

National Kidney Foundation of Illinois, Inc.

Financial Statements

Years Ended March 31, 2020 and 2019



National **Kidney** Foundation®
of Illinois

WIPFLI

Independent Auditor's Report

Board of Directors
National Kidney Foundation of Illinois, Inc.
Chicago, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of National Kidney Foundation of Illinois, Inc. (a nonprofit organization), which comprise the statements of financial position as of March 31, 2020 and 2019, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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; 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 financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of National Kidney Foundation of Illinois, Inc. as of March 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Wipfli LLP

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Palatine, Illinois
August 18, 2020

National Kidney Foundation of Illinois, Inc.

Statements of Financial Position

<i>March 31,</i>	2020	2019
Assets		
Current Assets		
Cash	\$ 646,594	\$ 478,313
Investments	5,359,869	5,861,737
Grants and contributions receivable	385,959	362,051
Prepaid expenses and other	147,504	180,423
Total current assets	6,539,926	6,882,524
Net property and equipment	346,516	383,282
Other Assets		
Grants and contributions receivable, net	111,404	-
Database, net	52,367	26,826
Other	36,545	36,545
Total other assets	200,316	63,371
Total Assets	\$ 7,086,758	\$ 7,329,177
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 281,347	\$ 244,431
Deferred revenue	224,295	271,315
Total current liabilities	505,642	515,746
Net Assets		
Without donor restrictions	2,587,565	3,150,933
With donor restrictions	3,993,551	3,662,498
Total net assets	6,581,116	6,813,431
Total Liabilities and Net Assets	\$ 7,086,758	\$ 7,329,177

See accompanying notes to financial statements.

National Kidney Foundation of Illinois, Inc.

Statements of Activities and Change in Net Assets

Year Ended March 31,	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Grants and contributions			
Received directly			
Contributions	\$ 664,342	\$ 41,630	\$ 705,972
Received indirectly			
United Way	1,897	-	1,897
Combined Federal Campaign	2,891	-	2,891
Program services	4,375	764,034	768,409
Government grants	3,854	312,399	316,253
Special events, net of direct costs of \$589,152	571,199	263,112	834,311
Total grants and contributions	1,248,558	\$ 1,381,175	\$ 2,629,733
Other revenues			
Sales of donated vehicles, net costs of sales of \$6,632	19,018	4,900	23,918
Net investment loss	(381,869)	-	(381,869)
Total other revenues	(362,851)	4,900	(357,951)
Net assets released from restrictions	1,055,022	(1,055,022)	-
Total revenues and support	1,940,729	331,053	2,271,782
Expenses			
Program services	1,965,463	-	1,965,463
Management and general	169,924	-	169,924
Fundraising	368,710	-	368,710
Total expenses	2,504,097	-	2,504,097
Change in net assets	(563,368)	331,053	(232,315)
Net assets, beginning of year	3,150,933	3,662,498	6,813,431
Net assets, end of year	\$ 2,587,565	\$ 3,993,551	\$ 6,581,116

See accompanying notes to financial statements.

National Kidney Foundation of Illinois, Inc.

Statements of Activities and Change in Net Assets

Year Ended March 31,	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Grants and contributions			
Received directly			
Contributions	\$ 202,783	\$ 37,277	\$ 240,060
Received indirectly			
United Way	3,259	-	3,259
Combined Federal Campaign	5,558	-	5,558
Program services	15,475	1,141,511	1,156,986
Government grants	367	255,540	255,907
Special events, net of direct costs of \$651,932	591,978	240,400	832,378
Total grants and contributions	819,420	\$ 1,674,728	\$ 2,494,148
Other revenues			
Sales of donated vehicles, net costs of sales of \$11,066	14,784	-	14,784
Net investment loss	(18,295)	-	(18,295)
Other	3,263	-	3,263
Total other revenues	(248)	-	(248)
Net assets released from restrictions	881,494	(881,494)	-
Total revenues and support	1,700,666	793,234	2,493,900
Expenses			
Program services	1,560,414	-	1,560,414
Management and general	177,061	-	177,061
Fundraising	290,960	-	290,960
Total expenses	2,028,435	-	2,028,435
Change in net assets	(327,769)	793,234	465,465
Net assets, beginning of year	3,478,702	2,869,264	6,347,966
Net assets, end of year	\$ 3,150,933	\$ 3,662,498	\$ 6,813,431

See accompanying notes to financial statements.

