Pennsylvania District Kiwanis International Board of Trustees Meeting - Conference Call November 9, 2017

The District Board of Trustees held a conference call to conduct board business on November 9, 2017 commencing at 8:30pm.

Board members present were Governor Judy Raub, Immediate Past Governor John Gräb, Governor-elect Phil Weber, Executive Director Kevin Thomas, Trustees John Mazurowski, Phyllis Palm, Matt Wise, Ben Osterhout, Mike Coolbaugh and Sarah Zulueta. Guests included Past Governor, Public Relations Chair and Audit Committee member Bob Raub, Kiwanis International Trustee John DeVilbiss and District Convention Chair and Audit Committee member Keith Smith.

The minutes from the September 23, 2017 District Board meeting were presented for approval. The minutes were approved as presented. See P1-P3.

The 2018 Midwinter Agenda was presented for approval. See P 4. The agenda was approved as presented.

The 2018 Midwinter Budget was presented for approval. See P5. The budget was approved as presented.

A report from the committee reviewing the District Raffle was reviewed and discussed. See P6. After consideration, option 1 in the report was approved as the District raffle for 2017-18 with the raffle being called Kiwanis Kash and with instruction that every effort be made to minimize expenses including no individual club mailing.

Rodney Stoops of the Kiwanis Club of Chambersburg has agreed to assume the position of Division 13S Lt. Governor. By proper motion, second and vote, the District Board appointed Rodney Stoops as Division 13S Lt. Governor

An update and report was provided by the District Audit Committee. The report is P7-P8. As well, an email to the auditors from the Executive Director was reviewed. It is P9.

Executive Director Kevin Thomas indicated that he has started work on completing Form 1024 to restore the District's non-profit status.

The committee on the District Executive Director contract had a conference call on November 2, 2017. It was reported that it is the committee's intention to review and present a new contract to Executive Director Kevin Thomas. The report of the committee was accepted by a vote of the District Board.

Information was provided and accepted on the District Holiday Party fundraiser. See P10.

With no further business to conduct, the meeting was adjourned at 9:30pm.

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Respectfully submitted,

Kevin E. Thomas Executive Director

PENNSYLVNIA DISTRICT BOARD OF TRUSTEES MEETING BOARD MEETING MINUTES September 23, 2017

The first meeting of the 2017-18 Pennsylvania District Board of Trustees was held on September 23, 2017. All board members were present. Guests included Administration Chair Paul Kasoff, Past Governor and Public Relations Chair Bob Raub, Circle K Administrator Kelly Shaup, Past Governor and Education Chair Jennifer Vare and Past Governor and Formula Chair Cathy Szymanski.

The position of Region IV trustee was discussed. The position has been vacant since the resignation of Bill Henning of the Kiwanis Club of Sullivan County. Matthew J. "Matt" Wise of the Kiwanis Club of Bald Eagle and Nittany Valleys expressed interest and submitted the proper forms necessary to be considered a candidate to fill the position for a term that expires on September 30, 2018. After consideration and by proper motion, second and vote, the board appointed Mr. Wise as Region IV Trustee for the term that expires on September 30, 2018. Since he was present for the meeting, Matt Wise was immediately seated as voting member of the board.

Formula Chair Cathy Szymanski provided an update on New Club Building and Membership. Collegeville Area in Division 19 has been opened. Linglestown Area in Division 13N has had a pre-organizational meeting and is expected to opened before October 1, 2017. Summit in Division 1 has 15 members and applications but may not be able to organize before October 1st. A membership loss is expected for the 2016-17 year. In 2017-18, the plan is to have more club counselling sessions. Region VI is targeting a club to be opened in October. Smethport in Division 1 is targeted for completion by December 31st. Club counselling efforts and follow up will be taking place with Johnstown East Hills in Division 10 and Carlisle in Division 13N.

The minutes of the June 24, 2017 meeting were considered for approval. See P7-P9. The minutes of that meeting were approved as presented.

The consent agenda was considered. See P10-P54. All items on the consent agenda were approved by proper motion, second and vote.

