Facing the Future Together
CONTENTS

A MESSAGE FROM OUR LEADERS 2

UP FRONT 4

FOCUS ON: JOYCE DIXON AND ALMA MCBRIDE 8

PUBLIC EDUCATION 10

FOCUS ON: DAVE JONES 12

PATIENT SERVICES 14

FOCUS ON: JEAN JANOHOSKY AND JIMMY LYNCH 16

ORGAN DONATION 18

FOCUS ON: NELSON KOPYT 20

PROFESSIONAL EDUCATION 22

FOCUS ON: REP. DAVE CAMP 24

ADVOCACY 26

FOCUS ON: HOLLY KRAMER 28

RESEARCH 30

FOCUS ON: ANTHONY DEFEO & MARK DEVOE 32

FUNDRAISING 34

CORPORATE PARTNERS 36

OUR SUPPORTERS 37

LEADERSHIP & AFFILIATES 40

REPORT OF INDEPENDENT AUDITORS 43

COMBINED FINANCIAL STATEMENTS 44

NOTES 48

Contributing writers: Christina Cheakalos, Karen Glowacki, Kim Kaiser, Ellie Schlam, Steve Shannon  Graphic Design: Peter Carey

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.”
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
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.
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.

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.”

Photo: Eric Miller
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.

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:

- 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
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.

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
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
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.

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.
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.

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.
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.”
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.
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.”
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.

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

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.
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.”
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.
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 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 glomeruli, 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.
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!”
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.
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.

**PLATINUM**
- Abbott Laboratories
- Amgen Inc.
- Novartis Pharmaceuticals
- Ortho Biotech Products, L.P.

**DIAMOND**
- AusAm Biotechnologies
- Cadillac Division of General Motors Corporation
- Genzyme Corporation
- Satellite Healthcare Inc.

**GOLD**
- Automobile Magazine
- GMAC Financial Services
- Johnson & Lambert
- Merck U.S. Human Health
- Nabi Biopharmaceuticals
- Northwest Airlines
- Pfizer Inc
- Satellite Laboratory Services
- Top Flite Golf Company

**SILVER**
- Bayer Diagnostics
- Bone Care International
- Carlson Companies
- General Motors Corporation
- Roche Pharmaceuticals
- Shire US Inc.

**BRONZE**
- Cargill Incorporated
- Etonic
- Evercare
- Genentech
- Ocean Spray Cranberries, Inc.
- The Pebble Beach Resorts
- United Resource Networks
- U.S. Department of Health and Human Services (HHS) Health Resources and Services Administration (HRSA)
- Watson Pharma, Inc.

**FRIEND**
- Allianz Healthcare RE
- American Regeant, Inc.
- BlueCross and BlueShield of Minnesota
- Bristol-Myers Squibb/Sanofi Pharmaceuticals Partnership
- Chronimed
- Chugai Pharmaceutical Co.
- DaVita
- The Devos Foundation
- GM R*Works
- Herman & Lillian Director Foundation
- Johnson & Johnson
- Keryx Biopharmaceuticals
- MinnTech Corporation
- Sigma-Tau Pharmaceuticals
- UpToDate
- Wells Fargo & Company
2004 Ada DeBold Major Giving Society

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.

OUR SUPPORTERS

ABBOTT LABORATORIES RENAL CARE
STUART & LOUIS ABRAMSON
ALABAMA ORGAN CENTER - UNIVERSITY OF ALABAMA SERVICES
CHARLES E. ALFANO
BRAD ALLEN
JOE ANDRES
MARGARET R. ANSON
E. ARDITTI CHARITABLE FOUNDATION
DAVID ASHBACH, MD
CAROLYN & JAMES ATKINS
JON & HELAINE AYERS
GREG BARON
STEPHEN T. BARTLETT, MD
ROD & TINA BASCOM
MAUREEN BASNEY
SUSAN BAUMGARDNER
ANDREW N. BAUR
LIZ BECK
RICHARD & LISSETTE BERNARD
RODNEY L. BISHOP
Boren Family Foundation
LOUIS BORICK
D. STUART BOWERS
SUSAN PATLA BRETERON
JOHN BROCKINGTON FOUNDATION
JOHN BRODERICK
FRED L. & SHIRLEY BROWN
DAVID G. BUCHER
JAMES BURKE, MD
BOB & WAUNETTA BURKLEY
CARL & DARLENE CHALEFF
SAMUEL A. CLAUS
JAMES CLAYTON & CLAYTON FAMILY FOUNDATION
DR. ARTHUR & SUSAN COHEN
SUE ANN COLLINS
BRIAN & CAROL CONDON
ANNA & CHARLES CONIGLIOARO FOUNDATION
CURTIS & JEWEL Cooke
DENNIS J. & MARGARET COOLICAN
W. MICHAEL CRAIG
DAN & JEANNE Cuda
PAUL S. & LAVERNE D. CURLEY
GLENN M. CUSICK
BRAD & ROSEMARY DANIELSON
RONALD D'VELLA
JOHN DAVIS