National Kidney Foundation of Illinois, Inc.

Statement of Functional Expenses

Year Ended March 31, 2020	Program Services					Supporting Services				Total Program and Supporting
	Research	Public Education	Professional Education	Patient Services	Community Services	Total	Fundraising	Management and General	Total	
Salaries	\$ 18,807	\$ 259,628	\$ 105,044	\$ 315,132	\$ 78,898	\$ 777,509	\$ 230,271	\$ 93,118	\$ 323,389	\$ 1,100,898
Program material and services	-	-	69,435	154,717	171,429	395,581	-	-	-	395,581
Direct benefit costs- special events	-	-	-	-	-	-	589,152	-	589,152	589,152
Professional fees and contracted services	1,947	26,885	10,877	32,632	8,170	80,511	23,845	9,642	33,487	113,998
Revenue share payment	15,699	29,054	94,780	33,495	77,200	250,228	26,617	31,583	58,200	308,428
Employee benefits	1,405	19,396	7,847	23,542	5,894	58,084	17,203	6,956	24,159	82,243
Depreciation and amortization	1,147	15,841	6,409	19,227	4,814	47,438	14,050	5,681	19,731	67,169
Payroll Taxes	1,599	22,069	8,929	26,787	6,707	66,091	19,574	7,915	27,489	93,580
Office supplies and services	752	10,379	4,199	12,598	3,154	31,082	9,205	3,723	12,928	44,010
Donated vehicles - cost of sales	-	-	-	-	-	-	-	6,632	6,632	6,632
Postage and shipping	16	227	92	275	69	679	201	81	282	961
Awards and grants	164,581	-	-	-	-	164,581	-	-	-	164,581
Telephone and Fax	191	2,641	1,068	3,205	802	7,907	2,342	947	3,289	11,196
Printing and visual aids	415	5,723	2,316	6,947	1,739	17,140	5,076	2,053	7,129	24,269
Meetings and travel	614	8,473	3,428	10,284	2,575	25,374	7,515	3,039	10,554	35,928
Building Occupancy	399	5,510	2,229	6,688	1,674	16,500	4,887	1,976	6,863	23,363
Insurance	157	2,164	876	2,627	658	6,482	1,919	776	2,695	9,177
Miscellaneous fundraising expense	491	6,770	2,740	8,218	2,057	20,276	6,005	2,434	8,439	28,715
	208,220	414,760	320,269	656,374	365,840	1,965,463	957,862	176,556	1,134,418	3,099,881
Less:										
Direct benefit costs - special events	-	-	-	-	-	-	589,152	-	589,152	589,152
Donated vehicles - cost of sales	-	-	-	-	-	-	-	6,632	6,632	6,632
	-	-	-	-	-	-	589,152	6,632	595,784	595,784
Total	\$ 208,220	\$ 414,760	320,269	\$ 656,374	\$ 365,840	\$ 1,965,463	\$ 368,710	\$ 169,924	\$ 538,634	\$ 2,504,097
Current year's percentages	8.32 %	16.56 %	12.79 %	26.21 %	14.61 %	78.49 %	14.72 %	6.79 %	21.51 %	100.00 %

See accompanying notes to financial statements.

National Kidney Foundation of Illinois, Inc.

