National Kidney Foundation, Inc.

Financial Statements
Year Ended March 31, 2024

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation and the U.S. member of BDO International Limited, a UK company limited by guarantee.

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Financial Statements
Year Ended March 31, 2024

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Independent Auditor’s Report

Board of Directors
National Kidney Foundation, Inc.
New York, New York

Opinion

We have audited the financial statements of National Kidney Foundation, Inc. (the Foundation), which comprise the statement of financial position as of March 31, 2024, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of March 31, 2024, 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 (GAAS). 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 the Foundation 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 the Foundation’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 GAAS 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 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 GAAS, 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 the Foundation'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 the Foundation'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.

Report on Summarized Comparative Information

We have previously audited the 2023 financial statements of National Kidney Foundation, Inc. and our report dated September 13, 2023 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, P.C.

August 9, 2024

National Kidney Foundation, Inc.

Statement of Financial Position
(with comparative totals for 2023)

March 31,		2024		2023
Assets				
Current Assets				
Cash and cash equivalents	$	**5,905,501**	$	14,795,457
Investments, at fair value (Note 4)		**24,147,520**		22,051,581
Investments held under split-interest agreements (Notes 4 and 7)		**127,308**		94,023
Due from Affiliates, principally share of Affiliate contributions		**444,788**		896,739
Notes receivable		**450,000**		300,000
Other receivables, less allowance for credit losses of $322,958 and $320,528, respectively (Note 5)		**2,449,325**		1,740,145
Prepaid expenses and other assets		**1,606,257**		2,216,499
Total Current Assets		**35,130,699**		42,094,444
Long-Term Investments, at fair value (Note 4)		**4,296,548**		3,952,099
Investments Held Under Split-Interest Agreements, net of current portion (Notes 4 and 7)		**129,872**		137,963
Notes Receivable, net of current portion and discount for present value (Note 5)		**906,395**		672,455
Prepaid Expenses and Other Assets, net of current portion		**177,205**		207,306
Fixed Assets, Net (Note 6)		**572,827**		613,137
Beneficial Interest in a Perpetual Trust (Note 4)		**2,671,125**		2,408,300
Operating Lease Right-of-Use Asset, Net (Note 8)		**8,589,084**		9,843,087
Total Assets	$	**52,473,755**	$	59,928,791
Liabilities				
Current Liabilities				
Accounts payable and accrued expenses	$	**4,214,972**	$	5,335,029
Payable to beneficiaries		**17,828**		16,247
Deferred income (Note 9)		**7,693,478**		10,449,876
Operating lease liabilities, current portion (Note 8)		**1,603,928**		1,540,139
Total Current Liabilities		**13,530,206**		17,341,291
Payable to Beneficiaries, net of current portion		**129,872**		137,963
Deferred Income, net of current portion (Note 9)		**389,157**		748,070
Accrued Compensation (Note 11)		**139,562**		186,539
Operating Lease Liabilities, net of current portion (Note 8)		**8,865,152**		10,307,960
Total Liabilities		**23,053,949**		28,721,823
Commitments (Notes 5, 7, 10, 11, 12, 13, and 17)				
Net Assets (Notes 13 and 14)				
Without donor restrictions		**18,848,746**		21,429,920
With donor restrictions		**10,571,060**		9,777,048
Total Net Assets		**29,419,806**		31,206,968
Total Liabilities and Net Assets	$	**52,473,755**	$	59,928,791

See accompanying notes to financial statements.

National Kidney Foundation, Inc.

Statement of Activities
(with comparative totals for 2023)

Year ended March 31,

	Without Donor Restrictions	With Donor Restrictions	Total 2024	Total 2023
Support and Revenue				
Support from the public:				
Received directly – contributions	$ 8,994,563	$ 1,220,343	$ 10,214,906	$ 11,165,761
Received indirectly – Affiliates contributions	1,274,986	-	1,274,986	1,620,614
Received indirectly – contributions	384,733	-	384,733	403,348
	10,654,282	1,220,343	11,874,625	13,189,723
Revenue from sales of donated vehicles	1,334,612	-	1,334,612	1,520,276
Less: cost of sales	174,969	-	174,969	191,833
Net Revenue from Sales of Donated Vehicles	1,159,643	-	1,159,643	1,328,443
Revenue from special events	9,749,846	-	9,749,846	10,495,587
Less: direct benefit to donor costs	1,194,415	-	1,194,415	1,221,744
Net Revenue from Special Events	8,555,431	-	8,555,431	9,273,843
Total Support from the Public	20,369,356	1,220,343	21,589,699	23,792,009
Revenue:				
Program service support and fees	20,381,128	86,040	20,467,168	16,342,520
Royalties	2,224,595	-	2,224,595	2,404,661
Dues – professional members	576,470	-	576,470	727,453
Investment income (loss), net	1,423,916	1,093,030	2,516,946	(348,562)
Government grants	524,685	-	524,685	477,163
Other, net	405,315	-	405,315	1,524,836
Net assets released from restrictions	1,605,401	(1,605,401)	-	-
Total Revenue	27,141,510	(426,331)	26,715,179	21,128,071
Total Support and Revenue	47,510,866	794,012	48,304,878	44,920,080
Expenses				
Program services:				
Research	4,428,116	-	4,428,116	3,525,721
Public health education	5,309,314	-	5,309,314	5,078,737
Professional education	17,115,788	-	17,115,788	15,087,127
Patient services	5,980,643	-	5,980,643	5,495,750
Community services and assistance to Affiliates	10,030,955	-	10,030,955	10,160,209
Total Program Services	42,864,816	-	42,864,816	39,347,544
Supporting services:				
Fundraising	3,368,786	-	3,368,786	3,186,430
Management and general	3,858,438	-	3,858,438	4,068,577
Total Supporting Services	7,227,224	-	7,227,224	7,255,007
Total Expenses	50,092,040	-	50,092,040	46,602,551
Change in Net Assets	(2,581,174)	794,012	(1,787,162)	(1,682,471)
Net Assets, beginning of year	21,429,920	9,777,048	31,206,968	32,889,439
Net Assets, end of year	$ 18,848,746	$ 10,571,060	$ 29,419,806	$ 31,206,968

See accompanying notes to financial statements.

