

Kiwanis International and Subsidiaries

Independent Auditor's Report and Consolidated Financial Statements

September 30, 2022 and 2021

Kiwanis International and Subsidiaries

September 30, 2022 and 2021

Contents

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

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	31
Consolidating Schedules - Statements of Activities Information.....	33
Schedules of Funds - Parent Only	35
Schedule of Functional Expenses - Kiwanis Children's Fund	37
Schedule of Revenues and Expenses - Kiwanis Youth Programs.....	38

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

Board of Directors
Kiwanis International
Indianapolis, Indiana

Opinion

We have audited the consolidated financial statements of Kiwanis International and Subsidiaries, which comprise the consolidated statements of financial position as of September 30, 2022 and 2021, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Kiwanis International and Subsidiaries as of September 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Kiwanis International and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Kiwanis International and Subsidiaries' ability to continue as a going concern within one year after the date that these consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Kiwanis International and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Kiwanis International and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. 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 supplementary information has been subjected 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

FORVIS,LLP

Indianapolis, Indiana
January 10, 2023

Kiwanis International and Subsidiaries
Consolidated Statements of Financial Position
September 30, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 2,727,895	\$ 3,164,517
Investments	36,698,524	51,906,229
Receivables	220,425	141,120
Merchandise inventory	444,337	431,011
Prepaid expenses and other	1,288,418	758,653
Cash value of life insurance contracts	120,993	107,094
Beneficial interest in assets held by others	-	144,622
Property and equipment, net	4,419,582	3,462,774
Total assets	\$ 45,920,174	\$ 60,116,020
Liabilities		
Accounts payable	\$ 1,283,195	\$ 768,678
Accrued liabilities and other	2,315,619	1,660,416
Paycheck Protection Program loans - refundable advance	-	368,729
Liability insurance accrual	718,086	597,554
Annuities payable	69,684	77,711
Total liabilities	4,386,584	3,473,088
Net Assets		
Without donor restrictions	28,795,458	39,914,533
With donor restrictions	12,738,132	16,728,399
Total net assets	41,533,590	56,642,932
Total liabilities and net assets	\$ 45,920,174	\$ 60,116,020

Kiwanis International and Subsidiaries
Consolidated Statement of Activities
Year Ended September 30, 2022
(With Comparative Totals for 2021)

	2022			2021 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenue, Gains and Other Support				
Kiwanis membership dues and fees	\$ 8,664,391	\$ -	\$ 8,664,391	\$ 8,521,046
Service Leadership Programs dues and fees	2,078,029	-	2,078,029	1,475,115
Magazine fees	869,033	-	869,033	851,568
Insurance fees	1,948,229	-	1,948,229	1,920,120
Meeting and registration fees	960,582	-	960,582	439,693
Sponsorship fees	208,480	-	208,480	193,610
Contributions	2,235,237	462,721	2,697,958	2,762,783
Grant income	391,009	-	391,009	391,825
Advertising	5,054	-	5,054	776
Retail income	1,237,526	-	1,237,526	996,878
Investment income, net of fees	691,940	303,856	995,796	611,299
Other income	59,908	-	59,908	223,760
	<u>19,349,418</u>	<u>766,577</u>	<u>20,115,995</u>	<u>18,388,473</u>
Net assets released from restrictions	1,486,799	(1,486,799)	-	-
Total revenue, gains and other support	<u>20,836,217</u>	<u>(720,222)</u>	<u>20,115,995</u>	<u>18,388,473</u>
Expenses and Losses				
Employment expenses	11,968,747	-	11,968,747	11,448,006
Travel and entertainment	1,288,785	-	1,288,785	407,310
Meeting expenses	1,648,208	-	1,648,208	866,451
Contract services expenses	1,753,579	-	1,753,579	1,610,891
Shipping, supplies and printing	841,514	-	841,514	916,713
Grants	1,601,763	-	1,601,763	1,008,859
Information technology and computer costs	1,547,747	-	1,547,747	1,113,190
Membership materials and advertising	701,842	-	701,842	528,908
Utilities and insurance	2,309,709	-	2,309,709	1,621,127
Taxes and fees	258,061	-	258,061	204,754
Cost of goods sold	572,115	-	572,115	528,700
Depreciation	380,764	-	380,764	400,005
Currency exchange and bad debt losses	215,734	-	215,734	(42,710)
Miscellaneous expenses	(41,329)	-	(41,329)	(6,598)
Total expenses and losses	<u>25,047,239</u>	<u>-</u>	<u>25,047,239</u>	<u>20,605,606</u>
Change in Net Assets Before Other Changes	(4,211,022)	(720,222)	(4,931,244)	(2,217,133)
Realized and unrealized gains (losses) on investments	(6,906,714)	(3,270,045)	(10,176,759)	8,665,608
Change in value of annuities payable	(1,339)	-	(1,339)	(3,601)
Change in Net Assets	(11,119,075)	(3,990,267)	(15,109,342)	6,444,874
Net Assets, Beginning of Year	<u>39,914,533</u>	<u>16,728,399</u>	<u>56,642,932</u>	<u>50,198,058</u>
Net Assets, End of Year	<u>\$ 28,795,458</u>	<u>\$ 12,738,132</u>	<u>\$ 41,533,590</u>	<u>\$ 56,642,932</u>

Kiwanis International and Subsidiaries
Consolidated Statement of Activities
Year Ended September 30, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support			
Kiwanis membership dues and fees	\$ 8,521,046	\$ -	\$ 8,521,046
Service Leadership Programs dues and fees	1,475,115	-	1,475,115
Magazine fees	851,568	-	851,568
Insurance fees	1,920,120	-	1,920,120
Meeting and registration fees	439,693	-	439,693
Sponsorship fees	193,610	-	193,610
Contributions	1,708,432	1,054,351	2,762,783
Grant income	391,825	-	391,825
Advertising	776	-	776
Retail income	996,878	-	996,878
Investment income, net of fees	411,133	200,166	611,299
Other income	223,760	-	223,760
	<u>17,133,956</u>	<u>1,254,517</u>	<u>18,388,473</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>
Expenses and Losses			
Employment expenses	11,448,006	-	11,448,006
Travel and entertainment	407,310	-	407,310
Meeting expenses	866,451	-	866,451
Contract services expenses	1,610,891	-	1,610,891
Shipping, supplies and printing	916,713	-	916,713
Grants	1,008,859	-	1,008,859
Information technology and computer costs	1,113,190	-	1,113,190
Membership materials and advertising	528,908	-	528,908
Utilities and insurance	1,621,127	-	1,621,127
Taxes and fees	204,754	-	204,754
Cost of goods sold	528,700	-	528,700
Depreciation	400,005	-	400,005
Currency exchange and bad debt losses	(43,717)	1,007	(42,710)
Miscellaneous expenses	(6,598)	-	(6,598)
Total expenses and losses	<u>20,604,599</u>	<u>1,007</u>	<u>20,605,606</u>
Change in Net Assets Before Other Changes	(2,451,128)	233,995	(2,217,133)
Realized and unrealized gains on investments	5,814,956	2,850,652	8,665,608
Change in value of annuities payable	(3,601)	-	(3,601)
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
Net Assets, Beginning of Year	<u>33,654,306</u>	<u>16,543,752</u>	<u>50,198,058</u>
Net Assets, End of Year	<u>\$ 39,914,533</u>	<u>\$ 16,728,399</u>	<u>\$ 56,642,932</u>

