

OHIO DISTRICT KIWANIS FOUNDATION

FINANCIAL STATEMENTS
WITH
INDEPENDENT ACCOUNTANT'S REVIEW REPORT

September 30, 2020

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Ohio District Kiwanis Foundation
Columbus, Ohio

We have reviewed the accompanying financial statements of Ohio District Kiwanis Foundation, which comprise the statement of financial position as of September 30, 2020 and 2019, and the related statements of changes in net assets, activities, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting on whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Meaden & Moore, Ltd.
Wooster, Ohio

July 28, 2021

Meaden & Moore, Ltd.

(A Meaden & Moore Affiliate Company)

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STATEMENT OF FINANCIAL POSITION

Ohio District Kiwanis Foundation

	September 30	
	<u>2020</u>	<u>2019</u>
ASSETS:		
Cash and cash equivalents	\$ 49,917	\$ 85,713
Investments	2,228,000	1,861,824
Accounts receivable	-	11,190
Property and equipment - net	<u>10</u>	<u>275</u>
 Total Assets	 <u>\$ 2,277,927</u>	 <u>\$ 1,959,002</u>
 LIABILITIES:		
Accounts payable	\$ 67	\$ 16,459
Assets held for others	-	355
Club advised funds	<u>1,069,680</u>	<u>854,524</u>
 Total Liabilities	 <u>1,069,747</u>	 <u>871,338</u>
 NET ASSETS:		
Without Donor Restrictions		
Undesignated board endowment	1,151,928	893,759
Designated board endowment	<u>10,000</u>	<u>135,856</u>
 Total Without Donor Restrictions	 <u>1,161,928</u>	 <u>1,029,615</u>
With Donor Purpose Restrictions	<u>46,252</u>	<u>58,049</u>
 Total Net Assets	 <u>1,208,180</u>	 <u>1,087,664</u>
 Total Liabilities and Net Assets	 <u>\$ 2,277,927</u>	 <u>\$ 1,959,002</u>

See accompanying notes and accountant's report.

STATEMENT OF CHANGES IN NET ASSETS

Ohio District Kiwanis Foundation

Year Ended September 30

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Total</u>
Net Assets - September 30, 2018	\$ 1,028,875	\$ 26,666	\$ 1,055,541
Change in net assets - 2019	<u>740</u>	<u>31,383</u>	<u>32,123</u>
Net Assets - September 30, 2019	1,029,615	58,049	1,087,664
Change in net assets - 2020	<u>132,313</u>	<u>(11,797)</u>	<u>120,516</u>
Net Assets - September 30, 2020	<u>\$ 1,161,928</u>	<u>\$ 46,252</u>	<u>\$ 1,208,180</u>

See accompanying notes and accountant's report.

STATEMENT OF ACTIVITIES

Ohio District Kiwanis Foundation

Year Ended September 30

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Contributions and grants	\$ 19,264	\$ 98,871	\$ 118,135
Fundraising - special events	15,105	-	15,105
Club advised fund fees	4,072	-	4,072
Realized gain (loss) on sale of investments	546	-	546
Net unrealized gain (loss) on investments	101,000	-	101,000
Interest and dividends - net of fees	46,138	-	46,138
	<u>186,125</u>	<u>98,871</u>	<u>284,996</u>
Net Assets Released from Restrictions:			
Satisfaction of program restrictions	<u>110,668</u>	<u>(110,668)</u>	<u>-</u>
	<u>296,793</u>	<u>(11,797)</u>	<u>284,996</u>
EXPENSES:			
Program Services:			
Grants and scholarships	138,864	-	138,864
General and administrative	18,021	-	18,021
Fundraising and development	7,595	-	7,595
	<u>164,480</u>	<u>-</u>	<u>164,480</u>
Change in Net Assets	<u>\$ 132,313</u>	<u>\$ (11,797)</u>	<u>\$ 120,516</u>

See accompanying notes and accountant's report.

