

OHIO DISTRICT KIWANIS FOUNDATION

FINANCIAL STATEMENTS  
WITH  
INDEPENDENT ACCOUNTANT'S REVIEW REPORT

September 30, 2021

## INDEX

	<u>Page</u>
Independent Accountant's Review Report	
Financial Statements:	
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Activities	4 - 5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 22



## 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, 2021 and 2020, 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.

We are required to be independent of the Ohio District Kiwanis Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### *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

August 16, 2022

**Meaden & Moore, Ltd.**

(A Meaden & Moore Affiliate Company)

2363 Eagle Pass, Suite A | Wooster, OH 44691-5344 | P (330) 264-7307 | F (330) 264-2339 | meadenmoore.com

STATEMENT OF FINANCIAL POSITION

Ohio District Kiwanis Foundation

	September 30	
	<u>2021</u>	<u>2020</u>
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 36,502	\$ 49,917
Investments	2,713,866	2,228,000
Property and equipment - net	<u>-</u>	<u>10</u>
 Total Assets	 <u>\$ 2,750,368</u>	 <u>\$ 2,277,927</u>
 <b>LIABILITIES:</b>		
Accounts payable	\$ 1,423	\$ 67
Club advised funds	<u>1,287,760</u>	<u>1,069,680</u>
 Total Liabilities	 <u>1,289,183</u>	 <u>1,069,747</u>
 <b>NET ASSETS:</b>		
Without Donor Restrictions		
Undesignated board endowment	1,400,337	1,151,928
Designated board endowment	<u>10,000</u>	<u>10,000</u>
 Total Without Donor Restrictions	 <u>1,410,337</u>	 <u>1,161,928</u>
With Donor Purpose Restrictions	<u>50,848</u>	<u>46,252</u>
 Total Net Assets	 <u>1,461,185</u>	 <u>1,208,180</u>
 Total Liabilities and Net Assets	 <u>\$ 2,750,368</u>	 <u>\$ 2,277,927</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, 2019	\$ 1,029,615	\$ 58,049	\$ <b>1,087,664</b>
Change in net assets - 2020	<u>132,313</u>	<u>(11,797)</u>	<u><b>120,516</b></u>
Net Assets - September 30, 2020	1,161,928	46,252	<b>1,208,180</b>
Change in net assets - 2021	<u><b>248,409</b></u>	<u><b>4,596</b></u>	<u><b>253,005</b></u>
Net Assets - September 30, 2021	<u><b>\$ 1,410,337</b></u>	<u><b>\$ 50,848</b></u>	<u><b>\$ 1,461,185</b></u>

*See accompanying notes and accountant's report.*

STATEMENT OF ACTIVITIES

Ohio District Kiwanis Foundation

Year Ended September 30

	<b>2021</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE:</b>			
Contributions and grants	\$ 19,714	\$ 45,399	\$ 65,113
Fundraising - special events	21,973	-	21,973
Club advised fund fees	8,057	-	8,057
Realized gain on sale of investments	2,429	-	2,429
Net unrealized gain on investments	206,006	-	206,006
Interest and dividends - net of fees	54,647	-	54,647
	<u>312,826</u>	<u>45,399</u>	<u>358,225</u>
<b>Net Assets Released from Restrictions:</b>			
Reclassification of donor restricted funds	(4,375)	4,375	-
Satisfaction of program restrictions	45,178	(45,178)	-
	<u>353,629</u>	<u>4,596</u>	<u>358,225</u>
<b>EXPENSES:</b>			
<b>Program Services:</b>			
Grants and scholarships	73,832	-	73,832
General and administrative	16,024	-	16,024
Fundraising and development	15,364	-	15,364
	<u>105,220</u>	<u>-</u>	<u>105,220</u>
<b>Total Expenses</b>	<u>105,220</u>	<u>-</u>	<u>105,220</u>
<b>Change in Net Assets</b>	<u>\$ 248,409</u>	<u>\$ 4,596</u>	<u>\$ 253,005</u>

See accompanying notes and accountant's report.