Statement of Functional Expenses

<i>Year Ended March 31, 2019</i>	Program Services					Supporting Services				Total Program and Supporting
	Research	Public Education	Professional Education	Patient Services	Community Services	Total	Fundraising	Management and General	Total	
Salaries	\$ 7,974	\$ 182,937	\$ 99,443	\$ 233,128	\$ 56,288	\$ 579,770	\$ 168,396	\$ 96,159	\$ 264,555	\$ 844,325
Program material and services	-	-	67,030	175,978	149,899	392,907	-	-	-	392,907
Direct benefit costs- special events	-	-	-	-	-	-	651,932	-	651,932	651,932
Professional fees and contracted services	1,262	28,952	15,738	36,895	8,908	91,755	26,650	15,218	41,868	133,623
Revenue share payment	7,264	20,029	60,168	21,273	46,839	155,573	17,698	21,019	38,717	194,290
Employee benefits	823	18,886	10,266	24,067	5,811	59,853	17,384	9,927	27,311	87,164
Depreciation and amortization	502	11,527	6,266	14,690	3,547	36,532	10,611	6,059	16,670	53,202
Payroll Taxes	643	14,733	8,009	18,775	4,533	46,693	13,562	7,744	21,306	67,999
Office supplies and services	501	11,363	6,177	14,480	3,496	36,017	10,459	5,973	16,432	52,449
Donated vehicles - cost of sales	-	-	-	-	-	-	-	11,066	11,066	11,066
Postage and shipping	19	438	238	559	135	1,389	403	230	633	2,022
Awards and grants	71,102	-	-	-	-	71,102	-	-	-	71,102
Telephone and Fax	130	2,992	1,626	3,813	921	9,482	2,754	1,573	4,327	13,809
Printing and visual aids	483	11,070	6,018	14,107	3,406	35,084	10,190	5,819	16,009	51,093
Meetings and travel	177	4,051	2,202	5,162	1,246	12,838	3,729	2,129	5,858	18,696
Building Occupancy	213	4,883	2,655	6,223	1,503	15,477	4,495	2,567	7,062	22,539
Insurance	86	1,965	1,068	2,505	605	6,229	1,809	1,033	2,842	9,071
Miscellaneous fundraising expense	135	3,065	1,667	3,903	943	9,713	2,820	1,611	4,431	14,144
	91,314	316,891	288,571	575,558	288,080	1,560,414	942,892	188,127	1,131,019	2,691,433
Less:										
Direct benefit costs - special events	-	-	-	-	-	-	651,932	-	651,932	651,932
Donated vehicles - cost of sales	-	-	-	-	-	-	-	11,066	11,066	11,066
	-	-	-	-	-	-	651,932	11,066	662,998	662,998
Total	\$ 91,314	\$ 316,891	288,571	\$ 575,558	\$ 288,080	\$ 1,560,414	\$ 290,960	\$ 177,061	\$ 468,021	\$ 2,028,435
Current year's percentages	4.50 %	15.62 %	14.23 %	28.37 %	14.20 %	76.93 %	14.34 %	8.73 %	23.07 %	100.00 %

See accompanying notes to financial statements.

National Kidney Foundation of Illinois, Inc.

Statement of Cash Flows

<i>Year Ended March 31,</i>	2020	2019
Cash flows from Operating Activities:		
Change in net assets	\$ (232,315)	\$ 465,465
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	67,169	53,202
Net realized and unrealized loss on investments	580,739	161,002
Loss on disposal of property and equipment	-	5,098
Changes in operating assets and liabilities:		
Grants and contributions receivable	(135,312)	(132,397)
Prepaid expenses and other	32,919	(28,775)
Accounts payable and accrued expenses	36,916	132,714
Deferred revenue	(47,020)	49,497
Net cash from operating activities	303,096	705,806
Cash flows from investing activities:		
Purchases of investments	(1,444,288)	(1,045,086)
Proceeds from sale of investments	1,365,417	2,378
Purchases of property and equipment and database	(55,944)	(65,969)
Net cash from investing activities	(134,815)	(1,108,677)
Net change in cash	168,281	(402,871)
Cash at beginning of year	478,313	881,184
Cash at end of year	\$ 646,594	\$ 478,313

See accompanying notes to financial statements.

