

**NATIONAL KIDNEY FOUNDATION OF
FLORIDA, INC.**

Financial Statements

June 30, 2020 and 2019

(With Independent Auditors' Report Thereon)

NATIONAL KIDNEY FOUNDATION OF FLORIDA, INC.

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Independent Auditors' Report

The Board of Directors
National Kidney Foundation of Florida, Inc.
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying statements of financial position of National Kidney Foundation of Florida, Inc. as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Kidney Foundation of Florida, Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of share reconciliation on page 16 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in blue ink that reads "Davis Group, P.A." in a cursive, flowing script.

Davis Group, P.A.,
August 10, 2020

NATIONAL KIDNEY FOUNDATION OF FLORIDA, INC.

Statements of Financial Position

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 375,189	\$ 291,054
Accounts receivable	12,410	-
Due from related party	-	24,662
Total current assets	<u>387,599</u>	<u>315,716</u>
Restricted cash and investments:		
Cash and cash equivalents	-	76,640
Investments	931,190	1,036,133
Total restricted cash and investments	<u>931,190</u>	<u>1,112,773</u>
Property and equipment, net	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 1,318,789</u></u>	<u><u>\$ 1,428,489</u></u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 25,986	\$ 12,355
Due to related party	6,375	-
Deferred revenue	30,300	53,780
Total liabilities	<u>62,661</u>	<u>66,135</u>
Net assets:		
Without donor restrictions:		
Undesignated	657,936	517,023
Designated for visiting professorship at University of Miami	80,000	80,000
Total net assets without donor restrictions	<u>737,936</u>	<u>597,023</u>
With donor restrictions	<u>518,192</u>	<u>765,331</u>
Total net assets	<u>1,256,128</u>	<u>1,362,354</u>
Total liabilities and net assets	<u><u>\$ 1,318,789</u></u>	<u><u>\$ 1,428,489</u></u>

See accompanying notes to financial statements.

NATIONAL KIDNEY FOUNDATION OF FLORIDA, INC.

Statement of Activities and Changes in Net Assets

Year ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support:			
Fundraising events	\$ 744,270	\$ -	\$ 744,270
Less: cost of fundraising events	(226,555)	-	(226,555)
Net revenues from fundraisers	<u>517,715</u>	<u>-</u>	<u>517,715</u>
Contributions	346,292	14,887	361,179
Thrift store sales	58,786	-	58,786
Sales of donated vehicles, net	35,797	-	35,797
Government grant	27,500	-	27,500
Investment income	25,761	-	25,761
Net unrealized gain on investments	9,273	-	9,273
Net assets released from restrictions	<u>262,026</u>	<u>(262,026)</u>	<u>-</u>
Total revenue and support	<u>1,283,150</u>	<u>(247,139)</u>	<u>1,036,011</u>
Expenses:			
Program services:			
Patient services	526,250	-	526,250
Community service	172,651	-	172,651
Professional education	141,901	-	141,901
Public health education	135,640	-	135,640
Research	<u>9,470</u>	<u>-</u>	<u>9,470</u>
Total program services	<u>985,912</u>	<u>-</u>	<u>985,912</u>
Supporting services:			
Management and general	75,586	-	75,586
Fundraising	<u>80,739</u>	<u>-</u>	<u>80,739</u>
Total supporting services	<u>156,325</u>	<u>-</u>	<u>156,325</u>
Total expenses	<u>1,142,237</u>	<u>-</u>	<u>1,142,237</u>
Changes in net assets	140,913	(247,139)	(106,226)
Net assets, beginning of year	<u>597,023</u>	<u>765,331</u>	<u>1,362,354</u>
Net assets, end of year	<u>\$ 737,936</u>	<u>\$ 518,192</u>	<u>\$ 1,256,128</u>

See accompanying notes to financial statements.

NATIONAL KIDNEY FOUNDATION OF FLORIDA, INC.

