

**AMERICAN KIDNEY FUND, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAcconnect.com](https://CLAcconnect.com)

**AMERICAN KIDNEY FUND, INC.  
TABLE OF CONTENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF FINANCIAL POSITION</b>	<b>3</b>
<b>STATEMENTS OF ACTIVITIES</b>	<b>4</b>
<b>STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>5</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>7</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>8</b>



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
American Kidney Fund, Inc.  
Rockville, Maryland

### Report on the Audited Financial Statements

#### ***Opinion***

We have audited the accompanying financial statements of American Kidney Fund, Inc. (AKF) (a District of Columbia corporation), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AKF as of December 31, 2022 and 2021, and change in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of AKF 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.

#### ***Change in Accounting Principle***

As described in Note 1, AKF adopted new accounting guidance for leases. The new standard requires lessees to recognize a right-of-use asset and corresponding lease liability for all operating and financing leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

As described in Note 1, to the financial statements, in 2022, AKF adopted new accounting guidance for contributed nonfinancial assets. The guidance enhances the disclosures related to those assets. Our opinion is not modified with respect to this matter.

#### ***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 AKF's ability to continue as a going concern for one year after the date the financial statements are available to be issued.


***Auditors' 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 auditors' 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 AKF'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 AKF'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.



**CliftonLarsonAllen LLP**

Greenbelt, Maryland  
April 11, 2023

**AMERICAN KIDNEY FUND, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 63,865,935	\$ 40,026,680
Contributions Receivable, Net	1,571,360	658,382
Other Receivable	2,861,854	-
Other Assets	550,356	465,493
Total Current Assets	68,849,505	41,150,555
<b>LONG-TERM ASSETS</b>		
Investments at Fair Value	16,293,694	18,970,442
Right of Use Asset	2,105,575	-
Other Assets, Net of Current Portion	783,721	889,552
Property and Equipment, Net	1,108,648	1,247,307
Total Long-Term Assets	20,291,638	21,107,301
Total Assets	\$ 89,141,143	\$ 62,257,856
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 2,029,906	\$ 2,482,763
Refundable Advances	222,993	-
Annuities Payable	7,631	8,329
Lease Liability - Operating	868,187	13,712
Total Current Liabilities	3,128,717	2,504,804
Long-Term Liabilities:		
Lease Liability - Operating , Net of Current Portion	1,405,245	-
Other Liabilities	722,635	828,466
Annuities Payable, Net of Current Portion	164,930	180,617
Total Long-Term Liabilities	2,292,810	1,009,083
Total Liabilities	5,421,527	3,513,887
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Undesignated	61,071,304	54,615,670
Board-Designated	17,539,000	880,700
Total Without Donor Restrictions	78,610,304	55,496,370
With Donor Restrictions	5,109,312	3,247,599
Total Net Assets	83,719,616	58,743,969
Total Liabilities and Net Assets	\$ 89,141,143	\$ 62,257,856

See accompanying Notes to Financial Statements.

**AMERICAN KIDNEY FUND, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING REVENUES, GAINS, AND OTHER SUPPORT</b>						
Contributions	\$ 330,552,332	\$ 5,280,869	\$ 335,833,201	\$ 343,720,231	\$ 3,282,475	\$ 347,002,706
Planned Giving	3,826,287	-	3,826,287	1,200,734	-	1,200,734
In-Kind Contributions	660,135	2,400	662,535	847,977	-	847,977
Special Events, Net of Direct Benefit Donor Costs of \$509,407 and \$136,399, Respectively	420,158	-	420,158	812,107	-	812,107
Specialty Programs	309,001	124,965	433,966	249,890	141,868	391,758
Mailing List Rental	74,700	-	74,700	67,497	-	67,497
Satisfaction of Program Restrictions	3,549,595	(3,549,595)	-	3,244,269	(3,244,269)	-
Total Operating Revenues, Gains, and Other Support	<u>339,392,208</u>	<u>1,858,639</u>	<u>341,250,847</u>	<u>350,142,705</u>	<u>180,074</u>	<u>350,322,779</u>
<b>OPERATING EXPENSES</b>						
Direct Patient Aid	289,938,390	-	289,938,390	323,040,716	-	323,040,716
Education, Advocacy, and Outreach	13,851,481	-	13,851,481	12,208,573	-	12,208,573
Research	327,304	-	327,304	303,459	-	303,459
Fundraising	6,052,190	-	6,052,190	5,024,090	-	5,024,090
Management and General	3,437,564	-	3,437,564	3,131,538	-	3,131,538
Total Operating Expenses	<u>313,606,929</u>	<u>-</u>	<u>313,606,929</u>	<u>343,708,376</u>	<u>-</u>	<u>343,708,376</u>
<b>CONTRIBUTIONS DESIGNATED BY BOARD FOR PATIENT ASSISTANCE PROGRAMS</b>	<u>(17,539,000)</u>	<u>-</u>	<u>(17,539,000)</u>	<u>(880,700)</u>	<u>-</u>	<u>(880,700)</u>
<b>EXCESS OF OPERATING REVENUES, GAINS, AND OTHER SUPPORT OVER OPERATING EXPENSES</b>	8,246,279	1,858,639	10,104,918	5,553,629	180,074	5,733,703
<b>INVESTMENT RETURN, NET</b>	(2,671,345)	3,074	(2,668,271)	1,715,705	4,007	1,719,712
<b>CONTRIBUTIONS DESIGNATED BY BOARD FOR PATIENT ASSISTANCE PROGRAMS</b>	<u>17,539,000</u>	<u>-</u>	<u>17,539,000</u>	<u>880,700</u>	<u>-</u>	<u>880,700</u>
<b>CHANGE IN NET ASSETS</b>	23,113,934	1,861,713	24,975,647	8,150,034	184,081	8,334,115
Net Assets - Beginning of Year	<u>55,496,370</u>	<u>3,247,599</u>	<u>58,743,969</u>	<u>47,346,336</u>	<u>3,063,518</u>	<u>50,409,854</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 78,610,304</u>	<u>\$ 5,109,312</u>	<u>\$ 83,719,616</u>	<u>\$ 55,496,370</u>	<u>\$ 3,247,599</u>	<u>\$ 58,743,969</u>