National Kidney Foundation, Inc.

Statement of Cash Flows
(with comparative totals for 2023)

Year ended March 31,		**2024**		2023
Cash Flows from Operating Activities				
Change in net assets	**$**	**(1,787,162)**	$	(1,682,471)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Depreciation and amortization		**159,118**		162,387
Non-cash operating lease right-of-use asset expense		**1,254,003**		1,711,486
Net present value discount		**16,060**		15,720
Net realized and unrealized loss (gain) on investments		**(2,135,815)**		1,952,406
Donated stocks		**(55,591)**		(70,212)
Decrease (increase) in assets:				
Due from Affiliates		**451,951**		(392,430)
Other receivables		**(709,180)**		(741,179)
Prepaid expenses and other assets		**560,343**		271,715
Increase (decrease) in liabilities:				
Accounts payable and accrued expenses		**(1,120,057)**		334,980
Deferred income		**(3,115,311)**		2,229,356
Payable to beneficiaries		**(6,510)**		(265)
Accrued compensation		**(46,977)**		(12,848)
Principal reduction in operating lease liabilities		**(1,379,019)**		(1,827,113)
Net Cash (Used in) Provided by Operating Activities		**(7,914,147)**		1,951,532
Cash Flows from Investing Activities				
Purchases of fixed assets		**(118,808)**		(167,877)
Notes receivable		**(400,000)**		(500,000)
Proceeds from sale of investments		**3,135,460**		4,381,533
Purchases of investments		**(3,592,461)**		(8,965,441)
Net Cash Used in Investing Activities		**(975,809)**		(5,251,785)
Net Decrease in Cash and Cash Equivalents		**(8,889,956)**		(3,300,253)
Cash and Cash Equivalents, beginning of year		**14,795,457**		18,095,710
Cash and Cash Equivalents, end of year	**$**	**5,905,501**	$	14,795,457
Supplemental Disclosure of Cash Flow Information				
Cash paid for interest	**$**	**7,874**	$	22,039
Right-of-use assets acquired through operating leases		**-**		2,069,652
Derecognition of deferred rent		**-**		(2,069,652)

See accompanying notes to financial statements.

National Kidney Foundation, Inc.

Statement of Functional Expenses
(with comparative totals for 2023)

Year ended March 31,

	Program Services						Supporting Services				Total	
	Research	Public Health Education	Professional Education	Patient Services	Community Services and Assistance to Affiliates	Total Program Services	Fundraising	Management and General	Special Events, Direct Benefit Costs, and Donated Vehicles Costs and Expenses	Total Supporting Services	**2024**	2023
Salaries	$ 1,340,915	$ 2,633,717	$ 7,365,513	$ 2,920,183	$ 4,888,250	$ 19,148,578	$ 704,780	$ 2,387,694	$ -	$ 3,092,474	**$22,241,052**	$ 20,125,192
Retirement benefits	35,868	92,077	143,318	68,736	128,061	468,060	24,640	83,476	-	108,116	**576,176**	452,211
Payroll taxes	107,272	275,378	428,623	205,570	382,995	1,399,838	73,690	249,654	-	323,344	**1,723,182**	1,517,119
Other employee benefits	144,803	138,951	1,154,806	376,061	535,418	2,350,039	37,183	125,971	-	163,154	**2,513,193**	2,603,915
Awards and grants	676,489	-	-	-	-	676,489	-	-	-	-	**676,489**	692,061
Patient financial assistance	-	-	-	432,441	-	432,441	-	-	-	-	**432,441**	358,331
Professional fees and contract services	1,048,034	285,531	3,680,186	625,165	506,865	6,145,781	388,653	209,827	190,000	788,480	**6,934,261**	6,811,720
Office supplies and expenses	12,798	453,408	90,610	208,414	410,037	1,175,267	17,100	28,389	45,700	91,189	**1,266,456**	750,590
Telephone	9,670	21,999	49,973	21,878	37,775	141,295	5,887	19,944	-	25,831	**167,126**	161,518
Postage and shipping	1,512	6,146	36,904	25,338	88,771	158,671	225,265	3,519	-	228,784	**387,455**	400,707
Building occupancy	130,092	333,958	534,585	249,300	466,518	1,714,453	89,367	302,762	-	392,129	**2,106,582**	2,076,000
Equipment repairs and maintenance	68,200	175,073	275,994	131,362	243,863	894,492	209,900	158,719	-	368,619	**1,263,111**	1,262,823
Insurance	12,858	33,007	51,375	31,160	62,089	190,489	8,833	29,924	-	38,757	**229,246**	241,565
Printing and publications	710,530	20,604	782,646	29,968	202,437	1,746,185	146,499	6,022	-	152,521	**1,898,706**	1,729,070
Marketing and promotion	24,186	596,920	196,545	101,493	601,052	1,520,196	33,357	47,928	-	81,285	**1,601,481**	2,224,488
Conferences and meetings	31,961	57,300	1,751,302	296,606	1,083,360	3,220,529	1,163,585	39,678	958,716	2,161,979	**5,382,508**	4,541,187
Meetings and travel	12,311	28,478	269,852	87,050	62,196	459,887	73,580	23,940	-	97,520	**557,407**	469,807
Cost of donated vehicles, provider fees	-	-	-	-	-	-	-	-	174,968	174,968	**174,968**	191,833
Dues and subscriptions	12,592	32,257	63,466	59,580	115,106	283,001	8,714	29,222	-	37,936	**320,937**	199,141
Cost of goods sold	-	-	27,362	-	-	27,362	-	-	-	-	**27,362**	38,124
Miscellaneous expenses	38,120	99,082	173,148	91,356	180,797	582,503	150,948	88,716	-	239,664	**822,167**	1,006,339
	4,418,211	5,283,886	17,076,208	5,961,661	9,995,590	42,735,556	3,361,981	3,835,385	1,369,384	8,566,750	**51,302,306**	47,853,741
Depreciation and amortization	9,905	25,428	39,580	18,982	35,365	129,260	6,805	23,053		29,858	**159,118**	162,387
	4,428,116	5,309,314	17,115,788	5,980,643	10,030,955	42,864,816	3,368,786	3,858,438	1,369,384	8,596,608	**51,461,424**	48,016,128
Less:												
Direct benefit costs	-	-	-	-	-	-	-	-	(1,194,415)	(1,194,415)	**(1,194,415)**	(1,221,744)
Donated vehicles cost of sales and selling expenses	-	-	-	-	-	-	-	-	(174,969)	(174,969)	**(174,969)**	(191,833)
Total Expenses Reported by Function in the Statement of Activities	$ 4,428,116	$ 5,309,314	$ 17,115,788	$ 5,980,643	$ 10,030,955	$ 42,864,816	$ 3,368,786	$ 3,858,438	$ -	$ 7,227,224	**$50,092,040**	$ 46,602,551
Current-year percentages	8.84%	10.60%	34.17%	11.94%	20.03%	85.57%	6.73%	7.70%	-	14.43%	**100.00%**	
Prior-year percentages	7.57%	10.90%	32.37%	11.79%	21.80%	84.43%	6.84%	8.73%	-	15.57%		100.00%

