

**NATIONAL KIDNEY FOUNDATION
OF WISCONSIN, INC.**
West Allis, Wisconsin

Audited Financial Statements
Years Ended June 30, 2021 and 2020

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Independent Auditors' Report

Board of Directors
National Kidney Foundation of Wisconsin, Inc.
West Allis, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of National Kidney Foundation of Wisconsin, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, the related statements of activities, 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 of America ("U.S. GAAP"); 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.

Auditors' 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 of America. 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 auditors' 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 Wisconsin, Inc. as of June 30, 2021 and 2020, and the changes in its net assets, and its cash flows for the year then ended in accordance with U.S. GAAP.

October 26, 2021
Milwaukee, Wisconsin

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.
West Allis, Wisconsin

Statements of Financial Position
June 30, 2021 and 2020

ASSETS	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and equivalents	\$ 92,508	\$ 82,155
Investments	572,720	422,525
Accounts receivable - net	3,065	3,278
Prepaid expenses	4,488	9,467
Total current assets	672,781	517,425
Restricted assets:		
Cash and equivalents	32,579	32,575
Investments	70,008	68,970
Promises to give - net	78,115	5,585
Total restricted assets	180,702	107,130
Property and equipment:		
Equipment	18,655	18,566
Less: accumulated depreciation	(16,854)	(16,028)
Property and equipment - net	1,801	2,538
Total assets	\$ 855,284	\$ 627,093
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 10,985	\$ 6,595
Accrued payroll and payroll taxes	10,903	16,555
Paycheck protection program loan	45,428	---
Deferred rent expense	---	597
Deferred revenue - organ donation awareness	---	5,545
Deferred revenue - other events	---	300
Deferred revenue - Kidney Walk event	8,880	---
Deferred revenue - DLI grant	16,822	16,822
Total current liabilities	93,018	46,414
Net assets:		
Without donor restrictions	581,564	473,549
With donor restrictions	180,702	107,130
Total net assets	762,266	580,679
Total liabilities and net assets	\$ 855,284	\$ 627,093

The accompanying notes to financial statements
are an integral part of these statements.

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.
West Allis, Wisconsin

Statements of Activities
Years Ended June 30, 2021 and 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2021</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2020</u>
Support from public:						
Received directly:						
Contributions	\$ 234,753	\$ 77,412	\$ 312,165	\$ 226,644	\$ ---	\$ 226,644
In-kind donations	28,726	---	28,726	68,377	---	68,377
Received indirectly:						
Community Health Charities	5,598	703	6,301	---	7,690	7,690
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Total support from the public before special event fund-raisers	269,077	78,115	347,192	295,021	7,690	302,711
Special events:						
Revenue	59,211	---	59,211	110,481	---	110,481
Less: cost of direct benefit to donors	(15,663)	---	(15,663)	(36,781)	---	(36,781)
Net special events revenue	43,548	---	43,548	73,700	---	73,700
<hr/>						
Total support from the public	312,625	78,115	390,740	368,721	7,690	376,411
Other revenue:						
Investment Return:						
Realized loss on investments	---	---	---	(15,361)	---	(15,361)
Unrealized gain/(loss) on investments	123,699	---	123,699	(12,779)	---	(12,779)
Interest and dividends	14,408	1,042	15,450	16,434	1,305	17,739
Investment expense	(6,000)	---	(6,000)	(6,000)	---	(6,000)
Net investment return	132,107	1,042	133,149	(17,706)	1,305	(16,401)
Program service fees	41,624	---	41,624	42,142	---	42,142
Miscellaneous income	2,232	---	2,232	1,375	---	1,375
Net expense of donated vehicles	(2,142)	---	(2,142)	(1,852)	---	(1,852)
<hr/>						
Total other revenue	173,821	1,042	174,863	23,959	1,305	25,264
Net assets released from restrictions:						
Satisfaction of program restrictions	5,585	(5,585)	---	11,841	(11,841)	---
<hr/>						
Total support, other revenue and transfers	492,031	73,572	565,603	404,521	(2,846)	401,675
Expenses:						
Research	3,854	---	3,854	2,469	---	2,469
Public education	31,155	---	31,155	62,424	---	62,424
Professional education	54,893	---	54,893	87,247	---	87,247
Patient services	93,741	---	93,741	147,985	---	147,985
Community services	19,404	---	19,404	22,174	---	22,174
Total program expenses	203,047	---	203,047	322,299	---	322,299
Fund-raising	43,553	---	43,553	21,876	---	21,876
Management and general	137,416	---	137,416	46,122	---	46,122
<hr/>						
Total expenses	384,016	---	384,016	390,297	---	390,297
<hr/>						
Change in net assets	108,015	73,572	181,587	14,224	(2,846)	11,378
<hr/>						
Net assets, beginning of year	473,549	107,130	580,679	459,325	109,976	569,301
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Net assets, end of year	\$ 581,564	\$ 180,702	\$ 762,266	\$ 473,549	\$ 107,130	\$ 580,679