See accompanying Notes to Financial Statements.

**AMERICAN KIDNEY FUND, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2022**

	Program Services			Supporting Services			Total Expenses	
	Direct Patient Aid	Education, Advocacy, and Outreach	Research	Total Program Services	Fundraising	Management and General		Total Supporting Services
<b>EXPENSES</b>								
Grants and Awards	\$ 285,134,728	\$ -	\$ 249,400	\$ 285,384,128	\$ -	\$ -	\$ -	\$ 285,384,128
Salaries and Related Benefits	2,785,529	5,954,788	63,547	8,803,864	2,089,832	2,918,549	5,008,381	13,812,245
Professional Fees	290,889	3,044,596	3,812	3,339,297	768,621	143,678	912,299	4,251,596
Advertising and Promotion	4,346	1,865,320	59	1,869,725	224,491	2,239	226,730	2,096,455
Printing	-	664,845	-	664,845	1,218,560	-	1,218,560	1,883,405
IT Related Costs	555,543	511,669	3,869	1,071,081	219,852	145,838	365,690	1,436,771
Postage and Shipping	5,739	429,557	29	435,325	843,175	1,091	844,266	1,279,591
Occupancy	228,912	381,023	3,128	613,063	135,410	95,767	231,177	844,240
Other Outside Services	585,553	105,041	9	690,603	53,142	336	53,478	744,081
Depreciation and Amortization	136,400	227,036	1,864	365,300	80,685	70,268	150,953	516,253
Office Expenses	90,199	145,406	1,159	236,764	62,825	43,691	106,516	343,280
Fairs and Exhibits	83,416	193,614	38	277,068	1,629	1,419	3,048	280,116
Mailing List Rental	-	78,462	-	78,462	162,220	-	162,220	240,682
Conferences, Meetings, and Travel	15,302	139,716	202	155,220	70,804	7,603	78,407	233,627
Data Processing	5,134	53,206	70	58,410	96,246	2,645	98,891	157,301
Dues and Subscriptions	6,863	51,670	94	58,627	23,659	3,536	27,195	85,822
Telephone	9,837	5,532	24	15,393	1,039	904	1,943	17,336
<b>Total Functional Expenses</b>	<b>\$ 289,938,390</b>	<b>\$ 13,851,481</b>	<b>\$ 327,304</b>	<b>\$ 304,117,175</b>	<b>\$ 6,052,190</b>	<b>\$ 3,437,564</b>	<b>\$ 9,489,754</b>	<b>313,606,929</b>
Direct Benefit to Donor Costs								509,407
<b>Total Expenses</b>								<b>\$ 314,116,336</b>

See accompanying Notes to Financial Statements.

