

Kiwanis International and Affiliates

Independent Auditor's Report and Consolidated Financial Statements

September 30, 2016 and 2015

Kiwanis International and Affiliates

September 30, 2016 and 2015

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 Cash Flows	6
Notes to Consolidated Financial Statements	7

Supplemental Information

Consolidating Schedules - Statements of Financial Position Information	25
Consolidating Schedules - Statements of Activities Information.....	27
Schedules of Funds - Parent Only	29
Schedules of Operating Revenues - Parent Only.....	31
Schedules of Operating Expenses - Parent Only	32
Schedules of Revenues and Expenses - Kiwanis Youth Programs	34
Statements of Functional Expenses - Kiwanis International Foundation	35
Eliminate Project Statements of Activities - Project History - Kiwanis International Foundation	36

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

Board of Trustees
Kiwanis International
Indianapolis, Indiana

We have audited the accompanying consolidated financial statements of Kiwanis International and its subsidiaries, which comprise the consolidated statements of financial position as of September 30, 2016 and 2015, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Kiwanis International and its subsidiaries as of September 30, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. We previously expressed unmodified opinions on the 2011 to 2014 consolidated financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The 2010 information presented in the Eliminate Project Statements of Activities - Project History has not been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements, and accordingly, we do not express an opinion or provide assurance on it. Except for the 2010 information previously noted, the information has been 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 2011 to 2016 information is fairly stated in all material respects in relation to the 2011 to 2016 consolidated financial statements as a whole.

BKD, LLP

Indianapolis, Indiana
January 5, 2017

Kiwanis International and Affiliates
Consolidated Statements of Financial Position
September 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	\$ 4,636,360	\$ 6,637,194
Investments	36,645,985	35,233,473
Receivables	405,686	359,370
Contributions receivable	24,421,268	28,984,580
Merchandise inventory	454,540	584,106
Prepaid expenses and other	1,058,331	1,102,538
Cash value of life insurance contracts	259,381	247,503
Beneficial interest in assets held by others	113,984	136,850
Property and equipment, net	4,327,724	4,335,447
Total assets	\$ 72,323,259	\$ 77,621,061
Liabilities		
Accounts payable	\$ 530,535	\$ 673,771
Accounts payable - affiliates	85,494	77,485
Accrued liabilities and other	858,567	797,758
Liability insurance accrual	582,961	733,148
Annuities payable	149,585	156,439
Total liabilities	2,207,142	2,438,601
Net Assets		
Unrestricted	29,318,425	28,266,136
Temporarily restricted	28,508,873	34,990,301
Permanently restricted	12,288,819	11,926,023
Total net assets	70,116,117	75,182,460
Total liabilities and net assets	\$ 72,323,259	\$ 77,621,061

Kiwanis International and Affiliates

Consolidated Statement of Activities

Year Ended September 30, 2016

	2016			Total	2015 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted		
Revenue, Gains and Other Support					
Membership dues and fees	\$ 12,317,393	\$ -	\$ -	\$ 12,317,393	\$ 11,084,990
Merchandise sales	1,565,538	-	-	1,565,538	1,805,567
Magazine subscription fees	1,032,291	-	-	1,032,291	1,063,865
Convention fees	1,272,382	-	-	1,272,382	2,038,603
Liability insurance fees	2,335,952	-	-	2,335,952	2,268,976
Contributions	820,790	4,122,186	362,796	5,305,772	23,890,955
Grants	8,657	-	-	8,657	1,500,000
Sponsorship income	407,010	-	-	407,010	270,381
Advertising	33,601	-	-	33,601	47,763
Investment income, net of fees	491,773	233,084	-	724,857	712,561
Service Leadership Programs	1,113,683	-	-	1,113,683	1,037,796
Other	103,849	-	-	103,849	218,305
	<u>21,502,919</u>	<u>4,355,270</u>	<u>362,796</u>	<u>26,220,985</u>	<u>45,939,762</u>
Net assets released from restrictions	10,141,948	(10,141,948)	-	-	-
Total revenue, gains and other support	<u>31,644,867</u>	<u>(5,786,678)</u>	<u>362,796</u>	<u>26,220,985</u>	<u>45,939,762</u>
Expenses and Losses					
Membership education	3,009,609	-	-	3,009,609	2,685,273
Communications	2,284,463	-	-	2,284,463	2,349,465
Corporate relations	538,033	-	-	538,033	355,986
Service Leadership Programs	1,693,207	-	-	1,693,207	1,694,457
Global Services	714,904	-	-	714,904	748,797
Merchandise, including cost of sales	845,011	-	-	845,011	1,188,852
Publications	1,372,467	-	-	1,372,467	1,391,175
International convention	1,721,295	-	-	1,721,295	1,837,362
Liability insurance	1,881,718	-	-	1,881,718	2,020,236
Grants	7,662,049	-	-	7,662,049	8,444,170
Other program expenses	1,037,154	-	-	1,037,154	703,544
Research and development	419,187	-	-	419,187	216,730
General and administrative	4,553,862	-	-	4,553,862	4,791,552
Membership services	1,479,234	-	-	1,479,234	1,698,281
Governance	1,528,345	-	-	1,528,345	1,556,817
Fundraising	1,103,192	-	-	1,103,192	2,295,191
Depreciation and gain/loss on disposals	440,425	-	-	440,425	610,921
Currency exchange and bad debt losses	162,342	1,248,716	-	1,411,058	1,523,686
Total expenses and losses	<u>32,446,497</u>	<u>1,248,716</u>	<u>-</u>	<u>33,695,213</u>	<u>36,112,495</u>
Change in Net Assets Before Other Gains (Losses)	(801,630)	(7,035,394)	362,796	(7,474,228)	9,827,267
Realized and unrealized gains (losses) on investments	1,637,531	776,134	-	2,413,665	(1,694,543)
Change in value of annuities payable	216,388	(222,168)	-	(5,780)	(28,885)
Change in Net Assets	1,052,289	(6,481,428)	362,796	(5,066,343)	8,103,839
Net Assets, Beginning of Year	<u>28,266,136</u>	<u>34,990,301</u>	<u>11,926,023</u>	<u>75,182,460</u>	<u>67,078,621</u>
Net Assets, End of Year	<u>\$ 29,318,425</u>	<u>\$ 28,508,873</u>	<u>\$ 12,288,819</u>	<u>\$ 70,116,117</u>	<u>\$ 75,182,460</u>

Kiwanis International and Affiliates

Consolidated Statement of Activities

Year Ended September 30, 2015

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenue, Gains and Other Support				
Membership dues and fees	\$ 11,084,990	\$ -	\$ -	\$ 11,084,990
Merchandise sales	1,805,567	-	-	1,805,567
Magazine subscription fees	1,063,865	-	-	1,063,865
Convention fees	2,038,603	-	-	2,038,603
Liability insurance fees	2,268,976	-	-	2,268,976
Contributions	845,170	22,873,230	172,555	23,890,955
Grants	-	1,500,000	-	1,500,000
Sponsorship income	270,381	-	-	270,381
Advertising	47,763	-	-	47,763
Investment income, net of fees	473,211	239,350	-	712,561
Service Leadership Programs	1,037,796	-	-	1,037,796
Other	218,305	-	-	218,305
	<u>21,154,627</u>	<u>24,612,580</u>	<u>172,555</u>	<u>45,939,762</u>
Net assets released from restrictions	12,627,169	(12,627,169)	-	-
Total revenue, gains and other support	<u>33,781,796</u>	<u>11,985,411</u>	<u>172,555</u>	<u>45,939,762</u>
Expenses and Losses				
Membership education	2,685,273	-	-	2,685,273
Communications	2,349,465	-	-	2,349,465
Corporate relations	355,986	-	-	355,986
Service Leadership Programs	1,694,457	-	-	1,694,457
Global Services	748,797	-	-	748,797
Merchandise, including cost of sales	1,188,852	-	-	1,188,852
Publications	1,391,175	-	-	1,391,175
International convention	1,837,362	-	-	1,837,362
Liability insurance	2,020,236	-	-	2,020,236
Grants	8,444,170	-	-	8,444,170
Other program expenses	703,544	-	-	703,544
Research and development	216,730	-	-	216,730
General and administrative	4,791,552	-	-	4,791,552
Membership services	1,698,281	-	-	1,698,281
Governance	1,556,817	-	-	1,556,817
Fundraising	2,295,191	-	-	2,295,191
Depreciation and gain/loss on disposals	610,921	-	-	610,921
Currency exchange and bad debt losses	411,866	1,111,820	-	1,523,686
Total expenses and losses	<u>35,000,675</u>	<u>1,111,820</u>	<u>-</u>	<u>36,112,495</u>
Change in Net Assets Before Other Losses	(1,218,879)	10,873,591	172,555	9,827,267
Realized and unrealized losses on investments	(1,125,344)	(569,199)	-	(1,694,543)
Change in value of annuities payable	(28,885)	-	-	(28,885)
Change in Net Assets	(2,373,108)	10,304,392	172,555	8,103,839
Net Assets, Beginning of Year	<u>30,639,244</u>	<u>24,685,909</u>	<u>11,753,468</u>	<u>67,078,621</u>
Net Assets, End of Year	<u>\$ 28,266,136</u>	<u>\$ 34,990,301</u>	<u>\$ 11,926,023</u>	<u>\$ 75,182,460</u>