Statement of Activities and Changes in Net Assets

Year ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support:			
Fundraising events	\$ 1,011,328	\$ -	\$ 1,011,328
Less: cost of fundraising events	<u>(286,213)</u>	<u>-</u>	<u>(286,213)</u>
Net revenues from fundraisers	725,115	-	725,115
Contributions	242,595	1,444	244,039
Thrift store sales	55,393	-	55,393
Sales of donated vehicles, net	30,172	-	30,172
Investment income	29,781	-	29,781
Net unrealized gain on investments	28,590	-	28,590
Net assets released from restrictions	<u>139,247</u>	<u>(139,247)</u>	<u>-</u>
Total revenue and support	<u>1,250,893</u>	<u>(137,803)</u>	<u>1,113,090</u>
Expenses:			
Program services:			
Patient services	400,045	-	400,045
Community service	178,150	-	178,150
Professional education	152,027	-	152,027
Public health education	129,879	-	129,879
Research	<u>8,131</u>	<u>-</u>	<u>8,131</u>
Total program services	<u>868,232</u>	<u>-</u>	<u>868,232</u>
Supporting services:			
Management and general	77,681	-	77,681
Fundraising	<u>84,493</u>	<u>-</u>	<u>84,493</u>
Total supporting services	<u>162,174</u>	<u>-</u>	<u>162,174</u>
Total expenses	<u>1,030,406</u>	<u>-</u>	<u>1,030,406</u>
Changes in net assets	220,487	(137,803)	82,684
Net assets, beginning of year	<u>376,536</u>	<u>903,134</u>	<u>1,279,670</u>
Net assets, end of year	<u>\$ 597,023</u>	<u>\$ 765,331</u>	<u>\$ 1,362,354</u>

See accompanying notes to financial statements.

NATIONAL KIDNEY FOUNDATION OF FLORIDA, INC.

Statement of Functional Expenses

Year ended June 30, 2020

	Program Services						Supporting Services			Total Expenses
	Patient Services	Community Service	Professional Education	Public Health Education	Research	Total	Management and General	Fund-raising	Total	
Direct assistance to patients	\$ 380,074	\$ -	\$ -	\$ -	\$ -	\$ 380,074	\$ 3,839	\$ -	\$ 3,839	\$ 383,913
Salaries	52,704	57,723	42,665	50,194	-	203,286	12,548	35,136	47,684	250,970
Revenue share payment to National	20,206	46,589	57,176	17,508	9,470	150,949	19,054	16,057	35,111	186,060
Professional fees	32,425	27,652	13,431	29,266	-	102,774	2,371	5,530	7,901	110,675
Building occupancy	8,682	9,508	7,028	8,268	-	33,486	2,067	5,788	7,855	41,341
Office supplies and services	6,735	7,377	5,452	6,414	-	25,978	1,604	4,490	6,094	32,072
Employee benefits	7,827	8,573	6,336	7,455	-	30,191	1,864	5,218	7,082	37,273
Meetings and travel	2,489	-	-	2,490	-	4,979	23,981	-	23,981	28,960
Payroll taxes	4,285	4,693	3,469	4,081	-	16,528	1,019	2,856	3,875	20,403
Telephone	2,425	2,656	1,963	2,310	-	9,354	578	1,617	2,195	11,549
Patient advocate	3,419	5,698	2,768	2,768	-	14,653	487	1,140	1,627	16,280
Insurance	761	834	616	725	-	2,936	181	508	689	3,625
Printing and publications	1,320	1,181	873	1,270	-	4,644	256	719	975	5,619
Postage and shipping	426	-	-	426	-	852	1,779	1,578	3,357	4,209
Other	2,319	-	-	2,319	-	4,638	3,922	-	3,922	8,560
Dues and subscriptions	153	167	124	146	-	590	36	102	138	728
Total expenses	\$ 526,250	\$ 172,651	\$ 141,901	\$ 135,640	\$ 9,470	\$ 985,912	\$ 75,586	\$ 80,739	\$ 156,325	\$ 1,142,237

See accompanying notes to financial statements.

NATIONAL KIDNEY FOUNDATION OF FLORIDA, INC.