See accompanying notes to financial statements.

1. Nature of Organization

The National Kidney Foundation, Inc. (the Foundation), headquartered in New York City, is dedicated to the awareness, prevention, and treatment of kidney disease for hundreds of thousands of health care professionals, millions of patients and their families, and tens of millions of Americans at risk. The Foundation has a chartered network of nine affiliated organizations (Affiliates) and 29 regional offices as of March 31, 2024 across the country to implement its mission to prevent kidney and urinary tract diseases, improve the health and well-being of individuals and families affected by these diseases, and increase the availability of all organs for transplantation. Founded in 1950 to address the critical impact of the diseases referred to above, the Foundation conducts nationwide educational campaigns about the role of the kidney in maintaining overall health, the importance of early detection, and organ donation and transplantation. Under the provisions of a charter with the Foundation, each Affiliate must meet certain requirements regarding organizational structure, program services, and fundraising.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (GAAP). In the statement of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

Financial Statement Presentation

The classification of a not-for-profit organization's net assets and its support, revenue, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each class of net assets—with donor restrictions and without donor restrictions—be displayed in the statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

These classes are defined as follows:

Net Assets with Donor Restrictions – This class consists of net assets resulting from contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that must be maintained in perpetuity or otherwise removed by either actions of the Foundation pursuant to donor-imposed stipulations and/or the passage of time. When such stipulations end or are fulfilled, such net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities.

Net Assets Without Donor Restrictions – This class consists of net assets that are without donor-imposed stipulations and/or net assets that the Board of Directors has discretionary control to use in carrying out the operations of the Foundation, in accordance with its charter and by-laws. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve as board-designated funds. In the case of need, the Board of Directors could appropriate resources from its board-designated fund. Note 13 provides more information about those funds.

Cash and Cash Equivalents

The Foundation considers highly liquid financial instruments, excluding cash held in trust or held as part of the investment portfolio, with maturities of three months or less when purchased to be cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to concentration of credit risk consist primarily of cash and cash equivalents in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits. At various times during the year, the Foundation may have cash deposits at financial institutions in excess of FDIC limits. These financial institutions have strong credit ratings, and management believes that credit risk related to these accounts is minimal.

Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, established a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs, requiring that inputs that are most observable be used when available. Observable inputs are inputs that market participants operating within the same marketplace as the Foundation would use in pricing the Foundation's asset or liability based on independently derived and observable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of the Foundation are traded. The Foundation estimates the price of any assets for which there are only unobservable inputs by using assumptions that market participants that have investments in the same or similar assets would use, as determined by the money managers for each investment, based on best information available in the circumstances. The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable, as follows:

Level 1 – Valuations are based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 – Valuations are based on: (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in inactive markets, (c) inputs other than quoted prices that are observable for the asset or liability, and (d) 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 – Valuations are based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

Investment Income

Income earned from investments, including realized and unrealized gains and losses, is recorded in the net asset class owning the assets. Income earned from investments restricted in perpetuity, including realized and unrealized gains and losses, is recorded as net assets with donor restrictions and then released to net assets without donor restrictions through appropriations made in accordance with the Foundation's spending policy.

Fixed Assets

Fixed assets are stated on the basis of cost or, as to donated assets, fair value on the date contributed. The Foundation capitalizes items of property and equipment that have a cost of $1,000 or more and useful life of more than one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the remaining period of the lease or their estimated useful lives.

	Useful Life (Years)
Property, furniture, and equipment	5-7
Capitalized software	3-5

Impairment of Long-Lived Assets

The Foundation follows the provisions of ASC 360-10-35, *Accounting for the Impairment or Disposal of Long-Lived Assets*, which requires the Foundation to review long-lived assets, including both fixed 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 are less than the carrying amount of that asset. For the years ended March 31, 2024 and 2023, there has been no such loss.

Revenue Recognition from Exchange Transactions

On April 1, 2020, the Foundation adopted Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers,* and all subsequent amendments to the ASU (collectively, ASC 606), which creates a single framework for recognizing revenue from contracts with customers that fall within its scope. The majority of the Foundation's revenues come from donor contributions, including bequests, thrift, and cars, that are outside the scope of ASC 606. The Foundation's services that fall within the scope of ASC 606 are presented within the respective income and are recognized as revenue as the Foundation satisfies its obligation to the counterparty. Services within the scope of ASC 606 includes memberships, sponsorships for which a benefit is provided directly to the sponsor, and event tickets that include an exchange component.

Contract liabilities represent payments received from customers prior to the satisfaction of the corresponding performance obligations. Contract liabilities are recognized as revenue once the corresponding performance obligations are satisfied based on the contract with the customer. Contract assets represent the Foundation's right to consideration based on satisfied performance obligations from contracts with customers. The changes in the contract balances occurred in the ordinary course of business.

