

American Association of Kidney Patients, Inc.

Financial Statements

June 30, 2022 and 2021



**AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.
TABLE OF CONTENTS**

INDEPENDENT AUDITOR'S REPORT	3 - 4
Financial Statements for the Years Ended June 30, 2022 and 2021:	
Statements of Financial Position	5
Statements of Activities	6 - 7
Statement of Functional Expenses	8
Statements of Cash Flows	9
Notes to Financial Statements	10 - 16

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
American Association of Kidney Patients, Inc.
Tampa, FL

Opinion

We have audited the accompanying financial statements of American Association of Kidney Patients, Inc. (the Organization) which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, the related statement of functional expenses for the year ended June 30, 2022, 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 American Association of Kidney Patients, Inc. as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 American Association of Kidney Patients, Inc. 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; 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.

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 American Association of Kidney Patients, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are 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 generally accepted auditing standards 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.

Auditor's Responsibilities for the Audit of the Financial Statement - Continued

In performing an audit in accordance with generally accepted auditing standards, 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 American Association of Kidney Patients, Inc.'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 American Association of Kidney Patients, Inc.'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 Organization's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 10, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

PDR CPAs + Advisors

Oldsmar, Florida
November 17, 2022

AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022	2021
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 2,204,424	\$ 1,573,305
Accounts receivable	354,066	116,516
Inventories	43,589	30,715
Prepaid expenses	20,838	13,553
	Total current assets	1,734,089
Furniture and equipment, net	10,075	5,930
Other assets	3,125	3,125
	Total Assets	\$ 1,743,144
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 100,936	\$ 29,720
Accrued expenses	14,728	11,738
Deferred revenue	597,127	588,261
Current installments under capital lease obligations	-	6,676
	Total current liabilities	636,395
Note payable	-	79,116
	Total Liabilities	715,511
Net Assets		
Without donor restrictions	1,745,924	872,031
With donor restrictions	177,402	155,602
	Total net assets	1,027,633
	Total Liabilities and Net Assets	\$ 1,743,144

See accompanying notes to financial statements

AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	Without Donor	With Donor	Total	
	Restrictions	Restrictions	2022	2021
Operating Support and Revenue				
Public support				
Contributions	\$ 55,575	\$ -	\$ 55,575	\$ 74,285
Special events, net of \$7,352 of expenses	29,611	-	29,611	17,753
Bequests and memorials	21,982	-	21,982	12,645
Contributed nonfinancial assets	4,932	-	4,932	9,893
Total public support	112,100	-	112,100	114,576
Revenue				
Grants and contracts	1,144,830	30,000	1,174,830	649,389
Annual meeting fees	434,487	-	434,487	338,911
Policy Summit fees	15,000	-	15,000	280,000
Global Summit fees	-	-	-	185,000
Membership dues	578,900	-	578,900	371,823
Advertising revenue	56,910	-	56,910	31,040
Inventory sales	25,494	-	25,494	23,435
Other revenue	1,033	-	1,033	1,412
Net assets released from restrictions	8,200	(8,200)	-	-
Total revenue	2,264,854	21,800	2,286,654	1,881,010
Total operating public support and revenue	2,376,954	21,800	2,398,754	1,995,586
Operating Expenses				
Program services	1,221,372	-	1,221,372	1,004,795
Supporting services:				
Management and general	325,923	-	325,923	251,329
Fundraising	34,882	-	34,882	27,580
Total operating expenses	1,582,177	-	1,582,177	1,283,704
Change in Net Assets Before Other Changes	794,777	21,800	816,577	711,882
Other Changes - Revenue (Expense)				
Forgiveness of debt - PPP	79,116	-	79,116	68,900
Total other changes	79,116	-	79,116	68,900
Change in net assets	873,893	21,800	895,693	780,782
Net Assets at Beginning of Year	872,031	155,602	1,027,633	246,851
Net Assets at End of Year	\$ 1,745,924	\$ 177,402	\$ 1,923,326	\$ 1,027,633

