

Kiwanis International and Subsidiaries

Independent Auditor's Report and Consolidated Financial Statements

September 30, 2020 and 2019

Kiwanis International and Subsidiaries

September 30, 2020 and 2019

Contents

Independent Auditor's Report on Consolidated Financial Statements and Supplementary Information.....	1
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Consolidated Financial Statements

Consolidated Statements of Financial Position	3
Consolidated Statements of Activities.....	4
Consolidated Statements of Functional Expenses and Losses	6
Consolidated Statements of Cash Flows	10
Notes to Consolidated Financial Statements	11

Supplementary Information

Consolidating Schedules - Statements of Financial Position Information	29
Consolidating Schedules - Statements of Activities Information.....	31
Schedules of Funds - Parent Only	33
Schedule of Functional Expenses - Kiwanis Children's Fund	35
Schedule of Revenues and Expenses - Kiwanis Youth Programs.....	36
Eliminate Project Statements of Activities - Project History - Kiwanis Children's Fund.....	37

Independent Auditor's Report on Consolidated Financial Statements and Supplementary Information

Board of Directors
Kiwanis International
Indianapolis, Indiana

We have audited the accompanying consolidated financial statements of Kiwanis International and Subsidiaries, which comprise the consolidated statements of financial position as of September 30, 2020 and 2019 and the related consolidated statements of activities, functional expenses and losses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Kiwanis International and Subsidiaries as of September 30, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. We previously expressed unmodified opinions on the 2011 to 2019 consolidated financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The 2010 information presented in the Eliminate Project Statements of Activities - Project History has not been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and accordingly, we do not express an opinion or provide assurance on it. Except for the 2010 information previously noted, the information has been subject to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 to 2020 information is fairly stated in all material respects in relation to the 2011 to 2020 consolidated financial statements as a whole.

BKD, LLP

Indianapolis, Indiana
January 5, 2021

Kiwanis International and Subsidiaries
Consolidated Statements of Financial Position
September 30, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	\$ 4,178,337	\$ 3,314,779
Investments	43,147,066	42,214,743
Receivables	286,476	243,109
Contributions receivable, net	-	7,125,638
Merchandise inventory	527,641	580,083
Prepaid expenses and other	844,893	718,720
Cash value of life insurance contracts	298,887	276,019
Beneficial interest in assets held by others	126,343	105,535
Property and equipment, net	3,742,967	3,861,051
Total assets	\$ 53,152,610	\$ 58,439,677
Liabilities		
Accounts payable	\$ 702,970	\$ 1,518,985
Accrued liabilities and other	1,310,465	1,107,173
Paycheck Protection Program loans	391,825	-
Liability insurance accrual	464,455	636,777
Annuities payable	84,837	88,908
Total liabilities	2,954,552	3,351,843
Net Assets		
Without donor restrictions	33,654,306	31,322,589
With donor restrictions	16,543,752	23,765,245
Total net assets	50,198,058	55,087,834
Total liabilities and net assets	\$ 53,152,610	\$ 58,439,677

Kiwanis International and Subsidiaries
Consolidated Statement of Activities
Year Ended September 30, 2020
(With Comparative Totals for 2019)

	2020			2019 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenue, Gains and Other Support				
Kiwanis membership dues and fees	\$ 9,319,413	\$ -	\$ 9,319,413	\$ 9,901,075
Service Leadership Programs dues and fees	2,415,585	-	2,415,585	2,628,298
Magazine fees	901,771	-	901,771	937,164
Insurance fees	2,031,916	-	2,031,916	2,106,126
Meeting and registration fees	48,980	-	48,980	1,373,642
Sponsorship fees	253,594	-	253,594	267,823
Contributions	1,550,772	434,731	1,985,503	2,891,933
Grant income	20,517	-	20,517	-
Advertising	4,523	-	4,523	26,555
Retail income	1,065,033	-	1,065,033	1,415,561
Investment income, net of fees	367,583	226,245	593,828	923,061
Other income	46,683	-	46,683	72,034
	<u>18,026,370</u>	<u>660,976</u>	<u>18,687,346</u>	<u>22,543,272</u>
Net assets released from restrictions	2,717,815	(2,717,815)	-	-
Total revenue, gains and other support	<u>20,744,185</u>	<u>(2,056,839)</u>	<u>18,687,346</u>	<u>22,543,272</u>
Expenses and Losses				
Employment expenses	11,775,361	-	11,775,361	11,954,547
Travel and entertainment	829,140	-	829,140	2,256,649
Meeting expenses	337,673	-	337,673	1,492,989
Contract services expenses	1,643,101	-	1,643,101	1,986,004
Shipping, supplies and printing	1,137,091	-	1,137,091	1,287,142
Grants	1,805,556	-	1,805,556	3,183,845
Information technology and computer costs	1,178,445	-	1,178,445	742,727
Membership materials and advertising	850,991	-	850,991	1,265,622
Utilities and insurance	1,458,229	-	1,458,229	1,858,321
Taxes and fees	235,004	-	235,004	372,876
Cost of goods sold	480,236	-	480,236	697,103
Depreciation	460,824	-	460,824	511,192
Currency exchange and bad debt losses	(908)	5,750,084	5,749,176	5,177,278
Miscellaneous expenses	1,448	-	1,448	72,826
Total expenses and losses	<u>22,192,191</u>	<u>5,750,084</u>	<u>27,942,275</u>	<u>32,859,121</u>
Change in Net Assets Before Other Changes	(1,448,006)	(7,806,923)	(9,254,929)	(10,315,849)
Realized and unrealized gains on investments	3,014,851	1,356,628	4,371,479	704,690
Change in value of annuities payable	(6,326)	-	(6,326)	220
Transfers and other changes to net assets	771,198	(771,198)	-	-
Change in Net Assets	2,331,717	(7,221,493)	(4,889,776)	(9,610,939)
Net Assets, Beginning of Year	<u>31,322,589</u>	<u>23,765,245</u>	<u>55,087,834</u>	<u>64,698,773</u>
Net Assets, End of Year	<u>\$ 33,654,306</u>	<u>\$ 16,543,752</u>	<u>\$ 50,198,058</u>	<u>\$ 55,087,834</u>

Kiwanis International and Subsidiaries
Consolidated Statement of Activities
Year Ended September 30, 2019

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support			
Kiwanis membership dues and fees	\$ 9,901,075	\$ -	\$ 9,901,075
Service Leadership Programs dues and fees	2,628,298	-	2,628,298
Magazine fees	937,164	-	937,164
Insurance fees	2,106,126	-	2,106,126
Meeting and registration fees	1,373,642	-	1,373,642
Sponsorship fees	267,823	-	267,823
Contributions	1,777,893	1,114,040	2,891,933
Advertising	26,555	-	26,555
Retail income	1,415,561	-	1,415,561
Investment income, net of fees	644,202	278,859	923,061
Other income	72,034	-	72,034
	<u>21,150,373</u>	<u>1,392,899</u>	<u>22,543,272</u>
Net assets released from restrictions	<u>3,653,725</u>	<u>(3,653,725)</u>	<u>-</u>
Total revenue, gains and other support	<u>24,804,098</u>	<u>(2,260,826)</u>	<u>22,543,272</u>
Expenses and Losses			
Employment expenses	11,954,547	-	11,954,547
Travel and entertainment	2,256,649	-	2,256,649
Meeting expenses	1,492,989	-	1,492,989
Contract services expenses	1,986,004	-	1,986,004
Shipping, supplies and printing	1,287,142	-	1,287,142
Grants	3,183,845	-	3,183,845
Information technology and computer costs	742,727	-	742,727
Membership materials and advertising	1,265,622	-	1,265,622
Utilities and insurance	1,858,321	-	1,858,321
Taxes and fees	372,876	-	372,876
Cost of goods sold	697,103	-	697,103
Depreciation	511,192	-	511,192
Currency exchange and bad debt losses	190,065	4,987,213	5,177,278
Miscellaneous expenses	72,826	-	72,826
Total expenses and losses	<u>27,871,908</u>	<u>4,987,213</u>	<u>32,859,121</u>
Change in Net Assets Before Other Changes	(3,067,810)	(7,248,039)	(10,315,849)
Realized and unrealized gains on investments	357,951	346,739	704,690
Change in value of annuities payable	<u>220</u>	<u>-</u>	<u>220</u>
Change in Net Assets	(2,709,639)	(6,901,300)	(9,610,939)
Net Assets, Beginning of Year	<u>34,032,228</u>	<u>30,666,545</u>	<u>64,698,773</u>
Net Assets, End of Year	<u>\$ 31,322,589</u>	<u>\$ 23,765,245</u>	<u>\$ 55,087,834</u>

Kiwanis International and Subsidiaries
Consolidated Statement of Functional Expenses and Losses
Year Ended September 30, 2020
(With Comparative Totals for 2019)

