

Kiwanis International and Subsidiaries

Independent Auditor's Report and Consolidated Financial Statements

September 30, 2023 and 2022

Kiwanis International and Subsidiaries

September 30, 2023 and 2022

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	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

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 (Kiwanis), which comprise the consolidated statements of financial position as of September 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, based on our audits and the report of other auditors, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Kiwanis as of September 30, 2023 and 2022, 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.

We did not audit the financial statements of KRMPFK, Inc, a wholly owned subsidiary, which statements reflect total assets constituting three percent of consolidated total assets at September 30, 2023, and total revenues constituting 11 percent of consolidated total revenues for the year then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for KRMPFK, Inc., is based solely on the report of the other auditors.

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 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' 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' 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' 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 that collectively comprise Kiwanis' basic 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 basic 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 basic consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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 basic consolidated financial statements or to the basic 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 basic consolidated financial statements as a whole.

FORVIS,LLP

Indianapolis, Indiana
February 29, 2024

Kiwanis International and Subsidiaries
Consolidated Statements of Financial Position
September 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	\$ 5,140,164	\$ 2,727,895
Investments	34,154,145	36,698,524
Receivables	139,735	220,425
Merchandise inventory	616,412	444,337
Prepaid expenses and other	591,595	1,288,418
Cash value of life insurance contracts	130,236	120,993
Property and equipment, net	2,745,691	4,419,582
Total assets	\$ 43,517,978	\$ 45,920,174
Liabilities		
Accounts payable	\$ 863,298	\$ 1,283,195
Accrued liabilities and other	1,514,076	2,315,619
Liability insurance accrual	447,541	718,086
Annuities payable	61,506	69,684
Total liabilities	2,886,421	4,386,584
Net Assets		
Without donor restrictions	27,326,336	28,795,458
With donor restrictions	13,305,221	12,738,132
Total net assets	40,631,557	41,533,590
Total liabilities and net assets	\$ 43,517,978	\$ 45,920,174

Kiwanis International and Subsidiaries
Consolidated Statement of Activities
Year Ended September 30, 2023
(With Comparative Totals for 2022)

	2023			2022 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenue, Gains and Other Support				
Kiwanis membership dues and fees	\$ 8,421,898	\$ -	\$ 8,421,898	\$ 8,664,391
Service Leadership Programs dues and fees	2,240,412	-	2,240,412	2,078,029
Magazine fees	911,850	-	911,850	869,033
Insurance fees	2,590,162	-	2,590,162	1,948,229
Meeting and registration fees	1,091,970	-	1,091,970	960,582
Sponsorship fees	273,338	-	273,338	208,480
Contributions	2,053,502	337,972	2,391,474	2,697,958
Grant income	30,742	5,000	35,742	391,009
Advertising	-	-	-	5,054
Retail income	1,333,098	-	1,333,098	1,237,526
Investment income, net of fees	498,685	183,251	681,936	995,796
Other income	193,604	-	193,604	59,908
	<u>19,639,261</u>	<u>526,223</u>	<u>20,165,484</u>	<u>20,115,995</u>
Net assets released from restrictions	1,189,266	(1,189,266)	-	-
Total revenue, gains and other support	<u>20,828,527</u>	<u>(663,043)</u>	<u>20,165,484</u>	<u>20,115,995</u>
Expenses				
Employment expenses	12,073,969	-	12,073,969	11,968,747
Travel	1,569,539	-	1,569,539	1,288,785
Meeting expenses	1,711,224	-	1,711,224	1,648,208
Contract services expenses	1,889,839	-	1,889,839	1,753,579
Shipping, supplies and printing	404,769	-	404,769	841,514
Grants	1,154,036	-	1,154,036	1,601,763
Information technology and computer costs	1,294,888	-	1,294,888	1,547,747
Membership materials and advertising	794,122	-	794,122	701,842
Utilities	185,248	-	185,248	170,517
Insurance	1,455,732	-	1,455,732	2,139,192
Taxes and fees	299,570	-	299,570	258,061
Cost of goods sold	658,150	-	658,150	572,115
Depreciation	349,017	-	349,017	380,764
Currency exchange and bad debt expenses	(92,853)	-	(92,853)	215,734
Miscellaneous expenses	3,621	-	3,621	(41,329)
Total expenses	<u>23,750,871</u>	<u>-</u>	<u>23,750,871</u>	<u>25,047,239</u>
Change in Net Assets Before Other Changes	(2,922,344)	(663,043)	(3,585,387)	(4,931,244)
Loss on disposals of property and equipment	(1,562,747)	-	(1,562,747)	-
Realized and unrealized gains (losses) on investments	3,015,254	1,230,132	4,245,386	(10,176,759)
Change in value of annuities payable	715	-	715	(1,339)
Change in Net Assets	(1,469,122)	567,089	(902,033)	(15,109,342)
Net Assets, Beginning of Year	<u>28,795,458</u>	<u>12,738,132</u>	<u>41,533,590</u>	<u>56,642,932</u>
Net Assets, End of Year	<u>\$ 27,326,336</u>	<u>\$ 13,305,221</u>	<u>\$ 40,631,557</u>	<u>\$ 41,533,590</u>

Kiwanis International and Subsidiaries
Consolidated Statement of Activities
Year Ended September 30, 2022

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support			
Kiwanis membership dues and fees	\$ 8,664,391	\$ -	\$ 8,664,391
Service Leadership Programs dues and fees	2,078,029	-	2,078,029
Magazine fees	869,033	-	869,033
Insurance fees	1,948,229	-	1,948,229
Meeting and registration fees	960,582	-	960,582
Sponsorship fees	208,480	-	208,480
Contributions	2,235,237	462,721	2,697,958
Grant income	391,009	-	391,009
Advertising	5,054	-	5,054
Retail income	1,237,526	-	1,237,526
Investment income, net of fees	691,940	303,856	995,796
Other income	59,908	-	59,908
	<u>19,349,418</u>	<u>766,577</u>	<u>20,115,995</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>
Expenses			
Employment expenses	11,968,747	-	11,968,747
Travel	1,288,785	-	1,288,785
Meeting expenses	1,648,208	-	1,648,208
Contract services expenses	1,753,579	-	1,753,579
Shipping, supplies and printing	841,514	-	841,514
Grants	1,601,763	-	1,601,763
Information technology and computer costs	1,547,747	-	1,547,747
Membership materials and advertising	701,842	-	701,842
Utilities	170,517	-	170,517
Insurance	2,139,192	-	2,139,192
Taxes and fees	258,061	-	258,061
Cost of goods sold	572,115	-	572,115
Depreciation	380,764	-	380,764
Currency exchange and bad debt expenses	215,734	-	215,734
Miscellaneous expenses	(41,329)	-	(41,329)
Total expenses	<u>25,047,239</u>	<u>-</u>	<u>25,047,239</u>
Change in Net Assets Before Other Changes	(4,211,022)	(720,222)	(4,931,244)
Realized and unrealized losses on investments	(6,906,714)	(3,270,045)	(10,176,759)
Change in value of annuities payable	(1,339)	-	(1,339)
Change in Net Assets	(11,119,075)	(3,990,267)	(15,109,342)
Net Assets, Beginning of Year	<u>39,914,533</u>	<u>16,728,399</u>	<u>56,642,932</u>
Net Assets, End of Year	<u>\$ 28,795,458</u>	<u>\$ 12,738,132</u>	<u>\$ 41,533,590</u>

