CAPITAL DISTRICT OF KIWANIS INTERNATIONAL, INC.

Reviewed Financial Statements

For the Year Ended September 30, 2021

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CAPITAL DISTRICT OF KIWANIS INTERNATIONAL, INC.

BOARD OF TRUSTEES

Dennis Baugh	Governor
Elana Gardner	Governor – Elect
Jeffrey Wolff	Secretary – Treasurer
David Lurie	Immediate Past Governor
Joshua Hiscock	Chesapeake Trustee
Bill Watson	Heart of Virginia Trustee
Renee Mackey	Mason-Dixon Trustee
Timothy Gillette	National Capital Trustee
Ron McCallum	Southeast Trustee
John Montgomery	Southwest Trustee

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CAPITAL DISTRICT OF KIWANIS INTERNATIONAL, INC.

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DIDAWICK & COMPANY PC
Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of
Capital District of Kiwanis International, Inc.

We have reviewed the accompanying financial statements of Capital District of Kiwanis International, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of September 30, 2021, and the related statements of revenues, expenses, and other changes in net assets – modified cash basis; functional expenses – modified cash basis; and cash flows – modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Emphasis of Matter

We draw attention to Note 7 to the financial statements which describes the effects of the coronavirus (COVID-19) pandemic on Capital District of Kiwanis International, Inc. Our conclusion is not modified in respect of this matter.

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Supplementary Information

The supplementary information included on pages 11 to 14 is presented for purposes of additional analysis and is not a required part of the basic 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 financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Didawick & Company, P.C.

Staunton, Virginia

February 2, 2022

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BASIC FINANCIAL STATEMENTS

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CAPITAL DISTRICT OF KIWANIS INTERNATIONAL, INC.
Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis
As of September 30, 2021

ASSETS	
Current assets:	
Cash and cash equivalents	$ 165,266
Prepaid expenses	2,387
Total current assets	167,653
Other assets:	
Investments	974,630
Total other assets	974,630
Total assets	$ 1,142,283
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable	$ 2,000
Accrued liabilities	3,654
Total current liabilities	5,654
Total liabilities	5,654
Net assets:	
Without donor restrictions	
Undesignated	1,086,629
Board designated	50,000
Total net assets	1,136,629
Total liabilities and net assets	$ 1,142,283

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See accompanying notes and accountant's review report.

CAPITAL DISTRICT OF KIWANIS INTERNATIONAL, INC.
Statement of Revenues, Expenses, and Other Changes in Net Assets - Modified Cash Basis
Year Ended September 30, 2021

	Without Donor Restrictions
REVENUES, GAINS AND OTHER SUPPORT:	
Membership dues	$ 151,855
Conferences and events	29,519
Donations	4,088
Investment income, net	130,244
Total revenues, gains and other support	315,706
EXPENSES:	
Program services:	
Administration of District Clubs	136,549
Supporting services:	
General and administration	39,073
Total expenses	175,622
Change in net assets	140,084
Net assets at beginning of year (Note 8)	996,545
Net assets at end of year	$ 1,136,629

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See accompanying notes and accountant's review report.

CAPITAL DISTRICT OF KIWANIS INTERNATIONAL, INC.
Statement of Functional Expenses - Modified Cash Basis
Year Ended September 30, 2021

	Program Services	Supporting Services	
	Administration of District Clubs	General and Administration	Total
Salaries	$ 18,000	$ 18,000	$ 36,000
Payroll taxes and expenses	1,787	1,787	3,574
Total personnel costs	19,787	19,787	39,574
Advertising and promotion	12,000	-	12,000
Awards and certificates	10,128	-	10,128
Conferences and meetings	19,004	-	19,004
Insurance	-	800	800
Office expenses	-	12,051	12,051
Professional services	-	5,357	5,357
Services Leadership Programs	32,843	-	32,843
Telephone and internet	-	1,078	1,078
Travel expenses	42,787	-	42,787
Total other operating expenses	116,762	19,286	136,048
Total operating expenses	$ 136,549	$ 39,073	$ 175,622

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See accompanying notes and accountant's review report.