2019		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 16,665	\$ 155,748	\$ 172,413
22,724	-	22,724
7,113	-	7,113
(6,833)	-	(6,833)
(35,805)	-	(35,805)
<u>50,997</u>	<u>-</u>	<u>50,997</u>
54,861	155,748	210,609
<u>124,365</u>	<u>(124,365)</u>	<u>-</u>
179,226	31,383	210,609
138,760	-	138,760
23,922	-	23,922
<u>15,804</u>	<u>-</u>	<u>15,804</u>
<u>178,486</u>	<u>-</u>	<u>178,486</u>
<u>\$ 740</u>	<u>\$ 31,383</u>	<u>\$ 32,123</u>

STATEMENT OF CASH FLOWS

Ohio District Kiwanis Foundation

	Year Ended September 30	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 120,516	\$ 32,123
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by (Used in) Operating Activities:		
Depreciation	265	265
Unrealized (gain) loss on investments	(197,179)	63,883
Dividends reinvested	(98,115)	(101,128)
Realized (gain) loss on sale of investments	(2,180)	11,282
Increase (Decrease) in Cash from Changes in:		
Accounts receivable	11,190	(11,190)
Accounts payable	(16,392)	15,351
Assets held for others	(355)	130
Club advised funds	215,156	166,052
 Total Adjustments	(87,610)	144,645
 Cash Provided by Operating Activities	32,906	176,768
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from disposal of securities	214,809	275,206
Purchase of investments	(283,511)	(452,170)
 Cash Used in Investing Activities	(68,702)	(176,964)
 Decrease in Cash and Equivalents	(35,796)	(196)
 Cash and Cash Equivalents - Beginning of the Year	85,713	85,909
 Cash and Cash Equivalents - End of the Year	\$ 49,917	\$ 85,713

See accompanying notes and accountant's report.

NOTES TO FINANCIAL STATEMENTS

Ohio District Kiwanis Foundation

1 Summary of Significant Accounting Policies

Nature of the Foundation:

The Ohio District Kiwanis Foundation, Inc. ("Foundation") is a tax-exempt public foundation established in 1982. The Foundation was established for the purpose of accepting charitable contributions from clubs and members of the Ohio District Kiwanis International, Inc. ("District") and the public to create, support and promote projects throughout Ohio, the United States and the World, with focus on safety, good health, education of young children and the prevention, education and treatment of pediatric trauma.

Program Services:

Grants and scholarships are provided by the Foundation to support the following purposes, which will support the ideals and objectives of the Foundation's mission:

Community Grants: The Foundation accepts grant requests for community projects that demonstrate an impact on the needs of children and others in the community.

Disaster Relief Fund: This is a fund designated to accumulate monies to be distributed to Ohio District Kiwanis Family Foundations for "disaster relief" in their areas.

Kiwanis Safe and Healthy Kids Fund: The goal of this program is to provide funds for the prevention and treatment of pediatric trauma. All funds collected are donated 100% to projects approved by the Ohio District Kiwanis Foundation's Board.

Scholarships: Special scholarship program for Circle K and Key Club members is provided through the Foundation. The Foundation provides a \$1,000 scholarship for each program annually.

Program Funding:

Programs are funded through contributions from numerous sources which include the following:

General contributions from individuals that are designated for a specific program, such as the Kiwanis Safe and Healthy Kids Fund.

Honors and Ambassador Awards: The Past International Presidents Award was established in honor of those individuals who have served at the pinnacle of Kiwanis service, the office of Kiwanis International President. The Foundation offers special recognition to an individual who is nominated by a club or through a \$500 donation. The Foundation also offers the Donald E. Williams Fellowship Award, the Stanley E. Schneider Fellowship Award, the Walter G. Sellers Award, and the A. Alan Penn Award for special recognition to any individual who is nominated by a club or through a \$1,000 donation. The Ambassador Program honors donations by individual Kiwanians in amounts beginning at \$50 with recognition at Entry, Patron, Gold, Emerald and Diamond levels.

