

**KIWANIS INTERNATIONAL
NTL HDQ K23 PA DISTRICT
AND KEY CLUB INTERNATIONAL
H23 PA DISTRICT**

**YEAR ENDED
SEPTEMBER 30, 2020**



CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

A Professional Corporation

**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT
AND KEY CLUB INTERNATIONAL H23 PA DISTRICT**

YEAR ENDED SEPTEMBER 30, 2020

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Independent Auditor's Report

Board of Trustees
Kiwanis International NTL HDQ K23 PA District
Harrisburg, Pennsylvania

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Kiwanis International NTL HDQ K23 PA District and Key Club International H23 PA District (collectively, the Organization), which comprise the consolidated statement of financial position as of September 30, 2020 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

The activity as of and for the year ended September 30, 2020 for Key Club International H23 PA District (Key Club) is reported on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States.

Qualified Opinion

In our opinion, except for the effects on the consolidated financial statements of reporting the Key Club International H23 PA District's activity on the cash basis, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 10 to the financial statements, the net assets as of the beginning of the year have been restated to include the net assets of Key Club International H23 PA District as of October 1, 2019. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position as of September 30, 2020 and the consolidating statement of activities for the year then ended on pages 15 through 18 are presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual organizations and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects of Key Club being reported on the cash basis of accounting as explained in the Basis for Qualified Opinion paragraph of this report, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Brown Schultz Steidman & Fritz

Camp Hill, Pennsylvania
February 16, 2021

**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT
AND KEY CLUB INTERNATIONAL H23 PA DISTRICT**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2020

ASSETS

Current assets:

Cash and cash equivalents:

Cash in bank	\$ 55,610
Money market fund	577

Total cash and cash equivalents **56,187**

Accounts receivable	6,078
Inventory	291
Prepaid expenses	441

Total current assets **62,997**

Security deposit **1,450**

Total assets **\$ 64,447**

LIABILITIES AND NET ASSETS

Liabilities, all current:

Accounts payable	\$ 9,509
Credit card payable	3,406
Line of credit	9,475
Accrued expenses	21,265
Paycheck Protection Program loan	13,962

Total liabilities, all current **57,617**

Net assets:

Without donor restrictions	2,221
With donor restrictions	4,609

Total net assets **6,830**

Total liabilities and net assets **\$ 64,447**

See notes to consolidated financial statements.

**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT
AND KEY CLUB INTERNATIONAL H23 PA DISTRICT**

CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020

	Without donor restrictions	With donor restrictions	Total
Revenues:			
Dues	\$ 177,933		\$ 177,933
Conventions and events	31,811		31,811
Revenue for services provided to related parties	9,800		9,800
Key leader program revenue and contributions	200		200
District raffle	14,587		14,587
Other:			
Revenue	7,531	\$ 1,286	8,817
Events	7,362		7,362
Contributions	2,000		2,000
Interest income	324		324
Total revenues	251,548	1,286	252,834
Expenses			
Program:			
PA District	80,131		80,131
Circle K	5,145		5,145
Key Club	47,273		47,273
Total program	132,549		132,549
Management and general	56,263		56,263
Fundraising	7,790		7,790
Total expenses	196,602		196,602
Change in net assets	54,946	1,286	56,232
Net assets:			
Beginning of the year, restated	(52,725)	3,323	(49,402)
End of the year	\$ 2,221	\$ 4,609	\$ 6,830

See notes to consolidated financial statements.

**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT
AND KEY CLUB INTERNATIONAL H23 PA DISTRICT**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2020**

