

National Kidney Foundation of Michigan, Inc.

Financial Statements

**June 30, 2025
(With Summarized Comparative
Information for 2024)**



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

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Independent Auditors' Report

Management and the Board of Directors
National Kidney Foundation of Michigan, Inc.
Ann Arbor, Michigan

Opinion

We have audited the accompanying financial statements of National Kidney Foundation of Michigan, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Kidney Foundation of Michigan, Inc. as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 National Kidney Foundation of Michigan, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National Kidney Foundation of Michigan, Inc.'s ability to continue as a going concern within one year after the date that 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 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, including omissions, 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 generally accepted auditing standards and Government 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 National Kidney Foundation of Michigan, 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 National Kidney Foundation of Michigan, 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 National Kidney Foundation of Michigan, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 4, 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.

Report on Supplementary Information and Opinion of the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis and is required by Title 2 U.S. Code of Federal Regulations (CFR) 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the financial statements. The statement of activities and schedule of public support received and special events and fundraisers for the ten years ended June 30, 2016 through 2025 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States

of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

As indicated above, we have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the balance sheet of National Kidney Foundation of Michigan, Inc., as of June 30, 2016 through 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended (which are not presented herein), and we expressed unmodified opinions on those financial statements. These audits were conducted for purposes of forming an opinion on the financial statements as a whole. The statement of activities for the ten years ended June 30, 2016 through 2025, and the schedule of public support received and special events and fundraisers for the ten years ended June 30, 2016 through 2025 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2016 through 2024 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the June 30, 2016 through 2024 information is fairly stated in all material respects in relation to the financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2025 on our consideration of National Kidney Foundation of Michigan, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of National Kidney Foundation of Michigan, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering National Kidney Foundation of Michigan, Inc.'s internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Ann Arbor, Michigan
December 10, 2025

National Kidney Foundation of Michigan, Inc.
Statement of Financial Position
June 30, 2025
(With Summarized Comparative Information for 2024)

	2025	2024
Assets		
Cash	\$ 2,513,858	\$ 1,447,897
Investments	10,803,109	9,223,858
Accounts receivable, net of allowance for credit losses of \$0 and \$0	853,770	1,002,808
Unconditional promises to give, net	237,043	213,440
Grants receivable	813,337	1,254,721
Prepaid expenses	144,070	81,546
Property and equipment, net	1,292,527	1,341,917
Right of use asset - operating lease, net	186,160	241,187
Beneficial interest in assets held by others	28,926	27,322
Intangible assets, net	-	1,827,738
	\$ 16,872,800	\$ 16,662,434
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 174,704	\$ 257,947
Accrued expenses	816,251	690,291
Deferred revenue	198,839	-
Deferred compensation liability	888,046	786,422
Operating lease obligation	192,565	247,451
	2,270,405	1,982,111
Net assets		
Without donor restrictions		
Undesignated	10,411,946	11,324,491
Designated by the board for Healthy Futures endowment	1,882,190	1,803,073
Designated by the board for Community Foundation endowment	28,926	27,322
	12,323,062	13,154,886
With donor restrictions		
Perpetual in nature	1,316,998	970,601
Purpose restrictions	405,432	341,396
Time-restricted for future periods	556,903	213,440
	2,279,333	1,525,437
Total with donor restrictions	2,279,333	1,525,437
Total net assets	14,602,395	14,680,323
Total liabilities and net assets	\$ 16,872,800	\$ 16,662,434

See Accompanying Notes to the Financial Statements

National Kidney Foundation of Michigan, Inc.
Statement of Activities
For the Year Ended June 30, 2025
(With Summarized Comparative Information for 2024)

