

**PENNSYLVANIA DISTRICT BOARD OF TRUSTEES MEETING  
BOARD MEETING MINUTES  
February 13, 2023**

The fourth meeting of the 2022-23 Pennsylvania District Board of Trustees was held on February 13, 2023. Governor Mike Coolbaugh presided. The meeting was held virtually via Zoom.

All board members were present except for Trustee Miranda Burton who was unable to attend. Ex-officio board member Pennsylvania Kiwanis Foundation President Jill Martin-Rend was present. Guests included Laws and Regulations Chair Ben Osterhout, Membership and Key Leader Chair Matt Wise and Audit Committee Chair Jim Hanna and Past Governor Bob Raub.

The minutes from the January 21, 2023, Board meeting were considered. See P1-P2. The minutes were approved as presented.

Consideration was given to the amendments to establish District Secretary and District Treasurer positions. The amendments were approved at the January 21, 2023, meeting and then submitted to Kiwanis International for approval. Kiwanis International returned them with required and suggested changes. The revised amendments with Kiwanis International input can be seen as P3-P15. By proper motion, second and vote, the revised proposed bylaw amendments were approved.

Consideration was given to proposed changes in the District Secretary and Treasurer positions. See P16-P20. The proposed changes in the District Secretary position came because of recommendations made by Audit Committee Chair Jim Hanna. The changes in the Treasurer position were the result of changes in the bylaw amendments. The changes were approved as presented by proper motion, second and vote.

Consideration was given to a Memorandum of Understanding for the operation of the 2024 New Jersey-Pennsylvania District Convention. See P21. Executive Director Kevin Thomas indicated that the Doubletree Reading has agreed to reduce the room block and contract minimums by 35% without penalty if New Jersey needs to invoke provision #1 in the MOU. After review, a motion was introduced, seconded and approved to accept the Memorandum as presented.

The 2022-23 audited financial statements and related documents were considered. See P22-P53. A motion was introduced and seconded to accept the statements and related documents as presented. Comments by Executive Director Kevin Thomas and Audit Committee Chair Jim Hanna indicated that these were a good and clean set of statements which presently show the District in a good financial position. After discussion, the statements and related documents were approved as presented.

The District 990 tax form has not yet been received so that the board can review it. An extension has been filed so the District has until August 15, 2023, to file the form. However, the form will be available for our next board meeting for board consideration and then immediate filing thereafter.

The standing rules for the Special Convention on April 1, 2023, were considered. See P56-P57. By proper motion, second and vote, the standing rules were approved.

An update was provided on the Spring Fling. The Committee is still trying to procure a location as one that it thought was available turned out not to be. The committee is meeting February 16, 2023, with hope of finalizing a location.

Discussion took place on the Midyear attendance, the Special Convention, the Spring Fling and how all that impacts the District budget and finances.

An update was provided on the Midyear Conference.

With no further business to conduct or discuss, the meeting was adjourned.

Respectfully submitted,



Kevin E. Thomas  
Executive Director/Secretary/Treasurer

**PENNSYLVANIA DISTRICT BOARD OF TRUSTEES MEETING**  
**BOARD MEETING MINUTES**  
**January 21, 2023**

The third meeting of the 2022-23 Pennsylvania District Board of Trustees was held on January 21, 2023. Governor Mike Coolbaugh presided. The meeting was held virtually via a Zoom platform and started at 9:00am.

All eleven board members were present.

Guests Included Human & Spiritual Values Chair and Division 5 Lt. Governor Rev. Wayne Meyer, Division 15 Lt. Governor Deb Crisman, Foundation President and ex-officio Board member Jill Rend, Membership and Key Leader Chair Matt Wise, Audit Committee Chair Jim Hanna and Circle K Governor and ex-officio Board member Emma Galiardi.

Wayne Meyer provided an opening thought and invocation.

The minutes from the December 12, 2022, Board Meeting were considered for approval. The minutes of the meeting were approved as presented. See P1-P2.

The consent agenda was considered; see P3-P57. All items in the consent agenda were approved except for the Governor's Report, which was deferred by request until the action portion of the agenda.

Remarks were provided by Circle K Governor Emma Gilardi and Foundation President Jill Martin-Rend.

The District Membership Committee Report was reviewed and approved; see P58-P64. The Danville Club has been organized. The development and expansion of the New Club opening team was discussed at length. Five-year membership trends were reviewed and the how and when of helping clubs with membership were discussed. Deep concern was expressed on the ability of the District to remain independent based on current membership trends. The membership committee report was approved.

The Audit Committee Report was considered; see P65-P69. The audit committee report was approved as presented

The Finance Committee Report and District Financial reports were reviewed, discussed and approved. See P70-90.

An update on unclaimed property was provided. Claims have been filed but to date we have not heard anything from Bureau of Unclaimed Property.

The Spring Fling fundraiser was discussed. Locations to hold the event on April 1, 2022, are being pursued. Shawn Smith will develop a promotional flyer for the event

The 2023 Kiwanis Kash Raffle will be chaired by Jess Yurek of the Kiwanis Club of Wyoming area. Barb Byers will serve as the assistant chair. Mike Coolbaugh will be the board liaison. A meeting will be held to get Jess on board with the effort.

No date has yet been established for the Kiwanis Night at The Phillies.

The E-Commerce site was discussed. The difficulties encountered with Affinity and Kiwanis International have made the implementation of the program not feasible and therefore it is a dead issue. A letter will be sent to Kiwanis International with our concerns about the Affinity licensing program.

Information was shared on the Foundation treasurer's position and financial situation. See P91.

Redivisioning was discussed. Mike Coolbaugh will be putting out a message to set up meetings in each region to discuss the need, if any, for redivisioning in each region except for region 2 since redivisioning has already happened there.

Vacant Lt. Governor and Trustee positions for 2023-24 were discussed. Governor-elect Conrad Schlessinger would like to have Lt. Governor candidates identified for all divisions by the Midyear conference. Potential candidates and concerns were discussed. Lt. Governor training was discussed but no date was established.

Club Leadership Education was discussed. Efforts to increase attendance at the virtual continuing education offerings were discussed. Conrad Schlesinger and Brittany Brown are working on finalizing plans for 2023-24 club officer education.

The 2023 Circle K and Key Club Convention budgets were considered. See P92-P93. The budgets were approved as presented.

Covid 19 policy for Kiwanis and Service Leadership Program events was discussed. See P94-P95. After consideration, the proposed policy on P94 was approved.

The Key Leader report was considered. After review and comment from Matt Wise, the report was approved. See P96-P97.

The Key Leader Budget for 2023 was considered. See P98. The Key Leader Budget was approved after discussion and consideration.

A motion was introduced, seconded and approved to instruct the Key Leader Committee to give consideration to developing our own student leadership program, independent of Kiwanis International, for 2024.

The Midyear program and Midyear budget were considered. See P99-P100. The budget for 2023 Midyear was approved.

The 2024 Joint District Convention was considered. See P101-P103. A motion was introduced, seconded and approved to accept the recommendations on P101.

Governor Mike will talk to Laws and Regulations chair Ben Osterhout to come up with a committee to review the District policy code for updates and reorganization.

The District Bylaw amendments to replace the Executive Director with a District Secretary and District Treasurer were considered. See P104-P110. After discussion, the amendments were approved by proper motion, second and vote and will now be submitted to Kiwanis International for approval.

A discussion was held on the proposed \$30.00 Kiwanis International dues increase. The District Board took no position or action at this time but will consider the matter again in April.

A discussion was held on Kiwanis International's elimination of the requirement for clubs to have separate club administrative and service funds. See P111. The general tone of the discussion was that this was not a good idea or in the best interest of Kiwanis. Executive Director Kevin Thomas will draft a letter for board consideration to send to Kiwanis International expressing our concerns as well as a letter to clubs suggesting this is not a best practice.

A discussion was held on a possible District Dues increase. See P112. After discussion, a motion was introduced, seconded and approved to instruct the Finance Committee to consider a possible increase and have the recommended amount, if any, presented to the board at its meeting on April 22, 2023.

The Board moved to closed session to discuss the Governor's report.

After the closed session, the Governor's report was approved. A motion was introduced, seconded and approved to accept the resignation of Circle K co-Administrators Jodie Welser and Jen Vare and thank them for their service as administrators.

After the closed session and with no further business to conduct or discuss, the meeting was adjourned.

Respectfully submitted,



Kevin E. Thomas  
Executive Director/Secretary/Treasurer

## REVISED PROPOSED DISTRICT BYLAW AMENDMENTS

PROPOSED BY: The Pennsylvania District Kiwanis International Board of Trustees

PURPOSE: To replace the District Executive Director position with District Secretary and District Treasurer positions

**NOTE: Proposed deletions are struck through. Proposed additions are in red.**

CURRENT READING: ARTICLE III, SECTION 1a and 1b

### Section 1.

- a. The officers of the district shall be the Governor, Governor-elect, Immediate Past Governor, Secretary-Treasurer, and a Lieutenant Governor for each division and a Trustee for each region of the district.
- b. No offices other than those of Secretary and Treasurer may be combined in one person. The Secretary-Treasurer has the title of Executive Director.