See accountant's report.

NOTES TO FINANCIAL STATEMENTS

Ohio District Kiwanis Foundation

1 Summary of Significant Accounting Policies, Continued

Program Funding, Continued:

During 2012, the Foundation initiated the Legion of Honor Society. Kiwanis members in Ohio are recognized for achieving 25 or more years of service. Kiwanis members can make a contribution to support a desired level of recognition.

Annual Birthday Campaign: This project is also known as "Annual Club Gift Campaign." The Foundation requests that all Kiwanis clubs donate \$3.00 per member to the Foundation annually to support all charitable activities of the Foundation.

Key Club Leadership Fund was established to support leadership development activities for the benefit of the Ohio Key Club members.

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Classification of Net Assets:

In accordance with U.S. GAAP, contributions are classified as without donor restrictions or with donor restrictions based on donor specifications. Assets, liabilities, revenue and gains are presented under these classifications. Contributions with donor restrictions can be for a specified purpose or time or perpetual in nature. Designations by the Board, while separately stated, are considered without donor restrictions.

Contributions received with donor-imposed restrictions are recorded as without donor restrictions if the restrictions are expected to be met within the same period. This policy is also followed for investment income received with donor-imposed restrictions.

Cash and Cash Equivalents:

For the purposes of the Statement of Cash Flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At times during the year, the Foundation may have maintained funds in excess of FDIC insurance limits.

NOTES TO FINANCIAL STATEMENTS

Ohio District Kiwanis Foundation

1 Summary of Significant Accounting Policies, Continued

Investments:

Investments are recorded at fair value based on published market prices. The difference between their cost and fair market value is recorded as an unrealized gain or loss in the Statement of Activities. Specific-identification is used to identify securities sold. Investments received by gift are recorded at market value at the date of donation and are immediately sold.

The investments of the Foundation are collectively invested under the investment policy of the Foundation. The income, gains and losses from the investment accounts are allocated monthly to the individual funds. The investment funds are comprised of 34 club advised funds (48%) and Ohio Kiwanis Foundation Fund (52%). The board restricted Cleveland Heights Fund was combined with the Ohio Kiwanis Foundation Fund in 2020.

Fair Value Measurements:

FASB ASC 820, "Fair Value Measurements" applies to all financial instruments that are measured and reporting on a fair value basis. As defined in FASB ASC 820, 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.

In determining fair value, the Foundation utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable firm inputs. The Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the examination of the inputs used in the valuation techniques, the Foundation is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2: Inputs to the valuation methodology include:

- * Quoted prices for similar assets or liabilities in active markets;
- * Quoted prices for identical assets or similar assets or liabilities in inactive markets;
- * Inputs other than quoted prices that are observable for the asset or liability;
- * Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

See accountant's report.

NOTES TO FINANCIAL STATEMENTS

Ohio District Kiwanis Foundation

1 Summary of Significant Accounting Policies, Continued

Fair Value Measurements, Continued:

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Endowment Funds:

Due to the nature of the Foundation, its net assets include funds designated by the Board of Trustees to function as an endowment. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law:

The Board of Trustees of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of undesignated and board-designated endowment funds. The Foundation considers:

1. The duration and preservation of the fund.
2. The purpose of the Foundation and endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and appreciation of investments.
6. Other resources of the Foundation.
7. The investment policies of the Foundation.

See accountant's report.

NOTES TO FINANCIAL STATEMENTS

Ohio District Kiwanis Foundation

1 Summary of Significant Accounting Policies, Continued

Investment Policy:

The Foundation's Investment Policy Statement outlines the policies and requirements of the Foundation and investment advisors to assist in managing the Foundation's investment portfolio. The Foundation's primary objective is the preservation of purchasing power, which includes asset growth, exclusive of contributions and withdrawals that should exceed the rate of inflation in order to preserve the purchasing power of the Foundation's assets. The secondary objective is the growth of capital, which includes asset growth, exclusive of contributions and withdrawals that should provide a rate of return competitive with a balanced portfolio. Investment guidelines are established for current operating funds, endowment and club advised funds.