	Without Donor	With Donor	Total	
	Restrictions	Restrictions	2025	2024
Revenue, support and gains (losses)				
Public support				
Received directly - contributions	\$ 138,464	\$ 640,588	\$ 779,052	\$ 701,357
Contributions of nonfinancial assets	898,299	-	898,299	563,356
Private and government grants	4,716,318	-	4,716,318	8,489,039
Special events and fundraisers, net	670,022	346,397	1,016,419	907,620
Total public support	6,423,103	986,985	7,410,088	10,661,372
Program service fee and other revenues				
Program service fees	6,343,235	-	6,343,235	3,785,954
Net investment income	1,038,071	64,776	1,102,847	1,067,939
Other revenues, gains and losses	12,618	-	12,618	13,454
Total program service fee and other revenues	7,393,924	64,776	7,458,700	4,867,347
Net assets released from restrictions	297,865	(297,865)	-	-
Total revenue, support and gains	14,114,892	753,896	14,868,788	15,528,719
Expenses				
Program services				
Health education and research	6,779,524	-	6,779,524	9,060,817
Patient and community services	6,396,419	-	6,396,419	3,840,004
Total program services	13,175,943	-	13,175,943	12,900,821
Supporting services				
Management and general	926,215	-	926,215	611,733
Fundraising	844,558	-	844,558	727,565
Total supporting services	1,770,773	-	1,770,773	1,339,298
Total expenses	14,946,716	-	14,946,716	14,240,119
Change in net assets	(831,824)	753,896	(77,928)	1,288,600
Net assets - beginning of year	13,154,886	1,525,437	14,680,323	13,391,723
Net assets - end of year	\$ 12,323,062	\$ 2,279,333	\$ 14,602,395	\$ 14,680,323

See Accompanying Notes to the Financial Statements

National Kidney Foundation of Michigan, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2025
(With Summarized Comparative Information for 2024)

	Health	Patient and	Total	Management	Fundraising	Total	Total	
	Education and	Community	Program	and General		Supporting	2025	2024
	Research	Services	Services			Services		
Salaries	\$ 2,087,702	\$ 2,905,382	\$ 4,993,084	\$ 587,042	\$ 343,755	\$ 930,797	\$ 5,923,881	\$ 5,214,027
Payroll taxes	157,981	215,282	373,263	37,627	26,054	63,681	436,944	372,387
Employee benefits	351,782	308,351	660,133	60,997	71,377	132,374	792,507	626,100
Bad debt	-	-	-	-	-	-	-	1,000
Amortization	1,827,738	-	1,827,738	-	-	-	1,827,738	2,884,764
Depreciation	49,775	27,935	77,710	8,314	8,869	17,183	94,893	84,468
Direct assistance to patients	-	64,871	64,871	-	-	-	64,871	22,659
Insurance	58,911	42,309	101,220	8,066	10,549	18,615	119,835	135,681
Membership dues and support	320	299	619	609	-	609	1,228	1,294
Miscellaneous	31,384	402,470	433,854	5,736	44,794	50,530	484,384	451,465
Occupancy	114,713	56,998	171,711	6,653	6,967	13,620	185,331	163,643
Office supplies and services	111,972	194,960	306,932	12,850	83,281	96,131	403,063	487,180
Postage and freight	10,637	5,685	16,322	1,790	6,165	7,955	24,277	22,724
Printing and publications/audio-visual	29,105	76,464	105,569	8,025	38,816	46,841	152,410	140,248
Professional fees	1,789,949	1,941,405	3,731,354	146,060	588,772	734,832	4,466,186	3,601,559
Revenue share payment to National	67,787	73,546	141,333	11,277	12,055	23,332	164,665	163,328
Subscriptions and publications	1,933	1,704	3,637	883	376	1,259	4,896	6,386
Telephone and fax	24,277	19,937	44,214	1,758	1,638	3,396	47,610	43,652
Travel and meetings	63,558	58,821	122,379	28,528	95,411	123,939	246,318	211,497
Total expenses by function	6,779,524	6,396,419	13,175,943	926,215	1,338,879	2,265,094	15,441,037	14,634,062
Less expenses included in revenues in the statement of activities								
Cost of direct expenses of special events	-	-	-	-	(494,321)	(494,321)	(494,321)	(393,943)
Total expenses included in expenses section on the statement of activities	\$ 6,779,524	\$ 6,396,419	\$ 13,175,943	\$ 926,215	\$ 844,558	\$ 1,770,773	\$ 14,946,716	\$ 14,240,119
Year ended June 30, 2025 percentages after deducting direct expenses of special events	<u>45.36%</u>	<u>42.79%</u>	<u>88.15%</u>	<u>6.20%</u>	<u>5.65%</u>	<u>11.85%</u>	<u>100.00%</u>	
Year ended June 30, 2024 Comparative expenses by function	<u>\$ 9,060,817</u>	<u>\$ 3,840,004</u>	<u>\$ 12,900,821</u>	<u>\$ 611,733</u>	<u>\$ 727,565</u>	<u>\$ 1,339,298</u>		<u>\$ 14,240,119</u>
Year ended June 30, 2024 percentages	<u>63.62%</u>	<u>26.97%</u>	<u>90.59%</u>	<u>4.30%</u>	<u>5.11%</u>	<u>9.41%</u>		100.00%