DAVID & ANNABELLA DeLORENZO
JOHN I. Denny
SHIRISH Desai
BOB & ALIE DiCARLO
DICKINSON FOUNDATION, INC
BRIAN Dilsheimer
PAUL & KATHLEEN DIOLI
DAVID R. DOEBLER
MARY-SUSAN & BRIAN DONHAUSER
ROY DORSEY
RICHARD Drake, MD
MARGY EDMIGHTON
SEAN Elliott
JULIA ESDALE
CURT & CINDI FANKHAUSER
MARGIE FORT
ALBERT A. Fox
DR. & MRS. K. TREVOR FROM
IN MEMORIUM STELLA GREEN GAIGNARD
CHRISTOPHER T. & TERRI P. GALLU
GELFAND, RENNERT, & FELDMAN
TRERENCE & JULIE GEORGE
THOMAS & DEBRA Gillespie
KENNETH GLEN FAMILY FOUNDATION
GOODMAN FAMILY FOUNDATION
MYRA GOODMAN SMITH
REBECCA GRAHLKEY
MR. & MRS. KENNETH Gray
ANNE W. GRIFFIN
NANCY J. Gritter, MD
GERALD GROGGEL, MD
MILTON & ALICE GROSS
PETER & AlKene HALSTEAD
KEVIN & PATRICIA HANNIFAN
DR. AND MRS. JOHN T. Harrington
GLEN HayASHIDA
MR. & MRS. JONATHAN HAZMAN
AL. HEMOND TRUST
MARY Kay HENSLEY
ANNE HETRICK
KEVIN N. HILL
RICHARD L. & DONNA F. HILL
HK MANAGEMENT
TREVOR W. & TRACY L. HOFFMAN
PAUL HOLLOWAY
LEONARD HOPKINS, JR., Esq.
DR. & MRS. FRED E. HUSSERL
JOHN IMBRIALE
DR. DONALD INADOMI
PAUL & BETH JENSEN

ESTATE OF HAZEL JOHNSON
HARRET JONES
MR & MRS Richard JONES
SIEGFRED KAGAWA
DR. ELAINE Kamil
LEO & SHARON KILCULLIN
GEORGE W. KING
THOMAS M. KINKEAD, MD
DR. & MRS. JOEL D. KOPPLE
DR. EDWARD & JOANNE KRAUS
HERB KRITZ
REBECCA LeCLAIR
JOHN T. LEONARD
WANDA C. LESSNER
JAY B. LEVY, MD
BIL & MELONEY LIEBLER
WILLIAM B. MACMILLAN
F. STAFFORD H. MANION
LOUIS M. & NANCY A. MARKWITH
MIKE MASUDA
RALPH & SANDRA MATTEUCCI
DAVID D. MAYERS
JOHN & JILL MCADAMS
FRANCIS McCUSKER, MD
MRS. W. RANDALL MCDONNELL
THOMAS & OLIVIA McDonough
DR. & MRS. WILLIAM L. McGUIFFIN
TINA & JOHN McLAUGHLIN
BARBARA J. McQUITTY
CAROLYN McVITY
PAUL A. MENNES, MD
ESTATE OF ANNE J. MILLER
JAN MILLER & CRAIG LENDING
BRENT W. MILLER, MD
RICK MISHLER, MD
HAYSE & MAGDALENE M. MITCHELL
ESTATE OF CLARENCE C. MOUL
ELEANOR W. MYERS
TIMOTHY R. & MARILYN M. Neal
NEW ORLEANS NEPHROLOGY ASSOCIATES
JOHN & NANCY NEWMAN
DR. ROLAND & VIVIAN Ng
JERRY, RACHEL & ETHAN Nichols
ED NUKALA
PAYSON OBERG, MD
DEBORAH O’CONNOR
MR. & MRS. ROBERT V. OGRONIK
DANIEL B. ORNT, MD
ANTHONY P. PARROTTA
LARRY & KATHY PEARSON
Heritage Club Planned Giving Society

