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FROM OUR LEADERS

Every day, the National Kidney Foundation (NKF) is achieving life-saving results in cities and communities across the U.S. One day, it’s the mom who found out at our free screening that she had early signs of kidney disease, and who is now taking steps to prevent further complications. The next day it’s a kidney transplant recipient who won a gold medal at the Foundation’s Olympic-style U.S. Transplant Games. The next week, it’s the longtime dialysis patient who has newfound courage to speak up and visit his local congressman to advocate for legislation that increases his Medicare benefits, thanks to the Foundation’s patient empowerment initiative.

These are the kind of results that truly define the NKF. Our visual identity was solidified with consistent use of our new logo, and we moved into the next phase of our rebranding initiative. This included taking stock of the truths about the NKF brand, its benefits and personality, and articulating the brand vision that will guide us today and into the future. This process culminated with the development of a brand positioning that signifies what we stand for, and focused all of our efforts. The new positioning statement is life-saving results today, and we are delivering those results in a way that differentiates NKF from its competition—with hope, empowerment and information.

The positioning process pushed us to take a long, hard look at who we are and where we are headed. As a result, we embarked upon a major strategic planning initiative. We identified our key goals and set measurable objectives and strategies to help us reach them. These goals, which support our new positioning, include empowering patients and families, and improving treatment for those at risk and those who are already living with kidney disease.

Through signature Foundation programs such as the Olympic-style U.S. Transplant Games, our ongoing “People Like Us” patient empowerment initiative, the Kidney Early Evaluation Program (KEEP)™ and Kidney Disease Outcomes Quality Initiative (KDOQI)™ clinical practice guideline development process, the NKF is delivering life-saving results to our key constituents—those at risk, patients, organ donors, the medical community and our supporters. As you read through this report, you’ll see exactly how the National Kidney Foundation is combining tangible results with a caring, human touch that is inspiring positive action on so many fronts.

“...THE NKF IS DELIVERING LIFE-SAVING RESULTS TO OUR KEY CONSTITUENTS—THOSE AT RISK, PATIENTS, ORGAN DONORS, THE MEDICAL COMMUNITY AND OUR SUPPORTERS.”
REACHING OUT...

5,000,000 PAGE VIEWS ON OUR WEB SITE, WWW.KIDNEY.ORG

38,000 VOLUNTEERS NATIONWIDE

$2,400,000 SPENT ON RESEARCH ON CHRONIC KIDNEY DISEASE

22,000 PEOPLE RECEIVED FREE SCREENINGS FOR KIDNEY DISEASE

47,500 CONSTITUENT COUNCIL MEMBERS

265,529,182 TOTAL MEDIA IMPRESSIONS

342,000 READERS OF QUARTERLY FAMILY FOCUS NEWSPAPER FOR DIALYSIS PATIENTS, THEIR FAMILY MEMBERS AND HEALTH CARE PROFESSIONALS
When Carrie Conley met Linda Meyers for the first time in a Louisville hotel lobby, she did something that brought tears to both their eyes. “I placed Linda’s hand where her daughter’s kidney was located,” says Conley, a retired teacher who received a life-saving kidney transplant on Mother’s Day 2004. The two women had communicated through letters and a phone call, but hadn’t set eyes on each other until both came to Kentucky for the National Kidney Foundation’s 2006 U.S. Transplant Games. “I loved her already,” says Meyers, 69, of Springfield, Missouri. “Through her, Debbie, my firstborn and only daughter, lives on.”

Debbie Waddell was a 47-year-old mother and grandmother when she suffered multiple brain aneurisms. “Donating her organs, which is what Debbie wanted, changed my life,” says Meyers, who works at a hospital coffee bar. “There isn’t anything I won’t do to promote organ donation. I’ll shout it from rooftops. I miss my daughter every single day, but knowing that her organs are helping others live feels right.”

Conley, who lost her own mother and other relatives to polycystic kidney disease, says she has never felt better. She proved it at the Transplant Games by winning a whopping four medals for everything from swimming to golfing. Throughout every competition, Meyers was rooting her on. “I just kept saying, ‘I’m so proud of you!’ And I was. That girl sure can swim!” Since the transplant, Conley has the strength to swim 20 laps and play 18 holes of golf on a regular basis. “I am so grateful,” she says. “Every Sunday, I pray for Linda and her family and light a candle for Debbie. What Linda did is awesome. I feel very lucky to know her and to honor Debbie by being the healthiest person I can.”
EMPOWERING CONSUMERS WITH KNOWLEDGE ABOUT WHO IS AT RISK AND WHEN TO GET KIDNEY FUNCTION TESTED WAS THE FOCUS OF THIS YEAR’S PUBLIC EDUCATION INITIATIVES. THROUGH FREE KIDNEY SCREENINGS, PUBLIC SERVICE CAMPAIGNS AND COMMUNITY OUTREACH, OUR LIFE-SAVING MESSAGE OF EARLY DETECTION REACHED MILLIONS.
EARLY DETECTION SAVES LIVES

The Foundation’s Kidney Early Evaluation Program (KEEP) is finding kidney disease at the earliest stage when prevention of kidney failure is still possible. This year, KEEP offered free screenings to 22,000 people in communities across the U.S. Although ninety percent of KEEP participants had visited their doctors in the 12 months prior to the screening, most were not aware they could be at risk for chronic kidney disease (CKD). In many cases, doctors were treating high blood pressure and diabetes alone, but not as risk factors for CKD, so the participants had not had their kidney function tested at regular checkups. After the screenings, 60% reported consulting with their doctors about the results and NKF’s treatment recommendations. KEEP is supported by Abbott, Amgen, Novartis Pharmaceuticals, Ortho Biotech Products, L.P., Siemens Medical Solutions Diagnostics, Lifespan, Inc, OceanSpray Cranberries, Inc. and Suplena®.

This year, the NKF helped spark a national conversation on the power of early detection by joining forces with Foundation spokesperson George Lopez in a special episode of his popular ABC TV sitcom, “The George Lopez Show.” “The Kidney Stays in the Picture” episode was followed by a post-show informational announcement. As a result, the National Kidney Foundation received more than 3,500 hits to our Web site and more than 500 calls to our national hotline. NKF distributed hundreds of “Are You at Risk?” brochures and nearly 700 free screenings to 22,000 people in communities across the U.S. Although ninety percent of KEEP participants had visited their doctors in the 12 months prior to the screening, most were not aware they could be at risk for chronic kidney disease (CKD). In many cases, doctors were treating high blood pressure and diabetes alone, but not as risk factors for CKD, so the participants had not had their kidney function tested at regular checkups.

FIRST-EVER WORLD KIDNEY DAY

In March, the Foundation took the lead on promotion for the first-ever World Kidney Day, a newly-established annual health observance designed to raise awareness about risk factors and early detection. Through print public service announcements in USA Today, national radio interviews, and news stories in local papers and TV broadcasts around the country, NKF encouraged Americans to take one positive action that day—to learn their family’s health history and get checked out if they learn they are at risk.

The Foundation was also honored with the ringing of the NASDAQ Closing Bell on World Kidney Day, and our message, NKF logo and 30-second TV spot were given prominence on the NASDAQ screen in New York City’s Times Square throughout the day. The Closing Bell Ceremony was covered by CNBC and Bloomberg Television.

