



District 7210 Finance Committee
Review and Approval of 2015-16 Financial Statements
January 12, 2017

To all Rotary District 7210 Club Presidents & Members,

The District Finance Committee met on January 12, 2017 to evaluate and discuss the 2015-16 Financial Statement Review prepared by Matthew H. Metzger CPA of New Paltz, New York. The ultimate action of our Finance Committee was to unanimously approve this Financial Statement Review as written. In the course of our evaluation, the following observations were noted:

- The 2015-16 decrease in Net Assets was \$19,078.04, but this followed a 2014-15 increase in Net Assets of \$11,725.7. It was noted that the significant variation in annual expenses is due, in part, to the costs related to varying participation in, and distance to, Rotary training programs.
- In some of the areas where line item comparisons between 2015-16 actual expenses were significantly higher than budgeted, such as PETS and the International Convention, the Committee found that this was the result of insufficient budget preparation that did not accurately account for readily anticipated expenses. The Committee found that the spending in each of these areas was appropriately comparable to that in previous years.
- While the change in Net Assets has varied, over the past four years (2012-13 through 2015-16), the District's Net Assets have decreased by an average of approximately \$8,500 annually, due in large part to the steadily increasing costs of, and participation in, important training programs for our members. In the context that our District 7210 member dues are significantly less than the dues of any comparable District in our region, the Committee has previously approved an increase in member dues for 2016-17, and recommends that the member dues be carefully increased each year until such time as the District 7210 dues are similar to comparable Districts and/or we consistently achieve an appropriate annual increase in Net Assets.

The complete 2015-2016 Financial Statement Review can be found on our website.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Drew Kessler".

PDG Drew Kessler
Finance Committee Chair
Rotary District 7210

ROTARY INTERNATIONAL-DISTRICT 7210

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2016 & JUNE 30, 2015

ROTARY INTERNATIONAL-DISTRICT 7210

MIDDLETOWN, NEW YORK

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Matthew H. Metzger, CPA
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New Paltz, New York, 12561

To the Board of Directors
Rotary International-District 7210
Middletown, New York 10940

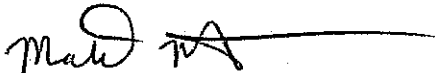
I have reviewed the accompanying statement of financial position Rotary International-District 7210 (a non-profit organization) as of June 30, 2016, and June 30, 2015 and the related statements of activities and cash flows for the years then ended. A review includes primarily applying analytical procedures to Rotary International-District 7210 financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Rotary International-District 7210 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements.

I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



Matthew H. Metzger
Certified Public Accountant

December 19, 2016

Rotary International – District 7210
Middletown, New York
Statement of Financial Position
As of June 30, 2016 & June 30, 2015

ASSETS	June 30, 2016	June 30, 2015
CURRENT ASSETS		
Cash-Checking	\$ 5,100.42	\$ 347.88
Cash-Savings	19,843.49	10,000.00
Cash-Managed Grants	2,305.32	19,167.31
Cash-Reserve Fund Savings	67,729.41	73,450.62
Prepaid Expense	<u>25,750.67</u>	<u>13,852.01</u>
TOTAL CURRENT ASSETS	\$ 120,729.31	\$ 116,817.82
FIXED ASSETS		
Equipment	\$ 1,401.45	\$ 1,401.45
Accumulated Depreciation	<u>(1,401.45)</u>	<u>(1,401.45)</u>
TOTAL FIXED ASSETS	\$ -	\$ -
TOTAL ASSETS	<u>\$ 120,729.31</u>	<u>\$ 116,817.82</u>
 LIABILITIES & NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 12,494.58	\$ 3,143.06
Deferred Revenue	<u>40,505.32</u>	<u>26,867.31</u>
TOTAL CURRENT LIABILITIES	\$ 52,999.90	\$ 30,010.37
 NET ASSETS		
Unrestricted	\$ -	\$ -
Board Restricted	<u>67,729.41</u>	<u>86,807.45</u>
TOTAL NET ASSETS	\$ 67,729.41	\$ 86,807.45
TOTAL LIABILITIES & NET ASSETS	<u>\$ 120,729.31</u>	<u>\$ 116,817.82</u>

Rotary International – District 7210
 Middletown, New York
 Statement of Activities
 Years Ended June 30, 2016 & June 30, 2015

	June 30, 2016	June 30, 2015
UNRESTRICTED NET ASSETS		
REVENUE AND OTHER SUPPORT		
Club Assessments	\$ 44,847.00	\$ 45,144.00
Conference Fees	13,288.00	13,376.00
Foundation	7,200.00	6,350.00
Grants	41,376.99	55,075.76
Late Charge Fees	300.00	840.00
Interest Income	976.64	240.29
Rotary Youth Leadership Award	49,000.00	50,050.00
Training Fees	14,900.00	15,250.00
Radio Income	3,066.00	4,077.00
Youth Exchange	10,900.00	37,500.00
Disaster Relief	-	2,450.00
Women in Rotary	7,174.00	-
Interact	-	790.00
Miscellaneous Income	4,670.40	1,976.00
TOTAL REVENUE AND OTHER SUPPORT	\$ 197,699.03	\$ 233,119.05

Rotary International – District 7210
Middletown, New York
Statement of Activities (Continued)
Years Ended June 30, 2016 & June 30, 2015

