2004 ANNUAL REPORT

Facing the Future Together

National Kidney Foundation®

Making Lives Better

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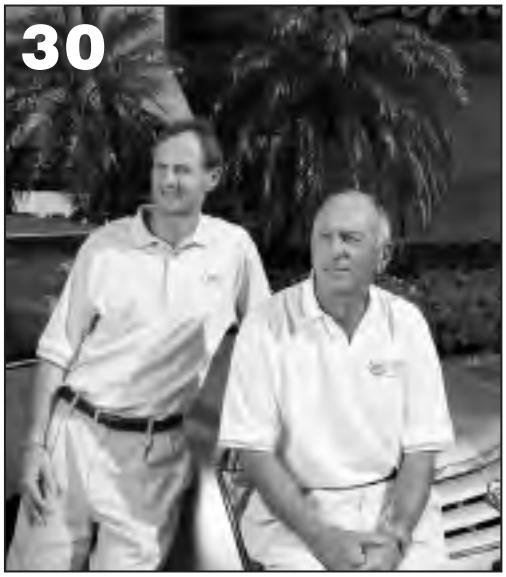

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Cover photograph left: Troy Wayrynen/*The Columbian* **Three on right:** Erica Berger

"Our success in 2004 is a direct result of the passion of our volunteers, our strong Affiliate network, National Board, staff and our numerous partners and supporters."

Left to right: Brian J.G. Pereira, John Davis and Fred L. Brown

Photo: Erica Berger and Jack Kurtz

MESSAGE FROM OUR LEADERS

Dear Friends,

We are very pleased to report to you that the National Kidney Foundation (NKF) reached several milestones during 2004 that contributed significantly to our mission and success. We have made a tremendous impact in all of our key service areas. Our success in 2004 is a direct result of the passion of our volunteers, our strong Affiliate network, National Board, staff and our numerous partners and supporters.

NKF's signature scientific and health programs continued to outpace all others in the chronic kidney disease (CKD) field. The Kidney Disease Outcomes Quality Initiative, (K/DOQI) published its 12th and 13th guidelines. We have increased the market penetration of K/DOQI with nephrologists, primary care, nurses and other specialists through our Kidney Learning System (KLS). As our education program along the continuum of care, KLS leads all others in reaching professionals who care for CKD and transplant patients. Public education and awareness continue to increase through KLS initiatives. KEEP, the Kidney Early Evaluation Program, expanded its programs and impact across the entire U.S. The KEEP database is being viewed by researchers as a significant pool of study data within the CKD population. KEEP continues to raise grassroots awareness for testing populations at risk for CKD.

KDIGO, Kidney Disease: Improving Global Outcomes, became operational in 2004. This charter group of international CKD experts are eager to change the practice of kidney care in their countries and worldwide. They chose the National Kidney Foundation to act as their managing agent which will increase our global reputation and add leverage to our effectiveness within the U.S.

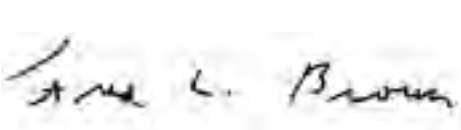
Two years in the planning, the 50th anniversary of the first organ transplant was richly and uniquely celebrated at the National Kidney Foundation's 2004 U.S. Transplant Games in Minneapolis. Thousands gathered on the University of Minnesota campus to witness the success of organ transplantation and the unconditional love of living donors and donor families. The pioneers of the transplantation field were honored and we were honored to have them with us to share in this milestone.

All of the NKF's signature fundraising programs experienced growth in 2004. Kidney Cars, Cadillac Invitational Golf Tournaments, Kidney Walks and a host of unique local fundraising events are providing the financial foundation to support the growth of NKF programs, services and advocacy for patients, their families and the health care professionals who care for them.

In 2004, we became the best NKF in history. With the help and support of our friends, 2005 will be even better.

John Davis, CEO

Brian J. G. Pereira, MD, President



Fred L. Brown, FACHE, Chairman

Photo: Erica Berger

Debora Burrowes: She Walks For Those Who Can't.

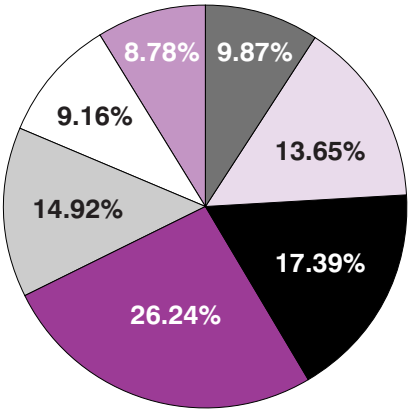
Dialysis nurse Debora Burrowes's heart is full when her feet hurt. The Fort Lee, N.J. resident has stepped up to fight kidney disease with the National Kidney Foundation of Greater New York Kidney Walk. And, she's no armchair athlete when it comes to raising money, either: The 2004 event she co-chaired grossed $100,000—more than any other Kidney Walk in the country.

"I walk for my patients," says Burrowes. "I walk to give them hope." And her patients, most of whom spend up to four hours, three days a week at the Bronx River Nephro-Care dialysis center, return the favor. It was in memory of one of her favorite patients, Charlyse Sampson, who died last spring, that Burrowes took on the leadership role as co-chair of the Greater New York Kidney Walk.

"Charlyse wasn't the cheeriest patient," Burrowes says laughing. "She'd come in mopey and listless. But when she talked about helping others, she would smile and her eyes would light up. She volunteered at her church, feeding the disabled, she sang in the choir, she raised more than $2,000 from the choir for the Kidney Walk—and donated her own money to sponsor me."

In 2003, too weak to walk the 5K, Charlyse worked the registration desk—and cheered on her dialysis nurse in the white sneakers. ■

Your Donation Dollars



- Management & General
- Research
- Fundraising
- Community Services
- Public Health Education
- Professional Education
- Patient Services

Photo: Eric Miller

ROBERT OGRODNIK: A LEGACY OF HOPE

Like most successful people, Robert Ogrodnik, a retired top executive with the Emerson Motor Company, has a short term plan—and a long term goal: By year's end, he wants the 30 members of the National Kidney Foundation board of directors to reach into their own pockets to donate a total of $1 million for the Making Lives Better Campaign II.

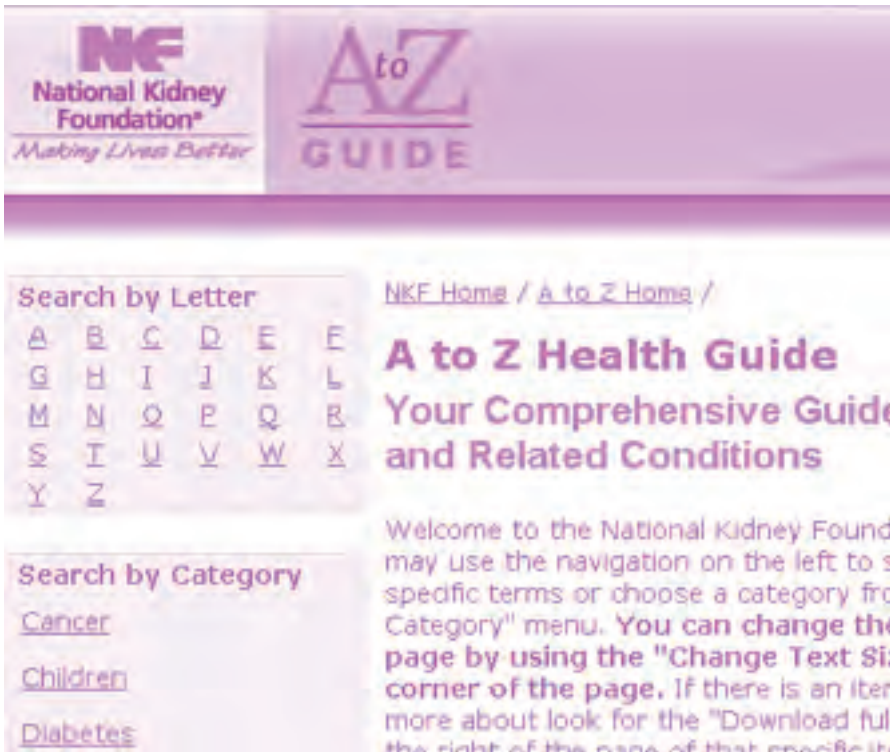
That money will fund research and development of clinical practice guidelines for improving the care and health of transplant patients. "We hope it will be the gold standard, a set of guidelines that will be globally accepted," says Ogrodnik, who donated one of his kidneys to his now-grown daughter, who is a judge. That's the short term goal, which Ogrodnik says, "I'm determined that we will meet."

His long term goal for the board is both lofty and pragmatic. "That this board clearly demonstrate to the outside world its commitment to the National Kidney Foundation and to the 20 million Americans with kidney disease," he says. "Then we can feel darn good that we've established a legacy for future boards to follow." ■

Clicking for Kidney Care

There's hope for all kidney health information-seekers and it can be found on www.kidney.org During 2004, one million pages were viewed each month on the National Kidney Foundation Web site as Web surfers clicked to learn about kidney disease symptoms, where to go for free kidney screenings, basic facts on living organ donation and much more.

The comprehensive online A to Z Guide offers answers to the most frequently-asked questions about all things kidney, including warning signs, risk factors, dialysis, the effects of over-the-counter pain medications, low protein recipes and a host of other topics.



Web-surfers also had the option of gaining peer support by chatting online with other transplant recipients and living organ donors on our message boards. Doctors took advantage of the interactive features on our Web site by inputting patient information into our specialized calculator that computes targeted individual treatment plans based on the NKF's clinical practice guidelines. Thousands also signed up for NKF's virtual newsletters, e-kidney for consumers and Chronic Kidney Disease Update for physicians. ■

Chuck Fruit: Branding for Life

No matter how busy he is, Coca-Cola's chief marketing executive, Charles Fruit, still makes time every July to celebrate the anniversary of his kidney transplant. The star of the weekend is Fruit's big sister Susie Henderson, who donated a kidney to him 18 years ago. Says Fruit, 58: "We play golf, eat too much and laugh a lot."

Another appointment Fruit plans to keep is with the National Kidney Foundation, for which he has agreed to serve as Chairman of the Board. "The Board made an error in judgment and elected me," jokes Fruit, who will take office in the fall of 2005. "And I'm very willing to set aside time to do the job. It's that little bit of payback that I'm always happy to give."

He is excited about using his extensive marketing experience to raise the profile of the NKF, strengthen sponsorship programs and launch a national branding campaign.

He also wants kidney patients to know that the disease doesn't have to rob them of living a vital life. His kidneys were slowly destroyed after he was stricken with a staff infection at age five. At 30, he went on dialysis. "I still traveled all over the world," he says, recalling that he dialyzed in England, while attending Wimbledon.

He also wants kidney patients to know that the disease doesn't have to rob them of living a vital life.

Today, as a transplant recipient, the Atlanta-based Fruit remains vigorous and over-scheduled as ever. He wouldn't have it any other way.

In Year 2004:

National Kidney Foundation®
Making Lives Better

260,000 calls for information through our 800 number

12,000,000 page views on our Web site

38,000 volunteers nationwide

$3,000,000 spent on research on chronic kidney disease

15,000 people screened for kidney disease

25,096 members in Patient and Family Council

172,737,910 total media impressions

313,000 readers of quarterly Family Focus newspaper for dialysis patients, their family members and health care professionals

2004 U.S. Transplant Games

Ray Gabel cried tears of joy when his wife Susan completed the women's 100 meter breast stroke. A liver-transplant recipient, Susan had not only captured a silver medal in the swim competition—after missing the gold by less than a second—but also her husband's pride. Ray, a heart-transplant recipient, is no armchair athlete either. Each came away with an amazing six medals at the 2004 U.S. Transplant Games. Two of those, in co-ed basketball and volleyball, the Gabels earned as a couple. The fact that they were there at all, much less in top shape, was a testament to the generosity of families who donated organs of those they loved and lost.