The accompanying notes to financial statements
are an integral part of these statements.

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.
West Allis, Wisconsin

Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 181,587	\$ 11,378
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	826	872
Realized loss on investments	---	15,361
Unrealized (gain)/loss on investments	(123,699)	12,779
Changes in assets and liabilities:		
Accounts receivable - net	213	2,908
Prepaid expenses	4,979	9,125
Promises to give - net	(72,530)	4,151
Accounts payable	4,390	(4,695)
Accrued payroll and payroll taxes	(5,652)	742
Deferred revenue	2,438	(1,644)
Net cash and equivalents provided (used) by operating activities	(7,448)	50,977
Cash Flows from Investing Activities:		
Purchase of property and equipment	(89)	---
Proceeds from sale of investments	---	198,291
Purchases of investments	(27,534)	(203,485)
Net cash and equivalents used by investing activities	(27,623)	(5,194)
Cash Flows from Financing Activities:		
Borrowings on Paycheck Protection Program loan	45,428	---
Net cash and equivalents provided by investing activities	45,428	---
Net change in cash and equivalents	10,357	45,783
Cash and equivalents, beginning of year	114,730	68,947
Cash and equivalents, end of year	\$ 125,087	\$ 114,730
Breakdown of cash and equivalents on Statement of Financial Position:		
Cash and equivalents - current assets	\$ 92,508	\$ 82,155
Cash and equivalents - restricted assets	32,579	32,575
Total cash and equivalents on Statement of Financial Position	\$ 125,087	\$ 114,730

The accompanying notes to financial statements
are an integral part of these statements.