The report of the District Audit committee was considered. See P55-P56. After review and discussion, the board approved the request of the Audit Committee to get a quote from RLK to have them restore our non-profit status. The board, also, approved a motion for the Executive Director, under the supervision of the Audit Committee, to begin the process of completing Form 1024 to restore the District's non-profit status.

A letter of inquiry was received from Kiwanis International regarding our non-profit status and audits. The letter is page P56A. The board considered a response to that letter that has been prepared by Kevin Thomas. Several suggestions and changes were provided by board members. Those suggestions and changes were incorporated into the final response which was sent to Kiwanis International. The response sent to Kiwanis International is P56B.

The board reviewed and accepted the account balance report and the 2016-17 Budget report which can be seen as P57 and P58 respectively.

A proposed budget for 2017-18 was considered. See P59. This budget was prepared by Executive Director Kevin Thomas and then reviewed and revised by the District Board Finance Committee (Judy Raub, John Gräb, Phil Weber, John Mazurowski, Kevin Thomas). After board review and consideration, a motion was introduced, seconded and approved (with one abstention and one nay) to restore \$3,000.00 to the line item for Trustee and Lt. Governor attendance at the International Convention. The 2017-18 Budget as amended was then approved and can be seen as P59A.

Mid Penn Bank was approved as the official depository for 2017-18.

1 | Page

John Gräb was approved as the backup signature on the Kiwanis District checking account.

The District Holiday party was discussed. The Holiday party will be January 6, 2018 at the home of Judy and Bob Raub. Tracy Smith, Jen Vare and others will provide support. (Special note: Since it was indicated at the board meeting that the date conflicted with the Key Club District board meeting weekend, the date has been changed to January 13, 2018.)

The District Super Raffle was discussed. See P61 for a report on the 2016-17 raffle. A motion was introduced, seconded and approved to approve a raffle for 2017-18 with a committee to study the raffle conduct and operation. The committee will provide its recommendations at the District Board Conference call which was subsequently scheduled for November 9, 2018 at 8:30 PM. The committee will be chaired by Past Governor Jen Vare. Immediate Past Governor John Gräb will be on the committee and other committee members will be appointed.

Freepremiumhotels.com was discussed. To date, the program has generated \$680.00 in income for District (\$500.00 Midwinter; \$180.00 District Convention). After discussion, it was decided that Kevin Thomas will meet with Glen Van Dyke to discuss the future operation of the program and report back to District Board at the January meeting.

The District Board endorsed the funding memo request sent to the District Foundation board. See P63.

The District website was discussed. See P2OC, 2OD and P66-70. By proper motion, second and vote, the board voted to accept the recommendation of District Webmaster Liz Smolinski to develop a new District website on Portalbuzz.

2017-18 Leadership and Education Jen Vare discussed her tentative plans for club leadership and education.

Region III and Region IV have elections impending for the selection of a Kiwanian for District Trustee for a term commencing on October 1, 2018 and ending on September 30, 2021. Alice Arnold of the Kiwanis Club of Juniata County has submitted the necessary information to be considered an official candidate in Region III and Matt Wise of the Kiwanis Club of Bald Eagle and Nittany Valleys has done the same for Region IV. The Region III election will take place on October 7, 2017 and the Region IV election will take place on November 11, 2017. Since Matt Wise is the current sitting trustee in Region IV and therefore cannot conduct the election, the District Board designated Governor Judy Raub to chair the election in Region IV.

Discussion took place on vacant District leadership positions and the struggle in filling leadership positions. A committee chaired by Governor-elect Phil Weber will study this issue to determine if there are actions we can take to better and more readily fill our leadership positions.

Past Governor Cathy Szymanski spoke about being a candidate for Kiwanis International Trustee. Cathy's bid as a candidate was not successful at the 2017 convention in Paris. Cathy would like to be a candidate again at the 2019 Kiwanis International Convention and is seeking the board's endorsement. See P80-P81. By proper motion and second, the board endorsed Cathy Szymanski to be a candidate for Kiwanis International Trustee at the 2019 Kiwanis International Convention. 2 board members (Osterhout and Zulueta) abstained from voting on the endorsement motion.