KIDNEY DAY AT SHEA

It was a true home run for health when NKF teamed up with the New York Mets for a special Kidney Awareness Day at Shea Stadium, hosted by NY Mets outfielder Cliff Floyd during an August home game. Floyd, who knew about his dad’s history of kidney disease, made sure to get himself tested and took steps to keep his early kidney disease under control. He taped a TV spot comparing his all-out efforts to perform at the highest levels on the field, to that of his kidneys’ less than stellar performance. He encouraged others to check out their kidneys before it becomes too late. The spot was played repeatedly on the stadium’s Jumbotron during Kidney Awareness Day, and NKF provided informational brochures to thousands of fans seeking to learn more.

CAROLYN PRICE

“Advocate” is far too passive a word for Carolyn Price. The Jackson, Mississippi native is a force of nature who stormed (politely, of course) Capitol Hill in April, along with other “People Like Us” patient advocates. Her mission was to educate lawmakers about the crucial need to allocate money for all aspects of organ donation, ranging from research to financial reimbursement for living donors. Price didn’t stop after successfully enlisting her congressman, Rep. Bennie Thompson, to join the Congressional Kidney Caucus. She also cornered a congressman from Louisiana to request funding for the Organ Donation and Recovery Act. “I can’t even vote for him and he knew it!” reports Price, 55.

When she was just 23, Price’s kidneys began to fail. “To this day, no one knows why,” she says. Though stunned, Price paid close attention to her doctor’s orders, exercised and ate properly, and managed to forestall dialysis until she was 46. Three years later in 1999, she received a transplant at the University of Mississippi Medical Center. Since then, there isn’t much Price, a mother, grandmother and regional manager for BellSouth, won’t do on behalf of the National Kidney Foundation. As an African-American—a population disproportionately affected by kidney disease—Price does extensive outreach work. She speaks at community meetings and health fairs, as well as from church pulpits. She also visits dialysis centers to encourage those who need transplants to move forward, even if they are afraid.

“They see how good I look, how healthy I am. That’s so important to see a living, breathing example of a transplant recipient, particularly an African-American, like them,” she says.

What’s more, the woman who prefers marathon shoe shopping to sports has even competed in the U.S. Transplant Games. “I bowl,” she says, laughing, “and I’m really lousy at it.”

What Price excels at is feeling gratitude for being alive. “In the deepest moment of despair a family who lost their 13-year-old son donated his organs and gave me and others a chance at a normal life,” she says. “How could I not give back?”
FROM THE 74-YEAR-OLD FARMER IN BANCROFT, IDAHO, TO THE 18-YEAR-OLD HIGH SCHOOL STUDENT IN BATON ROUGE, LOUISIANA, THE NKF’S PATIENT SERVICES PROGRAMS REACHED OUT TO MILLIONS OF AMERICANS WITH CHRONIC KIDNEY DISEASE BY OFFERING EASY ACCESS TO VITAL HEALTH INFORMATION, ONGOING PERSONAL SUPPORT AND LIFE-SAVING PROGRAMS.
PATIENT SUPPORT AND EMPOWERMENT

Chronic kidney disease (CKD) can often disrupt the flow of family life and derail personal dreams with lengthy, ongoing treatment and related medical issues that constantly arise. NKF Affiliates around the country are working to empower patients and families to achieve their life and career goals and enjoy socialization. Summer camp programs are offering ways for kids and adults with CKD to reclaim a normal life in the face of kidney disease. College scholarship programs are doing the same for people on dialysis who are seeking retaining. When emergency strikes and power is about to be shut off, medication is running out or the eviction notice is on the door, NKF Affiliates can be relied upon for financial assistance.

KATRINA AFTERMATH

When Hurricane Katrina devastated the Gulf Coast region, local residents and fellow Americans set about trying to repair physical damage and destruction in order to return a sense of normalcy to daily life. Renovating homes proved easier than rebuilding traumatized psyches, especially among those whose personal and professional survival depended on receiving and providing life-saving dialysis treatments in the face of a natural disaster. NKF’s “People Like Us: Stepping Back into Life” initiative is addressing the trauma, despair and depression plaguing the Gulf Coast through a CD-ROM program that offers support and coping tools for patients. The program, to be delivered by professionals, will reach thousands of people on dialysis, as well as kidney care professionals in the New Orleans, Baton Rouge, and Lafayette areas. Every single dialysis social worker in the state will receive one as well.

MARY WENDT

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Mary Wendt listened as the woman spoke haltingly of her feelings of sadness since Hurricane Katrina had devastated her hometown and upended her life. “I’ve got to stop talking about all this loss or I’ll cry,” the woman said quietly. Wendt, a dialysis social worker in New Orleans, comforted the normally stoic patient by saying, “This is the place to cry! Right here!” Though Wendt is kindly and soft-spoken, she also happens to be a veteran social worker who can cut through the thicket of bureaucracy like a chainsaw if it means securing financial aid and other services for her dialysis patients.

DIALYSIS EDUCATION

Dialysis is a life-saving treatment for hundreds of thousands of people with kidney failure, yet the process itself can be complex and misunderstood. NKF’s Patient and Family Council has long been dedicated to tackling issues affecting individuals with kidney disease and their families. This year, it developed nationwide education initiatives to help people facing kidney failure understand the different options available to them, as well as the safest and most effective ways to receive treatment.

NKF Affiliates offered peer mentoring programs to help new patients adjust to life on dialysis by pairing them with seasoned patients who could share the benefit of their own personal experience and offer encouragement and support.

FAMILY FOCUS

The kidney community’s quarterly newspaper, Family Focus, continued to address key issues that touch the lives of people on dialysis and their families. This year’s articles focused on Medicare Part D coverage for dialysis, quality of life issues and disaster preparedness. The newspaper was mailed to every dialysis unit in the country, as well as to 42,000 home subscribers.

Photos: Erica Berger

Profile: Erica Berger

“I am so impressed by my patients… I often think they help me cope more than I help them.”

MARY WENDT

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Katrina has left behind the sort of emotional damage that requires extraordinary training and care. That’s why Wendt, former president of the Foundation’s local Council of Nephrology Social Workers, has helped organize the National Kidney Foundation’s “People Like Us: Stepping Back into Life” program, which was created to help those on dialysis cope with lingering post-Katrina trauma. Social workers throughout Louisiana have received kits that include a two-part audio CD, along with a facilitator’s guide they can use in a classroom setting. Additionally, patients undergoing dialysis can listen individually to a CD about how to get through depression and hear people like themselves tell their personal stories.

“Mary has lost her homes, family, friends, churches, even transportation to and from the dialysis clinic,” says Wendt, a New Orleans native. “They still have to deal with a chronic illness that requires a healthy diet, medications and dialysis. It’s staggering. Most don’t identify what they’re feeling as depression. They say they’re ‘tired’ or ‘stressed.’ We are so grateful for anything that helps us help them to cope.”

Wendt, whose home received only minor damage, says she is profoundly moved by the patients, whose fortitude sets an example for the doctors, social workers and staff. “I am so impressed by my patients,” she says. “They are poor, they’ve been shaken to their core, and with all the stress and the loss of their support systems, they aren’t whiners. I often think they help me cope more than I help them.”
EVERY 11 MINUTES A NEW NAME IS ADDED TO THE ORGAN TRANSPLANT WAITING LIST AND EVERY DAY 18 PEOPLE DIE WHILE WAITING. THROUGH AWARENESS ACTIVITIES AND SUPPORT, THE NKF’S ORGAN DONATION INITIATIVES AIM TO CHANGE THOSE NUMBERS.
THE NATIONAL KIDNEY FOUNDATION
U.S. TRANSPLANT GAMES

The life-saving power of organ donation was portrayed in vivid color this summer as more than 1,200 transplant recipient athletes from around the country played on their own field of dreams at the Olympic-style 2006 U.S. Transplant Games in Louisville, Kentucky. Together with their families and organ donors, over 7,000 Games participants showcased the success of transplantation and encouraged organ donation, as they competed for medals in 12 different sports. At the Donor Recognition Ceremony and the Living Donor Recognition Event, they honored those who gave the gift of life.

