

**ILLINOIS-EASTERN IOWA DISTRICT OF
CIRCLE K INTERNATIONAL**
DeKalb, Illinois

FINANCIAL STATEMENTS
September 30, 2017 and 2016

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



TABLE OF CONTENTS

	PAGE
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Cash Flows	4
Notes to Financial Statements	5



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ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Illinois-Eastern Iowa District of Circle K International
Bloomington, Illinois

Management is responsible for the accompanying financial statements of Illinois-Eastern Iowa District of Circle K International (a nonprofit organization), which comprise the statements of financial position as of September 30, 2017 and 2016, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Bloomington, Illinois
November 28, 2017

ILLINOIS-EASTERN IOWA DISTRICT OF CIRCLE K INTERNATIONAL
STATEMENTS OF FINANCIAL POSITION
September 30, 2017 and 2016

ASSETS

	2017	2016
CURRENT ASSETS		
Cash and cash equivalents	\$ 13,710	\$ 16,281
Accounts receivable	847	-
Prepaid expenses	350	-
Capital assets, net of accumulated depreciation of \$412	-	-
TOTAL ASSETS	\$ 14,907	\$ 16,281

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ -	\$ -
NET ASSETS		
Unrestricted	14,907	16,281
TOTAL LIABILITIES AND NET ASSETS	\$ 14,907	\$ 16,281

See accountants' compilation report and accompanying notes.

ILLINOIS-EASTERN IOWA DISTRICT OF CIRCLE K INTERNATIONAL
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
REVENUES AND SUPPORT		
Membership dues	\$ 3,784	\$ 3,621
Outreach contributions	2,800	2,425
District events	<u>11,602</u>	<u>9,187</u>
Total revenues and support	<u>18,186</u>	<u>15,233</u>
EXPENSES		
Program services		
Officer expenses		
Governor's expenses	907	1,220
Lt. Governor's expense	437	159
Treasurer's expense	-	16
Officer convention registration	150	368
Leaderscape conference	\$ -	\$ 227
Secretary expenses	<u>128</u>	<u>89</u>
	1,622	2,079
Committee expenses	271	28
District event expenses	14,796	7,357
District board meeting expenses	<u>1,575</u>	<u>2,769</u>
Total program expenses	18,264	12,233
Supporting expenses	<u>1,296</u>	<u>939</u>
Total program expenses	<u>19,560</u>	<u>13,172</u>
Change in net assets	(1,374)	2,061
NET ASSETS, BEGINNING OF YEAR	<u>16,281</u>	<u>14,220</u>
NET ASSETS, END OF YEAR	<u>\$ 14,907</u>	<u>\$ 16,281</u>

See accountants' compilation report and accompanying notes.

ILLINOIS-EASTERN IOWA DISTRICT OF CIRCLE K INTERNATIONAL
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (1,374)	\$ 2,061
Adjustments to reconcile increase in net assets to net cash used in operating activities		
Effects of changes in operating assets and liabilities:		
Accounts receivable	(847)	-
Prepaid expenses	<u>(350)</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>(2,571)</u>	<u>2,061</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 (2,571)	 2,061
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	 <u>16,281</u>	 <u>14,220</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	 <u>\$ 13,710</u>	 <u>\$ 16,281</u>

See accountants' compilation report and accompanying notes.

**ILLINOIS-EASTERN IOWA DISTRICT OF
CIRCLE K INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017 and 2016**

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of the Illinois-Eastern Iowa District of Circle K International (the District) is presented to assist in understanding the District's financial statements. The financial statements and notes are presentations of the District's management, who are responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Nature of Activities

The District is a nonprofit collegiate service organization that is a sponsored leadership program of Kiwanis International. It promotes services, leadership, and fellowship to attain the objective of Circle K International through the clubs within the District.

Revenues consist principally of membership dues and support from the Kiwanis Clubs of the Illinois Eastern Iowa District of Kiwanis International.

Basis of Accounting

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby, revenue and support is recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Account Standards Codification (ASC) ASC 958-605 "Revenue Recognition" and ASC 958-205 "Presentation of Financial Statements."

ASC 958-605 requires the organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. As such, contributions are recognized as revenue when they are received. ASC 958-205 requires the District to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of the net asset categories that are applicable to the District follows.