The 2004 U.S. Transplant Games, which commemorated the 50th anniversary of transplantation, inspired thousands of members of the transplant community in all 50 states to travel to the Twin Cities of Minnesota to mark the occasion. Joining the 1,500 athletes competing in 13 Olympic-style events, were their friends and families, donor families, living donors and health care professionals who cheered everyone on and paid special tribute to transplantation's pioneering doctors who laid the foundation for today's transplant miracles. ■

Photo: Carol Cowdrey

Transplant couple Ray and Susan Gabel celebrate at the Games.

Photo: Eric Miller

One of the littlest transplant miracles, 8-year-old Robert Gooch, shows off his medals

"I make no prediction about the future of medical progress. However, I am certain that organ transplantation will forever remain as one of the greatest gifts to the body and soul of mankind...

50 years ago when we did the first transplant, we weren't thinking about making history. Our only concern was saving a life."

– Dr. Joseph Murray
1990 Nobel Prize Winner
Honorary Chairman, National Kidney Foundation
2004 U.S. Transplant Games

Photo: Eric Miller

FOCUS ON: JOYCE DIXON AND ALMA MCBRIDE

In 1961, Joyce and Jacob Dixon's five-year-old daughter died of kidney failure. "It was before dialysis and transplants, – when kidney disease was incurable," recalls Joyce.

The doctor asked the Dixons to donate their child's kidney for research and they generously agreed. "We became donors before we knew what donors were" says Joyce, now 70.

The couple's commitment to the National Kidney Foundation began then and hasn't wavered since. Both privately and through their company, Creative Management Technology, Inc., a government contracting firm, they have given money, time, and sponsored an annual fundraising golf tournament for the foundation. Last year, they took their commitment one step further by sponsoring a NKF Kidney Early Evaluation Program(KEEP) for their employees. Every one of their 375 local employees was invited to be fully screened for kidney disease–free of charge. Of the 182 employees who underwent the screening, an astonishing 70% were deemed at risk for the disease. Among them was Alma McBride, the company's financial analyst, who is a diabetic. Says Alma, "This test brings home the false sense of security so many have. Most doctors do not routinely screen for kidney function. People in the company still say, 'I didn't want to go to that screening, but if I hadn't gone, I would have been much sicker before finding out there was something wrong with my kidneys.' It's an awesome program."

Sadly, Jacob Dixon died last year of kidney disease, after having spent three months on dialysis. Says Joyce, "I firmly believe my husband would be alive today if KEEP had been available to him a few years ago. After losing my spouse and a child to this dreaded disease, my current goals are creating opportunities to promote this early detection program and encouraging health care providers to add the kidney function test to patients' annual physical examinations." ■

Photo: Erica Berger

PUBLIC EDUCATION

Detecting kidney disease early enough to prevent kidney failure and saving lives through organ donation were major highlights of our public education efforts in 2004. Our calls to action were heeded as more than 260,000 Americans contacted the foundation's toll-free hotline seeking kidney disease information; more than 12 million pages were viewed on our Web site, www.kidney.org and more than 170 million media impressions were generated through print and television coverage of kidney disease and organ transplantation this year.

Photo: Erica Berger

The foundation's Kidney Early Evaluation Program (KEEP) screened 15,000 Americans at risk for kidney disease this year. More than 50 percent of those participants learned they had early kidney disease and most are now making diet, lifestyle and medical changes to prevent the progression of the disease. Word spread on how this program is working to change lives through media coverage of KEEP in The New York Daily News, The Newark Star Ledger, The Tufts University Health & Nutrition Letter, PBS and more.

...more than 12 million pages were viewed on our Web site, www.kidney.org

In March, the foundation promoted kidney disease awareness in honor of National Kidney Month. News releases highlighted the link between high protein diets and kidney stones and the risk of stroke for kidney patients with anemia. Our information was picked up by United Press International and cited in stories published in Readers Digest, Essence, Jet, Prevention and Better Homes & Gardens.

FamilyCircle®

Donate Life Month in April saw an increase in requests for organ donor information. NKF worked to heighten awareness through a special Empire State Building lighting in green and white—colors that symbolize new life through organ donation. A letter from one of our transplant recipients in Dear Abby's syndicated column reached millions with NKF's organ donor information and a personal story of how one family's life was changed through organ donation.

Our Gift of Life public service campaign highlighted organ donation as the ultimate holiday gift. Spotlighting children whose holiday wish lists included only a new kidney, liver, heart or lung, this campaign touched millions through our Web Site and magazines such as U.S. News & World Report, Parents, Ladies Home Journal, Family Circle and AARP.

FOCUS ON: DAVE JONES

Dave Jones is a control freak, who since 1982 has made it his mission to help other people with chronic kidney disease get in touch with their inner-control freaks.

Through countless volunteer positions, including serving on the Executive Committee of the National Kidney Foundation's Patient and Family Council, Jones has urged others to take control of their disease and its treatment.

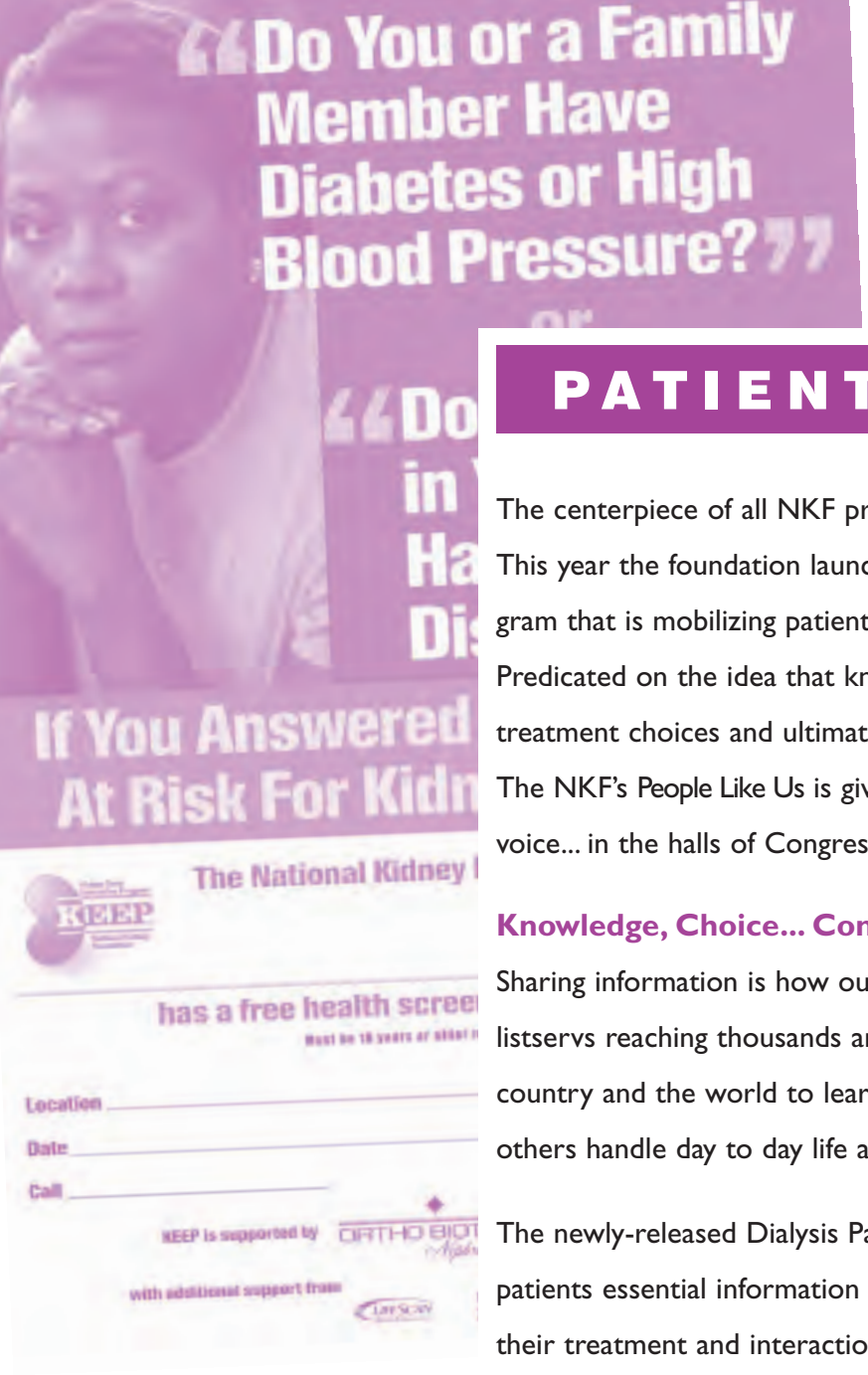
"Works for me," he says. "Being a control freak is what has kept me alive since my internist told me I had better get my personal effects in order because I was going to die." That was in 1972, when Jones was just 32, and suffering from kidney failure.

Now 64, the former vice-president of sales and marketing for a chemical company, father of two sons and grandfather of two girls, has not only survived but thrived. Not that it has been easy: Jones, a chemist, was on dialysis for 22 years before undergoing a kidney transplant in 1994. It failed after 6 1/2 years, and Jones resumed dialysis, which he remains on today.

Like many people with chronic kidney disease, he has known feelings of frustration and hopelessness that can plague the longterm ill. But he has trumped those fears by educating himself about his disease, symptoms and treatments and by becoming an advocate for his own health care which is exactly what the NKF's Patient and Family Council empowers members to do.

Jones exudes a zest for life that is contagious. "I've run into people with chronic kidney disease years after I've spoken to them and they've told me they are doing well and that I was their role model," he says proudly. "There's nothing more rewarding." ■

Photo: Erica Berger



PATIENT SERVICES

The centerpiece of all NKF programs — the kidney patient — just got stronger. This year the foundation launched People Like Us, a patient empowerment program that is mobilizing patients to take charge of their own health care. Predicated on the idea that knowledge enables patients to make the right treatment choices and ultimately take control of their health and their lives, The NKF's People Like Us is giving Americans with chronic kidney disease a voice... in the halls of Congress... in the doctor's office... and in the workplace.

Knowledge, Choice... Control

Sharing information is how our patient education takes place and e-mail listservs reaching thousands are bringing people together from all over the country and the world to learn about managing kidney disease and how others handle day to day life and health issues.

The newly-released Dialysis Patients' Bill of Rights and Responsibilities gives patients essential information to help them proactively manage all facets of their treatment and interaction with the health care team.

Prevention is Key

This year, NKF cast a wide net to reach those at risk for chronic kidney disease with our Kidney Early Evaluation Program (KEEP). More than 15,000 Americans with high blood pressure, diabetes or a family history of kidney disease participated in this free kidney disease screening program conducted throughout the year by NKF affiliates nationwide. Participants who found out about early kidney disease as a result are receiving follow-up care and information on intervention strategies for managing their disease so they might prevent the progress of chronic kidney disease to kidney failure. Primary sponsor of KEEP is OrthoBiotech Products, L.P. and associate sponsor is Abbott Laboratories.

The NKF's *People Like Us* is giving Americans with chronic kidney disease a voice...