Through the participation of high-profile national spokespersons, the event drew widespread media attention to the organ and tissue donor cause. The inspirational personal stories of those American heroes whose lives were touched by organ transplantation, either through giving or receiving the gift of life, were highlighted through coverage by the Associated Press; CNN; National Public Radio; CBS TV; USA Today; Good Housekeeping, Parents, Runner’s World, Prevention magazines and numerous others.

DONOR AWARENESS CAMPAIGNS

The organ donor message was broadcast throughout the year with the NKF’s Donate Life Month Campaign in April and the Holiday Gift of Life initiative at year-end. Both promotions pointed out the weightiness of the number 91,000, especially as it measured lives on the waiting list for organs. The holiday campaign urged consumers to take a break from traditional gift-giving with a new tradition that wouldn’t break the bank: signing up for organ donation. This gift is in the true spirit of personalized, holiday giving that doesn’t cost a cent. The Foundation reminded Americans that one such gift could ultimately make many people happy, since one organ and tissue donor has the potential to save 50 lives.

IMPROVING TRANSPLANT CARE

Two NKF initiatives focused on improving the care and health of transplant recipients over the long term so that they can preserve the gifts bestowed upon them by organ donors. The first was a global conference that laid the groundwork for a new clinical practice guideline on transplantation, funded by the NKF Board of Directors, and the second was a study investigating the awareness of cancer risk among transplant recipients.

The conference, initiated by Kidney Disease: Improving Global Outcomes (KDIGO), an international organization managed by the NKF, focused on reducing the need for second transplants through development and implementation of guidelines. These guidelines will help doctors around the world manage complications associated with kidney transplantation and help recipients live long and healthy lives.

This year, the NKF also launched a long-term initiative addressing levels of awareness among transplant recipients about their increased risk of cancer, and providing education to health care professionals and recipients about the best ways to prevent and treat post-transplant cancer.

EMILY BIONDI

As Emily Biondi racked up medals at the recent U.S. Transplant Games, her father Norman watched with pride and bemusement. Emily, 23, won silver medals in the 100-meter backstroke, the 5K and the 200-meter run, and a gold in the long jump. Her father, a financial planner in Ellicott City, MD, shook his head. “This was a girl who refused to go out for high school sports because of that sweating thing,” he reports wryly.

That’s the thing about Emily—she endures, overcomes and soars, all seemingly without breaking a sweat. Near the end of her sophomore year at Florida Southern College, Emily, a theater and dance major, began to feel so depleted that she could barely get out of bed. Her mother brought her home and eventually doctors discovered the otherworldly fatigue was kidney failure. Emily underwent a blood transfusion and began dialysis. At just 19, she needed a kidney transplant. Her father came to the rescue with “Lefty,” what Emily calls his donated kidney. Lefty has not only saved Emily’s life, but has transformed it.

Emily has taken on a new real-life role as well. “I’m sort of a preacher and poster child for transplantation,” she says. “My doctor calls me when young patients need a transplant, and I go and talk to them. I’m also very involved with Team Maryland, the state Transplant Games Team. It’s a great group.”

Better than the medals, Emily says, was the honor of having sung at the closing ceremonies of the Transplant Games: “It was a fun place to shine and to show that people with organ transplants don’t have to give up. They can live great lives!”

“My doctor calls me when young patients need a transplant, and I go and talk to them.”

Emily is now majoring in health administration and public policy at the University of Maryland, Baltimore County, and plans to work in the area of transplantation or stem-cell research. On weekends, Emily performs at a dinner theater. On Friday nights and Sundays she is Violet Bick in “It’s a Wonderful Life,” and on Saturdays she is Glinda in “The Wizard of Oz.” Last season, she played the lead role in “The Little Mermaid.”

Emily is the first transplant recipient to compete in the U.S. Transplant Games, and she finished third in the 100-meter backstroke. Her father says, “When I see her out on the field...I think of Emily as a winner.”

Emily contends that her new life as an athlete has been a great source of inspiration. “I was hurt initially. Now I feel like my donors gave me a second chance at life, and I’m going to run with it.”

“Lefty was a gift from heaven, I love him.”

“Lefty is a life.”

“Lefty was a gift from heaven, I love him.”

“Lefty is a life.”

“Lefty was a gift from heaven, I love him.”

“My doctor calls me when young patients need a transplant, and I go and talk to them.”
DELIVERING CUTTING EDGE CLINICAL PRACTICE GUIDELINES AND COMPANION TOOLS SO THAT KIDNEY PATIENTS CAN BENEFIT FROM THE LATEST SCIENCE WAS A MAJOR FOCUS THIS YEAR.
KDOQI, now in its 10th year of providing evidence-based recommendations to improve kidney patient care, published new clinical practice guidelines on anemia in chronic kidney disease (CKD) last spring. These are the first guidelines to address diagnosis and management of anemia at all stages of kidney disease. They advocate that all CKD patients be evaluated for anemia—one of the complications of CKD that is most responsive to treatment—and that hemoglobin levels be maintained above 11 grams per deciliter. In addition, the KDOQI clinical practice guidelines for hemodialysis adequacy, peritoneal dialysis adequacy and vascular access were updated and published in July 2006. This represented the second update of these landmark guidelines, which have measurably improved outcomes as increasing numbers of patients have reached target levels established by KDOQI. According to recent reports from the United States Renal Data System, survival rates for dialysis patients have improved since the KDOQI guidelines were originally released in 1997. The latest data shows a 6.5% increase in five-year survival rates for hemodialysis patients and a 14% increase in five-year survival rates for peritoneal dialysis patients.

Based upon these KDOQI publications and through the collaborative dedication of NKF volunteers, NKF’s Kidney Learning System (KLS™) developed innovative tools and informative materials to help physicians and health care professionals implement the recommendations. These include the Dialysis Care Package, a specially designed boxed-set of materials based on the KDOQI 2006 Updates for Hemodialysis Adequacy, Peritoneal Dialysis Adequacy and Vascular Access; Anemia in CKD; and Cardiovascular Disease in Dialysis Patients. This comprehensive educational package consists of manuals, handbooks, patient brochures in both English and Spanish, a CD-ROM and a wall chart. KLS developed additional new materials that will help professionals provide patient education, and offered a wide range of innovative continuing medical education and continuing education (CME/CE) opportunities on a variety of topics including diabetes, cardiovascular disease, anemia, mineral and bone disorders and infectious diseases. CME/CE is developed using multi-media, which expand-eit this year to include downloadable mobile technology accessible via health care providers’ personal digital assistants, or PDAs.

KLS programs were also featured as live symposia, clinical meetings, on-line Webcasts, CD-ROMs and monographs. CME/CE activities are accredited for all disciplines of the health care community, ranging from pharmacists and nurses to dietitians and social workers to dialysis technicians and nephrologists. In addition, KLS addressed the needs of its target audiences by increasing CME/CE opportunities for doctors of osteopathy, family practice physicians, advance practice nurses and physician assistants.