The District board reviewed the 2017 District Convention evaluation compilation and the 2017 District Convention financial report. See P82-P87.

Concerns about the operation of the Foundation luncheon at the District Convention were discussed. After discussion, Governor Judy Raub indicated that she and Executive Director Kevin Thomas will establish a time to meet with Foundation President Kristina Badali and discuss these concerns.

November 9, 2017 at 8:30PM was established as the time for a District Board conference call meeting to discuss and approve a 2018 Midwinter Conference agenda and budget. Other matters will, also, be considered on that call.

2 | Page

Fall Region meetings and Governor's Official Visits were discussed and Governor Judy Raub provided her expectations for those meetings.

The District Board completed conflict of interest statements.

The District Office lease expires on September 30, 2018. See P91. After consideration, the District Board authorized the Executive Director do a search of space and lease costs in the Greater Harrisburg area and report back to the board at its January meeting with a recommendation on a direction to proceed.

The contract of the District Executive Director was considered. See P91. A motion was introduced and seconded to appoint a committee consisting of the Governor, Governor-elect and Immediate Past Governor to consider a contract extension for the executive director. Governor Judy Raub indicated she would like to appoint a committee chaired by her that consists of her, Immediate Past Governor John Gräb, Governor-elect Phil Weber, Trustee Mike Coolbaugh and Past Governors Jen Vare and Mike Frailey. The original motion was amended to include the additional member that Governor Raub wished to include. The motion to amend was seconded and approved by a 6-4 vote. The motion as amended was than considered and approved with 6 in favor, 4 nay and 1 abstention.

A board resolution on Early Childhood Development was considered. See P92. The resolution was approved by the District Board.

A reminder was provided on the need to renew background checks if they were obtained before July 25, 2015. See P93.

The District has been able to claim \$1,250.00 from the Pennsylvania Bureau of Unclaimed property which was owed to the new defunct Kiwanis Club of The Graham Company. Accordingly, an effort will now be undertaken to claim other unclaimed property from defunct Kiwanis Clubs.

It was announced that Tim Searer from the Kiwanis Club of Lewistown has declined the opportunity to fill the position of District Legal Counsel. Board members were asked to be on the lookout for other potential candidates.

The Kiwanis Club of Sheraden is planning to submit an amendment to the Kiwanis International Bylaws and is seeking District Board endorsement of the planned amendment. See P94-P97. After consideration, no action was taken.

The Keystone Kiwanian Editor was discussed. Brett Cutright has resigned as editor. Governor Raub announced that Linda Eberly of the Kiwanis Club of Norlanco-Rheems has agreed to take on the responsibilities of editor.

A plan as approved by the Key Club District Board to renumber Key Club District divisions was considered. See P99-P100. The plan was approved.

With no further business to discuss, the meeting was adjourned.

Respectfully submitted,

Kevin E. Thomas

District Executive Director/Secretary/Treasurer

2018 MIDWINTER CONFERENCE PROGRAM

(Subject to Change)

Friday, March 16th

7:30PM – 9:30PM: LT. GOVERNOR AND TRUSTEE MEETING

Saturday, March 17th

7:30AM - 5:00PM: STORE AND OFFICE OPEN

7:30AM – 9:30AM: REGISTRATION DESK OPEN

9:00AM - 11:00AM: MORNING COFFEE BREAK AVAILABLE (NOTE: BEVERAGES AVAILABLE FROM

7:00AM TO 5:00PM.) - Conference Center Break Area

9:15AM-10:30AM: OPENING SESSION KICKOFF AND KEYNOTE ADDRESS—Deans Hall

(Governor Judy Raub presides over the opening session which will feature a Keynote address from Karen Saxe Eppley entitled "What's Your Superpower?" This interactive and engaging session will springboard off the "Kiwanis is my Superpower" campaign and will help

everyone identify their personal superpower.)

Special Note: Forums will include the following topics with times to be determined: Three (3) forums on membership growth/The Formula; two (2) forums from the keynote speaker on creating an amazing club experience; opioid crisis information; Youth protection; Key Club; Circle K; Leadership & Succession Planning and two (2) forums on early childhood development.