	PA District	Circle K	Key Club	Total program	Management and general	Fundraising	Total
Salaries and wages	\$ 40,190	\$ 3,525		\$ 43,715	\$ 26,793		\$ 70,508
Annual convention	9,716		\$ 9,172	18,888			18,888
Midwinter convention	1,427			1,427			1,427
Key Leader program expenses	1,747			1,747			1,747
Building rent	8,550	750		9,300	5,700		15,000
Professional fees					12,932		12,932
District raffles						\$ 7,790	7,790
Payroll taxes	3,391	297		3,688	2,261		5,949
Executive director expenses	1,065	93		1,158	711		1,869
Lieutenant governor's training	440			440			440
Equipment leasing	1,544	135		1,679	1,030		2,709
Telephone and internet	1,683	148		1,831	1,121		2,952
Interest					1,885		1,885
Membership growth and development	2,052			2,052			2,052
Other events	3,142		9,800	12,942			12,942
Insurance					2,060		2,060
Lieutenant governor expenses	400		1,624	2,024			2,024
Supplies and printing	1,492	131	5,517	7,140	994		8,134
Keystone Kiwanian editor	1,000			1,000			1,000
Awards	650		452	1,102			1,102
Equipment maintenance	135	12		147	89		236
Governor's travel	755		538	1,293			1,293
Employee benefits	405	36		441	269		710
Executive director international convention	10			10			10
Web page fees and maintenance			480	480	94		574
Circle K administrator	105			105			105
Postage	131	12		143	87		230
Trustee board meeting expense			12,890	12,890	191		13,081
Governor international convention			2,100	2,100			2,100
District board international convention			4,700	4,700			4,700
Miscellaneous expense	70	6		76	46		122
Builders Club administrator	31			31			31
	<u>\$ 80,131</u>	<u>\$ 5,145</u>	<u>\$ 47,273</u>	<u>\$ 132,549</u>	<u>\$ 56,263</u>	<u>\$ 7,790</u>	<u>\$ 196,602</u>

See notes to consolidated financial statements.

**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT
AND KEY CLUB INTERNATIONAL H23 PA DISTRICT**

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2020

Cash flows from operating activities:	
Changes in net assets	\$ 56,232
Adjustments:	
Addition of Key Club	1,370
Changes in assets and liabilities:	
(Increase) decrease in assets:	
Accounts receivable	(5,778)
Inventory	371
Prepaid expenses	1,113
Increase (decrease) in liabilities:	
Accounts payable	2,952
Credit card payable	(22,521)
Accrued expenses	8,411
Due to other affiliates	<u>(1,335)</u>
Net cash provided by operating activities	<u>40,815</u>
Cash flows from financing activities:	
Net repayments on line of credit	(10,165)
Proceeds from Paycheck Protection Program loan	<u>13,962</u>
Net cash provided by financing activities	<u>3,797</u>
Increase in cash	44,612
Cash and cash equivalents:	
Beginning of year	<u>11,575</u>
End of year	<u><u>\$ 56,187</u></u>
Supplementary cash flows information, interest paid	\$ 1,885

See notes to consolidated financial statements.

**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT
AND KEY CLUB INTERNATIONAL H23 PA DISTRICT**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

1. Nature of activities and summary of significant accounting policies:

The Kiwanis International NTL HDQ K23 PA District (the District) is a nonprofit corporation organized under the laws of the Commonwealth of Pennsylvania for the purpose of promoting Kiwanis objectives and providing support to local Kiwanis clubs throughout Pennsylvania. The District derives substantially all of its revenues from Pennsylvania-based Kiwanis clubs and their members. The District also supports Circle K clubs throughout Pennsylvania. Circle K clubs are organized on college or university campuses and blend community service and leadership training with the opportunity to meet other college students around the world.

The Key Club International H23 PA District (the Club) is a student-led nonprofit corporation organized under the laws of the Commonwealth of Pennsylvania for the purpose of opportunities to provide service, build character and develop leadership.

Principles of consolidation:

The consolidated financial statements include the District and the Club (collectively, the Organization). The Club is consolidated since the District has the ability to appoint the oversight committee of the Club and has the ultimate responsibility for the Club. All significant inter-entity balances and transactions have been eliminated in consolidation.

Basis of accounting:

The District's financial statements have been prepared on the accrual basis of accounting and, accordingly, present all significant receivables, payables and other liabilities.

The Club's financial statements have been prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The Club records revenue when received rather than when earned and expenses are recorded when paid rather than when the obligation is incurred.

**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT
AND KEY CLUB INTERNATIONAL H23 PA DISTRICT**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

1. Nature of activities and summary of significant accounting policies (continued):

Basis of presentation:

The Organization follows the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities in two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that are restricted for a specified purpose or passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

Accounts receivable:

Accounts receivable are stated at outstanding balances reduced by any amounts charged off and any allowance for doubtful accounts. The Organization periodically reviews the receivables and charges off balances that are deemed uncollectible. The allowance for doubtful accounts is calculated based on historical experience and management's evaluation of outstanding receivables at the end of each year. Management has determined that an allowance for doubtful accounts is not necessary at September 30, 2020.