Not content to end the relationship with our patients after they receive our screening, NKF launched the Kidney Care newsletter which reaches KEEP participants and their physicians with important information for those at risk and those who already have early kidney disease, helping them take charge of their health to slow the disease progression and prevent the onset of kidney failure. Articles highlight news from Washington and critical health issues such as nutrition, fitness and the links between anemia, high blood pressure, diabetes and chronic kidney disease.

NKF affiliates are reaching out to our patient constituents through innovative programs such as NKF of Michigan's Healthy Hair for Healthy Bodies. This initiative, aimed at minority populations with higher risk of developing kidney disease, targeted 300 hairstylists from 190 salons who were trained by NKF of Michigan on kidney disease prevention. Taking the holistic approach, stylists went to work on their clients' hair and health. As a result, 8,300 people learned about kidney disease and 60% scheduled visits with their doctors. A statewide survey revealed that 88% of stylists felt that the program improved business, indicating that more people than expected are benefiting from kidney disease education.

Photo Courtesy of Robert Wood Johnson Foundation

Hairstylists educate clients about kidney health

FOCUS ON: JEAN JANOHOSKY AND JIMMY LYNCH

When he was 16 and studying to get his driver's license, Allen Janohosky wanted to discuss organ donation with his startled mother Jean.

"I was so proud of him," recalls Jean of her only son, who told her that when he died he wanted his organs to be used to save others. "But I didn't want to talk to him about it because he was my baby and he wasn't going to die, it just wasn't going to happen in my house."

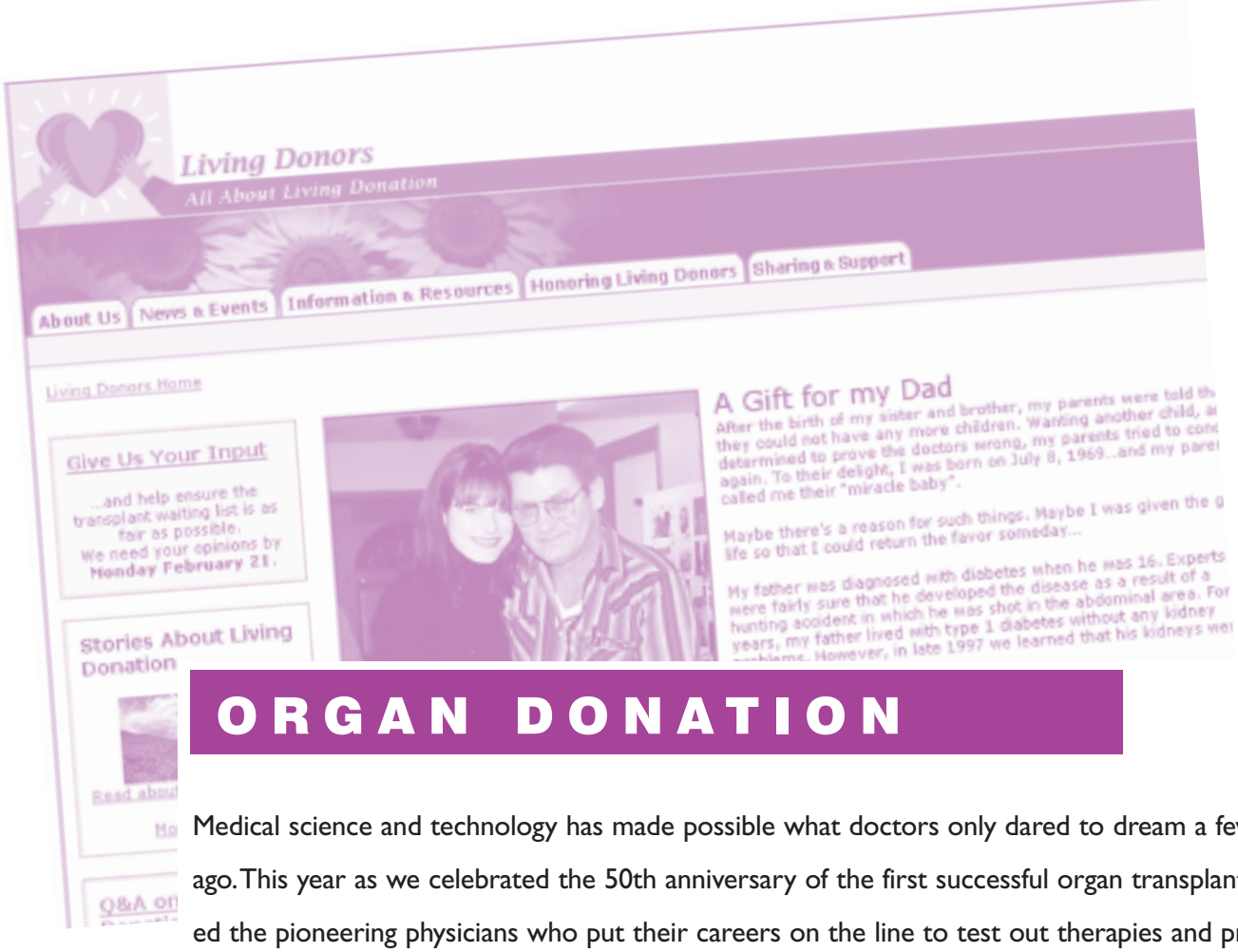
In the cruelest twist of fate, Allen, a gentle young man who would awaken in the middle of the night if a friend needed him, who loved driving his red truck and tinkering with computers, died less than a year later, the result of a brain hemorrhage sustained in a car accident. Unlike many heartbroken families, Allen's parents and two older sisters didn't hesitate when gently asked if they would donate the 17-year-old's organs. After all, Allen had already made his wishes known. His heart, liver, cornea, pancreas, kidneys and intestines have saved the sight of one woman and the lives of five other adults.

One of those is Jimmy Lynch, a 41-year-old Mississippi father of three boys–one Allen's age–a diabetic whose only hope was a kidney and pancreas transplant. Lynch, who also loves computers and drives a red truck, tracked Jean down in Minnesota to tell her "every day I wake up thinking of Allen. I'm here because of your boy, and you for thinking about helping somebody else when you were going through something so terrible."

The pair finally met in Minneapolis, Jean's home town, at the National Kidney Foundation 2004 U.S. Transplant Games. They spoke to a crowd of 8,000 at the Games' Opening Ceremonies, visited Allen's grave, attended church, where Lynch kept a comforting arm around Jean's shoulders, met each other's families and walked the 5K Road Race for Organ and Tissue Donation together.

"A part of my son came home to me in the form of Jimmy," says Jean, 55, a passionate and active organ donation advocate. "Allen's cycle of life goes on and on in those who have his organs. It is his legacy." ■

Photo: Eric Miller



ORGAN DONATION

Medical science and technology has made possible what doctors only dared to dream a few years ago. This year as we celebrated the 50th anniversary of the first successful organ transplant, we saluted the pioneering physicians who put their careers on the line to test out therapies and procedures that have since saved more than 400,000 lives through the miracle of transplantation. But the irony of this stunning success persists. As our scientific resources advance, making new life a possibility for so many more, our human resources remain the same.

Every 13 minutes a new name is added to the organ transplant waiting list and every day 17 people die while waiting. The NKF's organ and tissue donation initiatives aim to change those numbers. We will not rest until the list of available donors has caught up to the list of those in need and until the quality of life for those lucky enough to receive transplants is fully restored. The foundation is working on all fronts to ensure that these goals become reality.

This year, the foundation's Olympic-style U.S. Transplant Games brought organ donation into the consciousness of millions who read and heard about this event in national media outlets from USA Today and the New York Times to NBC-TV's Today Show and CNN. Our 1,600 transplant athletes from around the U.S. who overcame life-threatening odds to compete and win medals in 13 different sports are living, breathing examples of the success of transplantation and the life-saving power of organ donation.

Every 13 minutes a new name is added to the organ transplant waiting list

Patient Education

A number of new educational tools were developed including "From Illness to Wellness: Life After Transplantation," a book that helps recipients learn how to change their mindset from sick to well, embrace their new-found health and live fully after transplantation.

In September, the foundation released a report on the rise of diabetes post-transplant in the American Journal of Kidney Diseases, the foundation's official journal. The report pointed out that more people appear to be developing diabetes for the first time post-transplant and that many with pre-existing diabetes benefit more from kidney transplant when it is offered before they develop kidney failure. The report provided recommendations for transplant physicians to combat the diabetes epidemic, and the foundation has since published a comprehensive booklet for patients with important information on preventing and managing diabetes and its complications.

Living Donation

Living donation is on the rise and is providing an opportunity for many more transplant candidates to receive the gift of life. But as stories of unrelated and anonymous living donors hit the airwaves and newsstands, NKF is ensuring that Americans have a full understanding of what the process is all about. Our Web site, www.livingdonors.org, has expanded and now includes everything a potential donor would need to know — what's involved with the evaluation process, surgery, risks and issues to consider before deciding whether to become a living organ donor.

Photo: Jason Arnold

Kidney recipient and former NBA star Sean Elliott coaches a transplant athlete during his basketball clinic at the U.S. Transplant Games.

FOCUS ON: NELSON KOPYT

Photo: Erica Berger

Nelson Kopyt is a worrier. "My greatest fear," says the 53-year-old nephrologist, "is that somebody is going to end up with a problem and it's not going to be addressed quickly enough."

Luckily for his patients throughout Pennsylvania's Lehigh Valley, Kopyt doesn't just fret, he acts: He has created what he calls "a virtual chronic kidney disease center," a convenient way for patients to receive comprehensive care and counseling between office visits. As part of this effort, a team of three professionals—a nurse practitioner, a dietitian and a social worker—travels weekly to five different dialysis centers. Patients receive everything from test results and medication, to meal planning and getting help with the emotional impact their disease may be having on them and their families.

His chronic kidney disease clinic is just two years old, but his commitment to catching and slowing the progression of kidney disease began soon after Kopyt joined a group practice 20 years ago. Since then, he has taught scores of primary care physicians how to spot, test and treat patients who may be at risk for developing kidney disease due to high blood pressure, diabetes or family history of kidney problems.

Now, Kopyt, who serves as associate chief of nephrology at Lehigh Valley Hospital, is extending his reach by working with the National Kidney Foundation and a group of experts to develop a continuing medical education program. This program will be offered to nephrologists around the country to help them come up with the best approach to treating chronic kidney disease patients.