Kiwanis International and Affiliates
Consolidated Statements of Cash Flows
Years Ended September 30, 2016 and 2015

	2016	2015
Operating Activities		
Change in net assets	\$ (5,066,343)	\$ 8,103,839
Items not requiring (providing) cash		
Depreciation	440,580	590,336
Increase in cash value of life insurance contracts	(11,878)	(13,192)
(Gain) loss on disposals of property and equipment	(155)	20,585
Realized and unrealized (gains) losses on investments	(2,413,665)	1,694,543
Change in value of annuities payable	(6,854)	17,605
Provision for uncollectible contributions	1,248,749	1,109,500
Changes in		
Receivables	(46,316)	9,532
Contributions receivable	3,314,563	(10,989,500)
Merchandise inventory	129,566	(40,457)
Prepaid expenses and other	44,207	(338,853)
Beneficial interest in assets held by others	22,866	159,988
Accounts payable	(143,236)	(497,635)
Accounts payable - affiliates	8,009	11,663
Grants payable	-	(112,979)
Liability insurance accrual	(150,187)	65,331
Accrued liabilities and other	60,809	(16,630)
Net cash used in operating activities	(2,569,285)	(226,324)
Investing Activities		
Purchase of property and equipment	(432,702)	(246,073)
Purchase of investment securities	(15,043,601)	(14,564,402)
Sales and maturities of investment securities	16,044,754	15,796,146
Net cash provided by investing activities	568,451	985,671
Financing Activity - net payments of annuities	-	(24,360)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,000,834)	734,987
Cash and Cash Equivalents, Beginning of Year	6,637,194	5,902,207
Cash and Cash Equivalents, End of Year	\$ 4,636,360	\$ 6,637,194

Kiwanis International and Affiliates

Notes to Consolidated Financial Statements

September 30, 2016 and 2015

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

General

Kiwanis International and Affiliates (Kiwanis) consists of the following four affiliated 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 Foundation**

Kiwanis International Foundation (Foundation) was incorporated as a not-for-profit organization in April 1939, under the laws of the State of Illinois. Subsequently, in December 1997, Foundation was incorporated under the laws of the State of Indiana.

Kiwanis International and Affiliates

Notes to Consolidated Financial Statements

September 30, 2016 and 2015

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

Subsequent to year end, the Foundation began doing business as the Kiwanis Children's Fund.

- **Kiwanis Youth Programs (formerly Key Club International)**

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.

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

Use of Estimates

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

Cash and Cash Equivalents

Kiwanis considers all liquid investments with original maturities of three months or less (excluding cash equivalents managed by outside investment firms) to be cash equivalents. At September 30, 2016 and 2015, cash equivalents consisted primarily of money market accounts in both the United States and foreign countries.

At September 30, 2016, Kiwanis' cash accounts held in the United States exceeded federally insured limits by approximately \$2,290,000.

At September 30, 2016 and 2015, funds held outside the United States totaled approximately \$1,286,663 and \$1,818,965, respectively.

Kiwanis International and Affiliates

Notes to Consolidated Financial Statements

September 30, 2016 and 2015

Investments and Investment Return

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

Accounts Receivable

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

Property and Equipment

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

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

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

Long-Lived Asset Impairment

Kiwanis evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended September 30, 2016 and 2015.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by Kiwanis has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by Kiwanis in perpetuity.

Kiwanis International and Affiliates

Notes to Consolidated Financial Statements

September 30, 2016 and 2015

Contributions

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as temporarily restricted and then released from restriction.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

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

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional. At September 30, 2016 and 2015, approximately \$131,000 and \$138,000 of conditional promises to give were available to the Foundation based on matching requirements by the donor.

Contributed Services

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

Dues and Service Fee Revenue

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

Kiwanis International and Affiliates

Notes to Consolidated Financial Statements

September 30, 2016 and 2015

Merchandise Inventory

Merchandise inventory consists primarily of Kiwanis logo merchandise. Inventories are stated at the lower of cost or market. 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 the Foundation are exempt under Section 501 of the U.S. Internal Revenue Code. The Foundation is not considered to be a private foundation. Gross unrelated business revenues amounted to \$31,101 and \$47,763 for the years ended September 30, 2016 and 2015, respectively.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Certain costs have been allocated among the program services, general and administrative and fundraising categories based on cost allocations estimated by Kiwanis personnel.

Reclassifications

Certain reclassifications have been made to the 2015 financial statements to conform to the 2016 financial statement presentation. These reclassifications had no effect on the change in net assets.

Kiwanis International and Affiliates
Notes to Consolidated Financial Statements
September 30, 2016 and 2015

Note 2: Investments

Investments at September 30 consisted of the following:

	Kiwanis International	Kiwanis International Foundation	Total
September 30, 2016			
Money market funds	\$ 2,276,509	\$ 480,340	\$ 2,756,849
Fixed income securities and funds			
Long-term bonds	907,333	654,249	1,561,582
Intermediate-term bonds	1,975,483	502,625	2,478,108
Short-term bonds	1,670,180	1,353,160	3,023,340
Fixed income blend	164,066	442,730	606,796
Total fixed income securities	<u>4,717,062</u>	<u>2,952,764</u>	<u>7,669,826</u>
Equity securities and funds			
Large-cap stocks	7,724,310	7,178,557	14,902,867
Mid- and small-cap stocks	3,884,958	1,843,471	5,728,429
International stocks	2,690,786	1,735,522	4,426,308
Equities blend	136,212	50,346	186,558
Total equity securities and funds	<u>14,436,266</u>	<u>10,807,896</u>	<u>25,244,162</u>
Alternative investment strategies	-	975,148	975,148
Total investments	<u>\$ 21,429,837</u>	<u>\$ 15,216,148</u>	<u>\$ 36,645,985</u>
September 30, 2015			
Money market funds	\$ 2,300,406	\$ 418,484	\$ 2,718,890
Fixed income securities and funds			
Long-term bonds	599,928	180,492	780,420
Intermediate-term bonds	1,766,904	1,036,710	2,803,614
Short-term bonds	1,542,549	1,005,148	2,547,697
Fixed income blend	268,272	680,607	948,879
Total fixed income securities	<u>4,177,653</u>	<u>2,902,957</u>	<u>7,080,610</u>
Equity securities and funds			
Large-cap stocks	7,491,257	6,633,825	14,125,082
Mid- and small-cap stocks	3,284,768	1,857,178	5,141,946
International stocks	3,086,208	1,532,616	4,618,824
Equities blend	176,853	165,283	342,136
Total equity securities and funds	<u>14,039,086</u>	<u>10,188,902</u>	<u>24,227,988</u>
Alternative investment strategies	-	1,205,985	1,205,985
Total investments	<u>\$ 20,517,145</u>	<u>\$ 14,716,328</u>	<u>\$ 35,233,473</u>

Kiwanis International and Affiliates
Notes to Consolidated Financial Statements
September 30, 2016 and 2015

Note 3: Contributions Receivable

Contributions receivable at September 30 consisted of the following:

	<u>2016</u>	<u>2015</u>
Due within one year	\$ 13,048,294	\$ 11,012,580
Due in one to five years	15,928,052	21,100,100
	<u>28,976,346</u>	<u>32,112,680</u>
Less:		
Allowance for uncollectible contributions	(3,920,616)	(2,667,500)
Unamortized discount	<u>(634,462)</u>	<u>(460,600)</u>
Net contributions receivable	<u>\$ 24,421,268</u>	<u>\$ 28,984,580</u>

The discount rates for 2016 and 2015 ranged from .62% to 1.78% and .14% to 1.4%, respectively.

