National Kidney Foundation®

Financial Statements

Year Ended March 31, 2021

National Kidney Foundation®

Financial Statements
Year Ended March 31, 2021

National Kidney Foundation, Inc.

Contents

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Independent Auditor's Report

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

Opinion

We have audited the financial statements of the National Kidney Foundation, Inc. (the Foundation), which comprise the balance sheet as of March 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of March 31, 2021, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the Foundation's 2020 financial statements and our report, dated August 7, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, LLP

August 6, 2021

National Kidney Foundation, Inc.

Balance Sheet
(with comparative totals for 2020)

March 31,		**2021**		2020
Assets				
Current Assets				
Cash and cash equivalents	**$**	**14,863,985**	$	6,243,210
Investments, at fair value (Note 4)		**13,111,634**		10,609,410
Investments held under split-interest agreements (Notes 4 and 7)		**135,513**		120,975
Due from Affiliates, principally share of Affiliate contributions, less allowance for uncollectible amounts of $6,801 and $221,716, respectively		**507,716**		305,489
Other receivables, less allowance for uncollectible amount of $391,195 and $320,986, respectively (Note 5)		**1,646,521**		1,574,262
Prepaid expenses and other assets		**1,233,114**		1,695,895
Total Current Assets		**31,498,483**		20,549,241
Long-Term Investments, at fair value (Note 4)		**3,882,899**		3,398,053
Investments Held Under Split-Interest Agreements, net of current portion (Notes 4 and 7)		**292,023**		315,021
Other Receivables, net of current portion and discount for present value (Note 5)		**4,992**		10,014
Prepaid Expenses and Other Assets, net of current portion		**219,432**		133,827
Fixed Assets, Net (Note 6)		**580,590**		644,043
Beneficial Interest in a Perpetual Trust (Note 4)		**2,661,273**		1,954,555
Total Assets	**$**	**39,139,692**	$	27,004,754
Liabilities				
Current Liabilities				
Accounts payable and accrued expenses	**$**	**3,111,133**	$	3,816,652
Loan Payable – Payroll Protection Program (Note 10)		**3,618,715**		-
Payable to beneficiaries		**45,176**		43,814
Deferred income (Note 8)		**7,644,634**		7,552,801
Total Current Liabilities		**14,419,658**		11,413,267
Payable to Beneficiaries, net of current portion		**292,023**		315,021
Deferred Income, net of current portion (Note 8)		**178,899**		495,260
Accrued Compensation (Note 11)		**185,253**		129,502
Deferred Rent		**2,046,144**		1,915,939
Total Liabilities		**17,121,977**		14,268,989
Commitments (Notes 10, 12 and 18)				
Net Assets (Notes 13 and 14):				
Without donor restrictions		**12,619,965**		6,299,905
With donor restrictions		**9,397,750**		6,435,860
Total Net Assets		**22,017,715**		12,735,765
Total Liabilities and Net Assets	**$**	**39,139,692**	$	27,004,754

See accompanying notes to financial statements.

National Kidney Foundation, Inc.

Statement of Activities
(with comparative totals for 2020)