**AMERICAN KIDNEY FUND, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2021**

	Program Services				Supporting Services			
	Direct Patient Aid	Education, Advocacy, and Outreach	Research	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total Expenses
<b>EXPENSES</b>								
Grants and Awards	\$ 318,392,117	\$ -	\$ 240,000	\$ 318,632,117	\$ -	\$ -	\$ -	\$ 318,632,117
Salaries and Related Benefits	2,833,860	5,229,028	50,717	8,113,605	1,816,326	2,667,555	4,483,881	12,597,486
Professional Fees	153,639	2,570,967	2,148	2,726,754	813,979	82,894	896,873	3,623,627
Advertising and Promotion	2,415	1,937,983	754	1,941,152	39,708	1,302	41,010	1,982,162
Printing	-	563,413	-	563,413	889,103	-	889,103	1,452,516
IT Related Costs	514,996	442,586	3,513	961,095	208,481	135,592	344,073	1,305,168
Postage and Shipping	-	341,293	-	341,293	661,348	-	661,348	1,002,641
Other Outside Services	678,883	65,127	8	744,018	57,389	302	57,691	801,709
Occupancy	187,008	309,481	2,615	499,104	117,279	100,913	218,192	717,296
Depreciation and Amortization	176,125	291,470	2,463	470,058	110,454	95,040	205,494	675,552
Office Expenses	78,490	140,142	1,041	219,673	57,057	40,177	97,234	316,907
Mailing List Rental	-	67,689	-	67,689	132,753	-	132,753	200,442
Data Processing	5,099	53,540	71	58,710	98,392	2,751	101,143	159,853
Fairs and Exhibits	-	113,931	-	113,931	-	-	-	113,931
Dues and Subscriptions	1,730	55,451	24	57,205	11,485	934	12,419	69,624
Conferences, Meetings, and Travel	5,828	20,764	81	26,673	9,251	3,145	12,396	39,069
Telephone	10,526	5,708	24	16,258	1,085	933	2,018	18,276
<b>Total Functional Expenses</b>	<b>\$ 323,040,716</b>	<b>\$ 12,208,573</b>	<b>\$ 303,459</b>	<b>\$ 335,552,748</b>	<b>\$ 5,024,090</b>	<b>\$ 3,131,538</b>	<b>\$ 8,155,628</b>	<b>343,708,376</b>
Direct Benefit to Donor Costs								136,399
<b>Total Expenses</b>								<b>\$ 343,844,775</b>

See accompanying Notes to Financial Statements.



**AMERICAN KIDNEY FUND, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Contributors	\$ 339,375,376	\$ 348,849,437
Cash Received from Special Events, Net	420,158	810,832
Cash Received from Mailing List Rental	74,700	67,497
Cash Paid to Patients, Suppliers, and Employees	(315,689,955)	(341,963,729)
Investment Income Received	347,321	287,688
Net Cash Provided by Operating Activities	24,527,600	8,051,725
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale/Maturity of Investments	3,589,161	6,662,403
Purchase of Investments	(3,899,912)	(6,973,556)
Purchases of Property and Equipment	(377,594)	(858,065)
Net Cash Used by Investing Activities	(688,345)	(1,169,218)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	23,839,255	6,882,507
Cash and Cash Equivalents - Beginning of Year	40,026,680	33,144,173
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 63,865,935	\$ 40,026,680
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 24,975,647	\$ 8,334,115
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	516,253	675,552
Realized and Unrealized Loss (Gain) on Investments	3,015,592	(1,432,024)
Amortization of Right of Use Asset	774,115	-
Lease Liability Transition Adjustment	(13,712)	-
Donated Stock	(28,093)	(158,550)
Effects of Changes in Operating Assets and Liabilities:		
Contribution Receivables	(912,978)	496,289
Other Receivable	(2,861,854)	-
Other Assets	20,968	462,663
Accounts Payable and Accrued Expenses	(452,857)	520,638
Refundable Advances	222,993	(83,500)
Lease Liability	(606,258)	(237,112)
Other Liabilities	(105,831)	(530,471)
Annuities Payable	(16,385)	4,125
Net Cash Provided by Operating Activities	\$ 24,527,600	\$ 8,051,725
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS</b>		
Right of Use Asset and Lease Liability - Operating	\$ 2,879,690	\$ -

See accompanying Notes to Financial Statements.

**AMERICAN KIDNEY FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Founded in 1971, the American Kidney Fund, Inc. (AKF) is a nonprofit voluntary health organization whose mission is to fight kidney disease and help people live healthier lives. AKF's comprehensive programs of kidney disease awareness, prevention, and treatment-related financial assistance help people no matter where they are in the fight against kidney disease from being at risk, to managing kidney disease, to coping with dialysis, to living post-transplant. AKF's major sources of revenue are from contributions from the general public. The fiscal year-end is December 31. Significant accounting policies followed by AKF are presented below.

**Use of Estimates**

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

**Basis of Accounting**

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

**Basis of Presentation**

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (the Codification).

The accompanying financial statements do not include the accounts of its affiliate, the American Kidney Fund Service Organization (AKFSO). The board approved that AKFSO would become dormant effective December 31, 2010, and there was no activity for the years ended December 31, 2022 and 2021.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, cash and cash equivalents include highly liquid investments with an original maturity of three months or less when purchased that are used to fund current obligations. Money market accounts and certificates of deposit held for investment are recorded and classified as investments.