Revenue is comprised of the following:

March 31,	2024	2023
Membership dues and subscriptions	**$ 1,063,595**	$ 1,003,703
Sponsorships and special events	**3,779,260**	4,199,660
Program services	**341,886**	65,553
Total Revenue Subject to ASC 606	**5,184,741**	5,268,916
Contributions and unconditional promises to give (pledges)	**10,599,639**	11,569,109
Affiliate contributions	**1,274,986**	1,620,614
Contributions and special events	**4,776,171**	5,074,183
Program services	**19,638,157**	16,000,717
Donated vehicles	**1,159,643**	1,328,443
Royalties	**2,224,595**	2,404,661
Investment income (loss), net	**2,516,946**	(348,562)
Government grants and contracts	**524,685**	477,163
Other, net	**405,315**	1,524,836
Total Revenue Not Subject to ASC 606	**43,120,137**	39,651,164
Total Revenue	**$ 48,304,878**	$ 44,920,080

Sponsorships and Special Events

For sponsorships and event tickets that include an exchange component, the Foundation recognizes revenue as performance obligations are satisfied. Payments received are held in deferred revenue until the performance is completed. Obligations are reviewed monthly to ascertain completions status. Price is allocated based on associated cost of each obligation. The Foundation measures each satisfied obligation for completeness consistent with the contract. Event obligations are deemed to have been satisfied when the event occurs.

Membership Dues and Subscriptions

Membership dues comprise an exchange element based on the value of benefits provided, and a contribution element for the difference between the total dues paid and the exchange element. The Foundation recognizes the exchange portion of membership dues over the membership period, and the contribution portion immediately, if any. Membership dues are assessed on a fiscal-year basis. Membership dues paid in advance are deferred to the membership period to which they relate.

Program Services

The Foundation recognizes revenue from program service fees during the year in which the related services are provided. The performance obligation of delivering programmatic services is simultaneously received and consumed; therefore, the revenue is recognized as the performance obligation is satisfied at the point of time when services are delivered.

The following represent the components of program services that the Foundation offers:

Government Grants and Contracts

Revenues from government grants and contracts are recognized when earned, generally by incurring qualifying expenses. Expense-based grants are recognized as conditions are met by incurring allowable expenses.

Research

The Foundation sponsors research in the form of grants and scientific conferences, which seeks to answer key questions relating to various topics of kidney disease and transplantation. Grants are provided for studies aimed at finding treatments or to prevent kidney disease, as well as to improve the quality of life and long-term outlook for people with chronic kidney disease. Scientific conferences bring together experts to address the clinical importance of emerging science related to specific issues and controversies in kidney disease.

Public Health Education

The Foundation's public health education efforts strive to teach the public about kidney-related issues, such as causes of kidney disease and the importance of early detection. These efforts are made through the Foundation's legislative efforts, disbursement of educational brochures to the public, the Your Kidneys and You educational program, the Big Ask Big Give program, online health guides on the Foundation's website, and awareness through media outreach.

Professional Education

The Foundation's program provides medical and health care professionals with tools needed to provide optimum patient care, as well as to meet professional licensing requirements. Products provided include toolkits, best practices, evidence-based practice guidelines, medical journals, continuing education webinars, and professional education conferences.

Patient Services

The patient services programs include initiatives to improve patients' health and quality of life. Programs include the Foundation's Big Ask Big Give program, newsletters, patient empowerment programs, the Foundation Cares Help Line, and the Foundation's Peers program.

Community Services and Assistance to Affiliates

The Foundation conducts free screening for individuals at risk through the KEEP Healthy program, develops plans to improve community health practices, and conducts rehabilitation programs. In addition, the Foundation provides consultation, guidance, training, and leadership to its Affiliates.

Other, Net

Other, net, is comprised of sub-lease or rental revenue, sales of educational materials and rebates, and commissions. The performance obligations of the exchange transactions are simultaneously received and consumed; therefore, the revenue is recognized as the performance obligation is satisfied at the point of time when services are delivered.

Revenue Recognition from Non-Exchange Transactions

Royalties

The Foundation receives royalties on several of its publications that are provided to its medical professional members. The Foundation uses a third party for the management and distribution of these publications. Royalty revenue is recorded gross upon distribution of publications quarterly.

Contributions and Unconditional Promises to Give (Pledges)

The Foundation receives contributions to support operating activities, endowments, and research and education projects. These contributions and grants can be from individuals, foundations, corporations, trusts, or government agencies. The Foundation's contributions are recorded as revenue when either unsolicited cash is received or when donors make an unconditional promise to give. Contributions and unconditional promises to give are classified as either net assets with or without donor restrictions according to donor-imposed restrictions. Unconditional promises to give that are expected to be collected within one year are recorded as contributions at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using average risk-free interest rates adjusted by risk premiums applicable to the years in which the promises are received. Amortization of the discounts is included in contributions revenue. Gifts of long-lived assets, cash, or other assets used to acquire long-lived assets are reported as additions to net assets with donor restrictions when stipulated by the donor. Expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Due from Affiliates and Share of Affiliate Contributions

The Foundation and its Affiliates have agreements under which a portion of unrestricted contributions received by Affiliates are shared with the Foundation. Under these agreements, the Foundation allows the Affiliates to utilize the Foundation's name, trademarks, and signature programs in the Affiliate territories. Amounts received but not remitted by Affiliates are recorded by the Foundation as due from Affiliates in the statement of financial position.

Donated Vehicles

The Foundation uses a third party to administer its donated vehicles program. Donated vehicles are reported at the gross sales price on the statement of activities, which represents the fair market value at the time of the gift. There is no significant inventory of donated vehicles at any time during the fiscal year since the sale transaction mainly occurs immediately after the vehicle donation.

Donated Services

The Foundation's volunteers, comprised of physicians, allied health professionals, business and community leaders, kidney patients and their families, and others committed to the Foundation's mission, have made significant contributions of their time to the Foundation's programs and supporting services. The value of such volunteer services has not been reflected in the accompanying financial statements, as it does not meet the criteria for revenue recognition, as stated in ASC 958, *Not-for-Profit Entities*.