2020		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 19,264	\$ 98,871	\$ 118,135
15,105	-	15,105
4,072	-	4,072
546	-	546
101,000	-	101,000
<u>46,138</u>	<u>-</u>	<u>46,138</u>
186,125	98,871	284,996
-	-	-
<u>110,668</u>	<u>(110,668)</u>	<u>-</u>
296,793	(11,797)	284,996
138,864	-	138,864
18,021	-	18,021
<u>7,595</u>	<u>-</u>	<u>7,595</u>
<u>164,480</u>	<u>-</u>	<u>164,480</u>
<u>\$ 132,313</u>	<u>\$ (11,797)</u>	<u>\$ 120,516</u>

STATEMENT OF CASH FLOWS

Ohio District Kiwanis Foundation

	Year Ended September 30	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 253,005	\$ 120,516
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	10	265
Unrealized gain on investments	(369,947)	(197,179)
Interest and dividends reinvested	(122,784)	(98,115)
Realized gain on sale of investments	(30,246)	(2,180)
Increase (Decrease) in Cash from Changes in:		
Accounts receivable	-	11,190
Accounts payable	1,356	(16,392)
Assets held for others	-	(355)
Club advised funds	<u>218,080</u>	<u>215,156</u>
 Total Adjustments	 <u>(303,531)</u>	 <u>(87,610)</u>
 Cash Provided by (Used in) Operating Activities	 <u>(50,526)</u>	 32,906
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from disposal of securities	189,627	214,809
Purchase of investments	<u>(152,516)</u>	<u>(283,511)</u>
 Cash Provided by (Used in) Investing Activities	 <u>37,111</u>	 <u>(68,702)</u>
 Decrease in Cash and Equivalents	 <u>(13,415)</u>	 <u>(35,796)</u>
 Cash and Cash Equivalents - Beginning of the Year	 <u>49,917</u>	 <u>85,713</u>
 Cash and Cash Equivalents - End of the Year	 <u>\$ 36,502</u>	 <u>\$ 49,917</u>

*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.

*See accountant's report.*

## 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.

##### ***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.

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>2021</u>	<u>2020</u>
Equipment	\$ 2,927	\$ 2,927
Less: Accumulated depreciation	<u>(2,927)</u>	<u>(2,917)</u>
	<u>\$ -</u>	<u>\$ 10</u>
Depreciation Expense	<u>\$ 10</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 August 16, 2022, 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:

	2021		2020	
	Cost	Market	Cost	Market
Foundation Investments:				
Mutual funds - fixed income	\$ 163,132	\$ 158,708	\$ 158,119	\$ 151,118
Mutual funds - equity	630,777	940,714	545,942	700,427
Mutual funds - asset allocation	254,599	338,092	260,442	295,958
Mutual funds - money market	5,301	5,301	28,297	28,297
Other investments	1,937	4,048	1,937	4,048
	<u>1,055,746</u>	<u>1,446,863</u>	994,737	1,179,848
Club Advised Fund Investments:				
Mutual funds - fixed income	122,838	120,472	107,115	103,679
Mutual funds - equity	672,352	928,595	612,433	730,164
Mutual funds - money market	21,194	21,194	30,985	30,985
Mutual funds - asset allocation	161,684	196,742	172,625	183,324
	<u>978,068</u>	<u>1,267,003</u>	923,158	1,048,152
Total	<u>\$ 2,033,814</u>	<u>2,713,866</u>	<u>\$ 1,917,895</u>	2,228,000
Less: Cost		<u>2,033,814</u>		<u>1,917,895</u>
Net Unrealized Gains on Investments		<u>\$ 680,052</u>		<u>\$ 310,105</u>

Investment income consists of the following:

	2021		
	Club Advised Funds	Unrestricted Foundation	Total
Interest and dividends reinvested	\$ 56,231	\$ 66,553	\$ 122,784
Net unrealized gain on investments	163,941	206,006	369,947
Net realized gain on sale of investments	27,817	2,429	30,246
Less: Investment fees	<u>(10,868)</u>	<u>(11,906)</u>	<u>(22,774)</u>
Total investment income	<u>\$ 237,121</u>	<u>\$ 263,082</u>	<u>500,203</u>
Less: Earnings allocated to club advised funds			<u>(237,121)</u>
Total Net Investment Income on Foundation Investments			<u>\$ 263,082</u>

See accountant's report.