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.
West Allis, Wisconsin

Statement of Functional Expenses
Year Ended June 30, 2021

	<u>Program Services</u>					<u>Total</u>	<u>Fund-raising</u>	<u>Management & General</u>	<u>Cost of Direct Benefits to Donor</u>	<u>Total</u>	<u>2021</u>
	<u>Research</u>	<u>Public Education</u>	<u>Professional Education</u>	<u>Patient Services</u>	<u>Community Services</u>						
Expenses:											
Salaries	\$ ---	\$ 8,663	\$ 14,156	\$ 44,622	\$ 1,223	\$ 68,664	\$ 16,998	\$ 86,556	\$ ---	\$ 103,554	\$ 172,218
Payroll taxes	---	666	1,088	3,430	94	5,278	1,307	6,654	---	7,961	13,239
Employee benefits	---	16	26	82	2	126	31	3,992	---	4,023	4,149
Professional fees and contract services	---	6,162	17,525	7,657	318	31,662	318	16,155	---	16,473	48,135
Direct assistance to patients	---	---	---	5,392	---	5,392	---	---	---	---	5,392
Office operations	---	3,157	243	460	7	3,867	7,964	6,258	---	14,222	18,089
Organ donation awareness programs	---	---	---	1,871	---	1,871	---	---	---	---	1,871
Professional and patient programs	---	---	---	643	---	643	---	---	---	---	643
Special events	---	---	---	---	---	---	---	---	15,663	15,663	15,663
Telephone and fax	---	330	341	1,965	159	2,795	191	491	---	682	3,477
Postage and shipping	---	17	28	2,293	2	2,340	1,952	1,733	---	3,685	6,025
Building occupancy	---	2,072	2,072	12,437	1,036	17,617	1,036	1,476	---	2,512	20,129
Insurance	---	---	---	---	---	---	---	2,455	---	2,455	2,455
Printing, publications and audiovisual	---	420	189	1,277	92	1,978	1,932	588	---	2,520	4,498
Meetings and travel	---	---	---	---	---	---	---	1,264	---	1,264	1,264
Subscriptions and publications	---	3,506	56	4,626	181	8,369	337	2,916	---	3,253	11,622
Miscellaneous	---	---	---	---	---	---	4,175	10	---	4,185	4,185
Revenue share payments to National	3,854	5,946	18,954	6,685	16,111	51,550	5,459	6,167	---	11,626	63,176
Bank fees	---	---	---	1	---	1	1,723	419	---	2,142	2,143
Furniture and equipment	---	24	39	124	3	190	47	243	---	290	480
Depreciation	---	176	176	176	176	704	83	39	---	122	826
Total expenses by function	3,854	31,155	54,893	93,741	19,404	203,047	43,553	137,416	15,663	196,632	399,679
Less: expenses netted with revenues on the statements of activities											
Cost of direct benefits to donors	---	---	---	---	---	---	---	---	(15,663)	(15,663)	(15,663)
Total expenses included in expense section on the statement of activities	\$ 3,854	\$ 31,155	\$ 54,893	\$ 93,741	\$ 19,404	\$ 203,047	\$ 43,553	\$ 137,416	\$ ---	\$ 180,969	\$ 384,016
Percentage of total expenses after deducting direct expenses of special events	1.00%	8.11%	14.30%	24.41%	5.05%	52.87%	11.34%	35.79%	---%	47.13%	100.00%

The accompanying notes to financial statements
are an integral part of these statements.

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.
West Allis, Wisconsin

Statement of Functional Expenses
Year Ended June 30, 2020

	<u>Program Services</u>						<u>Fund-raising</u>	<u>Management & General</u>	<u>Cost of Direct Benefits to Donor</u>	<u>Total</u>	<u>2020</u>
	<u>Research</u>	<u>Public Education</u>	<u>Professional Education</u>	<u>Patient Services</u>	<u>Community Services</u>	<u>Total</u>					
Expenses:											
Salaries	\$ ---	\$ 28,027	\$ 20,360	\$ 61,167	\$ 2,306	\$ 111,860	\$ 1,508	\$ 23,632	\$ ---	\$ 25,140	\$ 137,000
Payroll taxes	---	1,632	1,245	5,441	304	8,622	108	1,296	---	1,404	10,026
Employee benefits	---	540	412	1,800	100	2,852	36	429	---	465	3,317
Professional fees and contract services	---	15,787	2,824	12,385	499	31,495	499	997	---	1,496	32,991
Direct assistance to patients	---	---	---	5,518	---	5,518	---	---	---	---	5,518
Office operations	---	1,001	779	1,779	98	3,657	2,366	6,724	---	9,090	12,747
Organ donation awareness programs	---	---	---	27,252	---	27,252	---	---	---	---	27,252
Professional and patient programs	---	---	41,710	3,282	5,226	50,218	---	---	---	---	50,218
Special events	---	---	---	---	---	---	---	---	36,781	36,781	36,781
Telephone and fax	---	340	340	2,051	170	2,901	156	340	---	496	3,397
Postage and shipping	---	62	225	4,090	---	4,377	5,469	537	---	6,006	10,383
Building occupancy	---	1,646	1,646	9,878	823	13,993	823	1,645	---	2,468	16,461
Insurance	---	---	---	---	---	---	---	2,698	---	2,698	2,698
Printing, publications and audiovisual	---	4,490	1,127	4,323	128	10,068	6,242	305	---	6,547	16,615
Meetings and travel	---	866	900	121	12	1,899	9	447	---	456	2,355
Subscriptions and publications	---	2,874	289	2,550	145	5,858	363	1,714	---	2,077	7,935
Revenue share payments to National	2,469	4,565	14,908	5,270	12,144	39,356	4,188	4,969	---	9,157	48,513
Recovery of CHC pledges	---	409	297	893	34	1,633	22	344	---	366	1,999
Depreciation	---	185	185	185	185	740	87	45	---	132	872
Total expenses by function	2,469	62,424	87,247	147,985	22,174	322,299	21,876	46,122	36,781	104,779	427,078
Less: expenses netted with revenues on the statements of activities											
Cost of direct benefits to donors	---	---	---	---	---	---	---	---	(36,781)	(36,781)	(36,781)
Total expenses included in expense section on the statement of activities	\$ 2,469	\$ 62,424	\$ 87,247	\$ 147,985	\$ 22,174	\$ 322,299	\$ 21,876	\$ 46,122	\$ ---	\$ 67,998	\$ 390,297
Percentage of total expenses after deducting direct expenses of special events	0.63%	15.99%	22.35%	37.92%	5.68%	82.57%	5.61%	11.82%	---	17.43%	100.00%