Note 4: Beneficial Interest in Assets Held by Others

The Foundation has agreements with the Kiwanis Foundations of Canada, Jamaica and Japan that provide for contributions made to the Foundation to be held in those countries by the respective local foundations. The agreements also provide for the local foundations to recommend grants to be made from those funds that are ultimately approved by the Foundation. At September 30, 2016 and 2015, the balance of the beneficial interest in assets held by others was \$113,984 and \$136,850, respectively.

Note 5: Property and Equipment

Property and equipment at September 30 consists of:

	<u>2016</u>	<u>2015</u>
Buildings and improvements	\$ 6,186,749	\$ 6,162,616
Furniture and equipment	5,748,143	5,370,204
	<u>11,934,892</u>	<u>11,532,820</u>
Less: Accumulated depreciation	<u>(8,318,791)</u>	<u>(7,908,996)</u>
	3,616,101	3,623,824
Land	<u>711,623</u>	<u>711,623</u>
	<u>\$ 4,327,724</u>	<u>\$ 4,335,447</u>

Kiwanis International and Affiliates

Notes to Consolidated Financial Statements

September 30, 2016 and 2015

Note 6: 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, 2016 and 2015, Kiwanis accrued \$582,961 and \$733,148 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 introduced a directors and officers (D&O) liability insurance program effective November 1, 2014. 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, 2016.

Note 7: Annuities Payable

The Foundation 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. The Foundation has recorded a liability at September 30, 2016 and 2015, of \$149,585 and \$156,439, which represents the present value of the future annuity obligations. The liability has been determined using discount rates ranging from 1.2% to 9.0%.

Kiwanis International and Affiliates
Notes to Consolidated Financial Statements
September 30, 2016 and 2015

Note 8: Temporarily Restricted Net Assets

Temporarily restricted net assets at September 30 are available for the following purposes or periods:

	<u>2016</u>	<u>2015</u>
Eliminate Project	\$ 25,104,707	\$ 31,312,561
Scholarships, awards, grants and other programs	1,957,439	2,001,863
Resource development program	1,011,884	1,500,000
Accumulated earnings on unrestricted endowments	<u>434,843</u>	<u>175,877</u>
	<u>\$ 28,508,873</u>	<u>\$ 34,990,301</u>

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

	<u>2016</u>	<u>2015</u>
Eliminate Project	\$ 8,838,651	\$ 11,535,067
Scholarships, awards, grants and other programs	762,505	264,931
Other amounts appropriated for expenditure	<u>540,792</u>	<u>827,171</u>
	<u>\$ 10,141,948</u>	<u>\$ 12,627,169</u>

Note 9: Permanently Restricted Net Assets

Permanently restricted net assets at September 30 are restricted to:

	<u>2016</u>	<u>2015</u>
Investment in perpetuity, the income of which is expendable to support:		
USI Sustainability Fund	\$ 1,851,857	\$ 1,851,856
Key Club Youth Opportunities Fund	1,549,241	1,549,241
Other	1,535,519	1,524,777
Any activity of the Foundation	<u>7,352,202</u>	<u>7,000,149</u>
	<u>\$ 12,288,819</u>	<u>\$ 11,926,023</u>

Kiwanis International and Affiliates
Notes to Consolidated Financial Statements
September 30, 2016 and 2015

Note 10: Endowment

The Foundation's 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 (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation's 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, the Foundation classifies as permanently restricted net assets 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 temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Foundation 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 the Foundation and the 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 the Foundation
7. Investment policies of the Foundation

The composition of net assets by type of endowment fund at September 30, 2016 and 2015 was:

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-restricted endowment funds	\$ -	\$ 1,982,157	\$ 12,288,819	\$ 14,270,976
	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 1,498,183	\$ 11,926,023	\$ 13,424,206

Kiwanis International and Affiliates
Notes to Consolidated Financial Statements
September 30, 2016 and 2015

Changes in endowment net assets for the years ended September 30, 2016 and 2015 were:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, October 1, 2014	\$ -	\$ 2,866,516	\$ 11,753,468	\$ 14,619,984
Investment income	-	263,848	-	263,848
Net realized and unrealized losses	-	(566,202)	-	(566,202)
Contributions	-	8,650	172,555	181,205
Appropriation of endowment assets for expenditure	-	(1,074,629)	-	(1,074,629)
Endowment net assets, September 30, 2015	-	1,498,183	11,926,023	13,424,206
Investment income	-	246,763	-	246,763
Net realized and unrealized gains	-	715,331	-	715,331
Contributions	-	4,394	362,796	367,190
Appropriation of endowment assets for expenditure	-	(482,514)	-	(482,514)
Endowment net assets, September 30, 2016	<u>\$ -</u>	<u>\$ 1,982,157</u>	<u>\$ 12,288,819</u>	<u>\$ 14,270,976</u>

Amounts of donor-restricted endowment funds classified as permanently and temporarily restricted net assets at September 30 consisted of:

	2016	2015
Permanently restricted net assets - portion of perpetual endowment funds required to be retained permanently by explicit donor stipulation or SPMIFA	<u>\$ 12,288,819</u>	<u>\$ 11,926,023</u>
Temporarily restricted net assets		
Portion of perpetual endowment funds subject to a time restriction under SPMIFA		
With purpose restrictions	\$ 1,547,314	\$ 1,322,306
Without purpose restrictions	434,843	175,877
	<u>\$ 1,982,157</u>	<u>\$ 1,498,183</u>

Kiwanis International and Affiliates

Notes to Consolidated Financial Statements

September 30, 2016 and 2015

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the Foundation is required to retain as a fund of perpetual duration pursuant to donor stipulation or SPMIFA. In accordance with GAAP, no deficiencies of this nature are reported in unrestricted net assets and aggregated at September 30, 2016 or 2015.

The Foundation 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 the Foundation must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds. Under the Foundation's 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. The Foundation expects its endowment funds to provide an average rate of return of approximately 10% annually over time. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, the Foundation 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). The Foundation 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.

The Foundation has a policy of appropriating for distribution each year up to 4% of its endowment fund's average fair value over the prior 12 quarters through September 30, 2015. Effective October 1, 2015, the Foundation increased the appropriating for distribution each year up to 5% of its permanent fund balance at December 31, 2014. In addition to the calculated spendable distribution, the Board approved to appropriate for expenditure from the accumulated earnings on the general endowment any operating deficit and an amount equal to the deficit unrestricted net asset balance for fiscal years 2016 and 2015, which amounted to \$0 and \$613,431, respectively. In establishing this policy, the Foundation considered the long-term expected return on its endowment. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Kiwanis International and Affiliates

Notes to Consolidated Financial Statements

September 30, 2016 and 2015

Note 11: Disclosures About Fair Value of Assets and Liabilities

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

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

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

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include money market funds, common and preferred stocks and mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Level 2 securities include U.S. Government and related agency securities, international bonds and corporate bonds. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

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 Affiliates

Notes to Consolidated Financial Statements

September 30, 2016 and 2015

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, 2016 and 2015:

	2016			
	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				
<i>Kiwanis International</i>				
Cash equivalents and money market funds	\$ 2,276,509	\$ 2,276,509	\$ -	\$ -
Fixed income securities and funds				
Long-term bonds	907,333	887,376	19,957	-
Intermediate-term bonds	1,975,483	1,637,795	337,688	-
Short-term bonds	1,670,180	1,034,735	635,445	-
Fixed income blend	164,066	164,066	-	-
Total fixed income securities	<u>4,717,062</u>	<u>3,723,972</u>	<u>993,090</u>	<u>-</u>
Common and preferred stocks				
Large-cap stocks	7,724,310	7,724,310	-	-
Mid- and small-cap stocks	3,884,958	3,884,958	-	-
International stocks	2,690,786	2,690,786	-	-
Equities blend	136,212	136,212	-	-
Total common and preferred stocks	<u>14,436,266</u>	<u>14,436,266</u>	<u>-</u>	<u>-</u>
Subtotal - Kiwanis International	<u>21,429,837</u>	<u>20,436,747</u>	<u>993,090</u>	<u>-</u>
<i>Kiwanis International Foundation</i>				
Money market funds	480,340	480,340	-	-
Fixed income securities				
Long-term bonds	654,249	635,634	18,615	-
Intermediate-term bonds	502,625	502,625	-	-
Short-term bonds	1,353,160	916,858	436,302	-
Fixed income blend	442,730	442,730	-	-
Total fixed income securities	<u>2,952,764</u>	<u>2,497,847</u>	<u>454,917</u>	<u>-</u>
Common and preferred stocks				
Large-cap stocks	7,178,557	7,178,557	-	-
Mid- and small-cap stocks	1,843,471	1,843,471	-	-
International stocks	1,735,522	1,735,522	-	-
Equities blend	50,346	50,346	-	-
Total common and preferred stocks	<u>10,807,896</u>	<u>10,807,896</u>	<u>-</u>	<u>-</u>
Alternative investment strategies	975,148	975,148	-	-
Subtotal - Kiwanis International Foundation	<u>15,216,148</u>	<u>14,761,231</u>	<u>454,917</u>	<u>-</u>
Total investments	<u>\$ 36,645,985</u>	<u>\$ 35,197,978</u>	<u>\$ 1,448,007</u>	<u>\$ -</u>
Beneficial interest in assets held by others	<u>\$ 113,984</u>	<u>\$ -</u>	<u>\$ 113,984</u>	<u>\$ -</u>

Kiwanis International and Affiliates

Notes to Consolidated Financial Statements

September 30, 2016 and 2015

	2015			
	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				
<i>Kiwanis International</i>				
Cash equivalents and money market funds	\$ 2,300,406	\$ 2,300,406	\$ -	\$ -
Fixed income securities and funds				
Long-term bonds	599,928	587,287	12,641	-
Intermediate-term bonds	1,766,904	1,627,837	139,067	-
Short-term bonds	1,542,549	1,234,182	308,367	-
Fixed income blend	268,272	268,272	-	-
Total fixed income securities	<u>4,177,653</u>	<u>3,717,578</u>	<u>460,075</u>	<u>-</u>
Common and preferred stocks				
Large-cap stocks	7,491,257	7,491,257	-	-
Mid- and small-cap stocks	3,284,768	3,284,768	-	-
International stocks	3,086,208	3,086,208	-	-
Equities blend	176,853	176,853	-	-
Total common and preferred stocks	<u>14,039,086</u>	<u>14,039,086</u>	<u>-</u>	<u>-</u>
Subtotal - Kiwanis International	<u>20,517,145</u>	<u>20,057,070</u>	<u>460,075</u>	<u>-</u>
<i>Kiwanis International Foundation</i>				
Money market funds	418,484	418,484	-	-
Fixed income securities				
Long-term bonds	180,492	176,366	4,126	-
Intermediate-term bonds	1,036,710	1,036,710	-	-
Short-term bonds	1,005,148	563,323	441,825	-
Fixed income blend	680,607	680,607	-	-
Total fixed income securities	<u>2,902,957</u>	<u>2,457,006</u>	<u>445,951</u>	<u>-</u>
Common and preferred stocks				
Large-cap stocks	6,633,825	6,633,825	-	-
Mid- and small-cap stocks	1,857,178	1,857,178	-	-
International stocks	1,532,616	1,532,616	-	-
Equities blend	165,283	165,283	-	-
Total common and preferred stocks	<u>10,188,902</u>	<u>10,188,902</u>	<u>-</u>	<u>-</u>
Alternative investment strategies	1,205,985	1,205,985	-	-
Subtotal - Kiwanis International Foundation	<u>14,716,328</u>	<u>14,270,377</u>	<u>445,951</u>	<u>-</u>
Total investments	<u>\$ 35,233,473</u>	<u>\$ 34,327,447</u>	<u>\$ 906,026</u>	<u>\$ -</u>
Beneficial interest in assets held by others	<u>\$ 136,850</u>	<u>\$ -</u>	<u>\$ 136,850</u>	<u>\$ -</u>

There have been no significant changes in the valuation techniques during the year ended September 30, 2016. During 2015, Kiwanis reclassified the alternative investment strategies from Level 2 to Level 1 upon determining the fair value of these funds is based on quoted prices in active markets.

Kiwanis International and Affiliates
Notes to Consolidated Financial Statements
September 30, 2016 and 2015

Note 12: Line of Credit

International established a secured uncommitted \$2,000,000 guidance line of credit in February 2015 as a means of limiting monthly fees while preserving access to cash if necessary. At September 30, 2016 and 2015, there were no borrowings outstanding under the guidance line of credit. Interest on line of credit borrowings is payable monthly at 3.5%. The guidance line of credit expires on February 15, 2017.

Note 13: Operating Leases

International rents various items of equipment and office space under long-term noncancellable operating leases, which expire at various dates through January 20, 2021. Rental expense for these leases included in the consolidated statements of activities for the years ended September 30, 2016 and 2015, was approximately \$65,000 and \$75,000, respectively.

Minimum annual rental payments required under noncancellable operating leases, which have remaining terms in excess of one year as of September 30, 2016, were as follows:

2017	\$ 34,044
2018	34,044
2019	34,044
2020	34,044
2021	14,284
	<u>150,460</u>
	<u>\$ 150,460</u>

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 International Foundation). International makes matching contributions up to a maximum of 4% of the compensation that each employee contributes to the Plan. Kiwanis' contributions and administrative fees for the Plan were \$279,667 and \$276,924 for the years ended September 30, 2016 and 2015, respectively.

Kiwanis International and Affiliates
Notes to Consolidated Financial Statements
September 30, 2016 and 2015

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 Affiliates
Notes to Consolidated Financial Statements
September 30, 2016 and 2015

Note 16: Functional Expenses

Total expenses by functional classifications are as follows:

	2016	2015
Programs:		
Membership education	\$ 3,064,059	\$ 2,748,947
Communications	2,335,883	2,419,017
Corporate relations	550,838	366,977
Service Leadership Programs	1,711,702	1,726,706
Global Services	731,919	771,917
Merchandise, including cost of sales	864,639	1,225,559
Publications	1,403,004	1,431,067
International convention	1,751,679	1,887,111
Liability insurance	1,926,503	2,082,612
Grants	7,662,049	8,448,866
Other program expenses	1,037,154	703,544
Research and development	429,164	223,422
Total program services	<u>23,468,593</u>	<u>24,035,745</u>
General and administrative	4,641,985	4,914,816
Membership services	1,506,371	1,731,853
Governance	1,564,719	1,604,885
Fundraising	1,103,192	2,295,191
Currency exchange and bad debt losses	<u>1,410,353</u>	<u>1,530,005</u>
 Total expenses and losses	 <u><u>\$ 33,695,213</u></u>	 <u><u>\$ 36,112,495</u></u>

Note 17: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the consolidated financial statements were available to be issued.