PROPOSED CHANGES: ARTICLE III, SECTION 1a and 1b

### Section 1.

- a. The officers of the district shall be the Governor, Governor-elect, Immediate Past Governor, Secretary-Treasurer, Treasurer and a Lieutenant Governor for each division and a Trustee for each region of the district.
- b. No offices ~~other than those of Secretary and Treasurer~~ may be combined in one person. ~~The Secretary-Treasurer has the title of Executive Director.~~

CURRENT READING: ARTICLE III, SECTION 8

**Section 8.** The Executive Director (Secretary-Treasurer) has the further duties and responsibilities:

- a. Assist the Governor and District Board in conducting the business of the district.
- b. Keep all records of the district.
- c. Be the executive in charge of the District Office and, subject to the approval of the District Board, select the employees (if any).
- d. Submit to the proper officers, committees, or persons all communications received from Kiwanis International and cooperate with the Governor in forwarding all reports required by Kiwanis International.
- e. Attend and keep the minutes of the meetings of the District Board and the district conventions.
- f. Make a report to the district at its annual convention and such other reports as directed by the Governor or the District Board.
- g. Keep the financial accounts and records and be responsible for proper internal control procedures, including the receipt, deposit, and disbursement of district and ~~sp~~ <sup>ored</sup> organization funds in the manner authorized and



prescribed by the District Board.

h. Make available for inspection by the Governor, the District Board, or any authorized parties, the financial accounts, records, and books of the district and its service leadership programs (if any).

i. Be a member of the Finance Committee.

j. Regularly review and advise the District Board on the financial condition of the district and its service leadership programs (if any).

PROPOSED CHANGES: ARTICLE III, SECTION 8:

**Section 8.** The ~~Executive Director (Secretary-Treasurer)~~ has the further duties and responsibilities:

a. Assist the Governor and District Board in conducting the business of the district.

b. ~~Except for financial accounts and records, keep~~ all records of the district.

c. Be the executive in charge of the District Office and, subject to the approval of the District Board, select the employees (if any).

d. Submit to the proper officers, committees, or persons all communications received from Kiwanis International and cooperate with the Governor in forwarding all reports required by Kiwanis International.

e. Attend and keep the minutes of the meetings of the District Board and the district conventions.

f. Make a report to the district at its annual convention and such other reports as directed by the Governor or the District Board.

~~g. Keep the financial accounts and records and be responsible for proper internal control procedures, including the receipt, deposit, and disbursement of district and sponsored organization funds in the manner authorized and prescribed by the District Board.~~

~~h. Make available for inspection by the Governor, the District Board, or any authorized parties, the financial accounts, records, and books of the district and its service leadership programs (if any).~~

~~i. Be a member of the Finance Committee.~~

~~j. Regularly review and advise the District Board on the financial condition of the district and its service leadership programs (if any).~~

CURRENT READING: ARTICLE III, SECTION 11

None – no such section

PROPOSED CHANGES: ARTICLE III, SECTION 11:

**(Proposed changes struck through and in red)**

**Section 11.** The Treasurer has the following duties and responsibilities:

- a. Keep the financial accounts and records and be responsible for proper internal control procedures, including the receipt, deposit, and disbursement of district and sponsored organization funds in the manner authorized and prescribed by the District Board.
- b. Make available for inspection by the Governor, the District Board, or any authorized parties, the financial accounts, records, and books of the district and its service leadership programs (if any).
- c. Be a member of the Finance Committee.
- d. Regularly review and advise the District Board on the financial condition of the district and its service leadership programs (if any).
- e. Make a report to the district at its annual convention and such other reports as directed by the Governor or the District Board.

CURRENT READING: ARTICLE IV, SECTION 1:

**Section 1.** The District Board shall consist of the Governor, Governor-elect, Immediate Past Governor, Executive Director, and a trustee for each region. The Circle K District Governor, Key Club District Governor and a representative of the Pennsylvania Kiwanis Foundation Board shall be non-voting, ex officio members of the District Board. Lieutenant Governors shall not be members of the District Board but may participate in discussion without voting privileges.

PROPOSED READING: ARTICLE IV, SECTION 1:

**Section 1.** The District Board shall consist of the Governor, Governor-elect, Immediate Past Governor, ~~Executive Director~~ Secretary, Treasurer and a trustee for each region. The Circle K District Governor, Key Club District Governor and a representative of the Pennsylvania Kiwanis Foundation Board shall be non-voting, ex officio members of the District Board. Lieutenant Governors shall not be members of the District Board but may participate in discussion without voting privileges.

CURRENT READING: ARTICLE VII, SECTION 2:

**Section 2.** The Executive Director shall be employed by the district board via contract

PROPOSED READING: ARTICLE VII, SECTION 2

~~**Section 2.** The Executive Director shall be employed by the district board via contract.~~ The Secretary and/or Treasurer who will assume office on October 1 shall be appointed by the Governor-designate, subject to the approval of the District Board-designate.

CURRENT READING: ARTICLE VII, SECTION 3D:

**Section 3D.** Candidates for all officers with fiduciary responsibility, defined as the Governor, Governor-elect, Immediate Past Governor, District Trustees and Executive Director/Secretary/Treasurer, must have a club in the Pennsylvania District designated as their primary club and may not hold another position with fiduciary responsibility with another District. These requirements, also, apply to holding office. The primary club is determined by the member in accordance with Article VIII, Section 4 of the Kiwanis International Bylaws.

PROPOSED READING: ARTICLE VII, SECTION 3D:

**Section 3D.** Candidates for all officers with fiduciary responsibility, defined as the Governor, Governor-elect, Immediate Past Governor, District Trustees, ~~and Executive Director/Secretary/~~and Treasurer, must have a club in the Pennsylvania District designated as their primary club and may not hold another position with fiduciary responsibility ~~with~~ another District. These requirements, also, apply to holding office. The primary club is determined by the member in accordance with Article VIII, Section 4 of the Kiwanis International Bylaws.

CURRENT READING, ARTICLE VIII, SECTION 3:

**Section 3.** In the event of a vacancy in the office of Executive Director, the Governor shall appoint a qualified member of a club of the district to fill the office for the unexpired term, subject to the approval of the District Board.

PROPOSED READING, ARTICLE VIII, SECTION 3:

**Section 3.** In the event of a vacancy in the office of ~~Executive Director~~ Secretary or Treasurer, the Governor shall appoint a qualified member of a club of the district to fill the office for the unexpired term, subject to the approval of the District Board.

**NOTE:** All other specific references to "Executive Director" not shown in this amendment will be revised to state "District Secretary" instead, if the change would not be substantive, have no effect on operations and would only update a title



**From:** dobrien@kiwanis.org,

**To:** ketkiwanis@aol.com,

**Subject:** RE: Amendments to District Bylaws

**Date:** Wed, Jan 25, 2023 6:01 pm

**Attachments:** 2022 amendments - proposed for special DCON - dob comments.docx (40K)

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Here are my comments back on your initial amendments document. Please review then let's chat before you distribute further. I did not review any of the job descriptions, which should not be necessary to make bylaws changes. (But of course, I can review them if needed for the big picture.)

The only real concern is in Art. IV, Sec. 1 about the Treasurer being on the district board. They have to be a regular voting board member. Let's talk about why PA would want them to be non-voting.

I also found a few provisions that had been overlooked. But you may not need to add them if you use a 'general note' suggestion I have instead. That is shown partly through the document.

--diana

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**From:** Kevin Thomas <ketkiwanis@aol.com>

**Sent:** Tuesday, January 24, 2023 3:53 PM

**To:** Diana O'Brien <dobrien@kiwanis.org>

**Cc:** zK23 Michael Coolbaugh <sgt283@gmail.com>; zK23 Conrad Schlesinger <cdschlesinger@outlook.com>; zK23 Sarah Zulueta <zuluets@gmail.com>; zK23 Benjamin Osterhout <benosterhout@pakiwanis.org>

**Subject:** Amendments to District Bylaws

Hello Diana:

I hope this finds you well.

As I think you know, I am leaving/retiring from my position as District Executive Director/Secretary/Treasurer on September 30, 2023.

Accordingly, the Pennsylvania District Board has evaluated the position and decided to break the position into three positions, those being District Secretary, District Treasurer and District Meeting Manager. Attached you will find the job descriptions for those positions. We intend to adopt these into our District Policy Code.

Before we can search for candidates and fill these positions, we must amend the District Bylaws. Please see attached the proposed amendments that we feel are necessary. Every place the Executive Director was mentioned it was replaced by Secretary or Treasurer as appropriate. The duties of the Executive Director were divided as appropriate between the Secretary and Treasurer. The District Secretary will or would be a voting member of the District Board. The Treasurer would be an ex-officio member of the board. The combining of any positions in a single person would not be allowed. The District Meeting Manager was not added to the bylaws in any way and would only be referenced in the District Policy Code. The board approved these amendments at its meeting on January 21, 2023.

## PROPOSED DISTRICT BYLAW AMENDMENTS WITH O'BRIEN COMMENTS

PROPOSED BY: The Pennsylvania District Kiwanis International Board of Trustees

PURPOSE: To replace the District Executive Director position with District Secretary and District Treasurer positions

**NOTE: Proposed deletions are struck through. Proposed additions are in red.**

*Comment: If you just place the note once here at the beginning, you don't need to state it for each change.  
(It's kindof distracting in the middle of each change.)*

CURRENT READING: ARTICLE III, SECTION 1a and 1b

### Section 1.

- a. The officers of the district shall be the Governor, Governor-elect, Immediate Past Governor, Secretary-Treasurer, and a Lieutenant Governor for each division and a Trustee for each region of the district.
- b. No offices other than those of Secretary and Treasurer may be combined in one person. The Secretary-Treasurer has the title of Executive Director.

PROPOSED CHANGES: ARTICLE III, SECTION 1a and 1b

(Proposed changes in Red or struck through) **[REMOVE HERE]**

### Section 1.

- a. The officers of the district shall be the Governor, Governor-elect, Immediate Past Governor, ~~Secretary-Treasurer,~~ Treasurer, and a Lieutenant Governor for each division and a Trustee for each region of the district.  
*Comment: This retains the office of Treasurer separate from Secy. A district must have the office of Treasurer.*
- b. No offices ~~other than those of Secretary and Treasurer~~ may be combined in one person. ~~The Secretary-Treasurer has the title of Executive Director.~~

CURRENT READING: ARTICLE III, SECTION 8

**Section 8.** The Executive Director (Secretary-Treasurer) has the further duties and responsibilities:

- a. Assist the Governor and District Board in conducting the business of the district.
- b. Keep all records of the district.
- c. Be the executive in charge of the District Office and, subject to the approval of the District Board, select the employees (if any).
- d. Submit to the proper officers, committees, or persons all communications received from Kiwanis International and cooperate with the Governor in forwarding all reports required by Kiwanis International.
- e. Attend and keep the minutes of the meetings of the p. 8 rict Board and the district conventions.

