

Kiwanis International and Subsidiaries

Independent Auditor's Report and Consolidated Financial Statements

September 30, 2021 and 2020

Kiwanis International and Subsidiaries

September 30, 2021 and 2020

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	33
Consolidating Schedules - Statements of Activities Information.....	35
Schedules of Funds - Parent Only	37
Schedule of Functional Expenses - Kiwanis Children's Fund	39
Schedule of Revenues and Expenses - Kiwanis Youth Programs.....	40
Eliminate Project Statements of Activities - Project History - Kiwanis Children's Fund.....	41

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, 2021 and 2020, 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, 2021 and 2020, 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 2010 basic consolidated financial statements and accordingly, we do not express an opinion or provide assurance on it. Except for the 2010 information, 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 2021 information is fairly stated in all material respects in relation to the 2011 to 2021 consolidated financial statements as a whole.

BKD, LLP

Indianapolis, Indiana
January 5, 2022

Kiwanis International and Subsidiaries
Consolidated Statements of Financial Position
September 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	\$ 3,164,517	\$ 4,178,337
Investments	51,906,229	43,147,066
Receivables	141,120	286,476
Merchandise inventory	431,011	527,641
Prepaid expenses and other	758,653	844,893
Cash value of life insurance contracts	107,094	298,887
Beneficial interest in assets held by others	144,622	126,343
Property and equipment, net	3,462,774	3,742,967
Total assets	\$ 60,116,020	\$ 53,152,610
Liabilities		
Accounts payable	\$ 768,678	\$ 702,970
Accrued liabilities and other	1,660,416	1,310,465
Paycheck Protection Program loans - refundable advance	368,729	391,825
Liability insurance accrual	597,554	464,455
Annuities payable	77,711	84,837
Total liabilities	3,473,088	2,954,552
Net Assets		
Without donor restrictions	39,914,533	33,654,306
With donor restrictions	16,728,399	16,543,752
Total net assets	56,642,932	50,198,058
Total liabilities and net assets	\$ 60,116,020	\$ 53,152,610

Kiwanis International and Subsidiaries
Consolidated Statement of Activities
Year Ended September 30, 2021
(With Comparative Totals for 2020)

	2021			2020 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenue, Gains and Other Support				
Kiwanis membership dues and fees	\$ 8,521,046	\$ -	\$ 8,521,046	\$ 9,319,413
Service Leadership Programs dues and fees	1,475,115	-	1,475,115	2,415,585
Magazine fees	851,568	-	851,568	901,771
Insurance fees	1,920,120	-	1,920,120	2,031,916
Meeting and registration fees	439,693	-	439,693	48,980
Sponsorship fees	193,610	-	193,610	253,594
Contributions	1,708,432	1,054,351	2,762,783	1,985,503
Grant income	391,825	-	391,825	20,517
Advertising	776	-	776	4,523
Retail income	996,878	-	996,878	1,065,033
Investment income, net of fees	411,133	200,166	611,299	593,828
Other income	223,760	-	223,760	46,683
	<u>17,133,956</u>	<u>1,254,517</u>	<u>18,388,473</u>	<u>18,687,346</u>
Net assets released from restrictions	1,019,515	(1,019,515)	-	-
Total revenue, gains and other support	<u>18,153,471</u>	<u>235,002</u>	<u>18,388,473</u>	<u>18,687,346</u>
Expenses and Losses				
Employment expenses	11,448,006	-	11,448,006	11,775,361
Travel and entertainment	407,310	-	407,310	829,140
Meeting expenses	866,451	-	866,451	337,673
Contract services expenses	1,610,891	-	1,610,891	1,643,101
Shipping, supplies and printing	916,713	-	916,713	1,137,091
Grants	1,008,859	-	1,008,859	1,805,556
Information technology and computer costs	1,113,190	-	1,113,190	1,178,445
Membership materials and advertising	528,908	-	528,908	850,991
Utilities and insurance	1,621,127	-	1,621,127	1,458,229
Taxes and fees	204,754	-	204,754	235,004
Cost of goods sold	528,700	-	528,700	480,236
Depreciation	400,005	-	400,005	460,824
Currency exchange and bad debt losses	(43,717)	1,007	(42,710)	5,749,176
Miscellaneous expenses	(6,598)	-	(6,598)	1,448
Total expenses and losses	<u>20,604,599</u>	<u>1,007</u>	<u>20,605,606</u>	<u>27,942,275</u>
Change in Net Assets Before Other Changes	(2,451,128)	233,995	(2,217,133)	(9,254,929)
Realized and unrealized gains on investments	5,814,956	2,850,652	8,665,608	4,371,479
Change in value of annuities payable	(3,601)	-	(3,601)	(6,326)
Transfers and other changes to net assets	2,900,000	(2,900,000)	-	-
Change in Net Assets	6,260,227	184,647	6,444,874	(4,889,776)
Net Assets, Beginning of Year	<u>33,654,306</u>	<u>16,543,752</u>	<u>50,198,058</u>	<u>55,087,834</u>
Net Assets, End of Year	<u>\$ 39,914,533</u>	<u>\$ 16,728,399</u>	<u>\$ 56,642,932</u>	<u>\$ 50,198,058</u>

Kiwanis International and Subsidiaries
Consolidated Statement of Activities
Year Ended September 30, 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support			
Kiwanis membership dues and fees	\$ 9,319,413	\$ -	\$ 9,319,413
Service Leadership Programs dues and fees	2,415,585	-	2,415,585
Magazine fees	901,771	-	901,771
Insurance fees	2,031,916	-	2,031,916
Meeting and registration fees	48,980	-	48,980
Sponsorship fees	253,594	-	253,594
Contributions	1,550,772	434,731	1,985,503
Grant income	20,517	-	20,517
Advertising	4,523	-	4,523
Retail income	1,065,033	-	1,065,033
Investment income, net of fees	367,583	226,245	593,828
Other income	46,683	-	46,683
	<u>18,026,370</u>	<u>660,976</u>	<u>18,687,346</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>
Expenses and Losses			
Employment expenses	11,775,361	-	11,775,361
Travel and entertainment	829,140	-	829,140
Meeting expenses	337,673	-	337,673
Contract services expenses	1,643,101	-	1,643,101
Shipping, supplies and printing	1,137,091	-	1,137,091
Grants	1,805,556	-	1,805,556
Information technology and computer costs	1,178,445	-	1,178,445
Membership materials and advertising	850,991	-	850,991
Utilities and insurance	1,458,229	-	1,458,229
Taxes and fees	235,004	-	235,004
Cost of goods sold	480,236	-	480,236
Depreciation	460,824	-	460,824
Currency exchange and bad debt losses	(908)	5,750,084	5,749,176
Miscellaneous expenses	1,448	-	1,448
Total expenses and losses	<u>22,192,191</u>	<u>5,750,084</u>	<u>27,942,275</u>
Change in Net Assets Before Other Changes	(1,448,006)	(7,806,923)	(9,254,929)
Realized and unrealized gains on investments	3,014,851	1,356,628	4,371,479
Change in value of annuities payable	(6,326)	-	(6,326)
Transfers and other changes to net assets	771,198	(771,198)	-
Change in Net Assets	2,331,717	(7,221,493)	(4,889,776)
Net Assets, Beginning of Year	<u>31,322,589</u>	<u>23,765,245</u>	<u>55,087,834</u>
Net Assets, End of Year	<u>\$ 33,654,306</u>	<u>\$ 16,543,752</u>	<u>\$ 50,198,058</u>