2020

	Programs										Total Programs
	Membership Growth and Education	Communications	Service Leadership Programs	Publications	International Convention	Risk Management	Retail	Children's Fund	Eliminate	Other	
Employment expenses	\$ 1,425,010	\$ 2,241,354	\$ 515,755	\$ 490,836	\$ -	\$ 238,479	\$ 97,962	\$ 262,664	\$ 3,994	\$ 535,374	\$ 5,811,428
Travel and entertainment	293,999	14,634	54,436	4,417	705	17,098	3,134	23,660	2,411	7,429	421,923
Meeting expenses	66,318	1,602	51,124	58	664	7,867	708	13,442	50	2,981	144,814
Contract services expenses	176,642	128,654	169,713	51,572	-	264,567	11,985	9,372	-	232,429	1,044,934
Shipping, supplies and printing	79,143	9,481	168,056	501,466	2,286	10,546	6,310	10,477	-	6,926	794,691
Grants	209,865	-	240	-	-	-	-	1,145,351	450,000	100	1,805,556
Information technology and computer costs	23,471	898,628	2,021	40,784	-	536	15,032	8,662	-	369	989,503
Membership materials and advertising	283,189	92,207	355,336	1,007	1,352	(262)	795	16,962	10,853	9,829	771,268
Utilities and insurance	25,488	65,670	5,288	9,116	-	1,192,480	1,400	160	-	2,425	1,302,027
Taxes and fees	3,437	383	38,272	(9,770)	11,527	597	51,685	1,791	-	1,507	99,429
Cost of goods sold	14,813	-	-	-	-	-	465,423	-	-	-	480,236
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses and internal allocations	426	-	4,640	344,004	400	69,000	-	-	-	30,000	448,470
Total expenses	2,601,801	3,452,613	1,364,881	1,433,490	16,934	1,800,908	654,434	1,492,541	467,308	829,369	14,114,279
Currency exchange and bad debt losses	(9,364)	-	162	14	600	15	17,779	1	-	-	9,207
Total expenses and losses	\$ 2,592,437	\$ 3,452,613	\$ 1,365,043	\$ 1,433,504	\$ 17,534	\$ 1,800,923	\$ 672,213	\$ 1,492,542	\$ 467,308	\$ 829,369	\$ 14,123,486

Kiwanis International and Subsidiaries
Consolidated Statement of Functional Expenses and Losses (Continued)
Year Ended September 30, 2020
(With Comparative Totals for 2019)

	Supporting Services						Total	2019 Total
	General and Administrative	Membership Services	Governance and Executive Services	Building Services	Fundraising	Total Supporting Services		
Employment expenses	\$ 3,153,721	\$ 821,445	\$ 944,342	\$ 352,344	\$ 692,081	\$ 5,963,933	\$ 11,775,361	\$ 11,954,547
Travel and entertainment	147,823	22,217	180,299	567	56,311	407,217	829,140	2,256,649
Meeting expenses	54,691	10,434	126,004	283	1,447	192,859	337,673	1,492,989
Contract services expenses	342,970	184	73,768	172,525	8,720	598,167	1,643,101	1,986,004
Shipping, supplies and printing	40,411	12,728	5,150	77,081	207,030	342,400	1,137,091	1,287,142
Grants	-	-	-	-	-	-	1,805,556	3,183,845
Information technology and computer costs	137,520	8,062	2,022	346	40,992	188,942	1,178,445	742,727
Membership materials and advertising	1,318	33,366	5,722	-	39,317	79,723	850,991	1,265,622
Utilities and insurance	23,155	1,802	43,285	87,960	-	156,202	1,458,229	1,858,321
Taxes and fees	108,625	3,529	446	172	22,803	135,575	235,004	372,876
Cost of goods sold	-	-	-	-	-	-	480,236	697,103
Depreciation	460,824	-	-	-	-	460,824	460,824	511,192
Miscellaneous expenses and internal allocations	(467,324)	-	23,950	(3,648)	-	(447,022)	1,448	72,826
Total expenses	4,003,734	913,767	1,404,988	687,630	1,068,701	8,078,820	22,193,099	27,681,843
Currency exchange and bad debt losses	(9,607)	-	-	-	5,749,576	5,739,969	5,749,176	5,177,278
Total expenses and losses	\$ 3,994,127	\$ 913,767	\$ 1,404,988	\$ 687,630	\$ 6,818,277	\$ 13,818,789	\$ 27,942,275	\$ 32,859,121

Kiwanis International and Subsidiaries
Consolidated Statement of Functional Expenses and Losses
Year Ended September 30, 2019

2019

	Programs										Total Programs
	Membership Growth and Education	Communications	Service Leadership Programs	Publications	International Convention	Risk Management	Retail	Children's Fund	Eliminate	Other	
Employment expenses	\$ 1,585,115	\$ 2,241,567	\$ 646,280	\$ 529,874	\$ -	\$ 172,917	\$ 90,043	\$ 436,578	\$ 93,454	\$ 295,256	\$ 6,091,084
Travel and entertainment	595,435	50,178	402,512	22,701	200,842	29,590	8,156	67,968	36,167	16,453	1,430,002
Meeting expenses	53,914	2,208	367,418	2,658	926,243	76	5,010	13,004	80	6,114	1,376,725
Contract services expenses	162,393	159,696	252,099	66,942	80,503	329,596	17,397	19,177	-	244,714	1,332,517
Shipping, supplies and printing	121,249	21,580	197,946	554,275	3,460	9,235	20,930	20,973	23	8,584	958,255
Grants	287,501	-	2,958	-	-	-	-	1,213,497	1,670,930	263	3,175,149
Information technology and computer costs	18,716	461,610	488	51,257	79	7	8,550	12,759	6	107	553,579
Membership materials and advertising	492,009	171,231	287,101	13,192	23,803	35	19,005	32,558	1,085	19,921	1,059,940
Utilities and insurance	26,475	41,549	6,630	9,236	-	1,606,383	-	395	-	3,785	1,694,453
Taxes and fees	4,538	2,781	66,792	(3,990)	117,573	19	61,008	2,741	573	2,838	254,873
Cost of goods sold	13,770	-	-	-	-	-	683,333	-	-	-	697,103
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses and internal allocations	(8,349)	-	(1,677)	249,996	1,000	210,996	-	-	-	74,004	525,970
Total expenses	3,352,766	3,152,400	2,228,547	1,496,141	1,353,503	2,358,854	913,432	1,819,650	1,802,318	672,039	19,149,650
Currency exchange and bad debt losses	180,635	-	-	97	-	-	5,818	-	-	-	186,550
Total expenses and losses	\$ 3,533,401	\$ 3,152,400	\$ 2,228,547	\$ 1,496,238	\$ 1,353,503	\$ 2,358,854	\$ 919,250	\$ 1,819,650	\$ 1,802,318	\$ 672,039	\$ 19,336,200

Kiwanis International and Subsidiaries
Consolidated Statement of Functional Expenses and Losses (Continued)
Year Ended September 30, 2019

	Supporting Services					Total Supporting Services	Total
	General and Administrative	Membership Services	Governance and Executive Services	Building Services	Fundraising		
Employment expenses	\$ 3,302,923	\$ 820,084	\$ 777,905	\$ 322,165	\$ 640,386	\$ 5,863,463	\$ 11,954,547
Travel and entertainment	290,523	33,616	462,355	493	39,660	826,647	2,256,649
Meeting expenses	47,768	14,154	52,988	275	1,079	116,264	1,492,989
Contract services expenses	328,540	18,563	79,557	201,617	25,210	653,487	1,986,004
Shipping, supplies, and printing	59,385	13,210	14,151	68,681	173,460	328,887	1,287,142
Grants	(1,185)	-	-	-	9,881	8,696	3,183,845
Information technology and computer costs	143,240	6,691	1,560	600	37,057	189,148	742,727
Membership materials and advertising	3,976	40,127	31,197	-	130,382	205,682	1,265,622
Utilities and insurance	23,665	3,025	42,439	94,715	24	163,868	1,858,321
Taxes and fees	94,407	984	978	162	21,472	118,003	372,876
Cost of goods sold	-	-	-	-	-	-	697,103
Depreciation	511,192	-	-	-	-	511,192	511,192
Miscellaneous expenses and internal allocations	(498,523)	-	39,231	6,148	-	(453,144)	72,826
Total expenses	4,305,911	950,454	1,502,361	694,856	1,078,611	8,532,193	27,681,843
Currency exchange and bad debt losses	3,743	-	-	-	4,986,985	4,990,728	5,177,278
Total expenses and losses	<u>\$ 4,309,654</u>	<u>\$ 950,454</u>	<u>\$ 1,502,361</u>	<u>\$ 694,856</u>	<u>\$ 6,065,596</u>	<u>\$ 13,522,921</u>	<u>\$ 32,859,121</u>

Kiwanis International and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended September 30, 2020 and 2019

	2020	2019
Operating Activities		
Change in net assets	\$ (4,889,776)	\$ (9,610,939)
Items not requiring (providing) cash		
Depreciation	460,824	511,192
Increase in cash value of life insurance contracts	(22,868)	(12,944)
Loss on disposals of property and equipment	-	33,268
Realized and unrealized gains on investments	(4,371,479)	(704,690)
Provision for uncollectible contributions	5,749,557	4,939,182
Change in value of annuities payable	(4,071)	(12,403)
Changes in		
Receivables	(43,367)	90,057
Contributions receivable	1,376,081	1,332,977
Merchandise inventory	52,442	(125,674)
Prepaid expenses and other	(126,173)	(117,971)
Beneficial interest in assets held by others	(20,808)	(1,225)
Accounts payable	(816,015)	626,642
Liability insurance accrual	(172,322)	273,348
Accrued liabilities and other	203,292	276,689
Proceeds from issuance of Paycheck Protection Program loans	391,825	-
Net cash used in operating activities	(2,232,858)	(2,502,491)
Investing Activities		
Purchase of property and equipment	(342,740)	(348,484)
Purchase of investment securities	(17,788,637)	(25,205,228)
Sales and maturities of investment securities	21,227,793	27,319,624
Net cash provided by investing activities	3,096,416	1,765,912
Net Increase (Decrease) in Cash and Cash Equivalents	863,558	(736,579)
Cash and Cash Equivalents, Beginning of Year	3,314,779	4,051,358
Cash and Cash Equivalents, End of Year	\$ 4,178,337	\$ 3,314,779

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

Note 1: Nature of Operations and Summary of Significant Accounting Policies

General

Kiwanis International and Subsidiaries (Kiwanis) consists of the following five related organizations:

- **Kiwanis International**

Kiwanis International (International) is the parent organization and was organized in January 1915 and incorporated as a not-for-profit organization in August 1918 under the laws of the State of Illinois. Subsequently, in November 1997, International was incorporated under the laws of the State of Indiana. International consists of all chartered Kiwanis clubs. Individuals are members of their local Kiwanis clubs.

