

Rotary International District 5300, Inc.

Financial Statements

For the Year Ended June 30, 2023

(With Independent Accountant's Compilation Report Thereon)

Rotary International District 5300, Inc.  
Financial Statements  
June 30, 2023

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## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors  
Rotary International District 5300, Inc.  
Henderson, NV

Management is responsible for the accompanying financial statements of Rotary International District 5300, Inc. (the "District"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ending, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The supplementary information contained on page 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to our compilation engagement; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

*Lucas, Horsfall, Murphy, + Pindroch, L.L.P.*

Pasadena, California  
May 7, 2024

ROTARY INTERNATIONAL DISTRICT 5300, INC.  
STATEMENT OF FINANCIAL POSITION  
June 30, 2023

ASSETS	
Current Assets	
Cash	\$ 251,688
Deferred Charges and Prepaid Expenses	<u>42,003</u>
Total Current Assets	293,691
Property and Equipment, net	<u>-</u>
TOTAL ASSETS	<u>\$ 293,691</u>

LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts Payable	\$ 137,998
Refunds Payable	2,061
Deferred Revenues	<u>39,697</u>
Total Current Liabilities	179,756
Net Assets	
Unrestricted Net Assets	<u>113,935</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 293,691</u>

The accompanying notes are an integral part of these statements  
See Independent Accountant's Compilation Report

ROTARY INTERNATIONAL DISTRICT 5300, INC.  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2023

REVENUE	
District Dues	\$ 112,537
TLC	50,400
District Conference	50,179
R.I. Expense Reimbursements	24,360
Four Way Test Speech Contest	7,500
Dan Stover Music Awards	6,362
Presidents Advance	5,857
Ethics Contest	400
Hensel Essay Contest	200
Leadership Training	70
Interest Income	<u>60</u>
TOTAL REVENUE	257,925
EXPENSES	
Program Services	227,879
Administrative Services	<u>74,614</u>
TOTAL EXPENSE	302,493
CHANGE IN NET ASSETS	(44,568)
NET ASSETS, BEGINNING OF YEAR	<u>158,503</u>
NET ASSETS, END OF YEAR	<u><u>\$ 113,935</u></u>

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ROTARY INTERNATIONAL DISTRICT 5300, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2023

	Program Services	Administrative Services	Total Services
District Conference	\$ 130,156	\$ -	\$ 130,156
TLC	56,517	-	56,517
District Administrator	-	28,000	28,000
President's Advance	13,889	-	13,889
DG Expense	-	9,870	9,870
Dan Stover Music Awards	7,684	-	7,684
Four Way Test Speech Contest	7,500	-	7,500
District Bookkeeper	-	7,267	7,267
Rotary Float	-	6,500	6,500
DACdb Expenses	-	6,227	6,227
PETS	4,819	-	4,819
Office Expense and Postage	-	3,444	3,444
Bank and Credit Card Merchant Fees	-	3,204	3,204
R.I. Expense	-	2,843	2,843
Leadership Training Expense	2,518	-	2,518
GETS Expense	-	2,424	2,424
District Assembly	2,328	-	2,328
Zone Institute	-	1,668	1,668
Membership	-	1,398	1,398
Awards	-	1,284	1,284
Corazon	1,281	-	1,281
Youth Protection	500	-	500
RYLA	483	-	483
Promotion and Marketing	-	250	250
Printing and Copying	-	235	235
Youth Study Exchange	144	-	144
NV Awards Luncheon	60	-	60
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ <u>227,879</u></b>	<b>\$ <u>74,614</u></b>	<b>\$ <u>302,493</u></b>

The accompanying notes are an integral part of these statements  
See Independent Accountant's Compilation Report

ROTARY INTERNATIONAL DISTRICT 5300, INC.  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (44,568)
Change in:	
Deferred Charges and Prepaid Expenses	11,997
Accounts Payable	97,998
Deferred Revenues	<u>1,022</u>
Net cash provided by operating activities	<u>66,449</u>
NET CHANGE IN CASH	66,449
CASH, BEGINNING OF YEAR	<u>185,239</u>
CASH, END OF YEAR	<u><u>\$ 251,688</u></u>

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ROTARY INTERNATIONAL DISTRICT 5300, INC.  
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES

Rotary International District 5300, Inc. (the District) is a component of Rotary International (R.I.), which is an association of Rotary clubs throughout the world. The District is comprised of Rotary clubs in portions of Southern California and Southern Nevada. As of June 30, 2023, there were 61 clubs in District 5300.

Rotary districts are geographic territories in which clubs are grouped for the administrative purposes of R.I. Each district is under the leadership of an officer of Rotary International called the District Governor. The Governor is responsible for furthering the Object of Rotary by providing leadership and supervision to the individual Rotary clubs.