Supplemental Information

Kiwanis International and Affiliates
Consolidating Schedule - Statement of Financial Position Information
September 30, 2016

	Kiwanis International	Circle K International	Kiwanis Youth Programs	Kiwanis International Foundation			Eliminations	Total	2015 Total
				Operations	Eliminate Project	Total			
Assets									
Cash and cash equivalents	\$ 2,774,253	\$ 92,099	\$ 227,468	\$ 1,055,580	\$ 486,960	\$ 1,542,540	\$ -	\$ 4,636,360	\$ 6,637,194
Investments	21,429,837	-	2,394,892	15,216,148	-	15,216,148	(2,394,892)	36,645,985	35,233,473
Receivables	379,190	158	11,413	-	14,925	14,925	-	405,686	359,370
Contributions receivable	-	-	-	16,168	24,405,100	24,421,268	-	24,421,268	28,984,580
Merchandise inventory	454,540	-	-	-	-	-	-	454,540	584,106
Prepaid expenses and other	1,046,847	549	3,827	7,097	11	7,108	-	1,058,331	1,102,538
Cash value of life insurance contracts	-	-	-	259,381	-	259,381	-	259,381	247,503
Beneficial interest in assets held by others	-	-	-	82,481	31,503	113,984	-	113,984	136,850
Property and equipment, net	4,327,724	-	-	-	-	-	-	4,327,724	4,335,447
Advances to affiliates	582,079	-	-	-	-	-	(582,079)	-	-
Interfund receivable (payable)	-	-	-	(289,293)	289,293	-	-	-	-
Total assets	<u>\$ 30,994,470</u>	<u>\$ 92,806</u>	<u>\$ 2,637,600</u>	<u>\$ 16,347,562</u>	<u>\$ 25,227,792</u>	<u>\$ 41,575,354</u>	<u>\$ (2,976,971)</u>	<u>\$ 72,323,259</u>	<u>\$ 77,621,061</u>
Liabilities									
Accounts payable	\$ 530,310	\$ -	\$ -	\$ 225	\$ -	\$ 225	\$ -	\$ 530,535	\$ 673,771
Accounts payable - affiliates	67,678	14,266	219,651	242,893	123,085	365,978	(582,079)	85,494	77,485
Funds invested for Kiwanis Youth Programs	2,394,892	-	-	-	-	-	(2,394,892)	-	-
Accrued liabilities and other	811,284	1,500	45,783	-	-	-	-	858,567	797,758
Liability insurance accrual	582,961	-	-	-	-	-	-	582,961	733,148
Annuities payable	-	-	-	149,585	-	149,585	-	149,585	156,439
Total liabilities	<u>4,387,125</u>	<u>15,766</u>	<u>265,434</u>	<u>392,703</u>	<u>123,085</u>	<u>515,788</u>	<u>(2,976,971)</u>	<u>2,207,142</u>	<u>2,438,601</u>
Net Assets									
Unrestricted									
Operating	19,227,619	77,040	2,372,166	261,874	-	261,874	-	21,938,699	20,657,046
Publications	2,379,726	-	-	-	-	-	-	2,379,726	2,609,090
Liability insurance	5,000,000	-	-	-	-	-	-	5,000,000	5,000,000
Total unrestricted net assets	<u>26,607,345</u>	<u>77,040</u>	<u>2,372,166</u>	<u>261,874</u>	<u>-</u>	<u>261,874</u>	<u>-</u>	<u>29,318,425</u>	<u>28,266,136</u>
Temporarily restricted	-	-	-	3,404,166	25,104,707	28,508,873	-	28,508,873	34,990,301
Permanently restricted	-	-	-	12,288,819	-	12,288,819	-	12,288,819	11,926,023
Total net assets	<u>26,607,345</u>	<u>77,040</u>	<u>2,372,166</u>	<u>15,954,859</u>	<u>25,104,707</u>	<u>41,059,566</u>	<u>-</u>	<u>70,116,117</u>	<u>75,182,460</u>
Total liabilities and net assets	<u>\$ 30,994,470</u>	<u>\$ 92,806</u>	<u>\$ 2,637,600</u>	<u>\$ 16,347,562</u>	<u>\$ 25,227,792</u>	<u>\$ 41,575,354</u>	<u>\$ (2,976,971)</u>	<u>\$ 72,323,259</u>	<u>\$ 77,621,061</u>

Kiwanis International and Affiliates
Consolidating Schedule - Statement of Financial Position Information
September 30, 2015

	Kiwanis International	Circle K International	Kiwanis Youth Programs	Kiwanis International Foundation			Eliminations	Total
				Operations	Eliminate Project	Total		
Assets								
Cash and cash equivalents	\$ 2,508,747	\$ 73,060	\$ 659,836	\$ 1,962,864	\$ 1,432,687	\$ 3,395,551	\$ -	\$ 6,637,194
Investments	20,517,145	-	2,007,286	14,716,328	-	14,716,328	(2,007,286)	35,233,473
Receivables	329,387	950	29,033	-	-	-	-	359,370
Contributions receivable	-	-	-	20,280	28,964,300	28,984,580	-	28,984,580
Merchandise inventory	584,106	-	-	-	-	-	-	584,106
Prepaid expenses and other	881,862	13,584	200,867	6,145	80	6,225	-	1,102,538
Cash value of life insurance contracts	-	-	-	247,503	-	247,503	-	247,503
Beneficial interest in assets held by others	-	-	-	76,773	60,077	136,850	-	136,850
Property and equipment, net	4,335,447	-	-	-	-	-	-	4,335,447
Advances to affiliates	733,422	-	-	-	-	-	(733,422)	-
Interfund receivable (payable)	-	-	-	(1,138,474)	1,138,474	-	-	-
Total assets	\$ 29,890,116	\$ 87,594	\$ 2,897,022	\$ 15,891,419	\$ 31,595,618	\$ 47,487,037	\$ (2,740,708)	\$ 77,621,061
Liabilities								
Accounts payable	\$ 668,350	\$ -	\$ -	\$ 732	\$ 4,689	\$ 5,421	\$ -	\$ 673,771
Accounts payable - affiliates	63,019	13,802	325,233	130,485	278,368	408,853	(733,422)	77,485
Funds invested for Kiwanis Youth Programs	2,007,286	-	-	-	-	-	(2,007,286)	-
Accrued liabilities and other	683,190	1,200	113,368	-	-	-	-	797,758
Liability insurance accrual	733,148	-	-	-	-	-	-	733,148
Annuities payable	-	-	-	156,439	-	156,439	-	156,439
Total liabilities	4,154,993	15,002	438,601	287,656	283,057	570,713	(2,740,708)	2,438,601
Net Assets								
Unrestricted								
Operating	18,126,033	72,592	2,458,421	-	-	-	-	20,657,046
Publications	2,609,090	-	-	-	-	-	-	2,609,090
Liability insurance	5,000,000	-	-	-	-	-	-	5,000,000
Total unrestricted net assets	25,735,123	72,592	2,458,421	-	-	-	-	28,266,136
Temporarily restricted	-	-	-	3,677,740	31,312,561	34,990,301	-	34,990,301
Permanently restricted	-	-	-	11,926,023	-	11,926,023	-	11,926,023
Total net assets	25,735,123	72,592	2,458,421	15,603,763	31,312,561	46,916,324	-	75,182,460
Total liabilities and net assets	\$ 29,890,116	\$ 87,594	\$ 2,897,022	\$ 15,891,419	\$ 31,595,618	\$ 47,487,037	\$ (2,740,708)	\$ 77,621,061