NOTES TO FINANCIAL STATEMENTS

Ohio District Kiwanis Foundation

**2 Investments, Continued**

	2020		
	Club Advised Funds	Unrestricted Foundation	Total
Interest and dividends	\$ 42,685	\$ 55,430	\$ 98,115
Net unrealized gain on sale of investments	96,179	101,000	197,179
Net realized gain 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>	280,314
Less: Earnings allocated to club advised funds			<u>(132,630)</u>
Total Net Investment Income on Foundation Investments			<u>\$ 147,684</u>

The following table presents the financial instruments carried at fair value, on a recurring basis, as of September 30, 2021:

	<b>Quoted Market Prices in Active Markets (Level 1)</b>	<b>Models with Significant Observable Market Parameters (Level 2)</b>	<b>Unobservable Inputs that are Not Corroborated by Market Data (Level 3)</b>	<b>Total Carrying Value in the Statement of Financial Position</b>
Mutual funds - fixed income	\$ 279,180	\$ -	\$ -	\$ 279,180
Mutual funds - equity	1,869,309	-	-	1,869,309
Mutual funds - asset allocation	534,834	-	-	534,834
Mutual funds - money market	26,495	-	-	26,495
Other investments	<u>-</u>	<u>4,048</u>	<u>-</u>	<u>4,048</u>
	<u>\$ 2,709,818</u>	<u>\$ 4,048</u>	<u>\$ -</u>	<u>\$ 2,713,866</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, 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>

#### 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>2021</u>	<u>2020</u>
<b>Financial Assets at Year-End:</b>		
Cash and cash equivalents	\$ 36,502	\$ 49,917
Investments	<u>2,713,866</u>	<u>2,228,000</u>
Total Financial Assets	<b>2,750,368</b>	2,277,917
Less: Financial assets not available to be used within one year		
Investments held in custodial accounts	(1,287,760)	(1,069,680)
Less: Amounts with donor restrictions	(50,848)	(46,252)
Board designated funds	<u>(10,000)</u>	<u>(10,000)</u>
	<u>(1,348,608)</u>	<u>(1,125,932)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 1,401,760</u>	<u>\$ 1,151,985</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 2021, the approximate budget for general operations and board approved grants amounts to \$62,480.

**4 Endowment Fund**

Endowment Net Asset Composition by Type of Fund as of September 30, 2021:

	<u>(Board) Without Restriction</u>	<u>(Donor) Purpose Restricted</u>	<u>Total</u>
Endowment Net Assets - Beginning	\$ 1,161,928	\$ 46,252	\$ 1,208,180
Investment return - net of fees	263,082	-	263,082
Contributions and other	49,744	45,399	95,143
Satisfaction of donor restrictions	40,803	(40,803)	-
Grants and scholarships	(73,832)	-	(73,832)
Management and general	(16,024)	-	(16,024)
Fundraising expenses	<u>(15,364)</u>	<u>-</u>	<u>(15,364)</u>
Endowment Net Assets - Ending	<u>\$ 1,410,337</u>	<u>\$ 50,848</u>	<u>\$ 1,461,185</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, 2020:

	(Board) Without Restriction	(Donor) Purpose Restricted	Total
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	(7,595)	-	(7,595)
Endowment Net Assets - Ending	<u>\$ 1,161,928</u>	<u>\$ 46,252</u>	<u>\$ 1,208,180</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>2021</u>	<u>2020</u>
Golf outing reserve	<u>\$ 10,000</u>	<u>\$ 10,000</u>

*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>2021</u>	<u>2020</u>
Specific Purpose:		
Kiwanis Safe & Healthy Kids Fund	\$ 620	\$ -
Governor/First Lady Project	18,173	29,475
Circle K Scholarship Fund	6,800	4,800
KICK	14,086	8,050
Key Leader	4,257	-
Key Club Leadership Fund	2,703	-
Disaster Relief	227	3,347
Aktion/Other	3,982	580
	<u>\$ 50,848</u>	<u>\$ 46,252</u>