Kiwanis International and Subsidiaries
Consolidated Statement of Functional Expenses and Losses
Year Ended September 30, 2021
(With Comparative Totals for 2020)

2021

	Programs										Total Programs
	Membership Growth and Education	Communications	Service Leadership Programs	Publications	International Convention	Risk Management	Retail	Children's Fund	Eliminate	Other	
Employment expenses	\$ 1,557,747	\$ 2,154,147	\$ 513,266	\$ 470,749	\$ -	\$ 252,288	\$ 133,645	\$ 146,340	\$ -	\$ 473,290	\$ 5,701,472
Travel and entertainment	92,425	2,113	71,289	710	42,747	6,006	494	172	-	-	215,956
Meeting expenses	54,196	673	174,429	-	576,793	-	-	-	-	647	806,738
Contract services expenses	175,925	165,999	262,228	58,715	9,278	300,602	14,402	3,347	-	235,292	1,225,788
Shipping, supplies and printing	45,128	7,962	49,799	481,030	1,531	12,172	10,892	20,884	-	1,621	631,019
Grants	103,650	-	150	-	-	-	-	468,999	436,060	-	1,008,859
Information technology and computer costs	40,445	859,304	3,272	50,878	15	3,287	3,907	11,488	-	486	973,082
Membership materials and advertising	239,577	11,061	178,943	-	1,078	2,056	2,225	19,639	-	4,345	458,924
Utilities and insurance	24,865	65,121	4,524	9,116	-	1,370,350	900	-	-	4,475	1,479,351
Taxes and fees	41,709	944	32,913	(10,781)	12,575	129	30,977	495	-	575	109,536
Cost of goods sold	13,279	-	-	-	-	-	515,421	-	-	-	528,700
Depreciation	762	-	-	-	-	-	-	-	-	-	762
Miscellaneous expenses and internal allocations	168	-	(3,071)	390,996	-	78,000	64	-	-	-	466,157
Total expenses	2,389,876	3,267,324	1,287,742	1,451,413	644,017	2,024,890	712,927	671,364	436,060	720,731	13,606,344
Currency exchange and bad debt losses	(39,913)	-	-	403	(600)	-	(435)	-	-	-	(40,545)
Total expenses and losses	\$ 2,349,963	\$ 3,267,324	\$ 1,287,742	\$ 1,451,816	\$ 643,417	\$ 2,024,890	\$ 712,492	\$ 671,364	\$ 436,060	\$ 720,731	\$ 13,565,799

Kiwanis International and Subsidiaries
Consolidated Statement of Functional Expenses and Losses (Continued)
Year Ended September 30, 2021
(With Comparative Totals for 2020)

	<u>Supporting Services</u>					<u>Total Supporting Services</u>	<u>Total</u>	<u>2020 Total</u>
	<u>General and Administrative</u>	<u>Membership Services</u>	<u>Governance and Executive Services</u>	<u>Building Services</u>	<u>Fundraising</u>			
Employment expenses	\$ 3,087,923	\$ 784,916	\$ 972,696	\$ 347,500	\$ 553,499	\$ 5,746,534	\$ 11,448,006	\$ 11,775,361
Travel and entertainment	33,496	8,343	146,363	570	2,582	191,354	407,310	829,140
Meeting expenses	42,132	5,872	11,428	131	150	59,713	866,451	337,673
Contract services expenses	199,996	240	46,340	136,485	2,042	385,103	1,610,891	1,643,101
Shipping, supplies and printing	43,896	5,549	4,402	51,094	180,753	285,694	916,713	1,137,091
Grants	-	-	-	-	-	-	1,008,859	1,805,556
Information technology and computer costs	96,077	9,269	781	263	33,718	140,108	1,113,190	1,178,445
Membership materials and advertising	4,009	28,501	9,467	-	28,007	69,984	528,908	850,991
Utilities and insurance	17,216	2,560	38,914	82,973	113	141,776	1,621,127	1,458,229
Taxes and fees	58,929	1,644	755	182	33,708	95,218	204,754	235,004
Cost of goods sold	-	-	-	-	-	-	528,700	480,236
Depreciation	399,243	-	-	-	-	399,243	400,005	460,824
Miscellaneous expenses and internal allocations	(466,012)	-	2,185	(8,928)	-	(472,755)	(6,598)	1,448
Total expenses	3,516,905	846,894	1,233,331	610,270	834,572	7,041,972	20,648,316	22,193,099
Currency exchange and bad debt losses	(2,172)	-	7	-	-	(2,165)	(42,710)	5,749,176
Total expenses and losses	<u>\$ 3,514,733</u>	<u>\$ 846,894</u>	<u>\$ 1,233,338</u>	<u>\$ 610,270</u>	<u>\$ 834,572</u>	<u>\$ 7,039,807</u>	<u>\$ 20,605,606</u>	<u>\$ 27,942,275</u>

Kiwanis International and Subsidiaries
Consolidated Statement of Functional Expenses and Losses
Year Ended September 30, 2020

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

	Supporting Services						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
Travel and entertainment	147,823	22,217	180,299	567	56,311	407,217	829,140
Meeting expenses	54,691	10,434	126,004	283	1,447	192,859	337,673
Contract services expenses	342,970	184	73,768	172,525	8,720	598,167	1,643,101
Shipping, supplies, and printing	40,411	12,728	5,150	77,081	207,030	342,400	1,137,091
Grants	-	-	-	-	-	-	1,805,556
Information technology and computer costs	137,520	8,062	2,022	346	40,992	188,942	1,178,445
Membership materials and advertising	1,318	33,366	5,722	-	39,317	79,723	850,991
Utilities and insurance	23,155	1,802	43,285	87,960	-	156,202	1,458,229
Taxes and fees	108,625	3,529	446	172	22,803	135,575	235,004
Cost of goods sold	-	-	-	-	-	-	480,236
Depreciation	460,824	-	-	-	-	460,824	460,824
Miscellaneous expenses and internal allocations	(467,324)	-	23,950	(3,648)	-	(447,022)	1,448
Total expenses	4,003,734	913,767	1,404,988	687,630	1,068,701	8,078,820	22,193,099
Currency exchange and bad debt losses	(9,607)	-	-	-	5,749,576	5,739,969	5,749,176
Total expenses and losses	<u>\$ 3,994,127</u>	<u>\$ 913,767</u>	<u>\$ 1,404,988</u>	<u>\$ 687,630</u>	<u>\$ 6,818,277</u>	<u>\$ 13,818,789</u>	<u>\$ 27,942,275</u>