See Accompanying Notes to the Financial Statements

National Kidney Foundation of Michigan, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2025
(With Summarized Comparative Information for 2024)

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ (77,928)	\$ 1,288,600
Items not requiring cash		
Depreciation	94,893	84,468
Amortization	1,827,738	2,884,764
Bad debt	-	1,000
Change in value of deferred compensation investment	71,624	53,401
Unrealized and realized gain on investments	(702,275)	(740,780)
Change in value of beneficial interest in assets held by others	(1,604)	(1,336)
Changes in operating assets and liabilities		
Accounts receivable	149,038	(550,129)
Promises to give	(23,603)	22,904
Grants receivable	441,384	(131,811)
Prepaid expenses and other	(62,524)	17,896
Operating lease assets and liabilities	141	2,235
Accounts payable	(83,243)	(272,659)
Accrued expenses	125,960	122,787
Deferred revenue	198,839	-
Deferred compensation liability	30,000	30,000
	1,988,440	2,811,340
 Cash flows from investing activities		
Purchases of property and equipment	(45,503)	(68,648)
Purchases of investments	(876,976)	(658,565)
Purchases of intangibles	-	(1,919,443)
	(922,479)	(2,646,656)
 Net cash used by investing activities		
	(922,479)	(2,646,656)
 Net change in cash	1,065,961	164,684
Cash - beginning of year	1,447,897	1,283,213
 Cash - end of year	\$ 2,513,858	\$ 1,447,897
 Supplemental schedule of non-cash investing and financing activities		
Non-cash operating activities, in-kind donations	\$ 898,299	\$ 563,356

See Accompanying Notes to the Financial Statements

National Kidney Foundation of Michigan, Inc.
Notes to the Financial Statements
June 30, 2025
(With Summarized Comparative Information for 2024)

Note 1 - Organization

The National Kidney Foundation of Michigan, Inc. (the “Foundation”) was incorporated on March 30, 1960, as a nonprofit corporation whose mission is “to prevent kidney disease and improve the quality of life for those living with it”. Through renal patient services, supporting research of chronic kidney disease, and education programs, the Foundation’s efforts are conducted to prevent kidney disease, improve access to health care and needed resources, promote quality of care, encourage rehabilitation, increase public awareness, and advance medical knowledge. The Foundation’s programs are designed to inform the public about kidney diseases, its leading causes such as diabetes, hypertension and obesity, and increase awareness of the critical need for organ and tissue donation.

The Foundation’s primary sources of support are public contributions, grants, and fundraising events.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

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

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net assets with donor restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. We report conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) at the same point in time the condition is met (that is, when the contribution becomes unconditional). 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 and reported in the statement of activities as net assets released from restrictions.

Comparative Financial Information

The financial information for the year ended June 30, 2024 is presented for comparative purposes and is not intended to be a complete financial statement presentation.

Cash

The Foundation considers all highly liquid investments purchased with maturity of three months or less to be cash equivalents. As of June 30, 2025, \$2,355,601 of cash and cash equivalents was in excess of the amount insured by the FDIC.

National Kidney Foundation of Michigan, Inc.
Notes to the Financial Statements
June 30, 2025
(With Summarized Comparative Information for 2024)

Accounts Receivable

Trade accounts receivable are stated net of an allowance for credit losses. The Foundation estimates the allowance based on an analysis of specific accounts, taking into consideration the age of past due accounts, an assessment of ability to pay, current conditions, and reasonable and supportable forecasts. Individual receivables are written off as a charge to the allowance for credit losses when, in management's estimation, it is probable that the receivable is worthless.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional.

The Foundation initially records unconditional promises to give at fair value using the income approach and subsequently amortizes them using the original discount rate. If the original promise to give is due in less than one year it is recorded at net realizable value.