Years ended March 31,

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
Support and Revenue				
Support from the public:				
Received directly – contributions	$ 12,256,342	$ 514,030	**$ 12,770,372**	$ 9,315,394
Received indirectly – share of Affiliate contributions	921,160	-	**921,160**	1,377,927
Received indirectly – contributions	486,473	245	**486,718**	575,698
	13,663,975	514,275	**14,178,250**	11,269,019
Revenue from sales of donated vehicles	3,213,408	-	**3,213,408**	2,501,107
Less: cost of sales	675,344	-	**675,344**	725,246
Net Revenue from Sales of Donated Vehicles	2,538,064	-	**2,538,064**	1,775,861
Revenue from special events	7,501,295	-	**7,501,295**	12,108,453
Less: direct benefit to donor costs	750,718	-	**750,718**	1,180,170
Net Revenue from Special Events	6,750,577	-	**6,750,577**	10,928,283
Total Support from the Public	22,952,616	514,275	**23,466,891**	23,973,163
Program service support and fees	14,429,304	-	**14,429,304**	14,835,271
Royalties	2,337,744	-	**2,337,744**	2,330,797
Dues – professional members	795,178	-	**795,178**	760,796
Investment income (loss), net	503,446	3,029,193	**3,532,639**	(683,223)
Government grants	515,400	-	**515,400**	555,977
Other, net	431,917	-	**431,917**	461,513
Net assets released from restrictions	581,578	(581,578)	**-**	-
Total Revenue	19,594,567	2,447,615	**22,042,182**	18,261,131
Total Support and Revenue	42,547,183	2,961,890	**45,509,073**	42,234,294
Expenses				
Program services:				
Research	3,128,837	-	**3,128,837**	3,653,719
Public health education	4,215,308	-	**4,215,308**	4,747,697
Professional education	11,228,150	-	**11,228,150**	12,056,653
Patient services	3,969,766	-	**3,969,766**	4,242,084
Community services and assistance to Affiliates	8,593,053	-	**8,593,053**	10,253,695
Total Program Services	31,135,114	-	**31,135,114**	34,953,848
Supporting services:				
Fundraising	1,660,790	-	**1,660,790**	3,250,929
Management and general	3,431,219	-	**3,431,219**	3,622,290
Total Supporting Services	5,092,009	-	**5,092,009**	6,873,219
Total Expenses	36,227,123	-	**36,227,123**	41,827,067
Change in Net Assets	6,320,060	2,961,890	**9,281,950**	407,227
Net Assets, beginning of year	6,299,905	6,435,860	**12,735,765**	12,328,538
Net Assets, end of year	$ 12,619,965	$ 9,397,750	**$ 22,017,715**	$ 12,735,765

See accompanying notes to financial statements.

National Kidney Foundation, Inc.

Statement of Cash Flows
(with comparative totals for 2020)

Years ended March 31,	2021	2020
Cash Flows from Operating Activities		
Change in net assets	$ 9,281,950	$ 407,227
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	127,201	128,392
Allowance for uncollectible accounts	(144,706)	(73,025)
Net realized and unrealized (gains) losses on investments	(3,699,348)	977,460
Donated stocks	(139,661)	(123,323)
Decrease (increase) in assets:		
Due from Affiliates	12,687	140,642
Other receivables	(137,445)	54,986
Prepaid expenses and other assets	377,176	(361,052)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(705,519)	834,986
Deferred income	(224,528)	2,004,502
Deferred rent	130,205	174,873
Payable to beneficiaries	(21,636)	(13,452)
Accrued compensation	55,751	(13,389)
Net Cash Provided by Operating Activities	4,912,127	4,138,827
Cash Flows from Investing Activities		
Purchases of fixed assets	(63,748)	(423,989)
Proceeds from sale of investments	2,988,367	3,358,856
Purchases of investments	(2,834,686)	(5,704,292)
Net Cash Provided by (Used in) Investing Activities	89,933	(2,769,425)
Cash Flows from Financing Activities		
Proceeds from loan payable – Payroll Protection Program	3,618,715	-
Proceeds from line of credit	4,000,000	500,000
Repayments on line of credit	(4,000,000)	(500,000)
Net Cash Provided by Financing Activities	3,618,715	-
Net Increase in Cash and Cash Equivalents	8,620,775	1,369,402
Cash and Cash Equivalents, beginning of year	6,243,210	4,873,808
Cash and Cash Equivalents, end of year	$ 14,863,985	$ 6,243,210
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	$ 56,685	$ 4,485

See accompanying notes to financial statements.

National Kidney Foundation, Inc.

Statement of Functional Expenses
(with comparative totals for 2020)