Kiwanis International and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended September 30, 2021 and 2020

	2021	2020
Operating Activities		
Change in net assets	\$ 6,444,874	\$ (4,889,776)
Items not requiring (providing) cash		
Depreciation	400,005	460,824
Increase in cash value of life insurance contracts	(4,113)	(22,868)
Loss on disposals of property and equipment	2,975	-
Realized and unrealized gains on investments	(8,665,608)	(4,371,479)
Provision for uncollectible contributions	-	5,749,557
Change in value of annuities payable	(7,126)	(4,071)
Forgiveness of Paycheck Protection Program loans	(391,825)	-
Proceeds from Paycheck Protection Program loans	368,729	391,825
Changes in		
Receivables	145,356	(43,367)
Contributions receivable	-	1,376,081
Merchandise inventory	96,630	52,442
Prepaid expenses and other	86,240	(126,173)
Beneficial interest in assets held by others	(18,279)	(20,808)
Accounts payable	65,708	(816,015)
Liability insurance accrual	133,099	(172,322)
Accrued liabilities and other	349,951	203,292
Net cash used in operating activities	(993,384)	(2,232,858)
Investing Activities		
Purchase of property and equipment	(122,787)	(342,740)
Purchase of investment securities	(27,786,877)	(17,788,637)
Sales and maturities of investment securities	27,693,322	21,227,793
Proceeds from life insurance contract	195,906	-
Net cash (used in) provided by investing activities	(20,436)	3,096,416
Net (Decrease) Increase in Cash and Cash Equivalents	(1,013,820)	863,558
Cash and Cash Equivalents, Beginning of Year	4,178,337	3,314,779
Cash and Cash Equivalents, End of Year	\$ 3,164,517	\$ 4,178,337

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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, 2021 and 2020

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.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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, 2021 and 2020, cash equivalents consisted primarily of money market accounts in both the United States and foreign countries.

At September 30, 2021, Kiwanis' cash accounts held in the United States exceeded federally insured limits by approximately \$1,406,000.

At September 30, 2021 and 2020, funds held outside the United States totaled \$848,536 and \$1,627,283, 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 from clubs, companies and individuals. Accounts receivable are recorded in accordance with contract terms and are stated at the amount of consideration which Kiwanis has an unconditional right to receive. 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

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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, 2021 and 2020.

Paycheck Protection Program (PPP) Loans

Kiwanis Children's Fund and Kiwanis Youth Programs received PPP loans established by the CARES Act during 2020 and 2021 and has elected to account for the funding as a conditional contribution applying ASC Topic 958-605, *Revenue Recognition*, which results in these loans 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.

Kiwanis recognized the full amount of the 2020 PPP loan of \$391,825 as grant income in the year ended September 30, 2021 when the conditions were met.

Revenue

Revenue is recognized as Kiwanis satisfies performance obligations under its contracts. Revenue is reported at the estimated transaction price or amount that reflects consideration to which Kiwanis expects to be entitled in exchange for providing goods or services. Kiwanis determines transaction price based on standard charges for goods or services provided, reduced by implicit or explicit price concessions. Kiwanis determines its estimates of implicit and explicit price concessions based upon contractual agreements, its discount policies and historical experience.

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.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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

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, 2021 and 2020, no conditional promises to give were available based on matching requirements by the donor.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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 as Kiwanis satisfies performance obligations under its contracts. Revenue is reported at the estimated transaction price or amount that reflects the consideration to which Kiwanis expects to be entitled in exchange for providing membership. Kiwanis determines the transaction price based on standard charges for memberships provided, reduced by implicit and explicit price concessions based upon contractual agreements, its discount policies and historical experience. 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.

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 \$194,388 and \$258,117 for the years ended September 30, 2021 and 2020, respectively.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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: Change in Accounting Principle

On October 1, 2020, Kiwanis adopted the Financial Accounting Standards Board Accounts Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)* (ASU 2014-09) using a modified retrospective method of adoption to all incomplete contracts with customers as of October 1, 2020. The core guidance in ASU 2014-09 is to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which Kiwanis expects to be entitled in exchange for those goods or services. The amount to which Kiwanis expects to be entitled is calculated as the transaction price and recorded as revenue in exchange for providing goods or services to customers. Adoption of ASU 2014-09 resulted in changes to disclosures in the notes to the consolidated financial statements and no significant changes in presentation of the consolidated financial statements. The adoption had no impact overall to change in net assets or net cash provided by operating activities.

Note 3: Revenue From Contracts With Customers

Contract Revenue

Performance obligations are determined based on the nature of the goods or services provided by Kiwanis in accordance with the contract. Revenue for performance obligations satisfied over time is recognized ratably over the period based on time elapsed. Kiwanis believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligations.

Performance obligations satisfied at a point in time is generally recognized when goods or services are provided to customers at a single point in time and Kiwanis does not believe it is required to provide additional goods or services related to that contract.

Transaction Price and Recognition

Kiwanis determines the transaction price based on standard charges for goods and services provided, reduced by discounts provided in accordance with Kiwanis' policy and implicit price concessions provided to customers. Kiwanis determines its estimates of explicit price concessions based on its historical collection experience within classes of customers.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

From time to time, Kiwanis will receive overpayments of customer balances resulting in amounts owed back to either customers or third parties. These amounts are excluded from revenues and recorded as liabilities until they are refunded. As of September 30, 2021, Kiwanis has no refund liabilities owed to customers or third parties.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of change. For the year ended September 30, 2021, no additional revenue was recognized due to changes in estimates or implicit price concessions, discounts and contractual adjustments for performance obligations satisfied in prior years. Subsequent changes that are determined to be the result of adverse change in the customer's ability to pay are recorded as bad debt expense.

Kiwanis has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors:

- Geography of the service location
- Kiwanis' line of business that provided the service

Kiwanis does not have any contracts that are unsatisfied or partially satisfied as of September 30, 2021 and October 1, 2020.

Kiwanis has amounts due from customers totaling \$141,120 and \$286,476 as of September 30, 2021 and October 1, 2020, respectively. Kiwanis expects to receive these amounts over the next calendar year.

