

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.  
WEST ALLIS, WISCONSIN

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
JUNE 30, 2025

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.  
WEST ALLIS, WISCONSIN

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	2
Financial Statements	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8

# KRAUSE & ASSOCIATES, S.C.

CERTIFIED PUBLIC ACCOUNTANT

1214 BRIDGE STREET  
P.O. BOX 368  
GRAFTON, WISCONSIN 53024

TELEPHONE: (262) 377-9988  
FAX: (262) 377-9617

## Independent Auditor's Report

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

### **Opinion**

We have audited the accompanying financial statements of National Kidney Foundation of Wisconsin, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of National Kidney Foundation of Wisconsin, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National Kidney Foundation of Wisconsin, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 National Kidney Foundation of Wisconsin, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Kidney Foundation of Wisconsin, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Krause & Associates, SC  
Grafton, Wisconsin  
Date xx, 2025

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2025

ASSETS

Cash and cash equivalents	\$	57,668
Contributions receivable		5,757
Prepaid expenses		2,732
Investments:		
Operating		260,066
Restricted		46,039
Operating lease right of use asset		99,868
Finance lease right of use asset		<u>4,686</u>
 Subtotal		 476,816
 <b>PROPERTY AND EQUIPMENT</b>		
Equipment		18,655
Less accumulated depreciation		<u>(18,655)</u>
 Property and equipment, net		 <u>-</u>
 TOTAL ASSETS		 <u>\$ 476,816</u>

LIABILITIES AND NET ASSETS

**LIABILITIES**

Accounts payable	\$	29,899
Accrued vacation		16,923
Deferred revenue – DLI grant		16,822
Operating lease liability		103,002
Finance lease liability		<u>4,746</u>
 TOTAL LIABILITIES		 <u>171,392</u>

**NET ASSETS**

Without donor restrictions		220,952
With donor restrictions		<u>84,472</u>
 TOTAL NET ASSETS		 <u>305,424</u>
 TOTAL LIABILITIES AND NET ASSETS		 <u>\$ 476,816</u>

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

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Contributions	\$ 147,849	\$ -	\$ 147,849
In-kind contributions	49,285	-	49,285
Program service fees	69,265	-	69,265
Special event revenue	134,150	2,500	136,650
Less: Direct benefit to donor costs	(39,243)	-	(39,243)
Investment income, net	25,593	1,561	27,154
Other	1,378	-	1,378
Released from restrictions	9,000	(9,000)	-
Total revenue & support	397,277	(4,939)	392,338
<b>EXPENSES</b>			
Program services:			
Research	5,108	-	5,108
Public education	73,132	-	73,132
Professional education	92,588	-	92,588
Patient services	107,302	-	107,302
Community services	35,053	-	35,053
Total program services	313,183	-	313,183
Supporting services:			
General and administrative	112,942	-	112,942
Fundraising and development	74,254	-	74,254
Total supporting services	187,196	-	187,196
Total expenses	500,379	-	500,379
Changes in net assets	(103,102)	(4,939)	(108,041)
Beginning net assets	324,054	89,411	413,465
Ending net assets	\$ 220,952	\$ 84,472	\$ 305,424