Spending Policy:

General and administrative expenses in each administrative year will be not greater than 3% of the previous three years average ending assets minus club advised fund liabilities. A minimum of 2% of the previous three years average ending net assets minus club advised fund liabilities will be given for program services (grants and scholarships), which would not include any pass-through funds, recorded as assets held for others. The aggregate of spending will not exceed 5% of the previous three years average ending assets minus the club advised funds liabilities. Additional grants are provided from funds with donor restrictions.

Accounts Receivable:

Accounts receivable consists of amounts due from individuals for reimbursement of costs associated with the annual board meeting. All outstanding receivables at year-end are deemed collectible within one year.

Revenue Recognition:

The Foundation has adopted Accounting Standards Update (ASU) No. 2018-08 Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605) as management believes the standard improves the usefulness and understandability of the Foundation's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Foundation recognizes revenue, and therefore no changes to the previously issued reviewed financial statements were required on a retrospective basis.

Contributions and fundraising revenue are recognized when awarded or earned as with or without donor restriction in accordance with donor specifications.

When a restriction expires through accomplishment of purpose or passage of time, the restricted net assets are reclassified to without donor restriction and reported in the Statement of Activities as net assets released from restrictions.

See accountant's report.

NOTES TO FINANCIAL STATEMENTS

Ohio District Kiwanis Foundation

1 Summary of Significant Accounting Policies, Continued

Donated Services:

Donated services are recognized as contributions in the accompanying Statement of Activities and Changes in Net Assets in accordance with U.S. GAAP, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Foundation. Donated services which do not meet the criteria for recognition or cannot be objectively measured, while not recognized in the financial statements, provide valuable resources to the Foundation.

Property and Equipment:

Property and equipment purchased by the Foundation is carried at cost. Donated property and equipment are recorded at estimated fair value at the date of donation. Expenditures for maintenance and repairs are charged to income as incurred. Additions and betterments greater than \$500 and that have a useful life longer than one year are capitalized. The cost and related accumulated depreciation of properties sold or otherwise disposed of is removed from the accounts and any gain or loss is reflected in the current year's activities.

	<u>2020</u>	<u>2019</u>
Equipment	\$ 2,927	\$ 2,927
Less: Accumulated depreciation	<u>(2,917)</u>	<u>(2,652)</u>
	<u>\$ 10</u>	<u>\$ 275</u>
Depreciation Expense	<u>\$ 265</u>	<u>\$ 265</u>

The Foundation primarily follows the straight-line method of depreciation utilizing the following lives:

<u>Class</u>	<u>Years</u>
Equipment	5

Functional Expense Allocations:

Expenses are charged to functional areas based on specific-identification when possible. There are currently minimal expenses that cannot be specifically identified to a function. As a result, there is no additional allocation performed.

Income Taxes:

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and operates as a public charity. The Foundation is required to operate in conformity with the Code to maintain its tax-exempt status.

See accountant's report.

NOTES TO FINANCIAL STATEMENTS

Ohio District Kiwanis Foundation

1 Summary of Significant Accounting Policies, Continued

Accounting for Uncertainty in Income Tax:

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and recognize a tax liability if the Foundation has taken certain tax positions that more-likely-than-not would not be sustained upon examination by applicable taxing authorities. The Foundation would recognize interest and penalties accrued, if any, related to unrecognized tax uncertainties in income tax expense. Management has analyzed tax positions taken and has concluded that there are no material uncertain tax positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements.

Subsequent Events:

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements.

Subsequent events have been evaluated through July 28, 2021, which is the date the financial statements were available to be issued.

2 Investments

The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy:

Money Market Accounts:

These cash funds are valued at principle plus interest at a variable rate.

Mutual Funds:

These funds are valued at quoted market prices in active markets for identical assets.