	June 30, 2016	June 30, 2015
EXPENSES		
Audit	\$ 1,500.00	\$ 1,500.00
Auto and Gas Expense	1,334.13	1,272.89
Awards & Gifts	4,108.15	1,451.33
Background Checks	1,140.05	2,159.10
Badges, Pins, Banners, Jackets	3,504.65	6,172.35
Copies	653.13	105.13
District Grants	41,343.13	52,942.57
Donations	439.10	4,499.11
Dues & Fees	831.77	50.00
Insurance	3,865.68	6,378.91
Lodging	24,496.66	19,158.54
Meals	19,088.91	19,992.48
Meetings & Conferences	53,320.36	33,918.23
Miscellaneous	1,680.75	3,389.46
Music and Entertainment	3,950.95	3,200.00
Office Supplies	53.86	190.99
Photos/Publicity/Advertising	200.00	-
Postage	426.46	1,608.35
Printing	1,553.90	3,028.10
Radio Expense	5,215.17	5,200.00
Rent	775.00	1,202.00
Seminars and Training	20,800.70	17,464.71
Stipends	8,600.00	8,700.00
Supplies	7,181.06	10,671.89
Travel Expense	8,919.91	15,736.82
Web Site Expenses	1,793.59	1,400.38
TOTAL GENERAL AND PROGRAM EXPENSES	\$ 216,777.07	\$ 221,393.34
INCREASE/(DECREASE) IN UNRESTRICTED NET ASSETS	\$ (19,078.04)	\$ 11,725.71
NET ASSETS BEGINNING OF YEAR	\$ 86,807.45	\$ 75,081.74
NET ASSETS END OF YEAR	\$ 67,729.41	\$ 86,807.45

Rotary International – District 7210
Middletown, New York
Statement of Cash Flows
Years Ended June 30, 2016 & June 30, 2015

	June 30, 2016	June 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ (19,078.04)	\$ 11,725.71
(Increase) Decrease in Operating Assets:		
Accounts Receivable	-	3,504.00
Prepaid Expenses	(11,898.66)	9,929.88
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	9,351.52	(570.67)
Deferred Revenue	<u>13,638.01</u>	<u>(25,188.06)</u>
TOTAL ADJUSTMENTS	<u>\$ 11,090.87</u>	<u>\$ (12,324.85)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (7,987.17)	\$ (599.14)
CASH, BEGINNING OF YEAR	<u>\$ 102,965.81</u>	<u>\$ 103,564.95</u>
CASH, END OF YEAR	<u>\$ 94,978.64</u>	<u>\$ 102,965.81</u>

Rotary International – District 7210
Middletown, New York
Notes to Financial Statements

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Rotary International-District 7210 is presented to assist in understanding the organization's financial statements. The financial statements and notes are representations of the organization's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Type of Organization

Rotary International-District 7210 is a tax exempt organization under Section 501c(4) of the Internal Revenue Code. Rotary International is an association of Rotary Clubs within an assigned geographic area in New York State. The District provides administrative services to the clubs in its area including the piloting of benevolent projects and the coordination of activities with Rotary International.

Basis of Accounting

The financial statements of Rotary International-District 7210 have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, Rotary International-District 7210 is required to report information regarding its financial position and activities according to the three classes of fund balance: Unrestricted Fund Balance, Temporarily Restricted Fund Balance, and Permanently Restricted Fund Balance. Rotary International-District 7210 has no permanently restricted fund balance for year ended June 30, 2016.

Under the provision of SFAS no. 117, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the organization and changes therein are classified and reported as follows:

Unrestricted Net Assets – net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – net assets, which carry specific donor-imposed stipulations that can be fulfilled by actions of the District pursuant to those stipulated or that expire by the pass of time.

Permanently Restricted Net Assets – net assets, which have been restricted by donors to be maintained by the District in perpetuity.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets are reported as net assets released from restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the organization considers cash and all highly liquid investments with original maturities of three months or less to be cash equivalents.

Note 2. GENERAL AND PROGRAM SERVICE EXPENSES

General and program services expenses for selected categories for the year ended June 30, 2016 and June 30, 2015, are as follows:

	June 30, 2016	June 30, 2015
District Assembly	\$ 8,296.67	\$ 3,380.39
College of Governors	832.99	1,050.20
District Conference	19,848.66	16,625.93
Foundation	8,544.96	8,070.85
Leadership Institute	725.00	531.99
P.E.T.S.	17,644.71	16,491.29
Radio	5,390.97	5,759.53
Rotary International Convention	8,110.48	-
RYLA	51,731.00	52,062.90
Women in Rotary	7,432.46	-
World Community Services	1,092.40	2,865.00
Youth Exchange	12,833.67	33,173.35
Zone Training	10,494.86	3,754.84
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Total	\$ 152,978.83	\$ 143,766.27

Note 3. RESERVE FUND RECONCILIATION

Reserve Fund Balance June 30, 2015	\$ 86,807.45
Add: Interest Income	976.64
Less: Meetings & Conferences	(2,354.35)
	<hr/>
Subtotal	85,429.74
Add: Net Income (Loss) for 2015-2016 Fiscal Year Excluding Adjustments Above	<u>(17,700.33)</u>
Reserve Fund Balance June 30, 2016	\$ 67,729.41