**Contributions Receivable**

These amounts are recorded at net realizable value. AKF provides an allowance for bad debts using the allowance method, which is based on management's judgment considering historical information. Accounts are individually analyzed for collectability and will be reserved based on individual evaluation and specific circumstances. When all collection efforts have been exhausted, the accounts are written off against the related allowance.

**AMERICAN KIDNEY FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions Receivable (Continued)**

At December 31, 2022 and 2021, amounts are deemed to be fully collectible. The discount rate was 3% 2022 and 2021 and the discount amount was \$890 and \$1,899 for the years ended December 31, 2022 and 2021, respectively. The discount rate is the average of the annual one-month Secured Overnight Financing Rate (SOFR) plus a credit adjustment spread. All other significant receivables are due within one year at December 31, 2022 and 2021.

**Other Receivable**

Patient aid grants that are paid by debit cards and not expended by the grant recipient prior to the cards expiration date are returned to AKF. Total amount due to AKF related to expired debit card balances was \$2,861,854 and \$-0- as of December 31, 2022 and 2021, respectively, and has been included as other receivable on the statements of financial position.

**Investments**

Investments are reported at fair value. Fair value is 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. See Note 2 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Net appreciation or depreciation in fair value of investments includes AKF's gains and losses on investments bought and sold, as well as held during the year. Investment income or loss is included in the change in without donor restrictions unless their use is restriction by donor stipulations or by law.

**Leases**

AKF leases an office space. AKF determines if an arrangement is a lease at inception. Operating leases are included in the right of use asset (ROU) and lease liability

ROU assets represent AKF's right to use an underlying asset for the lease term and lease liabilities represent AKF's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. AKF has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheet.

The facility lease does not provide information about the discount rate implicit in the lease. Therefore, AKF has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

**AMERICAN KIDNEY FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases (Continued)**

AKF has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

**Property and Equipment**

Property and equipment are stated at cost. Depreciation is computed on the straight-line basis over an estimated useful life of 3 to 10 years. Leasehold improvements are amortized over the life of the lease. AKF capitalizes assets over \$5,000.

**Impairment of Long-Lived Assets**

AKF reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

**Annuities Payable**

AKF has received charitable gift annuities as contributions from donors who have stipulated that AKF is to make annuity payments for life to an annuitant designated by the donor with the principal reverting to AKF after the death of the annuitant. AKF has recorded the assets at fair value and the liabilities to the annuitant at the present value of the estimated future payments to be distributed by AKF to such individuals. The amount of the contribution is the difference between the asset and the liability and is recorded as without donor restriction revenue, unless otherwise restricted by the donor. AKF invests these assets in cash and marketable securities in accordance with the governing state's investment regulations.

**Net Assets**

For financial statement purposes, net assets are as follows:

*Net Assets without Donor Restrictions* – These net assets include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation.

*Net Assets with Donor Restrictions* – These net assets include those net assets whose use by AKF has been donor-restricted by specified time or purpose limitations.

Net assets to be held in perpetuity are subject to donor-imposed stipulations that are required to be maintained permanently by AKF.

**AMERICAN KIDNEY FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

Contributions are recognized as revenue when received or pledged, whichever is earlier.

Contributions recognized as without or with donor restrictions depending on existence and/or nature of donor restrictions and recorded when there is sufficient evidence in the form of verifiable documentation that an unconditional promise to give was received. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, either by the passage of time or incurrence of donor specified expenses, these net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction. Donated assets are recognized as contribution revenue at their estimated fair market value on the date of donation.

**Planned Giving**

AKF is the beneficiary under various wills and trust agreements of which the total realizable amount is not presently determinable. Such amounts are recorded when a will is declared valid by a probate court and the proceeds are measurable.

AKF records planned giving receivables that are expected to be collected within one year at net realizable value. Planned giving receivables 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 risk-free interest rates applicable to the years in which the promises are expected to be received. In 2022 and 2021, no discount was made.

**In-Kind Contributions**

In-kind contributions, such as donated nutritional supplements, property and equipment and free advertising, are included in the statement of activities within public support as in-kind contributions at their estimated fair market value on the date of donation on the basis of contract values provided by the donor. In-kind contributions are either capitalized, as it relates to equipment, or shown in the representative functional expense category the gift relates to.

In-kind professional services have benefitted program services and management and report services and consist of contributions of services and supplies. The fair value of these services is based on the estimated hours incurred at standard industry rates.

**Measurement of Operation**

AKF does not consider investment returns and contributions designed by board for patient assistance program to be revenues, gains, and support from its operations.