10:45AM-11:30AM: FORUMS-ROUND 1

11:45AM-1:45PM: MIDWINTER LUNCHEON WITH PROGRAM – Deans Hall

(Three entrée luncheon buffet featuring remarks from Governor Judy Raub, Circle K

Governor Devyn King, Key Club Governor Grace Ison and Kiwanis International Representatives. As well there will be presentations on Key Leader, the 2018 International Convention and the

2018 District Convention and the Pennsylvania Kiwanis Foundation.)

Menu: (Tentative) Meat Entrée, Chicken Entrée, Fish Entrée, Vegetarian Pasta Entrée,

Seasonal Vegetable, Cheese Tray, Vegetable Crudites with ranch dressing,

Tossed Salad with two dressing choices, three gourmet prepared salads, deli tray with turkey, ham, beef and all accompaniments, breads & rolls, fruit salad or sliced

fruit, dessert buffet, coffee, hot tea, decaf, iced tea

2:00PM-4:00PM: AFTERNOON SNACKS AND BEVERAGES AVAILABLE - Conference

Center Break Area

2:00PM-2:45PM: **FORUMS – ROUND 2**

3:00PM-3:45PM: FORUMS- ROUND 3

4:00PM-4:45PM: CLOSING SESSION FEATURING CLOSING MOTIVATIONAL ADDRESS- Dean's Hall

4:45PM: Adjourn and safe journey to all!

2018 Proposed Budget

2018	8 PROPOSED MIDWINTER BUDGE	EI .	
ACCOUNT DESCRIPTION	2018 Proposed Budget	2017 Approved Budget	2017 Actual Recs/Exps
REVENUE		and the second s	The second secon
Registrations:		The second of th	
Registrations(175@\$78.00)	\$ 13,650.00	\$ 16.105.00	
SLP Registrations (5@ \$39.00)	\$ 195.00	\$ 16,125.00 \$ 187.50	
Supplies Commission	\$ 400.00		\$ 150.00
Shout Outs	\$ 300.00	\$ 350.00	\$ 184.00
Sponsorships (21@\$100.00)	\$ 2,100.00	\$ 2,100.00	\$ 180.00 \$ 1.800.00
TOTAL REVENUE	\$ 16,645.00	\$ 19,262.50	\$ 1,800.00 \$ 14,869.00
EXPENSES	The second of th		14,809.00
Audio Visual Equipment	\$ 300.00	\$ 400.00	
Credit Card Fees	\$ 700.00	100.00	
Entertainment & Speakers		\$ 800.00 \$ 1,000.00	010.20
Rental Fees	\$ 500.00	1,000.00	
Registration Material		\$ 350.00	001.00
Guest Meals & lodging	\$ 150.00 \$ 900.00	\$ 200.00	\$ 121.25
Trustee & Lt. Governor Stipend (@\$150.00)	The state of the s	\$ 850.00	\$ 850.00
Miscellaneous	\$ 1,100.00	\$ 1,650.00	\$ 630.95
Penn Stater Fees (Lunch, Breaks, etc.)(\$61.00@175)	The second secon	\$ 1,252.50	\$ -
TOTAL EXPENSES	10,010.00	\$ 12,760.00	\$ 10,431.20
101/10 ENOLG	\$ 16,645.00	\$ 19,262.50	\$ 13,758.03
Surplus/(Deficit)	\$ -	\$	\$ 1,110.97

From: Jen Vare <jen@pakiwanis.org>

To: Kevin Thomas <ketkiwanis@aol.com>; jraub919 <jraub919@aol.com>; John Grab <GRABJH@aol.com>; Phil Weber <phil.div18.kiwanis@gmail.com>; Div 1 Kathy Durner <rkdurner@atlanticbb.net>; Div 6 John Mazurowski <johnmazurowski@yahoo.com>; Matt Wise <matthew.j.wise@outlook.com>; Div 11E Phyllis Palm <ppplewistown@gmail.com>; Ben Osterhout <benosterhout@pakiwanis.org>; Reg 6 Mike Coolbaugh <sgt283@gmail.com>; Div 22 Sarah Zulueta <zuluets@gmail.com>

Cc: Tracy Smith <tracy_smith917@yahoo.com>

Subject: Re: Agenda for Board Conference Call on November 9th

Date: Tue, Nov 7, 2017 11:30 am

Good morning District Board members-

The Raffle committee consisting of me, Tracy Smith, John Grab and Sarah Zulueta have met many times via email. We have sent some logistical questions to Executive Director Kevin to also help with the process.