Deferred Income (Contract Liabilities)

The Foundation's deferred income consists primarily of amounts received in advance for events, contracted programs, membership dues, and journal subscriptions that apply to future periods. The Foundation records deferred income, which represents contract liabilities under ASC 606, when payments for membership dues and subscription revenue are collected in advance of the Foundation's performance under the retrospective contracts, which are recognized as revenue as the performance obligation is satisfied. Revenues related to contracted programs are recognized upon expended efforts or progression of the program, in accordance with the applicable agreement.

Functional Allocation of Expenses

The majority of expenses can generally be directly identified with the program or supporting services to which they relate and are allocated accordingly. Other expenses have been allocated among program and supporting service classifications. These expenses include depreciation and amortization, utilities, information technology, and facilities operations and maintenance. Costs of other categories were allocated on estimates of time and effort.

Operating Leases

Effective April 1, 2022, the Foundation adopted FASB ASU 2016-02, *Leases (Topic 842)*. The core principle of ASU 2016-02 is that a lessee should recognize the assets and liabilities that arise from leases, including operating leases. Under the new requirements, a lessee will recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use (ROU) asset representing the right to the underlying asset for the lease term. For leases with a term of 12 months or less, the lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. The Foundation's ROU assets are included in operating lease right-of-use assets, net, and lease liabilities are included in operating lease liabilities in the Foundation's statement of financial position as of March 31, 2024. The Foundation adopted ASU 2016-02 utilizing the modified retrospective approach, which allows for a cumulative effect of transition recognized at the beginning of the period of adoption. Rent expense is being recognized on a straight-line basis over the life of the leases. See Note 8 for further discussion.

Income Taxes

The Foundation is a not-for-profit voluntary health agency, as described in Section 501(c)(3) of the Internal Revenue Code (the Code). The Foundation is exempt from federal income taxes under Section 501(a) of the Code and has been classified as a publicly supported charitable organization under Section 509(a)(1) of the Code. The Foundation also is exempt from New York State and City income taxes. Contributions to the Foundation are deductible for income tax purposes to the maximum extent allowed under the Code. Unrelated business income tax payable for the years ended March 31, 2024 and 2023 is not material to the financial statements.

The Foundation has not taken an uncertain tax position that would require provision of a liability under ASC 740, *Income Taxes*. Under ASC 740, an organization must recognize the financial statement effects of a tax position taken for tax return purposes when it is more likely than not that the position will be sustained upon examination by a taxing authority. The Foundation does not believe there are any material uncertain tax positions and, accordingly, it will not recognize the financial statement effects for unrecognized tax positions for the years ended March 31, 2024 and

2023. The Foundation has filed for, and received, income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Foundation has filed Internal Revenue Service (IRS) Form 990, as required, and all other applicable returns in jurisdictions when it is required.

Beneficial Interest in Perpetual Trust

Donors have established and funded trusts, which are administered by organizations other than the Foundation. Under the terms of these trusts, the Foundation has the irrevocable right to receive a portion of the income earned on the trust assets either in perpetuity or for the life of the trust. The Foundation does not control the assets held by outside trusts. The value of the beneficial interest is estimated by discounting the estimated future cash flows using a risk-adjusted interest rate.

Endowment Funds

The Foundation's endowment funds consist of investments that are restricted in perpetuity. The Foundation follows the requirements of the New York Prudent Management of Institutional Funds Act (NYPMIFA) as they relate to its contributions restricted in perpetuity and related net assets, effective upon New York State's enactment of the legislation in September 2010.

The following applies to the endowment funds:

Interpretation of Relevant Law

The Finance Committee of the Board of Directors of the Foundation has interpreted NYPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of the interpretation, the Foundation classifies as net assets with donor restrictions: (a) the original value of the gifts donated to the endowment fund, (b) the original value of subsequent gifts to the endowment fund, and (c) accumulations to the endowment fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Further, when reviewing its donor restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The investment income earned on the accumulations to the endowment fund is classified as net assets with donor restrictions until appropriated, in accordance with the Foundation's spending policy.

Investment and Spending Policies

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a stream of returns that would be utilized to fund various programs while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity. The Foundation's long-term strategy is to target diversified asset allocation that includes both equity and fixed-income securities.

As of March 31, 2024 and 2023, the Foundation may appropriate endowment investment returns for distribution each year up to 5% of the ending market value of the endowment fund over the previous three years, and considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the funds.
- Availability of other funding sources.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation (depreciation) of investments.
- Purposes of the donor-restricted endowment fund.

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, the 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.

Recently Adopted Accounting Pronouncements

Financial Instruments - Credit Losses (Topic 326)

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The new credit losses standard changes impairment model for most financial assets and certain other instruments. For trade and other receivables, contract assets recognized as a result of applying ASC 606, loans, and certain other instruments, entities will be required to use new forward-looking “expected loss” model that generally will result in earlier recognition of credit losses than under today’s incurred loss model. ASU 2016-13 is effective for annual periods beginning after December 15, 2022. The adoption of the ASU did not have a material impact on the Foundation’s financial statements.

Reclassifications

Certain 2023 amounts have been reclassified to conform to the 2024 presentation.

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3. Liquidity and Availability of Resources

The Foundation's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Year ended March 31,		**2024**		2023
Cash and cash equivalents	**$**	**5,905,501**	$	14,795,457
Investments, at fair value		**24,147,520**		22,051,581
Investments held under split-interest agreements		**127,308**		94,023
Due from Affiliates, principally share of Affiliate contributions		**444,788**		896,739
Other receivables, net		**2,449,325**		1,740,145
Total Current Assets		**33,074,442**		39,577,945
Less:				
Contractual or donor-imposed restrictions:				
Donor-imposed restrictions – purpose		**(6,597,091)**		(5,803,079)
Amounts designated for certain projects		**(449,000)**		(463,000)
Investments held in annuity trust		**(109,480)**		(77,776)
Board designations – operating investment fund		**(1,111,645)**		(2,344,935)
Total Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	**$**	**24,807,226**	$	30,889,155

As part of the Foundation's liquidity management, 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, the Foundation invests cash in excess of monthly requirements in short-term investments. To help manage unanticipated liquidity needs, the Foundation has a committed line of credit in the amount of $4,000,000, which it could draw upon. As of March 31, 2024 and 2023, there was no outstanding balance on the line of credit.