**AMERICAN KIDNEY FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Allocation of Expenses**

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of AKF. Expenses allocated on a square footage basis include depreciation and amortization, the executive office, financial department, information technology and administrative services. Expenses allocated on the basis of time and effort are salaries and benefits.

The following program and supporting services are included in the accompanying financial statements:

*Direct Patient Aid* – AKF is the leading provider of charitable, treatment-related financial assistance to people in the United States who are living with kidney failure. In 2022, AKF helped more than 73,000 kidney patients by providing them need-based assistance for health care expenses. AKF’s Health Insurance Premium Program helps dialysis and transplant patients maintain health insurance coverage. Its other programs assist with treatment-related expenses including the cost of transportation to dialysis, vital nutritional supplements, medications, and other expenses not covered by insurance. AKF also provides patients with disaster relief grants when disaster strikes a local community; grants to pediatric patients who wish to attend summer or day camps; and grants to living kidney donors who need help with the cost of expenses.

*Education, Advocacy and Outreach* – AKF educates the American public about the symptoms, causes, treatment and prevention of kidney disease. AKF’s website, KidneyFund.org, received over 14 million page views in 2022 from individuals searching for health information. AKF develops multichannel awareness campaigns to educate the public about kidney disease and its comorbid conditions. AKF’s educational offerings include free, monthly webinars for patients and caregivers; a nutrition website, Kidney Kitchen; a Kidney Health Coach peer-to-peer community outreach program; and comprehensive health education and disease management information for people with kidney disease and kidney failure. In 2022, AKF held its second annual Kidney Action Week virtual event to provide interactive education and support to kidney patients and those at risk. AKF also runs an annual nationwide art contest for pediatric kidney patients. AKF’s advocacy network grew to more than 20,000 Ambassadors in 2022. In 2022, AKF’s patient Ambassadors went to AKF’s website to send more than 21,000 action alerts to their elected officials.

*Research* – Since 1988, AKF’s Clinical Scientist in Nephrology Program has been improving the quality of care provided to kidney patients and promoting clinical research in nephrology. The program helps to build the nationwide pipeline of top nephrology researchers by providing fellowships to enhance the training of nephrologists who want to pursue an academic career and whose primary professional commitment is to scholarship in the provision of patient care. A nationally recognized panel of experts in the field selects award recipients.

**AMERICAN KIDNEY FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Allocation of Expenses (Continued)**

*Fundraising* – AKF’s comprehensive development program solicits and secures financial support across all traditional nonprofit fundraising channels including individual giving, corporate and foundation giving, special events, direct mail, planned giving, digital fundraising, and KidneyNation, AKF’s DIY peer-to-peer fundraising platform. AKF has over 89,000 active donors.

*Management and General* – Management and general services provide for the direction of the overall affairs of AKF through executive, financial, information technology, and administrative services.:

**Income Taxes**

AKF is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is designated a “publicly supported” organization under Section 509(a)(1) of the IRC.

**Adoption of Accounting Pronouncements**

**Leases**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

AKF adopted the requirements of the guidance effective January 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption, while continuing to present the comparative period in accordance with the guidance under the lease standard in effect during that period.

AKF has elected to adopt the package of practical expedients available in the year of adoption. AKF has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Company’s ROU assets.

**Contributed Nonfinancial Assets**

In September 2020, the Financial Accounting Standards Board issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The update increases the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure regarding the measurement of contributed nonfinancial assets, as well as the amount of those contributions used in the Organization’s programs. The ASU has been applied on a retrospective basis and has increased required disclosures for the Organization relating specifically to gifts in kind (See Note 11).

**AMERICAN KIDNEY FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 2 INVESTMENTS**

A fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value is established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under generally accepted accounting principles are described below:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that AFK has the ability to access.

*Level 2* – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- 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* - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used or any unfunded commitments at December 31, 2022 and 2021.

*Mutual Funds, Exchange-Traded Funds, and Corporate Stocks* - Valued based on market prices obtained from recognized automated pricing services, records of any exchange, standard financial periodicals, or any newspaper of general circulation

*U.S. Government Securities* – Valued using quoted market prices for similar assets and liabilities in active markets.



**AMERICAN KIDNEY FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 2 INVESTMENTS (CONTINUED)**

The following summarizes AKF's investments using fair value measurements at December 31:

	2022			Total
	Level 1	Level 2	Level 3	
Without Donor Restriction and Purpose Restriction:				
Cash	\$ -	\$ -	\$ -	\$ 543,298
U.S. Government Securities	-	714,144	-	714,144
Mutual Funds and Exchange-Traded Funds - Fixed Income	4,495,823	-	-	4,495,823
Corporate Stocks, Mutual Funds, and Exchange-Traded Funds				
Large Cap	5,537,745	-	-	5,537,745
Small and Mid Cap	1,208,893	-	-	1,208,893
International	3,099,117	-	-	3,099,117
Other	519,657	-	-	519,657
Total Without Donor Restriction and Purpose Restriction	14,861,235	-	-	16,118,677
Endowment:				
Cash	-	-	-	1,283
Mutual Funds and Exchange-Traded Funds - Fixed Income	173,734	-	-	173,734
Total Endowment	173,734	-	-	175,017
Total Investments	<u>\$ 15,034,969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,293,694</u>
	2021			Total
	Level 1	Level 2	Level 3	
Without Donor Restriction and Purpose Restriction:				
Cash	\$ -	\$ -	\$ -	\$ 169,867
Certificates of Deposit	-	-	-	-
Mutual Funds and Exchange-Traded Funds - Fixed Income	5,635,503	-	-	5,635,503
Corporate Stocks, Mutual Funds, and Exchange-Traded Funds				
Large Cap	7,043,985	-	-	7,043,985
Small and Mid Cap	2,499,191	-	-	2,499,191
International	2,856,130	-	-	2,856,130
Other	590,749	-	-	590,749
Total Without Donor Restriction and Purpose Restriction	18,625,558	-	-	18,795,425
Endowment:				
Cash	-	-	-	15,621
U.S. Government Securities	159,396	-	-	159,396
Total Endowment	159,396	-	-	175,017
Total Investments	<u>\$ 18,784,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,970,442</u>

**AMERICAN KIDNEY FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 2 INVESTMENTS (CONTINUED)**

Investment income for the years ended December 31, consisted of the following:

	<u>2022</u>	<u>2021</u>
Dividends and Interest	\$ 413,387	\$ 360,758
Realized and Unrealized Appreciation (Depreciation)	(3,015,591)	1,432,024
Investment Advisory Fees	(66,067)	(73,070)
Total	<u>\$ (2,668,271)</u>	<u>\$ 1,719,712</u>

**NOTE 3 LIQUIDITY**

AKF's financial assets available for general expenditure within one year of the date of the statements of financial position are as follows:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 63,865,935	\$ 40,026,680
Contribution Receivable	1,571,360	658,382
Other Receivable	2,861,854	-
Investments at Fair Value	<u>16,293,694</u>	<u>18,970,442</u>
Total Financial Assets Available within One Year	84,592,843	59,655,504
Less:		
Amounts Unavailable for General Expenditure within Year Due to:		
Restricted by Donors in Perpetuity	(175,017)	(175,017)
Restricted by Donors with Purpose Restrictions	<u>(4,934,295)</u>	<u>(3,072,582)</u>
Total Amounts Unavailable for General Expenditures within One Year	(5,109,312)	(3,247,599)
Amounts Unavailable to Management Without Board's Approval:		
Board-Designated - Patient Assistance Grants	<u>(17,539,000)</u>	<u>(880,700)</u>
Total Financial Assets Available to Management for General Expenditure within One Year	<u>\$ 61,944,531</u>	<u>\$ 55,527,205</u>

As described in Note 15, AKF also has a line of credit in the amount of \$6,305,686 and \$7,241,557 as of December 31, 2022 and 2021, respectively, which it could draw upon in the event of an unanticipated liquidity need.

**AMERICAN KIDNEY FUND, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 4 CREDIT RISK**

Financial instruments which potentially subject AKF to concentration of credit risk include cash and cash equivalents, and investments. It is AKF's practice to place its cash and cash equivalents, and investments in high credit quality institutions to mitigate this risk. AKF maintains its cash balances at several financial institutions which, at times, may exceed federally insured limits. At December 31, 2022 and 2021, total cash deposits held at financial institutions were \$72,475,347 and \$46,453,485, respectively.

**NOTE 5 PROPERTY AND EQUIPMENT**

AKF's property and equipment consisted of the following at December 31:

	<u>2022</u>	<u>2021</u>
Software and Office Equipment	\$ 3,957,442	\$ 3,666,635
Furniture and Fixtures	124,745	124,745
Leasehold Improvements	<u>243,567</u>	<u>243,567</u>
Total	4,325,754	4,034,947
Less: Accumulated Depreciation	<u>(3,217,106)</u>	<u>(2,787,640)</u>
Total	<u><u>\$ 1,108,648</u></u>	<u><u>\$ 1,247,307</u></u>

**NOTE 6 BOARD-DESIGNATED NET ASSETS**

AKF's Board of Trustees has designated net assets without restrictions from surplus contributions for patient assistance programs at December 31, 2022 and 2021, and these were \$17,539,000 and \$880,700, respectively.