- f. Make a report to the district at its annual convention and such other reports as directed by the Governor or the District Board.
- g. Keep the financial accounts and records and be responsible for proper internal control procedures, including the receipt, deposit, and disbursement of district and sponsored organization funds in the manner authorized and prescribed by the District Board.
- h. Make available for inspection by the Governor, the District Board, or any authorized parties, the financial accounts, records, and books of the district and its service leadership programs (if any).
- i. Be a member of the Finance Committee.
- j. Regularly review and advise the District Board on the financial condition of the district and its service leadership programs (if any).

PROPOSED CHANGES: ARTICLE III, SECTION 8:

(Proposed changes struck through and in red) [\[REMOVE HERE\]](#)

**Section 8.** The ~~Executive Director~~ (Secretary-Treasurer) has the further duties and responsibilities:

- a. Assist the Governor and District Board in conducting the business of the district.
- b. ~~Except for financial accounts and records,~~ keep all records of the district.
- c. Be the executive in charge of the District Office and, subject to the approval of the District Board, select the employees (if any).
- d. Submit to the proper officers, committees, or persons all communications received from Kiwanis International and cooperate with the Governor in forwarding all reports required by Kiwanis International.
- e. Attend and keep the minutes of the meetings of the District Board and the district conventions.
- f. Make a report to the district at its annual convention and such other reports as directed by the Governor or the District Board.
- ~~g. Keep the financial accounts and records and be responsible for proper internal control procedures, including the receipt, deposit, and disbursement of district and sponsored organization funds in the manner authorized and prescribed by the District Board.~~
- ~~h. Make available for inspection by the Governor, the District Board, or any authorized parties, the financial accounts, records, and books of the district and its service leadership programs (if any).~~
- ~~i. Be a member of the Finance Committee.~~
- ~~j. Regularly review and advise the District Board on the financial condition of the district and its service leadership programs (if any).~~

CURRENT READING: ARTICLE III, SECTION 11

None -- no such section

PROPOSED CHANGES: ARTICLE III, SECTION 11:

~~(Proposed changes struck through and in red)~~ [REMOVE HERE]

**Section 11.** The Treasurer has the following duties and responsibilities:

- a. Keep the financial accounts and records and be responsible for proper internal control procedures, including the receipt, deposit, and disbursement of district and sponsored organization funds in the manner authorized and prescribed by the District Board.
- b. Make available for inspection by the Governor, the District Board, or any authorized parties, the financial accounts, records, and books of the district and its service leadership programs (if any).
- c. Be a member of the Finance Committee.
- d. Regularly review and advise the District Board on the financial condition of the district and its service leadership programs (if any).
- e. Make a report to the district at its annual convention and such other reports as directed by the Governor or the District Board.

CURRENT READING: ARTICLE IV, SECTION 1:

**Section 1.** The District Board shall consist of the Governor, Governor-elect, Immediate Past Governor, Executive Director, and a trustee for each region. The Circle K District Governor, Key Club District Governor and a representative of the Pennsylvania Kiwanis Foundation Board shall be non-voting, ex officio members of the District Board. Lieutenant Governors shall not be members of the District Board but may participate in discussion without voting privileges.

PROPOSED READING: ARTICLE IV, SECTION 1:

~~(Proposed changes struck through and in red)~~ [REMOVE HERE]

**Section 1.** The District Board shall consist of the Governor, Governor-elect, Immediate Past Governor, Executive Director, ~~Secretary,~~ ~~Treasurer,~~ and a trustee for each region. ~~The Treasurer,~~ Circle K District Governor, Key Club District Governor and a representative of the Pennsylvania Kiwanis Foundation Board shall be non-voting, ex officio members of the District Board. Lieutenant Governors shall not be members of the District Board but may participate in discussion without voting privileges.

*Comment: Per my email, the Treasurer must be a regular voting member of the Board. What is the district's reason to deprive him/her of a vote?*

*KEVIN, the district could delete most -- not all, but most -- of the following changes shown in this document \*IF\* you used a general statement like this instead..... "NOTE: All other specific references to "Executive Director" not shown in this amendment will be revised to state "District Secretary" instead." That's because most of the following changes are not substantive, having no effect on operations, only updating an outdated title. I have marked which changes should still be shown. But many could be deleted, making the amendments document much shorter and maybe less intimidating to delegates....? If your board feels about it, you could state one example to let the*



*delegates see, and I could easily help you craft that. Some thoughts/strategies to consider. --diana*

CURRENT READING: ARTICLE IV, SECTION 6:

**Section 6.** The Executive Director shall notify each member of the District Board and the Executive Director of Kiwanis International of the time, place, and date of any regular meeting at least three (3) weeks in advance and of any special meeting at least three (3) days in advance.

PROPOSED READING: ARTICLE IV, SECTION 6:

(Proposed changes ~~struck through~~ and in red) [REMOVE HERE]

**Section 6.** The ~~Executive Director~~ Secretary shall notify each member of the District Board and the Executive Director of Kiwanis International of the time, place, and date of any regular meeting at least three (3) weeks in advance and of any special meeting at least three (3) days in advance.

*[This is one of the changes you don't need to show, if you use a general note instead.]*

CURRENT READING: ARTICLE IV, SECTION 9:

**Section 9.** Within thirty (30) days after any District Board meeting, the Executive Director shall provide a draft of the meeting minutes or a summary of the actions taken to Kiwanis International, and a copy shall be made available to clubs in the district. The district shall provide a copy of the official minutes of each board meeting to Kiwanis International within thirty (30) days after approval by the District Board.

PROPOSED READING: ARTICLE IV, SECTION 9:

(Proposed changes ~~struck through~~ and in red) [REMOVE HERE]

**Section 9.** Within thirty (30) days after any District Board meeting, the ~~Executive Director~~ Secretary shall provide a draft of the meeting minutes or a summary of the actions taken to Kiwanis International, and a copy shall be made available to clubs in the district. The district shall provide a copy of the official minutes of each board meeting to Kiwanis International within thirty (30) days after approval by the District Board.

*Comment: You also need to amend Article V, Section 2b. It could fall under the general note though.*

b. Past District Governors. The Committee of Past District Governors shall be composed of Past District Governors of this district who are still members of Clubs within the district. The Chairman of the Committee of Past District Governors shall be the most recent Past District Governor preceding the Immediate Past District Governor. The Committee of Past District Governors shall consider and report to the District Board of Trustees its conclusion on all matters referred to it. It shall initiate subjects for consideration and report to said board its conclusions. A summary of its proceedings shall be provided to each member of the committee, and to the District Governor and District Executive Director/Secretary/Treasurer. The committee shall meet at the time of the district convention and may hold other meetings at the call of the chairman.

*[This is one of the changes you don't need to show, if you use a general note instead.]*

CURRENT READING: ARTICLE VI, SECTION 3:

**Section 3.** The Executive Director shall notify each club and the Executive Director of Kiwanis International at least sixty (60) days prior to the date of the annual convention and at least thirty (30) days prior to the date of any special convention or rescheduled annual convention.

PROPOSED READING: ARTICLE VI, SECTION 3:



(Proposed changes ~~struck through~~ and in red) [REMOVE HERE]

**Section 3.** The ~~Executive Director~~ Secretary shall notify each club and the Executive Director of Kiwanis International at least sixty (60) days prior to the date of the annual convention and at least thirty (30) days prior to the date of any special convention or rescheduled annual convention.

*[This is one of the changes you don't need to show, if you use a general note instead.]*

CURRENT READING: ARTICLE VI, SECTION 15:

**Section 15.** Within thirty (30) days after any convention, the Executive Director shall provide a written report of the actions taken, approved by the Governor, and shall transmit the report to the Executive Director of Kiwanis International. A copy of the report shall be made available to clubs in the district.

PROPOSED READING: ARTICLE VI, SECTION 15:

(Proposed changes ~~struck through~~ and in red) [REMOVE HERE]

**Section 15.** Within thirty (30) days after any convention, the ~~Executive Director~~ Secretary shall provide a written report of the actions taken, approved by the Governor, and shall transmit the report to the Executive Director of Kiwanis International. A copy of the report shall be made available to clubs in the district.

*[This is one of the changes you don't need to show, if you use a general note instead.]*

CURRENT READING: ARTICLE VI, SECTION 18C:

**Section 18C.** No later than thirty (30) days prior to the district convention, the Executive Director shall make available to each club in the district a copy of all proposed resolutions other than those of memoriam and appreciation.

PROPOSED READING: ARTICLE VI, SECTION 18C:

(Proposed changes ~~struck through~~ and in red) [REMOVE HERE]

**Section 18C.** No later than thirty (30) days prior to the district convention, the ~~Executive Director~~ Secretary shall make available to each club in the district a copy of all proposed resolutions other than those of memoriam and appreciation.

*Comment: You need to revise Sec. 18a as well:*

- a. A club, by majority vote of its active members or board, may propose resolutions to be considered at any convention of the district, provided they are submitted to the Executive Director not less than sixty (60) days prior to the date of the convention. Resolutions may also be proposed by the District Board.

*[DO show this change.]*

CURRENT READING: ARTICLE VII, SECTION 2:

**Section 2.** The Executive Director shall be employed by the district board via contract

PROPOSED READING: ARTICLE VII, SECTION 3

(Proposed changes ~~struck through~~ and in red) [REMOVE HERE]

~~Section 2. The Executive Director shall be employed by the district board via contract~~

*Comment: The district needs to replace this with how the Secy. and Treas. are each determined. They can be either elected or appointed. This is the wording from the Standard Form.*

*Instruction note: If the Secretary and/or Treasurer is appointed, not elected, include the following text as Section 2 and renumber subsequent sections accordingly:*

**Section \_\_.** The Secretary and/or Treasurer who will assume office on October 1 shall be appointed by the Governor-designate, subject to the approval of the District Board-designate.