Kiwanis International and Subsidiaries
Consolidated Statement of Functional Expenses
Year Ended September 30, 2023
(With Comparative Totals for 2022)

	Programs									Total Programs
	Membership Growth and Engagement	Communications	Service Leadership Programs	Publications	International Convention	Risk Management	Retail	Children's Fund	Other	
Employment expenses	\$ 1,832,014	\$ 2,148,070	\$ 591,073	\$ 434,755	\$ -	\$ 420,957	\$ 196,926	\$ 164,803	\$ 667,924	\$ 6,456,522
Travel	477,073	11,808	199,103	-	77,317	10,561	5,882	1,588	1,567	784,899
Meeting expenses	133,874	202	407,969	351	1,015,755	5,226	11,295	39	144	1,574,855
Contract services expenses	132,070	233,584	445,442	16,851	68,985	376,016	22,459	608	48,719	1,344,734
Shipping, supplies and printing	54,005	4,162	38,944	89,723	18,912	2,208	12,091	4,615	412	225,072
Grants	115,651	-	-	-	-	-	-	1,038,385	-	1,154,036
Information technology and computer costs	54,649	727,477	76,097	59,860	29,660	126,701	15,825	10,718	2,920	1,103,907
Membership materials and advertising	273,607	82,700	349,693	-	14,083	1,396	2,060	-	6,096	729,635
Utilities	21,205	40,732	3,575	-	105	1,995	825	-	3,775	72,212
Insurance	14,642	-	-	8,269	-	1,395,725	-	-	-	1,418,636
Taxes and fees	54,953	162	40,616	(6,000)	26,769	52,223	43,015	64	1,084	212,886
Cost of goods sold	-	-	-	-	-	-	658,150	-	-	658,150
Depreciation	2,642	-	-	-	-	-	-	-	-	2,642
Miscellaneous expenses and internal allocations	(20,462)	308	(1,904)	369,000	3,407	111,002	-	-	-	461,351
	<u>3,145,923</u>	<u>3,249,205</u>	<u>2,150,608</u>	<u>972,809</u>	<u>1,254,993</u>	<u>2,504,010</u>	<u>968,528</u>	<u>1,220,820</u>	<u>732,641</u>	<u>16,199,537</u>
Currency exchange and bad debt expenses	(101,299)	7	(1,081)	8	-	-	2,784	265	-	(99,316)
Total expenses	<u>\$ 3,044,624</u>	<u>\$ 3,249,212</u>	<u>\$ 2,149,527</u>	<u>\$ 972,817</u>	<u>\$ 1,254,993</u>	<u>\$ 2,504,010</u>	<u>\$ 971,312</u>	<u>\$ 1,221,085</u>	<u>\$ 732,641</u>	<u>\$ 16,100,221</u>

Kiwanis International and Subsidiaries
Consolidated Statement of Functional Expenses (Continued)
Year Ended September 30, 2023
(With Comparative Totals for 2022)

	Supporting Services				Total Supporting Services	Total	2022 Total
	General and Administrative	Membership Services	Governance and Executive Services	Fundraising			
Employment expenses	\$ 3,320,470	\$ 679,528	\$ 900,923	\$ 716,526	\$ 5,617,447	\$ 12,073,969	\$ 11,968,747
Travel	197,143	34,689	468,771	84,037	784,640	1,569,539	1,288,785
Meeting expenses	65,179	23,006	33,455	14,729	136,369	1,711,224	1,648,208
Contract services expenses	512,268	1,555	31,279	3	545,105	1,889,839	1,753,579
Shipping, supplies and printing	122,528	10,050	5,529	41,590	179,697	404,769	841,514
Grants	-	-	-	-	-	1,154,036	1,601,763
Information technology and computer costs	135,460	11,812	2,703	41,006	190,981	1,294,888	1,547,747
Membership materials and advertising	5,259	33,335	9,222	16,671	64,487	794,122	701,842
Utilities	105,357	1,500	5,804	375	113,036	185,248	170,517
Insurance	24,896	-	12,200	-	37,096	1,455,732	2,139,192
Taxes and fees	53,596	1,239	1,493	30,356	86,684	299,570	258,061
Cost of goods sold	-	-	-	-	-	658,150	572,115
Depreciation	346,375	-	-	-	346,375	349,017	380,764
Miscellaneous expenses and internal allocations	(479,547)	-	21,817	-	(457,730)	3,621	(41,329)
	4,408,984	796,714	1,493,196	945,293	7,644,187	23,843,724	24,831,505
Currency exchange and bad debt expenses	5,520	-	-	943	6,463	(92,853)	215,734
Total expenses	\$ 4,414,504	\$ 796,714	\$ 1,493,196	\$ 946,236	\$ 7,650,650	\$ 23,750,871	\$ 25,047,239

Kiwanis International and Subsidiaries

Consolidated Statement of Functional Expenses

Year Ended September 30, 2022

	Programs									Total Programs
	Membership Growth and Engagement	Communications	Service Leadership Programs	Publications	International Convention	Risk Management	Retail	Children's Fund	Other	
Employment expenses	\$ 1,584,334	\$ 2,137,664	\$ 555,166	\$ 515,625	\$ -	\$ 324,392	\$ 187,804	\$ 195,708	\$ 591,405	\$ 6,092,098
Travel	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	18,976	39,287	5,211	-	1,330	2,339	900	-	3,472	71,515
Insurance	13,867	-	-	9,116	-	2,052,727	-	-	-	2,075,710
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
	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 expenses	215,971	-	-	32	-	-	214	-	-	216,217
Total expenses	\$ 2,997,267	\$ 3,463,819	\$ 1,979,769	\$ 1,337,626	\$ 1,104,080	\$ 2,937,701	\$ 941,286	\$ 1,735,116	\$ 750,282	\$ 17,246,946

Kiwanis International and Subsidiaries
Consolidated Statement of Functional Expenses (Continued)
Year Ended September 30, 2022