He also serves on the editorial board of the foundation's electronic newsletter, Chronic Kidney Disease Update, geared for general health care practitioners and the public. But his commitment to his patients comes first, which has its rewards—and its drawbacks: "I can't tell you the number of cookies and fruit baskets I get from grateful patients," he says laughing. "But my golf skills are very, very poor. And my wife periodically threatens to divorce me if I don't slow down. We've been happily married for 30 years, so I'm hopeful she's just kidding." ■

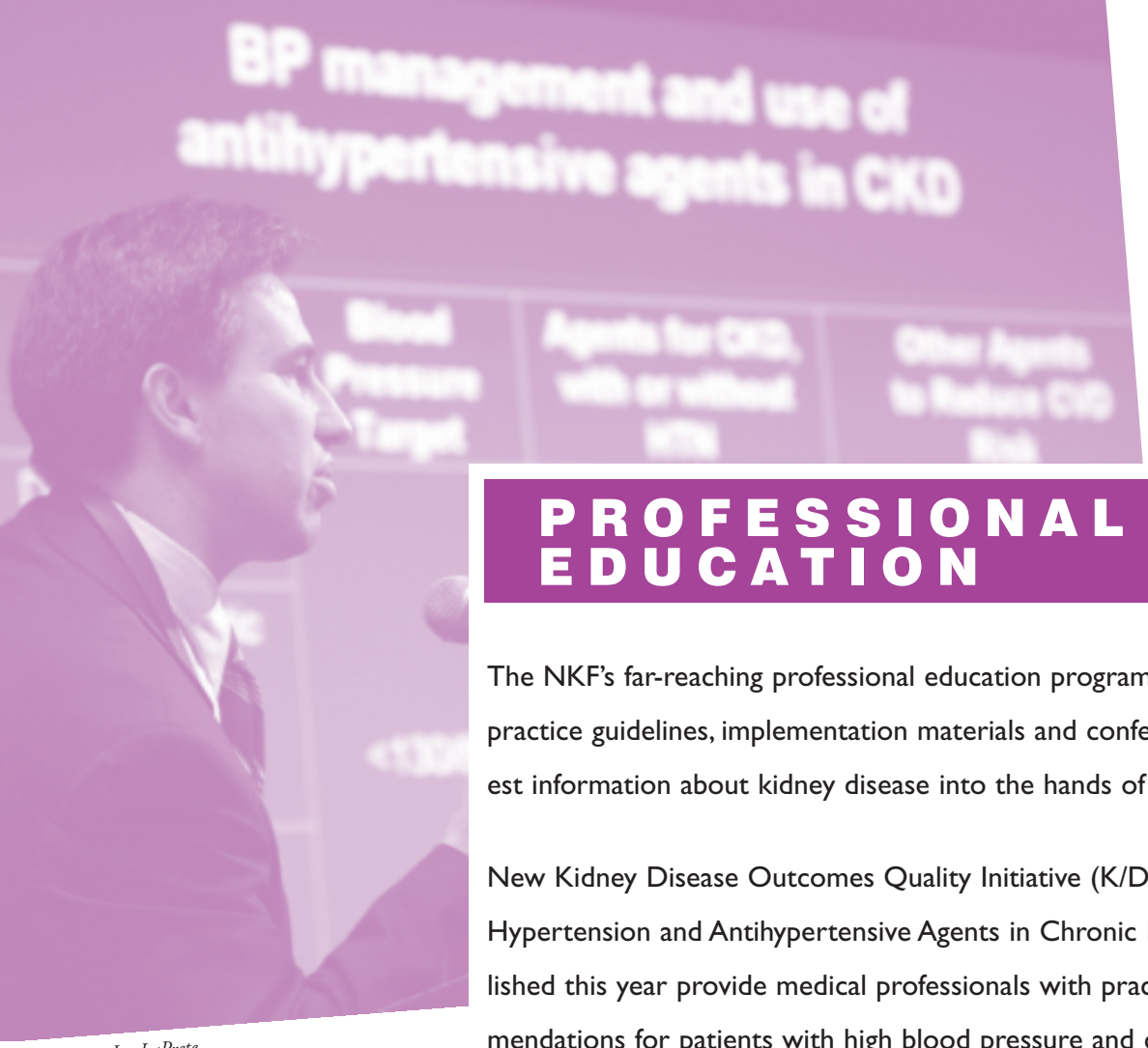


Photo: Jay LaPrete

PROFESSIONAL EDUCATION

The NKF's far-reaching professional education program continues to deliver practice guidelines, implementation materials and conferences that put the latest information about kidney disease into the hands of health care providers.

New Kidney Disease Outcomes Quality Initiative (K/DOQI) guidelines on Hypertension and Antihypertensive Agents in Chronic Kidney Disease published this year provide medical professionals with practical treatment recommendations for patients with high blood pressure and chronic kidney disease. New implementation tools from NKF's Kidney Learning System support these guidelines and resource materials for the K/DOQI Bone Metabolism and Disease in Chronic Kidney Disease guidelines break them down to help professionals seamlessly put them into practice. These implementation tools are made possible through the generous support of corporate partners Abbott Laboratories, Amgen, Astra-Zeneca, Bone Care International, Genzyme, Merck & Co., Inc. and Shire US.

The fight against kidney disease has extended to the global community with the official launch of Kidney Disease: Improving Global Outcomes (KDIGO, www.kdigo.org). By uniting the world's nephrology leaders, we're hoping to share resources to fight kidney disease. KDIGO held its first global scientific meeting in Amsterdam, a Controversies Conference on Definition, Diagnosis

...programs that put the latest information about kidney disease into the hands of health care providers.

and Classification of Chronic Kidney Disease in Adults, initiating a global conversation on how professionals worldwide look at Chronic Kidney Disease.

In April, the NKF Spring Clinical Meetings brought together more than 2,000 nephrologists and allied health professionals, where, for the first time, a special one day program for nephrology fellows attracted an attendance of 225.

Photo: Jay LaPrete

Our Kidney Learning System expanded its offerings of implementation tools and professional resources in 2004. The Nephrology Office Toolkit, a comprehensive collection of Chronic Kidney Disease resources is being distributed on a complimentary basis to all U.S. nephrology office practices, courtesy of Amgen. Also new this year are a Chronic Kidney Disease newsletter, entitled Best Practice, and a number of CME/CE courses on bone disease, phosphorus management and anemia.

FOCUS ON: REP. DAVE CAMP

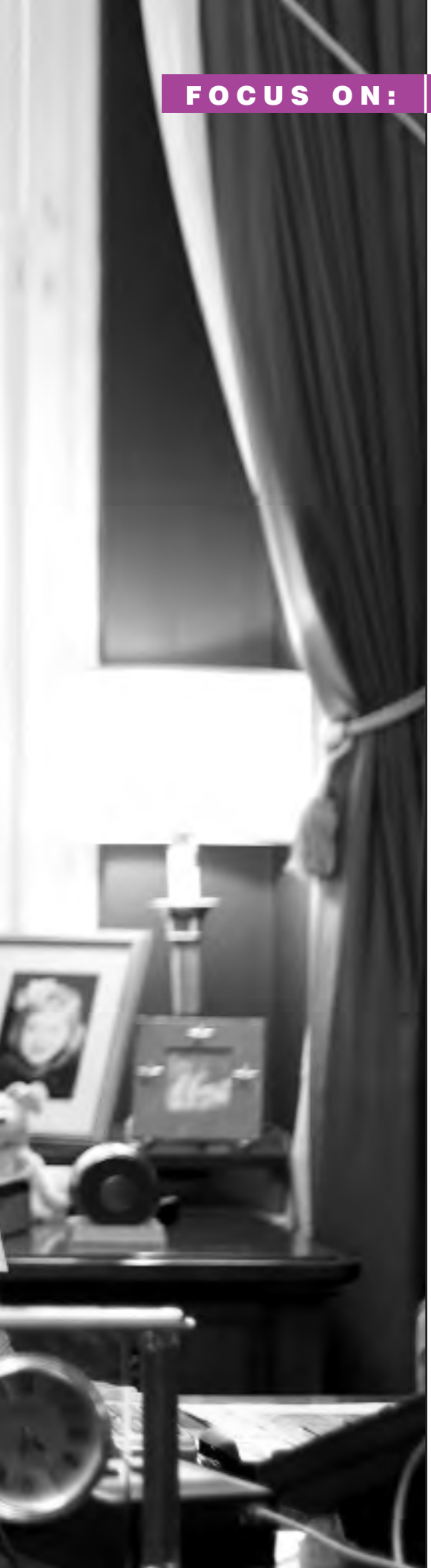


Photo: Erica Berger

A kidney patient can have no better advocate than Representative Dave Camp (R-MI).

Even before he became a U.S. Congressman in 1990, Camp, who began his career as chief of staff to his predecessor Bill Schuette, was organizing and playing in softball games for a member of his staff whose sister needed a kidney transplant. She got her new kidney, and today is doing just fine.

Soon after he was elected, Camp was in his Northern Michigan district, visiting a new dialysis center at Memorial Hospital in West Branch. Before the center was built, patients from around the area had to meet at the hospital and then be bussed to a dialysis clinic some 90 minutes away. "It was one of those typical tours that congressmen make, but it ended up having a huge impact on me," he recalls. "I thought of those people and how far they'd had to go for life-saving care. I was tremendously moved."

He was also fiercely determined to improve the lives of chronic kidney patients throughout America, while raising awareness of the critical need for organ donation. In 1995, Camp, a member of the Congressional Kidney Caucus, spearheaded legislation that required the Internal Revenue Service to include organ donation information and cards to everyone who received a tax refund.

That's just the beginning. Working with the National Kidney Foundation, Camp is responsible for helping extend Medicare coverage for the immunosuppressive drugs that transplant recipients require to keep their bodies from rejecting the organ.

This year, Camp has sponsored the End Stage Renal Disease Modernization Act, which would create education programs to improve patients' lives and give them better access to care. "I'm really just trying to help meet people's needs," says Camp, "and make their lives easier." ■

ADVOCACY

Making the voice of our patients heard by policymakers is the thrust of NKF's activities in the government relations arena. Not only does NKF take key issues of concern to congressional leaders, the foundation also creates alliances with regulatory agencies to ensure that the new laws are implemented in a way that will improve outcomes and care for our constituents.

This year, our activities centered on enacting legislation to assist living donors, expanding research support, establishing a chronic kidney disease program at the Centers for Disease Control and Prevention (CDC) and working with the Centers for Medicare and Medicaid Services to address the needs of patients.

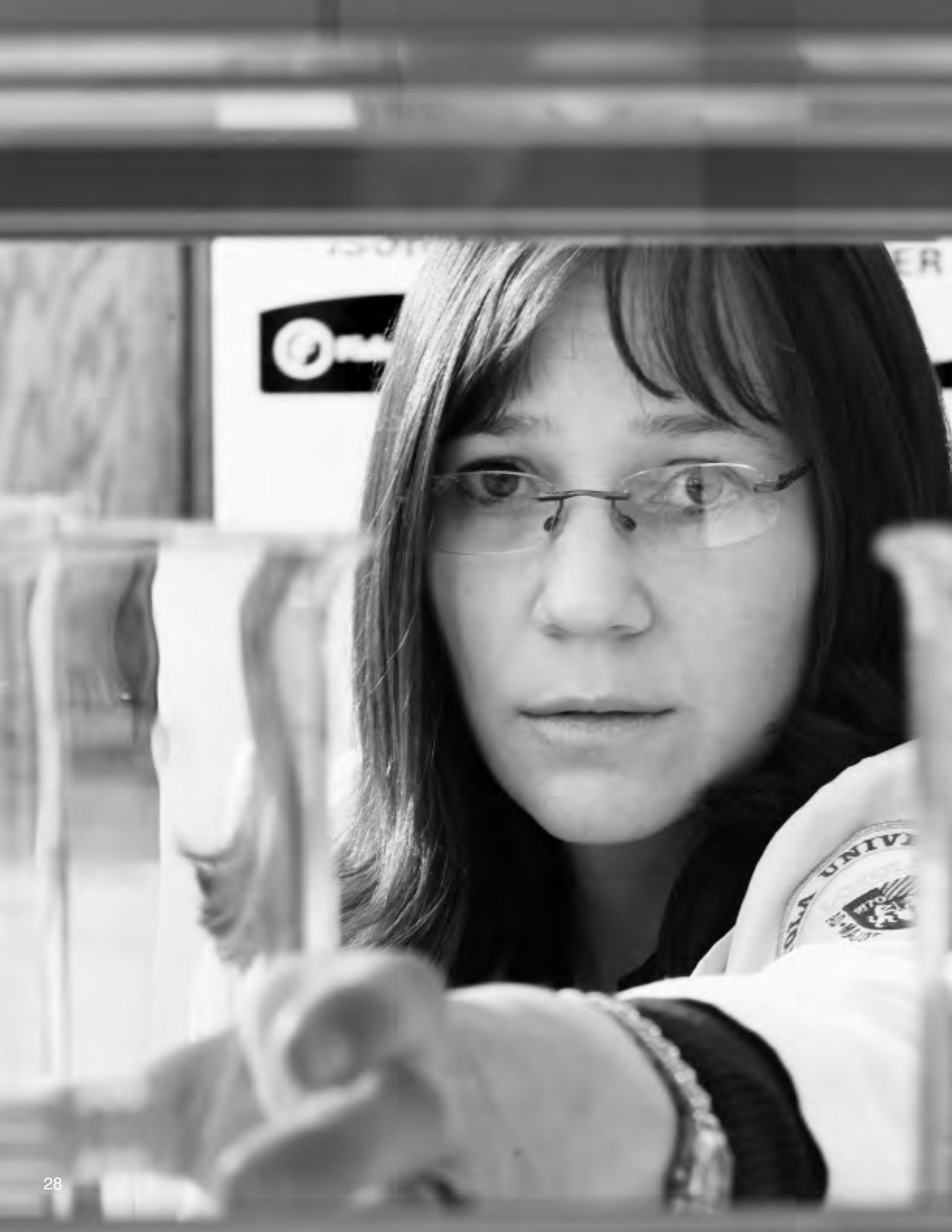
In order to combat the national shortage of life-saving organs for transplant, living organ donation must be encouraged. But if altruistic donors willing to give up a kidney or portion of a liver or lung to save a life need to incur significant personal costs to do so, they may not be able to give the gift of life. To help these donors address this national crisis, the foundation advocated for the Organ Donation and Recovery Improvement Act, working closely with House and Senate sponsors of the legislation. Among many other provisions included, the law establishes a federal grant program to help pay for travel and other expenses associated with living donation.