KDOQI’s Kidney Disease Outcomes Quality Initiative (KDOQI)

Leslie Spry is every kidney patient’s dream doctor. A man of science, except for a boundless faith he places in his beloved Cornhuskers, the former farmboy from Broken Bow, Nebraska, is a top notch nephrologist who also happens to be a great guy. “I admire my patients. They are very brave folks,” says Spry, 55. He is the medical director of the Dialysis Center of Lincoln, Nebraska, where he treats patients and participates in research and innovative projects to help improve dialysis care. “They live with a chronic disease. That’s no small thing. My role is to help them cope, to offer them information and care that will make their lives easier.”

“For Dr. Spry, a member of the National Kidney Foundation since 1981 and a frequent media spokesman for the organization, that means educating all Americans about kidney disease. In the early ’80s, Spry developed a patient education effort in St. Louis. It was the seed from which NKF’s "People Like Us" program grew. He helps the NKF develop and review brochures and publications for professionals, patients and the general public. In other words, he writes out the medical jargon and rings in patient-friendly prose.”

“They are frustrated and frightened by dialysis, transplants, the bureaucratic medical maze,” he says. “Facts are important, but if you give people facts in the form of stories they’ll mean something. They will remember them. It’s all about public education, one more way to give people knowledge. Give them information that they pay attention to and learn from, and you can save lives. That’s what I want.”

“People Like Us” program grew. He helps the NKF develop and review brochures and publications for professionals, patients and the general public. In other words, he writes out the medical jargon and rings in patient-friendly prose. “I don’t talk about “glomerulus” when I mean “kidney filter,” he says, laughing. “I’m a translator.” And, at heart, a teacher. He is on the steering committee for an exciting NKF project that will educate patients about dialysis and transplantation through comic strip characters based on real life patients and their stories. “People are frustrated and frightened by dialysis, transplants, the bureaucratic medical maze,” he says. “Facts are important, but if you give people facts in the form of stories they’ll mean something. They will remember them. It’s all about public education, one more way to give people knowledge. Give them information that they pay attention to and learn from, and you can save lives. That’s what I want.”
EMPOWERING OUR CONSTITUENTS TO SPEAK UP WHEN IT COMES TO THEIR OWN HEALTH CARE AND ENSURING THAT THEIR VOICES ARE HEARD BY THE U.S. CONGRESS IS THE FOCUS OF NKF’S ADVOCACY EFFORTS AND THE “PEOPLE LIKE US” INITIATIVE. AS A RESULT, LAWMAKERS PAID INCREASED ATTENTION TO KIDNEY DISEASE AND ORGAN DONATION ISSUES THIS YEAR.
NKF’S “PEOPLE LIKE US”

Through the “People Like Us” program, patient advocates built support for the Foundation’s legislative priorities by contacting and visiting their U.S. congressional delegations to request increases in vital research funding. They also advocated for public policies that advance organ donation and kidney disease education. NKF helped make this happen by providing ongoing advocacy training for patients on issues such as preparing for congressional visits, the roles of key congressional committees and NKF public policy priorities.

In April, the Foundation joined forces with 12 other transplant-related organizations to urge Congress to fund organ donation programs as part of the Organ Donation Recovery and Improvement Act of 2004. The daylong “fly in” included visits to 50 House and Senate offices, where provisions including financial assistance to living organ donors, and extension of Medicare coverage for vital immune-suppressive drugs for kidney transplant recipients, were discussed.

Fewer than half of new kidney failure patients receive the information they need to fully understand their diagnosis and the various treatment options available to them before beginning dialysis treatment. In a valiant attempt to change those numbers, “People Like Us” advocates from across the country flew to Washington, D.C., in June, urging lawmakers to support the Kidney Care Quality and Improvement Act. This comprehensive legislation would provide Medicare coverage of pre-dialysis education, and ensure that Medicare’s payment for dialysis would keep pace with inflation. The advocates participated in nearly 30 congressional meetings. Their hard work paid off when Congress responded in late December by passing a provision that would increase the rate of Medicare payment for dialysis treatment.

Persistence paid off once again this year when the Centers for Disease Control and Prevention (CDC) awarded a grant to NKF for the implementation of a chronic kidney disease (CKD) screening program on both the federal and state levels. The program, which was established in 2006, targets Americans at high risk of CKD in order to detect it early on and improve patient outcomes.

JIM MCDERMOTT

When it comes to power and passion, kidney patients could not dream up a better advocate than U.S. Representative Jim McDermott (D-WA), now serving his 10th term in Congress. His philosophy of public service is, “We can transform common dreams into the common good.”

The first member of his family to graduate from college, McDermott, a Seattle resident, has served his country in a multitude of ways. He’s a physician with a specialization in psychiatry, and he has served in the U.S. military. In 1987, after 16 years in the Washington state legislature, he left politics and headed to Zaire, where he provided psychiatric services to Foreign Service, USAID and Peace Corps workers.

Congressman McDermott is particularly proud of the Northwest Kidney Center in Seattle, created by his friend, the kidney dialysis pioneer and inventor of the Scribner shunt, Dr. Belding Scribner. Together, Congressman McDermott and the Center have shown the advantages of home hemodialysis and more frequent dialysis therapy.

Congressman McDermott has introduced legislation that would promote this as a member of the Ways and Means Committee. “Kidney patients look to political leaders and we must not let them down.”

In 2002, Congressman McDermott established the Congressional Kidney Caucus with Congressman Mark Kirk (R-IL). It is his way of educating his colleagues about the disease and rallying lawmakers to allocate funding for research, prevention and emotional and financial help for those on dialysis or awaiting transplants. In the future, he hopes the Caucus will reach out to new Members of Congress, to educate them about the numerous issues kidney patients face, and the responsibility of political leaders to take positive action on their behalf.

“We each have our heroes. Gandhi is one of mine. Gandhi said, ‘Be the change you want to see in the world.’ Those are words to live by and a philosophy to guide us in making laws that affect the lives of the American people.”
WHAT CAUSES KIDNEY DISEASE? HOW CAN WE PREVENT ITS PROGRESSION TO KIDNEY FAILURE? AND, WHAT CAN WE DO TO IMPROVE QUALITY OF LIFE FOR THOSE WITH KIDNEY DISEASE TODAY? NKF’S RESEARCH PROGRAM AWARDS NEARLY $3 MILLION ANNUALLY TO THE BRIGHTEST MINDS IN SCIENCE SO THAT EVERY DAY WILL BRING US CLOSER TO FINDING THE ANSWERS TO THOSE QUESTIONS. MORE THAN 60 AWARDS ARE GRANTED THROUGH NKF’S RESEARCH FELLOWSHIP, YOUNG INVESTIGATOR AND CLINICAL SCIENTIST PROGRAMS.
CARDOVASCULAR DISEASE
Cardiovascular disease (CVD) is much more common among people with kidney disease than it is in the general population. In fact, CVD is the leading cause of death among kidney patients. The causes of CVD in kidney patients are still being investigated. Denis Glenn, MD, PhD, is an NKF Research Fellow at the University of California at San Francisco. He is exploring the possibility that decreased levels of active vitamin D seen in many kidney patients may be an important factor in their increased risk for CVD. Earlier studies suggested that vitamin D may act directly on heart tissue and may have a protective role in heart failure. Dr. Glenn’s findings may lead to new treatment strategies for CVD in kidney disease.

