

Rotary Club of New York

FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

REVIEWED BY:

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ROTARY CLUB OF NEW YORK

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To the Board of Directors
Rotary Club of New York

We have reviewed the accompanying statements of financial position of Rotary Club of New York (a nonprofit organization) as of June 30, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Rotary Club of New York.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.


Martin J. Levenson, LLP

July 22, 2019

ROTARY CLUB OF NEW YORK
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

| | 6/30/2019 | 6/30/2018 |
|------------------------------------------------|-------------------|-------------------|
| <i>ASSETS</i> | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 161,327 | \$ 119,141 |
| Accounts Receivable | - | 6,649 |
| Prepaid expenses | 1,493 | 411 |
| Total Current Assets | 162,820 | 126,200 |
| FURNITURE AND EQUIPMENT: | | |
| Computer and equipment | 19,804 | 19,804 |
| Furniture | 10,413 | 10,413 |
| | 30,217 | 30,217 |
| Less: Accumulated depreciated | 30,217 | 30,217 |
| Net Property and Equipment | 0 | 0 |
| <i>Total Assets</i> | \$ 162,820 | \$ 126,201 |
| <i>LIABILITIES AND NET ASSETS</i> | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | 5,936 | 2,913 |
| Deferred income | 46,196 | 38,337 |
| Total Current Liabilities | 52,131 | 41,250 |
| Total Liabilities | 52,131 | 41,250 |
| Unrestricted Net Assets | 110,689 | 84,951 |
| <i>Total Liabilities and Net Assets</i> | \$ 162,820 | \$ 126,201 |

ROTARY CLUB OF NEW YORK
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

| | YEAR ENDED 6/30/2019 | YEAR ENDED 6/30/2018 |
|--------------------------------------------------|-------------------------|-------------------------|
| <i>REVENUE AND SUPPORT:</i> | | |
| Dues | \$ 43,764 | \$ 66,360 |
| Initiation fees | 6,782 | 5,893 |
| Luncheon revenue, net | (1,253) | 11,297 |
| Foundation services - administrative | 96,000 | 15,000 |
| Investment income | 119 | 67 |
| Special events, net | 9,336 | 2,066 |
| <i>Total Revenue and Support</i> | \$ 154,749 | \$ 100,683 |
| <i>EXPENDITURES</i> | | |
| Salaries | 84,303 | 51,492 |
| Payroll taxes | 8,161 | 6,095 |
| Employee benefits | 2,430 | 2,938 |
| Rotary international and district per capita tax | 11,826 | 14,481 |
| Telephone | 1,356 | 1,251 |
| Local Transportation | 480 | 151 |
| Office expense | 694 | 755 |
| Website and internet | 3,258 | 3,059 |
| Postage | 295 | 56 |
| Printing | - | 80 |
| Professional fees | 5,433 | 5,225 |
| Public relations, roster, awards and banners | 1,359 | 1,264 |
| Credit card expense | 5,100 | 5,912 |
| Merchant processing fees | 3,182 | 3,284 |
| Other | 1,133 | 1,150 |
| <i>Total Expenses</i> | \$ 129,010 | \$ 97,192 |
| <i>CHANGE IN NET ASSETS</i> | \$ 25,738 | \$ 3,491 |

ROTARY CLUB OF NEW YORK
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

| | YEAR ENDED 6/30/2019 | YEAR ENDED 6/30/2018 |
|---------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <i>CASH FLOWS FROM OPERATING ACTIVITIES:</i> | | |
| Change in net assets | \$ 25,738 | \$ 3,491 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Change in accounts receivable | 6,649 | (4,202) |
| Change in prepaid expenses | (1,082) | 864 |
| Change in accounts payable | 3,023 | (5,528) |
| Change in deferred income | 7,858 | (11,374) |
| <i>Net Cash provided by (Used in) Operating Activities</i> | \$ 42,186 | \$ (16,749) |
| <i>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</i> | 119,141 | 135,890 |
| <i>CASH AND CASH EQUIVALENTS, END OF YEAR</i> | \$ 161,327 | \$ 119,141 |

ROTARY CLUB OF NEW YORK

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 1 - ORGANIZATION

Rotary Club of New York (the "Club") is a not-for-profit organization formed in 1909. The Club sponsors and supports a variety of civic and charitable programs.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

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

Cash and Cash Equivalents

The statement of cash flows is presented using the indirect method. Cash and cash equivalents consist of checking and money market accounts. The Club considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Furniture and Equipment

Furniture and equipment are stated at cost. Depreciation is recorded utilizing the straight-line method over the estimated useful lives of the respective assets. Additions are capitalized provided their cost is \$500 or more and their useful life is greater than one year. Depreciation expense for the years ended June 30, 2019 and 2018 was \$0 and \$0, respectively.

Concentration of Credit

The Club maintains its cash in bank deposit accounts at a high credit quality financial institution. At times, the balances may exceed federally insured limits. At June 30, 2019 and 2018, the uninsured cash balance totaled \$0.

Deferred Income

Revenue is recognized by the club when earned. Membership dues and luncheon coupons invoiced and collected in advance of the period to which they relate are deferred to that period.

Income Taxes

The Club is exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code.

ROTARY CLUB OF NEW YORK

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 3 - RELATED PARTY TRANSACTIONS:

The Club is related to New York Rotary Foundation of the Rotary Club of New York (the "Foundation") through overlapping management. In fiscal 2019, the Club received \$96,000 from the Foundation for management services. For fiscal 2018, the Club received \$15,000 from the Foundation.

NOTE 4 - LUNCHEON REVENUE:

Luncheon revenue totaled \$39,878 and \$42,432 for the years ended June 30, 2019 and 2018, respectively. Related expenses totaled \$41,131 and \$31,135. The net revenue of (\$1,253) and \$11,297 is reflected in the statement of activities.

NOTE 5 - SPECIAL EVENTS:

The Club held two special events in the year ended June 30, 2019. Net proceeds were retained by the Club and are reflected in the statement of activities.

| | <u>Revenue</u> | <u>Expenses</u> | <u>Net Proceeds</u> |
|-------------------------|----------------|-----------------|---------------------|
| Evening Events | \$ 7,221 | \$ - | \$ 7,221 |
| International Breakfast | 5,568 | 3,453 | 2,116 |
| | \$ 12,789 | \$ 3,453 | \$ 9,336 |

The Club held one special event in the year ended June 30, 2018. Net proceeds were retained by the Club and are reflected in the statement of activities.

| | <u>Revenue</u> | <u>Expenses</u> | <u>Net Proceeds</u> |
|-------------------------|----------------|-----------------|---------------------|
| International Breakfast | 5,314 | 3,248 | 2,066 |
| | \$ 5,314 | \$ 3,248 | \$ 2,066 |