Statement of Functional Expenses

Year ended June 30, 2019

	Program Services					Supporting Services			Total Expenses	
	Patient Services	Community Service	Professional Education	Public Health Education	Research	Total	Management and General	Fund-raising		Total
Direct assistance to patients	\$ 261,009	\$ -	\$ -	\$ -	\$ -	\$ 261,009	\$ 2,636	\$ -	\$ 2,636	\$ 263,645
Salaries	54,465	59,652	44,091	51,871	-	210,079	12,968	36,310	49,278	259,357
Revenue share payment to National	23,806	52,416	67,330	22,414	8,131	174,097	23,501	19,805	43,306	217,403
Professional fees	24,929	28,473	13,830	21,676	-	88,908	2,438	5,695	8,133	97,041
Building occupancy	8,255	9,041	6,683	7,862	-	31,841	1,965	5,503	7,468	39,309
Office supplies and services	7,389	8,092	5,981	7,037	-	28,499	1,759	4,926	6,685	35,184
Employee benefits	6,681	7,317	5,408	6,363	-	25,769	1,591	4,454	6,045	31,814
Meetings and travel	1,319	-	-	1,320	-	2,639	25,598	-	25,598	28,237
Payroll taxes	3,960	4,338	3,206	3,772	-	15,276	943	2,640	3,583	18,859
Telephone	2,701	2,958	2,187	2,573	-	10,419	643	1,801	2,444	12,863
Patient advocate	2,419	4,032	1,958	1,958	-	10,367	347	806	1,153	11,520
Insurance	759	831	614	723	-	2,927	181	506	687	3,614
Printing and publications	813	751	535	781	-	2,900	165	457	622	3,522
Postage and shipping	212	-	-	212	-	424	1,621	1,438	3,059	3,483
Other	1,100	-	-	1,100	-	2,200	1,270	-	1,270	3,470
Dues and subscriptions	134	146	108	127	-	515	32	89	121	636
Depreciation	94	103	76	90	-	363	23	63	86	449
Total expenses	\$ 400,045	\$ 178,150	\$ 152,027	\$ 129,879	\$ 8,131	\$ 868,232	\$ 77,681	\$ 84,493	\$ 162,174	\$ 1,030,406

See accompanying notes to financial statements.

NATIONAL KIDNEY FOUNDATION OF FLORIDA, INC.

Statements of Cash Flows

Years ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Changes in net assets	\$ (106,226)	\$ 82,684
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation	-	449
Unrealized gain on investments	(9,273)	(28,590)
(Decreases) increases in cash due to changes in:		
Accounts receivable	(12,410)	-
Due to/from related party	31,037	(45,747)
Accounts payable and accrued expenses	13,631	(14,569)
Deferred revenue	(23,480)	24,346
Net cash (used in) provided by operating activities	(106,721)	18,573
Cash flows from investing activities -		
Proceeds from (purchases of) investments, net	114,216	(80,369)
Increase (decrease) in cash and cash equivalents	7,495	(61,796)
Cash and cash equivalents, beginning of year	367,694	429,490
Cash and cash equivalents, end of year	\$ 375,189	\$ 367,694
Cash and cash equivalents:		
Cash and cash equivalents	\$ 375,189	\$ 291,054
Restricted cash and cash equivalents	-	76,640
Total cash and cash equivalents	\$ 375,189	\$ 367,694

See accompanying notes to financial statements.

NATIONAL KIDNEY FOUNDATION OF FLORIDA, INC.

Notes to Financial Statements

June 30, 2020 and 2019

(1) Foundation

National Kidney Foundation of Florida, Inc. (the Foundation) is a not-for-profit corporation founded in September 1981 and established with a 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 an affiliate of the National Kidney Foundation, Inc. (National Foundation), a not-for-profit corporation chartered in the State of New York. As an affiliate, the Foundation is a separately incorporated not-for-profit entity chartered by the National Foundation providing services that support the mission within its one designated territory, the State of Florida.

(2) Summary of Significant Accounting Policies

(a) *Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting.

(b) *Basis of Presentation*

The Foundation has adopted the provisions of FASB ASC 958-605, Contributions Received ("ASC 958-605"), and FASB ASC 958-205, Not-for-Profit Entities: Presentation of Financial Statements ("ASC 958-205"). ASC 958-605 requires that contributions received, including unconditional promises to give, be recognized as increases in net assets in the period received at their fair value. ASC 958-205 establishes the standards for external financial reporting for not-for-profit organizations, which includes a statement of financial position, a statement of activities, a statement of functional expenses and a statement of cash flows. It also requires the classification of resources into two classes of net assets based on the absence or existence of donor-imposed restrictions.