Disaggregation of Revenue

The composition of contract revenue for the year ended September 30, 2021 is as follows:

	2021
Kiwanis membership dues and fees	\$ 8,521,046
Service Leadership Program dues and fees	1,475,115
Magazine fees	851,568
Insurance fees	1,920,120
Meeting and registration fees	439,693
Sponsorship fees	193,610
Advertising	776
Retail income	996,878
Other income	223,760
	\$ 14,622,566

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2021 and 2020

The timing of recognition of contract revenue for the year ended September 30, 2021 is as follows:

	2021
Timing of revenue and recognition	
Sales at a point in time	\$ 1,854,717
Services transferred over time	12,767,849
	\$ 14,622,566

Note 4: Investments

Investments at September 30 consisted of the following:

	Kiwanis International	2021 Kiwanis Children's Fund	Total
Money market funds	\$ 756,755	\$ 896,697	\$ 1,653,452
Fixed income securities and funds			
Long-term bonds	350,523	618,483	969,006
Intermediate-term bonds	1,292,818	737,161	2,029,979
Short-term bonds	1,128,453	886,443	2,014,896
Fixed income blend	509,914	116,746	626,660
Total fixed income securities	3,281,708	2,358,833	5,640,541
Equity securities and funds			
Large-cap stocks	10,995,282	7,862,195	18,857,477
Mid- and small-cap stocks	5,381,763	3,880,499	9,262,262
International stocks	6,894,378	3,032,108	9,926,486
Equities blend	983,498	858,482	1,841,980
Total equity securities and funds	24,254,921	15,633,284	39,888,205
Alternative investment strategies	-	1,067,796	1,067,796
Hedge funds	2,624,572	-	2,624,572
Private equity	1,031,663	-	1,031,663
Total investments	\$ 31,949,619	\$ 19,956,610	\$ 51,906,229

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2021 and 2020

	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>

Note 5: Contributions Receivable

Contributions receivable at September 30, 2020 consisted of \$17,823,469, substantially all of which was due within one year. This balance was fully allowed for. There were no contributions receivable as of September 30, 2021.

Note 6: 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, 2021 and 2020, the balance of the beneficial interest in assets held by others was \$144,622 and \$126,343, respectively.

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2021 and 2020

Note 7: Property and Equipment

Property and equipment at September 30 consists of:

	2021	2020
Buildings and improvements	\$ 6,271,241	\$ 6,271,241
Furniture and equipment	5,011,766	5,007,636
	11,283,007	11,278,877
Less: Accumulated depreciation	(8,531,856)	(8,247,533)
	2,751,151	3,031,344
Land	711,623	711,623
	\$ 3,462,774	\$ 3,742,967

Note 8: Paycheck Protection Program Loan - Refundable Advance

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). In May 2021, both PPP loans were fully forgiven and recognized as grant revenue when the conditions were met. In February 2021, Kiwanis Children’s Fund and Kiwanis Youth Programs received a second round of PPP loans in the amount of \$236,417 and \$132,312, respectively. Both 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 February of 2027. The terms of the loans include a 1% fixed interest rate.

Note 9: 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.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

At September 30, 2021 and 2020, Kiwanis accrued \$597,554 and \$464,455 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, 2021 and 2020.

Note 10: 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, 2021 and 2020, of \$77,711 and \$84,837, 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, 2021 and 2020

Note 11: Net Assets With Donor Restrictions

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

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose		
Eliminate Project	\$ 491,069	\$ 377,154
Global Impact Fund	2,388,294	-
Scholarships, awards, grants and other programs	405,601	135,061
	<u>3,284,964</u>	<u>512,215</u>
Endowments		
Subject to endowment spending policy and appropriation		
USI Sustainability Fund	-	220,071
Key Club Youth Opportunities Fund	676,253	320,626
Community Impact Fund	4,975,500	-
Other restricted purposes	839,148	632,002
General use	-	3,053,757
	<u>6,490,901</u>	<u>4,226,456</u>
Subject to appropriation and expenditure when a specified event occurs		
Restricted by donors for		
USI Sustainability Fund	-	1,852,547
Key Club Youth Opportunities Fund	1,549,240	1,549,240
Community Impact Fund	4,547,785	-
Other	855,509	1,059,611
General use - Kiwanis Children's Fund	-	7,343,683
	<u>6,952,534</u>	<u>11,805,081</u>
Total endowments	<u>13,443,435</u>	<u>16,031,537</u>
	<u>\$ 16,728,399</u>	<u>\$ 16,543,752</u>

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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:

	2021	2020
Satisfaction of purpose restrictions		
Eliminate Project	\$ 646,637	\$ 1,803,576
Scholarships, awards, grants and other programs	372,878	914,239
	\$ 1,019,515	\$ 2,717,815

During 2021, 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 transfer \$3,000,000 from net assets with donor restrictions to net assets without donor restrictions. This \$3,000,000 transfer is presented as a component of transfers and other changes to net assets on the 2021 statement of activities. In addition, certain restricted and endowed funds were combined to create the Community Impact Fund.

Note 12: 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

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2021 and 2020

The composition of net assets by type of endowment fund at September 30, 2021 and 2020 was:

	With Donor Restrictions	
	2021	2020
	<u> </u>	<u> </u>
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 6,952,534	\$ 11,805,081
Accumulated investment gains	<u>6,490,901</u>	<u>4,226,456</u>
Total endowment funds	<u><u>\$ 13,443,435</u></u>	<u><u>\$ 16,031,537</u></u>

Changes in endowment net assets for the years ended September 30, 2021 and 2020 were:

	With Donor Restrictions	
	2021	2020
	<u> </u>	<u> </u>
Endowment net assets, October 1	\$ 16,031,537	\$ 15,792,322
Investment return	2,824,784	1,558,118
Contributions	29,435	17,476
Appropriation of endowment assets for expenditure	(175,390)	(828,348)
Transfers from donor restricted net assets to net assets without donor restrictions	(3,000,000)	-
Other changes to endowments	<u>(2,266,931)</u>	<u>(508,031)</u>
Endowment net assets, September 30	<u><u>\$ 13,443,435</u></u>	<u><u>\$ 16,031,537</u></u>

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, 2021 or 2020, 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.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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.

Note 13: 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.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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.

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, 2021 and 2020:

	2021				
	Fair Value	Fair Value Measurements Using			Investments Measured at NAV ^(A)
Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Investments					
Cash equivalents and money market funds	\$ 1,653,452	\$ 1,653,452	\$ -	\$ -	\$ -
Fixed income securities and funds					
Long-term bonds	969,006	882,291	86,715	-	-
Intermediate-term bonds	2,029,979	1,945,655	84,324	-	-
Short-term bonds	2,014,896	1,934,641	80,255	-	-
Fixed income blend	626,660	626,660	-	-	-
Total fixed income securities	<u>5,640,541</u>	<u>5,389,247</u>	<u>251,294</u>	<u>-</u>	<u>-</u>
Common and preferred stocks					
Large-cap stocks	18,857,477	18,857,477	-	-	-
Mid- and small-cap stocks	9,262,262	9,262,262	-	-	-
International stocks	9,926,486	9,926,486	-	-	-
Equities blend	1,841,980	1,841,980	-	-	-
Total common and preferred stocks	<u>39,888,205</u>	<u>39,888,205</u>	<u>-</u>	<u>-</u>	<u>-</u>
Alternative investment strategies	1,067,796	1,067,796	-	-	-
Hedge funds	2,624,572	-	-	-	2,624,572
Private equity	1,031,663	-	-	-	1,031,663
Total investments	<u>\$ 51,906,229</u>	<u>\$ 47,998,700</u>	<u>\$ 251,294</u>	<u>\$ -</u>	<u>\$ 3,656,235</u>
Beneficial interest in assets held by others	<u>\$ 144,622</u>	<u>\$ -</u>	<u>\$ 144,622</u>	<u>\$ -</u>	<u>\$ -</u>

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2021 and 2020

	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>

(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, 2021 and 2020

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, 2021				
Assets				
Investments				
Hedge funds	\$ 2,624,572	\$ -	Quarterly - annually	30 - 100 days
Private equity	1,031,663	823,750	Not eligible	n/a
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

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, 2021.