	Supporting Services					Total Supporting Services	Total
	General and Administrative	Membership Services	Governance and Executive Services	Fundraising			
Employment expenses	\$ 3,546,515	\$ 752,638	\$ 970,347	\$ 607,149	\$ 5,876,649	\$ 11,968,747	
Travel	190,794	22,190	333,203	54,519	600,706	1,288,785	
Meeting expenses	78,645	14,160	57,765	7,089	157,659	1,648,208	
Contract services expenses	414,826	127	50,049	815	465,817	1,753,579	
Shipping, supplies, and printing	146,799	8,508	5,543	139,268	300,118	841,514	
Grants	-	-	-	-	-	1,601,763	
Information technology and computer costs	133,126	10,378	3,718	36,138	183,360	1,547,747	
Membership materials and advertising	4,628	31,604	4,766	25,328	66,326	701,842	
Utilities	90,144	1,945	6,113	800	99,002	170,517	
Insurance	27,003	-	36,479	-	63,482	2,139,192	
Taxes and fees	63,959	1,086	921	55,292	121,258	258,061	
Cost of goods sold	-	-	-	-	-	572,115	
Depreciation	378,585	-	-	-	378,585	380,764	
Miscellaneous expenses and internal allocations	(519,786)	-	7,600	-	(512,186)	(41,329)	
	<u>4,555,238</u>	<u>842,636</u>	<u>1,476,504</u>	<u>926,398</u>	<u>7,800,776</u>	<u>24,831,505</u>	
Currency exchange and bad debt expenses	(525)	-	42	-	(483)	215,734	
Total expenses	<u>\$ 4,554,713</u>	<u>\$ 842,636</u>	<u>\$ 1,476,546</u>	<u>\$ 926,398</u>	<u>\$ 7,800,293</u>	<u>\$ 25,047,239</u>	

Kiwanis International and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended September 30, 2023 and 2022

	2023	2022
Operating Activities		
Change in net assets	\$ (902,033)	\$ (15,109,342)
Items not requiring (providing) cash		
Depreciation	349,017	380,764
Increase in cash value of life insurance contracts	(9,243)	(13,899)
Loss on disposals of property and equipment	1,562,747	-
Realized and unrealized (gains) losses on investments	(4,245,386)	10,176,759
Change in value of annuities payable	(8,178)	(8,027)
Forgiveness of Paycheck Protection Program loans	-	(368,729)
Changes in		
Receivables	80,690	(79,305)
Merchandise inventory	(172,075)	(13,326)
Prepaid expenses and other	696,823	(529,765)
Beneficial interest in assets held by others	-	144,622
Accounts payable	(419,897)	514,517
Liability insurance accrual	(270,545)	120,532
Accrued liabilities and other	(801,543)	655,203
Net cash used in operating activities	(4,139,623)	(4,129,996)
Investing Activities		
Purchase of property and equipment	(237,873)	(1,337,572)
Purchase of investment securities	(30,196,543)	(24,742,099)
Sales and maturities of investment securities	36,986,308	29,773,045
Net cash provided by investing activities	6,551,892	3,693,374
Net Increase (Decrease) in Cash and Cash Equivalents	2,412,269	(436,622)
Cash and Cash Equivalents, Beginning of Year	2,727,895	3,164,517
Cash and Cash Equivalents, End of Year	\$ 5,140,164	\$ 2,727,895

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

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

General

Kiwanis International and Subsidiaries (Kiwanis) consists of the following six 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 International and Subsidiaries

Notes to Consolidated Financial Statements September 30, 2023 and 2022

- **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 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.

- **KRMPIFK, Inc.**

KRMPIFK, Inc. was formed as a pure captive insurance company and was issued a license permitting it to transact the business of a captive insurance company by the State of Vermont Department of Financial Regulation (the Department) on September 21, 2022, and is organized under Vermont’s Statute Chapter 11A. KRMPIFK, Inc. insures various risks of Kiwanis International and their global community of local clubs. KRMPIFK, Inc. will underwrite deductible reimbursement policies carefully tailored to the specific needs of Kiwanis.

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.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Kiwanis considers all liquid investments with original maturities of three months or less (excluding cash equivalents managed by outside investment firms) to be cash equivalents. At September 30, 2023 and 2022, cash equivalents consisted primarily of money market accounts in both the United States and foreign countries.

At September 30, 2023, Kiwanis' cash accounts held in the United States exceeded federally insured limits by approximately \$2,458,000.

At September 30, 2023 and 2022, funds held outside the United States totaled \$1,444,876 and \$759,063, 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.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

Property and Equipment

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

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

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

Long-Lived Asset Impairment

Kiwanis evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended September 30, 2023 and 2022.

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 PPP loans of \$368,729 as grant income in the year ended September 30, 2022 when the conditions were met.

Insurance Liabilities

The liability for unpaid losses and loss adjustment expenses includes an amount determined from loss reports and individual cases and an amount, based on past experience, for losses incurred but not reported. Such liabilities are based on estimates and, while management believes that the amount is adequate, the ultimate liability may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in earnings currently.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

Management believes that its aggregate liability for unpaid losses and loss adjustment expenses at year end represents its best estimate, based upon the available data, or the amount necessary to cover the ultimate cost of losses, based upon an actuarial analysis prepared by a consulting actuary. In establishing reserves, management considers facts currently known, historical claims information, industry average loss data, and the present state of laws and coverage litigation. Additionally, management believes that the aggregate loss reserves at September 30, 2023 are adequate to cover claims for losses that have occurred.

However, because of the limited population of insured risks, limited historical data, economic conditions, judicial decisions, legislation and other reasons, actual loss experience may not conform to the assumptions used in determining the estimated amounts for such liability at the statement of financial position date. Accordingly, the ultimate liability could vary significantly from the amount indicated in the consolidated financial statements. As adjustments to these estimates become necessary, such adjustments are reflected in current operations. Kiwanis does not discount loss reserves.

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.

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.

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2023 and 2022

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 consolidated 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, 2023 and 2022, 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, 2023 and 2022

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

Except as described below, 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 \$273,335 and \$213,535 for the years ended September 30, 2023 and 2022, respectively.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

KRMPPFK, Inc. is organized as a “C” corporation for income tax purposes. KRMPPFK, Inc. has further elected to be taxed as an insurance company under Internal Revenue Code (IRC) Section 831(a). Accordingly, income tax provisions are based on the asset and liability method. Deferred federal income taxes have been provided for temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements. Such differences are related principally to unearned premiums and present value discount liabilities for losses and loss adjustment expenses. Premium taxes are paid in lieu of state income taxes based on directly written premiums.

KRMPPFK, Inc. has not recognized any respective liability for unrecognized tax benefits as it has no known tax positions that would subject KRMPPFK, Inc. to any material income tax exposure. A reconciliation of the beginning and ending amounts of unrecognized tax benefits is not included, nor is there any interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses as there are no unrecognized tax benefits. The tax year ended December 31, 2022, remains subject to examination for all major tax jurisdictions; however, KRMPPFK, Inc. is not currently under audit nor has KRMPPFK, Inc. been contacted by such jurisdictions.

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.

Reclassifications

Certain reclassifications have been made to the 2022 financial statements to conform to the 2023 financial statement presentation. These reclassifications had no effect on the change in net assets.