International has six permanent objectives:

- To give primacy to the human and spiritual, rather than to the material values of life.
- To encourage the daily living of the Golden Rule in all human relationships.
- To promote the adoption and the application of higher social, business and professional standards.
- To develop, by precept and example, a more intelligent, aggressive and serviceable citizenship.
- To provide, through Kiwanis clubs, a practical means to form enduring friendships, to render altruistic service and to build better communities.
- To cooperate in creating and maintaining that sound public opinion and high idealism, which make possible the increase of righteousness, justice, patriotism and good will.

International has the power to direct, manage, supervise and control the business, property and funds of Kiwanis International, to create, supervise, and control Kiwanis districts, and to grant and revoke charters for Kiwanis International clubs. International's primary sources of revenue are membership dues and fees, magazine subscription fees, liability insurance fees, convention fees and merchandise sales.

- **Kiwanis Children's Fund**

Kiwanis Children's Fund (formerly Kiwanis International Foundation) was incorporated as a not-for-profit organization in April 1939, under the laws of the State of Illinois. Subsequently, in December 1997, Kiwanis International Foundation was incorporated under the laws of the State of Indiana. On October 27, 2016, Kiwanis International Foundation assumed the business name Kiwanis Children's Fund.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements September 30, 2020 and 2019

Kiwanis Children's Fund was created to form, promote, sponsor or assist related and qualified charitable, benevolent, eleemosynary, educational, religious or scientific enterprises. Kiwanis Children's Fund provides funding for scholarships, merit awards, disaster relief and other various needs for supporting young children.

- **Kiwanis Youth Programs**

Kiwanis Youth Programs (formerly Key Club International) was organized in 1946 and was incorporated as a not-for-profit organization in August 1947 under the laws of the State of Illinois. Subsequently, in December 1997, Key Club International was incorporated under the laws of the State of Indiana. In 2014, Key Club International was renamed Kiwanis Youth Programs. It was established for the purpose of providing services to various youth.

- **Circle K International**

Circle K International (Circle K) was organized in October 1955 and incorporated as a not-for-profit organization in February 1957 under the laws of the State of Illinois. Subsequently, in February 2003, Circle K was incorporated under the laws of the State of Indiana. Circle K was established for the purpose of providing services to Circle K clubs.

- **Kiwanis Europe**

Kiwanis Europe was organized in January 2020 and incorporated as a not-for-profit organization in March 2020 under the laws of Belgium. Kiwanis Europe was established for the purpose of supporting the activities of Kiwanis International in Europe.

The consolidated financial statements include the accounts of the above related organizations. All material inter-organizational accounts and transactions have been eliminated in consolidation. The accounts of the member clubs or districts are not part of the consolidated financial statements.

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, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Kiwanis considers all liquid investments with original maturities of three months or less (excluding cash equivalents managed by outside investment firms) to be cash equivalents. At September 30, 2020 and 2019, cash equivalents consisted primarily of money market accounts in both the United States and foreign countries.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

At September 30, 2020, Kiwanis' cash accounts held in the United States exceeded federally insured limits by approximately \$1,555,000.

At September 30, 2020 and 2019, funds held outside the United States totaled \$1,627,283 and \$996,270, respectively.

Investments and Investment Return

Investments are carried at fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value.

Accounts Receivable

Accounts receivable consist of dues and fees and other amounts billed to clubs, companies and individuals. Kiwanis provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and current economic conditions. Receivables are ordinarily due upon receipt of the invoice. Accounts unpaid for more than 90 days are considered past due. Past due receivables are written off based on individual credit evaluation and specific circumstances of the club. Clubs with past due balances may be considered for charter revocation by Kiwanis' Board of Trustees.

Property and Equipment

Property and equipment is stated at cost. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

	<u>Years</u>
Buildings and improvements	39 - 50 years
Furniture and equipment	3 - 20 years

Long-Lived Asset Impairment

Kiwanis evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended September 30, 2020 and 2019.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

Paycheck Protection Program (PPP) Loan

Kiwanis Children’s Fund and Kiwanis Youth Programs received PPP loans established by the CARES Act and has elected to account for the funding as a conditional contribution applying ASC Topic 958-605, *Revenue Recognition*, which results in this loan being reflected as a refundable advance liability on the statement of financial position. Revenue is recognized when the conditions are met, which includes meeting FTE and salary reduction requirements and incurring eligible expenditures. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, Small Business Administration, or lender, as a result of such audit, adjustments could be required to the recognition of revenue.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions. Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. Net assets with donor restrictions are those whose use by Kiwanis has been limited by donors to a specific time period or purpose or have been restricted by donors to be maintained by Kiwanis in perpetuity.

Contributions

Contributions are provided to the Kiwanis Children’s Fund either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Kiwanis Children’s Fund overcoming a donor imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> the donor imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Contributions receivable are reduced by an allowance for uncollectible pledges based upon historical information for pledge performance and known uncollectible pledges.

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction. At September 30, 2020 and 2019, no conditional promises to give were available based on matching requirements by the donor.

Contributed Services

No amounts have been included in the consolidated financial statements for contributed services. Kiwanis pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist Kiwanis with specific assistance programs, campaign solicitations and various committee assignments.

Dues and Service Fee Revenue

Membership dues, fees and subscriptions are collected from clubs on a worldwide basis, and are recognized when earned. Clubs are billed annually and may pay a one-time life membership fee for certain members. Life member fees are recognized as revenue when received.

Merchandise Inventory

Merchandise inventory consists primarily of Kiwanis logo merchandise. Inventories are stated at the lower of cost or net realizable value. Cost is determined using the weighted-average method.

Currency Exchange Transactions

Gains and losses relating to currency exchange transactions are recorded in the consolidated statements of activities.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements September 30, 2020 and 2019

Self-Insured Medical Plan

Kiwanis has elected to act as a self-insurer for certain costs related to employee health and accident benefits and has purchased stop loss insurance to limit the uninsured liability. Costs resulting from uninsured losses are recorded as expense when incurred.

Income Taxes

Kiwanis is not subject to income taxes except on unrelated business income. Kiwanis International, Circle K, Kiwanis Youth Programs and Kiwanis Children's Fund are exempt under Section 501 of the U.S. Internal Revenue Code. Kiwanis Children's Fund is not considered to be a private foundation. Gross unrelated business revenues amounted to \$258,117 and \$294,378 for the years ended September 30, 2020 and 2019, respectively.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis and by natural expense in the consolidated statements of functional expenses and losses.

Note 2: Investments

Investments at September 30 consisted of the following:

	Kiwanis International	2020 Kiwanis Children's Fund	Total
Money market funds	\$ 925,688	\$ 791,081	\$ 1,716,769
Fixed income securities and funds			
Long-term bonds	554,088	581,524	1,135,612
Intermediate-term bonds	653,771	741,746	1,395,517
Short-term bonds	559,931	632,376	1,192,307
Fixed income blend	551,333	53,821	605,154
Total fixed income securities	<u>2,319,123</u>	<u>2,009,467</u>	<u>4,328,590</u>
Equity securities and funds			
Large-cap stocks	10,708,867	7,836,641	18,545,508
Mid- and small-cap stocks	5,342,796	2,601,058	7,943,854
International stocks	3,009,744	2,049,169	5,058,913
Equities blend	323,196	300,078	623,274
Total equity securities and funds	<u>19,384,603</u>	<u>12,786,946</u>	<u>32,171,549</u>
Alternative investment strategies	-	948,766	948,766
Hedge funds	3,345,040	-	3,345,040
Private equity	636,352	-	636,352
Total investments	<u>\$ 26,610,806</u>	<u>\$ 16,536,260</u>	<u>\$ 43,147,066</u>

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2020 and 2019

	Kiwanis International	2019 Kiwanis Children's Fund	Total
Money market funds	\$ 847,286	\$ 414,375	\$ 1,261,661
Fixed income securities and funds			
Long-term bonds	1,065,598	353,060	1,418,658
Intermediate-term bonds	570,877	770,638	1,341,515
Short-term bonds	764,337	1,494,126	2,258,463
Fixed income blend	494,168	131,691	625,859
Total fixed income securities	<u>2,894,980</u>	<u>2,749,515</u>	<u>5,644,495</u>
Equity securities and funds			
Large-cap stocks	10,318,780	7,751,223	18,070,003
Mid- and small-cap stocks	5,467,668	1,853,392	7,321,060
International stocks	3,148,928	2,146,582	5,295,510
Equities blend	302,906	45,172	348,078
Total equity securities and funds	<u>19,238,282</u>	<u>11,796,369</u>	<u>31,034,651</u>
Alternative investment strategies	-	987,631	987,631
Hedge funds	2,774,357	-	2,774,357
Private equity	511,948	-	511,948
Total investments	<u>\$ 26,266,853</u>	<u>\$ 15,947,890</u>	<u>\$ 42,214,743</u>

Note 3: Contributions Receivable

Contributions receivable at September 30 consisted of the following:

	2020	2019
Due within one year	\$ 17,662,755	\$ 19,008,526
Due in one to five years	160,714	300,418
	<u>17,823,469</u>	<u>19,308,944</u>
Less:		
Allowance for uncollectible contributions	(17,823,469)	(12,156,444)
Unamortized discount	-	(26,862)
Net contributions receivable	<u>\$ -</u>	<u>\$ 7,125,638</u>

The discount rates for 2019 ranged from .62% to 2.94%.

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2020 and 2019

Note 4: Beneficial Interest in Assets Held by Others

Kiwanis Children’s Fund has agreements with the Kiwanis Foundations of Canada, Jamaica and Japan that provide for contributions made to Kiwanis Children’s Fund to be held in those countries by the respective local foundations. The agreements also provide for the local foundations to recommend grants to be made from those funds that are ultimately approved by Kiwanis Children’s Fund. At September 30, 2020 and 2019, the balance of the beneficial interest in assets held by others was \$126,343 and \$105,535, respectively.