Kiwanis International and Subsidiaries
Consolidated Statement of Functional Expenses and Losses
Year Ended September 30, 2022
(With Comparative Totals for 2021)

	Programs									
	Membership Growth and Engagement	Communications	Service Leadership Programs	Publications	International Convention	Risk Management	Retail	Children's Fund	Other	Total Programs
Employment expenses	\$ 1,584,334	\$ 2,137,664	\$ 555,166	\$ 515,625	\$ -	\$ 324,392	\$ 187,804	\$ 195,708	\$ 591,405	\$ 6,092,098
Travel and entertainment	421,162	8,484	201,698	147	41,111	7,727	2,162	2,740	2,848	688,079
Meeting expenses	94,347	11,034	449,867	-	922,006	3,100	7,747	1,996	452	1,490,549
Contract services expenses	134,027	170,308	252,119	42,304	86,475	331,627	119,673	7,422	143,807	1,287,762
Shipping, supplies and printing	103,163	4,459	61,739	324,194	12,924	16,208	10,720	7,202	787	541,396
Grants	97,604	-	1,873	-	-	-	-	1,502,286	-	1,601,763
Information technology and computer costs	56,853	989,221	115,922	54,255	190	118,177	16,815	11,050	1,904	1,364,387
Membership materials and advertising	198,145	102,756	303,441	-	17,529	1,800	949	5,983	4,913	635,516
Utilities and insurance	32,843	39,287	5,211	9,116	1,330	2,055,066	900	-	3,472	2,147,225
Taxes and fees	45,629	606	34,825	(2,043)	22,515	608	33,240	729	694	136,803
Cost of goods sold	11,010	-	-	-	-	-	561,105	-	-	572,115
Depreciation	2,179	-	-	-	-	-	-	-	-	2,179
Miscellaneous expenses and internal allocations	-	-	(2,092)	393,996	-	78,996	(43)	-	-	470,857
Total expenses	2,781,296	3,463,819	1,979,769	1,337,594	1,104,080	2,937,701	941,072	1,735,116	750,282	17,030,729
Currency exchange and bad debt losses	215,971	-	-	32	-	-	214	-	-	216,217
Total expenses and losses	<u>\$ 2,997,267</u>	<u>\$ 3,463,819</u>	<u>\$ 1,979,769</u>	<u>\$ 1,337,626</u>	<u>\$ 1,104,080</u>	<u>\$ 2,937,701</u>	<u>\$ 941,286</u>	<u>\$ 1,735,116</u>	<u>\$ 750,282</u>	<u>\$ 17,246,946</u>

Kiwanis International and Subsidiaries
Consolidated Statement of Functional Expenses and Losses (Continued)
Year Ended September 30, 2022
(With Comparative Totals for 2021)

	Supporting Services					Total Supporting Services	Total	2021 Total
	General and Administrative	Membership Services	Governance and Executive Services	Building Services	Fundraising			
Employment expenses	\$ 3,174,011	\$ 752,638	\$ 970,347	\$ 372,504	\$ 607,149	\$ 5,876,649	\$ 11,968,747	\$ 11,448,006
Travel and entertainment	190,100	22,190	333,203	694	54,519	600,706	1,288,785	407,310
Meeting expenses	78,645	14,160	57,765	-	7,089	157,659	1,648,208	866,451
Contract services expenses	259,810	127	50,049	155,016	815	465,817	1,753,579	1,610,891
Shipping, supplies and printing	46,019	8,508	5,543	100,780	139,268	300,118	841,514	916,713
Grants	-	-	-	-	-	-	1,601,763	1,008,859
Information technology and computer costs	132,042	10,378	3,718	1,084	36,138	183,360	1,547,747	1,113,190
Membership materials and advertising	4,628	31,604	4,766	-	25,328	66,326	701,842	528,908
Utilities and insurance	18,509	1,945	42,592	98,638	800	162,484	2,309,709	1,621,127
Taxes and fees	63,832	1,086	921	127	55,292	121,258	258,061	204,754
Cost of goods sold	-	-	-	-	-	-	572,115	528,700
Depreciation	378,585	-	-	-	-	378,585	380,764	400,005
Miscellaneous expenses and internal allocations	(519,786)	-	7,600	-	-	(512,186)	(41,329)	(6,598)
Total expenses	3,826,395	842,636	1,476,504	728,843	926,398	7,800,776	24,831,505	20,648,316
Currency exchange and bad debt losses	(525)	-	42	-	-	(483)	215,734	(42,710)
Total expenses and losses	<u>\$ 3,825,870</u>	<u>\$ 842,636</u>	<u>\$ 1,476,546</u>	<u>\$ 728,843</u>	<u>\$ 926,398</u>	<u>\$ 7,800,293</u>	<u>\$ 25,047,239</u>	<u>\$ 20,605,606</u>

Kiwanis International and Subsidiaries
Consolidated Statement of Functional Expenses and Losses
Year Ended September 30, 2021

2021

	Programs										
	Membership Growth and Engagement	Communications	Service Leadership Programs	Publications	International Convention	Risk Management	Retail	Children's Fund	Eliminate	Other	Total Programs
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

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

Kiwanis International and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended September 30, 2022 and 2021