Year ended March 31,

	Program Services						Supporting Services				Total	
	Research	Public Health Education	Professional Education	Patient Services	Community Services and Assistance to Affiliates	Total Program Services	Fundraising	Management and General	Special Events, Direct Benefit Costs, and Donated Vehicles Costs and Expenses	Total Supporting Services	**2021**	2020
Salaries	$ 885,144	$ 2,045,722	$ 4,767,827	$ 2,136,423	$ 4,930,678	$ 14,765,794	$ 540,876	$ 2,127,333	$ -	$ 2,668,209	**$ 17,434,003**	$ 17,165,202
Retirement benefits	29,638	87,240	127,793	61,265	166,231	472,167	23,066	90,720	-	113,786	**585,953**	466,745
Payroll taxes	67,546	198,825	291,249	139,627	378,850	1,076,097	52,568	206,757	-	259,325	**1,335,422**	1,251,631
Other employee benefits	84,391	85,439	637,957	263,158	461,708	1,532,653	22,589	88,847	-	111,436	**1,644,089**	2,198,157
Awards and grants	660,748	-	-	-	-	660,748	-	-	-	-	**660,748**	1,089,336
Patient financial assistance	-	-	-	399,166	-	399,166	-	-	-	-	**399,166**	458,190
Professional fees and contract services	1,044,365	150,337	2,595,343	341,270	364,357	4,495,672	254,218	148,295	169,687	572,200	**5,067,872**	5,139,174
Office supplies and expenses	8,979	27,065	45,732	38,351	250,251	370,378	4,248	27,484	30,182	61,914	**432,292**	872,529
Telephone	10,425	28,920	51,946	23,488	61,252	176,031	7,673	30,074	-	37,747	**213,778**	252,592
Postage and shipping	2,388	9,585	53,347	26,835	62,762	154,917	219,590	7,116	-	226,706	**381,623**	429,889
Building occupancy	133,809	393,874	591,828	276,602	751,715	2,147,828	104,138	409,587	-	513,725	**2,661,553**	2,850,945
Equipment repairs and maintenance	43,669	128,543	188,296	90,271	245,003	695,782	43,068	133,671	-	176,739	**872,521**	1,189,664
Insurance	10,230	30,113	44,112	21,147	81,778	187,380	7,962	31,315	-	39,277	**226,657**	222,821
Printing and publications	1,265	8,364	1,008,562	23,419	58,383	1,099,993	143,225	2,120	-	145,345	**1,245,338**	1,103,723
Marketing and promotion	100,459	907,326	115,192	26,268	464,334	1,613,579	42,670	15,378	-	58,048	**1,671,627**	2,211,930
Conferences and meetings	1,335	9,404	415,659	28,613	46,495	501,506	26,089	4,086	550,849	581,024	**1,082,530**	4,452,503
Meetings and travel	9,278	758	70,447	1,497	2,101	84,081	7,455	789	-	8,244	**92,325**	689,210
Cost of donated vehicles, provider fees	-	-	-	-	-	-	-	-	675,344	675,344	**675,344**	725,246
Dues and subscriptions	5,515	16,509	63,128	11,578	90,271	187,001	4,509	16,881	-	21,390	**208,391**	178,024
Cost of goods sold	-	-	7,269	-	-	7,269	-	-	-	-	**7,269**	29,673
Miscellaneous expenses	23,219	68,346	124,721	47,488	140,798	404,572	151,839	71,072	-	222,911	**627,483**	626,906
	3,122,403	4,196,370	11,200,408	3,956,466	8,556,967	31,032,614	1,655,783	3,411,525	1,426,062	6,493,370	**37,525,984**	43,604,090
Depreciation and amortization	6,434	18,938	27,742	13,300	36,086	102,500	5,007	19,694	-	24,701	**127,201**	128,392
	3,128,837	4,215,308	11,228,150	3,969,766	8,593,053	31,135,114	1,660,790	3,431,219	1,426,062	6,518,071	**37,653,185**	43,732,482
Less: direct benefit costs	-	-	-	-	-	-	-	-	(750,718)	(750,718)	**(750,718)**	(1,180,170)
Donated vehicles cost of sales and selling expenses	-	-	-	-	-	-	-	-	(675,344)	(675,344)	**(675,344)**	(725,245)
Total Expenses Reported by Function in the Statement of Activities	$ 3,128,837	$ 4,215,308	$ 11,228,150	$ 3,969,766	$ 8,593,053	$ 31,135,114	$ 1,660,790	$ 3,431,219	$ -	$ 5,092,009	**$ 36,227,123**	$ 41,827,067
Current-year percentages (%)	8.64	11.64	30.99	10.96	23.72	85.95	4.58	9.47	-	14.05	**100.00**	
Prior-year percentages (%)	8.74	11.35	28.83	10.14	24.51	83.57	7.77	8.66	-	16.43		100.00

See accompanying notes to financial statements.