*Comment: You also need to revise Sec. 3b. It could fall under the general note though.*

**b.** All qualified candidates for offices to be elected at the annual convention must submit written notice of candidacy to the Executive Director no later than the beginning of the first convention session.

*[DO show this change.]*

CURRENT READING: ARTICLE VII, SECTION 3D:

**Section 3D.** Candidates for all officers with fiduciary responsibility, defined as the Governor, Governor-elect, Immediate Past Governor, District Trustees and Executive Director/Secretary/Treasurer, must have a club in the Pennsylvania District designated as their primary club and may not hold another position with fiduciary responsibility with another District. These requirements, also, apply to holding office. The primary club is determined by the member in accordance with Article VIII, Section 4 of the Kiwanis International Bylaws.

PROPOSED READING: ARTICLE VII, SECTION 3D:

~~(Proposed changes struck through and in red) [REMOVE HERE]~~

**Section 3D.** Candidates for all officers with fiduciary responsibility, defined as the Governor, Governor-elect, Immediate Past Governor, District Trustees, ~~and Executive Director/Secretary~~ and Treasurer, must have a club in the Pennsylvania District designated as their primary club and may not hold another position with fiduciary responsibility with another District. These requirements, also, apply to holding office. The primary club is determined by the member in accordance with Article VIII, Section 4 of the Kiwanis International Bylaws.

*[This is one of the changes you don't need to show, if you use a general note instead.]*

CURRENT READING, ARTICLE VII, SECTION 3E:

**Section 3E.** Prior to elections, the Executive Director shall report the qualified candidates to the House of Delegates.

PROPOSED READING, ARTICLE VII, SECTION 3E:

~~(Proposed changes struck through and in red) [REMOVE HERE]~~

**Section 3E.** Prior to elections, the ~~Executive Director~~ Secretary shall report the qualified candidates to the House of Delegates.

*[This is one of the changes you don't need to show, if you use a general note instead.]*

CURRENT READING, ARTICLE VII, SECTION 4A:

**Section 4A.** The Credentials Committee shall verify all delegates and determine the seating of any delegates not previously certified by their club. Prior to the elections taking place, the Credentials Committee shall report the delegate count to the Executive Director and Elections Committee, and shall make available to them, upon request, a list of the delegates.

PROPOSED READING, ARTICLE VII, SECTION 4A:

**(Proposed changes struck through and in red) [REMOVE HERE]**

**Section 4A.** The Credentials Committee shall verify all delegates and determine the seating of any delegates not previously certified by their club. Prior to the elections taking place, the Credentials Committee shall report the delegate count to the ~~Executive Director~~ Secretary and Elections Committee, and shall make available to them, upon request, a list of the delegates.

*Comment: The district also needs to revise Sections 5h and 6g (re. LTG and Trustee elections). It could fall under the general note though.*

h. The presiding officer shall report the election results immediately to the Executive Director who shall report the results to Kiwanis International.

g. The presiding officer shall report the election results immediately to the Executive Director who shall report the results to Kiwanis International.

*[DO show this change.]*

CURRENT READING, ARTICLE VIII, SECTION 3:

**Section 3.** In the event of a vacancy in the office of Executive Director, the Governor shall appoint a qualified member of a club of the district to fill the office for the unexpired term, subject to the approval of the District Board.

PROPOSED READING, ARTICLE VIII, SECTION 3:

**(Proposed changes struck through and in red) [REMOVE HERE]**

**Section 3.** In the event of a vacancy in the office of ~~Executive Director~~ Secretary or Treasurer, the Governor shall appoint a qualified member of a club of the district to fill the office for the unexpired term, subject to the approval of the District Board.

*[This is one of the changes you don't need to show, if you use a general note instead.]*

CURRENT READING, ARTICLE XIII, SECTION 1A & 1B:

**Section 1.**

a. A club, by majority vote of its active members, may propose bylaw amendments to be considered at any convention of the district, provided they are submitted to the Executive Director not less than sixty (60) days prior to the date of the convention. Bylaw amendments may also be proposed by the District Board.

b. No later than thirty (30) days prior to the district convention, the Executive Director shall make available to each club in the district a copy of all proposed bylaw amendments.

PROPOSED READING, ARTICLE XIII, SECTION 1A & 1B:

(Proposed changes ~~struck through~~ and in red) [REMOVE HERE]

**Section 1.**

- a. A club, by majority vote of its active members, may propose bylaw amendments to be considered at any convention of the district, provided they are submitted to the ~~Executive Director~~ Secretary not less than sixty (60) days prior to the date of the convention. Bylaw amendments may also be proposed by the District Board.
- b. No later than thirty (30) days prior to the district convention, the ~~Executive Director~~ Secretary shall make available to each club in the district a copy of all proposed bylaw amendments.



**Title:** *District Secretary*  
**Reports to:** *District Governor and District Board*  
**Category:** *Non-Exempt*  
**Status:** *Part Time (minimum 30 hours per week)*

### **Introduction**

The position of District Secretary is responsible for the planning, organization and direction of the District Office and programs. This position is the primary administrative contact with Kiwanis International and as such is responsible for ensuring effective communication with Kiwanis Headquarters, the Board of Trustees, and the District's Clubs.

The District Secretary shall be appointed annually by the Governor with the approval of the Board of Trustees assuming office with the Governor. This is a stipend position as approved annually by the Board of Trustees. The District Secretary position is voting member of the Board of Trustees and as such is required to attend all ~~quarterly~~ board meetings.

### **Experience Seeking:**

- Bachelor's degree in Business Management or Communication is preferred.
- 5 or more years management or supervisory experience
- Experience in non-profit management in an operational environment is a plus.
- Demonstrates effective leadership and management skills
- Creative problem-solving skills, detail oriented, works independently and organized
- Excellent communication skills, both verbal and written.
- Experience with Microsoft Office 365, e-mail and collaborative computer software.
- In lieu of any of the above, professional work experience and Kiwanis family involvement will be considered.

### **Duties**

#### **Administrative:**

- 1) Keep all records of the District, including the minutes of the convention and board meetings.
- 2) Prepare Board packets and minutes for all board meetings and distribute those minutes in accordance with the bylaws within 30 days of the Board meeting.
- 3) Collaborate with the Governor to set the location of all quarterly District Board Meetings and meals, if required.
- 4) Complete official board report for all official board meetings using a Board approved report format.
- 5) Submit to the proper officials and committees all communications received from Kiwanis International.
- 6) Ensure all required reports are submitted to Kiwanis International by the required deadlines for all branches of the Kiwanis family. (eg. Audit reports, Board meeting minutes)





- 7) Cooperate with the Governor in forwarding and collecting all official reports required by Kiwanis International.
- 8) Travel will be limited to District convention planning and District Convention, the Midyear Conference, Kiwanis District Board Meetings, Key Club Board meetings, Key Club and Circle K Conventions, and the Kiwanis International Convention.
- 9) The District Secretary shall strive to keep the District Board informed on all matters affecting them as well as the clubs in the Pennsylvania District.
- 10) The District Secretary shall oversee the compilation and distribution of mailings and electronic communication for the Kiwanis, Key Club and Circle K Districts.
- 11) Responsible for retrieving and opening District mail from PO Box and/or designated District Office official address.
- ~~10)~~12) Responsible for recording the receipt of any checks and/or cash that is sent to the District office and deposit it in the District office bank account(s). The deposit summary should be emailed to the District Treasurer.
- ~~11)~~13) Management of the District Office (Physical or Virtual), including but not limited to:
  - a. Employment of staff.
  - b. Discipline of staff, as necessary.
  - c. Maintenance of facilities and equipment. (If needed)
  - d. Responsible for proper insurance coverage, bond protection, etc.
  - e. Ensure the policies of the Kiwanis District are followed, whether written or implied.
  - f. Keeper and protector of the Official Seal of the District.
  - g. Establish and maintain a District official address, phone numbers, e-mail addresses. The official mailing address may be a post office box or physical office.

#### **Financial / Accounting**

- ~~12)~~14) Shall receive and deposit all checks and cash received for the Kiwanis District and all affiliated organizations and provide reports of these deposits to the Treasurer of the District and Foundation twice a month or as requested by the Treasurer(s).
- ~~13)~~15) Shall receive all invoices for the District and submit them without delay to the Treasurer and Finance Committee chair for approval and payment.
- ~~14)~~16) With the approval of the Board, shall be an official signer on all District contracts.
- ~~15)~~17) With the approval of the Board, procure supplies and required purchases (eg software, awards, pins).

#### **District Convention and K-Family events**

- ~~16)~~18) Shall receive registrations for all Kiwanis family conventions and conferences, process those registrations and prepare registration reports and packets to the District Board and Treasurer.



~~17)~~19) Responsible for printing of any certificates and awards for the District Convention.

~~18)~~20) Shall attend the annual Kiwanis District Convention, staff the Convention office under the management of the District Meeting Manager.

~~19)~~21) Make a report to the district at its annual convention and such other reports as directed by the Governor or the District Board.



# Kiwanis<sup>®</sup>

## PENNSYLVANIA DISTRICT

**Title:** *District Treasurer*  
**Reports to:** *District Governor and District Board*  
**Category:** *Non-Exempt*  
**Status:** *Part Time*

### **Introduction**

The position of District Treasurer is responsible to the Governor and Board of Trustees for the efficient and financially sound operation of the District Office. This position oversees the District's financial data and compliance by maintaining accurate books on accounts payable and receivable, payroll, and daily financial entries and reconciliations. Responsible to perform daily accounting tasks such as monthly financial reporting, general ledger entries via Quickbooks, and record payments and adjustments as required.