	2022	2021
Operating Activities		
Change in net assets	\$ (15,109,342)	\$ 6,444,874
Items not requiring (providing) cash		
Depreciation	380,764	400,005
Increase in cash value of life insurance contracts	(13,899)	(4,113)
Loss on disposals of property and equipment	-	2,975
Realized and unrealized (gains) losses on investments	10,176,759	(8,665,608)
Change in value of annuities payable	(8,027)	(7,126)
Forgiveness of Paycheck Protection Program loans	(368,729)	(391,825)
Proceeds from Paycheck Protection Program loans	-	368,729
Changes in		
Receivables	(79,305)	145,356
Merchandise inventory	(13,326)	96,630
Prepaid expenses and other	(529,765)	86,240
Beneficial interest in assets held by others	144,622	(18,279)
Accounts payable	514,517	65,708
Liability insurance accrual	120,532	133,099
Accrued liabilities and other	655,203	349,951
Net cash used in operating activities	(4,129,996)	(993,384)
Investing Activities		
Purchase of property and equipment	(1,337,572)	(122,787)
Purchase of investment securities	(24,742,099)	(27,786,877)
Sales and maturities of investment securities	29,773,045	27,693,322
Proceeds from life insurance contract	-	195,906
Net cash provided by (used in) investing activities	3,693,374	(20,436)
Net Decrease in Cash and Cash Equivalents	(436,622)	(1,013,820)
Cash and Cash Equivalents, Beginning of Year	3,164,517	4,178,337
Cash and Cash Equivalents, End of Year	\$ 2,727,895	\$ 3,164,517

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

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 was incorporated as Kiwanis International Foundation, 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 November 7, 2016, Kiwanis International Foundation assumed the business name Kiwanis Children's Fund.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

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, 2022 and 2021

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, 2022 and 2021, cash equivalents consisted primarily of money market accounts in both the United States and foreign countries.

At September 30, 2022, Kiwanis' cash accounts held in the United States exceeded federally insured limits by approximately \$1,239,000.

At September 30, 2022 and 2021, funds held outside the United States totaled \$759,063 and \$848,536, 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, 2022 and 2021

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, 2022 and 2021.

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 2021 and 2020 PPP loans of \$368,729 and \$391,825 as grant income in the years ended September 30, 2022 and 2021, respectively, 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, 2022 and 2021

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, 2022 and 2021, 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, 2022 and 2021

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 \$213,535 and \$194,388 for the years ended September 30, 2022 and 2021, respectively.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

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: 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.

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, 2022 and 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, 2022 and 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 International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

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, 2022, September 30, 2021 and October 1, 2021.

Kiwanis has amounts due from customers totaling \$220,425, \$141,120 and \$286,476 as of September 30, 2022, 2021, and 2020, respectively. Kiwanis expects to receive these amounts over the next calendar year.

Disaggregation of Revenue

The composition of contract revenue for the years ended September 30, 2022 and 2021 is as follows:

	2022	2021
Kiwanis membership dues and fees	\$ 8,664,391	\$ 8,521,046
Service Leadership Program dues and fees	2,078,029	1,475,115
Magazine fees	869,033	851,568
Insurance fees	1,948,229	1,920,120
Meeting and registration fees	960,582	439,693
Sponsorship fees	208,480	193,610
Advertising	5,054	776
Retail income	1,237,526	996,878
Other income	59,908	223,760
	\$ 16,031,232	\$ 14,622,566

The timing of recognition of contract revenue for the years ended September 30, 2022 and 2021 is as follows:

	2022	2021
Timing of revenue and recognition		
Sales at a point in time	\$ 2,471,550	\$ 1,854,717
Services transferred over time	13,559,682	12,767,849
	\$ 16,031,232	\$ 14,622,566

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2022 and 2021

Note 3: Investments

Investments at September 30 consisted of the following:

	Kiwanis International	2022 Kiwanis Children's Fund	Total
Money market funds	\$ 1,692,192	\$ 844,826	\$ 2,537,018
Fixed income securities and funds			
Long-term bonds	568,168	571,120	1,139,288
Intermediate-term bonds	668,272	513,024	1,181,296
Short-term bonds	759,507	784,788	1,544,295
Fixed income blend	161,375	60,040	221,415
Total fixed income securities	<u>2,157,322</u>	<u>1,928,972</u>	<u>4,086,294</u>
Equity securities and funds			
Large-cap stocks	8,780,642	7,479,930	16,260,572
Mid- and small-cap stocks	2,938,812	2,309,397	5,248,209
International stocks	2,889,499	1,611,893	4,501,392
Equities blend	265,972	305,340	571,312
Total equity securities and funds	<u>14,874,925</u>	<u>11,706,560</u>	<u>26,581,485</u>
Alternative investment strategies	-	719,864	719,864
Hedge funds	1,751,190	-	1,751,190
Private equity	1,022,673	-	1,022,673
Total investments	<u>\$ 21,498,302</u>	<u>\$ 15,200,222</u>	<u>\$ 36,698,524</u>

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2022 and 2021

	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	<u>3,281,708</u>	<u>2,358,833</u>	<u>5,640,541</u>
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	<u>24,254,921</u>	<u>15,633,284</u>	<u>39,888,205</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>\$ 31,949,619</u>	<u>\$ 19,956,610</u>	<u>\$ 51,906,229</u>

The following schedule summarizes the investment return for the years ended September 30:

	2022	2021
Interest and dividends, net of fees	\$ 995,796	\$ 611,299
Realized gains	1,663,941	7,560,083
Unrealized gains (losses)	<u>(11,840,700)</u>	<u>1,105,525</u>
Total investment return	<u>\$ (9,180,963)</u>	<u>\$ 9,276,907</u>

Note 4: Beneficial Interest in Assets Held by Others

Kiwanis Children's Fund had agreements with the Kiwanis Foundations of Canada, Jamaica and Japan that provided for contributions made to Kiwanis Children's Fund to be held in those countries by the respective local foundations. These agreements were terminated during fiscal year 2022. At September 30, 2022 and 2021, the balance of the beneficial interest in assets held by others was \$0 and \$144,622, respectively.

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2022 and 2021

Note 5: Property and Equipment

Property and equipment at September 30 consists of:

	2022	2021
Buildings and improvements	\$ 6,341,121	\$ 6,271,241
Furniture and equipment	6,015,702	5,011,766
	12,356,823	11,283,007
Less: Accumulated depreciation	(8,648,864)	(8,531,856)
	3,707,959	2,751,151
Land	711,623	711,623
	\$ 4,419,582	\$ 3,462,774

Note 6: 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. In January 2022, both PPP loans were fully forgiven and recognized as grant revenue when the conditions were met.

Note 7: Liability Insurance Program

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

At September 30, 2022 and 2021, Kiwanis accrued \$718,086 and \$597,554 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 International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

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, 2022 and 2021.

Note 8: Annuities Payable

Kiwanis Children's Fund has been the recipient of several gift annuities, which require future payments to the donor or their named beneficiaries. The assets received from the donor are recorded at fair value. Kiwanis Children's Fund has recorded a liability at September 30, 2022 and 2021, of \$69,684 and \$77,711, 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%.