1. Nature of Organization

The National Kidney Foundation, Inc. (the Foundation), headquartered in New York City, is dedicated to the awareness, prevention, and treatment of kidney disease for hundreds of thousands of healthcare professionals, millions of patients and their families, and tens of millions of Americans at risk. The Foundation has a chartered network of nine affiliated organizations (Affiliates) and 29 regional offices as of March 31, 2021 across the country to implement its mission to prevent kidney and urinary tract diseases, improve the health and well-being of individuals and families affected by these diseases, and increase the availability of all organs for transplantation. Founded in 1950 to address the critical impact of the diseases referred to above, the Foundation conducts nationwide educational campaigns about the role of the kidney in maintaining overall health, the importance of early detection, and organ donation and transplantation. Under the provisions of a charter with the Foundation, each Affiliate must meet certain requirements regarding organizational structure, program services, and fundraising.

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Financial Statement Presentation

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

These classes are defined as follows:

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

Net Assets Without Donor Restrictions – This class consists of net assets that are without donor-imposed stipulations and/or net assets that the Board of Directors has discretionary control to use in carrying out the operations of the Foundation, in accordance with its charter and by-laws.

Cash and Cash Equivalents

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

Concentration of Credit Risk

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

Fair Value Measurements

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

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

Level 2 – Valuations are based on: (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in inactive markets, (c) inputs other than quoted prices that are observable for the asset or liability, and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Valuations are based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

Investment Income

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

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 in the balance sheet.

Fixed Assets

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

	Useful Lives (Years)
Furniture and equipment	5-7
Capitalized software	3-5

Impairment of Long-Lived Assets

The Foundation follows the provisions of ASC 360-10-35, *Accounting for the Impairment or Disposal of Long-Lived Assets*, which requires the Foundation to review long-lived assets, including both fixed and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. For the years ended March 31, 2021 and 2020, there has been no such loss.

Deferred Rent

Rent expense is recognized on a straight-line basis over the life of the lease. The difference between rent expense recognized and rental payments, as stipulated in the lease, is reflected as deferred rent in the balance sheet.

Revenue Recognition from Exchange Transactions

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

The Foundation adopted ASC 606 using the modified retrospective method (ASC 606-10-65-1(f)(4)) applied to all contracts not completed as of April 1, 2020. Results for reporting periods beginning after April 1, 2020 are presented under ASC 606 while prior period amounts continue to be reported in accordance with legacy GAAP. The adoption of ASC 606 did not result in a change to the accounting for any of the in-scope revenue streams; as such, no cumulative effect adjustment was recorded.

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

Sponsorships and Special Events

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

Royalties

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

Membership Dues and Subscriptions

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

Program Services

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

Government Grants and Contracts

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

Research

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

Public Health Education

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

Professional Education

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

Patient Services

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

Community Services and Assistance to Affiliates

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

Other, Net

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

Revenue Recognition from Non-Exchange Transactions

Contributions and Unconditional Promises to Give (Pledges)

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

Donated Vehicles

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

Donated Services

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

Deferred Income (Contract Liabilities)

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

Functional Allocation of Expenses

The majority of expenses can generally be directly identified with the program or supporting services to which they relate and are allocated accordingly. Other expenses have been allocated among program and supporting service classifications primarily on the basis of the employees' time allocations.

Income Taxes

The Foundation is a not-for-profit voluntary health agency, as described in Section 501(c)(3) of the Internal Revenue Code (the Code). The Foundation is exempt from federal income taxes under Section 501(a) of the Code and has been classified as a publicly supported charitable organization under Section 509(a)(1) of the Code. The Foundation also is exempt from New York State and City income taxes. Contributions to the Foundation are deductible for income tax purposes to the maximum extent allowed under the Code. There was no unrelated business income tax payable for the years ended March 31, 2021 and 2020.

The Foundation has not taken an uncertain tax position that would require provision of a liability under ASC 740, *Income Taxes*. Under ASC 740, an organization must recognize the financial statement effects of a tax position taken for tax return purposes when it is more likely than not that the position will be sustained upon examination by a taxing authority. The Foundation does not believe there are any material uncertain tax positions and, accordingly, it will not recognize the financial statement effects for unrecognized tax positions for the years ended March 31, 2021 and 2020. The Foundation has filed for, and received, income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Foundation has filed IRS Form 990, as required, and all other applicable returns in jurisdictions when it is required.

Beneficial Interest in Perpetual Trust

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

Endowment Funds

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

The following applies to the endowment fund:

Interpretation of Relevant Law

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

Investment and Spending Policies

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

As of March 31, 2021 and 2020, the Foundation may appropriate endowment investment returns for distribution each year up to 5% of the ending market value of the endowment fund over the previous three years, and considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Issued but Not Yet Adopted Accounting Pronouncements

Accounting for Leases (Topic 842)

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The FASB issued ASU 2020-05, which deferred the effective date for the Foundation until annual periods beginning after December 15, 2021, with early adoption permitted. Management is currently evaluating the impact of this ASU on its financial statements.