Investments

Investments in marketable securities with readily determinable fair value and all investments in debt securities are valued at their fair values based on quoted market prices in the statement of financial position. Unrealized gains and losses are included in the change in unrestricted net assets.

Property and Equipment

The Foundation follows the practice of capitalizing all expenditures in excess of \$1,000 for property and equipment at cost; the fair value of donated fixed assets is similarly capitalized. Major improvements are capitalized while ordinary maintenance and repairs are expensed.

The Foundation evaluates long-lived assets for impairment using a discounted cash flow method whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with accounting principles generally accepted in the United States of America.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Gifts of land, buildings, equipment and other long-lived assets are also reported as revenue without donor restrictions and net assets, unless subject to time restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions as net assets without donor restrictions are reported when the long-lived assets are placed in service.

Intangible Assets

Costs to develop or extend the term of intangible assets are amortized over estimated useful lives of the respective assets. Cash flows used to determine potential impairment of intangible assets assume the intent and ability to renew or extend the intangible asset.

Leases

The Foundation leases certain buildings and equipment. 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 and conditions of the contract are changed. Finance leases are contracts that have characteristics that make them similar to the purchase of the underlying asset. Operating leases are contracts that allow for the use of the underlying asset but there is no ownership transfer at the end of the lease.

National Kidney Foundation of Michigan, Inc.
Notes to the Financial Statements
June 30, 2025
(With Summarized Comparative Information for 2024)

Right of use assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. Right of use assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Foundation's lease terms may include options to extend or terminate the lease when it is reasonably certain that option will be exercised. The weighted-average discount rate is based on the discount rate implicit in the lease. The Foundation has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Foundation has applied the risk-free rate option to the building and office equipment classes of assets.

Operating lease expense for lease payments is recognized on a straight-line basis over the lease term. Finance lease expense is allocated between the amortization of the right of use asset and interest expense.

Revenue Recognition

Revenue is recognized when earned. Program service fees are deferred to the applicable period in which the performance obligations are met. Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Beneficial Interest in Assets Held by Others

The Foundation has previously established and periodically makes contributions to an endowment held and managed by the Community Foundation for Southeast Michigan ("CFSEM"). The Foundation is eligible to receive distributions not to exceed the available balance. CFSEM paid the Foundation grants of \$21,610 and \$32,528 during the years ended June 30, 2025 and 2024, respectively.

Compensated Absences

Employees of the Foundation are entitled to paid vacation, paid sick days, and personal days off, depending on length of service. Employees are allowed to accumulate vacation days at a rate of 10 to 20 working days per year up to one full year's vacation, and upon separation will be paid all accrued unused vacation time.

Donated Services and Goods

The Organization records the value of donated goods as contributions using estimated fair values at the date of receipt. The Organization's policy is to utilize, rather than monetize, donated services and goods.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills and would typically need to be purchased if not provided by donation are recorded at their fair values in the period received.

Advertising

The Organization expenses advertising costs the first time the advertising occurs. Advertising expense for the years ended June 30, 2025 and 2024 was \$3,056 and \$11,208, respectively.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Those allocated expenses include certain salaries and employee benefits along with depreciation and other occupancy costs. Allocations are based on a time study of where efforts are made.

National Kidney Foundation of Michigan, Inc.
Notes to the Financial Statements
June 30, 2025
(With Summarized Comparative Information for 2024)

Income Tax Status

The Foundation is qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is classified as an organization other than a private foundation, as described in Section 509(a). The Foundation files information returns in the U.S. Federal and Michigan jurisdiction.

Risks and Uncertainties

The Foundation 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 that such changes could materially affect the amounts reported in the balance sheet.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contingencies

As part of the grant agreements, the Foundation agrees to meet the spending requirements and milestones required in those agreements. The Foundation's grants are subject to financial and compliance audits by the grantors. Management believes that any liability for reimbursement that could arise as a result of these audits would not be material.

Reclassification

The Foundation changed its accounting policy for certain contracts for the year ended June 30, 2025. As a result of this change, program service fees revenue, private and government grants revenue, accounts receivable and grants receivable for the year ended June 30, 2024 have been reclassified to conform to the 2025 presentation. Net assets and changes in net assets are unchanged due to these reclassifications. For comparability, the Foundation has retained the amounts reported in the supplementary information prior to June 30, 2024, as previously presented.