Kiwanis International and Affiliates

Consolidating Schedule - Statement of Activities Information

Year Ended September 30, 2016

	Kiwanis International	Circle K International	Kiwanis Youth Programs	Kiwanis International Foundation			Eliminations	Total	2015 Total
				Operations	Eliminate Project	Foundation Total			
Revenue, Gains and Other Support									
Membership dues and fees	\$ 10,117,834	\$ 238,952	\$ 1,960,607	\$ -	\$ -	\$ -	\$ -	\$ 12,317,393	\$ 11,084,990
Merchandise sales	1,565,538	-	-	-	-	-	-	1,565,538	1,805,567
Magazine subscription fees	1,032,291	-	-	-	-	-	-	1,032,291	1,063,865
Convention fees	966,715	84,517	221,150	-	-	-	-	1,272,382	2,038,603
Liability insurance fees	2,335,952	-	-	-	-	-	-	2,335,952	2,268,976
Contributions	-	-	-	1,424,581	3,881,191	5,305,772	-	5,305,772	23,890,955
Grants	15,000	2,985	55,672	-	-	-	(65,000)	8,657	1,500,000
Sponsorship income	407,010	-	-	-	-	-	-	407,010	270,381
Advertising	31,101	-	2,500	-	-	-	-	33,601	47,763
Investment income, net of fees	364,176	150	45,989	314,542	-	314,542	-	724,857	712,561
Service Leadership Programs	114,670	-	999,013	-	-	-	-	1,113,683	1,037,796
Other	53,184	305	9,930	40,430	-	40,430	-	103,849	218,305
Management fee - intercompany	1,443,756	-	-	-	-	-	(1,443,756)	-	-
Subsidies from Kiwanis International	-	356,418	-	-	-	-	(356,418)	-	-
Total revenue, gains and other support	18,447,227	683,327	3,294,861	1,779,553	3,881,191	5,660,744	(1,865,174)	26,220,985	45,939,762
Expenses and Losses									
Membership education	2,296,980	278,195	529,021	-	-	-	(94,587)	3,009,609	2,685,273
Communications	2,160,509	68,170	78,962	-	-	-	(23,178)	2,284,463	2,349,465
Corporate relations	538,033	-	-	-	-	-	-	538,033	355,986
Service Leadership Programs	768,033	-	1,655,596	-	-	-	(730,422)	1,693,207	1,694,457
Global Services	714,904	-	-	-	-	-	-	714,904	748,797
Merchandise, including cost of sales	845,011	-	-	-	-	-	-	845,011	1,188,852
Publications	1,262,765	-	109,702	-	-	-	-	1,372,467	1,391,175
International convention	1,276,660	203,487	362,330	-	-	-	(121,182)	1,721,295	1,837,362
Liability insurance	1,881,718	-	-	-	-	-	-	1,881,718	2,020,236
Grants	-	23,015	-	624,571	7,232,463	7,857,034	(218,000)	7,662,049	8,444,170
Other program expenses	-	-	-	779,053	258,101	1,037,154	-	1,037,154	703,544
Research and development	419,187	-	-	-	-	-	-	419,187	216,730
General and administrative	3,702,676	65,311	466,044	477,920	458,885	936,805	(616,974)	4,553,862	4,791,552
Membership services	1,140,206	40,701	312,166	-	-	-	(13,839)	1,479,234	1,698,281
Governance	1,528,345	-	-	-	-	-	-	1,528,345	1,556,817
Fundraising	-	-	-	447,327	702,857	1,150,184	(46,992)	1,103,192	2,295,191
Depreciation and gain/loss on disposals	440,425	-	-	-	-	-	-	440,425	610,921
Currency exchange and bad debt losses	(29,617)	-	-	5,618	1,435,057	1,440,675	-	1,411,058	1,523,686
Total expenses and losses	18,945,835	678,879	3,513,821	2,334,489	10,087,363	12,421,852	(1,865,174)	33,695,213	36,112,495
Change in Net Assets Before Other Gains (Losses)	(498,608)	4,448	(218,960)	(554,936)	(6,206,172)	(6,761,108)	-	(7,474,228)	9,827,267
Realized and unrealized gains (losses) on investments	1,370,830	-	132,705	911,812	(1,682)	910,130	-	2,413,665	(1,694,543)
Change in value of annuities payable	-	-	-	(5,780)	-	(5,780)	-	(5,780)	(28,885)
Change in Net Assets	872,222	4,448	(86,255)	351,096	(6,207,854)	(5,856,758)	-	(5,066,343)	8,103,839
Net Assets, Beginning of Year	25,735,123	72,592	2,458,421	15,603,763	31,312,561	46,916,324	-	75,182,460	67,078,621
Net Assets, End of Year	\$ 26,607,345	\$ 77,040	\$ 2,372,166	\$ 15,954,859	\$ 25,104,707	\$ 41,059,566	\$ -	\$ 70,116,117	\$ 75,182,460

Kiwanis International and Affiliates

Consolidating Schedule - Statement of Activities Information

Year Ended September 30, 2015

	Kiwanis International	Circle K International	Kiwanis Youth Programs	Kiwanis International Foundation			Eliminations	Total
				Operations	Eliminate Project	Foundation Total		
Revenue, Gains and Other Support								
Membership dues and fees	\$ 8,908,943	\$ 231,928	\$ 1,944,119	\$ -	\$ -	\$ -	\$ -	\$ 11,084,990
Merchandise sales	1,805,567	-	-	-	-	-	-	1,805,567
Magazine subscription fees	1,063,865	-	-	-	-	-	-	1,063,865
Convention fees	1,746,418	80,285	211,900	-	-	-	-	2,038,603
Liability insurance fees	2,268,976	-	-	-	-	-	-	2,268,976
Contributions	-	-	-	1,039,391	22,851,564	23,890,955	-	23,890,955
Grants	182,134	20,000	25,000	1,500,000	-	1,500,000	(227,134)	1,500,000
Sponsorship income	270,381	-	-	-	-	-	-	270,381
Advertising	47,763	-	-	-	-	-	-	47,763
Investment income, net of fees	347,804	124	38,392	326,241	-	326,241	-	712,561
Service Leadership Programs	122,099	-	915,697	-	-	-	-	1,037,796
Other	196,723	14,172	7,410	-	-	-	-	218,305
Management fee - intercompany	1,882,980	-	-	-	-	-	(1,882,980)	-
Subsidies from Kiwanis International	-	391,432	280,736	-	-	-	(672,168)	-
Total revenue, gains and other support	<u>18,843,653</u>	<u>737,941</u>	<u>3,423,254</u>	<u>2,865,632</u>	<u>22,851,564</u>	<u>25,717,196</u>	<u>(2,782,282)</u>	<u>45,939,762</u>
Expenses and Losses								
Membership education	2,051,353	424,391	345,272	-	-	-	(135,743)	2,685,273
Communications	2,252,630	11,994	88,677	-	-	-	(3,836)	2,349,465
Corporate relations	355,986	-	-	-	-	-	-	355,986
Service Leadership Programs	1,055,385	-	1,671,228	-	-	-	(1,032,156)	1,694,457
Global Services	748,797	-	-	-	-	-	-	748,797
Merchandise, including cost of sales	1,188,852	-	-	-	-	-	-	1,188,852
Publications	1,292,026	4,924	95,800	-	-	-	(1,575)	1,391,175
International convention	1,611,260	85,054	218,257	-	-	-	(77,209)	1,837,362
Liability insurance	2,020,236	-	-	-	-	-	-	2,020,236
Grants	152,100	28,085	7,544	718,075	7,912,500	8,630,575	(374,134)	8,444,170
Other program expenses	-	-	-	340,769	362,775	703,544	-	703,544
Research and development	216,730	-	-	-	-	-	-	216,730
General and administrative	3,992,271	37,555	331,785	483,108	1,025,837	1,508,945	(1,079,004)	4,791,552
Membership services	1,087,327	105,126	539,453	-	-	-	(33,625)	1,698,281
Governance	1,556,817	-	-	-	-	-	-	1,556,817
Fundraising	-	-	-	305,640	2,034,551	2,340,191	(45,000)	2,295,191
Depreciation and gain/loss on disposals	610,921	-	-	-	-	-	-	610,921
Currency exchange and bad debt losses	204,661	-	-	8,218	1,310,807	1,319,025	-	1,523,686
Total expenses and losses	<u>20,397,352</u>	<u>697,129</u>	<u>3,298,016</u>	<u>1,855,810</u>	<u>12,646,470</u>	<u>14,502,280</u>	<u>(2,782,282)</u>	<u>36,112,495</u>
Change in Net Assets Before Other Gains (Losses)	(1,553,699)	40,812	125,238	1,009,822	10,205,094	11,214,916	-	9,827,267
Realized and unrealized gains (losses) on investments	(899,401)	-	(93,602)	(700,093)	(1,447)	(701,540)	-	(1,694,543)
Change in value of annuities payable	-	-	-	(28,885)	-	(28,885)	-	(28,885)
Change in Net Assets	(2,453,100)	40,812	31,636	280,844	10,203,647	10,484,491	-	8,103,839
Net Assets, Beginning of Year	<u>28,188,223</u>	<u>31,780</u>	<u>2,426,785</u>	<u>15,322,919</u>	<u>21,108,914</u>	<u>36,431,833</u>	<u>-</u>	<u>67,078,621</u>
Net Assets, End of Year	<u>\$ 25,735,123</u>	<u>\$ 72,592</u>	<u>\$ 2,458,421</u>	<u>\$ 15,603,763</u>	<u>\$ 31,312,561</u>	<u>\$ 46,916,324</u>	<u>\$ -</u>	<u>\$ 75,182,460</u>

