

# National Kidney Foundation of Illinois, Inc.

Financial Statements

Years Ended March 31, 2021 and 2020



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, 2021 and 2020, 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, 2021 and 2020, 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*

August 12, 2021  
Lincolnshire, Illinois

# National Kidney Foundation of Illinois, Inc.

## Statements of Financial Position

<i>March 31,</i>	2021	2020
<b>Assets</b>		
Current assets:		
Cash	\$ 640,164	\$ 646,594
Investments	6,597,190	5,359,869
Grants and contributions receivable	435,727	385,959
Prepaid expenses and other	187,701	147,504
Total current assets	7,860,782	6,539,926
Net property and equipment	290,234	346,516
Other assets:		
Grants and contributions receivable, net	83,123	111,404
Database, net	49,112	52,367
Other	36,545	36,545
Total other assets	168,780	200,316
Total assets	\$ 8,319,796	\$ 7,086,758
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 311,841	\$ 281,347
Deferred revenue	190,514	224,295
Total current liabilities	502,355	505,642
Refundable advance liability	227,448	-
Total liabilities	729,803	505,642
Net assets:		
Without donor restrictions	3,190,765	2,587,565
With donor restrictions	4,399,228	3,993,551
Total net assets	7,589,993	6,581,116
Total liabilities and net assets	\$ 8,319,796	\$ 7,086,758

See accompanying notes to financial statements.

# National Kidney Foundation of Illinois, Inc.

## Statements of Activities and Change in Net Assets

Year Ended March 31,	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Grants and contributions			
Received directly:			
Contributions	\$ 223,776	\$ 60,384	\$ 284,160
Received indirectly:			
United Way	6,287	-	6,287
Combined Federal Campaign	3,113	-	3,113
Program services	9,915	583,730	593,645
Government grants	-	280,689	280,689
Special events, net of direct costs of \$403,714	405,280	196,136	601,416
Total grants and contributions	648,371	\$ 1,120,939	\$ 1,769,310
Other revenues:			
Sales of donated vehicles, net costs of sales of \$5,802	20,748	-	20,748
Net investment gain	1,312,322	-	1,312,322
Other	189,600	-	189,600
Total other revenues	1,522,670	-	1,522,670
Net assets released from restrictions	715,262	(715,262)	-
Total revenues and support	2,886,303	405,677	3,291,980
Expenses:			
Program services	1,695,836	-	1,695,836
Management and general	237,755	-	237,755
Fundraising	349,512	-	349,512
Total expenses	2,283,103	-	2,283,103
Change in net assets	603,200	405,677	1,008,877
Net assets, beginning of year	2,587,565	3,993,551	6,581,116
Net assets, end of year	\$ 3,190,765	\$ 4,399,228	\$ 7,589,993

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.