The Heritage Club recognizes donors who have planned to remember NKF in their wills, life insurance policies or gift annuities, or with gifts of real estate or stock.
TERRY K. HEADLEY
MR. & MRS. DON HECK
FREDERICK A. HERBERT
RANDY & LESLIE HIGH
ELIZABETH W. HILDENSTEIN
RICHARD L. HILL
JOHN HOAG
ROSWELL & ELIZABETH HOFFMAN TRUST
BARRABA HOFSTEIN
PATRICIA A. HORMANN
KATHI HUENIN
KAREN M. ILSTRUP
MARK T. & CYNTHIA A. JACOBSON
JOHN JAMIAN
RAFAEL A. JAVIER, MD
PAUL & BETH JENSEN
CHARLES JONES
NEONE FITCHES JONES
KRISTH M. JONGELING
SALLY JOY
GARY & ZEVA KARDOS
NAOMI KAWAKAMI
KIRSTEN F. KELLY
MR. & MRS. DAVID KELLY
ELEANOR F. KENT
GEORGE KING
JUDY W. KING
KARREN KING, LCSW, MSW, ACSW
MEL W. KING
HELEN W. KINNARD
SUSAN KNAPP
JOEL D. KOPPLE, MD
ROBERT D. KRANZ
GERALD D. KUMIN, MD, PC
DAVID R. LAKE
CHRIS LEONARD
GUS LEVY, CPA
LAWRENCE LEY
MARY LIN
DONALD E. LINNARTZ
BOB LOEPER
ADELLA FERNANDEZ LOPEZ
MR. & MRS. EDWARD M. LUEDTKE
MR. & MRS. RONALD C. MACKENZIE
DOREEN MALLARD
MICHAEL G. MAYER
KELLY MAYO
LINDA McCANN
THOMAS P. MCDONOUGH
WILLIAM S. MCGARRAHAN
LOIS & CURTIS McGINNIS
WILLIAM L. MCGUFFIN, JR., MD
ROBERT S. MCGUIRE
E. BURNS MCLINDON
CAROLYN McVitty
ALAN C. MENDELSON
MICHAEL K. MEYER
MARIE MINCHIN
STELLA MILNAREVICH
CARL A. MODECKI
LYNN KANTER MOLTZ
CHARLIE MORSE
SPERO MOUTSATSOS
GREG MUECHEN
LAWRENCE MURPHY
MARY V. MURPHY
TIMOTHY R. NEAL
MIRIAM M. NETTER
JOHN H. NEWMAN
FRED NICHOLAS
RAY NOWACKI
J. L. O’BRYAN-WILSON
MICHAEL C. O’GRADY
DANIEL B. ORNT, MD
CARMEN J. ORTIZ-BUTCHER, MD
RICHARD D. OSUR
IRENE E. PANUSH, MSW, ACSW
JEAN PARIS
BARBARA PARSONS
MARY AGNES PAUL
RONALD D. PAUL
MAX & MARCIA PERRY
THOMAS G. PETERS, MD
WILLIAM W. PETTY
JERRY L. & GINA PIGSLEY
ROBERT PLUMPE
OLIVER W. PORTER
NANCY L. POST
MARY E. POWELL
ROBERT PROVENZANO, MD
DOUGLAS RAY
ROY RE
ELIZABETH REDER
GRACE J. REES
OPHIE RESOR
DOROTHY RICENBAW
IVAN M. RICHARDS, MD
HANK ROSENZWEIG, CPA
MR. & MRS. IRVING B. ROSS
JEANNE & TEVIS A. ROSS
JORENA RUD
DR. & MRS. LEE M. RUSSELL
JOHN G. RYAN
RICHARD K. SALICK
PHIL SALICK
HAROLD A. SAUL
J. JONATHAN SCRAUB
HAROLD D. SCHWARTZ
LEN SCHWARTZ
JULIE SCHWEITZER
JAMES O. SELZER
ELIZABETH SERGE
ROOHALAH SHAFELY
CRAIG B. SHAFFER
GLENNA SHAPIRO
MR. & MRS. ROY SHEA
DR. & MRS. ABRAHAM SHERER
MR. & MRS. BILL SINGLETON
LINDA SMITH-WHEELOCK
GARY T. SNYDER
PHYLLIS SOLOF
KATHLEEN SPILLANE-KNIGHT
DAVID P. ST. CLAIR
TERREL G. STANTON
ARTHUR J. STEGALL, JR.
THEODORE I. STEINMAN, MD
ANN C. STIVERS
BEVERLY SWEENEY
CYNTHIA J. TERRELL
MR. & MRS. ROY G. THOMPSON
MR. & MRS. ANDREW TOWNES, JR.
MR. & MRS. KNOX TUMLIN
JOEL G. TURNER
LINDA S. TYLER
FUSAYO URAKAMI
LUIS URIBE
MO VIDWANS
SUSAN K. WADLEY
JAMES L. WALDEN
GREG WARD
JACK WEAVER
BETTY J. WEST
JOHN E. WHARTON
MARK E. WILLIAMS, MD
RANDY K. WILLIAMS
DONALD R. WILSON
HENRY WILSON
DR. & MRS. JAMES F. WINCHESTER
DEBORAH WINEGARD
ELIZABETH WITTIEN
SUZANNE J. WYCKOFF
DAVID YOBURN
ROSEMARY ZEPLOWITZ
SUSAN ZIMMERMAN
ANONYMOUS
OFFICERS
Chancellor:
Ken Howard
Los Angeles, California

Chairman:
Fred L. Brown, FACHE
Scottsdale, Arizona

President:
Brian J.G. Pereira, MD, DM
Boston, Massachusetts

President-Elect:
David G. Warnock, MD
Birmingham, Alabama

Secretary:
Robert V. Ogrodnik
St. Louis, Missouri

Treasurer:
Rodney L. Bishop
St. Louis, Missouri

BOARD OF DIRECTORS
Carolyn R. Atkins, RN, BS, CCTC
Dallas, Texas

Stephen T. Bartlett, MD
Baltimore, Maryland

Andrew N. Baur
St. Louis, Missouri

Malcolm Bowekaty
Grants, New Mexico

Jeffrey H. Burbank
Tewksbury, Massachusetts

Carl Chaleff
Chicago, Illinois

John Davis
New York, New York

David A. DeLorenzo
Thousand Oaks, California

Sean Elliott
San Antonio, Texas

Charles B. Fruit
Atlanta, Georgia

Ellen Gaucher, MSN
Des Moines, Iowa

John T. Harrington, MD
Boston, Massachusetts

John K. Harrison
Howell, Michigan

Frederick A. Herbert
Ocala, Florida

William F. Keane, MD
Horsham, Pennsylvania

William MacMillan
Englewood, Colorado

Ellen Maldonado, Esq.
San Francisco, California

David McLean, PhD
St. Paul, Minnesota

John H. Newman, Esq.
San Carlos, CA

Burl Osborne
Dallas, Texas

Mark E. Smith
Richmond, Virginia

Martin Starr, PhD
Plymouth, Massachusetts

Karen Thurman
Dunnellon, Florida

Pedro Vergne-Marini, MD
Dallas, Texas

Donald E. Wesson, MD
Lubbock, Texas

STAFF LEADERSHIP
John Davis
Chief Executive Officer

Stephen Bajardi
Chief Operating Officer

Richard P. Brennan
Vice President for Affiliate Services

Dolph Chianchiano
Senior Vice President for Health Policy and Research

Kim Kaiser
Vice President for Development

Gigi Politoski
Senior Vice President for Programs

Jo-Ann Vecchione
Senior Vice President for Organizational Resources

Kerry Willis, PhD
Senior Vice President for Scientific Activities

Suzanne J. Wyckoff
Executive Vice President
Living organ donors from around the U.S. gathered at the 2004 U.S. Transplant Games.  