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 14: 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 January 2021, the line of credit was renewed for short-term borrowings. At September 30, 2021 and 2020, 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 2022.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

Note 15: Operating Leases

International rents office space under a long-term noncancellable operating lease, which expires September 30, 2030. Additionally, International rented various items of equipment under long-term noncancellable operating leases, which expired on January 20, 2021 and was not renewed. Rental expense for these leases included in the consolidated statements of activities for the years ended September 30, 2021 and 2020, was \$44,103 and \$38,057, respectively.

Minimum annual rental payments required under noncancellable operating leases, which have remaining terms in excess of one year as of September 30, 2021, were as follows:

2022	\$	28,795
2023		28,795
2024		28,795
2025		28,795
2026		28,795
Thereafter		114,462

Note 16: 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 for the Plan were \$303,113 and \$311,898 for the years ended September 30, 2021 and 2020, respectively.

Note 17: 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 International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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.

Note 18: 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, 2021 and 2020, comprise the following:

	2021	2020
Cash and cash equivalents	\$ 3,164,517	\$ 4,178,337
Redeemable investments	50,874,566	42,510,714
Receivables	141,120	286,476
Total liquid financial assets	54,180,203	46,975,527
Donor-imposed restrictions	3,284,964	512,215
Endowments	13,443,435	16,031,537
Total donor-imposed restrictions	16,728,399	16,543,752
Financial assets available to meet cash needs for general expenditures within one year	\$ 37,451,804	\$ 30,431,775

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 years ended September 30, 2021 and 2020, the level of liquidity and reserves was managed within the policy requirements.

Note 19: Other Discrete Event

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.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements September 30, 2021 and 2020

Note 20: Subsequent Events

Subsequent events have been evaluated through January 5, 2022, 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, 2021 (With Comparative Totals for 2020)

	Kiwanis International	Kiwanis Europe	Circle K International	Kiwanis Youth Programs	Kiwanis Children's Fund			Eliminations	Total	2020 Total
					Operations	Eliminate Project/MNT	Total			
Assets										
Cash and cash equivalents	\$ 1,500,691	\$ 48,840	\$ 273,872	\$ 134,068	\$ 1,207,046	\$ -	\$ 1,207,046	\$ -	\$ 3,164,517	\$ 4,178,337
Investments	31,949,619	-	-	3,270,426	19,956,610	-	19,956,610	(3,270,426)	51,906,229	43,147,066
Receivables	147,868	263	-	-	-	-	-	(7,011)	141,120	286,476
Contributions receivable, net	-	-	-	-	-	-	-	-	-	-
Merchandise inventory	431,011	-	-	-	-	-	-	-	431,011	527,641
Prepaid expenses and other	713,045	3,769	23,070	13,871	4,898	-	4,898	-	758,653	844,893
Cash value of life insurance contracts	-	-	-	-	107,094	-	107,094	-	107,094	298,887
Beneficial interest in assets held by others	-	-	-	-	144,622	-	144,622	-	144,622	126,343
Property and equipment, net	3,460,053	2,721	-	-	-	-	-	-	3,462,774	3,742,967
Advances to subsidiaries	864,880	-	43,791	26,584	414,470	-	414,470	(1,349,725)	-	-
Total assets	\$ 39,067,167	\$ 55,593	\$ 340,733	\$ 3,444,949	\$ 21,834,740	\$ -	\$ 21,834,740	\$ (4,627,162)	\$ 60,116,020	\$ 53,152,610
Liabilities										
Accounts payable	\$ 743,157	\$ 18,874	\$ 100	\$ 1,199	\$ 12,359	\$ -	\$ 12,359	\$ (7,011)	\$ 768,678	\$ 702,970
Accounts payable - subsidiaries	484,845	-	43,074	225,557	596,249	-	596,249	(1,349,725)	-	-
Funds invested for Kiwanis Youth Programs	3,270,426	-	-	-	-	-	-	(3,270,426)	-	-
Accrued liabilities and other	1,592,348	52,213	2,372	13,483	-	-	-	-	1,660,416	1,310,465
Paycheck Protection Program loan	-	-	-	132,312	236,417	-	236,417	-	368,729	391,825
Liability insurance accrual	597,554	-	-	-	-	-	-	-	597,554	464,455
Annuities payable	-	-	-	-	77,711	-	77,711	-	77,711	84,837
Total liabilities	6,688,330	71,087	45,546	372,551	922,736	-	922,736	(4,627,162)	3,473,088	2,954,552
Net Assets										
Without donor restrictions										
Operating	27,071,432	(15,494)	295,187	3,027,648	4,228,355	-	4,228,355	-	34,607,128	27,769,222
Publications	102,316	-	-	-	-	-	-	-	102,316	701,808
Liability insurance	5,205,089	-	-	-	-	-	-	-	5,205,089	5,183,276
Total net assets without donor restriction	32,378,837	(15,494)	295,187	3,027,648	4,228,355	-	4,228,355	-	39,914,533	33,654,306
With donor restrictions										
	-	-	-	44,750	16,683,649	-	16,683,649	-	16,728,399	16,543,752
Total net assets	32,378,837	(15,494)	295,187	3,072,398	20,912,004	-	20,912,004	-	56,642,932	50,198,058
Total liabilities and net assets	\$ 39,067,167	\$ 55,593	\$ 340,733	\$ 3,444,949	\$ 21,834,740	\$ -	\$ 21,834,740	\$ (4,627,162)	\$ 60,116,020	\$ 53,152,610

Kiwanis International and Subsidiaries
Consolidating Schedule - Statement of Financial Position Information
September 30, 2020