## Statement of Functional Expenses

<i>Year Ended March 31, 2021</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	\$ 24,001	\$ 312,451	\$ 87,573	\$ 343,156	\$ 72,004	\$ 839,185	\$ 236,771	\$ 156,335	\$ 393,106	\$ 1,232,291
Program material and services	-	-	40,214	10,285	142,827	193,326	-	-	-	193,326
Direct benefit costs - Special events	-	-	-	-	-	-	403,714	-	403,714	403,714
Professional fees and contracted services	1,325	17,252	4,835	18,947	3,976	46,335	13,073	8,633	21,706	68,041
Revenue share payment	10,499	16,196	51,635	18,227	43,889	140,446	14,871	16,798	31,669	172,115
Employee benefits	2,352	30,618	8,582	33,627	7,056	82,235	23,202	15,320	38,522	120,757
Depreciation and amortization	1,405	18,290	5,126	20,088	4,215	49,124	13,860	9,152	23,012	72,136
Payroll taxes	1,920	24,997	7,006	27,453	5,760	67,136	18,942	12,507	31,449	98,585
Office supplies and services	1,082	14,088	3,949	15,473	3,247	37,839	10,676	7,048	17,724	55,563
Donated vehicles - Cost of sales	-	-	-	-	-	-	-	5,802	5,802	5,802
Postage and shipping	6	84	23	92	19	224	63	43	106	330
Awards and grants	176,000	-	-	-	-	176,000	-	-	-	176,000
Telephone and fax	183	2,377	666	2,611	548	6,385	1,802	1,189	2,991	9,376
Printing and visual aids	420	5,465	1,532	6,002	1,259	14,678	4,141	2,735	6,876	21,554
Meetings and travel	128	1,672	469	1,836	385	4,490	1,267	836	2,103	6,593
Building occupancy	475	6,185	1,734	6,793	1,425	16,612	4,687	3,095	7,782	24,394
Insurance	175	2,278	638	2,502	525	6,118	1,726	1,139	2,865	8,983
Miscellaneous fundraising expense	449	5,847	1,639	6,421	1,347	15,703	4,431	2,925	7,356	23,059
	220,420	457,800	215,621	513,513	288,482	1,695,836	753,226	243,557	996,783	2,692,619
Less:										
Direct benefit costs - Special events	-	-	-	-	-	-	403,714	-	403,714	403,714
Donated vehicles - Cost of sales	-	-	-	-	-	-	-	5,802	5,802	5,802
	-	-	-	-	-	-	403,714	5,802	409,516	409,516
<b>Total</b>	<b>\$ 220,420</b>	<b>\$ 457,800</b>	<b>\$ 215,621</b>	<b>\$ 513,513</b>	<b>\$ 288,482</b>	<b>\$ 1,695,836</b>	<b>\$ 349,512</b>	<b>\$ 237,755</b>	<b>\$ 587,267</b>	<b>\$ 2,283,103</b>
Current year's percentages	9.66 %	20.05 %	9.44 %	22.49 %	12.64 %	74.28 %	15.31 %	10.41 %	25.72 %	100.00 %

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
	<b>208,220</b>	<b>414,760</b>	<b>320,269</b>	<b>656,374</b>	<b>365,840</b>	<b>1,965,463</b>	<b>957,862</b>	<b>176,556</b>	<b>1,134,418</b>	<b>3,099,881</b>
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
<b>Total</b>	<b>\$ 208,220</b>	<b>\$ 414,760</b>	<b>\$ 320,269</b>	<b>\$ 656,374</b>	<b>\$ 365,840</b>	<b>\$ 1,965,463</b>	<b>\$ 368,710</b>	<b>\$ 169,924</b>	<b>\$ 538,634</b>	<b>\$ 2,504,097</b>
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.

## Statements of Cash Flows

<i>Years Ended March 31,</i>	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 1,008,877	\$ (232,315)
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	72,136	67,169
Net realized and unrealized (gain) loss on investments	(1,180,976)	580,739
Changes in operating assets and liabilities:		
Grants and contributions receivable	(21,487)	(135,312)
Prepaid expenses and other	(40,197)	32,919
Accounts payable and accrued expenses	30,494	36,916
Deferred revenue	(33,781)	(47,020)
Refundable advance liability	227,448	-
Net cash from operating activities	62,514	303,096
Cash flows from investing activities:		
Purchases of investments	(1,329,110)	(1,444,288)
Proceeds from sale of investments	1,272,765	1,365,417
Purchases of property and equipment and database	(12,599)	(55,944)
Net cash from investing activities	(68,944)	(134,815)
Net change in cash	(6,430)	168,281
Cash at beginning of year	646,594	478,313
Cash at end of year	\$ 640,164	\$ 646,594

See accompanying notes to financial statements.

# National Kidney Foundation of Illinois, Inc.

## Notes to Financial Statements

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### 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 award winner receives \$30,000 per award period.

**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.

**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

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### 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 presents the The Big Ask, The Big Give seminars. This four-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 and medication management, working with their healthcare team, and communication. 2.5-hour sessions take place over the course of six-eight 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.

Stretch your mind at **Research Highlights & Academic Competition**, an evening of thoughtful and lively discussion focused on examining the questions central to kidney disease. This interactive and engaging new program showcases funded NKFI research grants. Grantees present the results of their research, followed by a series of questions related to their research topic. Individuals will compete to answer the most questions correctly.

**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.

# National Kidney Foundation of Illinois, Inc.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### 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).

#### 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, 2021 and 2020, were \$15,840 and \$16,806, respectively, and are included in net investment gain (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 three to 27.5 years.