4. Fair Value Measurements

The following tables present the financial instruments by caption on the statement of financial position, within the ASC 820 valuation hierarchy defined in Note 2 above:

March 31, 2024

		Level 1		Level 2		Level 3		Total
Cash and cash equivalents	$	4,007,715	$	-	$	-	$	4,007,715
Equity securities		12,293,223		-		-		12,293,223
Fixed income - bonds		184,937		-		-		184,937
Publicly traded mutual funds		5,791,818		-		-		5,791,818
Government securities		-		4,215,085		-		4,215,085
Other assets		-		-		208,470		208,470
Private equity – interest in realty holding corporation		-		-		2,000,000		2,000,000
Beneficial interest in a perpetual trust		-		-		2,671,125		2,671,125
Total Investments	$	22,277,693	$	4,215,085	$	4,879,595	$	31,372,373

March 31, 2023

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 5,802,898	$ -	$ -	$ 5,802,898
Equity securities	9,589,885	-	-	9,589,885
Fixed income - bonds	192,165	-	-	192,165
Publicly traded mutual funds	3,537,668	-	-	3,537,668
Government securities	-	4,984,108	-	4,984,108
Other assets	-	-	208,942	208,942
Private equity – interest in realty holding corporation	-	-	1,920,000	1,920,000
Beneficial interest in a perpetual trust	-	-	2,408,300	2,408,300
Total Investments	$ 19,122,616	$ 4,984,108	$ 4,537,242	$ 28,643,966

Included in the tables above are assets held under split-interest agreements in the amount of $257,180 and $231,986 as of March 31, 2024 and 2023, respectively.

The Foundation's holdings in equity securities, fixed income bonds, and publicly traded mutual funds consist principally of debt and equity securities carried at their aggregate market value, which is determined by quoted market prices. Each of the above investments can be liquidated daily. These investments are classified as Level 1.

The Foundation's holdings in government securities are priced by investment managers using nationally recognized pricing services. These investments are classified as Level 2.

The Foundation invests in various investment securities that are exposed to various risks, such as interest rate, 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 investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statement of financial position.

Level 3 Assets at Fair Value

Beneficial Interest in a Perpetual Trust

The Foundation is a beneficiary of a trust created by a donor, the assets of which are not in the possession or management control of the Foundation. The Foundation has legally enforceable rights and claims to such assets, including the right to income from the trust. Net unrealized gains (loss) related to the beneficial interest are reported within investment income, net on the statement of activities, as a change in net assets with donor restrictions, restricted in perpetuity, based on explicit donor stipulations.

The Foundation will receive quarterly income distributions for a period of 50 years, which began December 25, 2003, from the trust. The income is reported as part of investment income, net in the statement of activities. During the years ended March 31, 2024 and 2023, the value of the beneficial interest increased and decreased by $262,825 and $(254,765), respectively. The Foundation expects to receive 5% of the market value of trust assets each year thereafter until December 25, 2053, at which time the remaining trust will be distributed to the beneficiaries. The quarterly distributions received are to be used at the discretion of the Foundation and, therefore, are recorded as income under net assets without donor restrictions when received.

Private Equity – Interest in a Realty Holding Corporation

In 2018, the Foundation received a bequest from a trust that included a 20% interest in a realty holding corporation. The investment is accounted for using the fair market value method of accounting. As of March 31, 2024 and 2023, the Foundation's interest in the private company had an estimated value of $2,500,000 and $2,400,000, respectively. Due to the non-private nature of this holding and related economic factors, the Foundation recorded a reserve against its interest in the private company. As of March 31, 2024 and 2023, the Foundation's reserve totaled $500,000 and $480,000, respectively.

As of March 31, 2024 and 2023, the Foundation's financial assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) represent the fair value of the Foundation's beneficial interest in a perpetual trust ($2,671,125 and $2,408,300, respectively) and its interest in the private equity realty holding corporation, net of reserves ($2,000,000 and $1,920,000, respectively). There currently is no market in which beneficial interests in trusts or the private equity holding trade; therefore, no observable exit price exists for either investment. The Foundation cannot make any investment decisions regarding the assets held by the trusts or the private equity realty holding corporation.

The following tables represent the reconciliations of the beginning and ending balances of the Foundation's financial assets measured at fair value on a recurring basis using significant unobservable inputs:

Description	Balance, April 1, 2023	Contributions	Releases	Investment Income	Reserve Adjustment	Balance, March 31, 2024
Beneficial interest in a perpetual trust	$ 2,408,300	$ 124,157	$ (124,157)	$ 262,825	$ -	$ 2,671,125
Private equity – realty holding corporation	1,920,000	100,000	(100,000)	100,000	(20,000)	2,000,000
	$ 4,328,300	$ 224,157	$ (224,157)	$ 362,825	$ (20,000)	$ 4,671,125

Description	Balance, April 1, 2022	Contributions	Releases	Investment Income (Loss)	Reserve Adjustment	Balance, March 31, 2023
Beneficial interest in a perpetual trust	$ 2,663,065	$ 74,053	$ (74,053)	$ (254,765)	$ -	$ 2,408,300
Private equity – realty holding corporation	1,679,200	1,100,000	(1,100,000)	301,000	(60,200)	1,920,000
	$ 4,342,265	$ 1,174,053	$ (1,174,053)	$ 46,235	$ (60,200)	$ 4,328,300

As of March 31, 2024 and 2023, there were no unfunded commitments nor transfers between levels. Quantitative information about Level 3 fair value measurements is as follows:

March 31, 2024

Description		Fair Value	Valuation Technique	Unobservable Input	Range (Weighted-Average)[c]
Private equity – realty holding corporation	$	2,000,000[a]	Market comparable companies	Discount for lack of marketability[b]	10% - 25% (20%)

March 31, 2023

Description		Fair Value	Valuation Technique	Unobservable Input	Range (Weighted-Average)[c]
Private equity – realty holding corporation	$	1,920,000[a]	Market comparable companies	Discount for lack of marketability[b]	10% - 25% (20%)

[a] The fair value of the private equity – realty holding corporation is net of management's reserve of $500,000 and $480,000, as of March 31, 2024 and 2023, respectively.