Note 9: Net Assets With Donor Restrictions

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

	2022	2021
Subject to expenditure for specified purpose		
Eliminate Project	\$ 349,586	\$ 491,069
Global Impact Fund	1,824,717	2,388,294
Scholarships, awards, grants and other programs	221,777	405,601
	2,396,080	3,284,964
Endowments		
Subject to endowment spending policy and appropriation		
Key Club Youth Opportunities Fund	180,852	676,253
Community Impact Fund	2,753,482	4,975,500
Other restricted purposes	449,184	839,148
	3,383,518	6,490,901
Subject to appropriation and expenditure when a specified event occurs		
Restricted by donors for		
Key Club Youth Opportunities Fund	1,549,240	1,549,240
Community Impact Fund	4,552,785	4,547,785
Other	856,509	855,509
	6,958,534	6,952,534
Total endowments	10,342,052	13,443,435
	\$ 12,738,132	\$ 16,728,399

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

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:

	2022	2021
Satisfaction of purpose restrictions		
Eliminate Project	\$ -	\$ 646,637
Scholarships, awards, grants and other programs	1,486,799	372,878
	\$ 1,486,799	\$ 1,019,515

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 consolidated statement of activities. In addition, certain restricted and endowed funds were combined to create the Community Impact Fund.

Note 10: Endowment

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

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

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

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2022 and 2021

The composition of net assets by type of endowment fund at September 30, 2022 and 2021 was:

	With Donor Restrictions	
	2022	2021
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 6,958,534	\$ 6,952,534
Accumulated investment gains	<u>3,383,518</u>	<u>6,490,901</u>
Total endowment funds	<u><u>\$ 10,342,052</u></u>	<u><u>\$ 13,443,435</u></u>

Changes in endowment net assets for the years ended September 30, 2022 and 2021 were:

	With Donor Restrictions	
	2022	2021
Endowment net assets, October 1	\$ 13,443,435	\$ 16,031,537
Investment return	(2,517,313)	2,824,784
Contributions	24,819	29,435
Appropriation of endowment assets for expenditure	(483,640)	(175,390)
Transfers from donor restricted net assets to net assets without donor restrictions	-	(3,000,000)
Other changes to endowments	<u>(125,249)</u>	<u>(2,266,931)</u>
Endowment net assets, September 30	<u><u>\$ 10,342,052</u></u>	<u><u>\$ 13,443,435</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, 2022 and 2021, 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 International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

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

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

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

Note 11: Disclosures About Fair Value of Assets and Liabilities

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

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

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

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

Investments

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

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

Beneficial Interest in Assets Held by Others

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

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

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, 2022 and 2021:

	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)
September 30, 2022					
Investments					
Cash equivalents and money market funds	\$ 2,537,018	\$ 2,537,018	\$ -	\$ -	\$ -
Fixed income securities and funds					
Long-term bonds	1,139,288	1,139,288	-	-	-
Intermediate-term bonds	1,181,296	1,181,296	-	-	-
Short-term bonds	1,544,295	1,544,295	-	-	-
Fixed income blend	221,415	221,415	-	-	-
Total fixed income securities	<u>4,086,294</u>	<u>4,086,294</u>	<u>-</u>	<u>-</u>	<u>-</u>
Common and preferred stocks					
Large-cap stocks	16,260,572	16,260,572	-	-	-
Mid- and small-cap stocks	5,248,209	5,248,209	-	-	-
International stocks	4,501,392	4,501,392	-	-	-
Equities blend	571,312	571,312	-	-	-
Total common and preferred stocks	<u>26,581,485</u>	<u>26,581,485</u>	<u>-</u>	<u>-</u>	<u>-</u>
Alternative investment strategies	719,864	719,864	-	-	-
Hedge funds	1,751,190	-	-	-	1,751,190
Private equity	1,022,673	-	-	-	1,022,673
Total investments	<u>\$ 36,698,524</u>	<u>\$ 33,924,661</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,773,863</u>
September 30, 2021					
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>

(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, 2022 and 2021

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, 2022				
Assets				
Investments				
Hedge funds	\$ 1,751,190	\$ -	Quarterly - annually	30 - 100 days
Private equity	1,022,673	730,163	Not eligible	n/a
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

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.

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

Note 12: Line of Credit

International established a bank loan agreement in September 2017, which provides an unsecured \$2,000,000 line of credit for short-term borrowings to replace the guidance line of credit, which expired in February 2017. In March 2022, the line of credit was renewed for short-term borrowings. At September 30, 2022 and 2021, there were no borrowings outstanding under the line of credit. Interest on the line of credit borrowings is payable monthly at 3.50%. The line of credit expires in March 2023.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

Note 13: 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, 2022 and 2021, was \$28,021 and \$44,103, respectively.

Minimum annual rental payments required under noncancellable operating leases, which have remaining terms in excess of one year as of September 30, 2022, were as follows:

2023	\$	23,784
2024		23,784
2025		23,784
2026		23,784
2027		23,784
Thereafter		71,353

Note 14: Employee Benefit Plans

International has a defined-contribution 401(k) retirement savings plan covering substantially all employees (including employees who provide services for Kiwanis Youth Programs, Circle K International and Kiwanis Children's Fund). International makes matching contributions up to a maximum of 4% of the compensation that each employee contributes to the Plan. Kiwanis' contributions for the Plan were \$310,496 and \$303,113 for the years ended September 30, 2022 and 2021, respectively.

Note 15: Significant Estimates and Concentrations

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

Litigation

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

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

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2022 and 2021

Note 16: Liquidity and Availability

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, 2022 and 2021, the level of liquidity and reserves was managed within the policy requirements.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of September 30, 2022 and 2021, comprise the following:

	2022	2021
Cash and cash equivalents	\$ 2,727,895	\$ 3,164,517
Redeemable investments	35,675,851	50,874,566
Receivables	220,425	141,120
Total liquid financial assets	38,624,171	54,180,203
Donor-imposed restrictions	2,396,080	3,284,964
Endowments	10,342,052	13,443,435
Total donor-imposed restrictions	12,738,132	16,728,399
Financial assets available to meet cash needs for general expenditures within one year	\$ 25,886,039	\$ 37,451,804

Note 17: Subsequent Events

Effective October 1, 2022, International established a captive insurance company (Captive) to insure International's D&O and general liability exposure, subject to per occurrence and aggregate limits. The Captive also assumed the D&O and general liability claims of International's liability insurance program. Kiwanis anticipates consolidating the financial results of the Captive into the 2023 financial statements.

