

Carolinas District of Kiwanis Int'l, Inc

Financial Statements

September 30, 2013

WESLEY M. MEASAMER, CPA, P.A.

CERTIFIED PUBLIC ACCOUNTANT



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Carolinas District of Kiwanis International, Inc.
Boone, North Carolina

We have reviewed the accompanying statement of financial position of Carolinas District of Kiwanis International, Inc. (a nonprofit organization) as of September 30, 2013, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the organization's 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 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 conformity with accounting principles generally accepted in the United States of America.

Our review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The information included in the accompanying Schedule of Activities Compared with Budget is presented only for supplementary analysis purposes. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Wesley M. Measamer, CPA, P.A.
May 7, 2014



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Carolinas District of Kiwanis International, Inc.
Statement of Financial Position
September 30, 2013

ASSETS

ASSETS	
Cash	\$ 83,999
Cash - Restricted for Aktion Conference	6,335
Cash - Restricted for Past Lt Governor's Council	7,289
Cash Investments	45,941
Accounts Receivable	183
Investments	<u>205,899</u>
Total Current Assets	349,646
PROPERTY AND EQUIPMENT	
Furniture and Equipment	33,409
Less: Accumulated Depreciation	<u>(33,409)</u>
Net Property and Equipment	<u>0</u>
TOTAL ASSETS	<u>\$ 349,646</u>

LIABILITIES AND NET ASSETS

LIABILITIES

NET ASSETS

Unrestricted Net Assets	\$ 336,022
Temporarily Restricted Net Assets	<u>13,624</u>
Total Net Assets	<u>349,646</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 349,646</u>

See Accompanying Notes and Independent Accountant's Review Report.

Carolinas District of Kiwanis International, Inc.
Statement of Activities
For the Year Ended September 30, 2013

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUE, GAINS AND OTHER SUPPORT			
Per Capita Dues	\$ 193,172	\$ 0	\$ 193,172
District Convention	30,773	0	30,773
Mid Year Conference	25,062	0	25,062
Interest Income	12,664	0	12,664
Pro-Rata District Dues	9,009	0	9,009
Realized/Unrealized Gain/Loss on Investments	7,245	0	7,245
Club Leadership Education	1,053	0	1,053
Life Memberships	450	0	450
Previous Years Items	362	0	362
Interest Income	16	0	16
Other Income	1,286	0	1,286
Aktion Conference Income	0	38,701	38,701
Past Lieutenant Governors' Council Income	0	2,949	2,949
	<hr/>	<hr/>	<hr/>
Total Revenue, Gains and Other Support	281,092	41,650	322,742
PROGRAM EXPENSES			
Aktion Club Committee	2,978	0	2,978
Aktion Conference Expenses	32,367	0	32,367
Builders Club Committee	1,676	0	1,676
Circle K Committee	6,699	0	6,699
District Key Leader Committee	760	0	760
K-Kids Committee	1,043	0	1,043
Key Club Committee	18,000	0	18,000
Past Lieutenant Governors Council Expenses	2,639	0	2,639
	<hr/>	<hr/>	<hr/>
Total Program Expenses	66,162	0	66,162
ADMINISTRATIVE EXPENSES			
25% Net Club Dues Reimbursement	1,110	0	1,110
All Other District Committees	50	0	50
Bank Service Charge	307	0	307
Club Leadership Orientation	1,209	0	1,209
Communication Distribution	966	0	966
District Awards	714	0	714
District Convention Expense	29,457	0	29,457
District Office Rental	4,800	0	4,800
District Secretary	44,290	0	44,290
District Secretary Travel	4,234	0	4,234
District WSP MNT	728	0	728
Employer Taxes	3,548	0	3,548
Expense from Previous Year	330	0	330

See Accompanying Notes and Independent Accountant's Review Report.

Carolinas District of Kiwanis International, Inc.
Statement of Activities
For the Year Ended September 30, 2013

