

**Louisiana-Mississippi-West Tennessee
District of Kiwanis International, Inc.
(A Non-Profit Organization)
Baton Rouge, Louisiana
September 30, 2017**

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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 - modified cash basis as of September 30, 2017, and the related statement of revenue, expenses and changes in net assets - 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 determining that the modified cash basis of accounting is an acceptable basis for the preparation of 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 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 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with 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.

February 17, 2018

Louisiana-Mississippi-West Tennessee District of Kiwanis International, Inc.
Statement of Assets, Liabilities and Net Assets - Modified Cash Basis
September 30, 2017
(See Independent Account's Review Report)

ASSETS

	Kiwanis Operating	Kiwanis Convention	Total Kiwanis	Key Club	Circle K	Bull Alligator	Total All Funds
Current Assets							
Cash	\$ 38,500	\$ 9,625	\$ 48,125	\$ 40,830	\$ 6,663	\$ 3,909	\$ 99,527
Fixed Assets							
Furniture and equipment	28,665	7,284	35,949	19,648	442	-	56,039
Less depreciation	(28,665)	(7,284)	(35,949)	(19,648)	(442)	-	(56,039)
Total fixed assets	-	-	-	-	-	-	-
Total assets	<u>\$ 38,500</u>	<u>\$ 9,625</u>	<u>\$ 48,125</u>	<u>\$ 40,830</u>	<u>\$ 6,663</u>	<u>\$ 3,909</u>	<u>\$ 99,527</u>

LIABILITIES AND NET ASSETS

Current Liabilities							
Payroll taxes withheld	\$ 2,529	\$ -	\$ 2,529	\$ -	\$ -	\$ -	\$ 2,529
Net Assets							
Unrestricted	35,971	9,625	45,596	40,830	6,663	3,909	96,998
Total liabilities and net assets	<u>\$ 38,500</u>	<u>\$ 9,625</u>	<u>\$ 48,125</u>	<u>\$ 40,830</u>	<u>\$ 6,663</u>	<u>\$ 3,909</u>	<u>\$ 99,527</u>

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

Louisiana-Mississippi-West Tennessee District of Kiwanis International, Inc.
Statement of Revenue, Expense and Changes in Net Assets - Modified Cash Basis
For The Year Ended September 30, 2017
(See Independent Accountant's Review Report)

	<u>Kiwanis Operating</u>	<u>Kiwanis Convention</u>	<u>Total Kiwanis</u>	<u>Key Club</u>	<u>Circle K</u>	<u>Bull Alligator</u>	<u>Total All Funds</u>
<u>UNRESTRICTED</u>							
Revenue							
Dues	\$ 160,655	\$ -	\$ 160,655	\$ 52,577	\$ 2,060	\$ 941	\$ 216,233
Registration	-	4,562	4,562	92,309	4,645	-	101,516
District projects	-	-	-	2,039	-	-	2,039
Conventions and conferences	-	50,587	50,587	3,500	-	-	54,087
Other Income	16,445	-	16,445	342	-	5	16,792
Interest Income	85	2	87	17	2	1	107
Foundation assistance	18,619	-	18,619	3,000	1,000	-	22,619
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	195,804	55,151	250,955	153,784	7,707	947	413,393
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expenses							
Travel							
Governor	3,398	-	3,398	350	757	-	4,505
Governor-elect	750	-	750	-	-	-	750
Secretary/treasurer	1,831	-	1,831	350	-	-	2,181
Lieutenant governor	315	-	315	2,700	721	-	3,736
Lieutenant governor-elect	878	-	878	-	-	-	878
District chairmen	3,699	-	3,699	-	-	-	3,699
Circle K administrator	-	-	-	-	730	-	730
Other - travel	-	-	-	500	-	-	500
Salaries and benefits	107,439	-	107,439	-	-	-	107,439
Office - District	41,396	1,100	42,496	3,175	615	507	46,793
Awards and recognitions	-	2,738	2,738	4,539	313	225	7,815
Meetings and conferences	5,723	58,326	64,049	135,054	3,500	-	202,603
Bank charges	-	1,518	1,518	-	-	-	1,518
KO Other	602	271	873	942	3,000	100	4,915
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Total expenses	166,031	63,953	229,984	147,610	9,636	832	388,062
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Increase (Decrease) in Net Assets	29,773	(8,802)	20,971	6,174	(1,929)	115	25,331
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Unrestricted Net Assets							
September 30, 2016	7,410	10,255	17,665	40,656	9,552	3,794	71,667
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Transfers	(1,212)	8,172	6,960	(6,000)	(960)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted Net Assets							
September 30, 2017	\$ 35,971	\$ 9,625	\$ 45,596	\$ 40,830	\$ 6,663	\$ 3,909	\$ 96,998
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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, 2017

Note 1-Nature of Operations

Louisiana-Mississippi-West Tennessee District of Kiwanis International, Inc. (“the Organization”) is affiliated with Kiwanis International and is a non-profit 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 modified cash 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. Temporarily and Permanently Restricted Net Assets

The Organization reports 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. Unrestricted net assets 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. Temporarily restricted net assets are those assets whose use by the Organization has been limited by donors to (a) later periods of time or other specific dates, or (b) specified purposes. Permanently restricted net assets are those net assets received with donor-imposed restrictions limiting the Organization’s use of the asset. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of revenue, expenses and changes in net assets - modified cash basis as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions. The Organization had no temporarily or permanently restricted net assets at September 30, 2017.

C. Designated Net Assets

Unrestricted funds 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, 2017.

D. Use of Estimates

The preparation of financial statements in conformity with the modified cash 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.

Louisiana-Mississippi-West Tennessee District of Kiwanis International, Inc.
Notes to Financial Statements
September 30, 2017

Note 2-Summary of Significant Accounting Policies (Continued)

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.

Note 3-Affiliated Organizations

The organizations included in the financial statements are all members of Kiwanis International. All of the individual Kiwanis Clubs, Key Clubs, Bull Alligators, and Circle K Clubs within the District pay dues to each corresponding district organization. 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 rents an office facility under an operating lease agreement. The lease is on a month-to-month basis. Rent expense was \$12,000 for the year ended September 30, 2017 and is included in district office expense.

The Organization also leases a copier with a non-cancelable operating lease expiring January 2021. Minimum lease payments under the non-cancelable lease at September 30, 2017 are as follows:

2018	\$ 7,548
2019	7,548
2020	7,548
2021	1,887
	<u>\$ 32,079</u>

Lease expense for the year ended September 30, 2017 was \$8,682.

Louisiana-Mississippi-West Tennessee District of Kiwanis International, Inc.
Notes to Financial Statements
September 30, 2017

Note 6-Pension Plan

The Organization sponsors a defined contribution pension plan. Contributions to the plan for the fiscal year ended September 30, 2017 were \$4,700.

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, 2017 were as follows:

Program services	\$ 213,194
General and administrative	<u>174,868</u>
	<u>\$ 388,062</u>

Note 9-Subsequent Events

The Organization evaluated all subsequent events through February 17, 2018, 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.