Making the voice of our patients heard by policymakers...

NKF also joined forces with the National Institute of Diabetes, Digestive and Kidney Diseases to expand support for kidney disease research, including projects that study the causal link between diabetes and chronic kidney disease.

Our Patient and Family Council members put kidney disease on the radar screen by traveling to Washington, telling their stories and helping members of the Congressional Kidney Caucus understand the impact of chronic kidney disease on 20 million American lives. NKF is primary coordinator of this bipartisan House of Representatives caucus that identifies and prioritizes key issues, obtains broad support for initiatives and educates public policy makers about the needs and challenges faced by kidney patients and their families.

Our advocates voiced concerns and Washington paid attention. Agencies such as the Centers for Medicare and Medicaid Services are now working directly with our Patient and Family Council on policy initiatives that examine critical issues such as changing reimbursement policies for various medications that kidney patients need to take, communication in the dialysis unit, the importance of pre-dialysis education and patient satisfaction. With more than 25,000 members, our Patient and Family Council is the largest membership organization representing chronic kidney disease in the country.



FOCUS ON: HOLLY KRAMER

Like many kids, Holly Kramer occasionally begged her mother to let her skip school. Unlike most mothers, however, Carol Mattix gave in to her daughter's pleas.

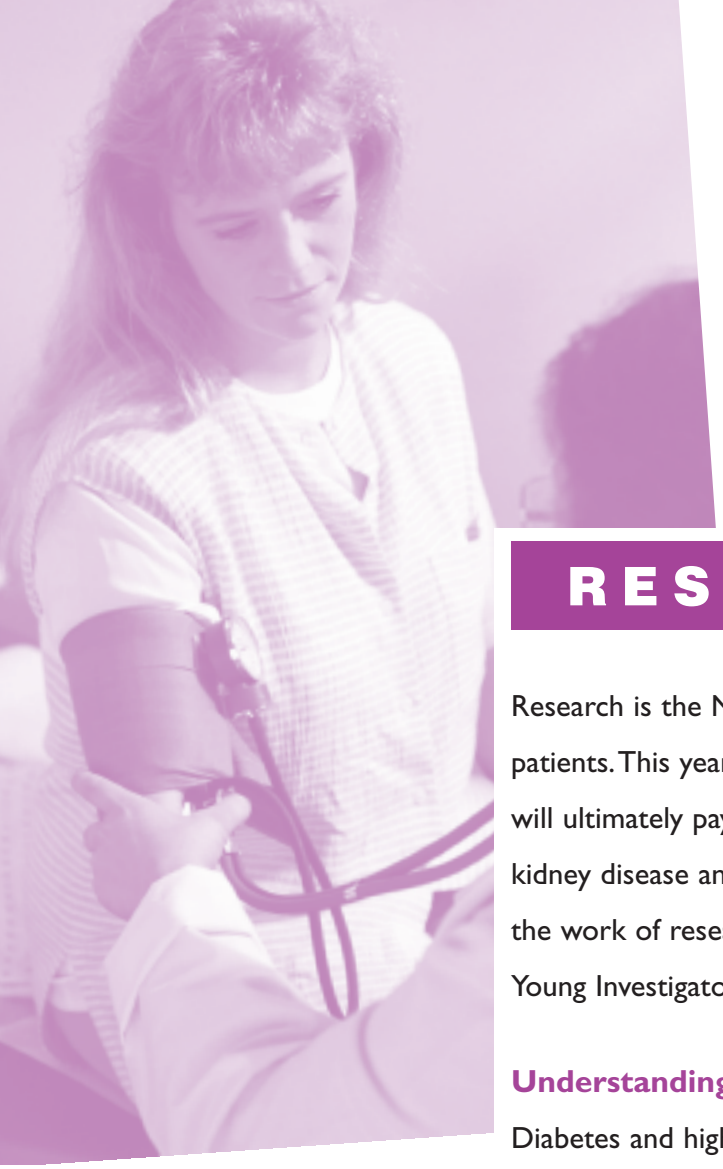
After all, the 12-year-old wasn't angling to spend the day staring at the tube or hanging out at a mall. She wanted only to accompany her mother, a dialysis nurse, on home visits to the kidney patients whose lives depended on her care and expertise. "I loved watching my mom work, and I got to know the patients really well," she recalls.

Now at 37, Holly Kramer is a nephrologist and researcher who is engaged in life-saving work of her own. A recipient of a National Kidney Foundation Young Investigator Grant, Kramer is trying to learn why African Americans have a substantially higher risk for high blood pressure and kidney disease than Caucasians.

To determine whether the increase is caused by genetic or environmental factors, such as poverty and access to health care, Kramer is collecting and comparing blood, urine and DNA samples from black adults in Nigeria, Jamaica and Chicago. She plans to present her preliminary research findings to the National Institutes of Health, which she hopes will fund further studies.

"The hardest thing in clinical research is to get that first start, when you can begin to accumulate data," says Kramer. "I couldn't have even begun to do this research without the support I got from the National Kidney Foundation." Support second only to that which came from a certain dialysis nurse. "My mom is very proud of me and the work I do," says Kramer. "And, of course, she takes the credit." ■

Photo: Erica Berger



RESEARCH

Research is the National Kidney Foundation's investment in the future of our patients. This year we spent more than $3 million on studies whose dividends will ultimately pay off as we gain a clearer understanding of what causes kidney disease and how it can best be treated. The NKF currently supports the work of researchers around the country through our Research Fellow, Young Investigator and Clinical Scientist initiatives.

Understanding the Causes

Diabetes and high blood pressure together are responsible for nearly 75 percent of the new cases of kidney failure in the U.S. each year. Our researchers are busy at work studying these two diseases. For example, Holly Kramer, MD, MPH, is studying high blood pressure in African Americans (see story page 29). Anagha V. Jain, MD, an NKF Research Fellow at Stanford University Medical Center, is conducting studies to determine how diabetes damages the glomeruli or the kidney's filtering units, allowing protein to leak into the urine. Specifically, Dr. Jain hopes to determine what happens to the podocytes—cells that cover the glomeruli. Loss of these cells could allow protein to leak out of the glomeruli. Dr. Jain will examine urine samples for podocytes. In addition to clarifying the route of damage to the glomelruli, this may provide a means to detect the extent of damage to glomeruli in people with diabetic kidney disease.

Research is the NKF's investment in the future of our patients.

Improving Treatments

Dialysis and kidney transplantation are the major treatments for kidney failure. Each year, the foundation sponsors projects that aim to make these treatments even more successful. Here's a look at some of our current studies in this area.

- While kidney transplantation is an effective treatment for people with kidney failure, chronic rejection remains a major cause of loss of the transplant over the long term. High blood pressure is a strong risk factor for poor long-term outcomes in adults and children with kidney transplants. Mark M. Mitsnefes, MD, the recipient of an NKF Clinical Scientist Award at Cincinnati Children's Hospital is studying high blood pressure in children and young adults with kidney transplants. Despite improved blood pressure after the transplant, these patients continue to have a high prevalence of high blood pressure-related complications such as heart problems and reduced function in the transplanted kidney. Dr. Mitsnefes plans to measure daytime and nighttime blood pressure using ambulatory blood pressure monitoring (ABPM). Nighttime blood pressure may be a better predictor of damage to the transplant than blood pressure measured during office visits. If this proves to be the case, 24-hour ABPM will lead to more effective treatment that will improve long-term outcomes in children and young adults.

- Nutrition is one of the most important factors affecting the outcomes of dialysis patients and is the focus of a study by Lara Carpigiani Bezas Pupim, MD, recipient of an NKF Young Investigator Grant at Vanderbilt University in Nashville. Dr. Pupim is evaluating the potential for oral and intravenous nutritional supplements to improve hemodialysis patients' health and well-being.

DeVoe

Photo: Erica Berger

FOCUS ON: ANTHONY DEFEO & MARK DEVOE

When Anthony DeFeo, a retired vascular surgeon and avid golfer, arrived in the office of Mark DeVoe, CEO of the DeVoe Automotive Group in Naples, Florida in 1999, he was struck by an acute case of awe.

"There on Mark's walls were framed photos of him with Arnold Palmer, with Jack Nicklaus, with all kinds of greats," marvels DeFeo. "It was like a Golf Hall of Fame!"

In fact, Dr. DeFeo, a longtime supporter of the National Kidney Foundation, had asked for a meeting with Mr. DeVoe, known as a generous and very shy guy, to ask him to sponsor the first Cadillac Invitational Golf Tournament in Southwest Florida.

Mr. DeVoe has offered both his financial support and resources, sponsoring every tournament since the inaugural event of 2000. And he has no plans to stop. "I have increased the sponsorship amount each year from DeVoe Cadillac," he says, "because the National Kidney Foundation is such a worthy cause, and because of Dr. DeFeo's diligence and dedication."

For his part, Dr. DeFeo says, "Our partnership with Cadillac enables us to promote our event as the premier amateur golf tournament for charity. Our relationship with Cadillac, Pebble Beach and our other national sponsors creates the first class environment that we try to achieve."

A sell-out every year, the Southwest Florida event has so far generated nearly half a million dollars to support the National Kidney Foundation's patient services in the area. Along with the mutual admiration society between DeVoe and DeFeo, there's some healthy competition: DeFeo's team has done well enough to be invited to Pebble Beach to play in the national finals event. DeVoe's has not: "I'm still trying to win so my team can go!" ■

The cast of HBO's hit series "The Sopranos" walks the Kidney Walk in honor of Vincent Curatola (far right) AKA Johnny Sack whose dad is on kidney dialysis

FUNDRAISING

Research to uncover new treatments…screenings to detect early kidney disease…education and resources for professionals caring for chronic kidney disease patients… NKF's myriad activities require support and commitment from dedicated individuals and a multitude of corporate partners. This year, grassroots fundraising from our national signature events grew even stronger and the level of corporate support reached a new high.