The District's primary source of revenue is from charges for programs, meetings and administrative activities (such as dues, interest, etc.) from the clubs of the District. The District office located in Henderson, Nevada, bills and collects most of the revenue generated by the District. The collected funds are deposited and then the bookkeeper records the amount in the accounting records of the District. The bookkeeper writes checks for all disbursements of the District upon approval by the District Governor. The treasurer oversees the accounting process, approves the financial statements and signs most of the checks for payments of expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Financial statement presentation follows the reporting requirements for non-profit districts. Such standards require that financial statements report information regarding financial position and activities in as many as two classes of net assets; without donor restrictions and with donor restrictions.

The District's normal operating activities are classified as unrestricted net assets. The classification of "with donor restrictions" is not currently applicable.

Basis of Accounting

The District's financial statements were prepared using the accrual basis of accounting for the year ended June 30, 2023. Revenue is recognized when earned rather than when received, and expenses are recognized when the obligation is incurred rather than paid.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The District is operating as a non-profit membership organization exempt from taxation by provisions of the Internal Revenue Code Section 501(c)(4) and, therefore, management believes the District is not subject to federal and state income taxes.

Cash and Cash Equivalents

Cash and Cash equivalents include operating cash and liquid investments with an initial maturity of three



ROTARY INTERNATIONAL DISTRICT 5300, INC.  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

months or less.

Property and Equipment

Depreciable assets are stated at cost. The District follows the practice of capitalizing asset additions in excess of \$500. Depending on the types of assets, it records depreciation on a straight-line basis over their estimated lives ranging from five to ten years.

Donated Services

Donated services have not been reflected in the accompanying financial statements since they do not meet the criteria for recognition in accordance with generally accepted accounting principles. The District pays for some services requiring specific expertise. Many individuals volunteer their time and perform a variety of tasks that assist the District with specific programs and various committee assignments.

3. DEFERRED CHARGES, PREPAID EXPENSE, AND DEFERRED REVENUES

The following amounts were paid or received in the current year or prior but are applicable to the 2023-2024 fiscal year.

DESCRIPTION	DEFERRED CHARGES, & PREPAID EXPENSE	DEFERRED REVENUES
RYLA	\$ 22,980	\$ 34,842
DC Conference	13,000	-
DAC DB	6,023	-
DC Cruise	-	4,855
	\$ 42,003	\$ 39,697
Totals	\$ 42,003	\$ 39,697

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Furniture and Equipment	\$ 22,624
Less Accumulated Depreciation	(22,624)
Totals	-

Depreciation expense for the year ended June 30, 2023 is \$0. The depreciation policies followed by the District are described in Note 2.

ROTARY INTERNATIONAL DISTRICT 5300, INC.  
NOTES TO FINANCIAL STATEMENTS

5. AFFILIATED ORGANIZATIONS

The District is an administrative unit of Rotary International (R.I.). The District Governor is an elected member of R.I. which is a worldwide organization consisting of approximately 37,000 clubs. R.I. consolidated financial information as of June 30, 2023 follows in summarized form (in thousands of U.S. dollars):

Total Assets	\$ <u>1,641,820</u>
Total Liabilities	\$ 151,837
Net Assets	<u>1,489,983</u>
Total Liabilities and Net Assets	<u>(1,641,820)</u>
Revenue	\$ 547,603
Expenses	(466,414)
Non-operating activities	<u>(6,032)</u>
Total Liabilities and Net Assets	<u>\$ 75,157</u>

The District has an affiliated foundation, The Rotary District 5300 Foundation, Inc. (The Foundation). The Foundation is a 501(c)(3) charity. Several members of the District executive board are also members of the Foundation's board. The goals of the foundation are as follows:

- A. Provide matching grants to clubs for community projects, primarily for youth.
- B. Provide local or domestic scholarship funds for qualifying candidates.
- C. Provide funds for District events where the District provides youth activities on a nondiscriminatory basis.
- D. Accept donations earmarked for disaster relief and make grants to other charitable entities distributing the funds.

6. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 7, 2024, the date on which this report is issued.

ROTARY INTERNATIONAL DISTRICT 5300, INC.  
 SUPPLEMENTARY INFORMATION  
 For the Year Ended June 30, 2023

SCHEDULES OF MAJOR ACTIVITIES

Dan Stover Music Awards		
Revenue		\$ 6,362
Expenses		<u>(7,684)</u>
Excess/(Deficit)		<u><u>\$ (1,322)</u></u>
Four Way Test Speech Contest		
Revenue		\$ 7,500
Expenses		<u>(7,500)</u>
Excess/(Deficit)		<u><u>\$ -</u></u>
TLC		
Revenue		\$ 50,400
Expenses		<u>(56,517)</u>
Excess/(Deficit)		<u><u>\$ (6,117)</u></u>
District Conference		
Revenue		\$ 50,179
Expenses		<u>(130,156)</u>
Excess/(Deficit)		<u><u>\$ (79,977)</u></u>
Presidents Advance		
Revenue		\$ 5,857
Expenses		<u>(13,889)</u>
Excess/(Deficit)		<u><u>\$ (8,032)</u></u>

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