Subsequent events have been evaluated through January 10, 2023, 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, 2022 (With Comparative Totals for 2021)

	Kiwanis International	Kiwanis Europe	Circle K International	Kiwanis Youth Programs	Kiwanis Children's Fund	Eliminations	Total	2021 Total
Assets								
Cash and cash equivalents	\$ 1,667,087	\$ 73,198	\$ 152,636	\$ 194,991	\$ 639,983	\$ -	\$ 2,727,895	\$ 3,164,517
Investments	21,498,302	-	-	1,963,613	15,200,222	(1,963,613)	36,698,524	51,906,229
Receivables	179,771	37,577	-	3,077	-	-	220,425	141,120
Merchandise inventory	444,337	-	-	-	-	-	444,337	431,011
Prepaid expenses and other	1,084,238	4,151	5,983	186,988	7,058	-	1,288,418	758,653
Cash value of life insurance contracts	-	-	-	-	120,993	-	120,993	107,094
Beneficial interest in assets held by others	-	-	-	-	-	-	-	144,622
Property and equipment, net	4,410,882	8,700	-	-	-	-	4,419,582	3,462,774
Advances to subsidiaries	1,833,137	53,635	145,507	803,850	677,652	(3,513,781)	-	-
Total assets	<u>\$ 31,117,754</u>	<u>\$ 177,261</u>	<u>\$ 304,126</u>	<u>\$ 3,152,519</u>	<u>\$ 16,645,908</u>	<u>\$ (5,477,394)</u>	<u>\$ 45,920,174</u>	<u>\$ 60,116,020</u>
Liabilities								
Accounts payable	\$ 1,289,104	\$ 23,741	\$ (110)	\$ 1,231	\$ (30,771)	\$ -	\$ 1,283,195	\$ 768,678
Accounts payable - subsidiaries	1,659,736	388	150,892	871,965	830,800	(3,513,781)	-	-
Funds invested for Kiwanis Youth Programs	1,963,613	-	-	-	-	(1,963,613)	-	-
Accrued liabilities and other	2,180,954	61,574	265	72,826	-	-	2,315,619	1,660,416
Paycheck Protection Program loan	-	-	-	-	-	-	-	368,729
Liability insurance accrual	718,086	-	-	-	-	-	718,086	597,554
Annuities payable	-	-	-	-	69,684	-	69,684	77,711
Total liabilities	<u>7,811,493</u>	<u>85,703</u>	<u>151,047</u>	<u>946,022</u>	<u>869,713</u>	<u>(5,477,394)</u>	<u>4,386,584</u>	<u>3,473,088</u>
Net Assets								
Without donor restrictions								
Operating	18,435,075	91,558	153,079	2,174,214	3,070,346	-	23,924,272	34,607,128
Publications	(361,223)	-	-	-	-	-	(361,223)	102,316
Liability insurance	5,232,409	-	-	-	-	-	5,232,409	5,205,089
Total net assets without donor restriction	<u>23,306,261</u>	<u>91,558</u>	<u>153,079</u>	<u>2,174,214</u>	<u>3,070,346</u>	<u>-</u>	<u>28,795,458</u>	<u>39,914,533</u>
With donor restrictions	-	-	-	32,283	12,705,849	-	12,738,132	16,728,399
Total net assets	<u>23,306,261</u>	<u>91,558</u>	<u>153,079</u>	<u>2,206,497</u>	<u>15,776,195</u>	<u>-</u>	<u>41,533,590</u>	<u>56,642,932</u>
Total liabilities and net assets	<u>\$ 31,117,754</u>	<u>\$ 177,261</u>	<u>\$ 304,126</u>	<u>\$ 3,152,519</u>	<u>\$ 16,645,908</u>	<u>\$ (5,477,394)</u>	<u>\$ 45,920,174</u>	<u>\$ 60,116,020</u>

Kiwanis International and Subsidiaries
Consolidating Schedule - Statement of Financial Position Information
September 30, 2021

	Kiwanis International	Kiwanis Europe	Circle K International	Kiwanis Youth Programs	Kiwanis Children's Fund			Eliminations	2021 Total
					Eliminate Operations	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
Investments	31,949,619	-	-	3,270,426	19,956,610	-	19,956,610	(3,270,426)	51,906,229
Receivables	147,868	263	-	-	-	-	-	(7,011)	141,120
Merchandise inventory	431,011	-	-	-	-	-	-	-	431,011
Prepaid expenses and other	713,045	3,769	23,070	13,871	4,898	-	4,898	-	758,653
Cash value of life insurance contracts	-	-	-	-	107,094	-	107,094	-	107,094
Beneficial interest in assets held by others	-	-	-	-	144,622	-	144,622	-	144,622
Property and equipment, net	3,460,053	2,721	-	-	-	-	-	-	3,462,774
Advances to subsidiaries	864,880	-	43,791	26,584	414,470	-	414,470	(1,349,725)	-
Total assets	<u>\$ 39,067,167</u>	<u>\$ 55,593</u>	<u>\$ 340,733</u>	<u>\$ 3,444,949</u>	<u>\$ 21,834,740</u>	<u>\$ -</u>	<u>\$ 21,834,740</u>	<u>\$ (4,627,162)</u>	<u>\$ 60,116,020</u>
Liabilities									
Accounts payable	\$ 743,157	\$ 18,874	\$ 100	\$ 1,199	\$ 12,359	\$ -	\$ 12,359	\$ (7,011)	\$ 768,678
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
Paycheck Protection Program loan	-	-	-	132,312	236,417	-	236,417	-	368,729
Liability insurance accrual	597,554	-	-	-	-	-	-	-	597,554
Annuities payable	-	-	-	-	77,711	-	77,711	-	77,711
Total liabilities	<u>6,688,330</u>	<u>71,087</u>	<u>45,546</u>	<u>372,551</u>	<u>922,736</u>	<u>-</u>	<u>922,736</u>	<u>(4,627,162)</u>	<u>3,473,088</u>
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
Publications	102,316	-	-	-	-	-	-	-	102,316
Liability insurance	5,205,089	-	-	-	-	-	-	-	5,205,089
Total net assets without donor restriction	<u>32,378,837</u>	<u>(15,494)</u>	<u>295,187</u>	<u>3,027,648</u>	<u>4,228,355</u>	<u>-</u>	<u>4,228,355</u>	<u>-</u>	<u>39,914,533</u>
With donor restrictions	-	-	-	44,750	16,683,649	-	16,683,649	-	16,728,399
Total net assets	<u>32,378,837</u>	<u>(15,494)</u>	<u>295,187</u>	<u>3,072,398</u>	<u>20,912,004</u>	<u>-</u>	<u>20,912,004</u>	<u>-</u>	<u>56,642,932</u>
Total liabilities and net assets	<u>\$ 39,067,167</u>	<u>\$ 55,593</u>	<u>\$ 340,733</u>	<u>\$ 3,444,949</u>	<u>\$ 21,834,740</u>	<u>\$ -</u>	<u>\$ 21,834,740</u>	<u>\$ (4,627,162)</u>	<u>\$ 60,116,020</u>