CAPITAL DISTRICT OF KIWANIS INTERNATIONAL, INC.
Statement of Cash Flows - Modified Cash Basis
Year Ended September 30, 2021

Cash flows from operating activities:	
Change in net assets	$ 140,084
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:	
Investment income, reinvested	(130,225)
Increase in accrued liabilities	3,654
Decrease in accounts payable	(1,343)
Net cash provided by (used for) operating activities	12,170
Cash flows from investing activities:	
Cash transfers to investments	(208,392)
Cash disbursements from investments	50,000
Net cash provided by (used for) investing activities	(158,392)
Net increase in cash and cash equivalents	(146,222)
Cash and cash equivalents, beginning of year (Note 8)	311,488
Cash and cash equivalents, end of year	$ 165,266

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See accompanying notes and accountant's review report.

CAPITAL DISTRICT OF KIWANIS INTERNATIONAL, INC.
Notes to Financial Statements
September 30, 2021

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Capital District of Kiwanis International, Inc. (Capital District Kiwanis) is a private, not-for-profit organization that was established on August 29, 1918 primarily to assist Kiwanis International in building new clubs and strengthening existing clubs; delivering education to clubs; and delivering service leadership programs and global campaign for children programming to and through clubs. Capital District of Kiwanis International, Inc. is the administrative office for more than 140 Kiwanis clubs located within the geographic confines of Delaware, Maryland, Virginia, and the District of Columbia. The Organization is supported primarily through annual conferences and club membership dues.

Capital District Circle K International (Capital District Circle K) is the collegiate arm of Kiwanis which enables campus and community clubs to serve effectively through the creation of service opportunities, developing student leaders, and facilitating fellowship among members. Capital District Key Club is an extension of Key Club International, which allows high-school students to serve in their communities. The Key Club includes a student-led board that facilitates service and activity throughout the year. The focus of Key Club much like Circle K is to develop leadership, initiative, and service.

During fiscal year ending September 30, 2021, the legal entities of Capital District Circle K and Capital District Key Club were dissolved and the programs were absorbed by Capital District Kiwanis. References Capital District Kiwanis in these footnotes refers to the three programs as a whole.

B. Basis of Accounting and Financial Statement Presentation

For the year ended September 30, 2021, Capital District Kiwanis has prepared its financial statements in accordance with the cash basis of accounting for not-for-profit entities with modifications made for investments, prepaid expenses, accounts payable and payroll withholdings. Consequently, revenues are recognized when received rather than when earned and expenses are recognized when incurred. Under this guidance, Capital District Kiwanis is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

With donor restrictions – Net assets subject to donor-imposed stipulations that may be temporary- or permanent-in-nature. Stipulations that are temporary-in-nature expire either by passage of time or fulfillment by action of Capital District Kiwanis. Stipulations that are permanent-in-nature require amounts to be held in perpetuity.

C. Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows - modified cash basis, Capital District Kiwanis considers cash in bank accounts, cash on hand, and all highly liquid investments purchased with original maturities of three months or less to be cash and cash equivalents.

E. Functional Allocation of Expenses

The costs of providing Capital District Kiwanis' program and supporting services have been summarized on a functional basis in the statement of revenues, expenses, and other changes in net assets - modified cash basis. Accordingly, certain costs have been allocated between the program and supporting services benefited.

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CAPITAL DISTRICT OF KIWANIS INTERNATIONAL, INC.
Notes to Financial Statements
September 30, 2021

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

F. Membership Dues Revenue
Membership dues are charged to district clubs on a per member basis based on the number of club members as of October 1 or prorated for partial-year membership. Dues are collected by Kiwanis International and remitted to Capital District Kiwanis. Annual club dues that are not received by Kiwanis International prior to the end of the fiscal year are not accrued by Capital District Kiwanis because the charter of these clubs is likely to be revoked. Therefore, dues are recognized as revenue when received by Capital District Kiwanis.

G. Income Tax Status
Capital District Kiwanis is exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code. Accordingly, no provision is made for income tax in the financial statements. Generally, federal, state, and local authorities may examine Capital District Kiwanis' tax returns for three years from the date of filing or the due date of the return, whichever is later.

H. Advertising
Capital District Kiwanis expenses all advertising costs as they are incurred. Total advertising costs for fiscal year 2021 was $12,000.

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2. CONCENTRATIONS OF CREDIT RISK

Capital District Kiwanis maintains cash balances in one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000 per institution. As of September 30, 2021, there were no uninsured cash balances.

3. INVESTMENTS

The following schedule summarizes the total return on investments for the year ended September 30, 2021:

Fair market value – October 1, 2020	$ 686,013
Cash invested	208,392
Cash withdrawn from investments	50,000
Dividend earnings reinvested	12,957
Capital gain distributions reinvested	11,459
Interest reinvested	250
Unrealized gain on investments	105,559
Fair market value – September 30, 2021	$ 974,630

4. FAIR VALUE MEASUREMENTS

Capital District Kiwanis applies generally accepted accounting principles for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Investments in this category include equity securities that are not actively traded.
- Level 3 inputs are unobservable inputs for the asset or liability.