Photo: Eric Miller
### National Kidney Foundation Affiliates

<table>
<thead>
<tr>
<th>State</th>
<th>Name</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Louisiana</td>
<td>National Kidney Foundation of Louisiana, Inc.</td>
<td>(504) 861-4500</td>
</tr>
<tr>
<td>Maine</td>
<td>National Kidney Foundation of Maine, Inc.</td>
<td>(207) 772-7270</td>
</tr>
<tr>
<td>Maryland</td>
<td>National Kidney Foundation of Maryland, Inc.</td>
<td>(410) 494-8545</td>
</tr>
<tr>
<td>Massachusetts, Rhode Island, New Hampshire &amp; Vermont</td>
<td>National Kidney Foundation of Massachusetts, Rhode Island, New Hampshire &amp; Vermont, Inc.</td>
<td>(781) 278-0222</td>
</tr>
<tr>
<td>Michigan</td>
<td>National Kidney Foundation of Michigan, Inc.</td>
<td>(734) 222-9800</td>
</tr>
<tr>
<td>Minnesota</td>
<td>National Kidney Foundation of Minnesota, Inc.</td>
<td>(952) 544-7300</td>
</tr>
<tr>
<td>Mississippi</td>
<td>National Kidney Foundation of Mississippi, Inc.</td>
<td>(601) 981-3611</td>
</tr>
<tr>
<td>Eastern Missouri &amp; Metro-East</td>
<td>National Kidney Foundation of Eastern Missouri &amp; Metro-East, Inc.</td>
<td>(314) 961-2828</td>
</tr>
<tr>
<td>Nebraska</td>
<td>National Kidney Foundation of Nebraska, Inc.</td>
<td>(402) 572-3180</td>
</tr>
<tr>
<td>Central New York</td>
<td>National Kidney Foundation of Central New York, Inc.</td>
<td>(315) 476-0311</td>
</tr>
<tr>
<td>Greater New York</td>
<td>National Kidney Foundation of Greater New York, Inc.</td>
<td>(212) 889-2210</td>
</tr>
<tr>
<td>Northeast New York</td>
<td>National Kidney Foundation of Northeast New York, Inc.</td>
<td>(518) 458-9697</td>
</tr>
<tr>
<td>Upstate New York</td>
<td>National Kidney Foundation of Upstate New York, Inc.</td>
<td>(585) 697-0874</td>
</tr>
<tr>
<td>Western New York</td>
<td>National Kidney Foundation of Western New York, Inc.</td>
<td>(716) 835-1323</td>
</tr>
<tr>
<td>North Carolina, Inc.</td>
<td>National Kidney Foundation of North Carolina, Inc.</td>
<td>(704) 552-1351</td>
</tr>
<tr>
<td>Ohio, Inc.</td>
<td>National Kidney Foundation of Ohio, Inc.</td>
<td>(614) 481-4030</td>
</tr>
<tr>
<td>Oklahoma, Inc.</td>
<td>National Kidney Foundation of Oklahoma, Inc.</td>
<td>(405) 947-6405</td>
</tr>
<tr>
<td>Western Pennsylvania, Inc.</td>
<td>National Kidney Foundation of Western Pennsylvania, Inc.</td>
<td>(412) 261-4115</td>
</tr>
<tr>
<td>South Carolina, Inc.</td>
<td>National Kidney Foundation of South Carolina, Inc.</td>
<td>(803) 799-3870</td>
</tr>
<tr>
<td>East Tennessee, Inc.</td>
<td>National Kidney Foundation of East Tennessee, Inc.</td>
<td>(865) 688-5481</td>
</tr>
<tr>
<td>Middle Tennessee, Inc.</td>
<td>National Kidney Foundation of Middle Tennessee, Inc.</td>
<td>(615) 383-3887</td>
</tr>
<tr>
<td>West Tennessee, Inc.</td>
<td>National Kidney Foundation of West Tennessee, Inc.</td>
<td>(901) 683-6185</td>
</tr>
<tr>
<td>North Texas, Inc.</td>
<td>National Kidney Foundation of North Texas, Inc.</td>
<td>(214) 351-2393</td>
</tr>
<tr>
<td>Texas Coastal Bend, Inc.</td>
<td>National Kidney Foundation of the Texas Coastal Bend, Inc.</td>
<td>(361) 884-5892</td>
</tr>
<tr>
<td>South &amp; Central Texas, Inc.</td>
<td>National Kidney Foundation of South &amp; Central Texas, Inc.</td>
<td>(210) 829-1299</td>
</tr>
<tr>
<td>Southeast Texas, Inc.</td>
<td>National Kidney Foundation of Southeast Texas, Inc.</td>
<td>(713) 952-5499</td>
</tr>
<tr>
<td>West Texas, Inc.</td>
<td>National Kidney Foundation of West Texas, Inc.</td>
<td>(806) 799-7753</td>
</tr>
<tr>
<td>Utah &amp; Idaho, Inc.</td>
<td>National Kidney Foundation of Utah &amp; Idaho, Inc.</td>
<td>(801) 226-5111</td>
</tr>
<tr>
<td>the Virginias, Inc.</td>
<td>National Kidney Foundation of the Virginias, Inc.</td>
<td>(804) 288-8342</td>
</tr>
<tr>
<td>Wisconsin, Inc.</td>
<td>National Kidney Foundation of Wisconsin, Inc.</td>
<td>(262) 821-0705</td>
</tr>
</tbody>
</table>
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
## National Kidney Foundation, Inc. | Balance Sheets