Note 5: Property and Equipment

Property and equipment at September 30 consists of:

	2020	2019
Buildings and improvements	\$ 6,271,241	\$ 6,224,475
Furniture and equipment	5,007,636	4,784,508
	11,278,877	11,008,983
Less: Accumulated depreciation	(8,247,533)	(7,859,555)
	3,031,344	3,149,428
Land	711,623	711,623
	\$ 3,742,967	\$ 3,861,051

Note 6: Paycheck Protection Program Loan

In April 2020, Kiwanis Children’s Fund and Kiwanis Youth Programs received loans in the amount of \$240,200 and \$151,625, respectively, pursuant to the Paycheck Protection Program (PPP). Kiwanis Children’s Fund and Kiwanis Youth Programs anticipates using all of the proceeds to make eligible payments and, therefore, expects substantially all of the loan will be forgiven. To the extent the loan amount is not forgiven under the PPP, Kiwanis Children’s Fund and Kiwanis Youth Programs must make equal monthly payments of principal and interest, beginning six months from the date of the loan until maturity in April of 2022. The terms of the loans include a 1% fixed interest rate.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

Note 7: Liability Insurance Program

Kiwanis maintains comprehensive general liability insurance for its members in the United States, Canada and the Caribbean. The policy is intended to provide legal liability insurance for sums which insureds may become legally obligated to pay as damages to third parties for bodily injury or property damage arising from a Kiwanis-sponsored function or activity. Each club in the U.S. and Canada is assessed \$13 per member annually. Caribbean clubs are assessed \$1.50 per member annually. Kiwanis is partially self-insured and pays the first \$75,000 per occurrence with a maximum annual self-insured aggregate exposure of \$1,000,000.

At September 30, 2020 and 2019, Kiwanis accrued \$464,455 and \$636,777 in relation to this program. The liability insurance accrual represents Kiwanis' best estimate of claims and fees that were incurred but unpaid as of the end of the fiscal year. Management believes that the provision for liability insurance will be adequate to cover the ultimate net cost of losses incurred to the statement of financial position date. The provision is an estimate and may ultimately be settled for a significantly greater or lesser amount and it is at least reasonably possible that management will revise the estimate in the near term. Any subsequent differences arising are recorded in the period in which they are determined.

Kiwanis also provides a directors and officers (D&O) liability insurance program. Each club in the U.S. and Canada is assessed \$4 per member annually and each district in the U.S. and Canada \$800 on an annual basis. The D&O liability insurance program is designed to protect clubs, the districts and members against such matters as employment practices liability (including accusations of discrimination, sexual harassment and wrongful termination), allegations of mismanagement of funds, failure to enforce bylaws and violation of state/provincial and federal bylaws. No accrual was deemed necessary for the D&O liability insurance program at September 30, 2020 and 2019.

Note 8: Annuities Payable

Kiwanis Children's Fund has been the recipient of several gift annuities, which require future payments to the donor or their named beneficiaries. The assets received from the donor are recorded at fair value. Kiwanis Children's Fund has recorded a liability at September 30, 2020 and 2019, of \$84,837 and \$88,908, which represents the present value of the future annuity obligations. The liability has been determined using discount rates ranging from 1.2% to 9.0%.

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2020 and 2019

Note 9: Net Assets With Donor Restrictions

Net assets with donor restrictions at September 30 are available for the following purposes or periods:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose		
Eliminate Project	\$ 377,154	\$ 7,580,699
Scholarships, awards, grants and other programs	<u>135,061</u>	<u>392,224</u>
	<u>512,215</u>	<u>7,972,923</u>
Endowments		
Subject to endowment spending policy and appropriation		
USI Sustainability Fund	220,071	366,969
Key Club Youth Opportunities Fund	320,626	324,186
Other restricted purposes	632,002	575,767
General use	<u>3,053,757</u>	<u>2,153,994</u>
	<u>4,226,456</u>	<u>3,420,916</u>
Subject to appropriation and expenditure when a specified event occurs		
Restricted by donors for		
USI Sustainability Fund	1,852,547	1,852,547
Key Club Youth Opportunities Fund	1,549,240	1,549,240
Other	1,059,611	1,625,976
General use - Kiwanis Children's Fund	<u>7,343,683</u>	<u>7,343,643</u>
	<u>11,805,081</u>	<u>12,371,406</u>
Total endowments	<u>16,031,537</u>	<u>15,792,322</u>
	<u>\$ 16,543,752</u>	<u>\$ 23,765,245</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors as of September 30:

	<u>2020</u>	<u>2019</u>
Satisfaction of purpose restrictions		
Eliminate Project	\$ 1,803,576	\$ 2,773,344
Scholarships, awards, grants and other programs	<u>914,239</u>	<u>880,381</u>
	<u>\$ 2,717,815</u>	<u>\$ 3,653,725</u>

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

During 2020, Kiwanis utilized outside counsel to review all endowed and restricted funds. Through this review and based on the supporting documentation available, it was determined appropriate to reclassify \$771,198 from net assets with donor restrictions to net assets without donor restrictions. It was determined that certain restrictions previously applied to net assets had either previously expired or otherwise have been met.

Note 10: Endowment

Kiwanis Children's Fund endowment consists of approximately 20 individual funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Kiwanis Children's Fund governing body has interpreted the State of Indiana's Prudent Management of Institutional Funds Act (SPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Kiwanis Children's Fund classifies as net assets with donor restrictions the original value of gifts donated to the permanent endowment plus the original value of subsequent gifts to the permanent endowment. The remaining portion of donor-restricted endowment funds is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by Kiwanis Children's Fund in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Kiwanis Children's Fund considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of Kiwanis Children's Fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of Kiwanis Children's Fund
7. Investment policies of Kiwanis Children's Fund

The composition of net assets by type of endowment fund at September 30, 2020 and 2019 was:

	With Donor Restrictions	
	2020	2019
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 11,805,081	\$ 12,371,406
Accumulated investment gains	4,226,456	3,420,916
Total endowment funds	\$ 16,031,537	\$ 15,792,322

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

Changes in endowment net assets for the years ended September 30, 2020 and 2019 were:

	With Donor Restrictions	
	2020	2019
Endowment net assets, October 1	\$ 15,792,322	\$ 15,864,186
Investment return	1,558,118	605,308
Contributions	17,476	46,488
Appropriation of endowment assets for expenditure	(828,348)	(723,660)
Transfers and other changes to net assets	(508,031)	-
Endowment net assets, September 30	\$ 16,031,537	\$ 15,792,322

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level Kiwanis Children’s Fund is required to retain as a fund of perpetual duration pursuant to donor stipulation or SPMIFA. At September 30, 2020 or 2019, there were no significant underwater endowment funds. Kiwanis has interpreted SPMIFA to permit spending from underwater endowments in accordance with the prudent measures required under the law.

Kiwanis Children’s Fund has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds Kiwanis Children’s Fund must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds. Under Kiwanis Children’s Fund policies, endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the Standard & Poors 500 index while assuming the lowest possible risk. Kiwanis Children’s Fund expects its endowment funds to provide an average rate of return of approximately 7% annually over time. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, Kiwanis Children’s Fund relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). Kiwanis Children’s Fund targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Kiwanis Children’s Fund has a policy of appropriating for distribution each year up to 5% of its December 31 endowment fund’s balance. In establishing this policy, Kiwanis Children’s Fund considered the long-term expected return on its endowment. This is consistent with the Kiwanis Children’s Fund objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

Note 11: Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include money market funds, common and preferred stocks and mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Level 2 securities include U.S. Government and related agency securities, international bonds and corporate bonds. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. As a practical expedient, fair value of hedge funds and private equity funds is determined using the net asset value (or its equivalent) supplied by the respective fund managers and are, therefore, classified within the Investments Measured at NAV of the valuation hierarchy.

Fair value determinations for investments measured at NAV are the responsibility of the Finance Department. The Finance Department utilizes the valuations provided by fund managers to generate fair value estimates on a monthly or quarterly basis and challenges the reasonableness of the assumptions used and reviews the methodology to ensure the estimated fair value complies with accounting principles generally accepted in the United States of America.

Beneficial Interest in Assets Held by Others

Fair value is estimated using the values of the underlying assets, which represent cash accounts held in foreign countries. Due to the nature of the valuation inputs, the interest is classified within Level 2 of the hierarchy.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

The following tables present the fair value measurements of investments recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2020 and 2019:

	2020				
	Fair Value Measurements Using				
Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV ^(A)	
Investments					
Cash equivalents and money market funds	\$ 1,716,769	\$ 1,716,769	\$ -	\$ -	\$ -
Fixed income securities and funds					
Long-term bonds	1,135,612	752,834	382,778	-	-
Intermediate-term bonds	1,395,517	1,135,757	259,760	-	-
Short-term bonds	1,192,307	1,147,978	44,329	-	-
Fixed income blend	605,154	605,154	-	-	-
Total fixed income securities	<u>4,328,590</u>	<u>3,641,723</u>	<u>686,867</u>	<u>-</u>	<u>-</u>
Common and preferred stocks					
Large-cap stocks	18,545,508	18,545,508	-	-	-
Mid- and small-cap stocks	7,943,854	7,943,854	-	-	-
International stocks	5,058,913	5,058,913	-	-	-
Equities blend	623,274	623,274	-	-	-
Total common and preferred stocks	<u>32,171,549</u>	<u>32,171,549</u>	<u>-</u>	<u>-</u>	<u>-</u>
Alternative investment strategies	948,766	948,766	-	-	-
Hedge funds	3,345,040	-	-	-	3,345,040
Private equity	636,352	-	-	-	636,352
Total investments	<u>\$ 43,147,066</u>	<u>\$ 38,478,807</u>	<u>\$ 686,867</u>	<u>\$ -</u>	<u>\$ 3,981,392</u>
Beneficial interest in assets held by others	<u>\$ 126,343</u>	<u>\$ -</u>	<u>\$ 126,343</u>	<u>\$ -</u>	<u>\$ -</u>