	Kiwanis International	Kiwanis Europe	Circle K International	Kiwanis Youth Programs	Kiwanis Children's Fund			Eliminations	2020 Total
					Operations	Eliminate Project/MNT	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
Investments	26,610,806	-	-	2,856,691	16,536,260	-	16,536,260	(2,856,691)	43,147,066
Receivables	272,183	49	(250)	14,494	-	-	-	-	286,476
Contributions receivable, net	-	-	-	-	-	-	-	-	-
Merchandise inventory	527,641	-	-	-	-	-	-	-	527,641
Prepaid expenses and other	785,011	-	15,422	44,380	80	-	80	-	844,893
Cash value of life insurance contracts	-	-	-	-	298,887	-	298,887	-	298,887
Beneficial interest in assets held by others	-	-	-	-	126,343	-	126,343	-	126,343
Property and equipment, net	3,740,729	2,238	-	-	-	-	-	-	3,742,967
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>
Liabilities									
Accounts payable	\$ 677,609	\$ 25,001	\$ -	\$ -	\$ 360	\$ -	\$ 360	\$ -	\$ 702,970
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
Paycheck Protection Program loan	-	-	-	151,625	240,200	-	240,200	-	391,825
Liability insurance accrual	464,455	-	-	-	-	-	-	-	464,455
Annuities payable	-	-	-	-	84,837	-	84,837	-	84,837
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>
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
Publications	701,808	-	-	-	-	-	-	-	701,808
Liability insurance	5,183,276	-	-	-	-	-	-	-	5,183,276
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>
With donor restrictions	-	-	10,000	54,750	16,101,848	377,154	16,479,002	-	16,543,752
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>
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>

Kiwanis International and Subsidiaries

Consolidating Schedule - Statement of Activities Information

Year Ended September 30, 2021 (With Comparative Totals for 2020)

	Kiwanis International	Kiwanis Europe	Circle K International	Kiwanis Youth Programs	Kiwanis Children's Fund			Eliminations	Total	2020 Total
					Eliminate Operations	Children's Fund Project/MNT	Children's Fund Total			
Revenue, Gains and Other Support										
Kiwanis membership dues and fees	\$ 8,521,046	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,521,046	\$ 9,319,413
Service Leadership Programs dues and fees	34,486	-	181,775	1,258,854	-	-	-	-	1,475,115	2,415,585
Magazine fees	851,568	-	-	-	-	-	-	-	851,568	901,771
Insurance fees	1,920,120	-	-	-	-	-	-	-	1,920,120	2,031,916
Meeting and registration fees	372,454	-	20,864	46,375	-	-	-	-	439,693	48,980
Sponsorship fees	193,610	-	-	-	-	-	-	-	193,610	253,594
Contributions	-	-	-	-	2,001,224	761,559	2,762,783	-	2,762,783	1,985,503
Grant income	-	-	-	151,625	241,396	-	241,396	(1,196)	391,825	20,517
Advertising	776	-	-	-	-	-	-	-	776	4,523
Management fee and subsidies	1,701,288	710,739	368,302	-	-	-	-	(2,780,329)	-	-
Retail income	996,364	514	-	-	-	-	-	-	996,878	1,065,033
Investment income, net of fees	326,657	-	71	38,511	246,060	-	246,060	-	611,299	593,828
Other income	150,189	1,094	6,333	66,121	23	-	23	-	223,760	46,683
Total revenue, gains and other support	15,068,558	712,347	577,345	1,561,486	2,488,703	761,559	3,250,262	(2,781,525)	18,388,473	18,687,346
Expenses and Losses										
Employment expenses	8,897,581	622,760	205,787	629,097	940,254	152,527	1,092,781	-	11,448,006	11,775,361
Travel and entertainment	276,561	27,781	26,351	67,364	8,755	498	9,253	-	407,310	829,140
Meeting expenses	682,949	119	17,846	162,894	2,643	-	2,643	-	866,451	337,673
Contract services expenses	1,222,330	49,088	36,247	225,981	62,245	15,000	77,245	-	1,610,891	1,643,101
Shipping, supplies and printing	649,166	3,330	2,586	47,319	207,664	6,648	214,312	-	916,713	1,137,091
Grants	1,183,887	-	-	150	468,999	436,060	905,059	(1,080,237)	1,008,859	1,805,556
Information technology and computer costs	1,034,524	28,210	1,671	2,155	46,630	-	46,630	-	1,113,190	1,178,445
Membership materials and advertising	300,870	-	16,069	162,943	41,918	7,108	49,026	-	528,908	850,991
Utilities and insurance	1,599,392	9,595	1,725	4,977	5,438	-	5,438	-	1,621,127	1,458,229
Taxes and fees	120,733	420	5,985	28,403	44,792	4,421	49,213	-	204,754	235,004
Cost of goods sold	528,700	-	-	-	-	-	-	-	528,700	480,236
Depreciation	399,244	761	-	-	-	-	-	-	400,005	460,824
Currency exchange and bad debt losses	(48,370)	1,695	-	-	2,958	1,007	3,965	-	(42,710)	5,749,176
Miscellaneous expenses	(3,726)	-	208,284	574,832	890,925	24,375	915,300	(1,701,288)	(6,598)	1,448
Total expenses and losses	16,843,841	743,759	522,551	1,906,115	2,723,221	647,644	3,370,865	(2,781,525)	20,605,606	27,942,275
Change in Net Assets Before Other Changes	(1,775,283)	(31,412)	54,794	(344,629)	(234,518)	113,915	(120,603)	-	(2,217,133)	(9,254,929)
Realized and unrealized gains on investments	4,892,544	-	-	581,918	3,191,146	-	3,191,146	-	8,665,608	4,371,479
Change in value of annuities payable	-	-	-	-	(3,601)	-	(3,601)	-	(3,601)	(6,326)
Transfers	-	-	-	-	491,069	(491,069)	-	-	-	-
Change in Net Assets	3,117,261	(31,412)	54,794	237,289	3,444,096	(377,154)	3,066,942	-	6,444,874	(4,889,776)
Net Assets, Beginning of Year	29,261,576	15,918	240,393	2,835,109	17,467,908	377,154	17,845,062	-	50,198,058	55,087,834
Net Assets, End of Year	\$ 32,378,837	\$ (15,494)	\$ 295,187	\$ 3,072,398	\$ 20,912,004	\$ -	\$ 20,912,004	\$ -	\$ 56,642,932	\$ 50,198,058