### Assets

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$4,873,652</td>
<td>$2,971,774</td>
</tr>
<tr>
<td>Investments <em>(Note 3)</em></td>
<td>11,190,845</td>
<td>9,771,791</td>
</tr>
<tr>
<td>Investments held under split-interest agreements <em>(Notes 3 and 12)</em></td>
<td>571,328</td>
<td>476,775</td>
</tr>
<tr>
<td>Due from Affiliates, principally share of affiliate contributions, less allowance for uncollectible amounts of $200,000 in 2004 and $170,000 in 2003</td>
<td>2,100,736</td>
<td>2,227,930</td>
</tr>
<tr>
<td>Other receivables <em>(Note 4)</em></td>
<td>570,481</td>
<td>587,460</td>
</tr>
<tr>
<td>Inventories</td>
<td>735,068</td>
<td>688,812</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>1,771,766</td>
<td>743,545</td>
</tr>
<tr>
<td>Fixed assets, at cost, less accumulated depreciation and amortization of $472,176 in 2004 and $306,537 in 2003 <em>(Note 5)</em></td>
<td>527,840</td>
<td>319,005</td>
</tr>
<tr>
<td>Other assets</td>
<td>37,240</td>
<td>32,240</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$22,378,956</strong></td>
<td><strong>$17,819,332</strong></td>
</tr>
</tbody>
</table>

### Liabilities and net assets

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$2,307,842</td>
<td>$2,139,713</td>
</tr>
<tr>
<td>Payable to beneficiaries and Affiliates <em>(Note 12)</em></td>
<td>268,706</td>
<td>213,103</td>
</tr>
<tr>
<td>Funds held in trust</td>
<td>381,556</td>
<td>228,043</td>
</tr>
<tr>
<td>Deferred income</td>
<td>5,449,248</td>
<td>3,022,125</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>8,407,352</strong></td>
<td><strong>5,602,984</strong></td>
</tr>
</tbody>
</table>

Commitments and contingencies *(Notes 7 and 8)*

**Net assets:**

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>3,430,571</td>
<td>2,631,069</td>
</tr>
<tr>
<td>Temporarily restricted <em>(Note 10)</em></td>
<td>10,366,796</td>
<td>9,411,042</td>
</tr>
<tr>
<td>Permanently restricted <em>(Note 11)</em></td>
<td>174,237</td>
<td>174,237</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>13,971,604</strong></td>
<td><strong>12,216,348</strong></td>
</tr>
</tbody>
</table>

**Total liabilities and net assets**

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>$22,378,956</strong></td>
<td><strong>$17,819,332</strong></td>
</tr>
</tbody>
</table>

*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

<table>
<thead>
<tr>
<th>Support, revenue and reclassifications</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>2004 Total</th>
<th>2003 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support from the public:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Received directly—contributions</td>
<td>$934,602</td>
<td>$174,928</td>
<td>$ –</td>
<td>$1,109,530</td>
<td>$1,842,812</td>
</tr>
<tr>
<td>Received indirectly—share of Affiliate contributions</td>
<td>7,960,805</td>
<td>133,994</td>
<td>–</td>
<td>8,094,799</td>
<td>7,163,652</td>
</tr>
<tr>
<td>Total support from the public</td>
<td>8,895,407</td>
<td>308,922</td>
<td>–</td>
<td>9,204,329</td>
<td>9,006,464</td>
</tr>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program service support and fees</td>
<td>13,505,965</td>
<td>–</td>
<td>–</td>
<td>13,505,965</td>
<td>8,267,601</td>
</tr>
<tr>
<td>Royalties</td>
<td>1,406,225</td>
<td>–</td>
<td>–</td>
<td>1,406,225</td>
<td>1,357,835</td>
</tr>
<tr>
<td>Dues—professional members</td>
<td>730,208</td>
<td>–</td>
<td>–</td>
<td>730,208</td>
<td>774,839</td>
</tr>
<tr>
<td>Investment income, including net realized and unrealized gain on appreciation of securities of $1,275,754 in 2004 and $681,805 in 2003</td>
<td>24,380</td>
<td>1,532,112</td>
<td>–</td>
<td>1,556,492</td>
<td>345,022</td>
</tr>
<tr>
<td>Other, net</td>
<td>366,868</td>
<td>–</td>
<td>–</td>
<td>366,868</td>
<td>324,572</td>
</tr>
<tr>
<td>Total revenue and support</td>
<td>24,929,053</td>
<td>1,841,034</td>
<td>–</td>
<td>26,770,087</td>
<td>20,076,333</td>
</tr>
<tr>
<td>Net assets released from restrictions (Note 10)</td>
<td>885,280</td>
<td>(885,280)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total support, revenue and reclassifications</td>
<td>25,814,333</td>
<td>955,754</td>
<td>–</td>
<td>26,770,087</td>
<td>20,076,333</td>
</tr>
</tbody>
</table>

## Expenses

Program services:

- Research: $3,040,245
- Public health education: $1,948,138
- Professional education: $7,703,907
- Patient services: $4,917,675
- Assistance to Affiliates: $4,007,606

Total program services: $21,617,571

Supporting services:

- Fundraising: $1,114,550
- Management and general: $2,282,710

Total supporting services: $3,397,260

Total expenses: $25,014,831

Change in net assets: $799,502

Net assets at beginning of year: $2,631,069

Net assets at end of year: $3,430,571

See accompanying notes.
### National Kidney Foundation, Inc. | Statement of Cash Flows

