American Association of Kidney Patients, Inc.

Financial Statements

June 30, 2025 and 2024

PDR
CPAs + ADVISORS

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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, 2025 and 2024, 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, 2025, 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, 2025 and 2024, 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.

CONTINUED

INDEPENDENT AUDITOR'S REPORT – CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements - 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 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 12, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

PDR CPAs + Advisors

Oldsmar, Florida
November 4, 2025

AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	$ 3,878,619	$ 3,927,960
Accounts receivable	216,000	85,127
Contributions receivable	131,500	90,000
Educational brochures and program supplies	70,310	81,186
Prepaid expenses	62,157	95,357
Total current assets	4,358,586	4,279,630
Furniture and equipment, net	10,474	4,758
Operating lease right-of-use assets	169,893	39,885
Other assets	2,625	3,125
Total Assets	$ 4,541,578	$ 4,327,398
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 64,683	$ 20,642
Accrued expenses	33,419	44,906
Deferred revenue	1,005,966	885,342
Current portion of lease liabilities	29,547	43,436
Total current liabilities	1,133,615	994,326
Lease liabilities, net of current portion	145,231	-
Total liabilities	1,278,846	994,326
Net Assets		
Without donor restrictions	3,158,346	3,205,916
With donor restrictions	104,386	127,156
Total net assets	3,262,732	3,333,072
Total Liabilities and Net Assets	$ 4,541,578	$ 4,327,398

See accompanying notes to financial statements

AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
Operating Support and Revenue				
Public support				
Contributions	$ 81,684	$ -	$ 81,684	$ 118,018
Special events, net of $9,570 of expenses	(2,570)	-	(2,570)	9,515
Bequests and memorials	29,797	-	29,797	621,493
Contributed nonfinancial assets	5,736	-	5,736	3,321
Total public support	114,647	-	114,647	752,347
Revenue				
Grants and contracts	793,488	-	793,488	814,806
Annual meeting fees	365,606	-	365,606	291,115
Policy Summit fees	325,000	-	325,000	90,000
Global Summit fees	155,000	-	155,000	-
Membership dues	566,800	-	566,800	608,985
Advertising revenue	3,000	-	3,000	10,422
Sales of brochures and supplies	23,859	-	23,859	17,119
Interest income and other revenue	93,866	-	93,866	82,240
Net assets released from restrictions	22,770	(22,770)	-	-
Total revenue	2,349,389	(22,770)	2,326,619	1,914,687
Total operating public support and revenue	2,464,036	(22,770)	2,441,266	2,667,034
Operating Expenses				
Program services	2,079,709	-	2,079,709	1,409,538
Supporting services:				
Management and general	389,662	-	389,662	343,178
Fundraising	42,235	-	42,235	50,730
Total operating expenses	2,511,606	-	2,511,606	1,803,446
Change in net assets	(47,570)	(22,770)	(70,340)	863,588
Net Assets at Beginning of Year	3,205,916	127,156	3,333,072	2,469,484
Net Assets at End of Year	$ 3,158,346	$ 104,386	$ 3,262,732	$ 3,333,072

See accompanying notes to financial statements

AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Public support			
Contributions	$ 118,018	$ -	$ 118,018
Special events, net of $8,147 of expenses	9,515	-	9,515
Bequests and memorials	621,493	-	621,493
Contributed nonfinancial assets	3,321	-	3,321
Total public support	752,347	-	752,347
Revenue			
Grants and contracts	814,806	-	814,806
Annual meeting fees	291,115	-	291,115
Policy Summit fees	90,000	-	90,000
Membership dues	608,985	-	608,985
Advertising revenue	10,422	-	10,422
Sales of brochures and supplies	17,119	-	17,119
Interest income and other revenue	82,240	-	82,240
Net assets released from restrictions	13,231	(13,231)	-
Total revenue	1,927,918	(13,231)	1,914,687
Total operating public support and revenue	2,680,265	(13,231)	2,667,034
Operating Expenses			
Program services	1,409,538	-	1,409,538
Supporting services:			
Management and general	343,178	-	343,178
Fundraising	50,730	-	50,730
Total operating expenses	1,803,446	-	1,803,446
Change in net assets	876,819	(13,231)	863,588
Net Assets at Beginning of Year	2,329,097	140,387	2,469,484
Net Assets at End of Year	$ 3,205,916	$ 127,156	$ 3,333,072