The accompanying notes to financial statements
are an integral part of these statements.

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.
West Allis, Wisconsin

Notes to Financial Statements
June 30, 2021 and 2020

1. Summary of Significant Accounting Policies

Nature of Activities

National Kidney Foundation of Wisconsin, Inc. ("Organization") is a nonprofit corporation organized under the laws of the State of Wisconsin for the purpose of educating and supporting patients, health professionals, and the general public regarding the causes, treatments, and rehabilitation options for kidney and urinary tract diseases. The Organization's support comes primarily through Wisconsin donor contributions, bequests, and special fund-raising events.

Basis of Preparation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. The Organization does not have any restrictions that are perpetual in nature.

Use of Estimates in Preparation of Financial Statements

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

Cash and Equivalents

The Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash or equivalents, excluding restricted amounts.

Investments

U.S. GAAP provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under U.S. GAAP are described as follows:

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.
West Allis, Wisconsin

Notes to Financial Statements
June 30, 2021 and 2020
(Continued)

1. Summary of Significant Accounting Policies (Continued)

Investments (Continued)

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

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

Purchases and sales of investments are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis. Realized gains and losses and unrealized appreciation and depreciation of the Organization's assets are reported in the statement of activities.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end and close-end mutual funds registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Restricted Assets

Restricted cash and investments are assets set aside for patient services and professional education, and consist of cash and equivalents and investments in mutual funds. The carrying value of their assets approximates their fair value. Promises to give are restricted by time rather than purpose.

Accounts Receivable - Net

Accounts receivable - net are reported at contract value, less the Organization's estimate for uncollectible amounts based on our experience relative to the total population of accounts receivable. Receivables are reviewed periodically by management to determine the adequacy of the allowance for doubtful accounts. Based upon management's evaluation as of June 30, 2021 and 2020, an allowance for doubtful accounts was not considered necessary.

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.
West Allis, Wisconsin

Notes to Financial Statements
June 30, 2021 and 2020
(Continued)

1. Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are recorded at cost and capitalized. The costs of these items are charged to expense as depreciation computed on the straight-line method over the estimated useful lives of the assets. The Organization capitalizes items over \$5,000.

Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Revenue Recognition

The Organization recognizes revenue based on the existence or absence of an exchange transaction. The Organization recognizes revenue from exchange transactions when it satisfies a performance obligation by providing a service to a customer or member or by transferring control over a product to a customer or member.

Revenue from performance obligations satisfied at a point in time consists of the following:

- **Program service fees** – recognized as performance obligations (programming) are met

Revenue from non-exchange transactions consist of the following:

- **Contributions of cash and promises to give** – Gifts received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends, or purpose restriction is accomplished, 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. Contributions that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction. Unconditional contributions expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using risk-free interest rates applicable to the years in which the contributions are promised and is reported as contribution revenue. Conditional contributions depend on the occurrence of a specified future and uncertain event to bind the donor and are recognized as assets and revenue when the conditions are substantially met, and the gift becomes unconditional.
- **Contributions of goods and services** – The Organization receives various types of contributed goods and services support, professional services, facilities supplies, and equipment. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed facilities are recorded at the fair market value of the space. Contributed tangible assets are recognized at fair market value as determined by the donor when received. No amounts have been reflected for these types of donated services, as there is no objective available to measure the value of such services.