HIGH BLOOD PRESSURE
High blood pressure is a leading cause of both heart disease and kidney disease. It is the primary diagnosis for a fourth of the patients whose kidneys fail each year in the U.S. However, the causes of high blood pressure are largely unknown. Julie Goodwin, MD, an NKF Research Fellow at Yale University Medical Center, plans to investigate the role of certain drugs known as steroids in causing or exacerbating elevated blood pressure. Dr. Goodwin’s study will involve blocking steroid receptor sites in specific tissues such as the kidneys and blood vessels. She hopes to determine where steroids have the greatest effect on blood pressure and what treatment strategies could be used to prevent this problem.

VASCULAR ACCESS
When kidney disease progresses to kidney failure, treatments such as transplantation or dialysis are needed to maintain life. Hemodialysis is the most common form of kidney replacement therapy. Vascular access, or entrance to the bloodstream, is needed to allow the patient’s blood to travel through a special filter called an artificial kidney for removal of impurities from the blood. Vascular access is an important factor in how well patients do on hemodialysis.

This year, two NKF Research Fellows at the University of Alabama at Birmingham, Jimmy Lee, MD, and Ivan Maya, MD, are exploring ways to improve the use of different types of vascular access. Dr. Lee’s study focuses on arteriovenous fistulas (AVFs), which are the preferred type of access for most hemodialysis patients. Dr. Lee plans to perform ultrasound exams of AVFs at one month after placement to determine whether this will make it possible to increase the number of AVFs that mature and are used successfully.

Dr. Maya’s study focuses on grafts, the second best type of access. His observations are aimed at finding out whether treatment of clotted grafts is more successful when angioplasty, a procedure to open blocked vessels, is combined with placement of a wire mesh tube, or stent, at the affected site.

ROBYN CUNARD
Robyn Cunard had made up her mind to become an engineer, but when life whispered a different plan on a roadside in Upstate New York, she paid attention. At age 16 she became the youngest member of a volunteer ambulance corps in tiny Goshen, New York. “We were called to a tanker accident and the guy was pinned inside,” she recalls. “My job was to hold his hand while the fire guys came in to extract him. It felt right holding his hand, comforting him.” The aspiring engineer was no more. Her future was now in medicine.

These days, the 39-year-old nephrologist is a gifted researcher and recipient of many prestigious awards, including two National Kidney Foundation grants. A staff physician at the Veteran’s Administration Health Care System San Diego and an assistant professor of medicine at the University of California, San Diego, she devotes her time to researching PPAR ligands. Cunard believes that drugs already taken by many people to treat diabetes and high lipids/cholesterol may also help those with kidney disease. She has discovered that PPAR ligands are anti-inflammatory agents, which help fight infections in the body. In her experiments, these ligands have slowed the progression of inflammatory kidney disease in mice.

“I love this research,” she says. “It’s very exciting because it’s practical and clinically relevant.” Cunard, who lives with her journalist husband and their two babies, says she could not have done this research without the NKF. The first grant she received, in 2002, paid for a lab technician. “She is still with me, I’m proud to say,” Cunard reports, then adds wryly, “though I’m very hands-on.”

The NKF’s most recent grant, the Clinical Scientist Award, pays part of Cunard’s salary, enabling her to concentrate on science. “The NKF has given me the most important gift: protected time. Research is impossible without it.”
THIS YEAR, OUR FUNDRAISING ACTIVITIES WERE ALL ABOUT PARTICIPATION. WHETHER THEY WERE EMPLOYEES, FAMILY MEMBERS OF KIDNEY PATIENTS OR GOLFERS, NKF’S DONORS EXPERIENCED FIRSTHAND THE LIFE-SAVING IMPORTANCE OF THE FOUNDATION’S FAR-REACHING PROGRAMS. NEW ALLIANCES WERE FORGED, GRASSROOTS FUNDRAISING GREW STRONGER AND CORPORATE PARTNERSHIPS WERE STRENGTHENED AND EXPANDED.
CB RICHARD ELLIS CARES
In 2006, NKF was chosen by CB Richard Ellis (CBRE), a global market leader in real estate, as a partner for CBRE Cares, their inaugural national corporate philanthropy program. This Fortune 500 company with over 350 offices nationwide encouraged its 10,000 employees to contribute financially and to become personally involved with its partner organizations. NKF and its Affiliates participated in over 50 CBRE Cares campaign kick-off events held around the country. The new corporate partnership is an exciting opportunity for the Foundation to join forces with a dynamic global organization, and to gain more volunteers, more awareness and more funds to support NKF’s life-saving programs.

KIDNEY WALKS
With 72 events held this year in cities around the country, the Kidney Walk has grown tremendously in popularity and success. New initiatives in corporate sponsorship, recruitment and building of the Walk team structure attracted 20,000 walkers and generated nearly $3 million.

GOLF CLASSIC
The National Kidney Foundation Golf Program transitioned to an independent, newly branded platform in 2006. Thousands of golfers participated in 30 NKF Golf Classic signature tournaments that were conducted throughout the country. Along with our continued partnership with Pebble Beach Resorts, NKF’s Golf Classic program secured new national sponsorships with PING and Tourneau, and a media partnership with Cingular Wireless.

HEALTHY KIDNEY 10K
More than 6,000 runners teamed up to learn about kidney health, while raising funds for the NKF as part of the second annual Healthy Kidney 10K Run. The race, held in Central Park in New York City, was sponsored by the Embassy of the United Arab Emirates (UAE) and raised over $200,000. The Healthy Kidney 10K pays tribute to the former UAE president, Sheikh Zayed Bin Sultan Al-Nahyan, who benefited from American expertise, knowledge and research when he received a kidney transplant in 2000.

KIDNEY CARS PROGRAM
Once again, used cars breathed new life into NKF’s myriad of projects through the Kidney Cars Program. This nationwide vehicle donation program continued to see improvements in net returns as a result of new online marketing tactics that have led to a dramatic increase in Internet-based donations. Currently, more than 60% of donations are made on-line, a practice that reduces costs and increases profit. This year, more than 40,000 cars became Kidney Cars, generating nearly $12 million to support our life-saving programs.

When Roy Malkin was asked to be the Honorary Chairman of the 2006 Kidney Walk in Minneapolis, he agreed, but with one caveat: “The local NKF Division had established a fundraising goal of $75,000,” recalls the 61-year-old president and CEO of Minnesota-based Minntech Corporation. “I said that was totally unacceptable. We’ve got to raise in excess of a quarter of a million dollars!”

And Malkin meant it. This first-ever Kidney Walk brought in $275,000. He credits his 375 employees for the core of that success. “We mobilized our team and the rest is history,” he says proudly. “Minntech Magic,” as the walk team was dubbed, began its efforts five months in advance. Employees were able to buy extra vacation days for a Kidney Walk donation of $50 per day for hourly employees, and up to $175 for senior executives. Every subsequent month leading up to the event brought a different team-building, fundraising activity such as the chance to dunk the executives, Malkin included, in a giant water tank.

Malkin presented his prototype program at the NKF’s Kidney Walk Academy, an annual training program for those who organize local Kidney Walks. “I was pleased with the response and I volunteered to go anywhere they needed me to get the word out,” he said.

A former Vietnam era combat and test pilot whose hobbies now include building and flying seaplanes, Malkin also has personal reasons for supporting the NKF. His wife received a kidney from one of their daughters, and their other daughter was born with only one kidney. “But that by no means is the driving factor for my involvement with the National Kidney Foundation,” says Malkin. “It’s the NKF’s mission, its proactive prevention programs and the fact that each day the NKF provides ‘real time’ assistance to those who suffer from kidney disease.”
Corporate Partners

Our corporate and organizational partners are critical to our success in developing and implementing world-class educational initiatives, programs and events. This year, contributions from national corporate partners supported NKF in the development of clinical practice guidelines for physicians, as well as community-based programs for those at risk for kidney disease and those already suffering from kidney disease.
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The Heritage Club, boasting more than 300 members, recognizes the generosity of donors who have designated NKF as beneficiary of planned gifts. Some have remembered the Foundation in their wills through bequests, some have named NKF partial beneficiary of life insurance policies and some have created charitable gift annuities or charitable remainder trusts.