National Kidney Foundation of Illinois, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

National Kidney Foundation of Illinois, Inc. (the "Foundation") is a not-for-profit voluntary health organization. The Foundation provides public education, professional education, patient services, community services and research grants relating to kidney disease and transplantation in Illinois. The Foundation is an affiliate of the National Kidney Foundation, Inc. (the "National Office").

Research. The National Kidney Foundation of Illinois ("NKFI") Research Grant program funds young investigators who have research projects that will increase the understanding of kidney, urologic and related diseases and transplantation as well as improve the clinical management and treatment or cure of these diseases. Grant submissions are reviewed and selected by the NKFI Research Review Committee on a biennial basis. Award winners received up to \$60,000 per year for a total of \$120,000 per award period. NKFI also has an innovations grant that supports and funds new, innovative applications, research, technologies, and other novel processes that lead to more effective, equitable and sustainable solutions to improve the lives of those at risk for kidney disease and transplantation-related diseases, and/or improve the prevention, management and treatment or cure of these diseases. The winner of this award received \$50,000.

Public Education. World Kidney Day is a global awareness campaign aimed at raising awareness of the importance of our kidneys.

The Advocacy program drives legislative change to guarantee thoughtful policies are in place for individuals living with kidney disease as well as dialysis patients and transplant recipients.

Kidneys in the Kitchen is a program that allows renal dietitians to give general kidney-diet information as well as demonstrations and tips on healthy food prep, while showing samples of kidney-friendly meals and serving sizes. Provides the opportunity to learn about reading a food label, understanding ingredient lists, nutrition, tips for keeping your kidneys healthy, goal setting for good health, and so much more. This program is presented through a partnership with CAN TV.

Health is in Style is a collaboration of barbers and stylists and the National Kidney Foundation of Illinois to educate the African American community about the risks of kidney disease.

Patient Services. Living with Kidney Disease and Transplantation is a series of one-day conferences offered for people affected by or at risk for kidney disease, individuals on dialysis, people waiting for a kidney transplant and those who have already been transplanted, as well as their family members. Experts present on current topics such as treatment options for kidney failure, medications and their side effects, insurance options and financial assistance, as well as psychological effects of living with kidney disease.

Kidney Camp is a free week-long overnight camp in northern Illinois is for kids ages 7-15 who have had organ transplants, are on dialysis or are living with kidney disease.

National Kidney Foundation of Illinois, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Nature of Operations (Continued)

Big Ask Big Give - In collaboration with the University of Chicago, the National Kidney Foundation of Illinois will present the first of its The Big Ask, The Big Give seminars in 2019. This 4-hour training program is designed to help kidney patients find a living donor. Created for kidney patients on the waitlist, family members, friends, and potential living donors, this workshop provides education about living donation and transplant and teaches 7 Key Strategies for finding a living donor, taught in a highly interactive and engaging format.

Chronic Disease Self-Management Program (CDSMP) (also known as Take Charge) - In CDSMP, participants learn self-management tools related to healthy eating, the transplant process, potential complications, physical activity, common kidney disease medications & medication management, working with their healthcare team, and communication. 2.5-hour sessions take place over the course of 6-8 weeks. Peer modeling is a core component, with at least one of the two certified leaders of the initiative having a chronic disease. These leaders work with a small group of 10-12 people for the duration of the program.

Professional Education. Citywide Grand Rounds follows a Clinical Pathologic Case Presentation model, with the evening including interesting case presentations. The audience participates by asking questions and voting during each case.

Controversies in Nephrology is a program presented through an interactive, participatory debate among nephrology fellows representing Chicago's medical academic centers. Debate topics are chosen based on their relevance and association with the nephrology and transplant fields. This program provides an evening of networking and education for nephrologists, transplant surgeons and allied health professionals.

