

**KIWANIS INTERNATIONAL  
NTL HDQ K23 PA DISTRICT  
AND SUBSIDIARY**

**YEARS ENDED  
SEPTEMBER 30, 2023 and 2022**



**Brown Plus**

ACCOUNTANTS + ADVISORS



***KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT AND SUBSIDIARY***

YEARS ENDED SEPTEMBER 30, 2023 AND 2022

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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 Subsidiary (collectively, the Organization), which comprise the consolidated statements of financial position as of September 30, 2023 and 2022 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, 2023 and 2022, 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, 2023 and 2022 and the consolidating statements of activities for the years then ended on pages 14 through 21 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  
April 20, 2024



**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT AND SUBSIDIARY**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
<b>Current assets:</b>		
<b>Cash and cash equivalents:</b>		
Cash in bank	\$ 69,469	\$ 47,293
Money market fund		577
	<u>69,469</u>	<u>47,870</u>
<b>Total cash and cash equivalents</b>	<b>69,469</b>	<b>47,870</b>
Accounts receivable	31	679
Inventory	<u>1,500</u>	<u>2,838</u>
<b>Total current assets</b>	<b>71,000</b>	<b>51,387</b>
<b>Security deposit</b>	<u>800</u>	<u>800</u>
<b>Total assets</b>	<u><b>\$ 71,800</b></u>	<u><b>\$ 52,187</b></u>
LIABILITIES AND NET ASSETS		
<b>Liabilities, all current:</b>		
Accounts payable	\$ 37,113	\$ 9,592
Credit card payable	2,187	19,544
Accrued expenses	<u>2,422</u>	<u>8,631</u>
<b>Total liabilities, all current</b>	<u><b>41,722</b></u>	<u><b>37,767</b></u>
<b>Net assets:</b>		
Without donor restrictions	24,465	9,565
With donor restrictions	<u>5,613</u>	<u>4,855</u>
<b>Total net assets</b>	<u><b>30,078</b></u>	<u><b>14,420</b></u>
<b>Total liabilities and net assets</b>	<u><b>\$ 71,800</b></u>	<u><b>\$ 52,187</b></u>

See notes to consolidated financial statements.



**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT AND SUBSIDIARY**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
<b>Revenues:</b>			
Dues	\$ 158,208		\$ 158,208
Conventions and events	115,582		115,582
Revenue for services provided to related parties	6,500		6,500
Key leader program revenue and contributions	7,429	\$ 5,375	12,804
District raffle	11,139		11,139
Other revenue	7,727		7,727
Contributions	2,500		2,500
Interest income	83		83
Net assets released from restriction	<u>4,617</u>	<u>(4,617)</u>	<u>-</u>
<b>Total revenues</b>	<u><b>313,785</b></u>	<u><b>758</b></u>	<u><b>314,543</b></u>
<b>Expenses:</b>			
Program:			
PA District	124,558		124,558
Circle K	14,816		14,816
Key Club	<u>99,279</u>		<u>99,279</u>
Total program	238,653		238,653
Management and general	54,419		54,419
Fundraising	<u>5,813</u>		<u>5,813</u>
<b>Total expenses</b>	<u><b>298,885</b></u>		<u><b>298,885</b></u>
Change in net assets	14,900	758	15,658
<b>Net assets:</b>			
Beginning of the year	<u>9,565</u>	<u>4,855</u>	<u>14,420</u>
<b>End of the year</b>	<u><b>\$ 24,465</b></u>	<u><b>\$ 5,613</b></u>	<u><b>\$ 30,078</b></u>

See notes to consolidated financial statements.



**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT AND SUBSIDIARY**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
<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	<u>9,640</u>	<u>(9,640)</u>	<u>-</u>
<b>Total revenues</b>	<b><u>323,914</u></b>	<b><u>610</u></b>	<b><u>324,524</u></b>
<b>Expenses:</b>			
Program:			
PA District	133,446		133,446
Circle K	24,765		24,765
Key Club	<u>73,835</u>		<u>73,835</u>
Total program	232,046		232,046
Management and general	63,624		63,624
Fundraising	<u>6,891</u>		<u>6,891</u>
<b>Total expenses</b>	<b><u>302,561</u></b>		<b><u>302,561</u></b>
Change in net assets	21,353	610	21,963
<b>Net assets (deficit):</b>			
Beginning of the year	<u>(11,788)</u>	<u>4,245</u>	<u>(7,543)</u>
<b>End of the year</b>	<b><u>\$ 9,565</u></b>	<b><u>\$ 4,855</u></b>	<b><u>\$ 14,420</u></b>

See notes to consolidated financial statements.