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.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

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, 2023 and 2022, 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, 2023 and 2022, 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, 2023, September 30, 2022 and October 1, 2022.

Kiwanis has amounts due from customers totaling \$139,735, \$220,425 and \$141,120 as of September 30, 2023, 2022, and 2021, respectively. Kiwanis expects to receive these amounts over the next calendar year.

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2023 and 2022

Disaggregation of Revenue

The composition of contract revenue for the years ended September 30, 2023 and 2022 is as follows:

	2023	2022
Kiwanis membership dues and fees	\$ 8,421,898	\$ 8,664,391
Service Leadership Program dues and fees	2,240,412	2,078,029
Magazine fees	911,850	869,033
Insurance fees	2,590,162	1,948,229
Meeting and registration fees	1,091,970	960,582
Sponsorship fees	273,338	208,480
Advertising	-	5,054
Retail income	1,333,098	1,237,526
Other income	193,604	59,908
	<u>\$ 17,056,332</u>	<u>\$ 16,031,232</u>

The timing of recognition of contract revenue for the years ended September 30, 2023 and 2022 is as follows:

	2023	2022
Timing of revenue and recognition		
Sales at a point in time	\$ 2,892,010	\$ 2,471,550
Services transferred over time	<u>14,164,322</u>	<u>13,559,682</u>
	<u>\$ 17,056,332</u>	<u>\$ 16,031,232</u>

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2023 and 2022

Note 3: Investments

Investments at September 30 consisted of the following:

	Kiwanis International	2023 Kiwanis Children's Fund	Total
Money market funds	\$ 1,509,788	\$ 389,209	\$ 1,898,997
Fixed income securities and funds			
Long-term bonds	203,877	563,828	767,705
Intermediate-term bonds	722,216	1,435,410	2,157,626
Short-term bonds	179,329	-	179,329
Fixed income blend	205,640	125,018	330,658
Total fixed income securities	<u>1,311,062</u>	<u>2,124,256</u>	<u>3,435,318</u>
Equity securities and funds			
Large-cap stocks	8,851,214	8,158,615	17,009,829
Mid- and small-cap stocks	656,305	1,657,402	2,313,707
International stocks	1,878,176	1,940,575	3,818,751
Equities blend	113,611	593,960	707,571
Total equity securities and funds	<u>11,499,306</u>	<u>12,350,552</u>	<u>23,849,858</u>
Alternative investment strategies			
Hedge funds	2,460,993	1,459,674	3,920,667
Private equity	1,049,305	-	1,049,305
Total investments	<u>\$ 17,830,454</u>	<u>\$ 16,323,691</u>	<u>\$ 34,154,145</u>

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2023 and 2022

	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			
Hedge funds	1,751,190	719,864	2,471,054
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>

An immaterial revision has been made to 2022 to recategorize certain investment holdings from alternative investment strategies to hedge funds. A similar revision was made to Note 9 to recategorize these funds from Level 1 fair value measurements to investments measured at net asset value (NAV).

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

	2023	2022
Interest and dividends, net of fees	\$ 681,936	\$ 995,796
Realized gains	477,653	1,663,941
Unrealized gains (losses)	<u>3,767,733</u>	<u>(11,840,700)</u>
Total investment return	<u>\$ 4,927,322</u>	<u>\$ (9,180,963)</u>

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2023 and 2022

Note 4: Property and Equipment

Property and equipment at September 30 consists of:

	2023	2022
Buildings and improvements	\$ 6,364,219	\$ 6,341,121
Furniture and equipment	4,667,853	6,015,702
	11,032,072	12,356,823
Less: Accumulated depreciation	(8,998,004)	(8,648,864)
	2,034,068	3,707,959
Land	711,623	711,623
	\$ 2,745,691	\$ 4,419,582

Note 5: 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 \$18 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, 2023 and 2022, Kiwanis accrued \$447,541 and \$718,086 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, 2023 and 2022.

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2023 and 2022

Note 6: 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, 2023 and 2022, of \$61,506 and \$69,684, 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 7: Net Assets With Donor Restrictions

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

	2023	2022
Subject to expenditure for specified purpose		
Eliminate Project	\$ 249,303	\$ 349,586
Global Impact Fund	1,908,083	1,824,717
Scholarships, awards, grants and other programs	280,200	221,777
	<u>2,437,586</u>	<u>2,396,080</u>
Endowments		
Subject to endowment spending policy and appropriation		
Key Club Youth Opportunities Fund	275,053	180,852
Community Impact Fund	3,103,589	2,753,482
Other restricted purposes	519,408	449,184
	<u>3,898,050</u>	<u>3,383,518</u>
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	4,558,305	4,552,785
Other	862,040	856,509
	<u>6,969,585</u>	<u>6,958,534</u>
Total endowments	<u>10,867,635</u>	<u>10,342,052</u>
	<u>\$ 13,305,221</u>	<u>\$ 12,738,132</u>

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

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:

	2023	2022
Satisfaction of purpose restrictions		
Scholarships, awards, grants and other programs	\$ 1,189,266	\$ 1,486,799

Note 8: 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, 2023 and 2022

The composition of net assets by type of endowment fund at September 30, 2023 and 2022 was:

	With Donor Restrictions	
	2023	2022
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 6,969,585	\$ 6,958,534
Accumulated investment gains	3,898,050	3,383,518
Total endowment funds	\$ 10,867,635	\$ 10,342,052

Changes in endowment net assets for the years ended September 30, 2023 and 2022 were:

	With Donor Restrictions	
	2023	2022
Endowment net assets, October 1	\$ 10,342,052	\$ 13,443,435
Investment return	1,187,981	(2,517,313)
Contributions	31,565	24,819
Appropriation of endowment assets for expenditure	(554,442)	(483,640)
Other changes to endowments	(139,521)	(125,249)
Endowment net assets, September 30	\$ 10,867,635	\$ 10,342,052

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, 2023 and 2022, 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, 2023 and 2022

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 9: 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, 2023 and 2022

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.

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, 2023 and 2022:

	2023				
	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	\$ 1,898,997	\$ 1,898,997	\$ -	\$ -	\$ -
Fixed income securities and funds					
Long-term bonds	767,705	767,705	-	-	-
Intermediate-term bonds	2,157,626	2,157,626	-	-	-
Short-term bonds	179,329	179,329	-	-	-
Fixed income blend	330,658	330,658	-	-	-
Total fixed income securities	<u>3,435,318</u>	<u>3,435,318</u>	<u>-</u>	<u>-</u>	<u>-</u>
Common and preferred stocks					
Large-cap stocks	17,009,829	17,009,829	-	-	-
Mid- and small-cap stocks	2,313,707	2,313,707	-	-	-
International stocks	3,818,751	3,818,751	-	-	-
Equities blend	707,571	707,571	-	-	-
Total common and preferred stocks	<u>23,849,858</u>	<u>23,849,858</u>	<u>-</u>	<u>-</u>	<u>-</u>
Alternative investment strategies					
Hedge funds	3,920,667	1,891,739	-	-	2,028,928
Private equity	1,049,305	-	-	-	1,049,305
Total investments	<u>\$ 34,154,145</u>	<u>\$ 31,075,912</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,078,233</u>

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

	2022				
	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	\$ 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					
Hedge funds	2,471,054	-	-	-	2,471,054
Private equity	1,022,673	-	-	-	1,022,673
Total investments	<u>\$ 36,698,524</u>	<u>\$ 33,204,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,493,727</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.