3. Liquidity and Availability of Resources

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

Year ended March 31,	**2021**	2020
Cash and cash equivalents	**$ 14,863,985**	$ 6,243,210
Investments, at fair value	**13,111,634**	10,609,410
Investments held under split-interest agreements	**135,513**	120,975
Due from Affiliates, principally share of Affiliate contributions	**507,716**	172,945
Other receivables, net	**1,646,521**	1,574,262
Total Current Assets	**30,265,369**	18,720,802
Less:		
Contractual or donor-imposed restrictions:		
Donor-imposed restrictions – purpose	**(4,696,374)**	(2,312,301)
Investments held in annuity trust	**(90,337)**	(77,161)
Board designations – operating investment fund	**(1,500,000)**	(713,058)
Total Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	**$ 23,978,658**	$ 15,618,282

As part of the Foundation's liquidity management, the Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of monthly requirements in short-term investments. To help manage unanticipated liquidity needs, the Foundation has a committed line of credit in the amount of $5 million, which it could draw upon. As of March 31, 2021 and 2020, there was no outstanding balance on the line of credit.

4. Fair Value Measurements

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

March 31, 2021

	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	**$ 2,132,113**	**$ -**	**$ -**	**$ 2,132,113**
Equity securities	**2,038,603**	**-**	**-**	**2,038,603**
Fixed income - bonds	**295,610**	**-**	**-**	**295,610**
Publicly traded mutual funds	**11,420,543**	**-**	**-**	**11,420,543**
Private equity – interest in realty holding corporation	**-**	**-**	**1,535,200**	**1,535,200**
Beneficial interest in a perpetual trust	**-**	**-**	**2,661,273**	**2,661,273**
Total Investments	**$ 15,886,869**	**$ -**	**$ 4,196,473**	**$ 20,083,342**

March 31, 2020

	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 1,936,932	$ -	$ -	$ 1,936,932
Equity securities	1,536,581	-	-	1,536,581
Fixed income - bonds	252,422	-	-	252,422
Publicly traded mutual funds	9,107,524	-	-	9,107,524
Private equity – interest in realty holding corporation	-	-	1,610,000	1,610,000
Beneficial interest in a perpetual trust	-	-	1,954,555	1,954,555
Total Investments	$ 12,833,459	$ -	$ 3,564,555	$ 16,398,014

Included in the table above are assets held under split-interest agreements in the amount of $427,536 and $435,996 as of March 31, 2021 and 2020, respectively.

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

The Foundation invests in various investment securities that are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying balance sheet.

Level 3 Assets at Fair Value

Beneficial Interest in a Perpetual Trust

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

The Foundation will receive quarterly income distributions for a period of 50 years, which began December 25, 2003, from the trust. The income is reported as part of investment (loss) income, net in the statement of activities. During the years ended March 31, 2021 and 2020, the value of the beneficial interest increased by $706,718 and decreased by $228,777, respectively. The Foundation expects to receive 5% of the market value of trust assets each year thereafter until December 25, 2053, at which time the remaining trust will be distributed to the beneficiaries. The quarterly distributions received are to be used at the discretion of the Foundation and, therefore, are recorded as income under net assets without donor restrictions when received.

Private Equity – Interest in a Realty Holding Corporation

In 2018, the Foundation received a bequest from a trust that included a 20% interest in a realty holding corporation. The investment is accounted for using the fair market value method of accounting. As of March 31, 2021 and 2020, the Foundation's interest in the private company had an estimated value of $1,919,000 and $2,110,000, respectively. Due to the coronavirus pandemic (the COVID-19 outbreak) and related economic factors, the Foundation recorded a reserve against its interest in the private company. As of March 31, 2021 and 2020, the Foundation's reserve totaled $383,800 and $500,000, respectively.

As of March 31, 2021, the Foundation's financial assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) represent the fair value of the Foundation's beneficial interest in a perpetual trust ($2,661,273 and $1,954,555, respectively) and its interest in the private equity realty holding corporation, net of reserves ($1,535,200 and $1,610,000, respectively). There currently is no market in which beneficial interests in trusts or the private equity holding trade; therefore, no observable exit price exists for either investment. The Foundation cannot make any investment decisions regarding the assets held by the trusts or the private equity realty holding corporation.