We have 2 proposals for you:

1)Raffle (some catchy new name-- Mega Raffle? Kiwanis Kash Raffle? something else?)

a) \$20 raffle, offering 3 prizes: 1 at 35%, 1 at 10% and 1 at 5%

b)The district makes 50% of sales

c) We would purchase 2500 tickets at \$52.00

d)other expense is the license

e)In this scenario if we sold all 2500 tickets we would raise \$25,000

f)There is not a specific limit on how many can be sold (except 2500 that are purchased)

2)4-3-3 Raffle

a) \$20 raffle, offering 2 prizes both winners getting 30%

b)The district makes 40% of sales

c)We would purchase 2500 tickets at \$52.00

d)other expense is the license

e)In this scenario if we sold all 2500 tickets we would raise \$20,000

f)There is not a specific limit on how many can be sold (except 2500 that are purchased)

A)In both proposals Sarah would be creating a brand new catchy flyer.

B)We would also write a letter to clubs that will be put in a mailing with 5 tickets, as well as a letter to entire District leadership with their sense of urgency in selling their 5 tickets, plus requesting them to sell more. C)According to Kevin:

"To add five tickets and a letter to an existing mailing would result in an increased cost of 23 cents per piece. That would increase the mailing postage cost by about \$37 if sent only to club secretaries and \$51.00 if sent to the entire District leadership team. If a separate mailing were done and on the assumption it is kept to one ounce, it would cost about \$79.00 in postage if sent to club secretaries only and about 110.00 if the entire District leadership is included. All of this is logistically doable."

D)According to my numbers we would be mailing 830 tickets to clubs (asking them to buy/sell them or return them to us if not purchasing) and about 250 Leadership tickets leaving us with about 1420 to sell. The next smaller order number is 1500 which would have only left us with a small number to sell at Midwinter and DCON. If I can order just 2000 I would do so. The company we have used in the past does have a quick turnaround.

I may or may not be able to get on the call as I will be traveling. So if you have questions please do not hesitate to ask within the next 2 days!

In Service,

Jen

Jennifer Vare

Kiwanis Clubs of Levittown Bristol, Norriton Circle & Conshohocken

Past Governor, Pennsylvania District of Kiwanis International



District Audit Committee Interim Report to the District Board

November 8, 2017

The Audit Committee continues to meet via telephone and email from time to time to stay up to date with the audit efforts currently in progress. We also meet to discuss and review what we may have discovered regarding the IRS Forms 990 filings that were not made in a timely fashion and the resultant loss of our "not for profit" status with the IRS.

The audit is progressing albeit a little slower than originally planned. Recently we learned that requests for information from the district office have taken longer than possibly needed to be answered. Keith Eldredge from RKL, our audit company, advised that a recent delayed return of information was accompanied by an email from the Executive Director apologizing for the tardy response. He explained that he was out of town and with limited staff, the information was not as quickly retrieved as originally thought. The audit committee members feel that the board should emphasize the importance of responding to requests for information as quickly as possible will enable the district to put this audit issue behind us. Keith mentioned recently that they have found indications that bills have not been paid promptly incurring various finance charges for the District. They are attempting to understand the payment behavior.

Paul Kasoff and Bob Raub met with Keith Eldredge on October 10 to review the audit progress and to discuss the loss of not for profit status and the audit needs for the FY-2016 Kiwanis year just ended October 1, 2016 – September 30, 2017. Keith shared that they had not found any glaring issues with the audits so far. He did mention the need for better accountability and financial controls. While he recognizes the need for having one individual do many of the financial tasks independently, he encourages us to engage possibly a member of the financial committee to perform some oversight and review tasks rather than to permit a single individual handle these financial transactions from beginning to end without any review. A full litany of suggestions will be included with the audits underway.