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, 2023				
Investments				
Hedge funds	\$ 2,028,928	\$ -	Quarterly - annually	30 - 100 days
Private equity	1,049,305	619,333	Not eligible	n/a
September 30, 2022				
Investments				
Hedge funds	\$ 2,471,054	\$ -	Quarterly - annually	30 - 100 days
Private equity	1,022,673	730,163	Not eligible	n/a

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

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 10: Line of Credit

International established a bank loan agreement in September 2017 that provides an unsecured \$2,000,000 line of credit for short-term borrowings. At September 30, 2023 and 2022, 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 2024.

Note 11: 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 \$318,493 and \$310,496 for the years ended September 30, 2023 and 2022, respectively.

Kiwanis International and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

Note 12: 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.

Note 13: 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, 2023 and 2022, the level of liquidity and reserves was managed within the policy requirements.

Kiwanis International and Subsidiaries
Notes to Consolidated Financial Statements
September 30, 2023 and 2022

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of September 30, 2023 and 2022, comprise the following:

	2023	2022
Cash and cash equivalents	\$ 5,140,164	\$ 2,727,895
Redeemable investments	33,104,840	35,675,851
Receivables	139,735	220,425
Total liquid financial assets	38,384,739	38,624,171
Donor-imposed restrictions	2,437,586	2,396,080
Endowments	10,867,635	10,342,052
Total donor-imposed restrictions	13,305,221	12,738,132
Financial assets available to meet cash needs for general expenditures within one year	\$ 25,079,518	\$ 25,886,039

Note 14: Subsequent Events

Subsequent events have been evaluated through February 29, 2024, 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, 2023 (With Comparative Totals for 2022)

	Kiwanis International	Kiwanis Europe	Circle K International	Kiwanis Youth Programs	Kiwanis Children's Fund	KRMPFK, Inc.	Eliminations	Total	2022 Total
Assets									
Cash and cash equivalents	\$ 2,914,681	\$ 255,300	\$ 23,716	\$ 109,420	\$ 571,689	\$ 1,265,358	\$ -	\$ 5,140,164	\$ 2,727,895
Investments	17,830,454	-	-	2,250,995	16,323,691	-	(2,250,995)	34,154,145	36,698,524
Receivables	129,658	(5,293)	-	4,190	-	11,180	-	139,735	220,425
Merchandise inventory	616,412	-	-	-	-	-	-	616,412	444,337
Prepaid expenses and other	563,929	8,954	4,583	36,592	170	118,358	(140,991)	591,595	1,288,418
Cash value of life insurance contracts	-	-	-	-	130,236	-	-	130,236	120,993
Property and equipment, net	2,736,759	8,932	-	-	-	-	-	2,745,691	4,419,582
Advances to subsidiaries	733,424	4,819	18,678	173,481	5,594	-	(935,996)	-	-
Investment in KRMPFK, Inc.	500,000	-	-	-	-	-	(500,000)	-	-
	<u>\$ 26,025,317</u>	<u>\$ 272,712</u>	<u>\$ 46,977</u>	<u>\$ 2,574,678</u>	<u>\$ 17,031,380</u>	<u>\$ 1,394,896</u>	<u>\$ (3,827,982)</u>	<u>\$ 43,517,978</u>	<u>\$ 45,920,174</u>
Total assets									
Liabilities									
Accounts payable	\$ 706,457	\$ 42,795	\$ 10	\$ 486	\$ 2,745	\$ 214,162	\$ (103,357)	\$ 863,298	\$ 1,283,195
Accounts payable - subsidiaries	188,122	-	92,463	293,349	362,064	-	(935,998)	-	-
Funds invested for Kiwanis Youth Programs	2,250,995	-	-	-	-	-	(2,250,995)	-	-
Accrued liabilities and other	1,273,303	100,507	1,453	138,813	-	37,632	(37,632)	1,514,076	2,315,619
Liability insurance accrual	-	-	-	-	-	447,541	-	447,541	718,086
Annuities payable	-	-	-	-	61,506	-	-	61,506	69,684
	<u>4,418,877</u>	<u>143,302</u>	<u>93,926</u>	<u>432,648</u>	<u>426,315</u>	<u>699,335</u>	<u>(3,327,982)</u>	<u>2,886,421</u>	<u>4,386,584</u>
Total liabilities									
Net Assets									
Without donor restrictions									
Operating	16,902,014	129,410	(46,949)	2,123,654	3,318,220	695,561	(500,000)	22,621,910	23,924,272
Publications	(422,189)	-	-	-	-	-	-	(422,189)	(361,223)
Liability insurance	5,126,615	-	-	-	-	-	-	5,126,615	5,232,409
Total net assets without donor restriction	<u>21,606,440</u>	<u>129,410</u>	<u>(46,949)</u>	<u>2,123,654</u>	<u>3,318,220</u>	<u>695,561</u>	<u>(500,000)</u>	<u>27,326,336</u>	<u>28,795,458</u>
With donor restrictions	-	-	-	18,376	13,286,845	-	-	13,305,221	12,738,132
Total net assets	<u>21,606,440</u>	<u>129,410</u>	<u>(46,949)</u>	<u>2,142,030</u>	<u>16,605,065</u>	<u>695,561</u>	<u>(500,000)</u>	<u>40,631,557</u>	<u>41,533,590</u>
Total liabilities and net assets	<u>\$ 26,025,317</u>	<u>\$ 272,712</u>	<u>\$ 46,977</u>	<u>\$ 2,574,678</u>	<u>\$ 17,031,380</u>	<u>\$ 1,394,896</u>	<u>\$ (3,827,982)</u>	<u>\$ 43,517,978</u>	<u>\$ 45,920,174</u>

Kiwanis International and Subsidiaries
Consolidating Schedule - Statement of Financial Position Information
September 30, 2022

