

**Louisiana-Mississippi-West Tennessee  
District of Kiwanis International, Inc.  
(A Nonprofit Organization)  
Baton Rouge, Louisiana  
September 30, 2021**

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## **Independent Accountant's Review Report**

The Officers and Board of Directors  
Louisiana-Mississippi-West Tennessee  
District of Kiwanis International, Inc.  
Baton Rouge, Louisiana

We have reviewed the accompanying financial statements of Louisiana-Mississippi-West Tennessee District of Kiwanis International, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities and net assets – income tax basis as of September 30, 2021, and the related statement of revenue, expenses and changes in net assets – income tax 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 basis of accounting the organization uses for income tax purposes; this includes determining that the basis of accounting the organization uses for income tax purposes is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 AICPA. 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 basis of accounting the organization uses for income tax purposes. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Louisiana-Mississippi-West Tennessee District of Kiwanis International, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **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 basis of accounting the organization uses for income tax purposes.

**Basis of Accounting**

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the basis of accounting the organization uses for income tax purposes, 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.

*Hawthorn, Waymouth & Carroll, L.L.P.*

August 30, 2022

**Louisiana-Mississippi-West Tennessee District of Kiwanis International, Inc.**  
**Statement of Assets, Liabilities and Net Assets – Income Tax Basis**  
**September 30, 2021**  
**(See Independent Accountant’s Review Report)**

**ASSETS**

	<b><u>Kiwanis Operating</u></b>	<b><u>Kiwanis Convention</u></b>	<b><u>Total Kiwanis</u></b>	<b><u>Key Club</u></b>	<b><u>Circle K</u></b>	<b><u>Bull Alligator</u></b>	<b><u>Total All Funds</u></b>
<b>Assets</b>							
Cash	\$ 34,617	\$ 10,680	\$ 45,297	\$ 74,709	\$ 7,752	\$ 6,087	\$ 133,845
<b>Fixed Assets</b>							
Furniture and equipment	28,665	7,284	35,949	19,648	442	-	56,039
Less depreciation	<u>(28,665)</u>	<u>(7,284)</u>	<u>(35,949)</u>	<u>(19,648)</u>	<u>(442)</u>	<u>-</u>	<u>(56,039)</u>
Total fixed assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 34,617</u>	<u>\$ 10,680</u>	<u>\$ 45,297</u>	<u>\$ 74,709</u>	<u>\$ 7,752</u>	<u>\$ 6,087</u>	<u>\$ 133,845</u>

**LIABILITIES AND NET ASSETS**

<b>Liabilities</b>							
Payroll taxes withheld	\$ 2,333	\$ -	\$ 2,333	\$ -	\$ -	\$ -	\$ 2,333
Total liabilities	<u>2,333</u>	<u>-</u>	<u>2,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,333</u>
<b>Net Assets</b>							
Without donor restrictions	<u>32,284</u>	<u>10,680</u>	<u>42,964</u>	<u>74,709</u>	<u>7,752</u>	<u>6,087</u>	<u>131,512</u>
Total liabilities and net assets	<u>\$ 34,617</u>	<u>\$ 10,680</u>	<u>\$ 45,297</u>	<u>\$ 74,709</u>	<u>\$ 7,752</u>	<u>\$ 6,087</u>	<u>\$ 133,845</u>

The accompanying notes are an integral part of these financial statements.

**Louisiana-Mississippi-West Tennessee District of Kiwanis International, Inc.**  
**Statement of Revenue, Expenses and Changes in Net Assets – Income Tax Basis**  
**Year Ended September 30, 2021**  
**(See Independent Accountant's Review Report)**

<b>Without Donor Restrictions</b>	<b>Kiwanis Operating</b>	<b>Kiwanis Convention</b>	<b>Total Kiwanis</b>	<b>Key Club</b>	<b>Circle K</b>	<b>Bull Alligator</b>	<b>Total All Funds</b>
<b>Revenue</b>							
Dues	\$ 148,730	\$ -	\$ 148,730	\$ 11,820	\$ 2,528	\$ 1,060	\$ 164,138
Registration	-	1,200	1,200	-	260	-	1,460
Conventions and conferences	-	52,591	52,591	-	-	-	52,591
Other income	37,077	-	37,077	-	-	30	37,107
Interest income	67	-	67	54	1	1	123
Foundation assistance	2,000	-	2,000	3,000	-	-	5,000
Total revenue	<u>\$ 187,874</u>	<u>\$ 53,791</u>	<u>\$ 241,665</u>	<u>\$ 14,874</u>	<u>\$ 2,789</u>	<u>\$ 1,091</u>	<u>\$ 260,419</u>
<b>Expenses</b>							
Travel							
Secretary/treasurer	1,952	-	1,952	350	-	-	2,302
Lieutenant governor-elect	1,332	-	1,332	-	-	-	1,332
District governor	512	-	512	350	-	-	862
Circle K governor	-	-	-	-	125	-	125
Salaries and benefits	137,487	-	137,487	-	-	-	137,487
Office - District	42,829	-	42,829	1,442	350	2,100	46,721
Awards and recognitions	-	1,652	1,652	2,500	-	-	4,152
Meetings and conferences	4,202	45,822	50,024	5,224	321	-	55,569
Bank charges	-	904	904	-	-	-	904
Other	481	3,299	3,780	254	820	-	4,854
Total expenses	<u>188,795</u>	<u>51,677</u>	<u>240,472</u>	<u>10,120</u>	<u>1,616</u>	<u>2,100</u>	<u>254,308</u>
<b>Increase (Decrease) in Net Assets</b>	<u>(921)</u>	<u>2,114</u>	<u>1,193</u>	<u>4,754</u>	<u>1,173</u>	<u>(1,009)</u>	<u>6,111</u>
<b>Net Assets without Donor Restrictions</b>							
Beginning of year	<u>28,705</u>	<u>8,566</u>	<u>37,271</u>	<u>74,455</u>	<u>6,579</u>	<u>7,096</u>	<u>125,401</u>
<b>Transfers</b>	<u>4,500</u>	<u>-</u>	<u>4,500</u>	<u>(4,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Assets without Donor Restrictions</b>							
End of year	<u>\$ 32,284</u>	<u>\$ 10,680</u>	<u>\$ 42,964</u>	<u>\$ 74,709</u>	<u>\$ 7,752</u>	<u>\$ 6,087</u>	<u>\$ 131,512</u>

The accompanying notes are an integral part of these financial statements.