CAPITAL DISTRICT OF KIWANIS INTERNATIONAL, INC.
Notes to Financial Statements
September 30, 2021

4. FAIR VALUE MEASUREMENTS (CONT'D)

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The fair values measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis as of September 30, 2021 are as follows:

	Fair Value at September 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)
Investments		
Exchange traded funds	$ 323,580	$ 323,580
Stocks	445,263	445,623
Fixed income	91,513	91,513
Government securities	114,274	114,274
Total investments	$ 974,630	$ 974,630

5. LIQUIDITY MANAGEMENT

Capital District of Kiwanis International, Inc. has $1,139,896 of financial assets available within one year of the date of the statement of revenues, expenses, and other changes in net assets - modified cash basis to meet cash needs for general expenditure, consisting of cash and equivalents of $165,266, and investments of $974,630. None of these financial assets are subject to donor-imposed stipulations or other contractual restrictions that make them unavailable for general expenditure within one year of the date of the statement of revenues, expenses, and other changes in net assets - modified cash basis.

Capital District Kiwanis has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

6. RELATED ORGANIZATIONS

Capital District Circle K and Capital District Key Club are two entities formed separate from Capital District Kiwanis to provide services to youth and administer youth programs for college and high school students. While these entities are legally separate from Capital District Kiwanis, various operating procedures require the approval of the Capital District Kiwanis Board of Trustees and/or action by the Capital District Kiwanis Treasurer-Secretary. Capital District Kiwanis is not legally obligated to financially support either organization nor does it guarantee any of the related liabilities and contracts.

7. RISK AND UNCERTAINTIES

On March 11, 2020, the World Health Organization pronounced the coronavirus (COVID-19) outbreak a pandemic. Citizens and the economies of the United States and other countries have been significantly impacted by the pandemic. The duration and total impact are unknown, but so far have been expansive. Capital District Kiwanis has faced operating challenges due to social distancing guidelines issued by the President of the United States and stay-at-home orders issued by state governments. It is unknown how long these conditions will last and what the complete financial effect will be to Capital District Kiwanis.

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CAPITAL DISTRICT OF KIWANIS INTERNATIONAL, INC.
Notes to Financial Statements
September 30, 2021

8. MERGING OF ORGANIZATION

Effective October 1, 2021, the boards of directors of Capital District Kiwanis, Capital District Key Club and Capital District Circle K elected to merge their three interdependent but separate entities to decrease administrative burdens. Each of the three programs maintained its separate governing body to oversee the daily operations of the programs.

Due to various shared services prior to the merger, the bases of accounting and major accounting policies of the three former entities are identical, thus no adjustment to the opening balances of net assets is necessary.

The totals of assets, liabilities, and net assets of each entity, as detailed below, are included in these financial statements.

	Capital District			Total
Assets	**Kiwanis**	**Key Club**	**Circle K**	**10/1/2020**
Cash and cash equivalents	95,531	190,173	25,784	311,488
Prepaid expenses	2,387	-	-	2,387
Investments	686,013	-	-	686,013
Liabilites				
Accounts payable	3,343	-	-	3,343
Net assets				
Without donor restrictions	780,588	190,173	25,784	996,545

9. SUBSEQUENT EVENTS

Capital District Kiwanis did not have any subsequent events requiring disclosure in the financial statements through February 2, 2022 which is the date the financial statements were issued.

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SUPPLEMENTARY INFORMATION

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CAPITAL DISTRICT OF KIWANIS INTERNATIONAL, INC.
Statement of Assets, Liabilities, and Net Assets by Program - Modified Cash Basis
As of September 30, 2021

	KIWANIS	KEY CLUB	CIRCLE K	TOTAL
ASSETS				
Current assets:				
Cash and cash equivalents	$ 124,805	$ 12,643	$ 27,818	$ 165,266
Prepaid expenses	2,387	-	-	2,387
Total current assets	127,192	12,643	27,818	167,653
Other assets:				
Investments	805,359	169,271	-	974,630
Total other assets	805,359	169,271	-	974,630
Total assets	$ 932,551	$ 181,914	$ 27,818	$ 1,142,283
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	$ 2,000	$ -	$ -	$ 2,000
Acrued liabilities	3,654	-	-	3,654
Total current liabilities	5,654	-	-	5,654
Total liabilities	5,654	-	-	5,654
Net assets:				
Without donor restrictions				
Undesignated	876,897	181,914	27,818	1,086,629
Board Designated	50,000	-	-	50,000
Total net assets	926,897	181,914	27,818	1,136,629
Total liabilities and net assets	$ 932,551	$ 181,914	$ 27,818	$ 1,142,283

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See accompanying notes and accountant's review report.