Date of Management's Review

Management has evaluated subsequent events through December 10, 2025, which is the date the financial statements were available to be issued.

National Kidney Foundation of Michigan, Inc.
Notes to the Financial Statements
June 30, 2025
(With Summarized Comparative Information for 2024)

Note 3 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30, 2025 and 2024:

	2025	2024
Cash	\$ 2,513,858	\$ 1,447,897
Investments	10,803,109	9,223,858
Accounts receivable	853,770	1,002,808
Grants receivable	813,337	1,254,721
Unconditional promises to give	237,043	213,440
Beneficial interest in assets held by others	28,926	27,322
 Total financial assets - end of year	 15,250,043	 13,170,046
 Less: Financial assets unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions		
Restricted by donor with time restrictions	(556,903)	(213,440)
Subject to appropriate and satisfaction of donor restrictions	(405,432)	(341,396)
 Restricted by donor with perpetual restrictions for the Healthy Futures endowment	 (1,316,998)	 (970,601)
Investments- deferred compensation plan	(888,046)	(786,422)
 Board designations:		
Community Foundation endowment	(28,926)	(27,322)
Healthy Futures endowment fund	(1,882,190)	(1,803,073)
 Financial assets available to meet cash needs for general expenditures within one year	 \$ 10,171,548	 \$ 9,027,792

The Foundation's endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes. Donor-restricted endowment funds are not available for general expenditure.

The board has designated \$1,500,000 and its related investment earnings for the Healthy Futures endowment fund. Although the Foundation does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the board's annual budget approval and appropriation), these amounts could be made available if necessary.

As part of the liquidity management plan, the Foundation's goal is generally to maintain financial assets to meet six months of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts, fixed income, and equities.

National Kidney Foundation of Michigan, Inc.
Notes to the Financial Statements
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(With Summarized Comparative Information for 2024)

Note 4 - Unconditional Promises to Give

Promises to give are scheduled to be collected as follows:

2026	\$	40,000
2027		45,146
2028		44,046
2029		41,496
2030		49,885
2031		<u>30,000</u>
		250,573
Less discount to net present value		<u>(13,530)</u>
Total promises to give	\$	<u><u>237,043</u></u>

The promises to give are recorded use the original discount rate of 1.03%.

Note 5 - Conditional Promises to Give

During the fiscal year, the Foundation received conditional promises to give related to state and federal grants. Payment of the grants is contingent upon spending the funds for the designated allowable purpose and various compliance requirements in accordance with 2 CFR 200. The conditional contributions consisted of the following as of June 30, 2025:

Condition/ Grant Purpose	Total Contract/ Grant Amount	Spent to Date	Conditional Contribution
Uniform guidance compliance	<u>\$ 4,295,622</u>	<u>\$ 2,558,524</u>	<u>\$ 1,737,098</u>

Note 6 - Accounts Receivable

Accounts receivable at June 30, 2025 and 2024 consist of trade receivables with customers in the amount of \$853,770 and \$1,002,808, respectively. An allowance for credit losses on these receivables was not necessary at June 30, 2025 and 2024. Additionally, there were no write-offs or recoveries related to accounts receivable at June 30, 2025 and 2024.

National Kidney Foundation of Michigan, Inc.
Notes to the Financial Statements
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(With Summarized Comparative Information for 2024)

Note 7 - Investments

Fair value of marketable debt and equity securities at June 30 consist of:

	<u>2025</u>		<u>2024</u>	
Available for sale				
Alternative funds	\$ 1,153,570	10.68%	\$ 1,270,720	13.78%
U.S. equity funds	3,250,335	30.09%	3,477,282	37.70%
International equity funds	1,157,024	10.71%	913,930	9.91%
Fixed income funds	4,775,233	44.20%	3,469,658	37.62%
Money market	<u>466,947</u>	<u>4.32%</u>	<u>92,268</u>	<u>1.00%</u>
 Total available for sale	 <u>\$ 10,803,109</u>	 <u>100.00%</u>	 <u>\$ 9,223,858</u>	 <u>100.00%</u>