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
Finance Committee	14	0	14
Governor Elect's SLP Meeting	1,792	0	1,792
Governor Elect's Travel and Conferences	5,100	0	5,100
Governor's SLP Meetings	401	0	401
Governor's Travel and Conference	11,100	0	11,100
International Convention District Officers	3,957	0	3,957
International PAC	300	0	300
International Trustee Travel Expense	1,391	0	1,391
Internet/Web Page	1,137	0	1,137
Investments Committee	259	0	259
LTG's ICON Expense	4,200	0	4,200
Lt. Governor Elect ICON Expense	4,900	0	4,900
Lt. Governor Elect Mtg Expense	6,956	0	6,956
Lt. Governor Elect Training Conference	8,641	0	8,641
Lt. Governor Meeting Expenses	14,226	0	14,226
Membership/New Club Building	1,200	0	1,200
Midyear Conference Expense	25,261	0	25,261
Office Machine Leases	128	0	128
Office Supplies	1,337	0	1,337
On To International	4,000	0	4,000
Other Expenses	1,306	0	1,306
Past Governor's Trustees Meeting Expenses	814	0	814
Postage and Fedex	390	0	390
Public Relations Committee	136	0	136
Recapitalization of Equipment	602	0	602
Review, Bonds and Liability Insurance	6,541	0	6,541
Telephone Expense	1,519	0	1,519
Treasurer's Travel	307	0	307
Trustee's ICON expense	900	0	900
Trustee's Meeting Expense	8,271	0	8,271
YCPO Committee	487	0	487
	<u>209,316</u>	<u>0</u>	<u>209,316</u>
Total Administrative Expenses			
Total Expenses	<u>275,478</u>	<u>0</u>	<u>275,478</u>
Net Assets Released for Restriction			
Satisfied by Payments	<u>35,006</u>	<u>(35,006)</u>	<u>0</u>
CHANGE IN NET ASSETS	40,620	6,644	47,264
NET ASSETS, BEGINNING	<u>295,402</u>	<u>6,980</u>	<u>302,382</u>
NET ASSETS, ENDING	<u>\$ 336,022</u>	<u>\$ 13,624</u>	<u>\$ 349,646</u>

See Accompanying Notes and Independent Accountant's Review Report.

Carolinas District of Kiwanis International, Inc.

Statement of Cash Flows

For the Year Ended September 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 47,264
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Realized/unrealized (gain) loss on investments	(7,245)
(Increase) Decrease in accounts receivable	<u>717</u>
Net cash provided (used) by operating activities	40,736

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of investments	42,707
Purchase of investments	<u>(22,241)</u>
Net cash provided (used) by investing activities	<u>20,466</u>
Net increase (decrease) in cash	61,202
Cash, beginning of year	<u>82,362</u>
Cash, end of year	<u><u>\$ 143,564</u></u>

See Accompanying Notes and Independent Accountant's Review Report.

Carolinas District of Kiwanis International, Inc.
Notes to Financial Statements
September 30, 2013

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business The Carolinas District of Kiwanis International is a non-profit organization incorporated in the state of North Carolina. Its purpose is to promote and support Kiwanis clubs in North and South Carolina. The main source of revenue is dues paid by members.

Basis of Accounting The financial statements of the Organization are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Accordingly, revenues are recognized when earned and expenses are recognized when the obligation is incurred.

Financial Statement Presentation The Organization reports information regarding its financial position and activities according to the three classes of net assets: Unrestricted, temporarily restricted, and permanently restricted.

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents These include all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Furniture and equipment They are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful living using the straight line method. Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expenses as incurred.

Income Taxes The organization is exempt from federal and state income tax as an organization other than a private foundation under Section 501c(4) of the Internal Revenue Code. The years that remain subject to examination by the Internal Revenue Service are the years ending September 30, 2013, 2012 and 2011.

Donated Services No amounts have been reflected in the statements for donated services since no objective basis is available to measure the value for such services. However, a significant amount of time and services have been donated by officers, directors, and other volunteers of the organization.

Carolinas District of Kiwanis International, Inc.
Notes to Financial Statements
September 30, 2013

NOTE B. INVESTMENTS

Investments are presented in the financial statements at fair market value as of September 30, 2013. A charge or credit has been made to revenue to reflect an increase or decrease in the fair market value during the year. These investments are all traded on the stock market and their fair market value is listed on the brokerage statement, therefore they are Level 1 investments.

September 30, 2013				
		Cost	Fair Market Value	Unrealized Gain (Loss)
Corporate bonds	\$	20,216	\$ 23,037	\$ 2,821
Mutual funds		187,460	182,862	(4,598)
	\$	<u>207,676</u>	\$ <u>205,899</u>	\$ <u>(1,777)</u>

NOTE C. BOARD RESTRICTIONS

The board has restricted withdrawals from the investment account to 6% of the value per year. However, if there is an emergency, there is no restriction on the amount that may be withdrawn.

NOTE D. RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are funds raised by the Past Lieutenant Governors' Council and the Aktion Committee. These funds are restricted to the Council and Committee's uses. The council gives out scholarships. The Aktion Club is a Service Leadership Program for those that live with mental disabilities. The funds are kept in separate accounts. The amount of the temporarily restricted net assets available for the following periods is \$13,624 (\$7,289 for the Council's use and \$6,335 for the Aktion Committee).

NOTE E. RELATED PARTY TRANSACTIONS

The Organization leases office space in Boone, N.C., on a month to month basis from the sole employee. Lease expense was \$4,800.00 for the year ended September 30, 2013.