Other Investments:

Annuities and life insurance are valued based on estimated market value as determined by the life insurance companies where the funds are invested.

See accountant's report.

NOTES TO FINANCIAL STATEMENTS

Ohio District Kiwanis Foundation

2 Investments, Continued

The Foundation's investments consist of the following:

	2020		2019	
	Cost	Market	Cost	Market
Foundation Investments:				
Mutual funds - fixed income	\$ 158,119	\$ 151,118	\$ 140,735	\$ 137,899
Mutual funds - equity	545,942	700,427	497,610	552,947
Mutual funds - asset allocation	260,442	295,958	272,916	302,415
Mutual funds - money market	28,297	28,297	28,027	28,027
Other investments	1,937	4,048	1,937	4,048
	<u>994,737</u>	<u>1,179,848</u>	<u>941,225</u>	<u>1,025,336</u>
Club Advised Fund Investments:				
Mutual funds - fixed income	107,115	103,679	114,197	112,749
Mutual funds - equity	612,433	730,164	467,442	485,401
Mutual funds - money market	30,985	30,985	26,348	26,348
Mutual funds - asset allocation	172,625	183,324	199,686	211,990
	<u>923,158</u>	<u>1,048,152</u>	<u>807,673</u>	<u>836,488</u>
Total	<u>\$ 1,917,895</u>	<u>2,228,000</u>	<u>\$ 1,748,898</u>	<u>1,861,824</u>
Less: Cost		<u>1,917,895</u>		<u>1,748,898</u>
Net Unrealized Gains on Investments		<u>\$ 310,105</u>		<u>\$ 112,926</u>

Investment income consists of the following:

	2020		
	Club Advised Funds	Unrestricted Foundation	Total
Interest and dividends reinvested	\$ 42,685	\$ 55,430	\$ 98,115
Net unrealized loss on investments	96,179	101,000	197,179
Net realized loss on sale of investments	1,634	546	2,180
Less: Investment fees	<u>(7,868)</u>	<u>(9,292)</u>	<u>(17,160)</u>
Total investment income	<u>\$ 132,630</u>	<u>\$ 147,684</u>	<u>280,314</u>
Less: Earnings allocated to club advised funds			<u>(132,630)</u>
Total Net Investment Income on Foundation Investments			<u>\$ 147,684</u>

See accountant's report.

NOTES TO FINANCIAL STATEMENTS

Ohio District Kiwanis Foundation

2 Investments, Continued

	2019		
	Club Advised Funds	Unrestricted Foundation	Total
Interest and dividends	\$ 41,153	\$ 59,975	\$ 101,128
Net unrealized gain on sale of investments	(28,078)	(35,805)	(63,883)
Net realized gain on sale of investments	(4,449)	(6,833)	(11,282)
Less: Investment fees	(6,596)	(8,985)	(15,581)
Total investment income	<u>\$ 2,030</u>	<u>\$ 8,352</u>	10,382
Less: Earnings allocated to club advised funds			<u>(2,030)</u>
Total Net Investment Income on Foundation Investments			<u>\$ 8,352</u>

The following table presents the financial instruments carried at fair value, on a recurring basis, as of September 30, 2020:

	Quoted Market Prices in Active Markets (Level 1)	Models with Significant Observable Market Parameters (Level 2)	Unobservable Inputs that are Not Corroborated by Market Data (Level 3)	Total Carrying Value in the Statement of Financial Position
Mutual Funds - Fixed income	\$ 254,797	\$ -	\$ -	\$ 254,797
Mutual Funds - Equity	1,430,591	-	-	1,430,591
Mutual Funds - Asset allocation	479,282	-	-	479,282
Mutual funds - Money Market	59,282	-	-	59,282
Other investments	-	4,048	-	4,048
	<u>\$ 2,223,952</u>	<u>\$ 4,048</u>	<u>\$ -</u>	<u>\$ 2,228,000</u>

See accountant's report.