The Illinois Council on Renal Nutrition's Spring Clinical Meeting is an intensive one-day professional development course specifically geared toward renal dietitians, to provide information and education on the most cutting-edge practices and treatment currently available to renal patients.

The Interdisciplinary Nephrology Conference is an intensive one-day course geared specifically to the needs of nephrology nurses, dietitians, social workers and technicians. The Interdisciplinary Nephrology Conference provides information to renal professionals on the most cutting-edge practices and treatment currently available to renal patients and creates an opportunity to network and share information with colleagues.

Community Services. The KidneyMobile is the nation's first mobile screening and education vehicle for kidney disease, diabetes and high blood pressure. It travels throughout Illinois, focusing on medically underserved communities to provide comprehensive early detection screenings and education to individuals considered most at risk. On average, there are 60 KidneyMobile screenings a year. In the lifetime of the program, KidneyMobile has screened more than 56,000 participants.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States (GAAP).

National Kidney Foundation of Illinois, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation

Financial statement presentation follows accounting principles generally accepted in the United States for financial presentation of not-for-profit organizations. Such principles provide that the Foundation is required to report information regarding its financial position and activities according to two classes of net assets. A definition and description of each class follows:

Net Assets Without Donor Restriction - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restriction - Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments

Investments are carried at fair value (Note 6). All interest, dividends, and realized and unrealized gains and losses are reported in the statement of activities as increases or decreases in net assets without donor restrictions. Total investment fees paid for the years ended March 31, 2020 and 2019 were \$16,806 and \$17,620, respectively, and are included in net investment loss in the statement of activities and change in net assets.

Property and Equipment

Property and equipment are recorded at cost (if purchased) or at estimated fair value at time of donation (if donated). Property and equipment purchased at a cost exceeding \$1,000 is capitalized. Maintenance and repairs, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives ranging from 3 to 27.5 years.

National Kidney Foundation of Illinois, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Impairment of Long-Lived Assets

The Foundation reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset and its fair value are less than the carrying amount of that asset. The Foundation has not recognized any impairment of long lived assets during 2020 and 2019.

Affiliations

Twenty-five percent of gross unrestricted contribution income, as defined, less certain allowable expenses, are remitted to the National Office. The Foundation had an outstanding balance due to the National Office of \$116,966 and \$162,245 as of March 31, 2020 and 2019, respectively, which is included in accounts payable and accrued expenses on the accompanying statement of financial position.

Grants and Contributions Receivable

Unconditional promises to give are recorded as receivables in the year pledged. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Promises to give whose eventual uses are restricted by the donors are recorded as increases in net assets with donor restriction. Unrestricted promises to give to be collected in future periods are also recorded as an increase to net assets with donor restriction and reclassified to net assets without donor restriction when received, unless the donor's intention is to support current-period activities.

Promises to give expected to be collected in less than one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the pledge.

Grants and contributions receivable on the statement of financial position consist primarily of pledges and grants receivable. Amounts are reviewed for collectability by management and an allowance for doubtful accounts is recorded as needed based on collection history. The Foundation considers these receivables to be collectible and, therefore, no allowance for uncollectible amounts has been recorded.

National Kidney Foundation of Illinois, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Grants and Contributions

Grants and contributions are recognized as revenue when they are received or unconditionally promised. Grants and contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction expires or the purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions and grants are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

- *Grant Awards that are Contributions* - Grants that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related allowable expenses are incurred. Amounts received in excess of expenses are reflected as grant funds received in advance.
- *Grant Awards that are Exchange Transactions* - Exchange transactions typically reimburse based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed.

Special Events

The Foundation records fundraising benefits revenue equal to the fair value of direct benefits provided to donors for the exchange portion, and contribution income for the excess received. The Foundation typically receives payment for the event in advance based on a sponsorship level. The exchange portion of special event revenue received in advance is recorded as deferred revenue and recognized at the point in time when the event occurs.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses, which cannot be directly identified with specific functions, are allocated based on estimates of staff hours devoted to the respective functions. The revenue share payment to the National Office is allocated to specific functions based on percentages provided by the National Office.