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.
West Allis, Wisconsin

Notes to Financial Statements
June 30, 2021 and 2020
(Continued)

1. Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Revenue that has characteristics of both exchange and non-exchange transactions consist of the following:

- **Special event revenue** – Gross special events revenue includes contributions for the events and fees charged to participants. The cost of direct benefits to donors are subtracted from this amount to arrive at net special event revenue.

Income Taxes

The Organization is a nonprofit voluntary health agency as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the code.

The Organization has implemented accounting for uncertainty in income taxes in accordance with U.S. GAAP. This standard describes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and also provides guidance on various related matters such as derecognizing, interest, penalties and disclosures required. Management of the Organization evaluates the uncertain tax positions taken, if any, and consults with outside counsel as deemed necessary. The Organization recognizes interest and penalties, if any, related to unrecognized tax liabilities in income tax expense. In management's opinion, the Organization has not taken any uncertain tax positions, and accordingly, has not reported a corresponding liability in the Organization's financial statements.

Functional Allocation of Expenses

The costs of program, management and general and fundraising activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated amongst the program, management and general and fundraising. The expenses were allocated by management based on an estimate of time spent basis.

2. Investments

At June 30, 2021 and 2020, the cost and fair values of investments consisted of the following:

	2021		2020	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Mutual funds:				
Equity funds	\$ 155,787	\$ 244,072	\$ 149,804	\$ 189,257
Exchange traded funds	108,015	267,626	108,015	190,226
Bond funds	115,384	113,030	111,836	112,012
Total	\$ 379,186	\$ 624,728	\$ 369,655	\$ 491,495

For the years ended June 30, 2021 and 2020, the Organization had an unrealized gain (loss) of \$123,699 and \$(12,779), respectively.

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.
West Allis, Wisconsin

Notes to Financial Statements
June 30, 2021 and 2020
(Continued)

2. Investments (Continued)

The following summarizes the classification of investments by classification and method of valuation in accordance with accounting principles generally accepted in the United States of America as of June 30, 2021:

<u>Description</u>	<u>Fair Value Measurement at Reporting Date Using</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Mutual funds:				
Equity funds	\$ 244,072	\$ 244,072	\$ ---	\$ ---
Exchange traded funds	267,626	267,626	---	---
Bond funds	113,030	113,030	---	---
Total	\$ 624,728	\$ 624,728	\$ ---	\$ ---

The following summarizes the classification of investments by classification and method of valuation in accordance with accounting principles generally accepted in the United States of America as of June 30, 2020:

<u>Description</u>	<u>Fair Value Measurement at Reporting Date Using</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Mutual funds:				
Equity funds	\$ 189,257	\$ 189,257	\$ ---	\$ ---
Exchange traded funds	190,226	190,226	---	---
Bond funds	112,012	112,012	---	---
Total	\$ 491,495	\$ 491,495	\$ ---	\$ ---

3. Promises to Give

Unconditional promises are included in the financial statements as promises to give and revenue of the appropriate net asset category.

Unconditional promises are expected to be realized in the following periods:

	<u>2021</u>	<u>2020</u>
Promises to give due within one year or less	\$ 78,115	\$ 8,146
Less: Allowance for uncollectible promises to give	---	(2,561)
Total promises to give - net	\$ 78,115	\$ 5,585

For the years ended June 30, 2021 and 2020, the Organization recorded write-offs of \$0 and \$1,999, respectively.

4. Paycheck Protection Program Loan

In January 2021, the Organization received a loan in the amount of \$22,714 under the Paycheck Protection Program ("PPP Loan"). The PPP Loan and accrued interest are forgivable after the covered period, up to 24-weeks, if the borrower uses the PPP Loan proceeds for eligible purposes, including payroll, benefits, rent, utilities, covered operations expenditures, covered property damage, covered supplier costs, covered worker protection expenditures and maintains its payroll levels. The amount of the PPP Loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period, up to 24-weeks. The unforgiven portion of the PPP Loan is payable over 2 years at an interest rate of 1%, with a deferral of payments for the first 10 months. The Organization recorded the PPP Loan as a current liability as of June 30, 2021.