Net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

Net assets with donor restrictions – Net assets whose use by the Foundation is subject to temporary or permanent donor-imposed restrictions. Temporary restrictions can be fulfilled by actions of the Foundation pursuant to those restrictions or that expire by the passage of time. When a temporary restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. Permanent restrictions require that net assets subject to donor-imposed restrictions be maintained permanently by the Foundation.

NATIONAL KIDNEY FOUNDATION OF FLORIDA, INC.

Notes to Financial Statements

June 30, 2020 and 2019

(2) Summary of Significant Accounting Policies, Continued

(b) *Basis of Presentation, Continued*

Support and revenue, as well as income and realized and unrealized net gains and losses on any invested assets, are reported as increases or decreases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of donor restrictions on net assets (i.e., the donor-restricted purpose has been fulfilled and/or the restricted time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions received with donor-imposed restrictions, which are met in the same year as received, are reported as support and revenue without donor restrictions.

(c) *Cash and Cash Equivalents*

Cash and cash equivalents include all cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less when purchased.

(d) *Concentration of Credit Risk*

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist of cash and cash equivalents in excess of federally insured limits. The Foundation places its cash with high credit quality financial institutions to minimize the risks.

(e) *Accounts Receivable*

Accounts receivable are stated at net realizable value. Management closely monitors outstanding accounts receivable and charges off to expense any balances that are determined to be uncollectible. At June 30, 2020, outstanding accounts receivable totaled \$12,410. There were no outstanding accounts receivable at June 30, 2019. There was no bad debt expense for the years ended June 30, 2020 and 2019.

(f) *Promises to Give*

Unconditional promises to give are recognized as revenues in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Promises to give are recorded at their estimated net realizable value.

(g) *Property and Equipment*

Property and equipment consist of production and office equipment, and leasehold improvements. Property and equipment in excess of \$1,000, and an estimated useful life exceeding one year, are capitalized and recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the assets, which range from three to seven years.

NATIONAL KIDNEY FOUNDATION OF FLORIDA, INC.

Notes to Financial Statements

June 30, 2020 and 2019

(2) Summary of Significant Accounting Policies, Continued

(h) *Deferred Revenue*

Deferred revenue consists of sponsorships for Surf 2020, as well as, various walk and golf events. These sponsorships which were received before the end of the fiscal year. The events are taking place subsequent to year end. This revenue will be recognized during the subsequent fiscal year.

(i) *Donated Materials and Services*

Contributed services are recognized if the services received create or enhance non-financial assets or require specialized skills and would typically need to be purchased if not provided by contributions. Contributed materials are recorded at their fair value at the date of the gift. The estimated fair value of contributed materials and services is reflected as contributions and expenses in the accompanying statements of activities and statements of functional expenses in the period in which the materials and services are received. The financial statements include \$500 for volunteer hours that meet these criteria for the year ended June 30, 2020. Many hours of additional donated time have not been reflected in the accompanying statements of activities and changes in net assets as these donated services do not meet either of the two recognition criteria described above. The Foundation has estimated the value of these services, which are not included in the financial statements, to be approximately \$30,000. For the year ended June 30, 2019, there were no contributed materials and services.

(j) *Income Taxes*

The Foundation is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The Foundation is subject to a tax on income from any unrelated business.

The Foundation has adopted the recognition requirements for uncertain income tax positions as required by accounting principles generally accepted in the United States of America (US GAAP), with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Foundation has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Foundation believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Foundation's financial condition, results of operations or cash flows. Accordingly, the Foundation has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2020.

(k) *Use of Estimates*

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support and revenue and expenses during the reporting period. Actual results could differ from these estimates.

NATIONAL KIDNEY FOUNDATION OF FLORIDA, INC.

Notes to Financial Statements

June 30, 2020 and 2019

(2) Summary of Significant Accounting Policies, Continued

(l) *Functional Expense Allocation*

The costs incurred by the Foundation have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program services and support activities of the Foundation. These allocations have been made based on an estimate of the relative benefit provided and considerations of time spent on the related activities.