The District Treasurer shall be appointed annually by the Governor with the approval of the Board of Trustees assuming office with the Governor. This is a stipend position as approved annually by the Board of Trustees. The District Treasurer position is a non-voting ex-officio member of the Board of Trustees. [The District Treasurer is a voting member of the Board of Trustees and as such is required to attend all board meetings.](#)

### **Experience Seeking:**

- Bachelor's degree in accounting, finance, or related field.
- CPA is a plus.
- At least 2-5 years of bookkeeping or accounting experience preferred.
- Excellent communication skills, both verbal and written.
- Experience with accounting software such as Quickbooks.
- Experience with Microsoft Office 365, e-mail and collaborative computer software specifically in Excel.
- Able to prepare, review and understand a financial statement and control budgets.
- Detailed oriented work.

### **Duties**

- 1) Maintain financial and accounting records of the District.
- 2) Keep the financial accounts and records and be responsible for proper internal control procedures, including the receipt, deposit and disbursement of district and sponsored organization funds in the manner authorized and prescribed by the District Bylaws, District Policies, and District Board
- 3) Sign all checks for approved expenditures by the Board of Trustees.
- 4) [Payment of bills and payroll are contingent upon written pre-approval by a member of the Finance committee](#)
- 4) Complete monthly financial reporting as prescribed in District policies from Quickbooks.
- 5) Record transactions in Quickbooks as reported by the District Secretary.



# Kiwaniis<sup>®</sup>

PENNSYLVANIA DISTRICT

- ~~6) Engage a CPA Firm, with Board approval, to prepare a review report on the PA District, Key Club and Circle K annually financial audits and 990 filings that will be presented to the Board for approval.~~
- 7) Responsible for ensuring the Board approved 990 filings are filed on or before Feb 15th each year for Pennsylvania Kiwanis, Key Club and Circle K organizations or ensure extension paperwork is filed in a timely manner.
- 8) Serve as Financial Counselor to the District's Aktion Clubs, Key Clubs and Circle K Clubs under the direction of the District Administrators. This shall include making all disbursements, depositing receipts, establishing budgets, and establishing financial policy. This shall include negotiating and reviewing all contracts for these organizations that are not related to the annual conferences and conventions.

**MEMORANDUM OF UNDERSTANDING FOR THE OPERATION OF THE 2024 NEW JERSEY-PENNSYLVANIA DISTRICT  
CONVENTION AT THE DOUBLETREE READING ON AUGUST 15-18, 2024**

The District Boards of the New Jersey and Pennsylvania District have agreed to have their 2024 District Conventions at the Doubletree Hotel in Reading, Pennsylvania on August 15-18, 2024. The following will serve as a memorandum of understanding for both Districts.

1. The New Jersey District must seek the permission of Kiwanis International to have its convention outside New Jersey. It is anticipated, since it has met in Pennsylvania previously, that this will not be a problem. However if Kiwanis International denies permission for the New Jersey District to hold its convention outside of the State of New Jersey as anticipated by this Memorandum of Understanding, this Memorandum of Understanding shall be null and void and the New Jersey District shall have no obligation hereunder.
2. A contract will be or has been executed with the Doubletree Reading which is binding on both Districts. Should attrition penalties occur as the result of not meeting food and beverage minimums and room night minimums as established in that contract, New Jersey will be responsible for 35% and Pennsylvania will be responsible for 65% of any attrition penalties.
3. Should the convention operation generate a financial surplus, New Jersey will receive 35% of the surplus and Pennsylvania will receive 65% of the surplus.
4. Should the convention operation generate a financial deficit, New Jersey will be responsible for 35% of the deficit and Pennsylvania will be responsible for 65% of the deficit.
5. Each District's Governor for the 2023-24 administrative year, and subject to approval by each District Board, will appoint a planning committee to develop the convention agenda and budget as well as implement the convention and all logistics. The committee shall consist of 8 members with each District having 4 members on the Committee. The 2023-24 Governors of each District will be ex-officio members of the committee. The committee will provide regular and timely reporting to each District Board and all decisions subject to District Board approval as outlined in District Bylaws cannot be implemented till such approval is given.
6. All registrations will be processed in a single location as determined by the planning committee. Once registration begins, a minimum of weekly reporting will be provided to the District board of both Districts.
7. A checking account will be opened for the purposes of this convention. All convention funds will be deposited into this checking account. All convention expenses will be paid from this checking account. Each District will have two members of the planning committee as signatories on the account. The account will be managed through a Quickbooks accounting package to which the designate signatories shall have read access. While open, the District boards of each District shall receive a minimum of monthly report on account activity. The Quickbooks information will be provided to the auditors of both Districts.
8. Each District Foundation will conduct its own fundraising activities during the convention.

Approved by the New Jersey District Board on \_\_\_\_\_

Signature: \_\_\_\_\_  
Howard I. Gordon, 2023-24 Governor

Approved by the Pennsylvania District Board on \_\_\_\_\_

Signature: \_\_\_\_\_ P. 21 \_\_\_\_\_  
Conrad D. Schlesinger, 2023-24 Governor



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

**YEARS ENDED  
SEPTEMBER 30, 2022 and 2021**

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

YEARS ENDED SEPTEMBER 30, 2022 AND 2021

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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

#### *Opinion*

We have audited the accompanying consolidated financial statements of Kiwanis International NTL HDQ K23 PA District and Key Club International H23 PA District (collectively, the Organization), which comprise the consolidated statements of financial position as of September 30, 2022 and 2021 and the related consolidated statements of activities, functional expenses and cash flows for the years then ended and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2022 and 2021, and the changes in its net assets (deficit) and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date the consolidated financial statements are issued.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance; and therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

#### In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **the Organization's** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

### 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 statements of financial position as of September 30, 2022 and 2021 and the consolidating statements of activities for the years then ended on pages 17 through 24 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, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Camp Hill, Pennsylvania  
February \_\_, 2023



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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
<b>Current assets:</b>		
<b>Cash and cash equivalents:</b>		
Cash in bank	\$ 47,293	\$ 20,686
Money market fund	577	577
	<u>47,870</u>	<u>21,263</u>
<b>Total cash and cash equivalents</b>		
Accounts receivable	679	
Inventory	2,838	1,207
Prepaid expenses		2,706
	<u>51,387</u>	<u>25,176</u>
<b>Total current assets</b>		
Security deposit	800	2,250
	<u>800</u>	<u>2,250</u>
<b>Total assets</b>	<u><u>\$ 52,187</u></u>	<u><u>\$ 27,426</u></u>
LIABILITIES AND NET ASSETS (DEFICIT)		
<b>Liabilities, all current:</b>		
Accounts payable	\$ 9,592	\$ 3,409
Credit card payable	19,544	891
Accrued expenses	8,631	12,939
Deferred revenue		3,915
Paycheck Protection Program loan		13,815
	<u>37,767</u>	<u>34,969</u>
<b>Total liabilities, all current</b>		
<b>Net assets (deficit):</b>		
Without donor restrictions	9,565	(11,788)
With donor restrictions	4,855	4,245
	<u>14,420</u>	<u>(7,543)</u>
<b>Total net assets (deficit)</b>		
<b>Total liabilities and net assets (deficit)</b>	<u><u>\$ 52,187</u></u>	<u><u>\$ 27,426</u></u>

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, 2022

	Without donor restrictions	With donor restrictions	Total
<b>Revenues:</b>			
Dues	\$ 156,656		\$ 156,656
Conventions and events	109,020		109,020
Revenue for services provided to related parties	6,500		6,500
Key leader program revenue and contributions	3,955	\$ 10,250	14,205
District raffle	13,302		13,302
Other revenue	7,405		7,405
Contributions	3,500		3,500
Paycheck Protection Program loan forgiveness	13,815		13,815
Interest income	121		121
Net assets released from restriction	9,640	(9,640)	-
<b>Total revenues</b>	<b>323,914</b>	<b>610</b>	<b>324,524</b>
<b>Expenses:</b>			
Program:			
PA District	133,446		133,446
Circle K	24,765		24,765
Key Club	73,835		73,835
<b>Total program</b>	<b>232,046</b>		<b>232,046</b>
Management and general	63,624		63,624
Fundraising	6,891		6,891
<b>Total expenses</b>	<b>302,561</b>		<b>302,561</b>
Change in net assets	21,353	610	21,963
<b>Net assets (deficit):</b>			
Beginning of the year	(11,788)	4,245	(7,543)
<b>End of the year</b>	<b>\$ 9,565</b>	<b>\$ 4,855</b>	<b>\$ 14,420</b>

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, 2021

	Without donor restrictions	With donor restrictions	Total
<b>Revenues:</b>			
Dues	\$ 144,533		\$ 144,533
Conventions and events	41,674		41,674
Revenue for services provided to related parties	11,000		11,000
District raffle	13,606		13,606
Other revenue	6,517	\$ 200	6,717
Contributions	2,500		2,500
Paycheck Protection Program loan forgiveness	13,962		13,962
Interest income	111		111
Net assets released from restriction	564	(564)	-
<b>Total revenues</b>	<b>234,467</b>	<b>(364)</b>	<b>234,103</b>
<b>Expenses:</b>			
Program:			
PA District	116,608		116,608
Circle K	4,802		4,802
Key Club	63,875		63,875
Total program	185,285		185,285
Management and general	51,738		51,738
Fundraising	7,481		7,481
<b>Total expenses</b>	<b>244,504</b>		<b>244,504</b>
Change in net assets	(10,037)	(364)	(10,401)
<b>Net assets (deficit):</b>			
Beginning of the year	(1,751)	4,609	2,858
<b>End of the year</b>	<b>\$ (11,788)</b>	<b>\$ 4,245</b>	<b>\$ (7,543)</b>