[b] Represents amounts used when the reporting entity has determined that market participants would take into account these premiums and discounts when pricing the investments.

[c] Unobservable inputs were weighted by the relative fair value of the instruments.

5. Receivables

Receivables are as follows:

March 31,		**2024**		2023
Other receivables	**$**	**2,772,283**	$	2,060,673
Notes receivable		**1,400,000**		1,000,000
		4,172,283		3,060,673
Less: allowance for credit losses		**(322,958)**		(320,528)
Less: discount for present value		**(43,605)**		(27,545)
	$	**3,805,720**	$	2,712,600

Notes Receivable

Notes receivable represent debt positions taken in selected companies to provide capital to accelerate the development of innovations to expedite the cure for kidney disease and improving the lives of patients. As of March 31, 2024 and 2023, the Foundation has seven convertible promissory notes totaling $1,400,000 and five convertible promissory notes totaling $1,000,000 with private companies, respectively. The promissory notes bear interest and are convertible into shares of the company's preferred stock under certain conditions. The notes receivable are recorded at net realizable value at March 31, 2024 and 2023. The notes receivable have interest rates ranging from 4% to 5%.

The following table represents future notes that were discounted for their net present values:

March 31,	2024	2023
Within one year	$ 450,000	$ 300,000
Two to five years	950,000	700,000
Discount to present value	(43,605)	(27,545)
	$ 1,356,395	$ 972,455

The discount rates used to calculate present value varied from 4% to 5% and 3.81% to 4.06% for the years ended March 31, 2024 and 2023, respectively.

Other Receivable

Included in other receivables are pledges receivable, which represent unconditional promises to give. Pledges receivable are reported at their net present value calculated using a discount rate equal to the risk-free interest rate, which is the U.S. Treasury note interest rate in effect at the time the pledges are made and equal in duration to the length of time that the pledge is expected to be paid over.

6. Fixed Assets, Net

Fixed assets, net, consisted of the following:

March 31,	2024	2023
Property, furniture, and equipment	$ 2,912,618	$ 2,804,435
Leasehold improvements	819,041	808,416
Capitalized software	374,588	374,588
	4,106,247	3,987,439
Less: accumulated depreciation and amortization	(3,533,420)	(3,374,302)
	$ 572,827	$ 613,137

Depreciation and amortization expense for the years ended March 31, 2024 and 2023 was $159,118 and $162,387, respectively.

7. Split-Interest Agreements

The Foundation receives contributions under charitable gift annuities. The Foundation has segregated these assets as separate and distinct funds, independent from other funds and not to be applied to payment of the debts and obligations of the Foundation or any other purpose other than annuity benefits specified in the agreements. In addition, this portfolio of assets meets all requirements concerning permissible investments and mandated reserves, as required by law. The Foundation agrees to pay a stated return annually to the beneficiaries as long as they live, after which time the remaining assets are available for unrestricted use by the Foundation.

As of March 31, 2024 and 2023, the total assets held under split-interest agreements were $257,180 and $231,986, respectively, at fair value. The actuarial present value, which approximates fair value, of the Foundation's payable to beneficiaries was $147,700 and $154,210 as of March 31, 2024 and 2023, respectively, and was calculated using interest rates ranging from 4% to 8%.

8. Leases

As of March 31, 2024, the Foundation leases 11 facilities and other equipment under noncancelable operating leases with initial terms ranging from two to eight years. As detailed in Note 2, the Foundation adopted the provisions of ASU 2016-02 effective April 1, 2022. Leases are classified as either finance or operating leases based on the underlying terms of the agreement and the criteria included in ASC 842, *Leases*. Each of the Foundation's leases were deemed to be operating leases.

For leases with initial terms of greater than one year, the Foundation records the related ROU assets and lease liabilities at the present value of the remaining lease payments to be paid over the life of the related lease. Lease payments related to periods subject to renewal options are excluded from the amounts used to determine the present value of the remaining lease payments unless the Foundation is reasonably certain to exercise the option to extend the lease. The present value of the lease payments is calculated by utilizing the discount rate stated in the lease, when readily determinable. For leases for which a discount rate is not readily available, the Foundation has elected to use the risk-free rate at the date of adoption. The Foundation has made an accounting policy election not to separate lease components from non-lease components in contracts when determining its lease payments for all of its asset classes, as permitted by ASC 842. As such, the Foundation accounts for the applicable non-lease components together with the related lease components when determining the ROU assets and lease liabilities. The Foundation has made an accounting policy election not to record leases with an initial term of less than one year as ROU assets and lease liabilities in the statement of financial position. The Foundation has elected the package of practical expedients which includes not reassessing whether any expired or existing contracts contain leases, not reassessing the lease classification for any expired or existing leases and an entity not reassessing initial direct costs for any leases.

The following tables summarize information related to the lease assets and liabilities:

Year ended March 31, 2024		
Lease costs:		
Operating lease cost	$	1,254,003

March 31, 2024		
ROU assets and liabilities:		
Operating lease ROU assets, net	$	8,589,084
Operating lease liabilities		10,469,080

Year ended March 31, 2024		
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$	1,379,019

Weighted-average remaining lease term – operating leases	6.33 years
Weighted-average discount rate – operating leases	2.5%

For operating leases, ROU assets are recorded in operating lease ROU assets and lease liabilities are recorded in operating lease liabilities in the accompanying statement of financial position.