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

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services						Supporting Services		Total
	Research	Public education	Professional education	Patient services	Community services	Total Program	General & administrative	Fundraising & development	
Bank fees	\$ 39	\$ 551	\$ 1,087	\$ 297	\$ 274	\$ 2,248	\$ 685	\$ 3,566	\$ 6,499
Direct assistance to patients	-	-	-	12,886	-	12,886	-	-	12,886
Depreciation	1	9	5	5	12	32	12	8	52
Furniture and equipment	-	-	-	265	-	265	-	-	265
Events	-	-	19,102	1,139	-	20,241	-	39,243	59,484
Insurance	-	-	-	-	-	-	3,016	-	3,016
Lease expense	-	2,060	2,060	12,154	1,236	17,510	3,843	1,384	22,737
Marketing and advertising	-	673	-	33	-	706	1,272	1,940	3,918
Meetings and travel	6	358	1,922	247	440	2,973	2,870	607	6,450
Miscellaneous	-	-	-	-	-	-	-	3,775	3,775
Office and administrative	155	1,546	1,434	1,933	744	5,812	3,399	1,619	10,830
Payroll expenses:									
Salaries and wages	3,546	45,906	43,314	23,086	23,135	138,987	59,629	41,103	239,719
Employee benefits	12	189	173	84	113	571	948	185	1,704
Payroll taxes	274	3,547	3,345	1,790	1,784	10,740	4,601	3,167	18,508
Postage and shipping	-	-	-	3,559	-	3,559	411	1,154	5,124
Printing, publications and audiovisual	-	-	-	-	-	-	-	2,957	2,957
Professional education	-	4,000	4,779	-	38	8,817	-	1,012	9,829
Professional fees	299	4,270	5,764	44,635	1,877	56,845	17,161	3,159	77,165
Revenue share/license payments to National	617	7,809	7,474	3,975	3,916	23,791	10,429	6,927	41,147
Subscriptions and publications	98	1,512	1,345	849	1,125	4,929	3,757	1,048	9,734
Telephone and internet	61	702	784	365	359	2,271	909	643	3,823
<b>Total expenses</b>	<b>5,108</b>	<b>73,132</b>	<b>92,588</b>	<b>107,302</b>	<b>35,053</b>	<b>313,183</b>	<b>112,942</b>	<b>113,497</b>	<b>539,622</b>
Less expenses net with revenues:									
Cost of special events	-	-	-	-	-	-	-	(39,243)	(39,243)
	<b>\$ 5,108</b>	<b>\$ 73,132</b>	<b>\$ 92,588</b>	<b>\$ 107,302</b>	<b>\$ 35,053</b>	<b>\$ 313,183</b>	<b>\$ 112,942</b>	<b>\$ 74,254</b>	<b>\$ 500,379</b>
Percentage of total expenses after deducting direct expenses of special events	1.02%	14.62%	18.50%	21.44%	7.01%	62.59%	22.57%	14.84%	100.00%

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

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2025

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ (108,041)
Adjustments to reconcile changes in net assets to net cash provided by operating activities	
Depreciation	48
Realized and unrealized (gain)/loss on investments	(27,146)
Amortization of discount on finance lease liability	(183)
Amortization of discount on operating lease liability	725
Decrease in contributions receivable	9,243
Decrease in other receivable	2,250
Increase in prepaid expenses	(70)
Increase in accounts payable	20,565
Decrease in accrued vacation	(1,739)
Decrease in deferred revenue	<u>(1,000)</u>
Net cash used in operating activities	<u>(105,348)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sale of investments	<u>130,000</u>
Net cash provided by investing activities	<u>130,000</u>
Net increase in cash and cash equivalents	<u>24,652</u>
Cash and cash equivalents, beginning of year	<u>33,016</u>
Cash and cash equivalent, end of year	<u>\$ 57,668</u>
 <b>Supplemental cash flow information:</b>	
Cash paid during the year for interest	<u>\$ -</u>
In-kind contributions received	<u>\$ 49,285</u>

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

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Organization and business activity

National Kidney Foundation of Wisconsin, Inc. (Organization) is a non-profit organization and is incorporated 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.

2. Cash and cash equivalents

The Organization considers all highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

3. Contributions receivable

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions and grants receivable are written off when deemed uncollectible. At June 30, 2025, management determined that no allowance for uncollectible contributions receivable was required. All contributions receivable amounts are due within 12 months of the year end.

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2025

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Investment securities, in general, are inherently subject to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

5. Property and equipment

Property and equipment are recorded at cost or fair market value if donated. The Organization's policy is to capitalize all tangible assets which separately or in the aggregate have an acquisition cost of \$5,000 or greater. Major additions and improvements are capitalized. Property and equipment are depreciated over the estimated useful lives of the assets using the straight-line method. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Depreciation expense totaled \$48 for the year ended June 30, 2025.