See accompanying notes to financial statements

AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

		Supporting Services			Total Expenses	
	Program Services	Management and General	Fundraising	Total Supporting Services	2025	2024
Salaries	$ 708,976	$ 217,419	$ 18,906	$ 236,325	$ 945,301	$ 781,149
Payroll taxes	37,402	31,959	713	32,672	70,074	57,949
Employee benefits	49,268	15,109	1,314	16,423	65,691	59,881
Total salaries and related expenses	795,646	264,487	20,933	285,420	1,081,066	898,979
Annual meeting and program expenses	738,351	500	109	609	738,960	295,909
Professional fees	104,092	66,599	-	66,599	170,691	138,722
Printing and publication	94,126	976	2,426	3,402	97,528	51,344
Advertising and marketing	103,981	1,052	1,398	2,450	106,431	151,033
Occupancy	32,141	9,857	857	10,714	42,855	42,278
Postage and shipping	21,333	11,466	1,501	12,967	34,300	29,804
Equipment rental and maintenance	61,780	18,946	1,647	20,593	82,373	60,605
Travel and meetings	114,360	430	97	527	114,887	97,438
Fees, dues, and subscriptions	3,251	1,468	12,909	14,377	17,628	16,264
Other	1,005	6,742	257	6,999	8,004	5,304
Supplies	1,003	2,262	-	2,262	3,265	3,053
Contributed nonfinancial assets	4,856	880	-	880	5,736	3,971
Telephone	1,177	361	31	392	1,569	1,438
Insurance	-	2,836	-	2,836	2,836	2,730
Total expenses before depreciation	2,077,102	388,862	42,165	431,027	2,508,129	1,798,872
Depreciation	2,607	800	70	870	3,477	4,574
Total expenses	$ 2,079,709	$ 389,662	$ 42,235	$ 431,897	$ 2,511,606	$ 1,803,446

See accompanying notes to financial statements

AMERICAN ASSOCIATION OF KIDNEY PATIENTS, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash Flows from Operating Activities:		
Change in net assets	$ (70,340)	$ 863,588
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	3,477	4,574
Noncash operating lease expense	46,774	43,143
(Increase) decrease in operating assets:		
Receivables	(172,373)	24,833
Educational brochures and program supplies	10,876	(25,859)
Prepaid expenses and other assets	33,700	(63,808)
(Decrease) increase in operating liabilities:		
Accounts payable and accrued expenses	32,554	(41,561)
Change in lease liability	(45,440)	(41,878)
Deferred revenue	120,624	430,120
Net cash (used in) provided by operating activities	(40,148)	1,193,152
Cash Flows from Investing Activities:		
Purchase of property and equipment	(9,193)	-
Net cash used in investing activities	(9,193)	-
Net (Decrease) Increase in Cash and Cash Equivalents	(49,341)	1,193,152
Total Cash and Cash Equivalents Beginning of Year	3,927,960	2,734,808
Total Cash and Cash Equivalents at End of Year	$ 3,878,619	$ 3,927,960
Non-cash Investing and Financing Activities		
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 175,121	$ -

See accompanying notes to financial statements

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.

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, 2025 and 2024, 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.

Receivables

Contributions Receivable

The Organization's contributions receivable consists of amounts due from supporting companies in the healthcare industry and are due in less than one year. Contributions receivable are stated at the amount that management expects to collect from outstanding balances. Management monitors the collection of contributions receivable on an ongoing basis and provides for probable uncollectible amounts through a charge to earnings and a credit to an allowance when, in management's estimation, it is probable the receivable is not collectible. Management has determined that all amounts are collectible; accordingly, no allowance for potentially uncollectible contributions receivable has been recorded at June 30, 2025 and 2024. Contributions receivable were $131,500, $90,000, and $124,960 at June 30, 2025 and 2024, and 2023, respectively.

Accounts Receivable

Accounts receivable consist primarily of membership dues and sponsorship and exhibitor fees due from supporting companies in the healthcare industry, all due within one year. Accounts receivable are stated at the amount the Organization expects to collect from outstanding balances. Management periodically assesses the collectability of its accounts receivable by reviewing each outstanding balance, as well as bad debt write-offs experienced in the past, and current and developing general economic conditions, and provides for expected credit losses. Determination of delinquent accounts receivable is based upon the contractual terms of the Organization's membership, sponsorship and exhibitor agreements. The Organization provides for expected credit losses through a charge to earnings and a credit to a valuation allowance. Balances that are still outstanding after reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of June 30, 2025 and 2024, no allowance for credit losses was necessary, as management determined all receivables to be fully collectible. Historically, the Organization has not experienced any bad debt. Accounts receivable were $216,000, $85,127, and $75,000 at June 30, 2025 and 2024, and 2023, respectively.

