

An Explanation of the 2012-13 Proposed Budget

Numbers in brackets refer to specific lines in the proposed Budget

The District Finance Committee and the District Governor Elect along with the help of the directors and chairs of district committees put together a budget for Rotary District 7090 for the 2012-13 year. It is a guide for us to follow. If unexpected events occur we can draw on contingency funds (131) that are included as well as a reserve which in our audited financial statement for 2010-11 left us with \$223,513, which exceeds the two years of budgeted expenses the district tries to maintain. Last year we added \$35,226 to the reserve as the result of unspent funds and the year before \$39,788. We trimmed down certain figures based on our not anticipating certain items that occurred this year to re-occur; we increased certain lines do to some new innovations; and, we moved and consolidated certain lines. For example, the district newsletter (7) and the district website (79) were moved to the communications line (108) along with an additional GoToMeeting license. The RLI program is growing (57-58). Public Relations RI Matching Grant increased (106). Promotion of the RI theme (107) is a new line consolidating and clarifying some of the costs that were in the Awards and Recognition line (127) in the previous year. This year, in order to have a zero increase in the per capita levee, a one-time transfer from surplus was made (138).

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 do specific per capita assessments to either help or cover the expense:

-District Conference, (14-15,151) Has a \$3.00/capita assessment that is in lieu of a registration fee.

-Insurance. (61-62, 149-150) Continues to change 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. Because we are a district the per capita cost is computed and the US clubs then get a credit for what they pay to RI.

Our district insurance committee has reviewed the coverage we currently have with what RI is giving us. The committee believes that although RI continues to work with their insurer to equate the policy with the insurance we and other districts had there still are gaps. The insurance committee recommends a US crime policy (sheet 1 line 25) as well as raising Canadian D&O limits from 2 million to 3 million dollars (sheet 1 line 24).

-Training: PETS (42-43) Training is covered by a club assessment, which is the same for all clubs big or small (159). This year we reduced the \$7300 assessment (120) to \$2000. This continues to assist smaller clubs meet their PE training.

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 about 300 Rotarians. We have estimated that the number will hold at 2550. We are currently at 2561 (Dec 31, 2011).

Sources of Income:

RI gives our DG an allotment. It changes each year based on the estimated travel costs incurred to visit the clubs. The RI allotment is paid directly to the DG and is included in the budget for information only. The RI allotment is not sufficient to cover all of the functions of the DG and the district allows more although this is still not sufficient which requires the DG to incur expenses out of pocket.

AG Reimbursement: RI sends the District 10% of the DG allotment for training of the Assistant Governors but the amount must be spent and documented for RI.

Per capita charges: General assessment, \$3/ for District Conference registration, \$10.96 NY insurance and \$15.86 ON insurance.

Per club charge: \$450 covers the majority of PETS training cost.

Other Income: The District Conference gains income from charges for meals and special events 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. These events are expected to be revenue neutral but sometimes a small income or loss is generated.

Interest Income: This is interest on our Reserve Funds and other short-term (GIC) investments.

Expenditures:

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

Administration: Expenses for the DG and AG are partially offset by reimbursement from RI. Other expenses receive no subsidy and are paid out of General Assessment although parts of DGE and DGN training are paid directly by RI and are not part of this budget.

Directors and Committees:

Standing Committees: District Insurance 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 that are available for use by all clubs

Training: PETS expenditures are on an almost total cost recovery basis. District Assembly is on a cost recovery basis.

DGE, DGN, Trainer training (119, 120-124) increased slightly because training will take place in Vancouver BC as well as Lisbon Spain. As well, The Rotary Foundation Future Vision training of all clubs is required.

Summary:

- 1) The 2012 – 2013 budget is a \$12 800-deficit budget (135). To bring this to zero (139) \$12 800 will be a one-time transfer from surplus (138).
- 2) As a result of the zero increase, the assessment per member is \$46.00 for NY clubs and \$50.90 for ON clubs. Both assessments are lower than last year (155-156).