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</tbody>
</table>

**DIVISIONS:**
- National Kidney Foundation Serving the Dakotas and Minnesota
- National Kidney Foundation Serving Greater New York

**DIRECT SERVICES AREAS***:
- Arkansas
- Nevada
- New Mexico
- Oklahoma
- Oregon
- Texas Coastal Bend Area
- Washington

* All local programs and services in these areas are provided directly by the National Organization and can be accessed by calling 800.282.0190.
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, 2006, 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 2005 financial statements and, in our report dated September 12, 2005, we expressed an unqualified opinion on these 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. We were not engaged to perform an audit of the Foundation's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and 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. as of June 30, 2006, 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.

September 12, 2006

Ernst & Young LLP
## Statement of Activities

**Year ended June 30, 2006 with summarized financial information for the year ended June 30, 2005**

### SUPPORT, REVENUE AND RECLASSIFICATIONS

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>2006 Total</th>
<th>2005 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Support from the Public</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Received directly—contributions</td>
<td>$1,111,169</td>
<td>$570,362</td>
<td>$ –</td>
<td>$1,681,931</td>
</tr>
<tr>
<td>Received indirectly—share of Affiliate contributions</td>
<td>6,774,637</td>
<td>–</td>
<td>–</td>
<td>6,774,637</td>
</tr>
<tr>
<td><strong>Total support from the public</strong></td>
<td>7,885,806</td>
<td>$570,362</td>
<td>–</td>
<td>8,456,568</td>
</tr>
</tbody>
</table>

### REVENUE:

- **Program service support and fees**: $20,410,066
- **Royalties**: $1,469,665
- **Dues—professional members**: $769,213
- **Investment income, including net realized and unrealized gain on appreciation of securities of $604,807 in 2006 and $422,140 in 2005**: $295,574
- **Other, net**: $16,183

### EXPENSES:

- **Program services**:
  - Research: $3,006,090
  - Public health education: $4,120,461
  - Professional education: $10,281,072
  - Patient services: $5,338,221

### EXPENSES

- **Program services**:
  - Research: $3,006,090
  - Public health education: $4,120,461
  - Professional education: $10,281,072
  - Patient services: $5,338,221

### CASH FLOWS FROM OPERATING ACTIVITIES

- **Change in net assets**: $675,639
- **Adjustments to reconcile change in net assets to net cash provided by operating activities**:
  - Depreciation and amortization: $158,608
  - Deferred rent: $136,204
  - Write-off of inventory: $72,761
  - Net realized and unrealized gains on investments: $10,845
- **Net cash provided by operating activities**: $1,419,185

### NET ASSETS

- **Beginning of year**: $5,842,613
- **End of year**: $5,601,874

### CASH FLOWS FROM INVESTING ACTIVITIES

- **Purchases of fixed assets**: $(178,468)
- **Proceeds from sale of investments**: $2,032,143
- **Purchases of investments**: $(5,826,429)
- **Net cash used in investing activities**: $(3,972,754)

### NET CASH FLOWS

- **Net cash provided by operating activities**: $1,419,185
- **Net cash used in investing activities**: $(3,972,754)
- **Net cash used by operating activities**: $2,553,569
- **Cash and cash equivalents at beginning of year**: $7,557,759
- **Cash and cash equivalents at end of year**: $5,004,190

### CASH FLOWS FROM FINANCING ACTIVITIES

- **Change in net assets**: $675,639

### UNRELATED BUSINESS INCOME TAXES PAID

- **Years ended June 30**: $250

---

See accompanying notes.
### Statement of Functional Expenses

**Year ended June 30, 2006 with summarized financial information for the year ended June 30, 2005**

<table>
<thead>
<tr>
<th>Function</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$279,655</td>
<td>$270,071</td>
</tr>
<tr>
<td>Benefits</td>
<td>$89,763</td>
<td>$82,830</td>
</tr>
<tr>
<td>Total</td>
<td>$369,418</td>
<td>$352,801</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$313,543</td>
<td>$296,076</td>
</tr>
<tr>
<td>Revenue</td>
<td>$369,418</td>
<td>$352,801</td>
</tr>
<tr>
<td>Total Net Assets</td>
<td>$53,875</td>
<td>$56,725</td>
</tr>
</tbody>
</table>

**Statement of Functional Expenses**

### National Kidney Foundation, Inc.

**Awards and activities** reported by function

<table>
<thead>
<tr>
<th>Function</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing</td>
<td>$29,980</td>
<td>$117,950</td>
</tr>
<tr>
<td>Meetings</td>
<td>$8,087</td>
<td>$18,961</td>
</tr>
<tr>
<td>Building occupancy</td>
<td>$49,640</td>
<td>$148,919</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>$49,640</td>
<td>$148,919</td>
</tr>
</tbody>
</table>

### 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The National Kidney Foundation, Inc. (the “Foundation”), headquartered in New York City, has charted a network of Affiliates and Divisions 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 1966 to address the critical impact of these diseases, 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. The Foundation maintains a Washington office to represent the needs of its constituents by advocating for research and coverage of medications needed by those with kidney failure, and also supports an extensive scientifically meritorious research program. The Foundation’s office in Kansas City provides services and assistance to all Foundation Affiliates regarding organization and fund-raising matters.

Under the provisions of a charter with the Foundation, each Affiliate must meet certain requirements regarding organization structure, program services and fund-raising.

### COMPONENTS OF PROGRAM SERVICES

- **Research:** The Foundation sponsors research that seeks answers to key questions relating to kidney disease. 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.
- **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 dissemination of educational brochures to the public, on-line health guides on the Foundation’s Web site and through media outreach.
- **Professional Education:** The Foundation’s program provides professionals with tools needed to provide optimum patient care. Products provided include toolkits, best practices, medical journals, and professional education conferences.
- **Patient Services:** The patient services programs include initiatives to improve patients’ health and quality of life. Programs include the development of evidence-based practice guidelines for kidney disease treatment, free screening for individuals at risk through the Kidney Early Evaluation Program and patient empowerment programs that encourage patients to take charge of their own health care.

### 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.

**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 acquire fixed asset acquisitions, improvements and related activities.

**Temporarily Restricted Net Assets:** Temporarily restricted net assets include resources subject to donor-imposed stipulations that they be maintained permanently by 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 the Foundation 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 sheet.
1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expense Allocations
The Foundation has policies that generally can be directly identified with program or supporting services to which they relate and are allocated accordingly. Other expenses have been allocated based on program and supporting service classifications primarily on the basis of the employees’ time allocations or other methods determined by management.

Deferred Income
Deferred income consists primarily of amounts received in advance for contracted programs, membership dues and journal subscriptions 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 Receivable and Contributions Made.

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.

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.

Investments and Investment Income
The Foundation carries investments in marketable equity securities (including equity funds) with readily determinable fair values and all investments in debt securities at their fair values in the accompanying balance sheet. Fair values are based on quoted market prices. Income earned from investments, including realized and unrealized gains and losses, is recorded in the net asset class owning the assets with the exception of permanently restricted net assets. Income earned from permanently restricted investments, including realized and unrealized gains and losses, is recorded as deferred revenue for periods of 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 Receivable and Contributions Made.