<table>
<thead>
<tr>
<th>Year ended June 30</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$ 1,755,256</td>
<td>$ 660,633</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>165,639</td>
<td>145,819</td>
</tr>
<tr>
<td>Bad debts expense</td>
<td>140,950</td>
<td>25,000</td>
</tr>
<tr>
<td>Net realized and unrealized (gains) on investments</td>
<td>(1,275,754)</td>
<td>(681,805)</td>
</tr>
<tr>
<td>(Increase) decrease in assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments held in trust</td>
<td>–</td>
<td>163,560</td>
</tr>
<tr>
<td>Due from Affiliates</td>
<td>(13,756)</td>
<td>64,091</td>
</tr>
<tr>
<td>Other receivables</td>
<td>16,979</td>
<td>364,672</td>
</tr>
<tr>
<td>Inventories</td>
<td>(46,256)</td>
<td>(64,062)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(1,028,221)</td>
<td>(336,992)</td>
</tr>
<tr>
<td>Other assets</td>
<td>(5,000)</td>
<td>–</td>
</tr>
<tr>
<td>Increase (decrease) in liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>168,129</td>
<td>(1,078,914)</td>
</tr>
<tr>
<td>Payable to beneficiaries and Affiliates</td>
<td>55,603</td>
<td>92,710</td>
</tr>
<tr>
<td>Funds held in trust</td>
<td>153,513</td>
<td>(163,561)</td>
</tr>
<tr>
<td>Deferred income</td>
<td>2,427,123</td>
<td>1,352,428</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>2,514,205</td>
<td>543,579</td>
</tr>
</tbody>
</table>

**Cash flows from investing activities**

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases of fixed assets</td>
<td>(374,474)</td>
<td>(126,772)</td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>1,666,896</td>
<td>10,209,833</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(1,904,749)</td>
<td>(9,614,769)</td>
</tr>
<tr>
<td>Net cash (used in) provided by investing activities</td>
<td>(612,327)</td>
<td>468,292</td>
</tr>
</tbody>
</table>

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.*
<table>
<thead>
<tr>
<th>Program Services</th>
<th>Supporting Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Research</strong></td>
<td><strong>Fund-Raising and General</strong></td>
</tr>
<tr>
<td><strong>Public Health Education</strong></td>
<td><strong>Management and External</strong></td>
</tr>
<tr>
<td><strong>Professional Education</strong></td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td><strong>Patient Services</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Assistance to Affiliates</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Salaries</strong></td>
<td>$222,420</td>
</tr>
<tr>
<td><strong>Employee benefits</strong></td>
<td>40,384</td>
</tr>
<tr>
<td><strong>Payroll taxes</strong></td>
<td>19,872</td>
</tr>
<tr>
<td><strong>Awards and grants</strong></td>
<td>$2,392,685</td>
</tr>
<tr>
<td><strong>Professional fees and contract services</strong></td>
<td>30,782</td>
</tr>
<tr>
<td><strong>Office supplies and expenses</strong></td>
<td>16,801</td>
</tr>
<tr>
<td><strong>Telephone</strong></td>
<td>7,875</td>
</tr>
<tr>
<td><strong>Postage and shipping</strong></td>
<td>8,909</td>
</tr>
<tr>
<td><strong>Building occupancy</strong></td>
<td>32,538</td>
</tr>
<tr>
<td><strong>Insurance</strong></td>
<td>2,624</td>
</tr>
<tr>
<td><strong>Printing and publications</strong></td>
<td>1,092</td>
</tr>
<tr>
<td><strong>Meetings and travel—volunteers</strong></td>
<td>–</td>
</tr>
<tr>
<td><strong>Meetings and travel—staff</strong></td>
<td>11,880</td>
</tr>
<tr>
<td><strong>Meetings and travel—medical</strong></td>
<td>3,636</td>
</tr>
<tr>
<td><strong>Transplant games</strong></td>
<td>–</td>
</tr>
<tr>
<td><strong>Special projects programs</strong></td>
<td>50,130</td>
</tr>
<tr>
<td><strong>Special projects marketing</strong></td>
<td>–</td>
</tr>
<tr>
<td><strong>Scientific and public policy</strong></td>
<td>115,177</td>
</tr>
<tr>
<td><strong>Subscriptions and publications</strong></td>
<td>–</td>
</tr>
<tr>
<td><strong>Membership dues and support</strong></td>
<td>14,541</td>
</tr>
<tr>
<td><strong>Miscellaneous expenses</strong></td>
<td>45,064</td>
</tr>
<tr>
<td><strong>Depreciation and amortization</strong></td>
<td>23,835</td>
</tr>
<tr>
<td><strong>Less cost of sales</strong></td>
<td>–</td>
</tr>
<tr>
<td><strong>Total expenses reported by function in the statement of activities</strong></td>
<td>$3,016,410</td>
</tr>
</tbody>
</table>

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.