Kidney Walk

Kidney Walks were held in 65 markets across the country and drew more than 20,000 walkers in local communities, raising over $2 million in gross revenues during 2004. Amgen and Anemia Lifeline were the presenting sponsors, while Ocean Spray Cranberries, Inc. and Bayer Diagnostics were contributing sponsors.

Cadillac Invitational Golf

The largest corporate-sponsored amateur charity golf tournament series got even larger in 2004. More than 100 Cadillac Invitational Golf events were held around the country, raising a gross total of $6.3 million, with outstanding participation and support from Cadillac dealers around the U.S. Our tournament in Louisville, Kentucky was aligned with a senior PGA Championship event, thanks to our friends at Cadillac. Each year, the top finishers of local tournaments compete in the Cadillac Invitational National Finals at the prestigious Pebble Beach Resorts in Monterey, California.

NKF's myriad activities require support and commitment...

Kidney Cars

Underused cars helped breathe new life into NKF programs through Kidney Cars. Sixty seven cents of every dollar raised through this vehicle donation program goes directly to benefit our activities in research, public health education and patient services. More than 75,000 vehicles were donated to Kidney Cars in 2004, generating $18.9 million.

Making Lives Better Campaign II

NKF's national board of directors launched an aggressive plan to raise $1 million over the next three years to fund the development of a clinical practice guideline on transplantation.

Corporate Partners

More than $13 million was raised from National Corporate Partners to support NKF in the development of clinical practice guidelines for physicians and community-based programs for people at risk of developing kidney disease.

Planned Giving – Heritage Club

There are now nearly 300 members of the Heritage Club. Some have remembered NKF in their wills through bequests, some by making NKF a partial beneficiary of a life insurance policy and some by creating charitable gift annuities and charitable remainder trusts. $1.36 million was generated through planned giving this year.

The National Kidney Foundation is able to continue its important work only through the generosity and support of donors, sponsors and supporters at every level who contribute in a variety of ways to further our life-saving mission.

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Our corporate and organizational partners are key to our success in supporting development of educational programs and sponsorships of major events. We appreciate their dedication to our cause.

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Celebrate *Life*

To make your generous donation today or to learn more about National Kidney Foundation programs visit www.kidney.org/ar

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Mrs. Ada U. DeBold was a founder of the National Kidney Foundation. The Ada DeBold Major Giving Society represents individuals and small businesses who have made generous contributions to further the National Kidney Foundation mission just as Mrs. DeBold made to start our work over 50 years ago.

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(334) 396-9870

National Kidney Foundation of Arizona, Inc.
(602) 840-1644

National Kidney Foundation of Arkansas, Inc.
(501) 664-4343

National Kidney Foundation of Northern California, Inc.
(415) 543-3303

National Kidney Foundation of Southern California, Inc.
(818) 783-8153

National Kidney Foundation of the National Capital Area, Inc.
(202) 244-7900

National Kidney Foundation of Colorado, Montana & Wyoming, Inc.
(720) 748-9991

National Kidney Foundation of Connecticut, Inc.
(860) 257-3770

National Kidney Foundation of the Dakotas, Inc.
(605) 332-7025

National Kidney Foundation of the Delaware Valley, Inc.
(215) 923-8611

National Kidney Foundation of Florida, Inc.
1(407) 894-7325

National Kidney Foundation of Georgia, Inc.
(770) 452-1539

National Kidney Foundation of Hawaii, Inc.
(808) 593-1515

National Kidney Foundation of Illinois, Inc.
(312) 321-1500

National Kidney Foundation of Indiana, Inc.
(317) 722-5640

National Kidney Foundation of Iowa, Inc.
(319) 369-4474

National Kidney Foundation of Kansas & Western Missouri, Inc.
(913) 262-1551

National Kidney Foundation of Kentucky, Inc.
(502) 585-5433

Living organ donors from around the U.S. gathered at the 2004 U.S. Transplant Games. *Photo: Eric Miller*

NATIONAL KIDNEY FOUNDATION AFFILIATES

National Kidney Foundation of Louisiana, Inc.
(504) 861-4500

National Kidney Foundation of Maine, Inc.
(207) 772-7270

National Kidney Foundation of Maryland, Inc.
(410) 494-8545

National Kidney Foundation of Massachusetts, Rhode Island, New Hampshire & Vermont, Inc.
(781) 278-0222

National Kidney Foundation of Michigan, Inc.
(734) 222-9800

National Kidney Foundation of Minnesota, Inc.
(952) 544-7300

National Kidney Foundation of Mississippi, Inc.
(601) 981-3611

National Kidney Foundation of Eastern Missouri & Metro-East, Inc.
(314) 961-2828

National Kidney Foundation of Nebraska, Inc.
(402) 572-3180

National Kidney Foundation of Central New York, Inc.
(315) 476-0311

National Kidney Foundation of Greater New York, Inc.
(212) 889-2210

National Kidney Foundation of Northeast New York, Inc.
(518) 458-9697

National Kidney Foundation of Upstate New York, Inc.
(585) 697-0874

National Kidney Foundation of Western New York, Inc.
(716) 835-1323

National Kidney Foundation of North Carolina, Inc.
(704) 552-1351

National Kidney Foundation of Ohio, Inc.
(614) 481-4030

National Kidney Foundation of Oklahoma, Inc.
(405) 947-6405

National Kidney Foundation of Oregon & Washington, Inc.
(503) 963-5364

National Kidney Foundation of Western Pennsylvania, Inc.
(412) 261-4115

National Kidney Foundation of South Carolina, Inc.
(803) 799-3870

National Kidney Foundation of East Tennessee, Inc.
(865) 688-5481

National Kidney Foundation of Middle Tennessee, Inc.
(615) 383-3887

National Kidney Foundation of West Tennessee, Inc.
(901) 683-6185

National Kidney Foundation of North Texas, Inc.
(214) 351-2393

National Kidney Foundation of the Texas Coastal Bend, Inc.
(361) 884-5892

National Kidney Foundation of South & Central Texas, Inc.
(210) 829-1299

National Kidney Foundation of Southeast Texas, Inc.
(713) 952-5499

National Kidney Foundation of West Texas, Inc.
(806) 799-7753

National Kidney Foundation of Utah & Idaho, Inc.
(801) 226-5111

National Kidney Foundation of the Virginias, Inc.
(804) 288-8342

National Kidney Foundation of Wisconsin, Inc.
(262) 821-0705

REPORT OF INDEPENDENT AUDITORS

The Board of Directors
National Kidney Foundation, Inc.

We have audited the accompanying balance sheet of the National Kidney Foundation, Inc. (the "Foundation") as of June 30, 2004, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Foundation's 2003 financial statements and, in our report dated August 29, 2003, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the National Kidney Foundation, Inc. at June 30, 2004, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

New York, NY
September 10, 2004

Ernst + Young LLP

National Kidney Foundation, Inc. | Balance Sheets

	June 30	
	2004	**2003**
Assets		
Cash and cash equivalents	**$4,873,652**	$2,971,774
Investments *(Note 3)*	**11,190,845**	9,771,791
Investments held under split-interest agreements *(Notes 3 and 12)*	**571,328**	476,775
Due from Affiliates, principally share of affiliate contributions, less allowance for uncollectible amounts of $200,000 in 2004 and $170,000 in 2003	**2,100,736**	2,227,930
Other receivables *(Note 4)*	**570,481**	587,460
Inventories	**735,068**	688,812
Prepaid expenses	**1,771,766**	743,545
Fixed assets, at cost, less accumulated depreciation and amortization of $472,176 in 2004 and $306,537 in 2003 *(Note 5)*	**527,840**	319,005
Other assets	**37,240**	32,240
Total assets	**$22,378,956**	$17,819,332
Liabilities and net assets		
Accounts payable and accrued expenses	**$2,307,842**	$2,139,713
Payable to beneficiaries and Affiliates *(Note 12)*	**268,706**	213,103
Funds held in trust	**381,556**	228,043
Deferred income	**5,449,248**	3,022,125
Total liabilities	**8,407,352**	5,602,984
Commitments and contingencies *(Notes 7 and 8)*		
Net assets:		
Unrestricted	**3,430,571**	2,631,069
Temporarily restricted *(Note 10)*	**10,366,796**	9,411,042
Permanently restricted *(Note 11)*	**174,237**	174,237
Total net assets	**13,971,604**	12,216,348
Total liabilities and net assets	**$22,378,956**	$17,819,332

See accompanying notes.

National Kidney Foundation, Inc. | Statement of Activities

Year ended June 30, 2004 with
summarized financial information for the year ended June 30, 2003

	Unrestricted	Temporarily Restricted	Permanently Restricted	2004 Total	2003 Total
Support, revenue and reclassifications					
Support from the public:					
Received directly—contributions	**$934,602**	**$174,928**	**$ –**	**$1,109,530**	$1,842,812
Received indirectly—share of Affiliate contributions	**7,960,805**	**133,994**	**–**	**8,094,799**	7,163,652
Total support from the public	**8,895,407**	**308,922**	**–**	**9,204,329**	9,006,464
Revenue:					
Program service support and fees	**13,505,965**	**–**	**–**	**13,505,965**	8,267,601
Royalties	**1,406,225**	**–**	**–**	**1,406,225**	1,357,835
Dues—professional members	**730,208**	**–**	**–**	**730,208**	774,839
Investment income, including net realized and unrealized gain on appreciation of securities of $1,275,754 in 2004 and $681,805 in 2003	**24,380**	**1,532,112**	**–**	**1,556,492**	345,022
Other, net	**366,868**	**–**	**–**	**366,868**	324,572
Total revenue and support	**24,929,053**	**1,841,034**	**–**	**26,770,087**	20,076,333
Net assets released from restrictions *(Note 10)*	**885,280**	**(885,280)**	**–**	**–**	–
Total support, revenue and reclassifications	**25,814,333**	**955,754**	**–**	**26,770,087**	20,076,333
Expenses					
Program services:					
Research	**3,040,245**	**–**	**–**	**3,040,245**	2,793,435
Public health education	**1,948,138**	**–**	**–**	**1,948,138**	2,029,240
Professional education	**7,703,907**	**–**	**–**	**7,703,907**	5,141,868
Patient services	**4,917,675**	**–**	**–**	**4,917,675**	3,398,790
Assistance to Affiliates	**4,007,606**	**–**	**–**	**4,007,606**	3,003,232
Total program services	**21,617,571**	**–**	**–**	**21,617,571**	16,366,565
Supporting services:					
Fundraising	**1,114,550**	**–**	**–**	**1,114,550**	1,229,809
Management and general	**2,282,710**	**–**	**–**	**2,282,710**	1,819,326
Total supporting services	**3,397,260**	**–**	**–**	**3,397,260**	3,049,135
Total expenses	**25,014,831**	**–**	**–**	**25,014,831**	19,415,700
Change in net assets	**799,502**	**955,754**	**–**	**1,755,256**	660,633
Net assets at beginning of year	**2,631,069**	**9,411,042**	**174,237**	**12,216,348**	11,555,715
Net assets at end of year	**$3,430,571**	**$10,366,796**	**$174,237**	**$13,971,604**	$12,216,348

See accompanying notes.