Kiwanis International and Affiliates
Schedule of Funds - Parent Only
Year Ended September 30, 2016

	2016				2015 Total
	Operating Fund	Publications Fund	Liability Insurance Fund	Total	
Revenue, Gains and Other Support					
Membership dues and fees	\$ 10,117,834	\$ -	\$ -	\$ 10,117,834	\$ 8,908,943
Merchandise sales	1,565,538	-	-	1,565,538	1,805,567
Magazine subscription fees	-	1,032,291	-	1,032,291	1,063,865
Convention fees	966,715	-	-	966,715	1,746,418
Liability insurance fees	-	-	2,335,952	2,335,952	2,268,976
Advertising	-	31,101	-	31,101	47,763
Investment income, net of fees	364,176	-	-	364,176	347,804
Service Leadership Programs	114,670	-	-	114,670	122,099
Sponsorship income	407,010	-	-	407,010	270,381
Management fees - intercompany	1,443,756	-	-	1,443,756	1,882,980
Grants	15,000	-	-	15,000	182,134
Other	51,594	74	1,516	53,184	196,723
Total revenue, gains and other support	<u>15,046,293</u>	<u>1,063,466</u>	<u>2,337,468</u>	<u>18,447,227</u>	<u>18,843,653</u>
Expenses					
Membership education	2,296,980	-	-	2,296,980	2,051,353
Communications	2,160,509	-	-	2,160,509	2,252,630
Corporate relations	538,033	-	-	538,033	355,986
Service Leadership Programs	768,033	-	-	768,033	1,055,385
Global Services	714,904	-	-	714,904	748,797
Merchandise, including cost of sales	845,011	-	-	845,011	1,188,852
Publications	-	1,262,765	-	1,262,765	1,292,026
International convention	1,276,660	-	-	1,276,660	1,611,260
Liability insurance	-	-	1,881,718	1,881,718	2,020,236
Grants	-	-	-	-	152,100
Research and development	419,187	-	-	419,187	216,730
General and administrative	3,702,676	-	-	3,702,676	3,992,271
Membership services	1,140,206	-	-	1,140,206	1,087,327
Governance	1,528,345	-	-	1,528,345	1,556,817
Depreciation	365,575	30,065	44,785	440,425	610,921
Currency exchange and bad debt losses	(29,617)	-	-	(29,617)	204,661
Total expenses	<u>15,726,502</u>	<u>1,292,830</u>	<u>1,926,503</u>	<u>18,945,835</u>	<u>20,397,352</u>
Change in Net Assets Before Realized and Unrealized Gains (Losses) on Investments and Fund Transfers					
	(680,209)	(229,364)	410,965	(498,608)	(1,553,699)
Realized and unrealized gains (losses) on investments	1,370,830	-	-	1,370,830	(899,401)
Fund transfers	410,965	-	(410,965)	-	-
Change in Net Assets	1,101,586	(229,364)	-	872,222	(2,453,100)
Net Assets, Beginning of Year	<u>18,126,033</u>	<u>2,609,090</u>	<u>5,000,000</u>	<u>25,735,123</u>	<u>28,188,223</u>
Net Assets, End of Year	<u>\$ 19,227,619</u>	<u>\$ 2,379,726</u>	<u>\$ 5,000,000</u>	<u>\$ 26,607,345</u>	<u>\$ 25,735,123</u>

Kiwanis International and Affiliates
Schedule of Funds - Parent Only
Year Ended September 30, 2015

	2015			Total
	Operating Fund	Publications Fund	Liability Insurance Fund	
Revenue, Gains and Other Support				
Membership dues and fees	\$ 8,908,943	\$ -	\$ -	\$ 8,908,943
Merchandise sales	1,805,567	-	-	1,805,567
Magazine subscription fees	-	1,063,865	-	1,063,865
Convention fees	1,746,418	-	-	1,746,418
Liability insurance fees	-	-	2,268,976	2,268,976
Advertising	-	47,763	-	47,763
Investment income, net of fees	348,177	-	(373)	347,804
Service Leadership Programs	122,099	-	-	122,099
Sponsorship income	270,381	-	-	270,381
Management fees - intercompany	1,882,980	-	-	1,882,980
Grants	182,134	-	-	182,134
Other	194,077	992	1,654	196,723
Total revenue, gains and other support	<u>15,460,776</u>	<u>1,112,620</u>	<u>2,270,257</u>	<u>18,843,653</u>
Expenses				
Membership education	2,051,353	-	-	2,051,353
Communications	2,252,630	-	-	2,252,630
Corporate relations	355,986	-	-	355,986
Service Leadership Programs	1,055,385	-	-	1,055,385
Global Services	748,797	-	-	748,797
Merchandise, including cost of sales	1,188,852	-	-	1,188,852
Publications	-	1,292,026	-	1,292,026
International convention	1,611,260	-	-	1,611,260
Liability insurance	-	-	2,020,236	2,020,236
Grants	152,100	-	-	152,100
Research and development	216,730	-	-	216,730
General and administrative	3,992,271	-	-	3,992,271
Membership services	1,087,327	-	-	1,087,327
Governance	1,556,817	-	-	1,556,817
Depreciation	508,653	39,892	62,376	610,921
Currency exchange and bad debts losses	204,661	-	-	204,661
Total expenses	<u>16,982,822</u>	<u>1,331,918</u>	<u>2,082,612</u>	<u>20,397,352</u>
Change in Net Assets Before Realized and Unrealized Losses on Investments and Fund Transfers				
	(1,522,046)	(219,298)	187,645	(1,553,699)
Realized and unrealized losses on investments	(899,401)	-	-	(899,401)
Fund transfers	187,645	-	(187,645)	-
Change in Net Assets	<u>(2,233,802)</u>	<u>(219,298)</u>	<u>-</u>	<u>(2,453,100)</u>
Net Assets, Beginning of Year	<u>20,359,835</u>	<u>2,828,388</u>	<u>5,000,000</u>	<u>28,188,223</u>
Net Assets, End of Year	<u>\$ 18,126,033</u>	<u>\$ 2,609,090</u>	<u>\$ 5,000,000</u>	<u>\$ 25,735,123</u>

Kiwanis International and Affiliates
Schedules of Operating Revenues - Parent Only
Years Ended September 30, 2016 and 2015

	2016	2015
Membership Dues and Fees		
Membership dues	\$ 9,008,742	\$ 7,736,330
Life member fees	44,969	112,176
New club fees	132,963	151,152
New member fees	931,160	909,285
Total Membership Dues and Fees	\$ 10,117,834	\$ 8,908,943
Liability Insurance Fees		
Liability insurance fees	\$ 1,768,462	\$ 1,685,000
Directors and officers insurance fees	567,490	583,976
Total Liability Insurance Fees	\$ 2,335,952	\$ 2,268,976
Merchandise Sales and Expense		
Merchandise sales	\$ 1,565,538	\$ 1,805,567
Cost of goods sold	(754,248)	(1,052,539)
Shipping costs, net	16,373	(20,343)
Gross Margin	827,663	732,685
Other merchandise expenses	(107,136)	(115,970)
Total Merchandise Net Income	\$ 720,527	\$ 616,715
Convention Fees		
Registration fees	\$ 755,115	\$ 1,208,540
Ticket fees	178,080	432,087
Other	33,520	105,791
Total Convention Fees	\$ 966,715	\$ 1,746,418
Investment Income		
Interest and dividends	\$ 456,570	\$ 480,125
Investment fees	(92,394)	(132,321)
Realized gain (loss)	(359,588)	155,625
Unrealized gain (loss)	1,730,418	(1,055,026)
Total Investment Income	\$ 1,735,006	\$ (551,597)
Other Income		
100th anniversary	\$ -	\$ 81,582
Credit card rebate	11,870	12,890
Registration fees	-	35,205
Other	20,220	8,486
Building rental	21,094	58,560
Total Other Income	\$ 53,184	\$ 196,723

