

**Louisiana-Mississippi-West Tennessee  
District of Kiwanis International, Inc.  
(A Non-Profit Organization)  
Baton Rouge, Louisiana  
September 30, 2016**

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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, 2016, 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.

  
April 20, 2017

**Louisiana-Mississippi-West Tennessee District of Kiwanis International, Inc.**  
**Statement of Assets, Liabilities and Net Assets - Modified Cash Basis**  
**September 30, 2016**  
(See Independent Accountant's Review Report)

**A S S E T S**

	<u>Kiwanis Operating</u>	<u>Kiwanis Convention</u>	<u>Total Kiwanis</u>	<u>Key Club</u>	<u>Circle K</u>	<u>Bull Alligators</u>	<u>Total All Funds</u>
<b>Current Assets</b>							
Cash	\$ 12,091	\$ 10,254	\$ 22,345	\$ 40,657	\$ 9,552	\$ 3,794	\$ 76,348
<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>\$ 12,091</u>	<u>\$ 10,254</u>	<u>\$ 22,345</u>	<u>\$ 40,657</u>	<u>\$ 9,552</u>	<u>\$ 3,794</u>	<u>\$ 76,348</u>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>							
Payroll taxes withheld	\$ 4,680	\$ -	\$ 4,680	\$ -	\$ -	\$ -	\$ 4,680
<b>Net Assets</b>							
Unrestricted	<u>7,411</u>	<u>10,254</u>	<u>17,665</u>	<u>40,657</u>	<u>9,552</u>	<u>3,794</u>	<u>71,668</u>
Total liabilities and net assets	<u>\$ 12,091</u>	<u>\$ 10,254</u>	<u>\$ 22,345</u>	<u>\$ 40,657</u>	<u>\$ 9,552</u>	<u>\$ 3,794</u>	<u>\$ 76,348</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 - Modified Cash Basis**  
**Year Ended September 30, 2016**  
(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 Alligators</u>	<u>Total All Funds</u>
<b>UNRESTRICTED</b>							
<b>Revenue</b>							
Dues	\$ 154,665	\$ -	\$ 154,665	\$ 54,659	\$ 1,720	\$ 1,510	\$ 212,554
Registration	-	1,890	1,890	104,829	3,340	-	110,059
District projects	-	-	-	4,007	-	-	4,007
Conventions and conferences	-	55,974	55,974	3,500	-	-	59,474
Other income	9,030	15	9,045	130	535	5	9,715
Interest income	69	1	70	42	2	1	115
Foundation assistance	3,000	-	3,000	3,000	1,000	-	7,000
Total revenue	<u>166,764</u>	<u>57,880</u>	<u>224,644</u>	<u>170,167</u>	<u>6,597</u>	<u>1,516</u>	<u>402,924</u>
<b>Expenses</b>							
Travel expenses							
Governor	4,243	-	4,243	401	839	-	5,483
Governor-elect	750	-	750	-	-	-	750
Immediate-past governor	-	-	-	-	-	-	-
Secretary/treasurer	2,746	-	2,746	350	-	-	3,096
Lieutenant governor	1,774	-	1,774	3,000	127	-	4,901
Lieutenant governor elect	-	-	-	-	-	-	-
District Chairmen	2,006	-	2,006	-	-	-	2,006
Circle K administrator	-	-	-	-	457	-	457
Other - travel	-	-	-	500	-	-	500
Salaries and benefits	101,953	-	101,953	-	-	-	101,953
Office expenses - District office	42,766	1,100	43,866	2,793	566	577	47,802
Bulletin and communications	40	-	40	-	-	-	40
Awards and recognitions	-	3,011	3,011	5,487	288	-	8,786
Meetings and conferences	8,783	53,840	62,623	128,846	3,556	462	195,487
Bank charges	-	1,381	1,381	-	-	-	1,381
Other	1,240	213	1,453	652	1,250	100	3,455
Total expenses	<u>166,301</u>	<u>59,545</u>	<u>225,846</u>	<u>142,029</u>	<u>7,083</u>	<u>1,139</u>	<u>376,097</u>
<b>Increase (Decrease) in Net Assets</b>	<u>463</u>	<u>(1,665)</u>	<u>(1,202)</u>	<u>28,138</u>	<u>(486)</u>	<u>377</u>	<u>26,827</u>
<b>Unrestricted Net Assets (Deficit),</b>							
September 30, 2015	<u>(112)</u>	<u>3,309</u>	<u>3,197</u>	<u>27,039</u>	<u>11,188</u>	<u>3,417</u>	<u>44,841</u>
<b>Transfers</b>	<u>7,060</u>	<u>8,610</u>	<u>15,670</u>	<u>(14,520)</u>	<u>(1,150)</u>	<u>-</u>	<u>-</u>
<b>Unrestricted Net Assets</b>							
September 30, 2016	<u>\$ 7,411</u>	<u>\$ 10,254</u>	<u>\$ 17,665</u>	<u>\$ 40,657</u>	<u>\$ 9,552</u>	<u>\$ 3,794</u>	<u>\$ 71,668</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, 2016**

**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 balances of 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, 2016.

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, 2016.

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, 2016**

**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, 2016 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, 2016 are as follows:

2017	\$	7,548
2018		7,548
2019		7,548
2020		7,548
2021		1,887
	<u>\$</u>	<u>32,079</u>

Lease expense for the year ended September 30, 2016 was \$10,866.

**Louisiana-Mississippi-West Tennessee District of Kiwanis International, Inc.**  
**Notes to Financial Statements**  
**September 30, 2016**

**Note 6-Pension Plan**

The Organization sponsors a defined contribution pension plan. Contributions to the plan for the fiscal year ended September 30, 2016 were \$5,000.

**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, 2016 were as follows:

Program services	\$196,737
General and administrative	<u>179,360</u>
	<u>\$376,097</u>

**Note 9-Subsequent Events**

The Organization evaluated all subsequent events through April 20, 2017, 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.