Inventory:

The Organization values inventory using the lower of cost (first-in, first-out) or net realizable value method.

Property and equipment:

The Organization capitalizes all expenditures for property and equipment in excess of \$500. Purchased property and equipment is recorded at cost. Depreciation expense is calculated using the straight-line method over the estimated useful lives of the respective assets. The Organization's property and equipment with a cost of \$34,369 were fully depreciated as of September 30, 2020.

**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT
AND KEY CLUB INTERNATIONAL H23 PA DISTRICT**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

1. Nature of activities and summary of significant accounting policies (continued):

Support and revenue recognition:

The Organization reports contributions (nonexchange transactions) of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Membership dues are recorded as revenues during the applicable membership period. Program income is recorded as revenue when the events occur.

Contributed services:

A substantial number of unpaid volunteers have made significant contributions of their time to present the Organization's program. These services do not meet the criteria for recognition as contributed services and are not reflected in the accompanying consolidated financial statements.

Functional allocation of expenses:

The costs of providing program and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated based on management's estimate of staff time spent on the various programs and supporting services. Costs directly related to a program or supporting service are charged directly to that program or supporting service.

Use of estimates:

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

**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT
AND KEY CLUB INTERNATIONAL H23 PA DISTRICT**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

1. Nature of activities and summary of significant accounting policies (continued):

Recently issued accounting standards:

FASB Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, with effective dates amended by FASB ASU 2015-14, was supposed to be effective for the Organization's 2020 fiscal year end. However, FASB ASU 2020-05 allowed implementation to be delayed one more year. The Organization elected the one year deferral making ASU 2014-09 effective for Organization's 2021 fiscal year end. The standard identifies specific steps to be applied to properly recognize revenue from customer contracts. Under the standard, revenue recognition is determined using a five-step model which identifies customer contracts, identifies performance obligations in each contract, determines transaction price, allocates transaction price to performance obligations and recognizes revenue when or as the performance obligations are satisfied. The standard permits the use of either the retrospective or cumulative effect transition method. Management is evaluating the effect that ASU 2014-09 will have on the Organization's consolidated financial statements. The Organization has not yet selected a transition method, nor has it determined the effect of this standard on its ongoing financial reporting.

FASB ASU 2016-02, *Leases*, will require lessees to recognize assets and liabilities on the statements of financial position for the rights and obligations created by all leases with terms of more than 12 months. Disclosures will also be required by lessees to meet the objective of enabling users of the consolidated financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. FASB ASU 2020-05 delayed the original effective date of the standard. The standard is now effective for reporting periods beginning after December 15, 2021 and interim reporting periods within annual reporting periods beginning after December 15, 2022. Management has not yet determined the impact of this update on the Organization's consolidated financial statements.

2. Adoption of new accounting pronouncement:

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions and improved guidance to better distinguish between conditional and unconditional contributions.

Effective October 1, 2019, the Organization adopted ASU 2018-08. There was no quantitative impact on the Organization's financial statements as a result of the adoption.

**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT
AND KEY CLUB INTERNATIONAL H23 PA DISTRICT**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

3. Liquidity and availability of financial assets:

Financial assets available for general expenditures, that is, without donor restrictions or other designations limiting their use, within one year of the statement of financial position, comprise the following as of September 30, 2020:

Financial assets:	
Cash in bank	\$ 55,610
Money market fund	577
Accounts receivable	<u>6,078</u>
Total financial assets	62,265
Net assets with donor restrictions	<u>(4,609)</u>
Total financial assets available within one year	<u><u>\$ 57,656</u></u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due. The Organization's primary sources of cash flow are from dues, an annual convention and various events. To manage unanticipated liquidity needs, the Organization maintains a \$40,000 line of credit with a bank that can be drawn upon as needed. The available balance to be drawn on the line of credit at September 30, 2020 was \$30,525.

4. Concentration of credit risk:

The Organization maintains its cash accounts with two financial institutions. At times during the year ended September 30, 2020, the Organization's cash balances may have exceeded the federally insured limit of \$250,000. As of September 30, 2020, the Organization did not have any uninsured cash balances.