Kiwanis International and Subsidiaries

Consolidating Schedule - Statement of Activities Information

Year Ended September 30, 2020

	Kiwanis International	Kiwanis Europe	Circle K International	Kiwanis Youth Programs	Kiwanis Children's Fund			Eliminations	Total
					Eliminate Operations	Children's Project/MNT	Children's Total		
Revenue, Gains and Other Support									
Kiwanis membership dues and fees	\$ 9,319,413	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,319,413
Service Leadership Programs dues and fees	84,313	-	201,872	2,129,400	-	-	-	-	2,415,585
Magazine fees	901,771	-	-	-	-	-	-	-	901,771
Insurance fees	2,031,916	-	-	-	-	-	-	-	2,031,916
Meeting and registration fees	750	-	-	48,230	-	-	-	-	48,980
Sponsorship fees	253,594	-	-	-	-	-	-	-	253,594
Contributions	-	-	-	-	1,636,087	349,416	1,985,503	-	1,985,503
Grant income	-	20,517	10,000	10,000	1,608	-	1,608	(21,608)	20,517
Advertising	4,523	-	-	-	-	-	-	-	4,523
Management fee and subsidies	1,620,996	303,310	294,562	-	-	-	-	(2,218,868)	-
Retail income	1,065,033	-	-	-	-	-	-	-	1,065,033
Investment income, net of fees	302,639	-	52	34,558	255,881	698	256,579	-	593,828
Other income	36,841	542	1,154	7,706	440	-	440	-	46,683
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>
Expenses and Losses									
Employment expenses	9,309,625	271,885	200,324	631,924	657,247	704,356	1,361,603	-	11,775,361
Travel and entertainment	574,434	4,253	31,158	107,378	58,382	53,535	111,917	-	829,140
Meeting expenses	254,497	113	5,731	51,577	24,258	1,497	25,755	-	337,673
Contract services expenses	1,324,246	13,239	25,771	143,941	75,048	60,856	135,904	-	1,643,101
Shipping, supplies and printing	738,356	2,997	3,932	165,017	199,028	27,761	226,789	-	1,137,091
Grants	809,445	-	-	240	1,165,351	450,000	1,615,351	(619,480)	1,805,556
Information technology and computer costs	1,115,677	9,227	835	1,480	51,181	45	51,226	-	1,178,445
Membership materials and advertising	428,919	-	16,827	337,109	29,613	38,523	68,136	-	850,991
Utilities and insurance	1,436,889	5,503	2,172	4,478	9,187	-	9,187	-	1,458,229
Taxes and fees	141,995	6	6,979	34,081	40,137	11,806	51,943	-	235,004
Cost of goods sold	480,236	-	-	-	-	-	-	-	480,236
Depreciation	460,824	-	-	-	-	-	-	-	460,824
Currency exchange and bad debt losses	7,865	1,228	-	162	(10,163)	5,750,084	5,739,921	-	5,749,176
Miscellaneous expenses	(4,057)	-	148,092	586,413	436,800	455,196	891,996	(1,620,996)	1,448
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>
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)
Realized and unrealized gains on investments	2,702,652	-	-	306,376	1,362,451	-	1,362,451	-	4,371,479
Change in value of annuities payable	-	-	-	-	(6,326)	-	(6,326)	-	(6,326)
Change in Net Assets	1,245,490	15,918	65,819	472,470	514,072	(7,203,545)	(6,689,473)	-	(4,889,776)
Net Assets, Beginning of Year	<u>28,016,086</u>	<u>-</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>
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>

Kiwanis International and Subsidiaries
Schedule of Funds - Parent Only
Year Ended September 30, 2021 (With Comparative Totals for 2020)

	2021			Total	2020 Total
	Operating Fund	Publications Fund	Liability Insurance Fund		
Revenue, Gains and Other Support					
Kiwanis membership dues and fees	\$ 8,521,046	\$ -	\$ -	\$ 8,521,046	\$ 9,319,413
Service Leadership Programs dues and fees	34,486	-	-	34,486	84,313
Magazine fees	-	851,568	-	851,568	901,771
Insurance fees	-	-	1,920,120	1,920,120	2,031,916
Meeting and registration fees	372,454	-	-	372,454	750
Sponsorship fees	193,610	-	-	193,610	253,594
Advertising	-	776	-	776	4,523
Management fee and subsidies	1,701,288	-	-	1,701,288	1,620,996
Retail income	996,364	-	-	996,364	1,065,033
Investment income, net of fees	326,657	-	-	326,657	302,639
Other income	148,769	(20)	1,440	150,189	36,841
Total revenue, gains and other support	<u>12,294,674</u>	<u>852,324</u>	<u>1,921,560</u>	<u>15,068,558</u>	<u>15,621,789</u>
Expenses					
Employment expenses	8,174,545	470,749	252,287	8,897,581	9,309,625
Travel and entertainment	269,846	710	6,005	276,561	574,434
Meeting expenses	682,949	-	-	682,949	254,497
Contract services expenses	863,013	58,715	300,602	1,222,330	1,324,246
Shipping, supplies and printing	155,964	481,030	12,172	649,166	738,356
Grants	1,183,887	-	-	1,183,887	809,445
Information technology and computer costs	980,359	50,878	3,287	1,034,524	1,115,677
Membership materials and advertising	298,814	-	2,056	300,870	428,919
Utilities and insurance	219,926	9,116	1,370,350	1,599,392	1,436,889
Taxes and fees	131,385	(10,781)	129	120,733	141,995
Cost of goods sold	528,700	-	-	528,700	480,236
Depreciation	399,244	-	-	399,244	460,824
Currency exchange and bad debt losses	(48,773)	403	-	(48,370)	7,865
Miscellaneous expenses	(472,722)	390,996	78,000	(3,726)	(4,057)
Total expenses	<u>13,367,137</u>	<u>1,451,816</u>	<u>2,024,888</u>	<u>16,843,841</u>	<u>17,078,951</u>
Change in Net Assets Before Other Changes	(1,072,463)	(599,492)	(103,328)	(1,775,283)	(1,457,162)
Realized and unrealized gains on investments	4,892,544	-	-	4,892,544	2,702,652
Fund transfers	(125,141)	-	125,141	-	-
Change in Net Assets	3,694,940	(599,492)	21,813	3,117,261	1,245,490
Net Assets, Beginning 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>
Net Assets, End of Year	<u>\$ 27,071,432</u>	<u>\$ 102,316</u>	<u>\$ 5,205,089</u>	<u>\$ 32,378,837</u>	<u>\$ 29,261,576</u>

Kiwanis International and Subsidiaries
Schedule of Funds - Parent Only
Year Ended September 30, 2020

	2020			Total
	Operating Fund	Publications Fund	Liability Insurance Fund	
Revenue, Gains and Other Support				
Kiwanis membership dues and fees	\$ 9,319,413	\$ -	\$ -	\$ 9,319,413
Service Leadership Programs dues and fees	84,313	-	-	84,313
Magazine fees	-	901,771	-	901,771
Insurance fees	-	-	2,031,916	2,031,916
Meeting and registration fees	750	-	-	750
Sponsorship fees	253,594	-	-	253,594
Advertising	-	4,523	-	4,523
Management fee and subsidies	1,620,996	-	-	1,620,996
Retail income	1,065,033	-	-	1,065,033
Investment income, net of fees	302,639	-	-	302,639
Other income	28,112	-	8,729	36,841
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>
Expenses				
Employment expenses	8,580,310	490,836	238,479	9,309,625
Travel and entertainment	552,919	4,417	17,098	574,434
Meeting expenses	246,572	58	7,867	254,497
Contract services expenses	1,008,101	51,572	264,573	1,324,246
Shipping, supplies and printing	226,347	501,464	10,545	738,356
Grants	809,445	-	-	809,445
Information technology and computer costs	1,074,357	40,784	536	1,115,677
Membership materials and advertising	428,174	1,007	(262)	428,919
Utilities and insurance	235,293	9,116	1,192,480	1,436,889
Taxes and fees	151,168	(9,770)	597	141,995
Cost of goods sold	480,236	-	-	480,236
Depreciation	460,824	-	-	460,824
Currency exchange and bad debt losses	7,836	14	15	7,865
Miscellaneous expenses	(417,061)	344,004	69,000	(4,057)
Total expenses	<u>13,844,521</u>	<u>1,433,502</u>	<u>1,800,928</u>	<u>17,078,951</u>
Change in Net Assets Before Other Changes	(1,169,671)	(527,208)	239,717	(1,457,162)
Realized and unrealized gains on investments	2,702,652	-	-	2,702,652
Fund transfers	193,331	-	(193,331)	-
Change in Net Assets	1,726,312	(527,208)	46,386	1,245,490
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>
Net Assets, End of Year	<u>\$ 23,376,492</u>	<u>\$ 701,808</u>	<u>\$ 5,183,276</u>	<u>\$ 29,261,576</u>