Educational Brochures and Program Supplies

Educational brochures and program supplies consist of publications and literature related to kidney disease and its treatment and other items used in program and outreach activities. The brochures and supplies are carried at original cost and charged to expense when sold or consumed in program activities.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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 $355,000 and $390,000, and $16,000 at June 30, 2025 and 2024, and 2023, 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, meeting 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 $651,000, $495,000, and $439,000 at June 30, 2025 and 2024, and 2023, 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.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was $106,431 and $151,033 for the years ended June 30, 2025 and 2024, 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:

Expense	Method of Allocation
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.

Leases

The Organization leases office space and office equipment under non-cancellable operating leases. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms or conditions of the contract are changed.

Operating leases are included in operating lease right-of-use (ROU) assets and current and long-term operating lease liabilities in the accompanying statements of financial position.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Leases - Continued

ROU assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Company uses the implicit rate in the lease when it is readily determinable.

To determine the present value of lease payments, management has elected to use a risk-free rate at lease commencement. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives.

For leases with an initial term of 12 months or less, an ROU asset and lease liability is not recognized and lease expense is recognized on a straight-line basis over the lease term.

Summarized Comparative Financial For 2024

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, 2024, from which the summarized information was derived.

NOTE C - AVAILABILITY AND LIQUIDITY

At June 30, 2025 and 2024, the Organization's financial assets available to meet general expenditures within one year were as follows:

	2025	2024
Financial Assets:		
Cash and cash equivalents	$ 3,878,619	$ 3,927,960
Accounts and contributions receivable	347,500	175,127
Total financial assets	$ 4,226,119	$ 4,103,087
Less Amounts Not Available to be Used Within One Year:		
Net assets with donor restrictions	104,386	127,156
Financial assets available to meet general expenditures over the next twelve months	$ 4,121,733	$ 3,975,931

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.

NOTE D - FURNITURE AND EQUIPMENT

Furniture and equipment consisted of the following at June 30, 2025 and 2024:

	2025	2024
Furniture and equipment	$ 62,176	$ 52,983
Less accumulated depreciation	(51,702)	(48,225)
	$ 10,474	$ 4,758

Depreciation expense for the years ended June 30, 2025 and 2024 was $3,477 and $4,574, respectively.

NOTE E - LEASES

The Organization leases office equipment and its office space under non-cancellable operating leases which expire through October 2030. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option. The Organization has determined these extensions are not reasonably certain to be elected and therefore these extensions are not included in the lease calculations. Total rent expense under these leases was approximately $47,000 and $45,000 for each of the years ended June 30, 2025 and 2024.

Future minimum lease payments under noncancelable operating leases (with initial or remaining terms in excess of one year) as of June 30, 2025 are as follows:

Year Ending June 30,	Operating Leases
2026	$ 35,594
2027	38,625
2028	39,225
2029	36,226
2030	31,795
Thereafter	10,793
Total undiscounted cash flows	192,258
Less: present value discount	(17,480)
Total lease liabilities	$ 174,778

As of June 30, 2025 and 2024, the weighted-average remaining lease term for the Organization's operating leases is 5.04 and .99 years, respectively. The weighted-average discount rate associated with operating leases is 3.79% and 2.85% for 2025 and 2024. Cash paid in connection with operating leases was approximately $45,000 and $44,000 for the years ended June 30, 2025 and 2024, respectively. Rent expense incurred by the Organization for short-term leases was approximately $1,400 and $400 for the years ended June 30, 2025 and 2024, respectively.

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2025 and 2024, net assets with donor restrictions related to the following:

	2025	2024
Patient Safety Lectureship Program	$ 86,062	$ 98,762
Scholarships	18,324	28,394
	$ 104,386	$ 127,156

Net assets released from restrictions were comprised of the following:

	2025	2024
Purpose restriction:		
Patient Safety Lectureship Program	$ 12,700	$ 709
Scholarships	10,070	12,522
	$ 22,770	$ 13,231

NOTE G - CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets for the years ended June 30, 2025 and 2024 were $5,736 and $3,321, 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 H - CONCENTRATIONS OF CREDIT RISK

At June 30, 2025 and 2024, amounts due from two corporate donors comprise 95% and 100%, respectively, of total contributions receivable.

At June 30, 2025 and 2024, amounts due from two companies comprise 58% and 88%, respectively, of total accounts receivable.

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, 2025 and 2024, the Organization did not make any contributions to the Plan. No expenses were incurred for the years ended June 30, 2025 and 2024.

NOTE J - SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through November 4, 2025, 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.