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

Description	Balance, April 1, 2020	Contributions	Releases	Investment Income (Loss)	Reserve Adjustment	Balance, March 31, 2021
Beneficial interest in a perpetual trust	**$ 1,954,555**	**$ 77,713**	**$ (77,713)**	**$ 706,718**	**$ -**	**$ 2,661,273**
Private equity – realty holding corporation	**1,610,000**	**166,000**	**(166,000)**	**(191,000)**	**116,200**	**1,535,200**
	$ 3,564,555	**$ 243,713**	**$ (243,713)**	**$ 515,718**	**$ 116,200**	**$ 4,196,473**

Description	Balance, April 1, 2019	Contributions	Releases	Investment Income (Loss)	Reserve Adjustment	Balance, March 31, 2020
Beneficial interest in a perpetual trust	$ 2,183,332	$ 77,518	$ (77,518)	$ (228,777)	$ -	$ 1,954,555
Private equity – realty holding corporation	1,166,738	173,000	(173,000)	943,262	(500,000)	1,610,000
	$ 3,350,070	$ 250,518	$ (250,518)	$ 714,485	$ (500,000)	$ 3,564,555

As of March 31, 2021 and 2020, there were no unfunded commitments nor transfers between levels.

Quantitative Information about Level 3 Fair Value Measurements

Description	Fair Value at March 31, 2021	Valuation Technique	Unobservable Input	Range (Weighted Average) (c)
Private equity - realty holding corporation	**$1,535,200 (a)**	**Market comparable companies**	**Discount for lack of marketability (b)**	**10% - 25% (20%)**

Quantitative Information about Level 3 Fair Value Measurements

Description	Fair Value at March 31, 2020	Valuation Technique	Unobservable Input	Range (Weighted Average) (c)
Private equity – realty holding corporation	$1,610,000 (a)	Market comparable companies	Discount for lack of marketability (b)	10% - 25% (20%)

(a) The fair value of the private equity – realty holding corporation is net of management's reserve of $383,200 and $500,000, as of March 31, 2021 and 2020, respectively.

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

(c) Unobservable inputs were weighted by the relative fair value of the instruments.

5. Other Receivables

Other receivables are as follows:

March 31,	**2021**	2020
Pledges receivable, net	**$ 14,992**	$ 21,463
Beneficial interest in charitable remainder trusts and estates	**-**	57,466
Contractual grants and miscellaneous receivables	**1,636,521**	1,505,347
	$ 1,651,513	$ 1,584,276

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

The following represents future payments due:

March 31,		**2021**		2020
Within one year	**$**	**10,000**	$	11,449
Two to five years		**5,000**		10,040
Discount to present value		**(8)**		(26)
	$	**14,992**	$	21,463

The discount rates used to calculate present value varied from 0.16% to 0.23% and 1.4% to 2.21% for the years ended March 31, 2021 and 2020, respectively.

6. Fixed Assets

Fixed assets, net, consisted of the following:

March 31,		**2021**		2020
Property, furniture and equipment	**$**	**2,562,198**	$	2,603,083
Leasehold improvements		**808,416**		806,541
Capitalized software		**374,588**		374,588
		3,745,202		3,784,212
Less: accumulated depreciation and amortization		**(3,164,612)**		(3,140,169)
	$	**580,590**	$	644,043

Depreciation and amortization expense for the years ended March 31, 2021 and 2020 was $127,201 and $128,392, respectively.

7. Split-Interest Agreements

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

As of March 31, 2021 and 2020, the total assets held under split-interest agreements were $427,536 and $435,996, respectively, at fair value. The actuarial present value, which approximates fair value, of the Foundation's payable to beneficiaries was $337,199 and $358,835 as of March 31, 2021 and 2020, respectively, and was calculated using interest rates ranging from 1.2% to 7.4%.