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

	<u>2021</u>	<u>2020</u>
Satisfaction of Purpose Restrictions:		
Kiwanis Safe & Healthy Kids Fund	\$ 7,100	\$ -
Governor/First Lady Project	24,118	13,707
Circle K Scholarship Fund	-	1,000
KICK	-	2,000
Key Club Leadership Fund	10,613	91,961
Disaster Relief	3,347	2,000
Reclassification of donor restricted funds	(4,375)	-
	<u>\$ 40,803</u>	<u>\$ 110,668</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:

	<b>2021</b>		
	<u>Contributions</u>	<u>Expenses</u>	<u>Net Income</u>
Golf Outing	<u>\$ 21,973</u>	<u>\$ 11,972</u>	<u>\$ 10,001</u>
	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>

**8 Functional Expense Allocation**

	<b>Fundraising</b>			
	<u>Program</u>	<u>General and</u>	<u>and</u>	<u>Total</u>
	<u>Services</u>	<u>Administrative</u>	<u>Development</u>	
	2021			
Program costs - grants and scholarships	\$ 73,832	\$ -	\$ -	\$ 73,832
Occupancy	-	10	-	10
Office expenses	-	2,189	-	2,189
Advertising, printing and publications	-	1,826	-	1,826
Other expense	-	8,564	15,364	23,928
Total Expenses	<u>\$ 73,832</u>	<u>\$ 16,024</u>	<u>\$ 15,364</u>	<u>\$ 105,220</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	-	12,675	7,595	20,270
Total Expenses	<u>\$ 138,864</u>	<u>\$ 18,021</u>	<u>\$ 7,595</u>	<u>\$ 164,480</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>2021</u>	<u>2020</u>
SE Cleveland Club Advised Fund	\$ 15,395	\$ 15,050
Warren Club Advised Fund	69,979	56,904
Wooster Club Advised Fund	9,383	7,755
Medina Breakfast Club Advised Fund	33,921	23,694
Berwick Club Advised Fund	14,717	11,751
Medina Club Advised Fund	14,894	8,893
Ravenna Club Advised Fund	21,677	44,650
Middleburg Heights Club Advised Fund	11,473	9,624
Elyria Club Advised Fund	24,406	20,054
Delphos Club Advised Fund	9,503	7,868
Norwalk Club Advised Fund	64,128	52,673
Eastlake Club Advised Fund	10,056	7,917
Bellevue Club Advised Fund	19,267	16,012
Bloom Carroll Club Advised Fund	9,887	8,580
Barberton Club Advised Fund	8,814	8,773
West Park Club Advised Fund	50,126	43,568
Westerville Club Advised Fund	7,985	7,508
Canton Club Advised Fund	58,217	50,570
Belden Village Club Advised Fund	21,819	19,817
West Geauga Club Advised Fund	11,668	9,640
Rocky River Club Advised Fund	53,655	44,806
Fremont Club Advised Fund	41,580	34,409
East Geauga Club Advised Fund	34,274	28,354
Delaware Club Advised Fund	11,779	9,801
Key Club Advised Fund	309,176	253,547
Norton Club Advised Fund	7,398	6,105
Bellefontaine Club Advised Fund	6,930	5,746
Greater Euclid Club Advised Fund	168,273	142,228
Dover-New Philadelphia	20,479	19,918
West Toledo Kiwanis Fund	10,159	8,389
North Ridgeville Kiwanis Fund	8,673	5,854
Dale & Polly Leach Key Club Fund	18,286	15,158
Dublin Club Advised Fund	66,618	55,442
Cleves Three Rivers CAF	5,585	-
Wellington Kiwanis CAF	15,148	-
Seville Kiwanis CAF	10,212	-
Mansfield Kiwanis Club Advised Fund	12,220	8,622
	<u>\$ 1,287,760</u>	<u>\$ 1,069,680</u>

*See accountant's report.*