5. Line of credit and Paycheck Protection Program loan:

The Organization has an authorized \$40,000 line of credit with Mid Penn Bank. Interest is payable monthly at the bank's prime rate (4.56% as of September 30, 2020). Borrowings under the line of credit are collateralized by all assets of the Organization. The line of credit is subject to an annual review by the bank. The outstanding balance at September 30, 2020 was \$9,475.

**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT
AND KEY CLUB INTERNATIONAL H23 PA DISTRICT**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

5. Line of credit and Paycheck Protection Program loan (continued):

In April 2020, the Organization received funding totaling \$13,962 from the Paycheck Protection Program (PPP), a government program authorizing loans to small businesses to cover payroll costs, rent and utility costs over a 24-week period. The loan may come due if the Organization uses the funds for anything other than the costs noted above or does not incur enough of the qualified costs. No payments are due for the first six months. To the extent that all or part of the loan is not forgiven, the Organization will be required to pay equal monthly payments of principal and accrued interest will be due and payable each of the months 7 through 24 until the unpaid principal balance and all accrued interest on the note is paid in full. The note has an interest rate of 1%. The Organization expects the PPP loan to be forgiven in 2021 based on its initial projections.

6. Leases:

The Organization entered into an operating lease expiring September 30, 2021 for office space. The lease requires payments of \$1,250 per month.

The Organization also entered into an operating lease for a copier. The lease expired December 2019. The lease required payments of \$304 per month. The Organization entered into a new copier lease during the year ended September 30, 2020. The lease requires payments of \$135 per month and expires in December 2025.

Future minimum lease payments consist of the following as of September 30:

2021	\$ 16,620
2022	1,620
2023	1,620
2024	1,620
2025	<u>405</u>
	<u>\$ 21,885</u>

Total rental expenses amounted to \$17,709 for the year ended September 30, 2020.

**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT
AND KEY CLUB INTERNATIONAL H23 PA DISTRICT**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

7. Net assets with donor restrictions:

The Organization's net assets with donor restrictions are restricted for the following purposes as of September 30, 2020:

Key Leader Program	\$ 3,323
Member support initiative	<u>1,286</u>
	<u><u>\$ 4,609</u></u>

8. Tax status:

Kiwanis has been recognized as a tax-exempt organization under the provisions of the Internal Revenue Code (IRC) Section 501(c)(4). Key Club applied for and received tax-exempt status from the Internal Revenue Service (IRS) under IRC Section 501(c)(4), which was in good standing through March 31, 2013. Subsequent to that year end, Key Club cannot determine if Form 990s were filed, and thus, is requesting confirmation from the IRS as to their tax-exempt status and will seek reinstatement if necessary.

9. Impact of COVID-19 pandemic on consolidated financial statements:

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in China. The World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern" and characterized COVID-19 as a pandemic. The U.S. government has also implemented enhanced screenings, quarantine requirements and travel restrictions in connection with the COVID-19 outbreak. The spread of this virus has caused business disruption to many industries, due to state government-imposed shutdowns of businesses and other results of the illness, such as cancellation of large group events. While the Organization expects this matter may negatively impact its results, the extent of the impact of COVID-19 on the Organization's operations is highly uncertain and cannot be predicted.

During the year ended September 30, 2020, the Organization needed to cancel/postpone various special events. The Organization is planning on making as many events and conventions virtual as possible. These changes significantly affected conventions and events revenue in 2020 and are also expected to negatively impact conventions and events revenue in 2021.

10. Net assets restatement:

Net assets as of the beginning of the year have been restated to include Key Club's net assets of \$1,370.

***KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT
AND KEY CLUB INTERNATIONAL H23 PA DISTRICT***

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

11. Subsequent events:

The Organization has evaluated subsequent events through February 16, 2021, the date which the consolidated financial statements were available to be issued.