**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at December 31:

	<u>2022</u>	<u>2021</u>
Subject to Expenditure for Specific Purpose:		
Research	\$ 571,538	\$ 600,124
Patient Aid	757,024	40,436
Public and Professional Education	<u>3,591,063</u>	<u>2,417,926</u>
Total	4,919,625	3,058,486
Subject to AKF Spending Policy and Appropriation:		
Investment in Perpetuity (including Amounts above Original Gift Amount of \$175,017), the Income from which is Expendable to Support:		
Research	5,991	5,991
Patient Aid	<u>183,696</u>	<u>183,122</u>
Total	<u>189,687</u>	<u>189,113</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 5,109,312</u></u>	<u><u>\$ 3,247,599</u></u>

**AMERICAN KIDNEY FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net assets released from donor restrictions are comprised of the following for years ended December 31:

	2022	2021
Purpose Restrictions Accomplished:		
Research	\$ 327,304	\$ 303,459
Patient Aid	465,277	151,868
Public and Professional Education	2,757,014	2,788,942
Total Restrictions Released	\$ 3,549,595	\$ 3,244,269

**NOTE 8 COMMITMENTS AND CONTINGENCIES**

**Leases**

AKF leases an office facility which expires at August 31, 2025 under a noncancellable office lease. The facility lease provides for increase in future minimum annual rental payments subject to certain increases. Additionally, the agreement generally requires the American Kidney Fund to pay its share of operating expenses, real estate taxes and insurance.

The following tables provide quantitative information concerning the American Kidney Fund's leases for the year ended December 31:

Operating Lease Cost	\$ 802,100
Cash Paid for Amounts Included in the Measurement of Lease Liability:	
Operating Cash Flows from Operating Leases	\$ 647,955
Right-of-Use Asset Obtained in Exchange for New Operating Lease Liability	\$ 2,879,690
Weighted Average Remaining Lease Term	2.7 years
Weighted Average Discount Rate	1.04%

Future minimum payments under this lease and reconciliation to the operating lease liability recognized in the statement of financial position are as follows as of December 31:

Year Ending December 31,	Amount
2023	\$ 887,700
2024	794,298
2025	624,792
Undiscounted cash flows	2,306,790
Less Imputed interest	(33,358)
Total present value	\$ 2,273,432

**AMERICAN KIDNEY FUND, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 8 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Other Commitments**

Future minimum payments related to other commitments are as follows as of December 31:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 290,196
2024	240,756
2025	172,036
Total present value	<u>\$ 702,988</u>

**Estates and Bequests**

During the year ended December 31, 2022, the Organization was notified that it was one of the beneficiaries of several estates and bequests. As of April 11, 2023, certain estates and bequests are still in the liquidation process. The Organization anticipates it is likely they will receive final distributions once the liquidation processes are completed, but as of December 31, 2022, these amounts are unknown and cannot be reasonably estimated.

**Contingencies**

In the ordinary course of activities, AKF is party to various legal and administrative actions. In the opinion of management, the potential adverse impact of these legal and administrative actions is insignificant to the financial statements of AKF.

**NOTE 9 PUBLIC SUPPORT**

During 2022 and 2021, AKF continued its tradition of broad-based public support with approximately 89,100 and 80,400 active contributors, respectively. AKF received public support from two corporations in the amount of \$290,943,500 and \$302,100,092 for 2022 and 2021, respectively. These contributions represented 87% and 86% of the total support and revenue as of December 31, 2022 and 2021, respectively.

**NOTE 10 JOINT COSTS**

For the years ended December 31, 2022 and 2021, AKF incurred joint costs of \$3,404,045 and \$2,732,537, respectively, for educational materials and activities that included fundraising appeals. The joint costs incurred for these activities for the years ended December 31, consisted of the following:

	<u>2022</u>	<u>2021</u>
Fundraising	\$ 2,294,327	\$ 1,809,758
Public Education	1,109,718	922,779
Total	<u>\$ 3,404,045</u>	<u>\$ 2,732,537</u>

**AMERICAN KIDNEY FUND, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 11 IN-KIND CONTRIBUTIONS**

In-kind contributions for the years ended December 31, consisted of the following:

	2022	2021
Advertising, Printing, and Donated Items for Patients and Events	\$ 592,027	\$ 792,969
Donated Services	70,508	55,008
Total In-Kind Contributions	\$ 662,535	\$ 847,977

The in-kind contributions supported Education and Outreach programs for 2022 and 2021.

**NOTE 12 RETIREMENT PLANS**

AKF maintains a Section 403(b) retirement plan allowing employees to elect to defer compensation up to the maximum allowed under Internal Revenue Service (IRS) regulations. AKF contributes 2% of participants' eligible compensation, plus matches the lesser of 100% of amounts deferred under the Section 403(b) plan, or 5% of compensation. AKF's contributions were \$626,205 and \$585,631 for the years ended December 31, 2022 and 2021, respectively.