(m) *Subsequent Events*

The Foundation has performed an evaluation of subsequent events through August 10, 2020, which is the date the financial statements were available to be issued.

(3) Fair Value of Assets

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets.

The following is a description of the valuation methodologies used for investments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of investments with similar characteristics, or discounted cash flows and are classified within Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, investments are classified as Level 3 of the hierarchy. There were no Level 2 or 3 investments as of June 30, 2020 and 2019.

NATIONAL KIDNEY FOUNDATION OF FLORIDA, INC.

Notes to Financial Statements

June 30, 2020 and 2019

(3) Fair Value of Assets, Continued

The following table presents the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30:

	2020	2019
	(Level 1)	(Level 1)
Investments:		
Mutual funds	\$ 689,128	\$ 482,710
Exchange traded funds	241,996	553,353
Fixed income funds	66	70
	\$ 931,190	\$ 1,036,133

Interest and dividends from investments totaled \$25,761 and \$29,781 for the years ended June 30, 2020 and 2019, respectively.

(4) Property and Equipment, Net

Property and equipment consists of the following as of June 30:

	2020	2019
Furniture and equipment	\$ 27,831	\$ 172,830
Vehicles	-	2,435
Total property and equipment	27,831	175,265
Less accumulated depreciation	(27,831)	(175,265)
Total property and equipment, net	\$ -	\$ -

There was no depreciation expense for the year ended June 30, 2020. Depreciation expense for property and equipment totaled \$449 for the year ended June 30, 2019.

(5) Refundable Advance

On April 29, 2020, the Foundation received loan proceeds of approximately \$27,500, as a refundable advance, under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times of their average monthly payroll expenses. The loans and accrued interest are forgivable after eight or twenty-four weeks (covered period), as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll and employee at certain levels. The amount of loan forgiveness will be reduced if the borrower does not meet the specified guidelines established in the CARES Act. Any portion of the PPP loan that does not meet the forgiveness guidelines is payable over a two-year period at an interest rate of 1%, with deferral of payments for the first six months.

NATIONAL KIDNEY FOUNDATION OF FLORIDA, INC.

Notes to Financial Statements

June 30, 2020 and 2019

(5) Refundable Advance, Continued

The Foundation used the proceeds for purposes consistent with the CARES Act during the covered period and has accounted for the funds in accordance with ASC 958-605. As of June 30, 2020, the Foundation has reduced the refundable advance by \$27,500, which represents qualified expenses incurred during the period April 10, 2020 through June 30, 2020. These funds are a component of contributions in the Statement of Activities and Changes in Net Assets.

(6) Thrift Store

The Foundation has contractual arrangements with a for-profit marketing company to solicit and collect donations of used clothing and household goods on behalf of the National Kidney Foundation of Florida. The Foundation receives \$.095 per pound for items donated into drop boxes and a variable rate for curbside pickup donations. This curbside variable rate ranges from \$0.75 to \$1.15 per pickup depending on donor response range for a given week.

(7) Related Party Transactions

Support Sharing Commitment

As an affiliate of the National Kidney Foundation, Inc., as described in Note 1, the Foundation is required to remit 25% of unrestricted public support to the National Foundation. Share payments for the years ended June 30, 2020 and 2019 totaled \$186,060 and \$217,403, respectively, and are recorded as an expense that is allocated among the various program and supporting services of the Foundation.

Contributions Received via National Foundation

During the year, donors and supporters may make their donation to the Foundation via the National Foundation. These are posted as credits on the monthly share payments. As of June 30, 2020, the net amount due the National Foundation was \$6,375. As of June 30, 2019, the net amount due the Foundation from the National Foundation was \$24,662.

(8) Leases

The Foundation has entered into a non-cancellable operating lease for its corporate office in Orlando, with an original expiration in July 2018. Lease payments under this operating lease totaled approximately \$39,200 and \$37,200 for the years ended June 30, 2020 and 2019, respectively. In June 2017, the Foundation executed an amendment to the lease extending the term an additional thirty-seven (37) months, effective August 1, 2017 and expiring on August 31, 2020. In August 2020, the Foundation executed an amendment to the lease extending the term an additional six (6) months, effective September 1, 2020 and expiring on February 28, 2021.