Kiwanis International and Subsidiaries
Consolidating Schedule - Statement of Activities Information
Year Ended September 30, 2022 (With Comparative Totals for 2021)

	Kiwanis International	Kiwanis Europe	Circle K International	Kiwanis Youth Programs	Kiwanis Children's Fund	Eliminations	Total	2021 Total
Revenue, Gains and Other Support								
Kiwanis membership dues and fees	\$ 8,664,391	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,664,391	\$ 8,521,046
Service Leadership Programs dues and fees	50,225	-	163,311	1,864,493	-	-	2,078,029	1,475,115
Magazine fees	869,033	-	-	-	-	-	869,033	851,568
Insurance fees	1,948,229	-	-	-	-	-	1,948,229	1,920,120
Meeting and registration fees	737,206	-	47,675	163,976	11,725	-	960,582	439,693
Sponsorship fees	208,480	-	-	-	-	-	208,480	193,610
Contributions	-	-	-	56	2,697,902	-	2,697,958	2,762,783
Grant income	60,792	22,280	40,396	193,104	237,830	(163,393)	391,009	391,825
Advertising	5,054	-	-	-	-	-	5,054	776
Management fee and subsidies	1,776,984	890,297	406,124	-	-	(3,073,405)	-	-
Retail income	1,238,005	(479)	-	-	-	-	1,237,526	996,878
Investment income, net of fees	579,316	-	212	69,117	347,151	-	995,796	611,299
Other income	56,539	2,106	-	1,263	-	-	59,908	223,760
Total revenue, gains and other support	<u>16,194,254</u>	<u>914,204</u>	<u>657,718</u>	<u>2,292,009</u>	<u>3,294,608</u>	<u>(3,236,798)</u>	<u>20,115,995</u>	<u>18,388,473</u>
Expenses and Losses								
Employment expenses	9,307,245	584,023	238,646	686,230	1,152,603	-	11,968,747	11,448,006
Travel and entertainment	784,823	72,503	93,782	214,813	122,864	-	1,288,785	407,310
Meeting expenses	1,147,967	4,025	117,862	345,532	32,822	-	1,648,208	866,451
Contract services expenses	1,353,360	58,389	76,265	188,944	76,621	-	1,753,579	1,610,891
Shipping, supplies and printing	616,836	7,240	4,879	58,461	154,098	-	841,514	916,713
Grants	1,395,438	-	-	1,873	1,664,266	(1,459,814)	1,601,763	1,008,859
Information technology and computer costs	1,342,017	31,148	45,343	72,185	57,054	-	1,547,747	1,113,190
Membership materials and advertising	364,558	634	9,554	294,137	32,959	-	701,842	528,908
Utilities and insurance	2,283,028	12,259	2,261	5,530	6,631	-	2,309,709	1,621,127
Taxes and fees	155,016	920	5,072	30,673	66,380	-	258,061	204,754
Cost of goods sold	572,115	-	-	-	-	-	572,115	528,700
Depreciation	378,585	2,179	-	-	-	-	380,764	400,005
Currency exchange and bad debt losses	182,427	33,832	-	-	(525)	-	215,734	(42,710)
Miscellaneous expenses	(39,240)	-	206,162	583,734	984,999	(1,776,984)	(41,329)	(6,598)
Total expenses and losses	<u>19,844,175</u>	<u>807,152</u>	<u>799,826</u>	<u>2,482,112</u>	<u>4,350,772</u>	<u>(3,236,798)</u>	<u>25,047,239</u>	<u>20,605,606</u>
Change in Net Assets Before Other Changes	(3,649,921)	107,052	(142,108)	(190,103)	(1,056,164)	-	(4,931,244)	(2,217,133)
Realized and unrealized gains (losses) on investments	(5,422,655)	-	-	(675,798)	(4,078,306)	-	(10,176,759)	8,665,608
Change in value of annuities payable	-	-	-	-	(1,339)	-	(1,339)	(3,601)
Change in Net Assets	(9,072,576)	107,052	(142,108)	(865,901)	(5,135,809)	-	(15,109,342)	6,444,874
Net Assets, Beginning of Year	<u>32,378,837</u>	<u>(15,494)</u>	<u>295,187</u>	<u>3,072,398</u>	<u>20,912,004</u>	<u>-</u>	<u>56,642,932</u>	<u>50,198,058</u>
Net Assets, End of Year	<u>\$ 23,306,261</u>	<u>\$ 91,558</u>	<u>\$ 153,079</u>	<u>\$ 2,206,497</u>	<u>\$ 15,776,195</u>	<u>\$ -</u>	<u>\$ 41,533,590</u>	<u>\$ 56,642,932</u>