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the District and/or the passage of time. When a restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. As of September 30, 2017 and 2016 none of the net assets were temporarily restricted.

**ILLINOIS-EASTERN IOWA DISTRICT OF
CIRCLE K INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017 and 2016**

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial Statement Presentation – Continued

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the District. Generally, the donor of these assets permit the recipient organization to use all or part of the income earned on any related investments for general or specific purposes. As of September 30, 2017 and 2016, none of the net assets were permanently restricted.

Cash and Cash Equivalents

For financial statement purposes, cash equivalents primarily include money market funds, savings accounts, and certificates of deposits, if any, with an initial maturity of three months or less.

Financial Risk

The District maintains its cash in bank deposit accounts which, potentially subject the District to concentrations of credit risk. Balances are insured by FDIC. As of September 30, 2017 and 2016, the District had no uninsured deposits.

Property and Equipment

Property and equipment acquisitions are capitalized at cost and depreciated over their estimated useful lives, generally five to seven years. The District capitalizes all major additions and betterments. Maintenance and repairs are expenses as incurred. Depreciation is computed using the straight-line method. As of September 30, 2017 and 2016, all assets are fully depreciated.

Contributions and Support

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions fully spent during the year received are recorded as unrestricted support. Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Membership Dues and District Events Revenue

The District collects membership dues which are recognized as revenue when received. Revenue from district events is recorded in the year in which the event is held.

**ILLINOIS-EASTERN IOWA DISTRICT OF
CIRCLE K INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017 and 2016**

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Income Taxes

The District is exempt from federal income taxes under the provisions of Section 501(c) (4) of the Internal Revenue Code. Therefore, no provision for federal or state income taxes has been recorded.

Advertising

Advertising costs are expensed as incurred.

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 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 and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made with prior year amounts in order to conform to the current year presentation, with no effect on previously reported change in net assets.

NOTE 2 – CASH AND CASH EQUIVALENTS

The District maintains its checking accounts at one financial institution. At September 30, the District's cash balance consisted of the following:

	<u>2017</u>	<u>2016</u>
Checking accounts		
Soy Capital Bank & Trust (general checking)	\$ 13,376	\$ 14,853
Soy Capital Bank & Trust (petty cash)	334	1,428
Total	<u>\$ 13,710</u>	<u>\$ 16,281</u>

NOTE 3 – CAPITAL ASSETS

The District's capital assets consist of the following as of September 30:

	<u>2017</u>	<u>2016</u>
PC projector	\$ 412	\$ 412
Less: accumulated depreciation	(412)	(412)
Net capital assets	<u>\$ -</u>	<u>\$ -</u>

No depreciation expense was recorded in 2017 and 2016.

**ILLINOIS-EASTERN IOWA DISTRICT OF
CIRCLE K INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017 and 2016**

NOTE 4 – CONVENTION COMMITMENTS

The District entered into agreements with various hotels and convention centers for board meetings and its annual district convention for each fiscal year. As of September 30, 2017, the District had agreements for the following events:

<u>Commitment Date</u>	<u>Venue and Event</u>	<u>Event Dates</u>	<u>Minimum Commitment</u>	<u>Prepaid Expenses</u>
8/28/2017	Westin Chicago North West 2018 Holiday Embrace	1/5/18-1/6/18	\$ 4,454	\$ -
8/28/2017	Crown Plaza 2018 District Convention	2/23/18-2/25/18	\$ 5,554	\$ -
5/30/2017	Hyatt Regency 2019 Holiday Embrace	1/19/2019	\$ 2,260	\$ -

As of September 30, 2016, the District had agreements for the following events:

<u>Commitment Date</u>	<u>Venue and Event</u>	<u>Event Dates</u>	<u>Minimum Commitment</u>	<u>Prepaid Expenses</u>
7/29/2016	Double Tree by Hilton 2017 Holiday Embrace	1/14/2017	\$ 4,008	\$ -

NOTE 5 – FUNCTIONAL ALLOCATIONS OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis. Costs are charged on a direct functional basis whenever practicable and all other costs are allocated on the basis of the proportional use of the services provided.

NOTE 6 – SUBSEQUENT EVENTS

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through November 28, 2017, the date the financial statements were available to be issued.

See accountants' compilation report.