National Kidney Foundation of Illinois, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code under the exemption granted to the National Office. Consequently, no provision for income taxes appears in these financial statements. The National Office has been designated by the Internal Revenue Service as a "publicly supported organization".

Change in Accounting Principle

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606). The core principle of the guidance in ASU 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Foundation adopted this guidance effective April 1, 2019 as it felt it was the most faithful depiction of the timing of revenue reasonably expected to be collected in exchange for goods or services. The Foundation applied Topic 606 on a retrospective basis and elected the practical expedient in paragraph FASB ASC 606-10-65-1(f)(1), under which an entity need not restate contracts that begin and are completed within the same annual reporting period. There was no change to reported revenue, net assets, or the change in net assets for either period presented.

In June 2018, the FASB issued ASU No. 2018-08, Not-for-Profit Entities (Topic 958) - Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The amendments in ASU No. 2018-08 assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and in determining whether a contribution transaction is conditional. The Foundation adopted this guidance as of April 1, 2019, with no effect on its recognition of contributions received.

Recently Issued Accounting Policy

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The amendments in this ASU revise the accounting related to lessee accounting. Under the new guidance, lessees will be required to recognize a lease liability and a right-of-use asset for substantially all leases with lease terms in excess of twelve months. The new lease guidance also simplifies the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. The amendments in this ASU are effective for fiscal years beginning after December 15, 2021, and are to be applied through a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. Early adoption is permitted. The Foundation continues to evaluate the effect that the implementation of this ASU will have on its financial statements and related disclosures.

National Kidney Foundation of Illinois, Inc.

Notes to Financial Statements

Note 2: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

<i>March 31,</i>	2020	2019
Cash	\$ 646,594	\$ 478,313
Grants and contributions receivable	385,959	362,051
Investments	5,359,869	5,861,737
Total financial assets	6,392,422	6,702,101
Less: net assets with donor restrictions	(3,993,551)	(3,662,498)
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,398,871	\$ 3,039,603

The Foundation has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 90 days of normal operating expenses, which are approximately \$450,000 & \$460,000 for 2020 and 2019, respectively. The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Foundation invests cash in excess of daily requirements in various short-term investments, including certificates of deposit and short-term treasury instruments.

Note 3: Concentration of Credit Risk

The Foundation maintains cash balances at a financial institutions where the accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. At certain times during the year, cash balances may be in excess of FDIC coverage. The Foundation has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

Note 4: Concentration of Contributions or Grants

The Gift of Life Gala is an annual general fundraising event which generated gross revenues of \$163,493 and \$268,890 and accounted for approximately 6% and 9% of total revenues for the year ended March 31, 2020 and 2019, respectively. The increase in net assets from this event totaled \$81,435 and \$155,335 for the years ended March 31, 2020 and 2019, respectively.

The Middle Market Open is an annual golf tournament and fundraiser targeting middle market companies. This event generated gross revenues of \$928,899 and \$860,718 and accounted for approximately 32% and 27% of total revenues for the years ended March 31, 2020 and 2019, respectively. The increase in net assets from this event totaled \$496,979 and \$415,452 for the years ended March 31, 2020 and 2019, respectively.

National Kidney Foundation of Illinois, Inc.

Notes to Financial Statements

Note 4: Concentration of Contributions or Grants (Continued)

The Walk for Kidneys is an annual general fundraising event which generated gross revenues of \$229,405 and \$253,945, respectively and accounted for approximately 8% and 8% of total revenues for the years ended March 31, 2020 and 2019, respectively. The increase in net assets from this event totaled \$186,932 and \$193,273 for the years ended March 31, 2020 and 2019, respectively.