8. Deferred Income

Deferred income is as follows:

March 31,		**2021**		2020
Foundation programs and projects	**$**	**6,263,273**	$	6,748,469
Membership and subscriptions		**676,882**		562,341
Special events		**883,378**		737,251
	$	**7,823,533**	$	8,048,061

9. Line of Credit

The Foundation has a line of credit with a financial institution of up to $5,000,000. For the fiscal years ended March 31, 2021 and 2020, interest was charged monthly on the outstanding balance at the one-month London Interbank Offered Rate plus an interest spread of 1.25% per annum. The line of credit is secured by the Foundation's investments. As of March 31, 2021 and 2020, the Foundation did not have an outstanding balance. The line of credit matures on October 31, 2021, at which time any outstanding principal and interest amounts are due and payable.

10. Loan Payable – Paycheck Protection Program

The Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) appropriated funds for the Small Business Administration (SBA) Paycheck Protection Program (PPP) loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19. In April 2020, the Foundation applied for and secured a PPP loan of approximately $3.6 million. The Foundation has reported the PPP Loan as a liability on its balance sheet as of March 31, 2021. Management has assessed and concluded that the funds were used in accordance with the SBA stipulations and are eligible for receiving full forgiveness from the SBA (see Note 18 for related subsequent event updated disclosures).

11. Retirement/Savings Plans

403(b) Plan

The Foundation has a contributory retirement/savings plan that covers substantially all full-time employees who meet certain age and service requirements. Under the terms of the plan, contributions are made under Section 403(b) of the Code and are invested, at the discretion of the plan participant, in one or more of the investment vehicles available under the plan. Pension expense for the years ended March 31, 2021 and 2020 totaled $585,954 and $466,745, respectively.

457(f) Plan

The Foundation has a Section 457(f) Senior Staff Flexible Benefit Plan (the Plan) that provides senior management employees with a benefit allowance contributed by the Foundation, which can be used for various benefit options, including a capital accumulation account. At March 31, 2021, the Plan was fully funded, and the Foundation did not incur any benefit expense for the current fiscal year. As of March 31, 2021 and 2020, the fully funded liability related to the Plan totaled $185,253 and $129,502 at March 31, 2021 and 2020, respectively, and is included in accrued compensation in the accompanying balance sheet. This liability is fully funded by investments held in the Foundation's portfolio.

12. Commitments

Operating Leases

The Foundation occupies premises under non-cancelable operating leases with expiration dates that range between fiscal years 2020 through 2031. Under the terms of these operating leases, rental payments increase annually. However, for financial statement purposes, rent expense is recorded on the straight-line basis over the term of the lease. The difference between rental payments made under the lease and rent expense calculated on the straight-line basis is recorded as deferred rent.

Rent expense was $2,260,490 and $2,363,312 for the years ended March 31, 2021 and 2020, respectively.

Future minimum lease payments are as follows:

Year ending March 31,		
2022	$	1,866,630
2023		1,522,611
2024		1,467,132
2025		1,468,122
2026		1,508,589
Thereafter		7,428,604
	$	15,261,688

Awards and Grants

As of March 31, 2021, the Foundation has entered into conditional multi-year research grant commitments. The Foundation recognizes as expense the portion of the research grant award that becomes unconditional during the fiscal period. The Foundation has expensed research grants of $660,748 and $1,089,336 during the years ended March 31, 2021 and 2020, respectively.

13. Net Assets Without Donor Restrictions

Net assets without donor restrictions are available as follows:

March 31,		**2021**		2020
Designated by the Board for operating investments	**$**	**1,500,000**	$	713,058
Undesignated		**11,119,965**		5,586,847
	$	**12,619,965**	$	6,299,905

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

14. Net Assets with Donor Restrictions

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

March 31,		**2021**		2020
Restricted for a specific purpose:				
Young investigators and clinical scientists research	**$**	**3,619,334**	$	1,497,188
Other research		**592,604**		565,226
Other programs		**1,211,843**		670,087
Total Restricted for a Specific Purpose		**5,423,781**		2,732,501
Restricted in perpetuity:				
Enuresis research		**174,237**		174,237
Other research		**800,724**		800,723
Patient services		**139,692**		139,692
Community services		**90,680**		90,680
Professional education		**11,929**		11,929
Public education		**97,872**		97,872
Undesignated programs		**2,658,835**		2,658,837
Underwater endowments		**-**		(270,611)
Total Restricted in Perpetuity		**3,973,969**		3,703,359
	$	**9,397,750**	$	6,435,860

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

Year ended March 31,		**2021**		2020
Young investigators and clinical scientists research	**$**	**140,000**	$	131,000
Other research		**96,523**		255,906
Other programs		**345,055**		576,143
	$	**581,578**	$	963,049

15. Endowments

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

March 31,		**2021**		2020
Cash and cash equivalents	**$**	**178,113**	$	215,210
Equity securities		**2,753,737**		2,268,143
Fixed income - bonds		**629,240**		781,019
Publicly traded mutual funds		**412,879**		438,987
	$	**3,973,969**	$	3,703,359

As of March 31, 2021 and 2020, the original donor-restricted endowment gift amount and amounts required to be retained by donors totaled $3,973,969.