6. Net assets

The Organization follows the accrual method of accounting wherein revenues and expenses are recorded in the period earned or incurred. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

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

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2025

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

6. Net assets – Continued

*Net Assets With Donor Restrictions* – 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 donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions 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.

7. Revenue and Revenue Recognition

**Program service fees**

Revenue is recognized from program service fees when the services are provided. Revenue is recognized at a point in time when the performance obligations are satisfied, which generally occurs with the completion of the applicable service.

**Special events**

The Organization hosts fundraising activities. The Organization also provides the opportunity for sponsors to promote their own businesses during the events. Registration and sponsorships for the Organization's events opens months before the events are scheduled to be held. Registrations and sponsorships collected in advance of the events are deferred as contract liabilities until earned when the event is held at which point the revenue is recognized. At June 30, 2025, there were no assets or obligations related to revenue from special events included in deferred revenue. The exchange portion of special event revenue, recognized at a point in time, consists of the Organization's performance obligation for the events and totaled \$39,243 for the year ended June 30, 2025.

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2025

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

7. Revenue and Revenue Recognition – Continued

**Contributions and Grant Revenue**

Revenues are reported as increases in net assets without restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without restrictions. Gains and losses on investments are reported as increases or decreases in net assets without restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of restrictions recognized on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as released from restrictions.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. As of June 30, 2025, the Organization has no conditional contributions.

8. Donated services and in-kind contributions

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Organization records donated professional services at the respective fair values of the services received.

9. Marketing and advertising

The Organization uses advertising, marketing and public relations to promote the Organization's programs among the participants it serves. The costs of advertising, marketing and public relations are expensed as incurred. For the year ended June 30, 2025, advertising, marketing and public relations costs totaled \$3,918.

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2025

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

10. Allocation of functional expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, salaries and wages, benefits, payroll taxes, professional services, office expenses, supplies, insurance, and other, which are allocated on the basis of estimates of time and effort.

11. Use of estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

12. Income taxes

The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code.

The Organization evaluates its tax positions and assesses their uncertainty, if any, through review and application of various sources of tax authority including statutes, regulations, rulings, court cases and widely held administrative practices.

The Organization's informational returns are subject to examination by the IRS, generally for three years after they were filed. Management believes that no uncertain tax positions exist for the Organization at June 30, 2025. The Organization has not incurred any interest or penalties for income taxes for the year ended June 30, 2025.

13. Subsequent Events

Management has evaluated subsequent events for recognition and disclosure in the financial statements through Date xx, 2025, which is the date that the financial statements were available to be issued.

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2025

**B – LIQUIDITY AND AVAILABILITY**

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 of June 30, 2025, comprise the following:

Cash and cash equivalents	\$ 57,668
Contributions receivable	5,757
Investments	<u>306,105</u>
	369,530
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>(84,472)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 285,058</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.

**C – FAIR VALUE MEASUREMENT AND DISCLOSURES**

The Organization reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization can access at the measurement date.

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2025

C – FAIR VALUE MEASUREMENT AND DISCLOSURES – CONTINUED

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

All of the Organization’s investment assets are classified within Level 1 because they comprise open-ended mutual funds, exchange traded funds and equities with readily determinable fair values based on daily redemption values. Assets that were accounted for at fair value on a recurring basis as of June 30, 2025 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Domestic stocks	\$ 82,806	\$ -	\$ -	\$ 82,806
Mutual funds:				
Equity funds	221,684	-	-	221,684
REIT’s	<u>1,615</u>	<u>-</u>	<u>-</u>	<u>1,615</u>
Total	<u>\$ 306,105</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 306,105</u>

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2025

D – NET ASSETS

Contributions received are recorded as donor restricted net assets depending on the existence and or nature of any donor-imposed restrictions. As restrictions are met and funds expended, assets are released from restrictions. Net assets with donor restrictions are restricted for the following purposes as of June 30, 2025:

Purpose restriction:	
Transplant games sponsorship	\$ 2,088
Future event	2,500
Outreach events	6,000
Professional education	<u>73,884</u>
Total	<u>\$ 84,472</u>