Furniture and equipment, leasehold improvements, capital assets held under split-interest agreements and contributed capital are capitalized.

5. FIXED ASSETS

Furniture and equipment

<table>
<thead>
<tr>
<th>Year</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$2,393,069</td>
</tr>
<tr>
<td>2005</td>
<td>$1,911,026</td>
</tr>
</tbody>
</table>

Leasehold improvements

<table>
<thead>
<tr>
<th>Year</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$345,031</td>
</tr>
<tr>
<td>2005</td>
<td>$426,508</td>
</tr>
</tbody>
</table>

Capitalized software

<table>
<thead>
<tr>
<th>Year</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$175,647</td>
</tr>
<tr>
<td>2005</td>
<td>$65,096</td>
</tr>
</tbody>
</table>

Less accumulated depreciation

<table>
<thead>
<tr>
<th>Year</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$134,133</td>
</tr>
<tr>
<td>2005</td>
<td>$117,665</td>
</tr>
</tbody>
</table>

Net book value

<table>
<thead>
<tr>
<th>Year</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$379,036</td>
</tr>
<tr>
<td>2005</td>
<td>$243,843</td>
</tr>
</tbody>
</table>

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 plan, contributions are made under Section 403(b) of the Code. The Foundation is also subject to all provisions of the Code and has been classified as a publicly supported charitable organization under Section 509(a)(3) of the Code. The Foundation also amortizes 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.

7. COMMITMENTS

The Foundation occupies premises under noncancelable operating leases in effect through 2019. Under the terms of these leases and rental payments increase annually. However, for financial statement purposes, rent expense is recognized on the straight-line basis over the term of the lease. The difference between rental payments made under the lease and rent expense calculated on the straight-line basis is recorded as deferred revenue. As of June 30, 2006 and 2005, the deferred rent of approximately $227,000 and $91,000 is reflected in accounts payable and accrued expenses in the accompanying balance sheet.

Rent expense approximated $1,127,000 and $953,000 for the years ended June 30, 2006 and 2005, respectively.

Approximate future minimum lease payments are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$849,000</td>
</tr>
<tr>
<td>2008</td>
<td>$818,000</td>
</tr>
<tr>
<td>2009</td>
<td>$857,000</td>
</tr>
<tr>
<td>2010</td>
<td>$897,000</td>
</tr>
<tr>
<td>2011</td>
<td>$13,579,000</td>
</tr>
</tbody>
</table>

The Foundation has a line of credit not to exceed $1,000,000 at June 30, 2006. As of June 30, 2006, there was no balance outstanding under this line of credit.

8. GAIN FROM SETTLEMENT OF LITIGATION

The gain on settlement of litigation recognized during the year ended June 30, 2005 relates to a settlement reached with a former Affiliate.

9. AWARDS AND GRANTS

As of June 30, 2006 and 2005, the Foundation has entered into conditional multi-year research grant commitments. The Foundation recognizes as expense the portion of the research grant award that is unconditional in the year it becomes unconditional. The Foundation has received research grants of approximately $2,447,000 and $2,475,000 for the years ended June 30, 2006 and 2005, respectively.

The outstanding commitments for research projects, which are conditional at June 30, 2006, are scheduled for funding approximately as follows: fiscal 2007—$1,208,000 and fiscal 2008—$150,000. The remainder of these projects will be funded by unrestricted and certain temporarily restricted net assets and support and revenue to be generated by the Foundation.

During fiscal 2006, the Foundation also adopted a Section 457(f) Supplemental Executive Retirement Plan ("SERP") for one key employee. Benefit expense related to the SERP totaled approximately $90,000. The fully funded liability related to the plan amounted to approximately $90,000 at June 30, 2006 and is included in accounts payable and accrued expenses in the accompanying balance sheet.
Notes to Financial Statements (continuation)

10. TEMPORARILY RESTRICTED NET ASSETS
Temporarily restricted net assets are restricted for the following purposes at June 30, 2006 and 2005:

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research endowment funds</td>
<td>$11,430,552</td>
<td>$10,793,980</td>
</tr>
<tr>
<td>Transplantation guidelines</td>
<td>423,540</td>
<td>158,275</td>
</tr>
<tr>
<td>Transplant games-travel support</td>
<td>9,593</td>
<td>35,413</td>
</tr>
<tr>
<td>Enuresis research</td>
<td>38,356</td>
<td>20,005</td>
</tr>
<tr>
<td>Other programs</td>
<td>38,220</td>
<td>16,210</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$11,940,261</strong></td>
<td><strong>$11,023,883</strong></td>
</tr>
</tbody>
</table>

Temporarily restricted net assets were released from restrictions in fiscal 2006 and 2005 as follows:

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research endowment funds</td>
<td>$446,146</td>
<td>$497,704</td>
</tr>
<tr>
<td>Other research</td>
<td>152,483</td>
<td>203,367</td>
</tr>
<tr>
<td>Other programs</td>
<td>91,042</td>
<td>13,290</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$689,671</strong></td>
<td><strong>$714,361</strong></td>
</tr>
</tbody>
</table>

11. PERMANENTLY RESTRICTED NET ASSETS
Permanently restricted net assets consist of investments that are to be held in perpetuity with income therefrom available to support clinical research in enuresis.

12. 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, at which time the remaining assets are available for unrestricted use of the Foundation.

At June 30, 2006 and 2005, the total assets held under split-interest agreements were approximately $922,000 and $817,000, respectively, at fair value. The actuarial present value of the Foundation’s payable to beneficiaries was approximately $169,000 and $163,000 at June 30, 2006 and 2005, respectively, and was calculated using interest rates ranging from 5% to 6%.

Certain Affiliates have a beneficial interest in the expected cash value of the gift annuities, which was approximately $162,000 and $159,000 as of June 30, 2006 and 2005, respectively, and is included in accounts payable and accrued expenses in the accompanying balance sheet.

National Kidney Foundation, Inc.

Combined Financial Statements (unaudited)

1. Accounting Standards
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.

2. Functional Expenses
Expenses have been allocated to various classifications by using time records and management’s estimation.

3. Composition of Financial Statements
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.

Note: Figures from the NKF of Arkansas, Oklahoma and Texas Coastal Bend were not received when this Annual Report went to press.
Combined Statement of Activities (unaudited)
For the Year Ended June 30, 2006