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NYPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature existed on March 31, 2020 in one donor-restricted endowment fund, which had an original gift value of $2,225,166, and fair value of $1,954,555. The underwater loss for the year ended March 31, 2020, totaled $228,777 and the accumulated underwater loss totaled $270,610. On March 31, 2021 there was no deficiency and the value of the same donor-restricted fund was $2,661,273. These increases and deficiencies resulted from market fluctuations that occurred for the years ended March 31, 2021 and 2020.

Changes in endowment net assets consisted of the following:

Year ended March 31, 2021

	Restricted for a Specific Purpose	Restricted in Perpetuity	Total
Endowment Net Assets, beginning of year	**$ 54,795**	**$ 3,703,359**	**$ 3,758,154**
Investment income	**1,172,599**	**270,610**	**1,443,209**
Appropriation of endowment assets for expenditure	**(123,197)**	**-**	**(123,197)**
Endowment Net Assets, end of year	**$ 1,104,197***	**$ 3,973,969**	**$ 5,078,166**

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

Year ended March 31, 2020

	Restricted for a Specific Purpose	Restricted in Perpetuity	Total
Endowment Net Assets, beginning of year	$ 294,150	$ 3,932,136	$ 4,226,286
Investment loss	(239,355)	-	(239,355)
Underwater loss	-	(228,777)	(228,777)
Endowment Net Assets, end of year	$ 54,795*	$ 3,703,359	$ 3,758,154

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

16. Related-Party Transactions

During the years ended March 31, 2021 and 2020, the Foundation had an arm's length transaction with a board member. The board member is a president of a marketing agency that has been engaged to work on the Foundation's Kidney Risk Campaign, known as the "Are you the 33%" awareness campaign (Campaign). The marketing agency assisted the Foundation with the creative aspects of the Campaign, as well as the engagement and distribution channels for the Campaign.

During the years ended March 31, 2021 and 2020, the amounts paid to the marketing agency for the various deliverables of the Campaign approximated $386,025 and $685,000, respectively. This amount includes both compensation for the marketing agency, as well as passthrough costs for the engagement and distribution aspects of the Campaign. There were no unpaid invoices due to the marketing agency as of March 31, 2021.

17. Risk and Uncertainties

Investments Risk

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

COVID-19 Outbreak

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus and the risks to the international community as the virus spreads globally. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

Although the Centers for Disease Control (CDC) and most states have lifted most of the restrictions put in place to contain COVID-19 as of the report date, the full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude of the impact that the pandemic will have on the Foundation's future financial condition, liquidity, and results of operations. Management is actively monitoring the impact of the situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the evolution of new variants with the COVID-19 outbreak and the global responses to curb its spread, the Foundation is not able to accurately estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022. The Foundation's operations are heavily dependent on private and public donations from individuals, foundations, and corporations for all its events around the United States. Apart from the Golf program and some of its other special events and programs that already began in-person activities, the Foundation is projecting that in-person Walks can safely resume in January 2022.

On March 27, 2020, the CARES Act was signed into law. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property. As detailed in Note 10, the Foundation obtained a PPP loan from the appropriations of the CARES Act, no other forms of assistance were utilized as of March 31, 2021.

18. Subsequent Events

In April 2021, the Foundation has applied for full forgiveness on the SBA PPP loan. On June 22, 2021, the Foundation received notice from its banker that the SBA has authorized the full forgiveness of the loan. As such, the bank will apply the forgiveness to the Foundation's loan account and offset all interest accrued. The forgiveness amount will be reported in the Foundation's results for fiscal year 2022.

The Foundation's management has performed subsequent event procedures through August 6, 2021, which is the date the financial statements were available to be issued, and there were no other subsequent events requiring adjustment to the financial statements or disclosures as stated herein.