	Kiwanis International	Kiwanis Europe	Circle K International	Kiwanis Youth Programs	Kiwanis Children's Fund	Eliminations	2022 Total
Assets							
Cash and cash equivalents	\$ 1,667,087	\$ 73,198	\$ 152,636	\$ 194,991	\$ 639,983	\$ -	\$ 2,727,895
Investments	21,498,302	-	-	1,963,613	15,200,222	(1,963,613)	36,698,524
Receivables	179,771	37,577	-	3,077	-	-	220,425
Merchandise inventory	444,337	-	-	-	-	-	444,337
Prepaid expenses and other	1,084,238	4,151	5,983	186,988	7,058	-	1,288,418
Cash value of life insurance contracts	-	-	-	-	120,993	-	120,993
Property and equipment, net	4,410,882	8,700	-	-	-	-	4,419,582
Advances to subsidiaries	1,833,137	53,635	145,507	803,850	677,652	(3,513,781)	-
	<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>
Liabilities							
Accounts payable	\$ 1,289,104	\$ 23,741	\$ (110)	\$ 1,231	\$ (30,771)	\$ -	\$ 1,283,195
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
Liability insurance accrual	718,086	-	-	-	-	-	718,086
Annuities payable	-	-	-	-	69,684	-	69,684
	<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>
Net Assets							
Without donor restrictions							
Operating	18,435,075	91,558	153,079	2,174,214	3,070,346	-	23,924,272
Publications	(361,223)	-	-	-	-	-	(361,223)
Liability insurance	5,232,409	-	-	-	-	-	5,232,409
Total net assets without donor restriction	23,306,261	91,558	153,079	2,174,214	3,070,346	-	28,795,458
With donor restrictions	-	-	-	32,283	12,705,849	-	12,738,132
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>\$ 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>

Kiwanis International and Subsidiaries

Consolidating Schedule - Statement of Activities Information

Year Ended September 30, 2023 (With Comparative Totals for 2022)

	Kiwanis International	Kiwanis Europe	Circle K International	Kiwanis Youth Programs	Kiwanis Children's Fund	KRMPFK, Inc.	Eliminations	Total	2022 Total
Revenue, Gains and Other Support									
Kiwanis membership dues and fees	\$ 8,421,898	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,421,898	\$ 8,664,391
Service Leadership Programs dues and fees	58,066	-	135,963	2,046,383	-	-	-	2,240,412	2,078,029
Magazine fees	911,850	-	-	-	-	-	-	911,850	869,033
Insurance fees	2,590,162	-	-	-	-	-	-	2,590,162	1,948,229
Meeting and registration fees	726,027	-	49,247	303,046	13,650	-	-	1,091,970	960,582
Sponsorship fees	273,338	-	-	-	-	-	-	273,338	208,480
Contributions	-	-	5,687	-	2,385,787	-	-	2,391,474	2,697,958
Grant income	62,144	30,742	6,109	28,219	6,369	-	(97,841)	35,742	391,009
Advertising	-	-	-	-	-	-	-	-	5,054
Management fee and subsidies	1,698,000	764,137	167,018	-	-	-	(2,629,155)	-	-
Retail income	1,333,098	-	-	-	-	-	-	1,333,098	1,237,526
Investment income, net of fees	361,982	-	536	45,083	274,335	-	-	681,936	995,796
Premiums written	-	-	-	-	-	2,261,027	(2,261,027)	-	-
Other income	39,530	122,321	1,459	30,294	-	-	-	193,604	59,908
Total revenue, gains and other support	<u>16,476,095</u>	<u>917,200</u>	<u>366,019</u>	<u>2,453,025</u>	<u>2,680,141</u>	<u>2,261,027</u>	<u>(4,988,023)</u>	<u>20,165,484</u>	<u>20,115,995</u>
Expenses									
Employment expenses	9,399,133	590,107	167,018	729,265	1,188,446	-	-	12,073,969	11,968,747
Travel	1,006,732	108,862	66,891	236,278	150,776	-	-	1,569,539	1,288,785
Meeting expenses	1,173,506	91,599	61,619	357,448	27,052	-	-	1,711,224	1,648,208
Contract services expenses	1,167,851	58,704	47,617	401,325	71,652	142,690	-	1,889,839	1,753,579
Shipping, supplies and printing	299,811	8,199	3,311	40,441	53,007	-	-	404,769	841,514
Grants	1,043,780	4,396	-	-	1,134,856	-	(1,028,996)	1,154,036	1,601,763
Information technology and computer costs	1,143,680	13,940	13,700	67,599	55,969	-	-	1,294,888	1,547,747
Membership materials and advertising	422,604	2,969	5,966	345,672	16,911	-	-	794,122	701,842
Utilities	161,837	10,125	975	4,969	7,342	-	-	185,248	170,517
Insurance	1,839,431	6,538	-	-	-	1,870,790	(2,261,027)	1,455,732	2,139,192
Taxes and fees	160,668	1,318	5,787	35,938	43,873	51,986	-	299,570	258,061
Cost of goods sold	658,150	-	-	-	-	-	-	658,150	572,115
Depreciation	346,375	2,642	-	-	-	-	-	349,017	380,764
Currency exchange and bad debt expenses	(74,666)	(19,515)	(354)	(727)	2,409	-	-	(92,853)	215,734
Miscellaneous expenses	5,315	(536)	193,517	542,329	960,996	-	(1,698,000)	3,621	(41,329)
Total expenses	<u>18,754,207</u>	<u>879,348</u>	<u>566,047</u>	<u>2,760,537</u>	<u>3,713,289</u>	<u>2,065,466</u>	<u>(4,988,023)</u>	<u>23,750,871</u>	<u>25,047,239</u>
Change in Net Assets Before Other Changes	(2,278,112)	37,852	(200,028)	(307,512)	(1,033,148)	195,561	-	(3,585,387)	(4,931,244)
Loss on disposals of property and equipment	(1,562,747)	-	-	-	-	-	-	(1,562,747)	-
Realized and unrealized gains (losses) on investments	2,141,038	-	-	243,045	1,861,303	-	-	4,245,386	(10,176,759)
Change in value of annuities payable	-	-	-	-	715	-	-	715	(1,339)
Change in Net Assets	(1,699,821)	37,852	(200,028)	(64,467)	828,870	195,561	-	(902,033)	(15,109,342)
Net Assets, Beginning of Year	23,306,261	91,558	153,079	2,206,497	15,776,195	-	-	41,533,590	56,642,932
Contributed Capital - KRMPFK, Inc.	-	-	-	-	-	500,000	(500,000)	-	-
Net Assets, End of Year	<u>\$ 21,606,440</u>	<u>\$ 129,410</u>	<u>\$ (46,949)</u>	<u>\$ 2,142,030</u>	<u>\$ 16,605,065</u>	<u>\$ 695,561</u>	<u>\$ (500,000)</u>	<u>\$ 40,631,557</u>	<u>\$ 41,533,590</u>