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, 2022**

	PA District	Circle K	Key Club	Total program	Management and general	Fundraising	Total
Salaries and wages	\$ 39,876	\$ 3,692		\$ 43,568	\$ 30,277		\$ 73,845
Annual convention	52,761	12,793	\$ 48,961	114,515			114,515
Midwinter convention	1,359			1,359			1,359
Key Leader program expenses	8,696			8,696			8,696
Building rent	5,184	480		5,664	3,936		9,600
Professional fees			6,000	6,000	11,626		17,626
District raffles						\$ 6,889	6,889
Payroll taxes	3,049	282		3,331	2,315		5,646
Executive director expenses	1,670	155		1,825	1,267		3,092
Lieutenant governor's training	2,745			2,745			2,745
Equipment lease	879	81		960	668		1,628
Telephone and internet	1,402	130		1,532	1,064		2,596
Interest					109		109
Membership growth and development	1,000			1,000			1,000
Other events	147			147			147
Insurance					3,976		3,976
Lieutenant governor expenses	353			353			353
Supplies and printing	942	87	162	1,191	714	2	1,907
Keystone Kiwanian editor	1,250			1,250			1,250
Governor-elect international convention	3,190			3,190			3,190
Awards	921		1,267	2,188			2,188
Equipment maintenance	258	24		282	196		478
Governor's travel	2,049			2,049			2,049
Employee benefits	233	22		255	176		431
Executive director international convention	772			772			772
Web page fees and maintenance			480	480	83		563
Circle K administrator	1,900			1,900			1,900
Postage	192	18		210	146		356
Trustee board meeting expense			16,382	16,382	377		16,759
Governor international convention	685			685			685
Miscellaneous expense	1,587	147		1,734	1,205		2,939
Information technology	315	29	583	927	239		1,166
Moving expense					5,250		5,250
Builders Club administrator	31			31			31
Circle K		6,825		6,825			6,825
	<b>\$ 133,446</b>	<b>\$ 24,765</b>	<b>\$ 73,835</b>	<b>\$ 232,046</b>	<b>\$ 63,624</b>	<b>\$ 6,891</b>	<b>\$ 302,561</b>

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, 2021

	PA District	Circle K	Key Club	Total program	Management and general	Fundraising	Total
Salaries and wages	\$ 37,982	\$ 3,219		\$ 41,201	\$ 23,176		\$ 64,377
Annual convention	47,444		\$ 9,653	57,097			57,097
Midwinter convention	79			79			79
Building rent	8,850	750		9,600	5,400		15,000
Professional fees			26,000	26,000	14,372		40,372
District raffles						\$ 7,481	7,481
Payroll taxes	3,939	334		4,273	2,404		6,677
Executive director expenses	1,060	90		1,150	646		1,796
Lieutenant governor's training	2,108			2,108			2,108
Equipment leasing	956	81		1,037	583		1,620
Telephone and internet	1,650	140		1,790	1,007		2,797
Interest					328		328
Membership growth and development	1,329			1,329			1,329
Other events	2,625		148	2,773			2,773
Insurance					2,145		2,145
Lieutenant governor expenses	311			311			311
Supplies and printing	184	16	1,056	1,256	112		1,368
Keystone Kiwanian editor	750			750			750
Governor-elect international convention	1,583			1,583			1,583
Awards	1,422		98	1,520			1,520
Equipment maintenance	251	21		272	153		425
Governor's travel	1,586		1,089	2,675			2,675
Employee benefits	419	36		455	255		710
Executive director international convention	700			700			700
Web page fees and maintenance			580	580	221		801
Postage	435	37	154	626	265		891
Trustee board meeting expense			24,884	24,884	5		24,889
Miscellaneous expense	7	1		8	4		12
Information technology	907	77	213	1,197	553		1,750
Moving expense					109		109
Builders Club administrator	31			31			31
	<u>\$ 116,608</u>	<u>\$ 4,802</u>	<u>\$ 63,875</u>	<u>\$ 185,285</u>	<u>\$ 51,738</u>	<u>\$ 7,481</u>	<u>\$ 244,504</u>

See notes to consolidated financial statements.



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

CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
Changes in net assets	\$ 21,963	\$ (10,401)
Adjustments:		
Paycheck Protection Program loan forgiveness	(13,815)	(13,962)
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(679)	6,078
Inventory	(1,631)	(916)
Prepaid expenses	2,706	(2,265)
Security deposit	1,450	(800)
Increase (decrease) in liabilities:		
Accounts payable	6,183	(10,072)
Credit card payable	18,653	(2,515)
Accrued expenses	(4,308)	(2,476)
Deferred revenue	(3,915)	(1,935)
<b>Net cash provided by (used in) operating activities</b>	<b><u>26,607</u></b>	<b><u>(39,264)</u></b>
<b>Cash flows from financing activities:</b>		
Net repayments on line of credit		(9,475)
Proceeds from Paycheck Protection Program loan		13,815
<b>Net cash provided by financing activities</b>		<b><u>4,340</u></b>
<b>Increase (decrease) in cash</b>	<b>26,607</b>	<b>(34,924)</b>
<b>Cash and cash equivalents:</b>		
Beginning of year	<u>21,263</u>	<u>56,187</u>
End of year	<b><u>\$ 47,870</u></b>	<b><u>\$ 21,263</u></b>
Supplementary cash flows information, interest paid	\$ 109	\$ 328

Noncash financing activity:

During the years ended September 30, 2022 and 2021, the Organization received forgiveness of its Paycheck Protection Program (PPP) loan balances of \$13,815 and \$13,962, respectively.

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  
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

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

*Nature of the Organization:*

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 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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

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

*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 as of September 30, 2022 and 2021.

*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 \$8,592 and \$8,592, were fully depreciated as of September 30, 2022 and 2021.

*Revenue recognition:*

The Organization generates revenue from membership dues, an annual raffle, an annual convention and other events, contributions and administrative fees.

The Organization offers membership to local chapters and student groups in Pennsylvania. Membership dues are a flat rate per year and provide membership for the period of October 1<sup>st</sup> to September 30<sup>th</sup>. Benefits of membership include access to programs and events throughout the year, subscription to a magazine during the membership period and discounts to many products and services. Members can participate as much or as little as they would like. Membership dues are recorded as revenue when received.

The Organization holds an annual raffle, convention and various other events throughout the year. Members and non-members pay a registration fee to attend the events or pay for a raffle ticket. Sponsorships are also offered and includes admission to the event for a certain number of individuals and acknowledgement in either printed, digital or verbal format at the event. When the raffle, convention and events are held, revenue is recognized, as this is when the Organization has fulfilled its performance obligation to the registrants, ticket holders and sponsors.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

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

*Revenue recognition:*

The Organization occasionally receives contributions. Contributions are considered nonexchange transactions and are recognized when received or pledged, barring any conditions placed on the contributions. Contributions are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence of donor restrictions. Support that is restricted by the donor is reported as an increase in donor restricted net 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.

The District performs bookkeeping and administrative services for the Club and the Pennsylvania Kiwanis Foundation (Foundation). The Club and the Foundation pay agreed upon fees once per fiscal year. For ease and convenience, the District bills the entities annually and recognizes the revenue once per fiscal year. While the services are performed monthly, the total revenue at the end of the year will be the same regardless of whether it was recognized monthly or annually.

*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 consolidated 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. The significant estimate affecting the consolidated financial statements is the allocation of functional expenses.



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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

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

*Recently issued accounting standards:*

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. 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 statements of financial position, comprise the following as of September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash in bank	\$ 47,293	\$ 20,686
Money market fund	577	577
Accounts receivable	<u>679</u>	<u>        </u>
Total financial assets	48,549	21,263
Net assets with donor restrictions	<u>(4,855)</u>	<u>(4,245)</u>
Total financial assets available within one year	<u>\$ 43,694</u>	<u>\$ 17,018</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 full balance of the line of credit was available to be drawn on at both September 30, 2022 and 2021.



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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

**3. Concentration of credit risk:**

The Organization maintains its cash accounts with three financial institutions. As of September 30, 2022 and 2021, the Organization did not have any uninsured cash balances.

**4. Line of credit:**

The Organization has an authorized \$40,000 line of credit with Mid Penn Bank. Interest is payable monthly at the bank's prime rate (7.25% and 4.50% as of September 30, 2022 and 2021, respectively). 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. There was no outstanding balance at September 30, 2022 and 2021.

**5. Paycheck Protection Program loan:**

The Paycheck Protection Program (PPP) was established under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) on March 27, 2020, and was designed to provide cash-flow assistance to small businesses including certain not-for-profit organizations. This program provides relief as a result of the Coronavirus pandemic with loan funds to pay up to 24 weeks of payroll costs, including fringe benefits, rent and utilities commencing on the date of loan origination. The PPP is a loan program that is guaranteed in its entirety through the Small Business Administration (SBA) and offers a maturity of two years and an interest rate of one percent (1%). The principal amount of the loan may be partially or fully forgiven if the loan funds are utilized in a manner consistent with the allowable use of loan proceeds.

In April 2020, the District received funding totaling \$13,962. On May 5, 2021, the District received notice of PPP loan forgiveness and recognized loan forgiveness revenue in the statement of activities for the year ended September 30, 2021.

Under draw two of the PPP, the District applied for and received loan proceeds totaling \$13,815 in February 2021. The loan was subject to the same terms as above. On October 27, 2021, the District received notice of PPP loan forgiveness and recognized loan forgiveness revenue in the statement of activities for the year ended September 30, 2022.

**6. Leases:**

The Organization occupied office space under a lease which expired on September 30, 2021. The lease required payments of \$1,250 per month. The Organization entered into a new lease during the year ended September 30, 2021, which began on October 1, 2021 and expires on September 30, 2024. The lease requires monthly payments of \$800 in the first year. Monthly payments increase 3% each of the subsequent years.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

**6. Leases (continued):**

The Organization entered into a 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 are as follows:

2023	\$ 11,508
2024	11,805
2025	<u>405</u>
	<u>\$ 23,718</u>

Total rental expenses amounted to \$11,228 and \$16,620 for the years ended September 30, 2022 and 2021, respectively.