The KidneyMobile is a mobile, interactive exhibit that travels throughout Illinois providing free prevention education and health screening for high blood pressure, diabetes and chronic kidney disease. Grants and contributions for the operation of the KidneyMobile and general contributions to the Foundation generated from the KidneyMobile's operations totaled \$363,646 and \$382,174 and accounted for approximately 13% and 12% of total revenues for the years ended March 31, 2020 and 2019, respectively. Included in the program services revenue for the years ended March 31, 2020 and 2019 is a contribution from a single donor totaling \$47,969 and \$380,862, respectively. After considering operations, maintenance, and other costs, the increase in net assets for the operation of the KidneyMobile was \$232,948 and \$262,087 for the years ended March 31, 2020 and 2019, respectively.

Note 5: Grants and Contributions Receivable

Grants and contributions receivable consisted of the following at March 31, 2020:

<i>March 31,</i>		2020
Grants and contributions receivable	\$	505,959
Less - discount to net present value		8,596
		<hr/>
		497,363
Less - noncurrent portion		111,404
		<hr/>
Current portion	\$	385,959

Grants and contributions receivable due in more than one year are reflected at the present value of estimated future cash flows using discount rate of 2% as of March 31, 2020.

National Kidney Foundation of Illinois, Inc.

Notes to Financial Statements

Note 5: Grants and Contributions Receivable (Continued)

The Foundation's grants and contributions receivable as of March 31, 2020 are due as follows:

<i>March 31,</i>	2020
2021	\$ 385,959
2022	30,000
2023	30,000
2024	30,000
2025	30,000
	505,959
Less - discount to net present value	8,596
Total	\$ 497,363

Note 6: Fair Value Measurements

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority level. Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1). Level 3 inputs are unobservable and have the lowest priority. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which Level 1 inputs were not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs were not available.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of March 31, 2020 and 2019.

Cash, mutual funds and exchange traded funds: Valued at the daily closing price as reported by the fund.

National Kidney Foundation of Illinois, Inc.

Notes to Financial Statements

Note 6: Fair Value Measurements (Continued)

The following tables set forth by level, within the fair value hierarchy, the Foundation's investment assets at fair value as of March 31, 2020 and 2019. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement:

	2020			Total
	Level 1	Level 2	Level 3	
Cash	\$ 92,499	\$ -	\$ -	\$ 92,499
Mutual funds:				
Equity	1,429,088	-	-	1,429,088
Exchange traded funds:				
Equity	1,141,879	-	-	1,141,879
Fixed income	2,653,818	-	-	2,653,818
Other	42,585	-	-	42,585
Total	\$ 5,359,869	\$ -	\$ -	\$ 5,359,869

	2019			Total
	Level 1	Level 2	Level 3	
Cash	\$ 282,959	\$ -	\$ -	\$ 282,959
Mutual funds:				
Equity	1,369,751	-	-	1,369,751
Exchange traded funds:				
Equity	1,568,980	-	-	1,568,980
Fixed income	2,519,743	-	-	2,519,743
Other	120,304	-	-	120,304
Total	\$ 5,861,737	\$ -	\$ -	\$ 5,861,737

National Kidney Foundation of Illinois, Inc.

Notes to Financial Statements

Note 7: Investment Income

Investment loss for the years ended March 31, 2020 and 2019 was as follows:

<i>March 31,</i>	2020	2019
Interest and dividends	\$ 215,676	\$ 160,327
Net realized gain (loss)	(236,286)	2,349
Net unrealized loss	(344,453)	(163,351)
Investment expenses	(16,806)	(17,620)
Total	\$ (381,869)	\$ (18,295)

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Note 8: Property and Equipment

A summary of property and equipment is as follows as of March 31:

<i>March 31,</i>	2020	2019
Building	\$ 852,868	\$ 852,868
Equipment	135,705	131,547
Furnishings and building improvements	98,608	81,603
KidneyMobile	44,401	44,401
Total property and equipment	1,131,582	1,110,419
Less: accumulated depreciation	(785,066)	(727,137)
Net property and equipment	\$ 346,516	\$ 383,282

National Kidney Foundation of Illinois, Inc.