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.
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June 30, 2021 and 2020
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4. Paycheck Protection Program Loan (Continued)

In September 2021, the Organization received notification that the first PPP Loan has been forgiven in full.

In April 2021, the Organization received a second PPP Loan in the amount of \$22,714 under the Paycheck Protection Program ("PPP Loan"). The PPP Loan and accrued interest are forgivable after the covered period, up to 24-weeks, if the borrower uses the PPP Loan proceeds for eligible purposes, including payroll, benefits, rent, utilities, covered operations expenditures, covered property damage, covered supplier costs, covered worker protection expenditures and maintains its payroll levels. The amount of the PPP Loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period, up to 24-weeks. The unforgiven portion of the PPP Loan is payable over 5 years at an interest rate of 1%, with a deferral of payments for the first 10 months. The Organization recorded the PPP Loan as a current liability as of June 30, 2021.

In October 2021, the Organization received notification that the second PPP Loan has been forgiven in full.

5. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Patient services	\$ 32,580	\$ 32,577
Transplant games sponsorship	2,088	2,088
Professional education	67,919	66,880
Subject to satisfaction of time restriction:		
Promises to give - net	78,115	5,585
Total net assets with donor restrictions	<u>\$ 180,702</u>	<u>\$ 107,130</u>

6. Liquidity and Availability

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

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and equivalents	\$ 125,087	\$ 114,730
Investments	642,728	491,495
Accounts receivable - net	3,065	3,278
Promises to give - net	78,115	5,585
Total financial assets	<u>848,995</u>	<u>615,088</u>
Less amounts not available to be used within one year for general expenditures and other contractual obligations:		
Net assets with donor restrictions	<u>(180,702)</u>	<u>(107,130)</u>
Financial assets available to meet general expenditures and other contractual obligations within one year	<u>\$ 668,293</u>	<u>\$ 507,958</u>

In addition to financial assets available to meet general expenditures and other contractual obligations over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures and other contractual obligations not covered by donor-restricted resources.

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7. Retirement Plan

The Organization has a 403(b) Tax Sheltered Annuity Plan ("Plan") for those full-time employees who have attained the age of twenty-one and have completed one year of service. The amount of the contributions to the Plan is at the discretion of the Organization's Board of Directors. The Organization made no contributions to the Plan for the years ended June 30, 2021 and 2020.

8. Related-Party Transactions

As an affiliate of National Kidney Foundation, Inc., ("National") the Organization is required to allocate 25% of the adjusted contributions it receives from the public to support National activities. The Organization paid \$63,177 and \$48,513 to National during 2021 and 2020, respectively. The amount due to National, \$3,044 and \$1,296 as of June 30, 2021 and 2020 respectively, is included in accounts payable in the accompanying statements of financial position.

9. Lease Commitments

Effective October 1, 2015, the Organization signed a lease for office space under an operating lease which expired in September 2020. In June 2020, the Organization exercised a 5-year option on the lease which now expires in September 2025. The lease allowed the Organization to utilize the space rent free from October 1, 2015 through March 31, 2016. Beginning in April 2016, the lease calls for base monthly payments beginning at \$1,405 and gradually by 2 percentage each year. Rent expense in the accompanying financial statements was \$18,525 and \$18,161 for 2021 and 2020, respectively.

The future minimum rental payments required under the terms of the leases described above are as follows:

Years Ended June 30,		
2022	\$	18,895
2023		19,273
2024		19,658
2025		20,052
2026		5,038
Total	\$	<u>82,916</u>

10. Risks and Uncertainties

The Organization invests in various investment securities. Investment securities are exposed to various risks such as market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investments securities will occur in the near term and that such changes could materially affect account balances and the amounts reported on the statements of financial position.

11. Concentrations

Approximately 27% of the Organization's revenue during the year ended June 30, 2021 was received from two individual donors.

Approximately 18% of the Organization's revenue during the year ended June 30, 2020 was received from one individual donor.

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12. Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed, October 26, 2021. See footnote 4 for subsequent events. There were no other subsequent events that required recognition or disclosure.