**7. Net assets released from restriction:**

Net assets were released from donor restriction by incurring expenses satisfying the restricted purpose specified by donors as follows:

	<u>2022</u>	<u>2021</u>
Key Leader Program	\$ 8,747	
Member support initiative	<u>893</u>	<u>\$ 564</u>
	<u>\$ 9,640</u>	<u>\$ 564</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

**8. Net assets with donor restrictions:**

The Organization's net assets with donor restrictions are restricted for the following purposes as of September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Key Leader Program	\$ 4,626	\$ 3,323
Member support initiative	<u>229</u>	<u>922</u>
	<u>\$ 4,855</u>	<u>\$ 4,245</u>

**9. Tax status:**

The District has been recognized as a tax-exempt organization under the provisions of the Internal Revenue Code (IRC) Section 501(c)(4). The District is current with its Form 990 filings.

The 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, the Club cannot determine if Form 990s were filed. The Club filed Form 990s for the years ended March 31, 2018, 2019, 2020, 2021 and 2022, and thus, is requesting confirmation from the IRS as to their tax-exempt status and will seek reinstatement if necessary.

**10. Subsequent events:**

The Organization has evaluated subsequent events through February \_\_, 2023, 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  
SEPTEMBER 30, 2022  
(See independent auditor's report)

	<u>Kiwanis</u>	<u>Key Club</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS				
<b>Current assets:</b>				
<b>Cash and cash equivalents:</b>				
Cash in bank	\$ 39,203	\$ 8,090		\$ 47,293
Money market fund	577			577
<b>Total cash and cash equivalents</b>	<b>39,780</b>	<b>8,090</b>		<b>47,870</b>
Accounts receivable	679			679
Due from Key Club	19,680		\$ (19,680)	-
Inventory	2,838			2,838
<b>Total current assets</b>	<b>62,977</b>	<b>8,090</b>	<b>(19,680)</b>	<b>51,387</b>
<b>Security deposit</b>	<b>800</b>			<b>800</b>
<b>Total assets</b>	<b>\$ 63,777</b>	<b>\$ 8,090</b>	<b>\$ (19,680)</b>	<b>\$ 52,187</b>
LIABILITIES AND NET ASSETS (DEFICIT)				
<b>Liabilities, all current:</b>				
Accounts payable	\$ 8,292	1,300		\$ 9,592
Credit card payable	19,544			19,544
Accrued expenses	8,631			8,631
Due to Kiwanis		\$ 19,680	(19,680)	-
<b>Total liabilities, all current</b>	<b>36,467</b>	<b>20,980</b>	<b>(19,680)</b>	<b>37,767</b>
<b>Net assets (deficit):</b>				
Without donor restrictions	22,455	(12,890)		9,565
With donor restrictions	4,855			4,855
<b>Total net assets (deficit)</b>	<b>27,310</b>	<b>(12,890)</b>		<b>14,420</b>
<b>Total liabilities and net assets</b>	<b>\$ 63,777</b>	<b>\$ 8,090</b>	<b>\$ (19,680)</b>	<b>\$ 52,187</b>

See notes to consolidated financial statements.

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

CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2021  
(See independent auditor's report)

	<u>Kiwanis</u>	<u>Key Club</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS				
<b>Current assets:</b>				
<b>Cash and cash equivalents:</b>				
Cash in bank	\$ 17,955	\$ 2,731		\$ 20,686
Money market fund	577			577
<b>Total cash and cash equivalents</b>	<b>18,532</b>	<b>2,731</b>		<b>21,263</b>
Due from Kiwanis		606	\$ (606)	-
Due from Key Club	28,018		(28,018)	-
Inventory	1,207			1,207
Prepaid expenses	2,706			2,706
<b>Total current assets</b>	<b>50,463</b>	<b>3,337</b>	<b>(28,624)</b>	<b>25,176</b>
<b>Security deposit</b>	<b>2,250</b>			<b>2,250</b>
<b>Total assets</b>	<b>\$ 52,713</b>	<b>\$ 3,337</b>	<b>\$ (28,624)</b>	<b>\$ 27,426</b>
LIABILITIES AND NET ASSETS (DEFICIT)				
<b>Liabilities, all current:</b>				
Accounts payable	\$ 3,409			\$ 3,409
Credit card payable	891			891
Accrued expenses	12,939			12,939
Deferred revenue	3,915			3,915
Paycheck Protection Program loan	13,815			13,815
Due to Key Club	606		\$ (606)	-
Due to Kiwanis		\$ 28,018	(28,018)	-
<b>Total liabilities, all current</b>	<b>35,575</b>	<b>28,018</b>	<b>(28,624)</b>	<b>34,969</b>
<b>Net assets (deficit):</b>				
Without donor restrictions	12,893	(24,681)		(11,788)
With donor restrictions	4,245			4,245
<b>Total net assets (deficit)</b>	<b>17,138</b>	<b>(24,681)</b>		<b>(7,543)</b>
<b>Total liabilities and net assets</b>	<b>\$ 52,713</b>	<b>\$ 3,337</b>	<b>\$ (28,624)</b>	<b>\$ 27,426</b>

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, 2022  
(See independent auditor's report)**

	Kiwanis		Key Club		Eliminations	Consolidated
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions		
<b>Revenues:</b>						
Dues	\$ 106,390	\$ 106,390	\$ 106,390	\$ 50,266	\$	\$ 156,656
Conventions and events	71,424	71,424	71,424	37,596		109,020
Revenue for services provided to related parties	16,500	16,500	16,500		\$ (10,000)	6,500
Key leader program revenue and contributions	3,955	\$ 10,250	14,205			14,205
District raffle	13,302		13,302			13,302
Other revenue	5,733		5,733	1,672		7,405
Contributions				6,000	(2,500)	3,500
Paycheck Protection Program loan forgiveness	13,815		13,815			13,815
Interest income	29		29	92		121
Net assets released from restriction	9,640	(9,640)	-			-
<b>Total revenues</b>	<b>240,788</b>	<b>610</b>	<b>241,398</b>	<b>95,626</b>	<b>(12,500)</b>	<b>324,524</b>
<b>Expenses:</b>						
Salaries and wages	73,845		73,845			73,845
Annual convention	65,554		65,554	48,961		114,515
Midwinter convention	1,359		1,359			1,359
Key Leader program expenses	8,696		8,696			8,696
Building rent	9,600		9,600			9,600
Professional fees	11,626		11,626	6,000		17,626
District raffle	6,889		6,889			6,889
Payroll taxes	5,646		5,646			5,646

(continued)

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

**CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)**

YEAR ENDED SEPTEMBER 30, 2022

(See independent auditor's report)

	Kiwanis		Key Club	Eliminations	Consolidated
	Without donor restrictions	With donor restrictions			
<b>Expenses (continued):</b>					
Executive director expenses	\$ 3,092	\$			\$ 3,092
Lieutenant governor's training	2,745				2,745
Equipment lease	1,628				1,628
Telephone and internet	2,596				2,596
Interest	109				109
Membership growth and development	1,000				1,000
Other events	147				147
Insurance	3,976				3,976
Lieutenant governor expenses	353				353
Supplies and printing	1,745		162		1,907
Keystone Kiwanian editor	1,250				1,250
Governor-elect international convention	3,190				3,190
Awards	921		1,267		2,188
Equipment maintenance	478				478
Governor's travel	2,049				2,049
Employee benefits	431				431
Executive director international convention	772				772
Web page fees and maintenance	83		480		563
Circle K administrator	1,900				1,900
Postage	356				356
Trustee board meeting expense	377		16,382		16,759
Governor international convention	685				685

(continued)

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

**CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2022  
(See independent auditor's report)**

	Kiwanis		Total	Key Club		Eliminations	Consolidated
	Without donor restrictions	With donor restrictions		Without donor restrictions	Key Club		
<b>Expenses (continued):</b>							
Kiwanis District administrative fees	\$ 583	\$ 583	\$ 583	10,000	\$ (10,000)	\$ -	1,166
Information technology	5,250	5,250	5,250	583			5,250
Moving expense	2,939	2,939	2,939				2,939
Miscellaneous expense	31	31	31				31
Builders Club administrator	2,500	2,500	2,500		(2,500)	-	-
Contributions	6,825	6,825	6,825				6,825
Circle K							
<b>Total expenses</b>	<b>231,226</b>	<b>231,226</b>	<b>231,226</b>	<b>83,835</b>	<b>(12,500)</b>	<b>302,561</b>	
Change in net assets	9,562	610	10,172	11,791	-	21,963	
<b>Net assets (deficit):</b>							
Beginning of the year	12,893	4,245	17,138	(24,681)		(7,543)	
<b>End of the year</b>	<b>\$ 22,455</b>	<b>\$ 4,855</b>	<b>\$ 27,310</b>	<b>\$ (12,890)</b>	<b>\$ -</b>	<b>\$ 14,420</b>	

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, 2021  
(See independent auditor's report)**

	Kiwanis		Key Club		Eliminations	Consolidated
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions		
<b>Revenues:</b>						
Dues	\$ 109,311	\$ 200	\$ 109,511	\$ 35,222	\$ -	\$ 144,733
Conventions and events	41,008		41,008	666		41,674
Revenue for services provided to related parties	23,500		23,500		\$ (12,500)	11,000
District raffle	13,606		13,606			13,606
Other revenue	1,767		1,767	4,750		6,517
Contributions				2,500		2,500
Paycheck Protection Program loan forgiveness	13,962		13,962			13,962
Interest income	24		24	87		111
Net assets released from restriction	564	(564)	-			-
<b>Total revenues</b>	<b>203,742</b>	<b>(364)</b>	<b>203,378</b>	<b>43,225</b>	<b>(12,500)</b>	<b>234,103</b>
<b>Expenses:</b>						
Salaries and wages	64,377		64,377			64,377
Annual convention	47,444		47,444	9,653		57,097
Midwinter convention	79		79			79
Building rent	15,000		15,000			15,000
Professional fees	14,372		14,372	26,000		40,372
District raffle	7,481		7,481			7,481
Payroll taxes	6,677		6,677			6,677