Carolinas District of Kiwanis International, Inc.
Notes to Financial Statements
September 30, 2013

NOTE F. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 7, 2014, the date which the financial statements were available to be issued.

Carolinas District of Kiwanis International, Inc.
Schedule of Activities Compared with Budget
For the Year Ended September 30, 2013

	Year Ended September 30, 2013 Actual	Year Ended September 30, 2013 Budget	Over / (Under) Budget
Revenue, Gains and Other Support			
Interest Income	\$ 12,664	\$ 0	\$ 12,664
Per Capita Dues	193,172	195,000	(1,828)
Pro-Rata District Dues	9,009	6,900	2,109
Life Memberships	450	1,250	(800)
Club Leadership Education	1,053	1,200	(147)
District Convention	30,773	0	30,773
Interest Income	16	70	(54)
Previous Years Items	362	0	362
Mid Year Conference	25,062	0	25,062
Realized/Unrealized Gain/Loss on Investments	7,245	0	7,245
Other Income	1,286	0	1,286
Aktion Conference Income	38,701	0	38,701
Past Lieutenant Governors Council	2,949	0	2,949
	<u>322,742</u>	<u>204,420</u>	<u>118,322</u>
Total Revenue, Gains and Other Support			
Program Expenses			
Aktion Club Committee	2,978	3,000	(22)
Aktion Conference Expenses	32,367	0	32,367
Builders Club Committee	1,676	1,600	76
Circle K Committee	6,699	6,700	(1)
District Key Leader Committee	760	1,800	(1,040)
K-Kids Committee	1,043	1,000	43
Key Club Committee	18,000	18,000	0
Past Lieutenant Governors Council Expenses	2,639	0	2,639
	<u>66,162</u>	<u>32,100</u>	<u>34,062</u>
Total Program Expenses			
Administrative Expenses			
25% Net Club Dues Reimbursement	1,110	1,110	0
All Other District Committees	50	300	(250)
Bank Service Charge	307	100	207
Club Leadership Orientation	1,209	1,400	(191)
Communication Distribution	966	850	116
District Awards	714	900	(186)
District Convention Expense	29,457	0	29,457
District Office Rental	4,800	4,800	0
District Secretary	44,290	44,290	0
District Secretary Travel	4,234	4,500	(266)
District WSP MNT	728	700	28
Employer Taxes	3,548	3,700	(152)
Expense from Previous Year	330	0	330
Finance Committee	14	0	14
Governor Elect's SLP Meeting	1,792	1,750	42
Governor Elect's Travel and Conferences	5,100	5,100	0
Governor's SLP Meetings	401	1,100	(699)
Governor's Travel and Conference	11,100	11,100	0

See Independent Accountant's Review Report.

Carolinas District of Kiwanis International, Inc.
Schedule of Activities Compared with Budget
For the Year Ended September 30, 2013

	Year Ended September 30, 2013 Actual	Year Ended September 30, 2013 Budget	Over / (Under) Budget
International Convention District Officers	3,957	5,000	(1,043)
International PAC	300	300	0
International Trustee Travel Expense	1,391	2,500	(1,109)
Internet/Web Page	1,137	1,375	(238)
Investments Committee	259	0	259
LTG's ICON Expense	4,200	8,800	(4,600)
Lt. Governor Elect ICON Expense	4,900	10,700	(5,800)
Lt. Governor Elect Mtg Expense	6,956	5,600	1,356
Lt. Governor Elect Training Conference	8,641	9,700	(1,059)
Lt. Governor Meeting Expenses	14,226	9,300	4,926
Membership/New Club Building	1,200	4,000	(2,800)
Midyear Conference Expense	25,261	0	25,261
Office Machine Leases	128	135	(7)
Office Supplies	1,337	1,700	(363)
On To International	4,000	4,000	0
Other Expenses	1,306	310	996
Past Governor's Trustees Meeting Expenses	814	500	314
Postage and Fedex	390	500	(110)
Public Relations Committee	136	300	(164)
Recapitalization of Equipment	602	500	102
Review, Bonds and Liability Insurance	6,541	5,000	1,541
Telephone Expense	1,519	1,600	(81)
Treasurer's Expense	0	1,300	(1,300)
Treasurer's Travel	307	500	(193)
Trustee's ICON expense	900	5,400	(4,500)
Trustee's Meeting Expense	8,271	11,600	(3,329)
YCPO Committee	487	0	487
Total Administrative Expenses	<u>209,316</u>	<u>172,320</u>	<u>36,996</u>
Total Expenses	<u>275,478</u>	<u>204,420</u>	<u>71,058</u>
Change in Net Assets	<u>\$ 47,264</u>	<u>\$ 0</u>	<u>\$ 47,264</u>

See Independent Accountant's Review Report.