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 year ended June 30, 2025:

Purpose restriction:	
Outreach events	<u>\$ 9,000</u>

E – CONTRIBUTIONS IN-KIND

The Organization receives various types of contributed goods and services support, including professional services and auction items. Donated services are reported in the financial statements for voluntary donations of professional services when those services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and typically would be purchased if not provided by donation. The approximate fair value of donated goods and services totaled \$49,285 for the year ended June 30, 2025:

Professional fees - program	\$ 44,635
Professional fees – administrative	1,000
Supplies – fundraising	<u>3,650</u>
Total	<u>\$ 49,285</u>

A substantial number of unpaid volunteers have made significant contributions of their time to develop the Organization’s programs. No amounts have been recognized in the statement of activities because the criteria for recognition under U.S. GAAP have not been satisfied.

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2025

F – RETIREMENT PLAN

The Organization has an Internal Revenue Code Section 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 year ended June 30, 2025.

G – RELATED-PARTY TRANSACTIONS

As an affiliate of National Kidney Foundation, Inc., ("National") the Organization is required to allocate a portion of the adjusted contributions it receives from the public to support National activities. The current agreement commenced January 1, 2024. The initial agreement has an initial term of five years. At the conclusion of the initial agreement the contract will be automatically renewed annually unless either party elects not to renew. Under the agreement, the Organization is required to submit monthly licensing fee payments to National. The licensing fee calculation is based off a 3-year rolling average of net revenues derived from the audited financial statements. For the period ending June 30, 2025 the Organization paid \$41,147 to National. No amount is due to National as of June 30, 2025.

H – LEASES

The Organization leases office facilities and a copy machine under a long-term non-cancelable operating lease and finance lease agreements; the leases expire in April 2028 and September 2030, respectively. The Organization includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised.

The weighted-average discount rate is based on the discount rate implicit in the lease. If the implicit rate is not readily determinable from the lease, we estimate an applicable incremental borrowing rate. The incremental borrowing rate is estimated using our applicable borrowing rates and the contractual lease term.

Total right-of-use assets and lease liabilities at June 30, 2025 are as follows:

Operating right of use assets – other assets	\$ 99,868
Finance right of use assets – property and equipment, net	<u>4,686</u>
Total leased right of use assets	<u>\$ 104,554</u>

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2025

H – LEASES – CONTINUED

Operating lease liabilities	\$ 103,002
Finance lease liabilities	<u>4,746</u>
Total lease liabilities	<u>\$ 107,748</u>

Total lease costs for the year ended June 30, 2025 is as follows:

Operating lease cost:	
Operating lease expense	<u>\$ 20,565</u>
Finance lease cost:	
Amortization of right-of-use assets	\$ 1,607
Interest expense	<u>179</u>
Total finance lease cost	<u>\$ 1,786</u>

The following table summarizes the supplemental cash flow information for the year ended June 30, 2025:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating lease	\$ 19,840
Operating cash flows from finance lease	184
Financing cash flows from finance lease	1,568
Right-of-use assets obtained in exchange for lease liabilities:	
Operating lease	\$ -
Finance lease	\$ -

The following summarizes the weighted-average remaining lease term and weighted-average discount rate as of June 30, 2025:

Weighted-average remaining lease term in year:	
Operating lease	5.25
Finance lease	2.92
Weighted-average discount rate:	
Operating lease	2.92%
Finance lease	3.29%

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2025

H – LEASES – CONTINUED

The future minimum lease payments under noncancelable operating and finance leases with terms greater than one year are listed below as of June 30, 2025:

	<u>Operating</u>	<u>Finance</u>
2026	\$ 20,274	\$ 1,752
2027	20,698	1,752
2028	21,112	1,460
2029	21,534	-
2030	21,964	-
Thereafter	<u>5,518</u>	<u>-</u>
Total undiscounted lease payments	111,100	4,964
Less interest	<u>(8,098)</u>	<u>(218)</u>
Present value of lease liabilities	<u>\$ 103,002</u>	<u>\$ 4,746</u>