Kiwanis International and Affiliates
Schedules of Operating Expenses - Parent Only
Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Membership Education		
Growth and education	\$ 1,587,916	\$ 1,518,544
The Formula	<u>709,064</u>	<u>532,809</u>
Total Membership Education	<u>\$ 2,296,980</u>	<u>\$ 2,051,353</u>
Communications		
100th anniversary tour	\$ 125	\$ 112,728
Communications and branding	2,148,579	1,541,957
100th anniversary celebration	<u>11,805</u>	<u>597,945</u>
Total Communications	<u>\$ 2,160,509</u>	<u>\$ 2,252,630</u>
Service Leadership Programs		
Aktion Club	\$ 308,689	\$ 277,402
Kiwanis programs	102,926	105,815
Circle K International	356,418	391,432
Kiwanis Youth Programs - Key Leader	<u>-</u>	<u>280,736</u>
Total Service Leadership Programs	<u>\$ 768,033</u>	<u>\$ 1,055,385</u>
Global Services		
Europe	\$ 466,401	\$ 536,367
Asia-Pacific	<u>248,503</u>	<u>212,430</u>
Total Global Services	<u>\$ 714,904</u>	<u>\$ 748,797</u>
Publications		
Magazine	\$ 1,152,040	\$ 1,181,496
Advertising	<u>110,725</u>	<u>110,530</u>
Total Publications	<u>\$ 1,262,765</u>	<u>\$ 1,292,026</u>

Kiwanis International and Affiliates
Schedules of Operating Expenses - Parent Only (Continued)
Years Ended September 30, 2016 and 2015

	2016	2015
Liability Insurance		
Insurance premiums	\$ 1,413,922	\$ 1,425,367
Insurance claims and adjustments	194,679	339,822
Insurance other	273,117	255,047
Total Liability Insurance	\$ 1,881,718	\$ 2,020,236
Research and Development		
Process innovation	\$ 311,011	\$ -
Product development	108,176	216,730
Total Research and Development	\$ 419,187	\$ 216,730
General and Administrative		
Building services and human services	\$ 1,175,963	\$ 1,232,711
Information technology	1,315,268	1,496,823
Finance	1,171,206	1,081,683
Meetings	447,243	573,056
Indirect allocations	(407,004)	(392,002)
Total General and Administrative	\$ 3,702,676	\$ 3,992,271
Governance		
Board and executive services	\$ 1,528,345	\$ 1,371,988
International Council	-	184,829
Total Governance	\$ 1,528,345	\$ 1,556,817
Other Income (Expenses)		
Bad debts expense (recoveries)	\$ (8,246)	\$ (39,971)
Currency exchange (gain) loss	(21,371)	243,299
Interest expense	-	1,333
Total Other Income (Expenses)	\$ (29,617)	\$ 204,661

Kiwanis International and Affiliates
Schedule of Revenues and Expenses - Kiwanis Youth Programs
Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenues		
Key Club	\$ 2,199,859	\$ 2,163,429
Builders Club	293,801	255,201
Key Leader	525,069	779,636
K-Kids	230,143	186,596
Investment income, net	45,989	38,392
	<u> </u>	<u> </u>
Total Revenues	<u>\$ 3,294,861</u>	<u>\$ 3,423,254</u>
 Expenses		
Key Club	\$ 2,085,990	\$ 1,850,104
Builders Club	379,424	368,083
Key Leader	707,409	779,636
K-Kids	340,998	300,193
	<u> </u>	<u> </u>
Total Expenses	<u>\$ 3,513,821</u>	<u>\$ 3,298,016</u>

Kiwanis International and Affiliates
Statements of Functional Expenses - Kiwanis International Foundation
Years Ended September 30, 2016 and 2015

	2016			
	Grants, Program and Education	General and Administrative	Fundraising	Total
Grants, scholarships and awards	\$ 7,857,034	\$ -	\$ -	\$ 7,857,034
Salaries and related benefits	614,112	290,900	589,298	1,494,310
Contract labor	8,558	18,126	-	26,684
Occupancy	-	11,711	774	12,485
Professional fees	75,774	12,440	7,316	95,530
Supplies	6,618	24,172	38,056	68,846
Licenses and fees	1,596	72,528	15,741	89,865
Postage	3,953	3,688	47,148	54,789
Promotion	23,439	60,000	346,749	430,188
Training and meetings	93,711	(73)	4,817	98,455
Travel	56,393	90,361	53,103	199,857
Printing and publications	-	1,546	-	1,546
Management fee	153,000	344,760	46,992	544,752
Miscellaneous expense	-	6,646	190	6,836
	<u>\$ 8,894,188</u>	<u>\$ 936,805</u>	<u>\$ 1,150,184</u>	<u>\$ 10,981,177</u>

	2015			
	Grants, Program and Education	General and Administrative	Fundraising	Total
Grants, scholarships and awards	\$ 8,630,575	\$ -	\$ -	\$ 8,630,575
Salaries and related benefits	371,649	307,045	964,436	1,643,130
Contract labor	3,608	61,134	3,055	67,797
Occupancy	2,085	10,210	5,435	17,730
Professional fees	19,928	12,795	432,059	464,782
Supplies	19,899	15,795	32,838	68,532
Licenses and fees	-	113,770	6,472	120,242
Postage	10,663	1,675	46,563	58,901
Promotion	20,314	60,152	497,107	577,573
Training and meetings	55,849	8,245	139,913	204,007
Travel	52,549	87,879	166,885	307,313
Printing and publications	-	-	177	177
Management fee	147,000	826,992	45,000	1,018,992
Miscellaneous expense	-	3,253	251	3,504
	<u>\$ 9,334,119</u>	<u>\$ 1,508,945</u>	<u>\$ 2,340,191</u>	<u>\$ 13,183,255</u>

Kiwanis International and Affiliates
Eliminate Project Statements of Activities - Project History - Kiwanis International Foundation
Years Ended September 30, 2010 Through 2016

	Total Eliminate Project	September 30						
		2016	2015	2014	2013	2012	2011	2010
Revenues and Support								
Contributions	\$ 80,010,791	\$ 3,881,191	\$ 22,851,564	\$ 20,894,698	\$ 15,732,471	\$ 11,868,318	\$ 4,717,879	\$ 64,670
Investment income (loss), net of fees	(4,282)	(1,682)	(1,447)	(1,188)	(693)	(464)	1,173	19
Total revenue and gains	<u>80,006,509</u>	<u>3,879,509</u>	<u>22,850,117</u>	<u>20,893,510</u>	<u>15,731,778</u>	<u>11,867,854</u>	<u>4,719,052</u>	<u>64,689</u>
Expenses								
Grants	32,499,454	7,232,463	7,912,500	8,049,515	6,244,393	2,310,583	750,000	-
Other program expenses	2,198,123	258,101	362,775	356,323	362,528	413,331	445,065	-
General and administrative	3,295,607	458,885	1,025,837	639,973	604,170	340,455	220,973	5,314
Fundraising	12,602,254	702,857	2,034,551	2,507,564	2,941,684	2,916,519	1,499,079	-
Bad debts - uncollectible pledges	4,306,364	1,435,057	1,310,807	717,500	467,000	297,554	78,446	-
Total expenses	<u>54,901,802</u>	<u>10,087,363</u>	<u>12,646,470</u>	<u>12,270,875</u>	<u>10,619,775</u>	<u>6,278,442</u>	<u>2,993,563</u>	<u>5,314</u>
Change in Net Assets	25,104,707	(6,207,854)	10,203,647	8,622,635	5,112,003	5,589,412	1,725,489	59,375
Net Assets, Beginning of Year	-	31,312,561	21,108,914	12,486,279	7,374,276	1,784,864	59,375	-
Net Assets, End of Year	<u>\$ 25,104,707</u>	<u>\$ 25,104,707</u>	<u>\$ 31,312,561</u>	<u>\$ 21,108,914</u>	<u>\$ 12,486,279</u>	<u>\$ 7,374,276</u>	<u>\$ 1,784,864</u>	<u>\$ 59,375</u>