See accompanying notes to financial statements

AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating Support and Revenue			
Public support			
Contributions	\$ 74,285	\$ -	\$ 74,285
Special events, net of \$3,150 of expenses	17,753	-	17,753
Bequests and memorials	12,645	-	12,645
Contributed nonfinancial assets	9,893	-	9,893
Total public support	<u>114,576</u>	<u>-</u>	<u>114,576</u>
Revenue			
Grants and contracts	614,389	35,000	649,389
Annual meeting fees	338,911	-	338,911
Policy Summit fees	280,000	-	280,000
Global Summit fees	185,000	-	185,000
Membership dues	371,823	-	371,823
Advertising revenue	31,040	-	31,040
Inventory sales	23,435	-	23,435
Other revenue	1,412	-	1,412
Net assets released from restrictions	26,740	(26,740)	-
Total revenue	<u>1,872,750</u>	<u>8,260</u>	<u>1,881,010</u>
Total operating public support and revenue	1,987,326	8,260	1,995,586
Operating Expenses			
Program services	1,004,795	-	1,004,795
Supporting services:			
Management and general	251,329	-	251,329
Fundraising	27,580	-	27,580
Total operating expenses	<u>1,283,704</u>	<u>-</u>	<u>1,283,704</u>
Change in Net Assets Before Other Changes	703,622	8,260	711,882
Other Changes - Revenue (Expense)			
Forgiveness of debt - PPP	68,900	-	68,900
Total other changes	68,900	-	68,900
Change in net assets	772,522	8,260	780,782
Net Assets at Beginning of Year	<u>99,509</u>	<u>147,342</u>	<u>246,851</u>
Net Assets at End of Year	<u>\$ 872,031</u>	<u>\$ 155,602</u>	<u>\$ 1,027,633</u>

See accompanying notes to financial statements

AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	Program Services	Supporting Services			Total Expenses	
		Management and General	Fundraising	Total Supporting Services	2022	2021
Salaries	\$ 333,042	\$ 191,772	\$ 9,720	\$ 201,492	\$ 534,534	\$ 437,303
Payroll taxes	24,477	15,671	730	16,401	40,878	34,154
Employee benefits	30,053	17,305	877	18,182	48,235	37,286
Total salaries and related expenses	387,572	224,748	11,327	236,075	623,647	508,743
Annual meeting and program expenses	339,019	-	1,507	1,507	340,526	366,014
Professional fees	210,372	44,027	-	44,027	254,399	97,786
Printing and publication	83,229	414	4,090	4,504	87,733	61,525
Advertising and marketing	104,186	-	491	491	104,677	80,576
Occupancy	24,645	14,191	719	14,910	39,555	38,310
Postage and shipping	21,761	9,505	2,626	12,131	33,892	39,986
Equipment rental and maintenance	20,441	11,770	597	12,367	32,808	28,862
Travel and meetings	18,156	-	-	-	18,156	76
Fees, dues, and subscriptions	751	2,061	13,272	15,333	16,084	15,626
Other	-	5,869	61	5,930	5,930	18,456
Supplies	2,669	4,176	-	4,176	6,845	3,309
Contributed nonfinancial assets	2,000	2,932	-	2,932	4,932	9,893
Telephone	2,251	1,296	66	1,362	3,613	3,706
Insurance	-	2,446	-	2,446	2,446	2,396
Total expenses before depreciation	1,217,052	323,435	34,756	358,191	1,575,243	1,275,264
Depreciation	4,320	2,488	126	2,614	6,934	8,440
Total expenses	<u>\$ 1,221,372</u>	<u>\$ 325,923</u>	<u>\$ 34,882</u>	<u>\$ 360,805</u>	<u>\$ 1,582,177</u>	<u>\$ 1,283,704</u>

See accompanying notes to financial statements

AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Cash Flows from Operating Activities:		
Change in net assets	\$ 895,693	\$ 780,782
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,934	8,440
Gain on forgiveness of debt - PPP	(79,116)	(68,900)
(Increase) decrease in operating assets:		
Accounts receivable	(237,550)	(102,816)
Inventories	(12,874)	2,207
Prepaid expenses and other assets	(7,285)	(6,680)
(Decrease) increase in operating liabilities:		
Accounts payable and accrued expenses	74,206	11,269
Deferred revenue	8,866	201,274
	648,874	825,576
Net cash provided by operating activities		
Cash Flows from Investing Activities:		
Purchase of property and equipment	(11,079)	(1,255)
	(11,079)	(1,255)
Net cash used in investing activities		
Cash Flows from Financing Activities:		
Principal payments on capital lease obligation	(6,676)	(8,787)
Proceeds from note payable	-	79,116
	(6,676)	70,329
Net cash (used in) provided by financing activities		
Net Increase in Cash and Cash Equivalents	631,119	894,650
Total Cash and Cash Equivalents Beginning of Year	1,573,305	678,655
Total Cash and Cash Equivalents at End of Year	\$ 2,204,424	\$ 1,573,305