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2020 and 2019

	2019				
	Fair Value Measurements Using				
Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV ^(A)	
Investments					
Cash equivalents and money market funds	\$ 1,261,661	\$ 1,261,661	\$ -	\$ -	\$ -
Fixed income securities and funds					
Long-term bonds	1,418,658	899,159	519,499	-	-
Intermediate-term bonds	1,341,515	1,183,612	157,903	-	-
Short-term bonds	2,258,463	2,166,515	91,948	-	-
Fixed income blend	625,859	625,859	-	-	-
Total fixed income securities	<u>5,644,495</u>	<u>4,875,145</u>	<u>769,350</u>	<u>-</u>	<u>-</u>
Common and preferred stocks					
Large-cap stocks	18,070,003	18,070,003	-	-	-
Mid- and small-cap stocks	7,321,060	7,321,060	-	-	-
International stocks	5,295,510	5,295,510	-	-	-
Equities blend	348,078	348,078	-	-	-
Total common and preferred stocks	<u>31,034,651</u>	<u>31,034,651</u>	<u>-</u>	<u>-</u>	<u>-</u>
Alternative investment strategies	987,631	987,631	-	-	-
Hedge funds	2,774,357	-	-	-	2,774,357
Private equity	511,948	-	-	-	511,948
Total investments	<u>\$ 42,214,743</u>	<u>\$ 38,159,088</u>	<u>\$ 769,350</u>	<u>\$ -</u>	<u>\$ 3,286,305</u>
Beneficial interest in assets held by others	<u>\$ 105,535</u>	<u>\$ -</u>	<u>\$ 105,535</u>	<u>\$ -</u>	<u>\$ -</u>

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amount presented in the consolidated statements of financial position.

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2020 and 2019

Investments Valued at Net Asset Value

The following tables present information regarding funds with fair value that is determined using the net asset value (or its equivalent) provided by the fund.

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
September 30, 2020				
Assets				
Investments				
Hedge funds	\$ 3,345,040	\$ -	Quarterly - annually	30 - 100 days
Private equity	636,352	1,165,000	Not eligible	n/a
September 30, 2019				
Assets				
Investments				
Hedge funds	\$ 2,774,357	\$ -	Quarterly - annually	30 - 100 days
Private equity	511,948	1,010,995	Not eligible	n/a

Hedge Funds: These categories include investments that take both long and short positions across asset classes. Management of the funds has the ability to shift investments among differing investment strategies. The remaining restriction period for these investments ranged from six to twelve months at September 30, 2020.

Private Equity: This category includes private equity funds that invest primarily in the equity securities of public or private companies at various stages within their life cycle. These investments are either direct, fund of funds or secondary purchases across multiple strategies and are expected to significantly exceed performance of traditional equity indices. Private equities cannot be redeemed because the investments do not allow for redemptions. Distributions from each fund will be made as the underlying investments of the funds are liquidated.

Note 12: Line of Credit

International established a bank loan agreement in September 2017, which provides an unsecured \$2,000,000 line of credit for short-term borrowings to replace the guidance line of credit, which expired in February 2017. In September 2019, the line of credit was renewed for short-term borrowings. At September 30, 2020 and 2019, there were no borrowings outstanding under the line of credit. Interest on the line of credit borrowings is payable monthly at 3.25%. The line of credit expires in January 2021.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

Note 13: Operating Leases

International rents various items of equipment and office space under long-term noncancellable operating leases, which expire at various dates through January 20, 2021. Rental expense for these leases included in the consolidated statements of activities for the years ended September 30, 2020 and 2019, was approximately \$38,057 and \$42,087, respectively.

Minimum annual rental payments required under noncancellable operating leases, which have remaining terms in excess of one year as of September 30, 2020, were as follows:

2021	\$	16,887
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Note 14: Employee Benefit Plans

International has a defined-contribution 401(k) retirement savings plan covering substantially all employees (including employees who provide services for Kiwanis Youth Programs, Circle K International and Kiwanis Children's Fund). International makes matching contributions up to a maximum of 4% of the compensation that each employee contributes to the Plan. Kiwanis' contributions and administrative fees for the Plan were \$311,898 and \$307,389 for the years ended September 30, 2020 and 2019, respectively.

Note 15: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Litigation

International is a party to pending legal actions related to the liability insurance provided to its members and is vigorously contesting these legal matters in conjunction with its insurance carriers. While it is not feasible to predict or determine the outcome of such actions, it is the opinion of management that such actions will not ultimately result in liability that would have a material adverse effect on the consolidated financial position of Kiwanis. Management's best estimate of the future liability for these claims is included in the liability insurance accrual.

Kiwanis is subject to other claims and lawsuits that arise primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the consolidated financial position, change in net assets and cash flows of Kiwanis. Events could occur that would change this estimate materially in the near term.

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2020 and 2019

Note 16: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of September 30, 2020, comprise the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 4,178,337	\$ 3,314,779
Redeemable investments	42,510,714	41,702,795
Receivables	286,476	243,109
Contributions receivable due within one year, net	-	6,852,082
Total liquid financial assets	<u>46,975,527</u>	<u>52,112,765</u>
Donor-imposed restrictions	512,215	7,972,923
Endowments	16,031,537	15,792,322
Total donor-imposed restrictions	<u>16,543,752</u>	<u>23,765,245</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 30,431,775</u>	<u>\$ 28,347,520</u>

Kiwanis endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments are restricted for specific purposes, with the exception of amounts available for general use. Donor-restricted endowment funds are not available for general expenditures.

Kiwanis manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. Kiwanis forecasts its future cash flows and monitors its liquidity and reserves. During the year ended September 30, 2020, the level of liquidity and reserves was managed within the policy requirements.

Note 17: Subsequent Events

As a result of the spread of the SARS-Co-V-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of Kiwanis, including memberships, meeting and registration fees and retail revenues. The duration of these uncertainties and the ultimate financial effect cannot be reasonably estimated at this time.

Subsequent events have been evaluated through January 5, 2021, which is the date the consolidated financial statements were available to be issued.

Supplementary Information

Kiwanis International and Subsidiaries
Consolidating Schedule - Statement of Financial Position Information
September 30, 2020 (With Comparative Totals for 2019)

	Kiwanis International	Kiwanis Europe	Circle K International	Kiwanis Youth Programs	Kiwanis Children's Fund			Eliminations	Total	2019 Total
					Operations	Eliminate Project	Total			
Assets										
Cash and cash equivalents	\$ 2,230,115	\$ 32,155	\$ 230,742	\$ 240,435	\$ 1,094,618	\$ 350,272	\$ 1,444,890	\$ -	\$ 4,178,337	\$ 3,314,779
Investments	26,610,806	-	-	2,856,691	16,536,260	-	16,536,260	(2,856,691)	43,147,066	42,214,743
Receivables	272,183	49	(250)	14,494	-	-	-	-	286,476	243,109
Contributions receivable, net	-	-	-	-	-	-	-	-	-	7,125,638
Merchandise inventory	527,641	-	-	-	-	-	-	-	527,641	580,083
Prepaid expenses and other	785,011	-	15,422	44,380	80	-	80	-	844,893	718,720
Cash value of life insurance contracts	-	-	-	-	298,887	-	298,887	-	298,887	276,019
Beneficial interest in assets held by others	-	-	-	-	126,343	-	126,343	-	126,343	105,535
Property and equipment, net	3,740,729	2,238	-	-	-	-	-	-	3,742,967	3,861,051
Advances to subsidiaries	480,811	6,477	25,196	35,540	34,361	143,078	177,439	(725,463)	-	-
Total assets	<u>\$ 34,647,296</u>	<u>\$ 40,919</u>	<u>\$ 271,110</u>	<u>\$ 3,191,540</u>	<u>\$ 18,090,549</u>	<u>\$ 493,350</u>	<u>\$ 18,583,899</u>	<u>\$ (3,582,154)</u>	<u>\$ 53,152,610</u>	<u>\$ 58,439,677</u>
Liabilities										
Accounts payable	\$ 677,609	\$ 25,001	\$ -	\$ -	\$ 360	\$ -	\$ 360	\$ -	\$ 702,970	\$ 1,518,985
Accounts payable - subsidiaries	103,104	-	27,595	181,474	297,094	116,196	413,290	(725,463)	-	-
Funds invested for Kiwanis Youth Programs	2,856,691	-	-	-	-	-	-	(2,856,691)	-	-
Accrued liabilities and other	1,283,861	-	3,122	23,332	150	-	150	-	1,310,465	1,107,173
Paycheck Protection Program loan	-	-	-	151,625	240,200	-	240,200	-	391,825	-
Liability insurance accrual	464,455	-	-	-	-	-	-	-	464,455	636,777
Annuities payable	-	-	-	-	84,837	-	84,837	-	84,837	88,908
Total liabilities	<u>5,385,720</u>	<u>25,001</u>	<u>30,717</u>	<u>356,431</u>	<u>622,641</u>	<u>116,196</u>	<u>738,837</u>	<u>(3,582,154)</u>	<u>2,954,552</u>	<u>3,351,843</u>
Net Assets										
Without donor restrictions										
Operating	23,376,492	15,918	230,393	2,780,359	1,366,060	-	1,366,060	-	27,769,222	24,956,683
Publications	701,808	-	-	-	-	-	-	-	701,808	1,229,016
Liability insurance	5,183,276	-	-	-	-	-	-	-	5,183,276	5,136,890
Total net assets without donor restriction	<u>29,261,576</u>	<u>15,918</u>	<u>230,393</u>	<u>2,780,359</u>	<u>1,366,060</u>	<u>-</u>	<u>1,366,060</u>	<u>-</u>	<u>33,654,306</u>	<u>31,322,589</u>
With donor restrictions	-	-	10,000	54,750	16,101,848	377,154	16,479,002	-	16,543,752	23,765,245
Total net assets	<u>29,261,576</u>	<u>15,918</u>	<u>240,393</u>	<u>2,835,109</u>	<u>17,467,908</u>	<u>377,154</u>	<u>17,845,062</u>	<u>-</u>	<u>50,198,058</u>	<u>55,087,834</u>
Total liabilities and net assets	<u>\$ 34,647,296</u>	<u>\$ 40,919</u>	<u>\$ 271,110</u>	<u>\$ 3,191,540</u>	<u>\$ 18,090,549</u>	<u>\$ 493,350</u>	<u>\$ 18,583,899</u>	<u>\$ (3,582,154)</u>	<u>\$ 53,152,610</u>	<u>\$ 58,439,677</u>