NOTES TO FINANCIAL STATEMENTS

Ohio District Kiwanis Foundation

2 Investments, Continued

The following table presents the financial instruments carried at fair value, on a recurring basis, as of September 30, 2019:

	Quoted Market Prices in Active Markets (Level 1)	Models with Significant Observable Market Parameters (Level 2)	Unobservable Inputs that are Not Corroborated by Market Data (Level 3)	Total Carrying Value in the Statement of Financial Position
Mutual Funds - Fixed income	\$ 250,648	\$ -	\$ -	\$ 250,648
Mutual Funds - Equity	1,038,348	-	-	1,038,348
Mutual Funds - Asset allocation	514,405	-	-	514,405
Mutual funds - Money Market	54,375	-	-	54,375
Other investments	-	4,048	-	4,048
	<u>\$ 1,857,776</u>	<u>\$ 4,048</u>	<u>\$ -</u>	<u>\$ 1,861,824</u>

3 Liquidity and Availability

The Organization receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. In addition, the Organization receives support without donor restrictions to support annual program funding needs. The remainder of program needs is funded by investment income without donor restrictions.

Expenditures include administrative and general expenses, fundraising expenses and grant commitments (excluding club advised funds) expected to be paid during the year. Annual operations are defined as activities occurring during the Organization’s fiscal year.

The Foundation manages its cash available to meet general expenditures following guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long term grant commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

Financial expenditure policy – general expenditures each fiscal year will be no greater than 5% of the previous three years’ ending assets minus the Club Advised Funds, with at least a minimum of 3% of that amount given for grants which would not include the pass-through funds.

See accountant’s report.

NOTES TO FINANCIAL STATEMENTS

Ohio District Kiwanis Foundation

3 Liquidity and Availability, Continued

The table below presents the estimated financial assets available for general operating expenditures and board designated grants for one year:

	<u>2020</u>	<u>2019</u>
Financial Assets at Year-End:		
Cash and cash equivalents	\$ 49,917	\$ 85,713
Investments	<u>2,228,000</u>	<u>1,861,824</u>
Total financial assets	2,277,917	1,947,537
Less: Financial assets not available to be used within one year		
Investments held in custodial accounts	(1,069,680)	(854,424)
Less: Amounts with donor restrictions	(46,252)	(58,049)
Board designated funds	<u>(10,000)</u>	<u>(135,856)</u>
	<u>(1,125,932)</u>	<u>(1,048,329)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 1,151,985</u>	<u>\$ 899,208</u>

The board anticipates utilizing financial assets available to meet general expenditures in accordance with the board approved financial expenditure policy of the Organization noted above. For the fiscal year ending 2020, the approximate budget for general operations and board approved grants amounts to \$55,500.

4 Endowment Fund

Endowment Net Asset Composition by Type of Fund as of September 30, 2020:

	<u>(Board) Without Restriction</u>	<u>(Donor) Purpose Restricted</u>	<u>Total</u>
Endowment Net Assets - Beginning	\$ 1,029,615	\$ 58,049	\$ 1,087,664
Investment return - net of fees	147,684	-	147,684
Contributions and other	38,441	98,871	137,312
Satisfaction of donor restrictions	110,668	(110,668)	-
Grants and scholarships	(138,864)	-	(138,864)
Management and general	(18,021)	-	(18,021)
Fundraising expenses	<u>(7,595)</u>	<u>-</u>	<u>(7,595)</u>
Endowment Net Assets - Ending	<u>\$ 1,161,928</u>	<u>\$ 46,252</u>	<u>\$ 1,208,180</u>

See accountant's report.

