

## **An Explanation of the 2011-12 Budget**

(Numbers in ( ) refer to lines in the proposed District 7090 Budget for 2011-12)

The District Finance Committee with the help of The directors and chairs of District Committees have put together a Budget for Rotary District 7090 for the 2011-12 year.. It is a guide for us to follow. If unexpected events occur we can draw on contingency funds (137) which are included as well as a reserve., which in our audited statement for 2009-10 left us with \$188,287, which exceeds one year of budgeted expense... Last year we added \$39,788. to the reserve as the result of unspent funds. We have trimmed down certain figures, based on our not anticipating certain items which occurred this year to reoccur next year and we have increased certain lines do to some new innovations for example go to meeting. (114) this will be gone into later on.

### **Several items in our budget generate revenues sufficient to cover the projected expenses.**

These are listed on the first page: District Conference, Foundation Dinner, RYLA, Slapshot, District Assembly, District Simplified Grants.

### **Some other programs either do specific per capita assessments to either help or cover the expense:**

**-District Conference**, (14-16,152) although it generates income ,has a \$3.00/capita assessment which is in lieu of a registration fee.

**-Insurance.** (66-68, 150-151) Is again changing this year. For the past few years RI has assessed the US clubs for liability insurance, this is paid by the US clubs along with their RI dues. The Canadian clubs receive their liability insurance through the district in conjunction with other Canadian districts. Because the number of Canadian Rotarians who join in getting their insurance is less then the US pool the cost per Rotarian is higher. The number of US and Canadian Rotarians in our district is about even, since we are a district it is thought that the Insurance should also be equally assessed. For this reason. the per capita cost is computed and the US clubs then get a credit for what they pay to RI.

This year RI has taken over the US clubs D&O coverage. Our insurance committee has reviewed the coverage we currently have with what RI is giving us. The committee feels , that although RI continues to work with their insurer to equate the policy with the insurance we and other districts currently have there still are gaps. The insurance committee is continuing to monitor the policies and also looking for other coverages.

### **Training:**

**PETS** (41-43, 12, 160 Training is covered by a club assessment, which is the same for all clubs big or small.

Again this year we deducted \$100. from this amount and put it in the portion of the budget which is computed or assessed based on the number of members in the club. This helps to equate the small and large clubs.

**Membership:** Other then the PETS assessment, what determines the per capita dues is our District membership. Our district membership has declined since January 2006 by a little under 300 Rotarians. We have estimated that the number will hold at the 2550 used last year. We are currently now at 2664. This figure is a mid year figure and normally is high as clubs reevaluate their membership when they send in their July SAR. Hopefully we will not loose 100 members and we will gain. If so our reserves will go up.

## **Sources of Income:**

**RI gives our DG an allotment.** It changes each year based on the estimated travel costs incurred on visiting the clubs, the allotment also covers, other required duties: district conference, newsletter, reports to RI etc. The RI allotment is not sufficient to cover these costs. The district therefore allows more although this is still not sufficient which requires the DG to incur expenses out of pocket

**AG Reimbursement:** RI sends the District some funds for activities and training of the Assistant Governors.

**Per capita** charges: Including, general assessment, \$3./ for District Conference registration, Insurance

**Per club** part of PETS training cost.

**Other Income:** The District Conference gains income from charges for meals and special events such as partner tours, as well as sponsorships.

The Foundation Dinner, PETS, RYLA, Slapshot, and the

District Assembly all receive funds as part of the registration fee for each event.

Most of these events are expected to be revenue neutral, or at “no cost to the District”

The district receives income from the sale of a membership video Rotary Now, which was made and produced by Rotarians Kevin Crosby and John Paget.

**Interest Income:** This is Interest on our Reserve Funds and other short-term (GIC) investments. We all know what is happening with interest rates. So we have reduced this amount.

## **Expenditures:**

There are two categories of expenditures: those with no offsetting revenue, and those with some or all.

**Administration:** Expenses for the DG, AG and District Newsletter are partially offset by reimbursement from RI. All other expenses receive no subsidy and are paid out of General Assessment.

## **Directors and Committees:**

### **Standing Committees:**

**District Insurance,** as stated is offset by the Insurance assessment.

**Finance and Audit** covers the cost of having our Financial Statement audited and 990 forms filed with IRS. There is no separate filing required on the Canadian side. The cost is covered by the General Assessment.

**Bank Charges** are for use of Canadian and American Credit Card machines which are available for use by all clubs

### **Training:**

**PETS and the District Assembly** expenditures are on a cost recovery basis.

**DG and AG Training** are partially subsidized by RI.

**DGE, DGN, Trainer training** (128-130) increased because training will take place in Boston, MA as well Bangkok Thailand.

### Some Budget Line explanations

The numbers refer to the lines or lines being explained

- 5-7            **Governor** Covers expenses in the District for mileage, office, reports, etc.
- 10            **AG Training** Subsidy from RI to assist in Ag training costs
- 51            **District Simplified Grants** These funds are from The Rotary Foundation and are disbursed to clubs on a matching basis for local and international short-term projects
- 85            **District Council** Room rental for District Council and some lunches for Governor's Council.
- 86            **District Website** Licensing cost for the website.
- 84-94        **District Office and Treasurer-** Covers Executive Secretary's stipend, phone, postage, and office supplies
- 100          **Group Study Exchange** Covers cost of training outgoing group, and required hotel expenses of inbound team.
- 107          **Paul Harris Society** Covers cost of administration and pins.
- 109          **Scholars** Requires orientation of outbound scholars
- 128-130      **Expenses for governors** to attend required Institutes, International Assembly (DGE), and International Convention (DGE and DG)
- 137          **Contingencies** Covers unexpected expenses and possible currency fluctuations.

**Assessment Figure** is derived from total expenditures less all other income.

- 149 and 150   **Insurance Assessment** See explanation given above
- 152            **Conference Assessment** The per member assessment for registration at conferences. Designed to allow all Rotarians to attend without a registration fee one or more events.

150,151       Per Member Assessment Differs between US and Canadian Rotarians because of insurance costs.