National Kidney Foundation, Inc. | Statement of Cash Flows

	Year ended June 30	
	2004	**2003**
Cash flows from operating activities		
Change in net assets	**$ 1,755,256**	$ 660,633
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	**165,639**	145,819
Bad debts expense	**140,950**	25,000
Net realized and unrealized (gains) on investments	**(1,275,754)**	(681,805)
(Increase) decrease in assets:		
Cash and investments held in trust	**–**	163,560
Due from Affiliates	**(13,756)**	64,091
Other receivables	**16,979**	364,672
Inventories	**(46,256)**	(64,062)
Prepaid expenses	**(1,028,221)**	(336,992)
Other assets	**(5,000)**	–
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	**168,129**	(1,078,914)
Payable to beneficiaries and Affiliates	**55,603**	92,710
Funds held in trust	**153,513**	(163,561)
Deferred income	**2,427,123**	1,352,428
Net cash provided by operating activities	**2,514,205**	543,579
Cash flows from investing activities		
Purchases of fixed assets	**(374,474)**	(126,772)
Proceeds from sale of investments	**1,666,896**	10,209,833
Purchases of investments	**(1,904,749)**	(9,614,769)
Net cash (used in) provided by investing activities	**(612,327)**	468,292
Net increase in cash and cash equivalents	**1,901,878**	1,011,871
Cash and cash equivalents at beginning of year	**2,971,774**	1,959,903
Cash and cash equivalents at end of year	**$ 4,873,652**	$ 2,971,774
Supplemental disclosure of cash flow information		
Unrelated business income taxes paid	**$ 16,345**	$ 22,458

See accompanying notes.

National Kidney Foundation, Inc. | Statement of Functional Expenses

Year ended June 30, 2004 with summarized financial information for the year ended June 30, 2003

	Program Services						Supporting Services			Total Program and Supporting Services	
	Research	Public Health Education	Professional Education	Patient Services	Assistance to Affiliates	Total	Fund-Raising	Management and General	Total	2004	2003
Salaries	$222,420	$530,606	$857,346	$724,408	$1,552,423	$3,887,203	$528,968	$1,032,840	$1,561,808	$5,449,011	$5,070,291
Employee benefits	40,384	100,961	161,536	131,248	282,689	716,818	100,960	191,825	292,785	1,009,603	902,854
Payroll taxes	19,872	49,681	79,489	64,585	139,106	352,733	49,681	94,394	144,075	496,808	426,791
Awards and grants *(Note 8)*	2,392,685	–	–	–	–	2,392,685	–	–	–	2,392,685	2,002,832
Professional fees and contract services	30,782	99,067	545,577	166,025	303,237	1,144,688	65,282	198,354	263,636	1,408,324	953,823
Office supplies and expenses	16,801	41,244	63,165	52,527	101,901	275,638	38,263	70,176	108,439	384,077	513,659
Telephone	7,875	16,391	25,396	21,150	41,842	112,654	16,525	29,262	45,787	158,441	145,989
Postage and shipping	8,909	97,948	46,882	104,373	55,571	313,683	20,656	38,154	58,810	372,493	271,300
Building occupancy	32,538	81,345	130,152	113,883	235,901	593,819	65,076	154,556	219,632	813,451	587,452
Insurance	2,624	4,199	5,773	4,986	84,038	101,620	4,311	6,671	10,982	112,602	108,049
Printing and publications	1,092	217,961	597,683	210,278	1,092	1,028,106	1,170	6,183	7,353	1,035,459	908,911
Meetings and travel —volunteers	–	–	–	–	225,010	225,010	–	358,999	358,999	584,009	404,960
Meetings and travel —staff	11,880	70,567	88,387	81,332	83,275	335,441	29,701	56,432	86,133	421,574	442,296
Meetings and travel —medical	3,636	3,868	40,533	48,897	–	96,934	–	–	–	96,934	92,795
Transplant games	–	100,002	–	100,002	–	200,004	–	–	–	200,004	300
Special projects programs	50,130	448,417	4,870,583	3,167,989	253,569	8,790,688	–	–	–	8,790,688	5,164,241
Special projects marketing	–	159,579	–	–	478,736	638,315	159,579	–	159,579	797,894	763,782
Scientific and public policy	115,177	135,207	50,077	105,161	95,146	500,768	–	–	–	500,768	528,842
Subscriptions and publications	–	13,685	–	9,617	–	23,302	4,069	–	4,069	27,371	34,231
Membership dues and support	14,541	14,541	14,541	14,542	–	58,165	–	–	–	58,165	54,948
Miscellaneous expenses	45,064	32,725	82,925	54,835	48,446	263,995	19,824	29,343	49,167	313,162	193,220
	3,016,410	2,217,994	7,660,045	5,175,838	3,981,9822	2,052,269	1,104,065	2,267,189	3,371,254	25,423,523	19,571,566
Depreciation and amortization	23,835	17,309	43,862	29,003	25,624	139,633	10,485	15,521	26,006	165,639	145,819
	3,040,245	2,235,303	7,703,907	5,204,841	4,007,606	22,191,902	1,114,550	2,282,710	3,397,260	25,589,162	19,717,385
Less cost of sales	–	(287,165)	–	(287,166)	–	(574,331)	–	–	–	(574,331)	(301,685)
Total expenses reported by function in the statement of activities	$3,040,245	$1,948,138	$7,703,907	$4,917,675	$4,007,606	$21,617,571	$1,114,550	$2,282,710	$3,397,260	$25,014,831	$19,415,700
Current year's percentages	12.15%	7.79%	30.80%	19.66%	16.02%	86.42%	4.46%	9.12%	13.58%	100.00%	–
Last year's percentages	14.39%	10.45%	26.48%	17.51%	15.47%	84.30%	6.33%	9.37%	15.70%	–	100.00%

See accompanying notes.

1. Organization and Summary of Significant Accounting Policies

The National Kidney Foundation, Inc. (the "Foundation"), headquartered in New York City, has chartered a network of 49 Affiliates 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. The Foundation is committed to making lives better. Through programs of research, patient services, continuing professional education, public education, health policy development and fund-raising, the Foundation is seeking the total answer to kidney and urological diseases—prevention, treatment and cure.

Founded in 1950 to address the critical impact of these diseases, the Foundation conducts nationwide educational campaigns about the role of the kidney in health and disease and organ donation and transplantation of all organs. The Foundation maintains a Washington office to help the Foundation represent the needs of those afflicted with renal failure, and supports an extensive scientifically meritorious research program. The Foundation's office in Kansas City provides services and assistance to all Foundation Affiliates regarding organizational and fund-raising matters.

Under the provisions of a charter with the Foundation, each Affiliate must meet minimum criteria requirements regarding organizational structure, program services, fund-raising practices and the like. Pursuant to the charter and the Foundation's bylaws, each Affiliate shares a portion of income received directly with the Foundation. Similarly, a portion of income received directly by the Foundation is allocated to the appropriate Affiliate under stipulated policies.

Fund Accounting and Net Asset Classifications

To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the Foundation's accounts are maintained in accordance with the principles of fund accounting. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into three net asset classes: unrestricted, temporarily restricted and permanently restricted.

1. Organization and Summary of Significant Accounting Policies (continued)

Unrestricted Net Assets: Unrestricted net assets include expendable resources over which the Foundation's Board of Directors has discretionary control and are used to carry out the Foundation's operations in accordance with its bylaws. Included in unrestricted net assets are funds used to account for fixed asset acquisitions, improvements and related activities.

Temporarily Restricted Net Assets: Temporarily restricted net assets include resources expendable only for those purposes specified by the donor or grantor. The restrictions are satisfied either by the passage of time or by actions of the Foundation.

Permanently Restricted Net Assets: Permanently restricted net assets include resources subject to donor-imposed stipulations that they be maintained permanently by the Foundation.

Support and Revenue

Grants and contributions are recorded as revenue when received or pledged unconditionally, at fair value. Contributions received with donor stipulations that limit the use of the donated assets are reported as temporarily restricted support. When a donor restriction expires, that is, when a time restriction ends or purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Due from Affiliates and Share of Affiliate Contributions

The Foundation and its Affiliates have agreements under which a portion of contributions received by Affiliates is shared with the Foundation. Amounts received but not remitted by Affiliates are recorded by the Foundation as due from Affiliates. The Affiliates' share of contributions solicited by Affiliates and received directly by the Foundation is credited to Affiliate receivables.

From time to time, the Foundation makes cash advances or short-term loans to various Affiliates for the purpose of funding operations. The loans are interest bearing (at approximately 5% per annum) and repayable based on

mutually agreeable terms. These advances and short-term loans are included in due from Affiliates in the accompanying balance sheets.

1. Organization and Summary of Significant Accounting Policies (continued)

Expense Allocations

Expenses by function have been allocated among program and supporting services classifications on the basis of time records and analyses made by the Foundation's management.

Deferred Income

Deferred income consists primarily of amounts received for membership dues, journal subscriptions and advances for contracted programs that apply to future periods. Membership dues and subscription revenue are recognized as revenue over the respective membership and subscription periods. Revenues and expenses related to contracted programs are recognized upon progression of the program in accordance with the applicable agreement.

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 volunteers' services has not been reflected in the accompanying financial statements as it does not meet the criteria for revenue recognition established by Statement of Financial Accounting Standards No. 116, *Contributions Received and Contributions Made.*

Cash and Cash Equivalents

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

Inventories

Inventories, which consist of educational publications in print and on CD-ROM, are stated at the lower of cost or market determined by the first-in, first out method.

1. Organization and Summary of Significant Accounting Policies (continued)

Investments

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the accompanying balance sheets. Fair values are based on quoted market prices. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Fixed Assets

Fixed assets are stated on the basis of cost or, as to donated assets, fair value on the date donated. Depreciation is computed by the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the remaining period of the lease.

Summarized Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2003 from which the summarized information was derived.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification

Certain amounts in the 2003 financial statements have been reclassified to conform to the 2004 presentation.

2. Tax-Exempt Status

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. Contributions to the Foundation are deductible for income tax purposes to the maximum extent allowed under the Code.

3. Investments

At June 30, 2004 and 2003, investments consisted of the following:

	Fair Value	
	2004	**2003**
International equity fund	**$2,371,588**	$1,907,210
Fixed income securities fund	**3,712,494**	3,095,032
iShares	**5,658,887**	5,070,646
Cash and U.S. Government securities	**19,204**	175,678
	$11,762,173	$10,248,566

Included in the above are assets held under split-interest agreements (see Note 12).

At June 30, 2004 and 2003, investments include investments held in trust of $381,556 and $228,043, respectively.

4. Contributions Receivable

Included in other receivables are contributions receivable which represent unconditional promises to give. At June 30, 2004, these contributions receivable, the noncurrent portion discounted (at a rate of 6%) to present value, are due to be collected as follows:

Within one year	$90,000
One to five years	120,000
Discount to present value	(42,528)
	$167,472

5. Fixed Assets

Furniture and equipment, leasehold improvements, capitalized software and accumulated depreciation and amortization as of June 30, 2004 and 2003 are as follows:

	2004	**2003**
Furniture and equipment	**$780,989**	$540,608
Leasehold improvements	**153,931**	66,454
Capitalized software	**65,096**	18,480
	1,000,016	625,542
Less accumulated depreciation and amortization	**472,176**	306,537
	$527,840	$319,005

6. Retirement/Savings Plan

The Foundation has a contributory retirement/savings plan. The plan 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 June 30, 2004 and 2003 amounted to approximately $439,000 and $400,000, respectively.

7. Commitments

The Foundation occupies premises under operating leases in effect through 2019. Approximate future minimum lease payments are as follows:

2005	$657,000
2006	627,000
2007	574,000
2008	587,000
2009	601,000
Thereafter	6,070,000
	$9,116,000

7. Commitments (continued)

Rent expense approximated $799,000 and $570,000 for the years ended June 30, 2004 and 2003, respectively.

The Foundation has a line of credit not to exceed $1,000,000 at June 30, 2004. At June 30, 2004, there were no balances outstanding under this credit line.

8. Litigation

The Foundation is currently the plaintiff involved in a litigation matter with a former affiliate involving claims and counterclaims. The matter is in its preliminary stages and the outcome is unknown. However, the Foundation does not believe that the outcome will have a material effect on its financial position or changes in net assets.