NOTES TO FINANCIAL STATEMENTS

Ohio District Kiwanis Foundation

4 Endowment Fund, Continued

Endowment Net Asset Composition by Type of Fund as of September 30, 2019:

	(Board) Without Restriction	(Donor) Purpose Restricted	Total
Endowment Net Assets - Beginning	\$ 1,028,875	\$ 26,666	\$ 1,055,541
Investment return - net of fees	8,359	-	8,359
Contributions and other	46,502	155,748	202,250
Satisfaction of donor restrictions	124,365	(124,365)	-
Grants and scholarships	(138,760)	-	(138,760)
Management and general	(23,922)	-	(23,922)
Fundraising expenses	(15,804)	-	(15,804)
Endowment Net Assets - Ending	<u>\$ 1,029,615</u>	<u>\$ 58,049</u>	<u>\$ 1,087,664</u>

5 Board Designated Net Assets

Included in the without donor restriction net assets is the portion of the Foundation's net assets that the Board has specifically designated for the following purposes:

	<u>2020</u>	<u>2019</u>
Golf outing reserve	\$ 10,000	\$ 10,000
Cleveland Heights Fund	-	125,856
	<u>\$ 10,000</u>	<u>\$ 135,856</u>

During the year ended September 30, 2005, the Board received a significant donation from the Cleveland Heights Kiwanis Club. Due to the fact that this club is no longer in existence, the Club donated their reserve funds to the Foundation. The Foundation has designated these funds to be used within the geographic area of the Ohio District Division 15 and any community organization or charity may request funds. The Foundation remains in full control of these funds. In 2020, the board elected to transfer the balance of the Cleveland Heights Fund into the general Fund of the Ohio District Kiwanis Foundation.

See accountant's report.

NOTES TO FINANCIAL STATEMENTS

Ohio District Kiwanis Foundation

6 Net Assets with Donor Restriction

Purpose restricted net assets consist of various donations restricted by the donors for use in specific programs supported by the Foundation. The restriction will be lifted as the funds are expended on those programs. Net assets with donor restrictions were as follows for the years ended September 30:

	<u>2020</u>	<u>2019</u>
Specific Purpose:		
Kiwanis Safe & Healthy Kids Fund	\$ -	\$ (2,812)
Governor/First Lady Project	29,475	2,770
Circle K Scholarship Fund	4,800	5,800
KICK/Key Leader Funds	8,050	6,663
Key Club Leadership Fund	-	39,851
Disaster Relief	3,347	5,197
Other	580	580
	<u>\$ 46,252</u>	<u>\$ 58,049</u>

Net Assets released from net assets with donor restrictions are as follows:

	<u>2020</u>	<u>2019</u>
Satisfaction of Purpose Restrictions:		
Kiwanis Safe & Healthy Kids Fund	\$ -	\$ 9,060
Governor/First Lady Project	13,707	23,915
Circle K Scholarship Fund	1,000	-
KICK/Key Leader Funds	2,000	3,000
Key Club Leadership Fund	91,961	88,390
Disaster Relief	2,000	-
	<u>\$ 110,668</u>	<u>\$ 124,365</u>

See accountant's report.

NOTES TO FINANCIAL STATEMENTS

Ohio District Kiwanis Foundation

7 Fundraising Activities

The Foundation conducts several fundraising events during the year. Ohio District Golf Outing: A district-wide golf event, which was sponsored by the Ohio District Kiwanis for 49 years. In 2007, the Foundation became the sponsor and funds raised will become part of the Foundation endowment fund. The following is a summary of the without donor restriction revenues generated from the fundraising activities:

	2020		
	<u>Contributions</u>	<u>Expenses</u>	<u>Net Income</u>
Golf Outing	<u>\$ 15,105</u>	<u>\$ 7,300</u>	<u>\$ 7,805</u>
	2019		
	<u>Contributions</u>	<u>Expenses</u>	<u>Net Income</u>
Golf Outing	<u>\$ 22,724</u>	<u>\$ 15,385</u>	<u>\$ 7,339</u>