Kiwanis International and Subsidiaries
Consolidating Schedule - Statement of Financial Position Information
September 30, 2019

	Kiwanis International	Circle K International	Kiwanis Youth Programs	Kiwanis Children's Fund			Eliminations	2019 Total
				Operations	Eliminate Project	Total		
Assets								
Cash and cash equivalents	\$ 1,564,442	\$ 67,495	\$ 30,429	\$ 1,358,911	\$ 293,502	\$ 1,652,413	\$ -	\$ 3,314,779
Investments	26,266,853	-	2,515,801	15,947,890	-	15,947,890	(2,515,801)	42,214,743
Receivables	402,793	-	-	-	-	-	(159,684)	243,109
Contributions receivable, net	-	-	-	-	7,125,638	7,125,638	-	7,125,638
Merchandise inventory	580,083	-	-	-	-	-	-	580,083
Prepaid expenses and other	579,388	17,435	81,899	39,998	-	39,998	-	718,720
Cash value of life insurance contracts	-	-	-	276,019	-	276,019	-	276,019
Beneficial interest in assets held by others	-	-	-	105,535	-	105,535	-	105,535
Property and equipment, net	3,861,051	-	-	-	-	-	-	3,861,051
Advances to subsidiaries	1,881,231	236,461	437,365	5,620	821,542	827,162	(3,382,219)	-
Total assets	<u>\$ 35,135,841</u>	<u>\$ 321,391</u>	<u>\$ 3,065,494</u>	<u>\$ 17,733,973</u>	<u>\$ 8,240,682</u>	<u>\$ 25,974,655</u>	<u>\$ (6,057,704)</u>	<u>\$ 58,439,677</u>
Liabilities								
Accounts payable	\$ 1,678,670	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (159,685)	\$ 1,518,985
Accounts payable - subsidiaries	1,228,537	145,334	668,955	679,409	659,983	1,339,392	(3,382,218)	-
Funds invested for Kiwanis Youth Programs	2,515,801	-	-	-	-	-	(2,515,801)	-
Accrued liabilities and other	1,059,970	1,483	33,900	11,820	-	11,820	-	1,107,173
Liability insurance accrual	636,777	-	-	-	-	-	-	636,777
Annuities payable	-	-	-	88,908	-	88,908	-	88,908
Total liabilities	<u>7,119,755</u>	<u>146,817</u>	<u>702,855</u>	<u>780,137</u>	<u>659,983</u>	<u>1,440,120</u>	<u>(6,057,704)</u>	<u>3,351,843</u>
Net Assets								
Without donor restrictions								
Operating	21,650,180	174,574	2,302,639	829,290	-	829,290	-	24,956,683
Publications	1,229,016	-	-	-	-	-	-	1,229,016
Liability insurance	5,136,890	-	-	-	-	-	-	5,136,890
Total net assets without donor restriction	28,016,086	174,574	2,302,639	829,290	-	829,290	-	31,322,589
With donor restrictions	-	-	60,000	16,124,546	7,580,699	23,705,245	-	23,765,245
Total net assets	<u>28,016,086</u>	<u>174,574</u>	<u>2,362,639</u>	<u>16,953,836</u>	<u>7,580,699</u>	<u>24,534,535</u>	<u>-</u>	<u>55,087,834</u>
Total liabilities and net assets	<u>\$ 35,135,841</u>	<u>\$ 321,391</u>	<u>\$ 3,065,494</u>	<u>\$ 17,733,973</u>	<u>\$ 8,240,682</u>	<u>\$ 25,974,655</u>	<u>\$ (6,057,704)</u>	<u>\$ 58,439,677</u>

Kiwanis International and Subsidiaries

Consolidating Schedule - Statement of Activities Information

Year Ended September 30, 2020 (With Comparative Totals for 2019)

	Kiwanis International	Kiwanis Europe	Circle K International	Kiwanis Youth Programs	Kiwanis Children's Fund			Eliminations	Total	2019 Total
					Eliminate Operations	Project	Children's Fund Total			
Revenue, Gains and Other Support										
Kiwanis membership dues and fees	\$ 9,319,413	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,319,413	\$ 9,901,075
Service Leadership Programs dues and fees	84,313	-	201,872	2,129,400	-	-	-	-	2,415,585	2,628,298
Magazine fees	901,771	-	-	-	-	-	-	-	901,771	937,164
Insurance fees	2,031,916	-	-	-	-	-	-	-	2,031,916	2,106,126
Meeting and registration fees	750	-	-	48,230	-	-	-	-	48,980	1,373,642
Sponsorship fees	253,594	-	-	-	-	-	-	-	253,594	267,823
Contributions	-	-	-	-	1,636,087	349,416	1,985,503	-	1,985,503	2,891,933
Grant income	-	20,517	10,000	10,000	1,608	-	1,608	(21,608)	20,517	-
Advertising	4,523	-	-	-	-	-	-	-	4,523	26,555
Management fee and subsidies	1,620,996	303,310	294,562	-	-	-	-	(2,218,868)	-	-
Retail income	1,065,033	-	-	-	-	-	-	-	1,065,033	1,415,561
Investment income, net of fees	302,639	-	52	34,558	255,881	698	256,579	-	593,828	923,061
Other income	36,841	542	1,154	7,706	440	-	440	-	46,683	72,034
Total revenue, gains and other support	<u>15,621,789</u>	<u>324,369</u>	<u>507,640</u>	<u>2,229,894</u>	<u>1,894,016</u>	<u>350,114</u>	<u>2,244,130</u>	<u>(2,240,476)</u>	<u>18,687,346</u>	<u>22,543,272</u>
Expenses and Losses										
Employment expenses	9,309,625	271,885	200,324	631,924	657,247	704,356	1,361,603	-	11,775,361	11,954,547
Travel and entertainment	574,434	4,253	31,158	107,378	58,382	53,535	111,917	-	829,140	2,256,649
Meeting expenses	254,497	113	5,731	51,577	24,258	1,497	25,755	-	337,673	1,492,989
Contract services expenses	1,324,246	13,239	25,771	143,941	75,048	60,856	135,904	-	1,643,101	1,986,004
Shipping, supplies and printing	738,356	2,997	3,932	165,017	199,028	27,761	226,789	-	1,137,091	1,287,142
Grants	809,445	-	-	240	1,165,351	450,000	1,615,351	(619,480)	1,805,556	3,183,845
Information technology and computer costs	1,115,677	9,227	835	1,480	51,181	45	51,226	-	1,178,445	742,727
Membership materials and advertising	428,919	-	16,827	337,109	29,613	38,523	68,136	-	850,991	1,265,622
Utilities and insurance	1,436,889	5,503	2,172	4,478	9,187	-	9,187	-	1,458,229	1,858,321
Taxes and fees	141,995	6	6,979	34,081	40,137	11,806	51,943	-	235,004	372,876
Cost of goods sold	480,236	-	-	-	-	-	-	-	480,236	697,103
Depreciation	460,824	-	-	-	-	-	-	-	460,824	511,192
Currency exchange and bad debt losses	7,865	1,228	-	162	(10,163)	5,750,084	5,739,921	-	5,749,176	5,177,278
Miscellaneous expenses	(4,057)	-	148,092	586,413	436,800	455,196	891,996	(1,620,996)	1,448	72,826
Total expenses and losses	<u>17,078,951</u>	<u>308,451</u>	<u>441,821</u>	<u>2,063,800</u>	<u>2,736,069</u>	<u>7,553,659</u>	<u>10,289,728</u>	<u>(2,240,476)</u>	<u>27,942,275</u>	<u>32,859,121</u>
Change in Net Assets Before Other Changes	(1,457,162)	15,918	65,819	166,094	(842,053)	(7,203,545)	(8,045,598)	-	(9,254,929)	(10,315,849)
Realized and unrealized gains on investments	2,702,652	-	-	306,376	1,362,451	-	1,362,451	-	4,371,479	704,690
Change in value of annuities payable	-	-	-	-	(6,326)	-	(6,326)	-	(6,326)	220
Change in Net Assets	1,245,490	15,918	65,819	472,470	514,072	(7,203,545)	(6,689,473)	-	(4,889,776)	(9,610,939)
Net Assets, Beginning of Year	28,016,086	-	174,574	2,362,639	16,953,836	7,580,699	24,534,535	-	55,087,834	64,698,773
Net Assets, End of Year	<u>\$ 29,261,576</u>	<u>\$ 15,918</u>	<u>\$ 240,393</u>	<u>\$ 2,835,109</u>	<u>\$ 17,467,908</u>	<u>\$ 377,154</u>	<u>\$ 17,845,062</u>	<u>\$ -</u>	<u>\$ 50,198,058</u>	<u>\$ 55,087,834</u>