(continued)

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

**CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2021  
(See independent auditor's report)**

	Kiwanis		Total	Key Club		Eliminations	Consolidated
	Without donor restrictions	With donor restrictions		Without donor restrictions	Without donor restrictions		
<b>Expenses (continued):</b>							
Executive director expenses	\$ 1,796	\$	1,796			\$	1,796
Lieutenant governor's training	2,108		2,108				2,108
Equipment lease	1,620		1,620				1,620
Telephone and internet	2,797		2,797				2,797
Interest	328		328				328
Membership growth and development	1,329		1,329				1,329
Other events	2,625	\$	2,625	148			2,773
Insurance	2,145		2,145				2,145
Lieutenant governor expenses	311		311				311
Supplies and printing	312		312		1,056		1,368
Keystone Kiwanian editor	750		750				750
Governor-elect international convention	1,583		1,583				1,583
Awards	1,422		1,422		98		1,520
Equipment maintenance	425		425				425
Governor's travel	1,586		1,586		1,089		2,675
Employee benefits	710		710				710
Executive director international convention	700		700				700
Web page fees and maintenance	221		221		580		801
Postage	737		737		154		891
Trustee board meeting expense	5		5		24,884		24,889

(continued)



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

**CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2021  
(See independent auditor's report)**

	Kiwanis		Key Club		Eliminations	Consolidated
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions		
<b>Expenses (continued):</b>						
Kiwanis District administrative fees	\$ 1,537	\$ 12,500	\$ 1,537	\$ 12,500	\$ (12,500)	\$ -
Information technology	109	213	109	213		1,750
Moving expense	12		12			109
Miscellaneous expense	31		31			12
Builders Club administrator						31
<b>Total expenses</b>	<b>180,629</b>	<b>76,375</b>	<b>180,629</b>	<b>76,375</b>	<b>(12,500)</b>	<b>244,504</b>
Change in net assets	23,113	(364)	22,749	(33,150)	-	(10,401)
<b>Net assets (deficit):</b>						
Beginning of the year	(10,220)	4,609	(5,611)	8,469		2,858
<b>End of the year</b>	<b>\$ 12,893</b>	<b>\$ 4,245</b>	<b>\$ 17,138</b>	<b>\$ (24,681)</b>	<b>\$ -</b>	<b>\$ (7,543)</b>

See notes to consolidated financial statements.

February \_\_, 2023

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

We have audited the consolidated financial statements of Kiwanis International NTL HDQ K23 PA District and Key Club International H23 PA District (collectively, the Organization) for the year ended September 30, 2022 and have issued our report thereon dated February \_\_, 2023. Professional standards require that we advise you of the following matters relating to our audit.

#### **Our Responsibility in Relation to the Consolidated Financial Statement Audit**

As communicated in our engagement letter dated June 28, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the consolidated financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the consolidated financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the consolidated financial statements are free of material misstatement. An audit of consolidated financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Organization solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material weaknesses noted during our audit in a separate letter to you dated February \_\_, 2023.

#### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you. In planning our audit, we identified the existence and cutoff of revenue and the completeness and cutoff of expenses/liabilities as significant audit risks. Our audit procedures included analytics on dues and convention revenue and a search for unrecorded liabilities.

## Compliance with All Ethics Requirements Regarding Independence

The engagement team has complied with all relevant ethical requirements regarding independence.

## Qualitative Aspects of the Organization's Significant Accounting Practices

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Organization is included in Note 1 to the consolidated financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the fiscal year ended September 30, 2022. No matters have come to our attention that would require us, under professional standards, to inform you about: (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the consolidated financial statements is management's estimate of the allocation of expenses on a functional basis. This involves allocating certain costs based upon an estimate of time spent performing program, management and general and fundraising services.

We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the consolidated financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. There were no sensitive disclosures affecting the consolidated financial statements. The disclosures in the consolidated financial statements are neutral, consistent and clear.

## Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## Corrected and Uncorrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. We proposed adjusting entries predominantly to adjust accounts receivable, accounts payables, prepaid expenses, inventory, deferred revenue and correct net assets. The effects of the adjusting entries proposed by us, and made by management, decreased the Kiwanis International

NL HDQ K23 PA District's change in net assets by \$10,931 and decreased the Key Club International H23 PA District's change in net assets by \$596. Management corrected all identified misstatements. There was an uncorrected misstatement in the prior year whose effect on net assets would have been to decrease net assets by \$2,777 at September 30, 2021. The effects of the unrecorded misstatement would have been reversed through current year operations if recorded, leaving no remaining effect on net assets at September 30, 2022.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting or auditing matter, which could be significant to the Organization's consolidated financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management that are included in the management representation letter dated February \_\_, 2023.

### **Management Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings or Issues**

In the normal course of our professional association with the Organization, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Organization's auditor.

With respect to the supplementary information accompanying the consolidated financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This report is intended solely for the information and use of the board of directors and management of the Organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



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

In planning and performing our audit of the consolidated financial statements of Kiwanis International NTL HDQ K23 PA District and Key Club International H23 PA District (collectively, the Organization) as of and for the year ended September 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- Reasonably possible - The chance of the future event or events occurring is more than remote, but less than likely.
- Probable - The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. We did identify the following deficiencies in internal control that we consider to be material weaknesses. However, given the limitations during our audit, additional material weaknesses may exist that have not been identified below.



## Lack of Segregation of Duties

We noted a general lack of segregation of duties over accounting functions. The Executive Director performs most accounting functions. A reliable system of internal control necessitates an adequate segregation of duties so that no one individual handles a transaction from its inception to its conclusion without oversight. Although not unusual with an organization of your size, compensating controls can help mitigate the issue.

Internal controls are critical as a means to ensure complete and accurate financial reporting, as well as to provide a measure of safety against theft or fraud. Given these constraints, compensating controls can be achieved with active oversight from the Board of Directors. We have made some recommendations below that can help with this process. We strongly suggest you consider these recommendations.

## Adjusting Journal Entries

The balances for various accounts were not updated prior to the start of the audit. This included accounts payable, credit card payable, prepaid expenses, accounts receivable and deferred revenue. Not having these recorded before the audit impacts the efficiency and timing of the audit as we cannot conduct all of our procedures until we have those updated balances. We recommend adjustments to these accounts be done monthly so that reports generated from QuickBooks and provided to the Board will be a more accurate representation of the Organization's activity. If management and the board do not believe it is necessary to record these items monthly, they should at least be done prior to the start of the audit.

The following items are other identified deficiencies in internal control that were not significant deficiencies or material weaknesses and are presented for your consideration as suggestions to improve internal controls:

### QuickBooks

We recommend that the administrative assistant be given more responsibilities in QuickBooks including basic data entry and bank reconciliations. This will provide cross-training and some segregation of duties.

### Bank Reconciliations

The bank reconciliation for Key Club International H23 PA District (the Club) shows all of the activity for several fiscal years as outstanding or uncleared. We recommend that these items be marked cleared within QuickBooks so that the bank reconciliation is a true accounting of the current outstanding items affecting cash.

During the audit, we also noted an operational matter that is presented for your consideration as a suggestion to improve reporting and operations.

## Organization Chart of Accounts

We would recommend re-evaluating the Kiwanis International NTL HDQ K23 PA District and the Club chart of accounts and the numbering system used. Currently, there are revenue and equity account numbers that start with 3 and asset account numbers that start with 8. We would recommend using a more uniform numbering system. An example of a simple structure that could be followed would be using account numbers that begin with 1 for all asset accounts, 2 for all liability accounts, 3 for all net asset accounts, 4 for all revenue accounts, 5 for all expense accounts, etc. We believe this will assist with account coding errors and efficiency for the audit.

This communication is intended solely for the information and use of management, the Board of Directors and others within the Organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Camp Hill, Pennsylvania  
February \_\_, 2023

## **Standing Rules for the Special Convention**

1. The only item of business will be consideration of District Bylaw amendments to establish a District Secretary and District Treasurer position.
2. Only delegates with official delegate badges may offer or speak on motions and vote.
3. Only delegates may be seated in the area designated for delegates.
4. Any amendment shall be written, signed by the maker and seconder and presented to the District Secretary before it is moved.
5. No delegate may speak more than three minutes at a time unless allowed to do so by the orders of the day by a majority vote of the delegates.
6. No delegate may address the assembly a second time on the same question(s) until all delegates who desire to speak on the topic have spoken.
7. The maker of a motion shall be entitled to speak first in support of such motion or may immediately yield the floor to another delegate.
8. Debate shall alternate between those speaking for and those against a motion.

9. Microphones shall be designated by number. Speakers for the main motion shall use microphone #1. Speakers against the main motion shall use microphone #2. The chair shall recognize microphones in rotating order.
10. A delegate shall not speak for or against a motion and move to close debate on the same recognition.
11. Debate on the proposed amendments to the Bylaws, including all amendments thereto, shall be limited to twenty minutes.
12. A motion to move the previous question will not be in order until fifteen minutes of debate has taken place or all microphones are clear.
13. Any of the above rules may be suspended by a majority vote.
14. The latest Edition of Roberts Rules of Order Newly Revised shall be the parliamentary authority for all matters of procedure not specifically covered by the Constitution and Bylaws of Kiwanis International, the Bylaws of the Pennsylvania District of Kiwanis International and these standing rules.