Kiwanis International and Subsidiaries

Consolidating Schedule - Statement of Activities Information

Year Ended September 30, 2022

	Kiwanis International	Kiwanis Europe	Circle K International	Kiwanis Youth Programs	Kiwanis Children's Fund	Eliminations	Total
Revenue, Gains and Other Support							
Kiwanis membership dues and fees	\$ 8,664,391	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,664,391
Service Leadership Programs dues and fees	50,225	-	163,311	1,864,493	-	-	2,078,029
Magazine fees	869,033	-	-	-	-	-	869,033
Insurance fees	1,948,229	-	-	-	-	-	1,948,229
Meeting and registration fees	737,206	-	47,675	163,976	11,725	-	960,582
Sponsorship fees	208,480	-	-	-	-	-	208,480
Contributions	-	-	-	56	2,697,902	-	2,697,958
Grant income	60,792	22,280	40,396	193,104	237,830	(163,393)	391,009
Advertising	5,054	-	-	-	-	-	5,054
Management fee and subsidies	1,776,984	890,297	406,124	-	-	(3,073,405)	-
Retail income	1,238,005	(479)	-	-	-	-	1,237,526
Investment income, net of fees	579,316	-	212	69,117	347,151	-	995,796
Other income	56,539	2,106	-	1,263	-	-	59,908
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>
Expenses							
Employment expenses	9,307,245	584,023	238,646	686,230	1,152,603	-	11,968,747
Travel	784,823	72,503	93,782	214,813	122,864	-	1,288,785
Meeting expenses	1,147,967	4,025	117,862	345,532	32,822	-	1,648,208
Contract services expenses	1,353,360	58,389	76,265	188,944	76,621	-	1,753,579
Shipping, supplies and printing	616,836	7,240	4,879	58,461	154,098	-	841,514
Grants	1,395,438	-	-	1,873	1,664,266	(1,459,814)	1,601,763
Information technology and computer costs	1,342,017	31,148	45,343	72,185	57,054	-	1,547,747
Membership materials and advertising	364,558	634	9,554	294,137	32,959	-	701,842
Utilities	148,206	7,889	2,261	5,530	6,631	-	170,517
Insurance	2,134,822	4,370	-	-	-	-	2,139,192
Taxes and fees	155,016	920	5,072	30,673	66,380	-	258,061
Cost of goods sold	572,115	-	-	-	-	-	572,115
Depreciation	378,585	2,179	-	-	-	-	380,764
Currency exchange and bad debt expenses	182,427	33,832	-	-	(525)	-	215,734
Miscellaneous expenses	(39,240)	-	206,162	583,734	984,999	(1,776,984)	(41,329)
Total expenses	<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>
Change in Net Assets Before Other Changes	(3,649,921)	107,052	(142,108)	(190,103)	(1,056,164)	-	(4,931,244)
Realized and unrealized losses on investments	(5,422,655)	-	-	(675,798)	(4,078,306)	-	(10,176,759)
Change in value of annuities payable	-	-	-	-	(1,339)	-	(1,339)
Change in Net Assets	(9,072,576)	107,052	(142,108)	(865,901)	(5,135,809)	-	(15,109,342)
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>
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>

Kiwanis International and Subsidiaries
Schedule of Funds - Parent Only
Year Ended September 30, 2023 (With Comparative Totals for 2022)

	Operating Fund	Publications Fund	Liability Insurance Fund	Total	2022 Total
Revenue, Gains and Other Support					
Kiwanis membership dues and fees	8,421,898	\$ -	\$ -	\$ 8,421,898	\$ 8,664,391
Service Leadership Programs dues and fees	58,066	-	-	58,066	50,225
Magazine fees	-	911,850	-	911,850	869,033
Insurance fees	-	-	2,590,162	2,590,162	1,948,229
Meeting and registration fees	726,027	-	-	726,027	737,206
Sponsorship fees	273,338	-	-	273,338	208,480
Grant income	62,144	-	-	62,144	60,792
Advertising	-	-	-	-	5,054
Management fee and subsidies	1,698,000	-	-	1,698,000	1,776,984
Retail income	1,333,098	-	-	1,333,098	1,238,005
Investment income, net of fees	361,982	-	-	361,982	579,316
Other income	35,912	-	3,618	39,530	56,539
Total revenue, gains and other support	<u>12,970,465</u>	<u>911,850</u>	<u>2,593,780</u>	<u>16,476,095</u>	<u>16,194,254</u>
Expenses					
Employment expenses	8,543,420	434,755	420,958	9,399,133	9,307,245
Travel	996,171	-	10,561	1,006,732	784,823
Meeting expenses	1,167,929	351	5,226	1,173,506	1,147,967
Contract services expenses	917,672	16,851	233,328	1,167,851	1,353,360
Shipping, supplies and printing	207,880	89,722	2,209	299,811	616,836
Grants	1,043,780	-	-	1,043,780	1,395,438
Information technology and computer costs	957,119	59,860	126,701	1,143,680	1,342,017
Membership materials and advertising	421,208	-	1,396	422,604	364,558
Utilities	159,842	-	1,995	161,837	148,206
Insurance	45,200	8,269	1,785,962	1,839,431	2,134,822
Taxes and fees	166,430	(6,000)	238	160,668	155,016
Cost of goods sold	658,150	-	-	658,150	572,115
Depreciation	346,375	-	-	346,375	378,585
Currency exchange and bad debt expenses	(74,674)	8	-	(74,666)	182,427
Miscellaneous expenses	(474,685)	369,000	111,000	5,315	(39,240)
Total expenses	<u>15,081,817</u>	<u>972,816</u>	<u>2,699,574</u>	<u>18,754,207</u>	<u>19,844,175</u>
Change in Net Assets Before Other Changes	(2,111,352)	(60,966)	(105,794)	(2,278,112)	(3,649,921)
Loss on disposals of property and equipment	(1,562,747)	-	-	(1,562,747)	-
Realized and unrealized gains (losses) on investments	2,141,038	-	-	2,141,038	(5,422,655)
Fund transfers	-	-	-	-	-
Change in Net Assets	(1,533,061)	(60,966)	(105,794)	(1,699,821)	(9,072,576)
Net Assets, Beginning 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>
Net Assets, End of Year	<u>\$ 16,902,014</u>	<u>\$ (422,189)</u>	<u>\$ 5,126,615</u>	<u>\$ 21,606,440</u>	<u>\$ 23,306,261</u>