Kiwanis International and Subsidiaries

Consolidating Schedule - Statement of Activities Information

Year Ended September 30, 2019

	Kiwanis International	Circle K International	Kiwanis Youth Programs	Kiwanis Children's Fund			Eliminations	Total
				Operations	Eliminate Project	Children's Total		
Revenue, Gains and Other Support								
Kiwanis membership dues and fees	\$ 9,901,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,901,075
Service Leadership Programs dues and fees	97,614	220,591	2,310,093	-	-	-	-	2,628,298
Magazine fees	937,164	-	-	-	-	-	-	937,164
Insurance fees	2,106,126	-	-	-	-	-	-	2,106,126
Meeting and registration fees	928,540	79,325	344,052	21,725	-	21,725	-	1,373,642
Sponsorship fees	267,823	-	-	-	-	-	-	267,823
Contributions	-	-	-	1,886,840	1,005,093	2,891,933	-	2,891,933
Grant income	-	9,000	60,000	1,405	-	1,405	(70,405)	-
Advertising	26,555	-	-	-	-	-	-	26,555
Management fee and subsidies	1,368,996	256,516	-	-	-	-	(1,625,512)	-
Retail income	1,415,561	-	-	-	-	-	-	1,415,561
Investment income, net of fees	519,787	721	49,036	353,517	-	353,517	-	923,061
Other income	48,477	800	22,757	-	-	-	-	72,034
Total revenue, gains and other support	<u>17,617,718</u>	<u>566,953</u>	<u>2,785,938</u>	<u>2,263,487</u>	<u>1,005,093</u>	<u>3,268,580</u>	<u>(1,695,917)</u>	<u>22,543,272</u>
Expenses and Losses								
Employment expenses	9,305,609	183,578	909,765	999,814	555,781	1,555,595	-	11,954,547
Travel and entertainment	1,509,524	79,904	457,429	163,797	45,995	209,792	-	2,256,649
Meeting expenses	1,092,758	73,510	302,573	23,988	160	24,148	-	1,492,989
Contract services expenses	1,609,734	27,898	224,878	62,543	60,951	123,494	-	1,986,004
Shipping, supplies and printing	876,452	5,146	195,122	191,483	18,939	210,422	-	1,287,142
Grants	544,501	-	2,958	1,292,377	1,670,930	2,963,307	(326,921)	3,183,845
Information technology and computer costs	687,935	470	1,523	51,574	1,225	52,799	-	742,727
Membership materials and advertising	812,073	39,526	247,927	97,335	68,761	166,096	-	1,265,622
Utilities and insurance	1,839,884	2,200	7,121	9,092	24	9,116	-	1,858,321
Taxes and fees	248,586	4,941	64,096	30,678	24,575	55,253	-	372,876
Cost of goods sold	697,103	-	-	-	-	-	-	697,103
Depreciation	511,192	-	-	-	-	-	-	511,192
Currency exchange and bad debt losses	186,550	-	-	3,517	4,987,211	4,990,728	-	5,177,278
Miscellaneous expenses	71,411	137,535	524,165	382,707	326,004	708,711	(1,368,996)	72,826
Total expenses and losses	<u>19,993,312</u>	<u>554,708</u>	<u>2,937,557</u>	<u>3,308,905</u>	<u>7,760,556</u>	<u>11,069,461</u>	<u>(1,695,917)</u>	<u>32,859,121</u>
Change in Net Assets Before Other Changes	(2,375,594)	12,245	(151,619)	(1,045,418)	(6,755,463)	(7,800,881)	-	(10,315,849)
Realized and unrealized gains on investments	251,662	-	34,772	418,256	-	418,256	-	704,690
Change in value of annuities payable	-	-	-	220	-	220	-	220
Change in Net Assets	(2,123,932)	12,245	(116,847)	(626,942)	(6,755,463)	(7,382,405)	-	(9,610,939)
Net Assets, Beginning of Year	<u>30,140,018</u>	<u>162,329</u>	<u>2,479,486</u>	<u>17,580,778</u>	<u>14,336,162</u>	<u>31,916,940</u>	<u>-</u>	<u>64,698,773</u>
Net Assets, End of Year	<u>\$ 28,016,086</u>	<u>\$ 174,574</u>	<u>\$ 2,362,639</u>	<u>\$ 16,953,836</u>	<u>\$ 7,580,699</u>	<u>\$ 24,534,535</u>	<u>\$ -</u>	<u>\$ 55,087,834</u>

Kiwanis International and Subsidiaries
Schedule of Funds - Parent Only
Year Ended September 30, 2020 (With Comparative Totals for 2019)

	2020			Total	2019 Total
	Operating Fund	Publications Fund	Liability Insurance Fund		
Revenue, Gains and Other Support					
Kiwanis membership dues and fees	\$ 9,319,413	\$ -	\$ -	\$ 9,319,413	\$ 9,901,075
Service Leadership Programs dues and fees	84,313	-	-	84,313	97,614
Magazine fees	-	901,771	-	901,771	937,164
Insurance fees	-	-	2,031,916	2,031,916	2,106,126
Meeting and registration fees	750	-	-	750	928,540
Sponsorship fees	253,594	-	-	253,594	267,823
Advertising	-	4,523	-	4,523	26,555
Management fee and subsidies	1,620,996	-	-	1,620,996	1,368,996
Retail income	1,065,033	-	-	1,065,033	1,415,561
Investment income, net of fees	302,639	-	-	302,639	519,787
Other income	28,112	-	8,729	36,841	48,477
Total revenue, gains and other support	<u>12,674,850</u>	<u>906,294</u>	<u>2,040,645</u>	<u>15,621,789</u>	<u>17,617,718</u>
Expenses					
Employment expenses	8,580,310	490,836	238,479	9,309,625	9,305,609
Travel and entertainment	552,919	4,417	17,098	574,434	1,509,524
Meeting expenses	246,572	58	7,867	254,497	1,092,758
Contract services expenses	1,008,101	51,572	264,573	1,324,246	1,609,734
Shipping, supplies and printing	226,347	501,464	10,545	738,356	876,452
Grants	809,445	-	-	809,445	544,501
Information technology and computer costs	1,074,357	40,784	536	1,115,677	687,935
Membership materials and advertising	428,174	1,007	(262)	428,919	812,073
Utilities and insurance	235,293	9,116	1,192,480	1,436,889	1,839,884
Taxes and fees	151,168	(9,770)	597	141,995	248,586
Cost of goods sold	480,236	-	-	480,236	697,103
Depreciation	460,824	-	-	460,824	511,192
Currency exchange and bad debt losses	7,836	14	15	7,865	186,550
Miscellaneous expenses	(417,061)	344,004	69,000	(4,057)	71,411
Total expenses	<u>13,844,521</u>	<u>1,433,502</u>	<u>1,800,928</u>	<u>17,078,951</u>	<u>19,993,312</u>
Change in Net Assets Before Other Changes	(1,169,671)	(527,208)	239,717	(1,457,162)	(2,375,594)
Realized and unrealized gains on investments	2,702,652	-	-	2,702,652	251,662
Fund transfers	193,331	-	(193,331)	-	-
Change in Net Assets	1,726,312	(527,208)	46,386	1,245,490	(2,123,932)
Net Assets, Beginning of Year	<u>21,650,180</u>	<u>1,229,016</u>	<u>5,136,890</u>	<u>28,016,086</u>	<u>30,140,018</u>
Net Assets, End of Year	<u>\$ 23,376,492</u>	<u>\$ 701,808</u>	<u>\$ 5,183,276</u>	<u>\$ 29,261,576</u>	<u>\$ 28,016,086</u>

Kiwanis International and Subsidiaries

Schedule of Funds - Parent Only Year Ended September 30, 2019

	2019			Total
	Operating Fund	Publications Fund	Liability Insurance Fund	
Revenue, Gains and Other Support				
Kiwanis membership dues and fees	\$ 9,901,075	\$ -	\$ -	\$ 9,901,075
Service Leadership Programs dues and fees	97,614	-	-	97,614
Magazine fees	-	937,164	-	937,164
Insurance fees	-	-	2,106,126	2,106,126
Meeting and registration fees	928,540	-	-	928,540
Sponsorship fees	267,823	-	-	267,823
Advertising	-	26,555	-	26,555
Management fee and subsidies	1,368,996	-	-	1,368,996
Retail income	1,415,561	-	-	1,415,561
Investment income, net of fees	519,787	-	-	519,787
Other income	39,275	111	9,091	48,477
	<u>14,538,671</u>	<u>963,830</u>	<u>2,115,217</u>	<u>17,617,718</u>
Expenses				
Employment expenses	8,602,815	529,876	172,918	9,305,609
Travel and entertainment	1,457,233	22,701	29,590	1,509,524
Meeting expenses	1,090,024	2,658	76	1,092,758
Contract services expenses	1,213,195	66,942	329,597	1,609,734
Shipping, supplies and printing	312,945	554,276	9,231	876,452
Grants	544,501	-	-	544,501
Information technology and computer costs	636,671	51,257	7	687,935
Membership materials and advertising	798,846	13,192	35	812,073
Utilities and insurance	224,265	9,236	1,606,383	1,839,884
Taxes and fees	252,557	(3,990)	19	248,586
Cost of goods sold	697,103	-	-	697,103
Depreciation	511,192	-	-	511,192
Currency exchange and bad debt losses	186,453	97	-	186,550
Miscellaneous expenses	(389,581)	249,996	210,996	71,411
	<u>16,138,219</u>	<u>1,496,241</u>	<u>2,358,852</u>	<u>19,993,312</u>
Change in Net Assets Before Other Changes	(1,599,548)	(532,411)	(243,635)	(2,375,594)
Realized and unrealized gains on investments	251,662	-	-	251,662
Fund transfers	(500,835)	165,829	335,006	-
	<u>(1,848,721)</u>	<u>(366,582)</u>	<u>91,371</u>	<u>(2,123,932)</u>
Change in Net Assets	(1,848,721)	(366,582)	91,371	(2,123,932)
Net Assets, Beginning of Year	23,498,901	1,595,598	5,045,519	30,140,018
Net Assets, End of Year	<u>\$ 21,650,180</u>	<u>\$ 1,229,016</u>	<u>\$ 5,136,890</u>	<u>\$ 28,016,086</u>