Investment income is composed of the following at June 30:

	<u>2025</u>	<u>2024</u>
Dividends and interest	\$ 400,572	\$ 327,159
Unrealized and realized gains	<u>702,275</u>	<u>740,780</u>
Total investment income	<u>\$ 1,102,847</u>	<u>\$ 1,067,939</u>

Note 8 - Property and Equipment

Major classes of assets and related accumulated depreciation thereon are summarized as follows:

	<u>2025</u>	<u>2024</u>
Land	\$ 231,029	\$ 231,029
Building	1,953,928	1,944,385
Furniture and equipment	<u>786,488</u>	<u>750,528</u>
	2,971,445	2,925,942
 Accumulated depreciation	 <u>(1,678,918)</u>	 <u>(1,584,025)</u>
 Property and equipment, net	 <u>\$ 1,292,527</u>	 <u>\$ 1,341,917</u>

Depreciation expense was \$94,893 and \$84,468 for the years ended June 30, 2025 and 2024, respectively.

National Kidney Foundation of Michigan, Inc.
Notes to the Financial Statements
June 30, 2025
(With Summarized Comparative Information for 2024)

Note 9 - Intangible Assets

Intangible assets consist of software with a useful life of 2-3 years. The components of intangible assets are as follows at June 30:

	2025	2024
Amortized intangibles		
Software	\$ 5,694,995	\$ 5,694,995
Less accumulated amortization	(5,694,995)	(3,867,257)
Total amortized intangibles	\$ -	\$ 1,827,738

Amortization expense for June 30, 2025 and 2024 was \$1,827,738 and \$2,884,764, respectively.

Note 10 - Leases

The Foundation leases certain office facilities and equipment at various terms under long-term non-cancelable operating lease and finance lease agreements. The leases expire at various dates through 2029. The Foundation includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The operating lease provides for increases in future minimum annual rental payments. Additionally, the operating lease agreement requires the Foundation to pay real estate taxes, insurance, and repairs.

Total lease costs for the years ended June 30 are as follows:

	2025	2024
Operating lease cost	\$ 88,715	\$ 87,182

The following table summarizes the supplemental cash flow information for the years ended June 30:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 88,575	\$ 84,947

National Kidney Foundation of Michigan, Inc.
Notes to the Financial Statements
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The following summarizes the weighted-average remaining lease term and weighted-average discount rate:

	2025	2024
Weighted-average remaining lease term in years:		
Operating leases	2.30	3.10
Weighted-average discount rate:		
Operating leases	3.10%	3.10%

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of June 30, 2025:

	Operating
2026	\$ 88,994
2027	90,808
2028	12,864
2029	5,761
2030	959
Total lease payments	199,386
Less interest	(6,821)
Present value of lease liabilities	\$ 192,565

Note 11 - Beneficial Interest in Assets Held by Others

The Foundation has established the National Kidney Foundation of Michigan Endowment Fund with the Community Foundation for Southeastern Michigan (the "Community Foundation"). The Community Foundation will distribute funds annually, based on their current spending policy. The agreement between the Foundation and the Community Foundation grants the Community Foundation power to direct the earnings of this fund, and earnings on any subsequent donor restricted contributions to this endowment fund, to the Foundation as beneficiary. The agreement also grants the Community Foundation variance power to redirect the use of gifts or assets to another beneficiary so that the donors' charitable interest may be served in perpetuity. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Other benefactors have donated money to this fund, but the Foundation does not own those assets. The balance of those assets as of June 30, 2025 and 2024 is \$491,602 and \$464,338, respectively.

National Kidney Foundation of Michigan, Inc.
Notes to the Financial Statements
June 30, 2025
(With Summarized Comparative Information for 2024)

Note 12 - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes and periods at June 30:

	2025	2024
Subject to expenditure for specified purpose:		
Family caregivers	\$ -	\$ 10,014
Special events	-	30,000
Food and nutrition	219,753	179,582
Health	-	897
	219,753	220,493
Subject to the passage of time:		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	556,903	213,440
Endowments:		
Subject to appropriation and expenditure when a specified event occurs:		
Restricted by donors for		
Healthy Futures, perpetual	1,316,998	970,601
Healthy Futures, endowment earnings	185,679	120,903
Total net assets with donor restrictions	\$ 2,279,333	\$ 1,525,437