CAPITAL DISTRICT OF KIWANIS INTERNATIONAL, INC.
Statement of Revenues, Expenses, and Other Changes in Net Assets by Program - Modified Cash Basis
Year Ended September 30, 2021

	KIWANIS	KEY CLUB	CIRCLE K	TOTAL
REVENUES, GAINS AND OTHER SUPPORT:				
Membership dues	$ 120,178	28,657	3,020	$ 151,855
Conferences and events	25,515	124	3,880	29,519
Donations	2,555	1,533	-	4,088
Investment income, net	134,317	(4,074)	1	130,244
Total revenues, gains and other support	282,565	26,240	6,901	315,706
EXPENSES:				
Program services:				
Administration of District Clubs	99,098	33,169	4,282	136,549
Supporting services:				
General and administration	37,158	1,330	585	39,073
Total expenses	136,256	34,499	4,867	175,622
Change in net assets	146,309	(8,259)	2,034	140,084
Net assets at beginning of year (Note 8)	780,588	190,173	25,784	996,545
Net assets at end of year	$ 926,897	$ 181,914	$ 27,818	$ 1,136,629

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See accompanying notes and accountant's review report.

CAPITAL DISTRICT OF KIWANIS INTERNATIONAL, INC.
Statement of Functional Expenses by Program - Modified Cash Basis
Year Ended September 30, 2021

	Program Services			Supporting Services			
	Administration of District Clubs			General and Administration			
	KIWANIS	KEY CLUB	CIRCLE K	KIWANIS	KEY CLUB	CIRCLE K	Total
Salaries	$ 18,000	$ -	$ -	$ 18,000	$ -	$ -	$ 36,000
Payroll taxes and expenses	1,787	-	-	1,787	-	-	3,574
Total personnel costs	19,787	-	-	19,787	-	-	39,574
Advertising and promotion	12,000	-	-	-	-	-	12,000
Awards and certificates	6,871	2,031	1,226	-	-	-	10,128
Conferences and meetings	16,572	2,307	125	-	-	-	19,004
Insurance	-	-	-	800	-	-	800
Office expenses	-	-	-	10,636	1,080	335	12,051
Professional services	-	-	-	4,857	250	250	5,357
Services Leadership Programs	4,485	28,241	117	-	-	-	32,843
Telephone and internet	-	-	-	1,078	-	-	1,078
Travel Expenses	39,383	590	2,814	-	-	-	42,787
Total other operating expenses	79,311	33,169	4,282	17,371	1,330	585	136,048
Total operating expenses	$ 99,098	$ 33,169	$ 4,282	$ 37,158	$ 1,330	$ 585	$ 175,622

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See accompanying notes and accountant's review report.

CAPITAL DISTRICT OF KIWANIS INTERNATIONAL, INC.
Statement of Cash Flows by Program - Modified Cash Basis
Year Ended September 30, 2021

	KIWANIS	KEY CLUB	CIRCLE K	TOTAL
Cash flows from operating activities:				
Change in net assets	$ 146,309	$ (8,259)	$ 2,034	$ 140,084
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:				
Investment income, reinvested	(134,299)	4,074	-	(130,225)
Increase in accrued liabilities	3,654	-	-	3,654
Decrease in accounts payable	(1,343)	-	-	(1,343)
Net cash provided by (used for) operating activities	14,321	(4,185)	2,034	12,170
Cash flows from investing activities:				
Cash transfers to investments	(35,047)	(173,345)	-	(208,392)
Cash disbursements from investments	50,000	-	-	50,000
Net cash provided by (used in) investing activities	14,953	(173,345)	-	(158,392)
Net increase in cash and cash equivalents	29,274	(177,530)	2,034	(146,222)
Cash and cash equivalents, beginning of year (Note 8)	95,531	190,173	25,784	311,488
Cash and cash equivalents, end of year	$ 124,805	$ 12,643	$ 27,818	$ 165,266

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See accompanying notes and accountant's review report.