# National Kidney Foundation of Illinois, Inc.

## Notes to Financial Statements

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### **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 2021 and 2020.

#### **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 \$229,805 and \$116,966 as of March 31, 2021 and 2020, 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

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### 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

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### **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 August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-13, *Fair Value Measurement* (Topic 820) *Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. The primary focus of ASU 2018-13 is to improve the effectiveness of the disclosure requirements for fair value measurements. The changes affect all entities that are required to include fair value measurement disclosures. The guidance is effective for fiscal years beginning after December 15, 2019. The Organization adopted ASU 2018-13 on a retrospective basis as of April 1, 2020. The adoption of this accounting guidance did not have a significant impact on the Foundation's financial statements.

#### **Recently Issued Accounting Pronouncement**

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.

#### **Subsequent Events**

The Foundations have evaluated events and transactions for potential recognition or disclosure in the financial statements through August 12, 2021, which is the date the financial statements were available to be issued.

# 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>	2021	2020
Cash	\$ 640,164	\$ 646,594
Grants and contributions receivable	435,727	385,959
Investments	6,597,190	5,359,869
<b>Total financial assets</b>	<b>7,673,081</b>	<b>6,392,422</b>
<b>Less: Net assets with donor restrictions</b>	<b>(4,399,228)</b>	<b>(3,993,551)</b>
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,273,853	\$ 2,398,871

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 \$570,000 & \$450,000 for 2021 and 2020, 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 \$106,261 and \$163,493 and accounted for approximately 6% of total grants and contributions for the years ended March 31, 2021 and 2020. The increase in net assets from this event totaled \$49,851 and \$81,435 for the years ended March 31, 2021 and 2020, respectively.

The Middle Market Open is an annual golf tournament and fundraiser targeting middle market companies. This event generated gross revenues of \$638,610 and \$928,899 and accounted for approximately 36% and 32% of total grants and contributions for the years ended March 31, 2021 and 2020, respectively. The increase in net assets from this event totaled \$346,560 and \$496,979 for the years ended March 31, 2021 and 2020, respectively.



# National Kidney Foundation of Illinois, Inc.

## Notes to Financial Statements

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### Note 4: Concentration of Contributions or Grants (Continued)

The Walk for Kidneys is an annual general fundraising event which generated gross revenues of \$180,230 and \$229,405, respectively and accounted for approximately 10% and 8% of total grants and contributions for the years ended March 31, 2021 and 2020, respectively. The increase in net assets from this event totaled \$151,115 and \$186,932 for the years ended March 31, 2021 and 2020, 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 \$349,305 and \$363,646 and accounted for approximately 20% and 13% of total grants and contributions for the years ended March 31, 2021 and 2020, respectively. Included in the program services revenue for the years ended March 31, 2021 and 2020 is a contribution from a single donor totaling \$67,866 and \$47,969, respectively. After considering operations, maintenance, and other costs, the increase in net assets for the operation of the KidneyMobile was \$290,098 and \$232,948 for the years ended March 31, 2021 and 2020, respectively.

### Note 5: Grants and Contributions Receivable

Grants and contributions receivable consisted of the following at March 31, 2021:

<i>March 31,</i>	2021
Grants and contributions receivable	\$ 525,727
Less - Discount to net present value	6,877
	518,850
Less - Noncurrent portion	83,123
Current portion	\$ 435,727

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, 2021.

# 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, 2021, are due as follows:

<i>March 31,</i>	2021
2022	\$ 435,727
2023	30,000
2024	30,000
2025	30,000
	525,727
Less - Discount to net present value	6,877
Total	\$ 518,850

### 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, 2021 and 2020.

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, 2021 and 2020. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement:

	2021			
	Level 1	Level 2	Level 3	Total
Cash	\$ 532,395	\$ -	\$ -	\$ 532,395
Mutual funds:				
Equity	1,758,031	-	-	1,758,031
Exchange traded funds:				
Equity	1,944,658	-	-	1,944,658
Fixed income	2,283,868	-	-	2,283,868
Other	78,238	-	-	78,238
<b>Total</b>	<b>\$ 6,597,190</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,597,190</b>