<table>
<thead>
<tr>
<th>SUPPORT REVENUE AND RECLASSIFICATIONS</th>
<th>UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
<th>PERMANENTLY RESTRICTED</th>
<th>TOTAL 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support from the Public</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Received Directly:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$23,830,808</td>
<td>$4,508,736</td>
<td>$71,035</td>
<td>$28,205,777</td>
</tr>
<tr>
<td>Special Events Revenue</td>
<td>21,572,250</td>
<td>408,515</td>
<td>0</td>
<td>22,980,765</td>
</tr>
<tr>
<td>Less: Claim Benefit Claims</td>
<td>(12,294,533)</td>
<td>(270,865)</td>
<td>0</td>
<td>(12,565,400)</td>
</tr>
<tr>
<td>Net Support from Special Events</td>
<td>11,517,718</td>
<td>408,515</td>
<td>0</td>
<td>11,926,236</td>
</tr>
<tr>
<td>Received Indirectly:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United &amp; Federated Funds</td>
<td>808,523</td>
<td>214,018</td>
<td>0</td>
<td>1,022,541</td>
</tr>
<tr>
<td>Combined Federal Campaign</td>
<td>428,003</td>
<td>72,018</td>
<td>0</td>
<td>500,021</td>
</tr>
<tr>
<td>Total Support from the Public</td>
<td>36,487,975</td>
<td>5,131,131</td>
<td>71,095</td>
<td>41,690,201</td>
</tr>
<tr>
<td>Government Grants</td>
<td>3,688,435</td>
<td>204,212</td>
<td>0</td>
<td>3,892,647</td>
</tr>
<tr>
<td>Other Revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Service Fees</td>
<td>21,806,418</td>
<td>1,174,914</td>
<td>0</td>
<td>22,980,733</td>
</tr>
<tr>
<td>Membership Dues</td>
<td>818,901</td>
<td>0</td>
<td>0</td>
<td>839,901</td>
</tr>
<tr>
<td>Sale of Literature &amp; Drugs (net of expense)</td>
<td>436,430</td>
<td>9,607</td>
<td>0</td>
<td>446,037</td>
</tr>
<tr>
<td>Investment Income</td>
<td>1,963,304</td>
<td>1,174,914</td>
<td>0</td>
<td>3,138,218</td>
</tr>
<tr>
<td>Sales of Donated Vehicles</td>
<td>10,714,404</td>
<td>0</td>
<td>0</td>
<td>10,714,404</td>
</tr>
<tr>
<td>Less: Cost of Sales &amp; Selling Expenses</td>
<td>(14,018,706)</td>
<td>0</td>
<td>0</td>
<td>(14,018,706)</td>
</tr>
<tr>
<td>Net Sales of Donated Vehicles</td>
<td>(3,315,904)</td>
<td>0</td>
<td>0</td>
<td>(3,315,904)</td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td>2,218,129</td>
<td>0</td>
<td>0</td>
<td>2,218,129</td>
</tr>
<tr>
<td>Total Other Revenue</td>
<td>23,684,184</td>
<td>2,218,129</td>
<td>0</td>
<td>25,902,313</td>
</tr>
<tr>
<td>Total Support and Other Revenue</td>
<td>36,172,159</td>
<td>7,349,257</td>
<td>71,095</td>
<td>43,693,501</td>
</tr>
<tr>
<td>Net Assets Released From Restrictions</td>
<td>7,005,000</td>
<td>(7,005,000)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Support, Revenue and Reclassifications</td>
<td>$43,172,159</td>
<td>$7,349,257</td>
<td>$71,095</td>
<td>$51,645,395</td>
</tr>
</tbody>
</table>

EXPENSES

Program Services:
- Research: $5,000,171
- Public Health Education: $11,714,009
- Professional Education: $13,533,809
- Patient Services: $16,032,216
- Community Services: $9,968,304
Total Program Services: $56,818,257

Supporting Services:
- Fundraising: $6,258,961
- Management and General: $6,195,160
Total Supporting Services: $12,454,121
Total Expenses: $69,262,378

Change in Net Assets: $2,383,017

Net Assets at the Beginning of the Year, as Restated
- Cash and Cash Equivalents: $37,756,240
- Other Assets: $10,714,404
Total Net Assets: $48,470,644

Net Assets at the End of the Year: $40,853,627

Combined Statement of Cash Flow (unaudited)
For the Year Ended June 30, 2006

CASH FLOWS FROM OPERATING ACTIVITIES:
- Change in Net Assets: $2,383,017
- Adjustments to Reconcile Change in Net Assets to Net Cash

CHANGES IN OPERATING ASSETS AND LIABILITIES (AS RESTATED):
- Accounts Receivable: $2,127,000
- Inventories of Educational & Campaign Material: $8,397
- Prepaid Expenses: $250

CASH FLOWS FROM INVESTING ACTIVITIES:
- Purchase of Fixed Assets: $887,584
- Proceeds from the Sale of Fixed Assets: $2,162,294
- Proceeds from the Sale of Investments: $3,615,503
- Purchase of Investments: $1,491,433

CASH FLOWS FROM FINANCING ACTIVITIES:
- Contributions to Endowment: $71,095
- Proceeds from Loans Payable: $145,928
- Repayment of Loans Payable: $165,363

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:
- Interest paid: $20,378
- Income taxes paid: $250
- Noncash investing and financing activities in-kind donations: $722,714
## Combined Statement of Functional Expenses (unaudited)

For the Year Ended June 30, 2006

<table>
<thead>
<tr>
<th>PROGRAM SERVICES</th>
<th>SUPPORTING SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>Public Health Education</td>
</tr>
<tr>
<td>Salaries</td>
<td>$730,303</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>100,824</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>57,835</td>
</tr>
<tr>
<td>Awards and Grants</td>
<td>3,830,860</td>
</tr>
<tr>
<td>Professional Fees &amp; Contract Services</td>
<td>93,772</td>
</tr>
<tr>
<td>Assistance to Patients</td>
<td>-</td>
</tr>
<tr>
<td>Office Supplies and Expenses</td>
<td>58,417</td>
</tr>
<tr>
<td>Telephone</td>
<td>26,608</td>
</tr>
<tr>
<td>Postage and Shipping</td>
<td>21,136</td>
</tr>
<tr>
<td>Preliminary Repairs</td>
<td>150,203</td>
</tr>
<tr>
<td>Insurance</td>
<td>8,672</td>
</tr>
<tr>
<td>Printing, Publication and Audio-Visual</td>
<td>25,007</td>
</tr>
<tr>
<td>Meetings, Banquets and Related Travel</td>
<td>57,274</td>
</tr>
<tr>
<td>Membership dues and Subscriptions</td>
<td>18,194</td>
</tr>
<tr>
<td>Miscellaneous Expenses</td>
<td>40,934</td>
</tr>
<tr>
<td>Unallocated Direct Benefit Costs</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>42,726</td>
</tr>
<tr>
<td>Charitable Projects</td>
<td>13,858</td>
</tr>
<tr>
<td>Promotion Costs</td>
<td>33,252</td>
</tr>
<tr>
<td>Donated Vehicles</td>
<td>-</td>
</tr>
<tr>
<td>Costs of Sales</td>
<td>-</td>
</tr>
<tr>
<td>Donated Vehicles Service Providers</td>
<td>-</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$2,498,876</td>
</tr>
<tr>
<td>Less: Expenses Netted with Revenues on the Statement of Activities:</td>
<td></td>
</tr>
<tr>
<td>Direct Expenses of Special Events</td>
<td>-</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>-</td>
</tr>
<tr>
<td>Cost of Sales / Selling Expenses: Donated Vehicles</td>
<td>-</td>
</tr>
<tr>
<td>Total Expenses Reported by Function</td>
<td>$2,498,876</td>
</tr>
</tbody>
</table>

| Percentages | 73% | 17% | 93% | 24% | 14% | 9% | 8% | 100% |
MORE THAN 20 MILLION AMERICANS—ONE IN NINE ADULTS—HAVE CHRONIC KIDNEY DISEASE, AND MOST DON’T EVEN KNOW IT. MORE THAN 20 MILLION OTHERS ARE AT INCREASED RISK. THE NATIONAL KIDNEY FOUNDATION, A MAJOR VOLUNTARY HEALTH ORGANIZATION, SEeks 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. THROUGH ITS AFFILIATES AND DIVISIONS NATIONWIDE, THE FOUNDATION CONDUCTS PROGRAMS IN RESEARCH, PROFESSIONAL EDUCATION, PATIENT AND COMMUNITY SERVICES, PUBLIC EDUCATION AND ORGAN DONATION.

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