See accompanying notes to financial statements

AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE A - NATURE OF ORGANIZATION

Founded in 1969, American Association of Kidney Patients, Inc. (the Organization) is the oldest and largest, independent kidney patient organization in the U.S. – the Organization is dedicated to improving the lives and long-term outcomes of kidney patients through education, advocacy, patient engagement and the fostering of patient communities. The Organization fights for early disease detection and the appropriate diagnosis of rare/genetic conditions; increased kidney transplantation and pre-emptive transplantation; full patient choice of either in-center or home dialysis; protection of the patient/physician relationship; promotion of research and innovation including artificial implantable and wearable kidneys and xenotransplantation; and the elimination of barriers for patient access to available treatment options. The Organization operates under a National Strategy which includes its Center for Patient Research and Education and Center for Patient Engagement and Advocacy.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- *Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
- *Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenue of the net assets without donor restrictions class. Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional.

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing services. Nonoperating activities, if any, are limited to other activities considered to be of a more unusual or nonrecurring nature.

AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates include the collectability of accounts receivable, determination of the useful lives of the furniture and equipment and the allocation of functional expenses.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit with financial institutions. The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash held in financial institutions in excess of federally insured limits. From time to time throughout the years ended June 30, 2022 and 2021, the Organization's cash balance may have exceeded the federally insured limit. However, the Organization has not experienced and does not expect to incur any losses in such accounts.

Accounts Receivable

Accounts receivable, when present, consist of grants and funding contracts due in less than one year. Management believes receivables under grants and funding contracts are fully collectible and has not provided an allowance for doubtful accounts.

Inventories

Inventories consist of publications and literature related to kidney disease and its treatment. Inventory is stated at the lower of cost or net realizable value. Cost is determined principally on the first-in, first-out method.

Furniture and Equipment

Furniture and equipment are stated at cost, if purchased, or at estimated fair value at the date of receipt, if acquired by gift. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets ranging from 3 - 5 years. Major renewals and betterments are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. It is the Organization's policy to capitalize all items which have a unit cost greater than \$1,000.

AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue Recognition

Certain grants received by the Organization are considered conditional contributions since the grant agreements require the Organization to perform services, incur expenses, or meet contract objectives in order to earn the grant funding. Payments received under these grants are deferred until earned. Revenue is earned and recognized in the financial statements when eligible expenses are incurred, services performed or grant objectives met. Deferred revenue from these conditional grants was approximately \$69,000 and \$142,000 at June 30, 2022 and 2021, respectively, and is included in deferred revenue in the accompanying statements of financial position.

Other grants and contributions without conditions are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence or nature of any donor restrictions. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional promises to give are reported at present value at the date the promise is received to the extent estimated to be collected by the Organization. Other conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire during the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Revenues from meetings, conferences, sponsorships and memberships are considered exchange transactions. Revenues from exchange transactions are recognized when control of the goods and services are transferred to the Organization's members or program participants in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services.

The Organization typically satisfies its performance obligations for membership dues over time as the related services are provided during the membership agreement period as a stand ready obligation. Revenues from meetings, conferences and sponsorships are recognized at the conclusion of the individual event.

Payments in general are required to be made in advance prior to the beginning of the membership period or prior to the individual event. Differences between the timing of billing and the recognition of revenue are recognized as either accounts receivable or deferred revenues in the statements of financial position.

Unearned billings and cash receipts from exchange transactions was approximately \$528,000 and \$446,000 at June 30, 2022 and 2021, respectively, and is included in deferred revenue in the accompanying statements of financial position.

Donated Services

Donated services are recognized and recorded at fair market value only to the extent they create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was \$104,677 and \$80,576 for the years ended June 30, 2022 and 2021, respectively.

Functional Allocation of Expenses

The costs of providing the Organization's various programs and other activities have been summarized on a functional basis in the statement of functional expenses and on a functional basis in the statements of activities. Expenses that can be identified with a specific program or supporting activity are charged directly to the program or supporting activity as a direct cost. Certain costs have been allocated based on their estimated usage in each program or supporting activity. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and related expenses	Time and effort
Occupancy	Time and effort
Equipment rental and maintenance	Time and effort
Telephone	Time and effort
Depreciation	Time and effort

Income Tax Status

The Organization is recognized by the Internal Revenue Service as an organization described under Section 501(c)(3) of the Internal Revenue Code and is generally exempt from Federal taxes on related income.