Kiwanis International and Subsidiaries

Consolidating Schedule - Statement of Activities Information

Year Ended September 30, 2021

	Kiwanis International	Kiwanis Europe	Circle K International	Kiwanis Youth Programs	Kiwanis Children's Fund			Eliminations	Total
					Operations	Eliminate Project/MNT	Children's Total		
Revenue, Gains and Other Support									
Kiwanis membership dues and fees	\$ 8,521,046	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,521,046
Service Leadership Programs dues and fees	34,486	-	181,775	1,258,854	-	-	-	-	1,475,115
Magazine fees	851,568	-	-	-	-	-	-	-	851,568
Insurance fees	1,920,120	-	-	-	-	-	-	-	1,920,120
Meeting and registration fees	372,454	-	20,864	46,375	-	-	-	-	439,693
Sponsorship fees	193,610	-	-	-	-	-	-	-	193,610
Contributions	-	-	-	-	2,001,224	761,559	2,762,783	-	2,762,783
Grant income	-	-	-	151,625	241,396	-	241,396	(1,196)	391,825
Advertising	776	-	-	-	-	-	-	-	776
Management fee and subsidies	1,701,288	710,739	368,302	-	-	-	-	(2,780,329)	-
Retail income	996,364	514	-	-	-	-	-	-	996,878
Investment income, net of fees	326,657	-	71	38,511	246,060	-	246,060	-	611,299
Other income	150,189	1,094	6,333	66,121	23	-	23	-	223,760
Total revenue, gains and other support	<u>15,068,558</u>	<u>712,347</u>	<u>577,345</u>	<u>1,561,486</u>	<u>2,488,703</u>	<u>761,559</u>	<u>3,250,262</u>	<u>(2,781,525)</u>	<u>18,388,473</u>
Expenses and Losses									
Employment expenses	8,897,581	622,760	205,787	629,097	940,254	152,527	1,092,781	-	11,448,006
Travel and entertainment	276,561	27,781	26,351	67,364	8,755	498	9,253	-	407,310
Meeting expenses	682,949	119	17,846	162,894	2,643	-	2,643	-	866,451
Contract services expenses	1,222,330	49,088	36,247	225,981	62,245	15,000	77,245	-	1,610,891
Shipping, supplies and printing	649,166	3,330	2,586	47,319	207,664	6,648	214,312	-	916,713
Grants	1,183,887	-	-	150	468,999	436,060	905,059	(1,080,237)	1,008,859
Information technology and computer costs	1,034,524	28,210	1,671	2,155	46,630	-	46,630	-	1,113,190
Membership materials and advertising	300,870	-	16,069	162,943	41,918	7,108	49,026	-	528,908
Utilities and insurance	1,599,392	9,595	1,725	4,977	5,438	-	5,438	-	1,621,127
Taxes and fees	120,733	420	5,985	28,403	44,792	4,421	49,213	-	204,754
Cost of goods sold	528,700	-	-	-	-	-	-	-	528,700
Depreciation	399,244	761	-	-	-	-	-	-	400,005
Currency exchange and bad debt losses	(48,370)	1,695	-	-	2,958	1,007	3,965	-	(42,710)
Miscellaneous expenses	(3,726)	-	208,284	574,832	890,925	24,375	915,300	(1,701,288)	(6,598)
Total expenses and losses	<u>16,843,841</u>	<u>743,759</u>	<u>522,551</u>	<u>1,906,115</u>	<u>2,723,221</u>	<u>647,644</u>	<u>3,370,865</u>	<u>(2,781,525)</u>	<u>20,605,606</u>
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)
Realized and unrealized gains on investments	4,892,544	-	-	581,918	3,191,146	-	3,191,146	-	8,665,608
Change in value of annuities payable	-	-	-	-	(3,601)	-	(3,601)	-	(3,601)
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
Net Assets, Beginning 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>
Net Assets, End of Year	<u>\$ 32,378,837</u>	<u>\$ (15,494)</u>	<u>\$ 295,187</u>	<u>\$ 3,072,398</u>	<u>\$ 20,912,004</u>	<u>\$ -</u>	<u>\$ 20,912,004</u>	<u>\$ -</u>	<u>\$ 56,642,932</u>

Kiwanis International and Subsidiaries
Schedule of Funds - Parent Only
Year Ended September 30, 2022 (With Comparative Totals for 2021)

	2022				2021 Total
	Operating Fund	Publications Fund	Liability Insurance Fund	Total	
Revenue, Gains and Other Support					
Kiwanis membership dues and fees	\$ 8,664,391	\$ -	\$ -	\$ 8,664,391	\$ 8,521,046
Service Leadership Programs dues and fees	50,225	-	-	50,225	34,486
Magazine fees	-	869,033	-	869,033	851,568
Insurance fees	-	-	1,948,229	1,948,229	1,920,120
Meeting and registration fees	737,206	-	-	737,206	372,454
Sponsorship fees	208,480	-	-	208,480	193,610
Grant income	60,792	-	-	60,792	-
Advertising	-	5,054	-	5,054	776
Management fee and subsidies	1,776,984	-	-	1,776,984	1,701,288
Retail income	1,238,005	-	-	1,238,005	996,364
Investment income, net of fees	579,316	-	-	579,316	326,657
Other income	47,567	-	8,972	56,539	150,189
Total revenue, gains and other support	<u>13,362,966</u>	<u>874,087</u>	<u>1,957,201</u>	<u>16,194,254</u>	<u>15,068,558</u>
Expenses					
Employment expenses	8,467,228	515,625	324,392	9,307,245	8,897,581
Travel and entertainment	776,949	147	7,727	784,823	276,561
Meeting expenses	1,144,867	-	3,100	1,147,967	682,949
Contract services expenses	979,429	42,304	331,627	1,353,360	1,222,330
Shipping, supplies and printing	276,434	324,194	16,208	616,836	649,166
Grants	1,395,438	-	-	1,395,438	1,183,887
Information technology and computer costs	1,169,585	54,255	118,177	1,342,017	1,034,524
Membership materials and advertising	362,758	-	1,800	364,558	300,870
Utilities and insurance	218,846	9,116	2,055,066	2,283,028	1,599,392
Taxes and fees	156,451	(2,043)	608	155,016	120,733
Cost of goods sold	572,115	-	-	572,115	528,700
Depreciation	378,585	-	-	378,585	399,244
Currency exchange and bad debt losses	182,395	32	-	182,427	(48,370)
Miscellaneous expenses	(512,232)	393,996	78,996	(39,240)	(3,726)
Total expenses	<u>15,568,848</u>	<u>1,337,626</u>	<u>2,937,701</u>	<u>19,844,175</u>	<u>16,843,841</u>
Change in Net Assets Before Other Changes	(2,205,882)	(463,539)	(980,500)	(3,649,921)	(1,775,283)
Realized and unrealized gains (losses) on investments	(5,422,655)	-	-	(5,422,655)	4,892,544
Fund transfers	(1,007,820)	-	1,007,820	-	-
Change in Net Assets	(8,636,357)	(463,539)	27,320	(9,072,576)	3,117,261
Net Assets, Beginning 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>
Net Assets, End of Year	<u>\$ 18,435,075</u>	<u>\$ (361,223)</u>	<u>\$ 5,232,409</u>	<u>\$ 23,306,261</u>	<u>\$ 32,378,837</u>

Kiwanis International and Subsidiaries
Schedule of Funds - Parent Only
Year Ended September 30, 2021

