u>	<u>703,079</u>
EXPENDITURES		
Payments to Rotary Clubs		
- Contribution Agreement (note 2)	503,954	494,380
Wages and employee benefits	141,951	107,340
Office expense	70,355	33,290
Travel	70,507	64,236
Accounting and legal	8,066	6,309
Insurance	3,806	3,592
Furniture and equipment	20,201	8,159
GST	<u>5,300</u>	<u>6,897</u>
	<u>824,140</u>	<u>724,203</u>
EXCESS OF EXPENDITURES OVER RECEIPTS for the year	(35,343)	(21,124)
UNEXPENDED COMMITMENT, beginning of year	<u>66,307</u>	<u>87,431</u>
UNEXPENDED COMMITMENT, end of year	<u>\$ 30,964</u>	<u>\$ 66,307</u>

**CANADIAN ROTARY COMMITTEE FOR INTERNATIONAL DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2006**

1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

The Canadian Rotary Committee for International Development receives funds from the Canadian International Development Agency (CIDA) for distribution to Canadian Rotary Clubs and Districts to assist sponsored development projects in underdeveloped nations. No accounting is performed by the committee for the individual projects. However, on completion, a final financial report is submitted to the committee for settlement. A record is maintained of the projects not completed and considered in process.

Any project that does not expend all funds contributed by CIDA is required to return the excess to the committee which, in turn, repays this excess and any other funds held for that project to CIDA.

The financial statements of the Committee have been prepared using the accrual method of accounting. Under this method, receipts are recognized when earned and expenditures are charged to operations as incurred.

(a) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(b) FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, accounts receivable and unexpended commitments. The carrying amounts of these financial instruments approximate their fair market value due to their short term maturity or capacity for prompt liquidation.

Fair value of financial assets and financial liabilities

The carrying values of cash, receivables and unexpended commitments approximate their fair value due to the relatively short periods to maturity of these items.

Interest risk

The organization invests excess funds on a short term basis with a view to optimizing interest revenue.

**CANADIAN ROTARY COMMITTEE FOR INTERNATIONAL DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2006**

2. ROTARY CONTRIBUTIONS/PAYMENTS

CIDA contributes funding to world community service development undertaken by Rotary Clubs and Districts. Rotary Club, Rotary Foundation and district contributions to the projects are accounted for by the clubs in accordance with the approved budget and policies established by Rotary International and its foundation. We are unable to audit the individual Rotary Club contributions or the accounting performed at the Rotary Club level. Estimated contributions are:

	2006	2005
Canadian Rotary Club contributions	\$ 483,592	\$ 440,446
Canadian DDF share	224,401	156,470
Rotary Foundation MF (Canadian)	432,443	366,523
Rotary Foundation MF (overseas)	47,993	201,106
CRCID paid	503,954	501,401
Overseas Rotary Club contributions	54,770	108,816
Overseas DDF share	21,213	40,867
Other contributions	<u>216,256</u>	<u>36,669</u>
	<u>\$ 1,984,622</u>	<u>\$ 1,852,298</u>

3. ROTARY CONTRIBUTIONS TO ADMINISTRATION

A percentage (10% beginning on 2005 projects, 5% prior years) of CRCID advances to projects is applied to CRCID administration. These funds are contributed by participating clubs and districts.

4. STATEMENT OF CASH FLOWS

This statement is not included as it would not provide any additional meaningful information.