# **KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT AND SUBSIDIARY**

## **CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED SEPTEMBER 30, 2023**

	PA District	Circle K	Key Club	Total program	Management and general	Fundraising	Total
Salaries and wages	\$ 38,973	\$ 3,609		\$ 42,582	\$ 29,591		\$ 72,173
Annual convention	44,512	7,261	\$ 74,978	126,751			126,751
Midwinter convention	803			803			803
Key Leader program expenses	11,817			11,817			11,817
Building rent	5,340	494		5,834	4,054		9,888
Professional fees			3,600	3,600	12,970		16,570
District raffles						\$ 5,813	5,813
Payroll taxes	2,977	276		3,253	2,260		5,513
Executive director expenses	1,589	147		1,736	1,206		2,942
Lieutenant governor's training	2,116			2,116			2,116
Equipment lease	879	81		960	668		1,628
Telephone and internet	1,519	141		1,660	1,153		2,813
Membership growth and development	1,461			1,461			1,461
Insurance					343		343
Lieutenant governor expenses	1,250			1,250			1,250
Supplies and printing	744	69		813	565		1,378
Keystone Kiwanian editor	600			600			600
Governor-elect international convention	1,543			1,543			1,543
Awards	1,611		420	2,031			2,031
Equipment maintenance	279	26		305	211		516
Governor's travel	1,749		940	2,689			2,689
Executive director international convention	800			800			800
Web page fees and maintenance			493	493	239		732
Circle K administrator	1,988			1,988			1,988
Postage	290	27		317	220		537
Trustee board meeting expense			18,504	18,504	265		18,769
Governor international convention	800		344	1,144			1,144
Miscellaneous expense	801	74		875	609		1,484
Information technology	86	8		94	65		159
Builders Club administrator	31			31			31
Circle K		2,603		2,603			2,603
	<b>\$ 124,558</b>	<b>\$ 14,816</b>	<b>\$ 99,279</b>	<b>\$ 238,653</b>	<b>\$ 54,419</b>	<b>\$ 5,813</b>	<b>\$ 298,885</b>

See notes to consolidated financial statements.



# **KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT AND SUBSIDIARY**

## **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 SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
Changes in net assets	\$ 15,658	\$ 21,963
Adjustments:		
Paycheck Protection Program loan forgiveness		(13,815)
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	648	(679)
Inventory	1,338	(1,631)
Prepaid expenses		2,706
Security deposit		1,450
Increase (decrease) in liabilities:		
Accounts payable	27,521	6,183
Credit card payable	(17,357)	18,653
Accrued expenses	(6,209)	(4,308)
Deferred revenue		(3,915)
	<u>21,599</u>	<u>26,607</u>
<b>Net cash provided by operating activities and increase in cash and cash equivalents</b>	<b>21,599</b>	<b>26,607</b>
<b>Cash and cash equivalents:</b>		
Beginning of year	<u>47,870</u>	<u>21,263</u>
<b>End of year</b>	<b><u>\$ 69,469</u></b>	<b><u>\$ 47,870</u></b>
Supplementary cash flows information, interest paid		\$ 109

Noncash financing activity:

During the year ended September 30, 2022, the Organization received forgiveness of its Paycheck Protection Program (PPP) loan balance of \$13,815.

See notes to consolidated financial statements.



# **KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT AND SUBSIDIARY**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

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

#### *Nature of the Organization:*

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.

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 fiduciary 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. At September 30, 2023 and 2022, only the District had net assets with donor restrictions.

#### *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, 2023 and 2022.

#### *Inventory:*

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



## **KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT AND SUBSIDIARY**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

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

##### *Property and equipment:*

The Organization capitalizes all expenditures for property and equipment in excess of \$500. Purchased property and equipment are 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, was fully depreciated at both September 30, 2023 and 2022.

##### *Revenue recognition:*

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

Both the District and the Club offer 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 to September 30. 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 District holds an annual raffle and both the District and the Club have a 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 include 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 District and the Club have fulfilled their performance obligations to the registrants, ticket holders and sponsors.

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.



## **KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT AND SUBSIDIARY**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

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

##### *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.

##### *Leases:*

The Organization has elected the short-term lease exception to not recognize leases with a lease term of 12 months or less on the statements of financial position.

##### *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.

##### *Recently issued accounting standards:*

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses* to replace the incurred loss impairment methodology under current generally accepted accounting principles with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The Organization will be required to use a forward-looking expected credit loss model for accounts receivables, loans and other financial instruments. Credit losses relating to available-for-sale debt securities will also be recorded through an allowance for credit losses rather than as a reduction in the amortized cost basis of the securities. The standard will be effective for the Organization beginning October 1, 2023. The Organization is currently evaluating the impacts of adopting this guidance on its financial position, activities and cash flows.