	2021			Total
	Operating Fund	Publications Fund	Liability Insurance Fund	
Revenue, Gains and Other Support				
Kiwanis membership dues and fees	\$ 8,521,046	\$ -	\$ -	\$ 8,521,046
Service Leadership Programs dues and fees	34,486	-	-	34,486
Magazine fees	-	851,568	-	851,568
Insurance fees	-	-	1,920,120	1,920,120
Meeting and registration fees	372,454	-	-	372,454
Sponsorship fees	193,610	-	-	193,610
Advertising	-	776	-	776
Management fee and subsidies	1,701,288	-	-	1,701,288
Retail income	996,364	-	-	996,364
Investment income, net of fees	326,657	-	-	326,657
Other income	148,769	(20)	1,440	150,189
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>
Expenses				
Employment expenses	8,174,545	470,749	252,287	8,897,581
Travel and entertainment	269,846	710	6,005	276,561
Meeting expenses	682,949	-	-	682,949
Contract services expenses	863,013	58,715	300,602	1,222,330
Shipping, supplies and printing	155,964	481,030	12,172	649,166
Grants	1,183,887	-	-	1,183,887
Information technology and computer costs	980,359	50,878	3,287	1,034,524
Membership materials and advertising	298,814	-	2,056	300,870
Utilities and insurance	219,926	9,116	1,370,350	1,599,392
Taxes and fees	131,385	(10,781)	129	120,733
Cost of goods sold	528,700	-	-	528,700
Depreciation	399,244	-	-	399,244
Currency exchange and bad debt losses	(48,773)	403	-	(48,370)
Miscellaneous expenses	(472,722)	390,996	78,000	(3,726)
Total expenses	<u>13,367,137</u>	<u>1,451,816</u>	<u>2,024,888</u>	<u>16,843,841</u>
Change in Net Assets Before Other Changes	(1,072,463)	(599,492)	(103,328)	(1,775,283)
Realized and unrealized gains on investments	4,892,544	-	-	4,892,544
Fund transfers	(125,141)	-	125,141	-
Change in Net Assets	3,694,940	(599,492)	21,813	3,117,261
Net Assets, Beginning of Year	<u>23,376,492</u>	<u>701,808</u>	<u>5,183,276</u>	<u>29,261,576</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>

Kiwanis International and Subsidiaries
Schedule of Functional Expenses - Kiwanis Children's Fund
Years Ended September 30, 2022 and 2021

	2022				
	Supporting Services				Total
	Program Services	General and Administrative	Fundraising	Total Supporting Services	
Employment expenses	\$ 195,708	\$ 349,746	\$ 607,149	\$ 956,895	\$ 1,152,603
Travel and entertainment	2,739	65,606	54,519	120,125	122,864
Meeting expenses	1,996	23,737	7,089	30,826	32,822
Contract services expenses	7,422	68,384	815	69,199	76,621
Shipping, supplies and printing	7,203	7,627	139,268	146,895	154,098
Grants	1,664,266	-	-	-	1,664,266
Information technology and computer costs	11,050	9,866	36,138	46,004	57,054
Membership materials and advertising	5,983	1,648	25,328	26,976	32,959
Utilities and insurance	-	5,831	800	6,631	6,631
Taxes and fees	729	10,359	55,292	65,651	66,380
Miscellaneous expenses	216,996	255,999	512,004	768,003	984,999
Total expenses	2,114,092	798,803	1,438,402	2,237,205	4,351,297
Currency exchange and bad debt losses	-	(525)	-	(525)	(525)
Total expenses and losses	\$ 2,114,092	\$ 798,278	\$ 1,438,402	\$ 2,236,680	\$ 4,350,772

	2021						
	Program Services			Supporting Services			
	Children's Fund	Eliminate	Total Programs	General and Administrative	Fundraising	Total Supporting Services	Total
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

Kiwanis International and Subsidiaries
Schedule of Revenues and Expenses - Kiwanis Youth Programs
Year Ended September 30, 2022
(With Comparative Totals for 2021)

	General and Administrative	Key Club	Key Leader	Builder's Club	K-Kids	Key Club Convention	Leadership & Education	Other Programs	Total	2021 Total
Revenue, Gains and Other Support										
Service Leadership Programs dues and fees	\$ -	\$ 1,453,087	\$ -	\$ 227,957	\$ 183,449	\$ -	\$ -	\$ -	\$ 1,864,493	\$ 1,258,854
Meeting and registration fees	-	-	40,866	-	-	123,110	-	-	163,976	46,375
Contributions	-	56	-	-	-	-	-	-	56	-
Grant income	132,312	30,396	-	30,396	-	-	-	-	193,104	151,625
Investment income, net of fees	69,117	-	-	-	-	-	-	-	69,117	38,511
Other income	-	263	1,000	-	-	-	-	-	1,263	66,121
Total revenue, gains and other support	<u>201,429</u>	<u>1,483,802</u>	<u>41,866</u>	<u>258,353</u>	<u>183,449</u>	<u>123,110</u>	<u>-</u>	<u>-</u>	<u>2,292,009</u>	<u>1,561,486</u>
Expenses and Losses										
Employment expenses	131,064	355,644	43,127	78,855	77,101	439	-	-	686,230	629,097
Travel and entertainment	56,871	13,269	390	54	-	64,081	-	80,148	214,813	67,364
Meeting expenses	8,160	933	-	-	-	288,023	68	48,348	345,532	162,894
Contract services expenses	13,090	75,705	23,736	5,032	158	29,566	38,657	3,000	188,944	225,981
Shipping, supplies and printing	1,268	8,740	971	22,240	19,322	5,726	-	194	58,461	47,319
Grants	-	-	-	1,586	287	-	-	-	1,873	150
Information technology and computer costs	1,606	706	-	127	77	-	69,669	-	72,185	2,155
Membership materials and advertising	95	225,666	-	42,359	23,254	1,979	-	784	294,137	162,943
Utilities and insurance	2,355	2,875	-	150	150	-	-	-	5,530	4,977
Taxes and fees	781	27,160	195	22	3	2,366	-	146	30,673	28,403
Miscellaneous expenses	90,996	293,742	78,996	51,000	51,000	18,000	-	-	583,734	574,832
Total expenses and losses	<u>306,286</u>	<u>1,004,440</u>	<u>147,415</u>	<u>201,425</u>	<u>171,352</u>	<u>410,180</u>	<u>108,394</u>	<u>132,620</u>	<u>2,482,112</u>	<u>1,906,115</u>
Change in Net Assets Before Other Changes	(104,857)	479,362	(105,549)	56,928	12,097	(287,070)	(108,394)	(132,620)	(190,103)	(344,629)
Realized and unrealized gains (losses) on investments	(675,798)	-	-	-	-	-	-	-	(675,798)	581,918
Change in Net Assets	<u>\$ (780,655)</u>	<u>\$ 479,362</u>	<u>\$ (105,549)</u>	<u>\$ 56,928</u>	<u>\$ 12,097</u>	<u>\$ (287,070)</u>	<u>\$ (108,394)</u>	<u>\$ (132,620)</u>	<u>\$ (865,901)</u>	<u>\$ 237,289</u>