Kiwanis International and Subsidiaries

Schedule of Functional Expenses - Kiwanis Children's Fund

Years Ended September 30, 2021 and 2020

	2021			2021			Total
	Program Services		Total Programs	Supporting Services		Total Supporting Services	
	Children's Fund	Eliminate/MNT		General and Administrative	Fundraising		
Employment expenses	\$ 146,340	\$ -	\$ 146,340	\$ 392,942	\$ 553,499	\$ 946,441	\$ 1,092,781
Travel and entertainment	173	-	173	6,498	2,582	9,080	9,253
Meeting expenses	-	-	-	2,493	150	2,643	2,643
Contract services expenses	3,347	-	3,347	71,856	2,042	73,898	77,245
Shipping, supplies and printing	20,884	-	20,884	12,675	180,753	193,428	214,312
Grants	468,999	436,060	905,059	-	-	-	905,059
Information technology and computer costs	11,488	-	11,488	1,424	33,718	35,142	46,630
Membership materials and advertising	19,639	-	19,639	1,380	28,007	29,387	49,026
Utilities and insurance	-	-	-	5,325	113	5,438	5,438
Taxes and fees	495	-	495	15,010	33,708	48,718	49,213
Miscellaneous expenses	111,113	-	111,113	288,074	516,113	804,187	915,300
Total expenses	782,478	436,060	1,218,538	797,677	1,350,685	2,148,362	3,366,900
Currency exchange and bad debt losses	-	-	-	3,965	-	3,965	3,965
Total expenses and losses	\$ 782,478	\$ 436,060	\$ 1,218,538	\$ 801,642	\$ 1,350,685	\$ 2,152,327	\$ 3,370,865

	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

Kiwanis International and Subsidiaries
Schedule of Revenues and Expenses - Kiwanis Youth Programs
Year Ended September 30, 2021
(With Comparative Totals for 2020)

	2021								2020 Total	
	General and Administrative	Key Club	Key Leader	Builder's Club	K-Kids	Key Club Convention	Leadership & Education	Other Programs		Total
Revenue, Gains and Other Support										
Service Leadership Programs dues and fees	\$ (174)	\$ 970,808	\$ -	\$ 164,915	\$ 123,305	\$ -	\$ -	\$ -	\$ 1,258,854	\$ 2,129,400
Meeting and registration fees	-	-	11,000	-	-	35,375	-	-	46,375	48,230
Grant income	151,625	-	-	-	-	-	-	-	151,625	10,000
Investment income, net of fees	38,511	-	-	-	-	-	-	-	38,511	34,558
Other income	-	65,262	-	599	260	-	-	-	66,121	7,706
Total revenue, gains and other support	<u>189,962</u>	<u>1,036,070</u>	<u>11,000</u>	<u>165,514</u>	<u>123,565</u>	<u>35,375</u>	<u>-</u>	<u>-</u>	<u>1,561,486</u>	<u>2,229,894</u>
Expenses and Losses										
Employment expenses	115,830	334,380	83,329	47,779	47,779	-	-	-	629,097	631,924
Travel and entertainment	7,549	1,398	500	-	-	22,326	-	35,591	67,364	107,378
Meeting expenses	2,992	178	-	-	-	149,987	-	9,737	162,894	51,577
Contract services expenses	-	90,449	4,136	54	35	3,907	127,400	-	225,981	143,941
Shipping, supplies and printing	103	10,272	501	18,181	17,390	829	-	43	47,319	165,017
Grants	-	-	-	-	150	-	-	-	150	240
Information technology and computer costs	382	1,459	-	228	-	-	-	86	2,155	1,480
Membership materials and advertising	69	112,272	195	27,440	22,787	180	-	-	162,943	337,109
Utilities and insurance	2,178	2,649	150	-	-	-	-	-	4,977	4,478
Taxes and fees	987	25,200	-	98	88	2,030	-	-	28,403	34,081
Currency exchange and bad debt losses	-	-	-	-	-	-	-	-	-	162
Miscellaneous expenses	70,195	290,641	69,996	63,000	63,000	18,000	-	-	574,832	586,413
Total expenses and losses	<u>200,285</u>	<u>868,898</u>	<u>158,807</u>	<u>156,780</u>	<u>151,229</u>	<u>197,259</u>	<u>127,400</u>	<u>45,457</u>	<u>1,906,115</u>	<u>2,063,800</u>
Change in Net Assets Before Other Changes	(10,323)	167,172	(147,807)	8,734	(27,664)	(161,884)	(127,400)	(45,457)	(344,629)	166,094
Realized and unrealized gains on investments	581,918	-	-	-	-	-	-	-	581,918	306,376
Change in Net Assets	<u>\$ 571,595</u>	<u>\$ 167,172</u>	<u>\$ (147,807)</u>	<u>\$ 8,734</u>	<u>\$ (27,664)</u>	<u>\$ (161,884)</u>	<u>\$ (127,400)</u>	<u>\$ (45,457)</u>	<u>\$ 237,289</u>	<u>\$ 472,470</u>

Kiwanis International and Subsidiaries

Eliminate Project/MNT Statements of Activities - Project History - Kiwanis Children's Fund Years Ended September 30, 2010 Through 2021

	Total Eliminate Project/MNT	September 30											
		2021	2020	2019	2018	2017	2016	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	\$ 83,889,342	\$ 761,559	\$ 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>83,885,439</u>	<u>761,559</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	41,271,064	436,060	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	5,777,303	91,514	693,651	596,851	603,754	514,353	458,885	1,025,837	639,973	604,170	394,965	153,350	-
Fundraising	14,795,355	120,070	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>83,394,370</u>	<u>647,644</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 Before Other Changes	491,069	113,915	(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
Transfer	(491,069)	(491,069)	-	-	-	-	-	-	-	-	-	-	-
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	-	377,154	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>\$ -</u>	<u>\$ -</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>