8 Functional Expense Allocation

	Fundraising			
	<u>Program</u>	<u>General and</u>	<u>and</u>	<u>Total</u>
	<u>Services</u>	<u>Administrative</u>	<u>Development</u>	
	2020			
Program costs - grants and scholarships	\$ 138,864	\$ -	\$ -	\$ 138,864
Occupancy	-	265	-	265
Office expenses	-	3,484	-	3,484
Advertising, printing and publications	-	1,597	-	1,597
Other expense	-	<u>12,675</u>	<u>7,595</u>	<u>20,270</u>
Total Expenses	<u>\$ 138,864</u>	<u>\$ 18,021</u>	<u>\$ 7,595</u>	<u>\$ 164,480</u>
	2019			
Program costs - grants and scholarships	\$ 138,760	\$ -	\$ -	\$ 138,760
Occupancy	-	265	-	265
Office expenses	-	3,581	-	3,581
Advertising, printing and publications	-	9,079	-	9,079
Staff development	-	2,587	-	2,587
Other expense	-	<u>8,410</u>	<u>15,804</u>	<u>24,214</u>
Total Expenses	<u>\$ 138,760</u>	<u>\$ 23,922</u>	<u>\$ 15,804</u>	<u>\$ 178,486</u>

See accountant's report.

NOTES TO FINANCIAL STATEMENTS

Ohio District Kiwanis Foundation

9 Related Party Transactions

The Foundation is related through common membership to the District, a 501(c)(4) organization, but does not control and is not controlled by the District.

10 Club Advised Funds

Ohio District Kiwanis Clubs or sponsored organizations can establish a 501(c)(3) sub-fund of the Foundation, which shall be designated as a club advised fund. These funds are established by completion of an agreement form which is submitted for approval to the Board of Trustees of the Foundation. A minimum of \$5,000 is required to start a club advised fund. All funds deposited in a club advised fund are invested by the Foundation. There is an annual administration fee payable by each club advised fund. Each club advised fund pays a proportionate amount of the investment management fee.

NOTES TO FINANCIAL STATEMENTS

Ohio District Kiwanis Foundation

10 Club Advised Funds, Continued

Club advised funds consisted of the following balances as of September 30:

	<u>2020</u>	<u>2019</u>
SE Cleveland Club Advised Fund	\$ 15,050	\$ 13,030
Warren Club Advised Fund	56,904	49,296
Wooster Club Advised Fund	7,755	6,820
Medina Breakfast Club Advised Fund	23,694	19,833
Berwick Club Advised Fund	11,751	10,152
Medina Club Advised Fund	8,893	15,049
Ravenna Club Advised Fund	44,650	34,193
Middleburg Heights Club Advised Fund	9,624	8,738
Elyria Club Advised Fund	20,054	17,188
Delphos Club Advised Fund	7,868	6,874
Norwalk Club Advised Fund	52,673	44,948
Eastlake Club Advised Fund	7,917	6,937
Bellevue Club Advised Fund	16,012	14,144
Bloom Carroll Club Advised Fund	8,580	7,551
Barberton Club Advised Fund	8,773	8,054
West Park Club Advised Fund	43,568	40,311
Westerville Club Advised Fund	7,508	6,458
Canton Club Advised Fund	50,570	49,640
Belden Village Club Advised Fund	19,817	16,513
West Geauga Club Advised Fund	9,640	8,234
Rocky River Club Advised Fund	44,806	39,718
Fremont Club Advised Fund	34,409	30,115
East Geauga Club Advised Fund	28,354	21,883
Delaware Club Advised Fund	9,801	8,125
Key Club Advised Fund	253,547	178,422
Norton Club Advised Fund	6,105	5,140
Bellefontaine Club Advised Fund	5,746	5,013
Greater Euclid Club Advised Fund	142,228	126,133
Dover-New Philadelphia	19,918	-
West Toledo Kiwanis Fund	8,389	-
North Ridgeville Kiwanis Fund	5,854	-
Dale & Polly Leach Key Club Fund	15,158	-
Dublin Club Advised Fund	55,442	50,940
Mansfield Kiwanis Club Advised Fund	8,622	5,072
	<u>\$ 1,069,680</u>	<u>\$ 854,524</u>

See accountant's report.