	2020			
	Level 1	Level 2	Level 3	Total
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
<b>Total</b>	<b>\$ 5,359,869</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,359,869</b>

### Note 7: Investment Income

Investment gain (loss) for the years ended March 31, 2021 and 2020, was as follows:

<i>March 31,</i>	2021	2020
Interest and dividends	\$ 147,186	\$ 215,676
Net realized gain (loss)	16,159	(236,286)
Net unrealized gain (loss)	1,164,817	(344,453)
Investment expenses	(15,840)	(16,806)
<b>Total</b>	<b>\$ 1,312,322</b>	<b>\$ (381,869)</b>

# National Kidney Foundation of Illinois, Inc.

## Notes to Financial Statements

### Note 7: Investment Income (Continued)

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, 2021 and 2020:

<i>March 31,</i>	2021	2020
Building	\$ 852,868	\$ 852,868
Equipment	135,705	135,705
Furnishings and building improvements	100,326	98,608
KidneyMobile	44,401	44,401
<b>Total property and equipment</b>	<b>1,133,300</b>	<b>1,131,582</b>
<b>Less: Accumulated depreciation</b>	<b>(843,066)</b>	<b>(785,066)</b>
<b>Net property and equipment</b>	<b>\$ 290,234</b>	<b>\$ 346,516</b>

### Note 9: Database

The Foundation's database is amortized using the straight-line method over five years. Amortization expense was \$14,135 and \$9,421, respectively, for the years ended March 31, 2021 and 2020. The Database consists of the following:

<i>March 31,</i>	2021	2020
Cost	\$ 72,488	\$ 61,608
Less: accumulated amortization	(23,376)	(9,241)
<b>Database, net</b>	<b>\$ 49,112</b>	<b>\$ 52,367</b>

# National Kidney Foundation of Illinois, Inc.

## Notes to Financial Statements

### Note 10: Net Assets with Donor Restriction

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

<i>March 31,</i>	2021	2020
Research	\$ 1,296,882	\$ 1,360,759
Program services	3,095,346	2,625,792
Permanent restriction - perpetual in nature	7,000	7,000
<b>Total</b>	<b>\$ 4,399,228</b>	<b>\$ 3,993,551</b>

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, 2021 and 2020:

<i>March 31,</i>	2021	2020
Research	\$ 176,057	\$ 164,581
Program services	282,685	580,799
Other - received and released in current year	256,520	309,642
<b>Total</b>	<b>\$ 715,262</b>	<b>\$ 1,055,022</b>

### Note 11: Refundable Advance Liability - Paycheck Protection Program

In March 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act created and funded the U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) to provide loans designated to help small businesses cover their near-term operating expenses and provide an incentive to retain their employees during the COVID-19 pandemic. The Foundation applied for and received a PPP loan for \$189,600 under this program. The Foundation applied for full loan forgiveness and received forgiveness notification from the SBA that the loan was fully forgiven on March 4, 2021, and thus the income is recognized as grant revenue on the 2021 financial statements in accordance with IAS 20.

In addition, the Foundation applied for a second draw PPP loan and received a PPP2 loan on March 4, 2021, in the amount of \$227,448, which is included in refundable advance liability on the statement of financial position. The loan proceeds will be used for permissible, near-term operating expenses and the Foundation anticipates seeking full loan forgiveness from the SBA.

# National Kidney Foundation of Illinois, Inc.

## Notes to Financial Statements

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### **Note 12: 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 \$29,264 and \$19,584 for the years ended March 31, 2021 and 2020, respectively.

### **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 Doximity.com. For the years ended March 31, 2021 and 2020, the Foundation recorded \$140 and \$10,716 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, 2021 and 2020, is 54 and 960 hours, respectively.

### **Note 14: Business Condition**

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. No impairments were recorded as of the statement of financial position 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 Foundation's results of operations, cash flows and financial condition could be negatively impacted in the future, the extent of the impact cannot be reasonably estimated at this time.

Independent Auditor's Report on Supplementary Information

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

We have audited the financial statements of the National Kidney Foundation of Illinois, Inc. as of and for the year ended March 31, 2021, and have issued our report thereon dated August 12, 2021, which expressed an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole.