NATIONAL KIDNEY FOUNDATION OF FLORIDA, INC.

Notes to Financial Statements

June 30, 2020 and 2019

(9) Pension Plan

The Foundation offers a 403(b) retirement plan to its employees. Employees become eligible to participate after one year of service. The Foundation can provide a discretionary matching contribution up to a maximum of 5% of participant salaries. During the years ended June 30, 2020 and 2019, the Foundation contributed \$8,088 and \$4,800, respectively, to the Plan and is included as a component of employee benefit expense on the statement of functional expenses.

(10) Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Immunosuppressive medication aid	\$ 421,047	\$ 647,769
Path to Wellness	78,852	114,105
Transplant games	14,887	-
Employee giving fund	<u>3,406</u>	<u>3,457</u>
	<u>\$ 518,192</u>	<u>\$ 765,331</u>

Net assets set aside for donor restricted purposes are held in restricted cash and as a component of investments.

(11) Liquidity

Financial assets available for general expenditure within one year are as follows as of June 30:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 375,189	\$ 291,054
Due from related party	<u>-</u>	<u>24,662</u>
	<u>\$ 375,189</u>	<u>\$ 315,716</u>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. As part of its liquidity management, the Foundation has a goal to maintain financial assets on hand to meet 90 days of normal operating expenses, which would be approximately \$285,000 and \$257,000 as of June 30, 2020 and 2019, respectively. The Foundation's goal is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact activities of the Foundation. Other financial impacts could occur though such potential impact is unknown at this time. No adjustments or provisions were made in these financial statements related to COVID-19.

Supplemental Schedule

NATIONAL KIDNEY FOUNDATION OF FLORIDA, INC.

Schedule of Share Reconciliation

Year ended June 30, 2020

Per Audit:

Total revenues	1,036,011
Add back -	
Direct benefit costs	<u>226,555</u>
Gross revenues per audit	<u>1,262,566</u>

Per Share Report:

	<u>Gross Revenue</u>	<u>Allowable Deductions</u>	<u>Non-shareable Revenues</u>	<u>Shareable Revenues</u>	<u>Share Reported</u>
July	\$ 37,197	\$ 4,032	\$ 9,641	\$ 23,524	\$ 5,881
August	66,530	4,633	45,412	16,485	4,121
September	46,402	9,491	9,150	27,761	6,940
October	198,307	21,821	10,530	165,956	41,489
November	96,957	16,759	3,453	76,745	19,186
December	46,534	8,229	495	37,810	9,452
January	119,444	22,966	4,660	91,818	22,955
February	172,145	9,401	(487)	163,231	40,808
March	113,014	20,077	16,751	76,186	19,046
April	43,683	12,128	1,055	30,500	7,625
May	51,367	2,908	26,425	22,034	5,508
June	33,883	2,755	18,931	12,197	3,049
Total per share reports	<u>\$ 1,025,463</u>	<u>\$ 135,200</u>	<u>\$ 146,016</u>	<u>\$ 744,247</u>	<u>\$ 186,060</u>
Calculated share					<u>186,060</u>
Difference in share					<u>-</u>
Gross revenues difference <i>Audit compared to share</i>	<u>\$ 237,103</u>				
Reconciling adjustments:					
Net unrealized gain on investments	9,273	9,273			
Investment income	25,761	25,761			
Revenue restricted for local use (Surf 2019)	223,208		223,208		
Timing difference (accrual vs modified cash)	<u>(21,639)</u>		<u>(21,639)</u>		
Adjusted share gross income	<u>\$ 1,262,066</u>	<u>\$ 170,234</u>	<u>\$ 347,585</u>	<u>\$ 744,247</u>	
Adjusted calculated share					<u>186,060</u>
Difference in gross revenues	<u>500</u>				
Difference in calculated share amounts					<u>-</u>

The above schedule is provided to reconcile the Foundation's gross revenues reported to the National Kidney Foundation in its share reports to the public support and revenue reported in the statement of activities.

See accompanying notes to financial statements.