AKF also maintains a nonqualified Section 457(b) deferred compensation plan allowing top hat executives to elect to defer compensation up to the maximum allowed under IRS regulations. AKF does not contribute to this 457(b) plan. In 2021, a benefit of approximately \$570,000 was paid to a participant at retirement. AKF also maintained a nonqualified Section 457(f) deferred compensation plan for its president and CEO, contributing a certain amount each year approved by the board. In 2021, a benefit of approximately \$179,000 was paid to AKF's president and CEO and the 457(f) plan was discontinued. Due to risk of forfeiture both the 457(b) and 457(f) plan balances are included in other assets and plan obligations are included within other liabilities on the statements of financial position. Additionally, total assets included in the 457(b) and 457(f) represent mutual funds invested in equities and bonds valued at fair value based on quoted market prices in active markets and are Level 1 within their fair value hierarchy. Total amounts recorded by AKF were \$722,635 and \$828,466 at December 31, 2022 and 2021, respectively.

**NOTE 13 ENDOWMENTS**

AKF was provided a contribution for investment in perpetuity in the early 1980s. The purpose of this contribution was to support patient-related grants with a balance of \$169,026, and a smaller balance of \$5,991 to support research, as of December 31, 2022 and 2021. These amounts are kept in a separate investment account and conservatively invested in fixed income securities. The interest earned on this account supports their respective purpose.

AKF is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions until the purpose restrictions have been met.

**AMERICAN KIDNEY FUND, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 13 ENDOWMENTS (CONTINUED)**

**Interpretation of Relevant Law**

The board of AKF has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) 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.

Consequently, AKF classifies net assets held in perpetuity as:

- The duration and preservation of the fund,
- The purpose of AKF and the donor-restricted endowment fund,
- General economic conditions,
- The possible effect of inflation and deflation,
- The expected total return from income and the appreciation of investments,
- Other resources of AKF, and
- The investment policies of AKF.

Endowment net asset with donor restrictions were as follows as of December 31:

	<u>2022</u>	<u>2021</u>
Donor-Restricted Endowment Funds:		
Original Donor-Restricted Gift Amount and		
Amounts Required to be Retained by Donor	\$ 175,017	\$ 175,017
Portion Subject to Appropriation under SPMIFA	14,670	14,096
Total Funds	<u>\$ 189,687</u>	<u>\$ 189,113</u>

Changes in endowment net assets were as follows as of December 31:

	<u>2022</u>	<u>2021</u>
Endowment Net Assets - Beginning of Year	\$ 189,113	\$ 187,968
Investment Income	3,074	4,007
Appropriation of Endowment Assets for		
Expenditure	(2,500)	(2,862)
Endowment Net Assets - End of Year	<u>\$ 189,687</u>	<u>\$ 189,113</u>

**NOTE 14 INCOME TAXES**

AKF follows the income tax standard for uncertain tax positions. AKF evaluated its tax positions and determined that they are more likely than not to be sustained on examination. AKF's tax returns are subject to review and examination by federal, state, and local authorities.

**AMERICAN KIDNEY FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 15 LINE OF CREDIT**

AKF has a line of credit with Raymond James Financial in the amount of \$6,305,686 and \$7,241,557 for the years ended December 31, 2022 and 2021, respectively, which is secured by AKF's Raymond James securities. The available amount is based on the investments in the account and their individual release rate. The line of credit bears interest at the CME one-month SOFR plus a credit adjustment spread fixed at 2.25% and .11%. At December 31, 2022 and 2021, this was approximately 6.47% and 2.17%, respectively. There were no outstanding borrowings as of December 31, 2022 and 2021.

**NOTE 16 RISKS AND UNCERTAINTIES**

AKF invests in various investment securities. Investment securities 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 those changes could materially affect the amounts reported in the statements of financial position and activities.

The US District Court, Central District of California granted a preliminary injunction preventing California law AB 290 from becoming law on December 30, 2019. The impact on future grant assistance is unknown pending a trial on the merits. The trial was originally scheduled for mid-July 2020 but delayed due to the pandemic. A trial may still be necessary, but the parties currently await the results of summary judgment motions and expect a ruling by mid-March 2023. In January 2023, AKF received a civil investigative subpoena from the District of Columbia Attorney General's office. The investigative subpoena calls for certain documents and records related to AKF's relationships with DaVita, Fresenius, and American Renal Associates. The subpoena is also requesting information from AKF showing its compliance with the D.C. Nonprofit Corporation Act. AKF is cooperating with the AG's office and is working with a law firm in D.C. on the matter.

**NOTE 17 SUBSEQUENT EVENTS**

Management evaluated subsequent events through April 11, 2023, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2022, but prior to April 11, 2023, that provided additional evidence about conditions that existed at December 31, 2022, have been recognized in the financial statements for the year ended December 31, 2022.