## **KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT AND SUBSIDIARY**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

#### **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, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash in bank	\$ 69,469	\$ 47,293
Money market fund		577
Accounts receivable	<u>31</u>	<u>679</u>
Total financial assets	69,500	48,549
Net assets with donor restrictions	<u>(5,613)</u>	<u>(4,855)</u>
Total financial assets available within one year	<u><u>\$ 63,887</u></u>	<u><u>\$ 43,694</u></u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due. The Organization's primary sources of cash flow are from dues, an annual convention and various events. To manage unanticipated liquidity needs, the District 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, 2023 and 2022.

#### **3. Concentration of credit risk:**

The Organization maintains its cash accounts with multiple financial institutions. As of September 30, 2023 and 2022, the Organization did not have any uninsured cash balances.

#### **4. Line of credit:**

The District has an authorized \$40,000 line of credit with Mid Penn Bank. Interest is payable monthly at the bank's prime rate (9.50% and 7.25% as of September 30, 2023 and 2022, respectively). Borrowings under the line of credit are collateralized by all assets of the District. The line of credit is subject to an annual review by the bank. There was no outstanding balance at September 30, 2023 and 2022.

#### **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 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.



# **KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT AND SUBSIDIARY**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

### **5. Paycheck Protection Program loan (continued):**

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. Net assets released from restriction:**

The District's net assets were released from donor restriction by incurring expenses satisfying the restricted purpose specified by donors as follows:

	<u>2023</u>	<u>2022</u>
Key Leader Program	\$ 4,338	\$ 8,747
Member support initiative	<u>279</u>	<u>893</u>
	<u>\$ 4,617</u>	<u>\$ 9,640</u>

### **7. Net assets with donor restrictions:**

The District's net assets with donor restrictions are restricted for the following purposes as of September 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Key Leader Program	\$ 5,613	\$ 4,626
Member support initiative	<u>229</u>	<u>229</u>
	<u>\$ 5,613</u>	<u>\$ 4,855</u>

### **8. 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, 2022 and 2023, and thus, is requesting confirmation from the IRS as to their tax-exempt status and will seek reinstatement if necessary.

### **9. Subsequent events:**

The Organization has evaluated subsequent events through April 20, 2024, the date which the consolidated financial statements were available to be issued.



**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT AND SUBSIDIARY**

CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2023  
(See independent auditor's report)

	<u>Kiwanis</u>	<u>Key Club</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS				
<b>Current assets:</b>				
Cash and cash equivalents:	\$ 62,117	\$ 7,352		\$ 69,469
Accounts receivable	31			31
Inventory	<u>1,500</u>	<u></u>		<u>1,500</u>
<b>Total current assets</b>	<b>63,648</b>	<b><u>7,352</u></b>		<b>71,000</b>
<b>Security deposit</b>	<u>800</u>			<u>800</u>
<b>Total assets</b>	<b><u>\$ 64,448</u></b>	<b><u>\$ 7,352</u></b>		<b><u>\$ 71,800</u></b>
LIABILITIES AND NET ASSETS				
<b>Liabilities, all current:</b>				
Accounts payable	\$ 36,687	\$ 426		\$ 37,113
Credit card payable	2,187			2,187
Accrued expenses	<u>2,422</u>	<u></u>		<u>2,422</u>
<b>Total liabilities, all current</b>	<b><u>41,296</u></b>	<b><u>426</u></b>		<b><u>41,722</u></b>
<b>Net assets:</b>				
Without donor restrictions	17,539	6,926		24,465
With donor restrictions	<u>5,613</u>	<u></u>		<u>5,613</u>
<b>Total net assets</b>	<b><u>23,152</u></b>	<b><u>6,926</u></b>		<b><u>30,078</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 64,448</u></b>	<b><u>\$ 7,352</u></b>		<b><u>\$ 71,800</u></b>

See notes to consolidated financial statements.



**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT AND SUBSIDIARY**

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	<u>577</u>	<u></u>		<u>577</u>
<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	<u>2,838</u>	<u></u>	<u></u>	<u>2,838</u>
<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>	<u>800</u>			<u>800</u>
<b>Total assets</b>	<u><b>\$ 63,777</b></u>	<u><b>\$ 8,090</b></u>	<u><b>\$ (19,680)</b></u>	<u><b>\$ 52,187</b></u>
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	<u></u>	<u>19,680</u>	<u>\$ (19,680)</u>	<u>-</u>
<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	<u>4,855</u>	<u></u>		<u>4,855</u>
<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>	<u><b>\$ 63,777</b></u>	<u><b>\$ 8,090</b></u>	<u><b>\$ (19,680)</b></u>	<u><b>\$ 52,187</b></u>

See notes to consolidated financial statements.