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:

<table>
<thead>
<tr>
<th></th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
</tr>
<tr>
<td>International equity fund</td>
<td>$2,371,588</td>
</tr>
<tr>
<td>Fixed income securities fund</td>
<td>3,712,494</td>
</tr>
<tr>
<td>iShares</td>
<td>5,658,887</td>
</tr>
<tr>
<td>Cash and U.S. Government securities</td>
<td>19,204</td>
</tr>
<tr>
<td></td>
<td>$11,762,173</td>
</tr>
</tbody>
</table>

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:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>$90,000</td>
<td></td>
</tr>
<tr>
<td>One to five years</td>
<td>120,000</td>
<td></td>
</tr>
<tr>
<td>Discount to present value</td>
<td>(42,528)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$167,472</td>
<td></td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and equipment</td>
<td>$780,989</td>
<td>$540,608</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>153,931</td>
<td>66,454</td>
</tr>
<tr>
<td>Capitalized software</td>
<td>65,096</td>
<td>18,480</td>
</tr>
<tr>
<td></td>
<td>$1,000,16</td>
<td>625,542</td>
</tr>
<tr>
<td>Less accumulated depreciation and amortization</td>
<td>472,176</td>
<td>306,537</td>
</tr>
<tr>
<td></td>
<td>$527,840</td>
<td>$319,005</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 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:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$657,000</td>
</tr>
<tr>
<td>2006</td>
<td>627,000</td>
</tr>
<tr>
<td>2007</td>
<td>574,000</td>
</tr>
<tr>
<td>2008</td>
<td>587,000</td>
</tr>
<tr>
<td>2009</td>
<td>601,000</td>
</tr>
<tr>
<td>Thereafter</td>
<td>6,070,000</td>
</tr>
<tr>
<td></td>
<td>$9,116,000</td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research Endowment Funds</td>
<td>$10,352,850</td>
<td>$9,401,449</td>
</tr>
<tr>
<td>Transplant Games—travel support</td>
<td>9,593</td>
<td>9,593</td>
</tr>
<tr>
<td>Enuresis Research</td>
<td>4,353</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$10,366,796</strong></td>
<td><strong>$9,411,042</strong></td>
</tr>
</tbody>
</table>

10. Temporarily Restricted Net Assets (continued)
Temporarily restricted net assets were released from restrictions in fiscal 2004 and 2003 as follows:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research Endowment Funds</td>
<td>$604,016</td>
<td>$689,447</td>
</tr>
<tr>
<td>Other research</td>
<td>240,460</td>
<td>260,574</td>
</tr>
<tr>
<td>Other</td>
<td>40,804</td>
<td>78,298</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$885,280</strong></td>
<td><strong>$1,028,319</strong></td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payable to beneficiaries</td>
<td>$138,154</td>
<td>$104,025</td>
</tr>
<tr>
<td>Payable to Affiliates</td>
<td>130,552</td>
<td>109,078</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$268,706</strong></td>
<td><strong>$213,103</strong></td>
</tr>
</tbody>
</table>

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 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.*
### SUPPORT, REVENUE AND RECLASSIFICATIONS:

**Support from the Public:**

**Received Directly:**

- **Contributions:** $16,253,814
  - Temporarily Restricted: $3,992,068
  - Permanently Restricted: $135,328
  - 2004 Total: $20,381,210

- **Special Events Revenue:** $26,946,720
  - Temporarily Restricted: 430,842
  - Permanently Restricted: 0
  - 2004 Total: 27,377,562

- **Less: Direct Benefit Costs:**
  - (11,154,797)
  - (32,199)
  - 2004 Total: (11,186,996)

- **Net Support from Special Events:** $15,791,923
  - Temporarily Restricted: 398,643
  - Permanently Restricted: 0
  - 2004 Total: 16,190,566

**Received Indirectly:**

- **United & Federated Funds:** $835,569
  - Temporarily Restricted: 319,626
  - Permanently Restricted: 0
  - 2004 Total: 1,155,195

- **Combined Federal Campaign:** $587,420
  - Temporarily Restricted: 0
  - Permanently Restricted: 0
  - 2004 Total: 587,420

**Total Support from the Public:** $33,468,726

- Temporarily Restricted: 4,710,337
- Permanently Restricted: 135,328
- 2004 Total: 38,314,391

**Government Grants:** $2,895,706

**Other Revenue:**

- **Program Service Fees:** $14,260,353
  - Temporarily Restricted: 157,022
  - Permanently Restricted: 0
  - 2004 Total: 14,417,375

- **Membership Dues:** $805,127
  - Temporarily Restricted: 0
  - Permanently Restricted: 0
  - 2004 Total: 805,127

- **Sale of Literature & Drugs (net of expense $ 463,897):** $400,422
  - Temporarily Restricted: 1,340
  - Permanently Restricted: 0
  - 2004 Total: 401,762

- **Investment Income:** $1,176,906
  - Temporarily Restricted: 1,560,864
  - Permanently Restricted: 33,133
  - 2004 Total: 2,770,903

- **Sale of Donated Vehicles:** $6,017,821
  - Temporarily Restricted: 6,017,821
  - Permanently Restricted: 0
  - 2004 Total: 6,017,821

- **Less: Cost of Sale & Selling Expenses:** (3,766,172)
  - Temporarily Restricted: (3,766,172)
  - Permanently Restricted: 0
  - 2004 Total: (3,766,172)

- **Net Sales of Donated Vehicles:** $2,251,649
  - Temporarily Restricted: 0
  - Permanently Restricted: 0
  - 2004 Total: 2,251,649

- **Miscellaneous and Other Income:** $2,191,514
  - Temporarily Restricted: 0
  - Permanently Restricted: 0
  - 2004 Total: 2,191,514

**Total Other Revenue:** $21,085,971

- Temporarily Restricted: 1,719,226
- Permanently Restricted: 33,133
- 2004 Total: 22,838,330

**Total Support and Revenue:** $57,450,403

- Temporarily Restricted: 6,644,148
- Permanently Restricted: 168,461
- 2004 Total: 64,263,012

**Net assets released from restrictions:** $5,821,434

**Total Support, Revenue, and reclassifications:** $63,271,837

- Temporarily Restricted: 825,806
- Permanently Restricted: 165,369
- 2004 Total: 64,263,012