**Louisiana-Mississippi-West Tennessee District of Kiwanis International, Inc.**  
**Notes to Financial Statements**  
**September 30, 2021**

**Note 1-Nature of Organization and Activities**

Louisiana-Mississippi-West Tennessee District of Kiwanis International, Inc. (“the Organization”) is affiliated with Kiwanis International and is a nonprofit organization which provides local community service. The majority of its revenue comes from membership dues and convention registration fees.

**Note 2-Summary of Significant Accounting Policies**

**A. Basis of Accounting**

The financial statements of Louisiana-Mississippi-West Tennessee District of Kiwanis International, Inc. have been prepared using the income tax basis of accounting. That basis differs from generally accepted accounting principles primarily because the organization does not recognize accounts receivable and accounts payable and their related effects on revenue and expenses. The effect of the differences, if any, has not been determined.

**B. Basis of Presentation**

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed on them by donors: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions include those net assets whose use by the Organization is not restricted by donors, even though their use may be limited in other respects, such as by contract or board designation. Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Such restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. At September 30, 2021, the Organization had no net assets with donor restrictions.

**C. Designated Net Assets**

Funds without donor restrictions set aside for specific purposes as provided for in the district bylaws or by action of the Board of Directors are recorded in a group of accounts under the heading, “Designated Net Assets.” Such designations may be rescinded through bylaw amendments or by action of the Board. The Organization had no designated net assets at September 30, 2021.

**D. Use of Estimates**

The preparation of financial statements in conformity with the income tax basis of accounting requires management to make 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

**E. Fixed Assets**

Expenditures for major additions of furniture and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Fixed assets are recorded at cost and depreciated over their useful lives, principally five years or seven years, using the straight-line method.

**Louisiana-Mississippi-West Tennessee District of Kiwanis International, Inc.**  
**Notes to Financial Statements**  
**September 30, 2021**

**Note 2-Summary of Significant Accounting Policies (Continued)**

**F. Liquidity Management**

Total assets of \$133,845 as of September 30, 2021, represent the financial assets that could be made readily available within one year of the balance sheet date to meet general expenditures.

As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures and other obligations become due.

**Note 3-Affiliated Organizations**

The organizations included in the financial statements are all members of Kiwanis International. The Organization receives dues from all of the individual Kiwanis Clubs, Key Clubs, Circle K Clubs, and Bull Alligators within the District. None of the individual member clubs' financial affairs are included in these financial statements.

**Note 4-Income Taxes**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an entity other than a private foundation within the meaning of Section 509(a). Accordingly, no provision has been made for income taxes.

Management has determined that there are no uncertain tax positions that would require recognition in the financial statements. If the Organization were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax would be reported as income taxes. Management's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based on ongoing analysis of tax laws, regulations, and interpretations thereof as well as other factors.

**Note 5-Operating Leases**

The Organization leases office space on a month-to-month basis with payments of \$1,150 per month. Total rent expense was \$14,950 for the year ended September 30, 2021, which is included in district office expense.

The Organization also leases a copier with a non-cancelable operating lease expiring January 2026. Lease expense for the year ended September 30, 2021 was \$9,219. Minimum lease payments under this operating lease are as follows for years ending September 30:

<b>2022</b>	\$	9,060
<b>2023</b>		9,060
<b>2024</b>		9,060
<b>2025</b>		9,060
<b>2026</b>		3,020

**Note 6-Pension Plan**

The Organization sponsors a defined contribution pension plan. Contributions to the plan for the fiscal year ended September 30, 2021 were \$5,000.



**Louisiana-Mississippi-West Tennessee District of Kiwanis International, Inc.**  
**Notes to Financial Statements**  
**September 30, 2021**

**Note 7-Concentrations**

The Organization's members are located in its district which covers Louisiana, Mississippi and West Tennessee. The majority of the Organization's revenue comes from membership dues and convention registration fees.

**Note 8-Functional Classification of Expenses**

Based on the criteria for expense allocation established by management, the Organization's functional expenses for the year ended September 30, 2021 were as follows:

<b>Expenses</b>	<b>Program</b>	<b>Management and General</b>	<b>Total</b>
Travel	\$ 4,621	\$ -	\$ 4,621
Salaries and benefits	123,748	13,739	137,487
Office - District	13,596	33,125	46,721
Awards and recognitions	4,152	-	4,152
Meetings and conferences	55,569	-	55,569
Bank charges	-	904	904
Other	<u>2,912</u>	<u>1,942</u>	<u>4,854</u>
 Total expenses	 <u>\$ 204,598</u>	 <u>\$ 49,710</u>	 <u>\$ 254,308</u>

The schedule reports certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, which are allocated on the basis of time and effort, and office expenses and other expenses, which are allocated on the basis of use.

**Note 9-Subsequent Events**

Management of the Organization evaluated all subsequent events through August 30, 2022, the date that the financial statements were available to be issued. As a result, the Organization noted no subsequent events that required adjustment to, or disclosure in, these financial statements.