Uncertain Tax Positions

The Organization accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions. The Organization has identified its tax status as a tax-exempt entity as its only significant tax position; however, the Organization has determined that such tax position does not result in an uncertainty requiring recognition. The Organization is not currently under examination by any taxing jurisdiction. The Organization's federal returns are generally open for examination for three years following the date filed.

New Accounting Pronouncement

In September 2020, the Financial Accounting Standards Board issued Accounting Standards Update, Not-for-Profit Entities (Topic 958) - *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The update enhances the presentation and disclosure of contributed nonfinancial assets but does not impact the accounting for contributed nonfinancial assets. The Organization has adjusted the presentation and disclosures accordingly.

AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Summarized Comparative Financial For 2021

The accompanying financial statements include certain prior year summarized comparative total amounts. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

NOTE C - AVAILABILITY AND LIQUIDITY

At June 30, 2022 and 2021, the Organization's financial assets available to meet general expenditures within one year were as follows:

	<u>2022</u>	<u>2021</u>
Financial Assets:		
Cash and cash equivalents	\$ 2,204,424	\$ 1,573,305
Accounts receivables	<u>354,066</u>	<u>116,516</u>
Total financial assets	<u>\$ 2,558,490</u>	<u>\$ 1,689,821</u>
Less Amounts Not Available to be Used Within One Year:		
Net assets with donor restrictions	<u>177,402</u>	<u>155,602</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,381,088</u>	<u>\$ 1,534,219</u>

The Organization is supported by contributions with and without donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments.

AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE D - FURNITURE AND EQUIPMENT

Furniture and equipment consisted of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Furniture and equipment	\$ 62,207	\$ 51,128
Less accumulated depreciation	<u>(52,132)</u>	<u>(45,198)</u>
	<u>\$ 10,075</u>	<u>\$ 5,930</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$6,934 and \$8,440, respectively.

NOTE E - LEASES

The Organization leased certain office equipment under capital leases, which expired in March 2022. The Organization also leases its office space under a non-cancelable operating lease through May 2025. Rental expense on operating leases was approximately \$34,000 and \$33,000 for the years ended June 30, 2022 and 2021, respectively.

At June 30, 2022 and 2021, the gross amount of office equipment recorded under capital leases was \$32,939. The related accumulated amortization at June 30, 2022 and 2021 was \$32,939 and \$28,264, respectively. Amortization of assets held under the capital leases is included in depreciation expense.

Future minimum lease payments under noncancelable operating leases (with initial or remaining terms in excess of one year) as of June 30, 2022 are as follows:

<u>Years Ending June 30,</u>	<u>Operating Leases</u>
2023	\$ 34,116
2024	35,139
2025	<u>33,094</u>
Total minimum lease payments	<u>\$ 102,349</u>

NOTE F - PAYCHECK PROTECTION PROGRAM

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans. In March 2021 and May 2020, the Organization obtained two PPP loans for \$79,116 and \$68,900, respectively. The Organization used all of the proceeds from the loans for qualifying expenses and received full forgiveness of the first and second loan in May 2021 and October 2021, respectively.

AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2022 and 2021, net assets with donor restrictions related to the following:

	<u>2022</u>	<u>2021</u>
Patient Safety Lectureship Program	\$ 118,671	\$ 124,371
Scholarships	<u>58,731</u>	<u>31,231</u>
	<u>\$ 177,402</u>	<u>\$ 155,602</u>

Net assets released from restrictions were comprised of the following:

	<u>2022</u>	<u>2021</u>
Purpose restriction:		
Patient Safety Lectureship Program	\$ 5,700	\$ 5,700
Scholarships	<u>2,500</u>	<u>21,040</u>
	<u>\$ 8,200</u>	<u>\$ 26,740</u>

NOTE H - CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets for the years ended June 30, 2022 and 2021 were \$4,932 and \$9,893, respectively, and consisted primarily of donated professional services. All donated services were used by the Organization's programs and supporting services. There were no donor imposed restrictions associated with the contributions. Donated professional services are valued at the standard hourly rates charged for those services.

NOTE I - RETIREMENT PLAN

The Organization sponsors a 401(k)-retirement savings plan (the Plan) which covers all employees who meet the Plan's participation requirements. During the years ended June 30, 2022 and 2021, the Organization did not make any contributions to the Plan. No expenses were incurred for the years ended June 30, 2022 and June 30, 2021.

NOTE J - SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through November 17, 2022, the date the financial statements were available to be issued. The Organization is not aware of any subsequent events which would require recognition or disclosures in the financial statements.