The following table reconciles the undiscounted operating lease payments to the lease liabilities recorded on the accompanying statement of financial position on March 31, 2024:

Year ending March 31,	
2025	$ 1,846,813
2026	1,771,041
2027	1,741,380
2028	1,671,443
2029	1,533,278
Thereafter	2,773,034
	11,336,989
Less: interest	(867,909)
	10,469,080
Less: current portion	(1,603,928)
Total	$ 8,865,152

9. Deferred Income

Deferred income is as follows:

March 31,	**2024**	2023
Foundation programs and projects	**$ 6,654,186**	$ 9,716,523
Membership and subscriptions	**536,337**	522,062
Special events	**892,112**	959,361
	8,082,635	11,197,946
Less: current portion	**(7,693,478)**	(10,449,876)
	$ 389,157	$ 748,070

10. Line of Credit

The Foundation has a line of credit with a financial institution with a limit of $4,000,000. As of March 31, 2024, the interest rate was 5.33% plus a spread rate of 1.30%, for an all-in rate of 6.63%. The line of credit is secured by the Foundation’s investments. As of March 31, 2024 and 2023, the Foundation did not have an outstanding balance.

11. Retirement/Savings Plans

403(b) Plan

The Foundation has a contributory retirement/savings plan that covers substantially all full-time employees who meet certain age and service requirements. Under the terms of the plan, contributions are made under Section 403(b) of the Code and are invested, at the discretion of the plan participant, in one or more of the investment vehicles available under the plan. Pension expense for the years ended March 31, 2024 and 2023 totaled $576,176 and $452,211, respectively.

457(f) Plan

The Foundation has a Section 457(f) Senior Staff Flexible Benefit Plan (the Plan) that provides senior management employees with a benefit allowance contributed by the Foundation, which can be used for various benefit options, including a capital accumulation account. At March 31, 2024, the Plan was fully funded, and the Foundation did not incur any benefit expense for the years ended March 31, 2024 and 2023. As of March 31, 2024 and 2023, the fully funded liability related to the Plan totaled $139,562 and $186,539, respectively, and is included in accrued compensation and the plan asset totaled $139,562 and $186,539 and is included in investments on the accompanying statement of financial position. This liability is fully funded by investments held in the Foundation's portfolio.

12. Commitments

Awards and Grants

The Foundation has entered into conditional multi-year research grant commitments. The Foundation recognizes as expense the portion of the research grant award that becomes unconditional during the fiscal period. The Foundation has expensed research grants of $676,489 and $692,061 during the years ended March 31, 2024 and 2023, respectively.

13. Net Assets Without Donor Restrictions

Net assets without donor restrictions are available as follows:

March 31,	**2024**	2023
Designated by the Board for operating investments	**$ 1,111,645**	$ 2,344,935
Undesignated	**17,737,101**	19,084,985
	$ 18,848,746	$ 21,429,920

The Foundation has designated a portion of its without donor restriction resources to be invested for long-term appreciation and current income but remain available and may be spent at the discretion of the Board.

14. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

March 31,	2024	2023
Restricted for a specific purpose:		
Young investigators and clinical scientists research	$ 3,608,357	$ 2,949,493
Other research	1,486,373	1,706,703
Other programs	1,502,361	1,146,883
Total Restricted for a Specific Purpose	6,597,091	5,803,079
Restricted in perpetuity:		
Enuresis research	174,237	174,237
Other research	800,724	800,724
Patient services	139,692	139,692
Community services	90,680	90,680
Professional education	11,929	11,929
Public education	97,872	97,872
Undesignated programs	2,658,835	2,658,835
Total Restricted in Perpetuity	3,973,969	3,973,969
	$ 10,571,060	$ 9,777,048

Net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the restricted purpose, as follows:

Year ended March 31,	2024	2023
Young investigators and clinical scientists research	$ 180,000	$ 190,000
Other research	814,556	694,436
Other programs	610,845	872,310
	$ 1,605,401	$ 1,756,746

15. Endowments

The following table represents the fair value of the endowment investment composition by type of fund:

March 31,	2024	2023
Cash and cash equivalents	$ 103,073	$ 108,579
Equity securities	2,854,991	2,785,323
Fixed income - bonds	665,555	677,426
Publicly traded mutual funds	350,350	402,641
	$ 3,973,969	$ 3,973,969

As of March 31, 2024 and 2023, the original donor-restricted endowment gift amount and amounts required to be retained by donors totaled $3,973,969.

Changes in endowment net assets consisted of the following:

Year ended March 31, 2024

	Restricted for a Specific Purpose	Restricted in Perpetuity	Total
Endowment Net Assets, beginning of year	$ 343,771*	$ 3,973,969	$ 4,317,740
Investment gain	616,109	-	616,109
Appropriation of endowment assets for expenditure	(144,167)	-	(144,167)
Endowment Net Assets, end of year	$ 815,713	$ 3,973,969	$ 4,789,682

* Balance represents investment income earned on net assets restricted in perpetuity that have yet to be appropriated for expenditure at their respective year-ends.

Year ended March 31, 2023

	Restricted for a Specific Purpose	Restricted in Perpetuity	Total
Endowment Net Assets, beginning of year	$ 1,106,688	$ 3,973,969	$ 5,080,657
Investment loss	(620,779)	-	(620,779)
Appropriation of endowment assets for expenditure	(142,138)	-	(142,138)
Endowment Net Assets, end of year	$ 343,771*	$ 3,973,969	$ 4,317,740

* Balance represents investment income earned on net assets restricted in perpetuity that have yet to be appropriated for expenditure at their respective year-ends.

16. Risk and Uncertainties

Investments Risk

In the normal course of business, the Foundation enters into transactions in various financial instruments with off-balance-sheet risk. Market risk represents the potential loss that can be caused by a change in the fair value of the financial instrument. Liquidity risk represents the possibility that the Foundation may not be able to rapidly adjust the size of its positions in times of high volatility and financial stress at a reasonable price. The Foundation is subject to credit risk if the investment managers are unable to repay balances due or deliver securities in their custody. Due to the level of risk associated with certain investments and the level of uncertainty related to the changes in fair value of these investments, it is at least reasonably possible that changes in market conditions in the near term could materially affect the value of investments reported in the financial statements.

17. Subsequent Events

The Foundation's management has performed subsequent event procedures through August 9, 2024, which is the date the financial statements were available to be issued, and there were no subsequent events requiring adjustment to the financial statements or disclosures as stated herein.