The following schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The "Consolidated Year-End Financial Report" is required by the Grant Accountability and Transparency Act (GATA). Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements, themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Wipfli LLP*

August 12, 2021  
Lincolnshire, Illinois

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>Grantee Name</b>	National Kidney Foundation of Illinois, Inc.
<b>ID Numbers</b>	AUDIT:26187    Grantee:690777    DUNS:079751269    FEIN:366009226
<b>Audit Period</b>	4/1/2020 - 3/31/2021
<b>Submitted</b>	08/11/2021; Sheilla Ntambo; Senior Director of Finance & Administration; sntambo@nkfi.org; 312-321-1500
<b>Accepted</b>	
<b>Program Count</b>	1

<b>All Programs Total</b>				
<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Personal Services (Salaries and Wages)	146,695.89	0.00	1,160,287.00	1,306,982.89
Fringe Benefits	20,610.53	0.00	113,701.00	134,311.53
Travel	16,290.70	0.00	6,208.00	22,498.70
Equipment	0.00	0.00	67,921.00	67,921.00
Supplies	18,003.54	0.00	102,815.00	120,818.54
Contractual Services	78,908.46	0.00	64,065.00	142,973.46
Consultant (Professional Services)	0.00	0.00	0.00	0.00
Construction	0.00	0.00	0.00	0.00
Occupancy - Rent and Utilities	0.00	0.00	22,969.00	22,969.00
Research and Development	0.00	0.00	176,000.00	176,000.00
Telecommunications	0.00	0.00	8,828.00	8,828.00
Training and Education	180.00	0.00	0.00	180.00
Direct Administrative Costs	0.00	0.00	257,907.88	257,907.88
Miscellaneous Costs	0.00	0.00	21,712.00	21,712.00
All Grant Specific Categories	0.00	0.00	0.00	0.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>280,689.12</b>	<b>0.00</b>	<b>2,002,413.88</b>	<b>2,283,103.00</b>
Indirect Costs	0.00	0.00	0.00	0.00
<b>TOTAL EXPENDITURES</b>	<b>280,689.12</b>	<b>0.00</b>	<b>2,002,413.88</b>	<b>2,283,103.00</b>



**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>State Agency</b>	Department Of Public Health (482)
<b>Program Name</b>	Kidney Care Program (482-00-1721)
<b>Program Limitations</b>	No
<b>Mandatory Match</b>	No
<b>Indirect Cost Rate</b>	0.00 Base:

<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Personal Services (Salaries and Wages)	146,695.89	0.00	0.00	146,695.89
Fringe Benefits	20,610.53	0.00	0.00	20,610.53
Travel	16,290.70	0.00	0.00	16,290.70
Supplies	18,003.54	0.00	0.00	18,003.54
Contractual Services	78,908.46	0.00	0.00	78,908.46
Training and Education	180.00	0.00	0.00	180.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>280,689.12</b>	<b>0.00</b>	<b>0.00</b>	<b>280,689.12</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>Program Name</b>	Other grant programs and activities
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Category	State	Federal	Other	Total
	0.00	0.00	0.00	0.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

<b>Program Name</b>	All other costs not allocated
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<b>Category</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Personal Services (Salaries and Wages)	0.00	0.00	1,160,287.00	1,160,287.00
Fringe Benefits	0.00	0.00	113,701.00	113,701.00
Travel	0.00	0.00	6,208.00	6,208.00
Equipment	0.00	0.00	67,921.00	67,921.00
Supplies	0.00	0.00	102,815.00	102,815.00
Contractual Services	0.00	0.00	64,065.00	64,065.00
Occupancy - Rent and Utilities	0.00	0.00	22,969.00	22,969.00
Research and Development	0.00	0.00	176,000.00	176,000.00
Telecommunications	0.00	0.00	8,828.00	8,828.00
Direct Administrative Costs	0.00	0.00	257,907.88	257,907.88
Miscellaneous Costs	0.00	0.00	21,712.00	21,712.00
<b>TOTAL DIRECT EXPENDITURES</b>	<b>0.00</b>	<b>0.00</b>	<b>2,002,413.88</b>	<b>2,002,413.88</b>