Kiwanis International and Subsidiaries

Schedule of Functional Expenses - Kiwanis Children's Fund

Years Ended September 30, 2020 and 2019

	2020			2020			Total
	Program Services		Total Programs	Supporting Services		Total Supporting Services	
	Children's Fund	Eliminate		General and Administrative	Fundraising		
Employment expenses	\$ 262,664	\$ 3,994	\$ 266,658	\$ 402,864	\$ 692,081	\$ 1,094,945	\$ 1,361,603
Travel and entertainment	23,660	2,411	26,071	29,534	56,312	85,846	111,917
Meeting expenses	13,442	50	13,492	10,816	1,447	12,263	25,755
Contract services expenses	9,372	-	9,372	117,812	8,720	126,532	135,904
Shipping, supplies and printing	10,474	-	10,474	9,286	207,029	216,315	226,789
Grants	1,165,351	450,000	1,615,351	-	-	-	1,615,351
Information technology and computer costs	8,662	-	8,662	1,572	40,992	42,564	51,226
Membership materials and advertising	16,963	10,853	27,816	1,004	39,316	40,320	68,136
Utilities and insurance	160	-	160	9,027	-	9,027	9,187
Taxes and fees	1,791	-	1,791	27,349	22,803	50,152	51,943
Miscellaneous expenses	202,404	-	202,404	634,392	55,200	689,592	891,996
Total expenses	1,714,943	467,308	2,182,251	1,243,656	1,123,900	2,367,556	4,549,807
Currency exchange and bad debt losses	1	-	1	(9,656)	5,749,576	5,739,920	5,739,921
Total expenses and losses	\$ 1,714,944	\$ 467,308	\$ 2,182,252	\$ 1,234,000	\$ 6,873,476	\$ 8,107,476	\$ 10,289,728

	2019			2019			Total
	Program Services		Total Programs	Supporting Services		Total Supporting Services	
	Children's Fund	Eliminate		General and Administrative	Fundraising		
Employment expenses	\$ 436,578	\$ 93,454	\$ 530,032	\$ 385,177	\$ 640,386	\$ 1,025,563	\$ 1,555,595
Travel and entertainment	67,968	36,167	104,135	65,997	39,660	105,657	209,792
Meeting expenses	13,004	80	13,084	9,985	1,079	11,064	24,148
Contract services expenses	19,177	-	19,177	79,107	25,210	104,317	123,494
Shipping, supplies and printing	20,973	23	20,996	15,966	173,460	189,426	210,422
Grants	1,282,497	1,670,930	2,953,427	(1)	9,881	9,880	2,963,307
Information technology and computer costs	12,759	6	12,765	2,977	37,057	40,034	52,799
Membership materials and advertising	32,558	1,085	33,643	2,071	130,382	132,453	166,096
Utilities and insurance	395	-	395	8,697	24	8,721	9,116
Taxes and fees	2,741	573	3,314	30,467	21,472	51,939	55,253
Miscellaneous expenses	201,000	-	201,000	391,707	116,004	507,711	708,711
Total expenses	2,089,650	1,802,318	3,891,968	992,150	1,194,615	2,186,765	6,078,733
Currency exchange and bad debt losses	-	-	-	3,743	4,986,985	4,990,728	4,990,728
Total expenses and losses	\$ 2,089,650	\$ 1,802,318	\$ 3,891,968	\$ 995,893	\$ 6,181,600	\$ 7,177,493	\$ 11,069,461

Kiwanis International and Subsidiaries
Schedule of Revenues and Expenses - Kiwanis Youth Programs
Year Ended September 30, 2020
(With Comparative Totals for 2019)

	2020							Total	2019 Total
	General and Administrative	Key Club	Key Leader	Builder's Club	K-Kids	Key Club Convention	Other Programs		
Revenue, Gains and Other Support									
Service Leadership Programs dues and fees	\$ -	\$ 1,635,044	\$ -	\$ 265,473	\$ 228,883	\$ -	\$ -	\$ 2,129,400	\$ 2,310,093
Meeting and registration fees	-	(200)	48,430	-	-	-	-	48,230	344,052
Grant income	-	10,000	-	-	-	-	-	10,000	60,000
Investment income, net of fees	34,558	-	-	-	-	-	-	34,558	49,036
Other income	801	5,505	-	1,100	300	-	-	7,706	22,757
Total revenue, gains and other support	<u>35,359</u>	<u>1,650,349</u>	<u>48,430</u>	<u>266,573</u>	<u>229,183</u>	<u>-</u>	<u>-</u>	<u>2,229,894</u>	<u>2,785,938</u>
Expenses and Losses									
Employment expenses	116,170	351,549	64,223	49,993	49,989	-	-	631,924	909,765
Travel and entertainment	60,611	9,088	16,814	-	-	827	20,038	107,378	457,429
Meeting expenses	4,871	751	-	-	-	36,905	9,050	51,577	302,573
Contract services expenses	-	68,270	35,522	27,541	5,245	7,363	-	143,941	224,878
Shipping, supplies and printing	697	136,815	1,600	3,936	21,964	5	-	165,017	195,122
Grants	-	-	-	90	150	-	-	240	2,958
Information technology and computer costs	294	882	-	304	-	-	-	1,480	1,523
Membership materials and advertising	(1,400)	259,987	18,598	33,880	26,044	-	-	337,109	247,927
Utilities and insurance	1,212	3,266	-	-	-	-	-	4,478	7,121
Taxes and fees	1,547	31,659	209	16	17	632	1	34,081	64,096
Currency exchange and bad debt losses	-	162	-	-	-	-	-	162	-
Miscellaneous expenses	96,996	344,409	17,004	54,000	54,000	20,004	-	586,413	524,165
Total expenses and losses	<u>280,998</u>	<u>1,206,838</u>	<u>153,970</u>	<u>169,760</u>	<u>157,409</u>	<u>65,736</u>	<u>29,089</u>	<u>2,063,800</u>	<u>2,937,557</u>
Change in Net Assets Before Other Changes	(245,639)	443,511	(105,540)	96,813	71,774	(65,736)	(29,089)	166,094	(151,619)
Realized and unrealized gains on investments	<u>306,376</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>306,376</u>	<u>34,772</u>
Change in Net Assets	<u>\$ 60,737</u>	<u>\$ 443,511</u>	<u>\$ (105,540)</u>	<u>\$ 96,813</u>	<u>\$ 71,774</u>	<u>\$ (65,736)</u>	<u>\$ (29,089)</u>	<u>\$ 472,470</u>	<u>\$ (116,847)</u>

Kiwanis International and Subsidiaries

Eliminate Project Statements of Activities - Project History - Kiwanis Children's Fund Years Ended September 30, 2010 Through 2020

	Total Eliminate Project	2020	2019	2018	2017	2016	September 30 2015	2014	2013	2012	2011	2010
Revenues and Support												
Contributions, net of \$1,964,000 of temporarily restricted credits applied to contributions receivable in 2017	\$ 83,127,783	\$ 349,416	\$ 1,005,093	\$ 1,056,204	\$ 706,282	\$ 3,881,191	\$ 22,851,561	\$ 20,894,698	\$ 15,732,471	\$ 11,868,318	\$ 4,717,879	\$ 64,670
Investment income (loss), net of fees	(3,903)	698	-	-	(319)	(1,682)	(1,447)	(1,188)	(693)	(464)	1,173	19
Total revenue and gains	<u>83,123,880</u>	<u>350,114</u>	<u>1,005,093</u>	<u>1,056,204</u>	<u>705,963</u>	<u>3,879,509</u>	<u>22,850,114</u>	<u>20,893,510</u>	<u>15,731,778</u>	<u>11,867,854</u>	<u>4,719,052</u>	<u>64,689</u>
Expenses												
Grants	40,835,004	450,000	1,670,930	3,069,200	3,145,420	7,232,463	7,912,500	8,049,515	6,244,393	2,310,583	750,000	-
Other program expenses	2,881,865	17,306	131,392	176,649	225,951	258,101	362,775	356,323	362,528	396,271	594,569	-
General and administrative	5,685,789	693,651	596,851	603,754	514,353	458,885	1,025,837	639,973	604,170	394,965	153,350	-
Fundraising	14,675,285	643,145	422,201	365,193	370,765	889,198	2,233,955	2,507,564	2,941,684	2,879,068	1,417,198	5,314
Bad debts - uncollectible pledges	18,668,783	5,749,557	4,939,182	3,861,307	198,120	1,248,716	1,111,400	717,500	467,000	297,555	78,446	-
Total expenses	<u>82,746,726</u>	<u>7,553,659</u>	<u>7,760,556</u>	<u>8,076,103</u>	<u>4,454,609</u>	<u>10,087,363</u>	<u>12,646,467</u>	<u>12,270,875</u>	<u>10,619,775</u>	<u>6,278,442</u>	<u>2,993,563</u>	<u>5,314</u>
Change in Net Assets	377,154	(7,203,545)	(6,755,463)	(7,019,899)	(3,748,646)	(6,207,854)	10,203,647	8,622,635	5,112,003	5,589,412	1,725,489	59,375
Net Assets, Beginning of Year	-	7,580,699	14,336,162	21,356,061	25,104,707	31,312,561	21,108,914	12,486,279	7,374,276	1,784,864	59,375	-
Net Assets, End of Year	<u>\$ 377,154</u>	<u>\$ 377,154</u>	<u>\$ 7,580,699</u>	<u>\$ 14,336,162</u>	<u>\$ 21,356,061</u>	<u>\$ 25,104,707</u>	<u>\$ 31,312,561</u>	<u>\$ 21,108,914</u>	<u>\$ 12,486,279</u>	<u>\$ 7,374,276</u>	<u>\$ 1,784,864</u>	<u>\$ 59,375</u>