9. Awards and Grants

As of June 30, 2004 and 2003, the Foundation has entered into conditional multi-year research grant commitments. The Foundation has awarded research grants of approximately $2,393,000 and $2,002,000 for the years ended June 30, 2004 and 2003, respectively.

The Foundation's program services include funding for research grants to be conducted in the future, generally over a period of years. The outstanding commitments for research projects at June 30, 2004 are scheduled for funding approximately as follows:
2005—$1,212,500 and 2006—$50,000. These projects will be funded by unrestricted and certain temporarily restricted net assets and support and revenue to be generated by the Foundation.

10. Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted for the following purposes at June 30, 2004 and 2003:

	2004	2003
Research Endowment Funds	**$10,352,850**	$9,401,449
Transplant Games—travel support	**9,593**	9,593
Enuresis Research	**4,353**	–
	$10,366,796	$9,411,042

10. Temporarily Restricted Net Assets (continued)

Temporarily restricted net assets were released from restrictions in fiscal 2004 and 2003 as follows:

	2004	**2003**
Research Endowment Funds	**$604,016**	$689,447
Other research	**240,460**	260,574
Other	**40,804**	78,298
	$885,280	$1,028,319

11. Permanently Restricted Net Assets

Permanently restricted net assets consist of restricted funds for investment that are to be held in perpetuity with income available to support clinical research in enuresis.

12. Split-Interest Agreements

The Foundation has a program to receive 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, at which time the remaining assets are available for unrestricted use of the Foundation.

At June 30, 2004 and 2003, the total assets held under split-interest agreements were $571,328 and $476,775, respectively, at fair value. The actuarial present value of the Foundation's interest in the gift annuities was $229,997 and $187,573 at June 30, 2004 and 2003, respectively, and was calculated using interest rates ranging from 5% to 6%.

12. Split-Interest Agreements (continued)

Payable to beneficiaries and Affiliates as of June 30, 2004 and 2003 consists of the following:

	2004	2003
Payable to beneficiaries	**$138,154**	$104,025
Payable to Affiliates	**130,552**	109,078
	$268,706	$213,103

Payable to beneficiaries is the present value of the expected future cash flows to be paid to the beneficiaries. Payable to Affiliates is the shared beneficial interest due to the Foundation's Affiliates.

National Kidney Foundation, Inc. | Notes to Combined Financial Statements

The Foundation follows the standards of accounting and reporting for voluntary health and welfare agencies developed by the National Health Council and National Social Welfare Assembly. The cost of capitalized Fixed Assets is depreciated by the straightline method over their useful lives.

Note: Expenses have been allocated to various classifications by using time records and estimation.

Note: The accompanying combined financial statements have been prepared by the National Office from the individual financial reports of each Affiliate and are not covered by the report of Ernst&Young LLP. Each of the individual Affiliate financial statements has been audited by other auditors as a separate entity, and those reports are available from the Affiliate upon request.

National Kidney Foundation, Inc. | Combined Balance Sheet

National Office and its Affiliates (unaudited) June 30, 2004

ASSETS

Cash and Cash Equivalents	$23,811,806
Investments	29,593,161
Accounts Receivable	5,953,684
Inventories of Educational & Campaign Material	800,728
Prepaid Expenses	2,694,015
Property, Plant, and Equipment (at cost)	5,199,476
Other Assets	785,893
Total Assets	$68,838,763

LIABILITIES AND NET ASSETS

Loans Payable	$622,952
Accounts Payable & Accrued Expenses	7,362,389
Deferred Income	6,453,490
Other Liabilities	431,067
Total Liabilities	$14,869,898
Net Assets:	
Unrestricted	34,164,596
Temporarily Restricted	17,359,385
Permanently Restricted	2,444,884
Total Net Assets	53,968,865
Total Liabilities and Net Assets	$68,838,763

Note: Figures from the following Affiliates were not received when this Annual Report went to press: NKF of Texas Coastal Bend and NKF of Minnesota.

National Kidney Foundation, Inc. | Combined Statement of Activities

Combined Statement of Activities (unaudited) National Office and Its Affiliates Year ended June 30, 2004

	Unrestricted	Temporarily Restricted	Permanently Restricted	2004 Total
SUPPORT, REVENUE AND RECLASSIFICATIONS:				
Support from the Public:				
Received Directly:				
Contributions	$16,253,814	$3,992,068	$135,328	$20,381,210
Special Events Revenue	26,946,720	430,842	0	27,377,562
Less: Direct Benefit Costs	(11,154,797)	(32,199)	0	(11,186,996)
Net Support from Special Events	15,791,923	398,643	0	16,190,566
Received Indirectly:				
United & Federated Funds	835,569	319,626	0	1,155,195
Combined Federal Campaign	587,420	0	0	587,420
Total Support from the Public	33,468,726	4,710,337	135,328	38,314,391
Government Grants	2,895,706	214,585	0	3,110,291
Other Revenue:				
Program Service Fees	14,260,353	157,022	0	14,417,375
Membership Dues	805,127	0	0	805,127
Sale of Literature & Drugs (net of expense $ 463,897)	400,422	1,340	0	401,762
Investment Income	1,176,906	1,560,864	33,133	2,770,903
Sale of Donated Vehicles	6,017,821			6,017,821
Less: Cost of Sale & Selling Expenses	(3,766,172)			(3,766,172)
Net Sales of Donated Vehicles	2,251,649	0	0	2,251,649
Miscellaneous and Other Income	2,191,514	0	0	2,191,514
Total Other Revenue	21,085,971	1,719,226	33,133	22,838,330
Total Support and Revenue	57,450,403	6,644,148	168,461	64,263,012
Net assets released from restrictions	5,821,434	(5,818,342)	(3,092)	0
Total Support, Revenue, and reclassifications	63,271,837	825,806	165,369	64,263,012
EXPENSES:				
Program Services:				
Research	5,375,709	0	0	5,375,709
Public Health Education	8,757,083	0	0	8,757,083
Professional Education	10,207,220	0	0	10,207,220
Patient Services	15,398,510	0	0	15,398,510
Community Services	8,009,543	0	0	8,009,543
Total Program Services	47,748,065	0	0	47,748,065
Supporting Services:				
Fund Raising	5,790,639	0	0	5,790,639
Management & General	5,153,094	0	0	5,153,094
Total Supporting Services	10,943,733	0	0	10,943,733
Total Expenses	58,691,798	0	0	58,691,798
Change in Net Assets	4,580,039	825,806	165,369	5,571,214
Net Assets at beginning of year, as restated	29,584,557	16,533,579	2,279,515	48,397,651
Net Assets at end of year	$34,164,596	$17,359,385	$2,444,884	$53,968,865

National Kidney Foundation, Inc. | Combined Statement of Cash Flows

(unaudited) National Office and Its Affiliates Year ended June 30, 2004

Cash Flows from operating activities	**2004**
Change in net assets	$5,571,214
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	804,181
Unrealized loss on investment	(1,998,680)
Loss on Disposal of Fixed Assets	6,772
Donated Stocks	(34,731)
Donation of Fixed Assets	0
Donation of Vehicles	(714,747)
Realized Gain on Investments	(140,635)
Changes in operating assets and liabilities	
Accounts Receivable	(97,254)
Inventories of Educational & Campaign Material	(57,157)
Prepaid Expenses	(1,321,958)
Other Assets	(450,077)
Accounts Payable & Accrued Expenses	388,934
Deferred Income	2,808,631
Other Liabilities	175,743
Net cash provided by operating activities	4,940,236
Cash flows from investing activities	
Purchases of fixed assets	(880,841)
Proceeds from disposition of equipment	7,795
Proceeds from disposition of donated vehicles	714,557
Proceeds from sale of investments	7,139,583
Purchases of investments	(7,998,712)
Net cash used in investing activities	(1,017,618)
Cash flows from financing activities	
Proceeds from contributions restricted for investment in endowment	(210,356)
Contributions to Endowment	4,616
Proceeds from Loans Payable	121,996
Payments of Loans Payable	(264,483)
Net cash used in financing activities	(348,227)
Net increase in cash and cash equivalents	3,574,391
Cash and cash equivalents at beginning of year	20,237,415
Cash and cash equivalents at end of year	$23,811,806
Supplemental disclosure of cash flow information	
Interest paid	6,580
Income taxes paid	2,083
Noncash Investing and Financing Activities-In kind donations	429,005

National Kidney Foundation, Inc. | Combined Functional Expenses

(unaudited) National Office and its Affiliates Year ended June 30, 2004

	Program Services					Supporting Services		Total Program and Supporting Services
	Research	Public Health Education	Professional Education	Patient Services	Community Services	Fund Raising	Management and General	2004
Salaries	713,883	3,605,522	1,868,912	4,080,974	3,629,109	2,430,944	2,254,268	$18,583,612
Employee Benefits	104,102	479,954	286,044	570,077	533,215	329,204	353,332	2,655,928
Payroll Taxes	62,141	302,941	163,239	360,206	308,115	203,106	198,688	1,598,436
Awards and Grants	3,442,180	12,293	18,378	82,363	18,616	8,023	5,991	3,587,844
Professional Fees & Contract Services	65,711	454,468	655,302	460,615	442,501	542,521	590,377	3,211,495
Assistance to Patients	38,427	212,246	82,317	4,118,042	107,187	37,662	32,021	4,627,902
Meetings, Symposia & Related Travel	41,664	285,121	451,042	405,183	484,616	180,910	581,548	2,430,084
Special Projects	321,479	1,099,609	4,944,428	3,386,633	787,143	899,511	25,181	11,463,984
Scientific and Public Policy	115,177	135,207	50,077	105,161	95,146	0	0	500,768
Printing, Publication and Audio-Visual	24,570	582,813	669,619	361,002	121,018	261,881	70,698	2,091,601
Office Supplies and Expenses	53,802	368,586	178,587	338,301	248,803	365,983	202,776	1,756,838
Telephone	34,163	128,534	64,933	141,232	114,363	87,786	86,236	657,247
Postage and Shipping	22,035	188,976	87,791	199,967	111,133	153,394	83,468	846,764
Occupancy and Insurance	156,490	541,816	350,376	659,686	621,953	423,979	381,238	3,135,538
Membership Dues and Subscriptions	16,414	38,347	19,515	32,301	5,516	10,242	13,913	136,248
Miscellaneous Expenses	103,764	444,863	220,166	280,968	284,124	692,469	165,380	2,191,734
Unallocated Direct Benefit Costs	0	0	0	0	0	10,286,048	0	10,286,048
Donated Vehicles-Cost of Sales/Selling Exps.	0	0	0	0	0	0	3,766,172	3,766,172
Depreciation	59,707	164,279	97,178	191,962	109,050	70,004	112,001	804,181
Total Expenses	5,375,709	9,045,575	10,207,904	15,774,673	8,021,608	16,983,667	8,923,288	74,332,424
Less: Expenses Netted with revenues on the Statement of Activities:								
Direct Expenses of Special Events	0	0	0	0	0	(11,186,996)	0	(11,186,996)
Cost of Sales	0	(288,492)	(684)	(376,163)	(12,065)	(6,032)	(4,022)	(687,458)
Cost of Sales/Selling Exps Donated Vehicles	0	0	0	0	0	0	(3,766,172)	(3,766,172)
Total Expenses Reported by Function	$5,375,709	$8,757,083	$10,207,220	$15,398,510	$8,009,543	$5,790,639	$5,153,094	$58,691,798
	9.16%	14.92%	17.39%	26.24%	13.65%	9.87%	8.78%	100.00%

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03-25-2004