Kiwanis International and Subsidiaries

Schedule of Funds - Parent Only Year Ended September 30, 2022

	2022			Total
	Operating Fund	Publications Fund	Liability Insurance Fund	
Revenue, Gains and Other Support				
Kiwanis membership dues and fees	\$ 8,664,391	\$ -	\$ -	\$ 8,664,391
Service Leadership Programs dues and fees	50,225	-	-	50,225
Magazine fees	-	869,033	-	869,033
Insurance fees	-	-	1,948,229	1,948,229
Meeting and registration fees	737,206	-	-	737,206
Sponsorship fees	208,480	-	-	208,480
Grant income	60,792	-	-	60,792
Advertising	-	5,054	-	5,054
Management fee and subsidies	1,776,984	-	-	1,776,984
Retail income	1,238,005	-	-	1,238,005
Investment income, net of fees	579,316	-	-	579,316
Other income	47,567	-	8,972	56,539
Total revenue, gains and other support	13,362,966	874,087	1,957,201	16,194,254
Expenses				
Employment expenses	8,467,228	515,625	324,392	9,307,245
Travel	776,949	147	7,727	784,823
Meeting expenses	1,144,867	-	3,100	1,147,967
Contract services expenses	979,429	42,304	331,627	1,353,360
Shipping, supplies and printing	276,434	324,194	16,208	616,836
Grants	1,395,438	-	-	1,395,438
Information technology and computer costs	1,169,585	54,255	118,177	1,342,017
Membership materials and advertising	362,758	-	1,800	364,558
Utilities	145,867	-	2,339	148,206
Insurance	72,979	9,116	2,052,727	2,134,822
Taxes and fees	156,451	(2,043)	608	155,016
Cost of goods sold	572,115	-	-	572,115
Depreciation	378,585	-	-	378,585
Currency exchange and bad debt expenses	182,395	32	-	182,427
Miscellaneous expenses	(512,232)	393,996	78,996	(39,240)
Total expenses	15,568,848	1,337,626	2,937,701	19,844,175
Change in Net Assets Before Other Changes	(2,205,882)	(463,539)	(980,500)	(3,649,921)
Realized and unrealized gains on investments	(5,422,655)	-	-	(5,422,655)
Fund transfers	(1,007,820)	-	1,007,820	-
Change in Net Assets	(8,636,357)	(463,539)	27,320	(9,072,576)
Net Assets, Beginning of Year	27,071,432	102,316	5,205,089	32,378,837
Net Assets, End of Year	\$ 18,435,075	\$ (361,223)	\$ 5,232,409	\$ 23,306,261

Kiwanis International and Subsidiaries
Schedule of Functional Expenses - Kiwanis Children's Fund
Years Ended September 30, 2023 and 2022

	2023				
	Supporting Services				Total
	Program Services	General and Administrative	Fundraising	Total Supporting Services	
Employment expenses	\$ 164,803	\$ 307,117	\$ 716,526	\$ 1,023,643	\$ 1,188,446
Travel	1,588	65,151	84,037	149,188	150,776
Meeting expenses	39	12,284	14,729	27,013	27,052
Contract services expenses	608	71,041	3	71,044	71,652
Shipping, supplies and printing	4,615	6,802	41,590	48,392	53,007
Grants	1,134,856	-	-	-	1,134,856
Information technology and computer costs	10,718	4,245	41,006	45,251	55,969
Membership materials and advertising	-	240	16,671	16,911	16,911
Utilities and insurance	-	6,967	375	7,342	7,342
Taxes and fees	65	13,452	30,356	43,808	43,873
Miscellaneous expenses	165,996	258,996	536,004	795,000	960,996
Total expenses	1,483,288	746,295	1,481,297	2,227,592	3,710,880
Currency exchange and bad debt expenses	265	1,201	943	2,144	2,409
Total expenses	<u>\$ 1,483,553</u>	<u>\$ 747,496</u>	<u>\$ 1,482,240</u>	<u>\$ 2,229,736</u>	<u>\$ 3,713,289</u>

	2022				
	Supporting Services				Total
	Children's Fund	General and Administrative	Fundraising	Total Supporting Services	
Employment expenses	\$ 195,708	\$ 349,746	\$ 607,149	\$ 956,895	\$ 1,152,603
Travel	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 expenses	-	(525)	-	(525)	(525)
Total expenses	<u>\$ 2,114,092</u>	<u>\$ 798,278</u>	<u>\$ 1,438,402</u>	<u>\$ 2,236,680</u>	<u>\$ 4,350,772</u>

Kiwanis International and Subsidiaries
Schedule of Revenues and Expenses - Kiwanis Youth Programs
Year Ended September 30, 2023
(With Comparative Totals for 2022)

	General and Administrative	Key Club	Key Leader	Builder's Club	K-Kids	Key Club Convention	Leadership & Education	Other Programs	Total	2022 Total
Revenue, Gains and Other Support										
Service Leadership Programs dues and fees	\$ -	\$ 1,565,623	\$ -	\$ 250,112	\$ 230,648	\$ -	\$ -	\$ -	\$ 2,046,383	\$ 1,864,493
Meeting and registration fees	-	(115)	113,481	-	-	189,680	-	-	303,046	163,976
Contributions	-	-	-	-	-	-	-	-	-	56
Grant income	-	19,876	-	-	-	-	8,343	-	28,219	193,104
Investment income, net of fees	45,083	-	-	-	-	-	-	-	45,083	69,117
Other income	-	27,193	-	445	2,656	-	-	-	30,294	1,263
Total revenue, gains and other support	<u>45,083</u>	<u>1,612,577</u>	<u>113,481</u>	<u>250,557</u>	<u>233,304</u>	<u>189,680</u>	<u>8,343</u>	<u>-</u>	<u>2,453,025</u>	<u>2,292,009</u>
Expenses										
Employment expenses	138,192	331,852	54,599	103,479	101,143	-	-	-	729,265	686,230
Travel	71,519	18,855	-	144	230	76,377	7,800	61,353	236,278	214,813
Meeting expenses	5,846	901	53	-	-	270,674	4,400	75,574	357,448	345,532
Contract services expenses	1,750	202,886	63,802	35,438	31,907	19,954	45,588	-	401,325	188,944
Shipping, supplies and printing	4,406	18,641	6,056	2,535	4,504	3,147	790	362	40,441	58,461
Grants	-	-	-	-	-	-	-	-	-	1,873
Information technology and computer costs	4,612	13,669	-	1,181	713	599	43,910	2,915	67,599	72,185
Membership materials and advertising	1,356	201,235	-	70,963	62,185	9,877	-	56	345,672	294,137
Utilities	1,919	2,224	-	413	413	-	-	-	4,969	5,530
Taxes and fees	1,074	33,037	210	23	34	978	-	582	35,938	30,673
Currency exchange and bad debt expenses	-	(727)	-	-	-	-	-	-	(727)	-
Miscellaneous expenses	89,147	240,182	48,000	77,004	75,996	12,000	-	-	542,329	583,734
Total expenses	<u>319,821</u>	<u>1,062,755</u>	<u>172,720</u>	<u>291,180</u>	<u>277,125</u>	<u>393,606</u>	<u>102,488</u>	<u>140,842</u>	<u>2,760,537</u>	<u>2,482,112</u>
Change in Net Assets Before Other Changes	(274,738)	549,822	(59,239)	(40,623)	(43,821)	(203,926)	(94,145)	(140,842)	(307,512)	(190,103)
Realized and unrealized gains (losses) on investments	243,045	-	-	-	-	-	-	-	243,045	(675,798)
Change in Net Assets	<u>\$ (31,693)</u>	<u>\$ 549,822</u>	<u>\$ (59,239)</u>	<u>\$ (40,623)</u>	<u>\$ (43,821)</u>	<u>\$ (203,926)</u>	<u>\$ (94,145)</u>	<u>\$ (140,842)</u>	<u>\$ (64,467)</u>	<u>\$ (865,901)</u>