Notes to Financial Statements

Note 9: Database

The Foundation's database is amortized using the straight-line method over 5 years. Amortization expense was \$9,421 and \$0, respectively, for the years ended March 31, 2020 and 2019. The Database consists of the following:

<i>March 31,</i>	2020	2019
Cost	\$ 61,608	\$ 26,826
Less: accumulated amortization	(9,241)	-
Database, net	\$ 52,367	\$ 26,826

Note 10: Net Assets with Donor Restriction

Net assets with donor restrictions are restricted for the following purposes or periods.

<i>March 31,</i>	2020	2019
Research	\$ 1,360,759	\$ 1,297,540
Program services	2,625,792	2,357,958
Permanent restriction - perpetual in nature	7,000	7,000
Total	\$ 3,993,551	\$ 3,662,498

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended March 31, 2020 and 2019:

<i>March 31,</i>	2020	2019
Research	\$ 164,581	\$ 71,102
Program services	580,799	528,369
Other - received and released in current year	309,642	282,023
Total	\$ 1,055,022	\$ 881,494

Note 11: Retirement Plan

The Foundation has a 401(k) plan that covers substantially all the employees. Employees are immediately eligible and may enter the plan at semiannual entry dates. The Plan document allows for a discretionary employer match. The Foundation contributed \$19,584 and \$24,000 for the years ended March 31, 2020 and 2019, respectively.

National Kidney Foundation of Illinois, Inc.

Notes to Financial Statements

Note 12: Commitments

The Foundation leases certain office equipment under various non-cancelable operating leases which expired in July 2019. Monthly rent expense related to these leases averaged approximately \$1,000.

Note 13: Volunteer Services

The Foundation utilizes experts in the medical profession related to Kidney disease to perform services at KidneyMobile screenings held throughout the year. The services donated by these volunteers are valued at rates published by Docimity.com. For the years ended March 31, 2020 and 2019, the Foundation recorded \$10,716 and \$35,000 of specialized volunteer services relating to the KidneyMobile, respectively. These amounts are included in program services revenue on the statement of activities and change in net assets.

The Foundation utilizes non-specialized volunteers to perform services at their special events. These services are not recorded in the accompanying financial statements. The number of hours estimated for these services in the years ended March 31, 2020 and 2019 is 960 and 1,400 hours, respectively.

Note 14: Subsequent Event

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus as a “pandemic”. First identified in late 2019 and known now as COVID-19, the outbreak has impacted thousands of individuals worldwide. In response, many countries have implemented measures to combat the outbreak which have impacted global business operations. As of the date of issuance of the financial statements, the Foundation’s operations have not been significantly impacted, however, the Foundation continues to monitor the situation. No impairments were recorded as of the balance sheet date as no triggering events or changes in circumstances had occurred as of year-end; however, due to significant uncertainty surrounding the situation, management's judgment regarding this could change in the future. In addition, while the Company’s results of operations, cash flows and financial condition could be negatively impacted, the extent of the impact cannot be reasonably estimated at this time. In response to the COVID-19 crisis, the Organization applied for and received a loan in the amount of \$189,000 pursuant to the Paycheck Protection Program (PPP), administered by the Small Business Administration (SBA). The loan bears interest at a rate of 1.0%. If certain criteria are met, all or a portion of the loan may be forgiven. In addition, the Organization received a \$10,000 grant from the SBA as part of the Economic Injury Disaster Loan program. As of the date of the issuance of the financial statements, the loan forgiveness criteria have not been finalized, and no determination of forgiveness can be made.

The Foundation has evaluated events and transactions for potential recognition or disclosure in the financial statements through August 18, 2020, respectively which is the date the financial statements were available to be issued.