### EXPENSES:

**Program Services:**

- **Research:** $5,375,709
  - Temporarily Restricted: 0
  - Permanently Restricted: 0
  - 2004 Total: 5,375,709

- **Public Health Education:** $8,757,083
  - Temporarily Restricted: 0
  - Permanently Restricted: 0
  - 2004 Total: 8,757,083

- **Professional Education:** $10,207,220
  - Temporarily Restricted: 0
  - Permanently Restricted: 0
  - 2004 Total: 10,207,220

- **Patient Services:** $15,398,510
  - Temporarily Restricted: 0
  - Permanently Restricted: 0
  - 2004 Total: 15,398,510

- **Community Services:** $8,009,543
  - Temporarily Restricted: 0
  - Permanently Restricted: 0
  - 2004 Total: 8,009,543

**Total Program Services:** $47,748,065

**Supporting Services:**

- **Fund Raising:** $5,790,639
  - Temporarily Restricted: 0
  - Permanently Restricted: 0
  - 2004 Total: 5,790,639

- **Management & General:** $5,153,094
  - Temporarily Restricted: 0
  - Permanently Restricted: 0
  - 2004 Total: 5,153,094

**Total Supporting Services:** $10,943,733

**Total Expenses:** $58,691,798

- Temporarily Restricted: 825,806
- Permanently Restricted: 165,369
- 2004 Total: 58,691,798

**Change in Net Assets:** $4,580,039

**Net Assets at beginning of year, as restated:** $29,584,557

**Net Assets at end of year:** $34,164,596

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

**Cash Flows from operating activities**

<table>
<thead>
<tr>
<th>Description</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$5,571,214</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided by operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>804,181</td>
</tr>
<tr>
<td>Unrealized loss on investment</td>
<td>(1,998,680)</td>
</tr>
<tr>
<td>Loss on Disposal of Fixed Assets</td>
<td>6,772</td>
</tr>
<tr>
<td>Donated Stocks</td>
<td>(34,731)</td>
</tr>
<tr>
<td>Donation of Fixed Assets</td>
<td>0</td>
</tr>
<tr>
<td>Donation of Vehicles</td>
<td>(714,747)</td>
</tr>
<tr>
<td>Realized Gain on Investments</td>
<td>(140,635)</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities</td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>(97,254)</td>
</tr>
<tr>
<td>Inventories of Educational &amp; Campaign Material</td>
<td>(57,157)</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>(1,321,958)</td>
</tr>
<tr>
<td>Other Assets</td>
<td>(450,077)</td>
</tr>
<tr>
<td>Accounts Payable &amp; Accrued Expenses</td>
<td>388,934</td>
</tr>
<tr>
<td>Deferred Income</td>
<td>2,808,631</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>175,743</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>4,940,236</td>
</tr>
</tbody>
</table>

**Cash flows from investing activities**

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases of fixed assets</td>
<td>(880,841)</td>
</tr>
<tr>
<td>Proceeds from disposition of equipment</td>
<td>7,795</td>
</tr>
<tr>
<td>Proceeds from disposition of donated vehicles</td>
<td>714,557</td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>7,139,583</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(7,998,712)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(1,017,618)</td>
</tr>
</tbody>
</table>

**Cash flows from financing activities**

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from contributions restricted for investment in endowment</td>
<td>(210,356)</td>
</tr>
<tr>
<td>Contributions to Endowment</td>
<td>4,616</td>
</tr>
<tr>
<td>Proceeds from Loans Payable</td>
<td>121,996</td>
</tr>
<tr>
<td>Payments of Loans Payable</td>
<td>(264,483)</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>(348,227)</td>
</tr>
</tbody>
</table>

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**

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest paid</td>
<td>6,580</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>2,083</td>
</tr>
<tr>
<td>Noncash Investing and Financing Activities-In kind donations</td>
<td>429,005</td>
</tr>
</tbody>
</table>
## Combined Functional Expenses

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

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

Less: Expenses Netted with revenues on the Statement of Activities:

Direct Expenses of Special Events

Cost of Sales

Cost of Sales/Selling Exps Donated Vehicles

Total Expenses Reported by Function

<table>
<thead>
<tr>
<th></th>
<th>Research</th>
<th>Public Health Education</th>
<th>Professional Education</th>
<th>Patient Services</th>
<th>Community Services</th>
<th>Fund Raising</th>
<th>Management and General</th>
<th>Total Program and Supporting Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries</strong></td>
<td>713,883</td>
<td>3,605,522</td>
<td>1,868,912</td>
<td>4,080,974</td>
<td>3,629,109</td>
<td>2,430,944</td>
<td>2,254,268</td>
<td>18,583,612</td>
</tr>
<tr>
<td><strong>Employee Benefits</strong></td>
<td>104,102</td>
<td>479,954</td>
<td>286,044</td>
<td>570,077</td>
<td>533,215</td>
<td>329,204</td>
<td>353,332</td>
<td>2,655,928</td>
</tr>
<tr>
<td><strong>Payroll Taxes</strong></td>
<td>62,141</td>
<td>302,941</td>
<td>163,239</td>
<td>360,206</td>
<td>308,115</td>
<td>203,106</td>
<td>198,688</td>
<td>1,598,436</td>
</tr>
<tr>
<td><strong>Awards and Grants</strong></td>
<td>3,442,180</td>
<td>12,293</td>
<td>18,378</td>
<td>82,363</td>
<td>18,616</td>
<td>8,023</td>
<td>5,991</td>
<td>3,587,844</td>
</tr>
</tbody>
</table>
| **Profess...