**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT AND SUBSIDIARY**

CONSOLIDATING STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2023  
(See independent auditor's report)

	Kiwanis			Key Club		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	Eliminations	Consolidated
<b>Revenues:</b>						
Dues	\$ 102,523		\$ 102,523	\$ 55,685		\$ 158,208
Conventions and events	57,856		57,856	57,726		115,582
Revenue for services provided to related parties	16,500		16,500		\$ (10,000)	6,500
Key leader program revenue and contributions	7,429	\$ 5,375	12,804			12,804
District raffle	11,139		11,139			11,139
Other revenue	7,227		7,227	500		7,727
Contributions				15,107	(12,607)	2,500
Interest income	6		6	77		83
Net assets released from restriction	4,617	(4,617)	-			-
<b>Total revenues</b>	<b>207,297</b>	<b>758</b>	<b>208,055</b>	<b>129,095</b>	<b>(22,607)</b>	<b>314,543</b>
<b>Expenses:</b>						
Salaries and wages	72,173		72,173			72,173
Annual convention	51,773		51,773	74,978		126,751
Midwinter convention	803		803			803
Key Leader program expenses	11,817		11,817			11,817
Building rent	9,888		9,888			9,888
Professional fees	12,970		12,970	3,600		16,570
District raffle	5,813		5,813			5,813
Payroll taxes	5,513		5,513			5,513

(continued)



**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT SUBSIDIARY**

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2023  
(See independent auditor's report)

	Kiwanis		Key Club			
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	Eliminations	Consolidated
<b>Expenses (continued):</b>						
Executive director expenses	\$ 2,942		\$ 2,942			\$ 2,942
Lieutenant governor's training	2,116		2,116			2,116
Equipment lease	1,628		1,628			1,628
Telephone and internet	2,813		2,813			2,813
Membership growth and development	1,461		1,461			1,461
Insurance	343		343			343
Lieutenant governor expenses	1,250		1,250			1,250
Supplies and printing	1,378		1,378			1,378
Keystone Kiwanian editor	600		600			600
Governor-elect international convention	1,543		1,543			1,543
Awards	1,611		1,611	\$ 420		2,031
Equipment maintenance	516		516			516
Governor's travel	1,749		1,749	940		2,689
Executive director international convention	800		800			800
Web page fees and maintenance	239		239	493		732
Circle K administrator	1,988		1,988			1,988
Postage	537		537			537
Trustee board meeting expense	265		265	18,504		18,769
Governor international convention	800		800	344		1,144

(continued)



**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT AND SUBSIDIARY**

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2023  
(See independent auditor's report)

	Kiwanis		Key Club			
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	Eliminations	Consolidated
<b>Expenses (continued):</b>						
Kiwanis District administrative fees				\$ 10,000	\$ (10,000)	\$ -
Information technology	\$ 159		\$ 159			159
Miscellaneous expense	1,484		1,484			1,484
Builders Club administrator	31		31			31
Contributions	12,607		12,607		(12,607)	-
Circle K	2,603		2,603			2,603
<b>Total expenses</b>	<b>212,213</b>		<b>212,213</b>	<b>109,279</b>	<b>(22,607)</b>	<b>298,885</b>
Change in net assets	(4,916)	\$ 758	(4,158)	19,816	-	15,658
<b>Net assets (deficit):</b>						
Beginning of the year	22,455	4,855	27,310	(12,890)		14,420
<b>End of the year</b>	<b>\$ 17,539</b>	<b>\$ 5,613</b>	<b>\$ 23,152</b>	<b>\$ 6,926</b>	<b>\$ -</b>	<b>\$ 30,078</b>

See notes to consolidated financial statements.



**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT AND SUBSIDIARY**

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

	Kiwanis			Key Club		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	Eliminations	Consolidated
<b>Revenues:</b>						
Dues	\$ 106,390		\$ 106,390	\$ 50,266		\$ 156,656
Conventions and events	71,424		71,424	37,596		109,020
Revenue for services provided to related parties	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 SUBSIDIARY**

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

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

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**KIWANIS INTERNATIONAL NTL HDQ K23 PA DISTRICT AND SUBSIDIARY**

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

	Kiwanis		Key Club			
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	Eliminations	Consolidated
<b>Expenses (continued):</b>						
Kiwanis District administrative fees				\$ 10,000	\$ (10,000)	\$ -
Information technology	\$ 583		\$ 583	583		1,166
Moving expense	5,250		5,250			5,250
Miscellaneous expense	2,939		2,939			2,939
Builders Club administrator	31		31			31
Contributions	2,500		2,500		(2,500)	-
Circle K	6,825		6,825			6,825
<b>Total expenses</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.