**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT
AND KEY CLUB INTERNATIONAL H23 PA DISTRICT**

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
YEAR ENDED SEPTEMBER 30, 2020
(See independent auditor's report)

	Kiwanis	Key Club	Eliminations	Total
ASSETS				
Current assets:				
Cash and cash equivalents:				
Cash in bank	\$ 23,952	\$ 31,658		\$ 55,610
Money market fund	577			577
Total cash and cash equivalents	24,529	31,658		56,187
Accounts receivable	6,078			6,078
Due from Key Club	19,217		\$ (19,217)	-
Inventory	291			291
Prepaid expenses	441			441
Total current assets	50,556	31,658	(19,217)	62,997
Security deposit	1,450			1,450
Total assets	\$ 52,006	\$ 31,658	\$ (19,217)	\$ 64,447
LIABILITIES AND NET ASSETS (DEFICIT)				
Liabilities, all current:				
Accounts payable	\$ 9,509			\$ 9,509
Credit card payable	3,406			3,406
Line of credit	9,475			9,475
Accrued expenses	21,265			21,265
Paycheck Protection Program loan	13,962			13,962
Total liabilities, all current	57,617			57,617
Net assets (deficit):				
Without donor restrictions	(10,220)	\$ 31,658	\$ (19,217)	2,221
With donor restrictions	4,609			4,609
Total net assets (deficit)	(5,611)	31,658	(19,217)	6,830
Total liabilities and net assets	\$ 52,006	\$ 31,658	\$ (19,217)	\$ 64,447

See notes to consolidated financial statements.

**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT
AND KEY CLUB INTERNATIONAL H23 PA DISTRICT**

CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020
(See independent auditor's report)

	Kiwanis		Key Club		Eliminations	Consolidated
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions		
Revenues:						
Dues	\$ 114,980		\$ 114,980	\$ 62,953		\$ 177,933
Conventions and events	19,428		19,428	12,383		31,811
Revenue for services provided to related parties	24,800		24,800		\$ (15,000)	9,800
Key leader program revenue and contributions	200		200			200
District raffle	14,587		14,587			14,587
Other:						
Revenue	7,477	\$ 1,286	8,763	54		8,817
Events				7,362		7,362
Contributions				2,000		2,000
Interest income	175		175	149		324
Total revenues	181,647	1,286	182,933	84,901	(15,000)	252,834
Expenses:						
Salaries and wages	70,508		70,508			70,508
Annual convention	9,716		9,716	9,172		18,888
Midwinter convention	1,427		1,427			1,427
Key Leader program expenses	1,747		1,747			1,747
Building rent	15,000		15,000			15,000
Professional fees	12,932		12,932			12,932
District raffles	7,790		7,790			7,790
Payroll taxes	5,949		5,949			5,949

(continued)

**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT
AND KEY CLUB INTERNATIONAL H23 PA DISTRICT**

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020
(See independent auditor's report)

	Kiwanis		Key Club		Eliminations	Consolidated
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions		
Expenses (continued):						
Executive director expenses	\$ 1,869		\$ 1,869			\$ 1,869
Lieutenant governor's training	440		440			440
Equipment leasing	2,709		2,709			2,709
Telephone and internet	2,952		2,952			2,952
Interest	1,885		1,885			1,885
Membership growth and development	2,052		2,052			2,052
Other events	3,142		3,142	\$ 2,140	\$ 7,660	12,942
Insurance	2,060		2,060			2,060
Lieutenant governor expenses	400		400	1,624		2,024
Supplies and printing	2,617		2,617	5,517		8,134
Keystone Kiwanian editor	1,000		1,000			1,000
Awards	650		650	452		1,102
Equipment maintenance	236		236			236
Governor's travel	755		755	538		1,293
Employee benefits	710		710			710
Executive director international convention	10		10			10
Web page fees and maintenance	94		94	480		574
Circle K administrator	105		105			105
Postage	230		230			230
Trustee board meeting expense	191		191	12,890		13,081
Governor international convention				2,100		2,100

(continued)

**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT
AND KEY CLUB INTERNATIONAL H23 PA DISTRICT**

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020
(See independent auditor's report)

	Kiwanis		Key Club		Eliminations	Consolidated
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions		
Expenses (continued):						
District board international convention				\$ 4,700		\$ 4,700
Kiwanis District administrative fees				15,000	\$ (15,000)	-
Miscellaneous expense	\$ 122		\$ 122			122
Builders Club administrator	31		31			31
Total expenses	149,329		149,329	54,613	(7,340)	196,602
Change in net assets	32,318	\$ 1,286	33,604	30,288	(7,660)	56,232
Net assets:						
Beginning of the year, restated	(42,538)	3,323	(39,215)	1,370	(11,557)	(49,402)
End of the year	\$ (10,220)	\$ 4,609	\$ (5,611)	\$ 31,658	\$ (19,217)	\$ 6,830

See notes to consolidated financial statements.