Paul Kasoff has consistently reached out to Mike Czerwonka in attempts to gain information about the filing of the past due IRS Forms 990. He has also asked the Executive Director what progress he has made toward starting the IRS Form 1024. When asked by Paul during a visit to the district office on October 10, Paul was told that the IRS website was investigated to see what the requirements were. Most recently, Mike Czerwonka told Paul when asked about when the 990's were filed with the IRS and if there was any proof that they were files, that the 990's were mailed the IRS when each was completed. This statement caused the committee to become immediately concerned as it contradicts

earlier statements by Czerwonka that two of the returns were electronically filed. When this latest response was shared with Keith Eldredge, he immediately picked up on the different information than was previously provided.

Keith mentioned to Bob Raub that the IRS will not talk with anyone other than the signer of the IRS Form 990 should a call be placed to their customer service center. Paul has since requested the District provide a power of attorney to himself or some other independent individual to get a direct answer from the IRS. Possibly Keith Eldredge could be named on the letter, but that would likely incur additional costs. It is felt by RKL and the Audit Committee that our IRS issue needs to be resolved now.

The board had asked the committee to get a quote from RKL to 1) conduct an audit for the 2016-2017 FY 16 Kiwanis year as well as to do the IRS Form 990 for that period. At the October 10th meeting Paul and Bob requested this quote and we anticipate that one will be sent to Governor Judy to present to the board. The committee was also asked to inquire about the costs of restoration of our not-for-profit status. At the October 10th meeting, this was discussed with Keith however; inasmuch as the board also authorized our Executive Director to beginning the process of filing an IRS Form 1024 for this purpose, any additional work would be duplicative and RKL will not be providing a quote for work that may not be needed.

The Audit Committee has not been provided with the District's response to inquiries from Kiwanis International about our lost non-profit status, assuming the same has been submitted.

We look forward to working with the 2017-2018 Finance Committee and the conclusion of these past audits.

Respectfully submitted,

Paul Kasoff, Committee Chair Robert F. Raub, Keith Smith From: Kevin Thomas <ketkiwanis@aol.com>

To: Flati <Flati@rklcpa.com>

Cc: KEldredge < KEldredge@rklcpa.com>

Subject: Re: Additional info

Date: Thu, Nov 2, 2017 6:17 pm

Hello Frank:

Sorry for the delayed response here.

My apologies for not getting to you the materials. One of the challenges of here and in an operation this small, particularly in recent weeks, is that what is urgent often overwhelms what is important. Ultimately, I run a customer service operation and the needs of the paying customers come first.

With that said, this is the first I was aware that our committee had established a deadline prior to our January 20th board meeting; that points to a communication issue but that is another issue for another time. Had I known that, I would have prioritized differently.

Let me see how tomorrow progresses and what I can get to you by Monday and then we will go from there. I will be back to you tomorrow.

Kevin E. Thomas, District Executive Director Pennsylvania District Kiwanis International 2793 Old Post Road, Suite 12 Harrisburg PA 17110-3683

P: 717-540-9300 F: 717-540-1018

E-mail: Kevin@pakiwanis.org

www.pakiwanis.org

----Original Message----

From: Frank lati, Ext. 5721 < Flati@rklcpa.com > To: 'kevin@pakiwanis.org' < kevin@pakiwanis.org >

Cc: Keith L. Eldredge, Ext. 5709 < KEldredge@rklcpa.com >

Sent: Wed, Nov 1, 2017 10:47 am

Subject: Additional info

Kevin

Do you have a feel when the additional information will be available.

Apparently, the audit committee hopes that we complete by Thanksgiving

Thanks

Frank R. lati, CPA Manager, Small Business Group



RKL LLP

3501 Concord Road, Suite 250

P.O. Box 21439 York, PA 17402

phone: 717.843.3804 - fax: 717.854.0533

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