National Kidney Foundation of Michigan, Inc.
Notes to the Financial Statements
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(With Summarized Comparative Information for 2024)

Note 13 - Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30:

	2025	2024
Satisfaction of purpose restrictions		
Family caregivers	\$ 10,014	\$ 16,575
Food and nutrition	145,649	61,716
Health	20,897	28,120
Total satisfaction of purpose restrictions	176,560	106,411
Satisfaction of time restrictions		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	121,305	239,581
Total net assets released from donor restrictions	\$ 297,865	\$ 345,992

Note 14 - Endowment

The Foundation's endowment consists entirely of donor-restricted endowment funds and is classified based on those donor-imposed restrictions.

Interpretation of Relevant Law

The board of directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2025 and 2024, there were no such donor stipulations. As a result of this interpretation, we retain in perpetuity (a) the original value of initial and subsequent gift amounts including promises to give net of discount and allowance for doubtful accounts donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA. We consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) The duration and preservation of the fund; (2) The purposes of the organization and the donor-restricted endowment fund; (3) General economic conditions; (4) The possible effect of inflation and deflation; (5) The expected total return from income and the appreciation of investments; (6) Other resources of the organization; and (7) The investment policies of the organization.

National Kidney Foundation of Michigan, Inc.
Notes to the Financial Statements
June 30, 2025
(With Summarized Comparative Information for 2024)

The endowment net asset composition by type of fund as of June 30, 2025 is as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Board-designated for Healthy Futures	\$ 1,882,190	\$ -	\$ 1,882,190
Board-designated for Community Foundation	28,926	-	28,926
Donor-restricted			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	1,316,998	1,316,998
Accumulated investment gains	-	185,679	185,679
	<u> </u>	<u> </u>	<u> </u>
Total endowment funds	<u>\$ 1,911,116</u>	<u>\$ 1,502,677</u>	<u>\$ 3,413,793</u>

Changes in endowment net assets for the year ended June 30, 2025 are as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Beginning of year	\$ 1,830,395	\$ 1,091,504	\$ 2,921,899
Contributions	-	346,397	346,397
Distributions	(1,335)	-	(1,335)
Investment income	82,056	-	82,056
Net appreciation (depreciation)	-	64,776	64,776
	<u> </u>	<u> </u>	<u> </u>
End of year	<u>\$ 1,911,116</u>	<u>\$ 1,502,677</u>	<u>\$ 3,413,793</u>

The endowment net asset composition by type of fund as of June 30, 2024 is as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Board-designated for Healthy Futures	\$ 1,803,073	\$ -	\$ 1,803,073
Board-designated for Community Foundation	27,322	-	27,322
Donor-restricted			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	970,601	970,601
Accumulated investment gains	-	120,903	120,903
	<u> </u>	<u> </u>	<u> </u>
Total endowment funds	<u>\$ 1,830,395</u>	<u>\$ 1,091,504</u>	<u>\$ 2,921,899</u>

National Kidney Foundation of Michigan, Inc.
Notes to the Financial Statements
June 30, 2025
(With Summarized Comparative Information for 2024)

The changes in endowment net assets for the year ended June 30, 2024 are as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Beginning of year	\$ 1,635,410	\$ 688,522	\$ 2,323,932
Contributions	-	282,984	282,984
Distributions	(1,941)	-	(1,941)
Investment income	196,926	-	196,926
Net appreciation (depreciation)	-	119,998	119,998
End of year	<u>\$ 1,830,395</u>	<u>\$ 1,091,504</u>	<u>\$ 2,921,899</u>

Return Objectives and Risk Parameters

The Foundation has adopted a policy to ensure a total return (yield plus capital appreciation) necessary to preserve and enhance (in real dollar terms) the principal of the funds, and at the same time, provide a dependable source of support for current projects of the Foundation.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation's return objective is to optimize total real rate of return (adjusted for inflation) as measured over rolling five-year and seven-year market periods against the Consumer Price Index. The asset mix of the endowment fund is to range approximately within the following limits:

Asset Class	Target	Allowable range (%)
U.S. equities	45%	35 - 50
International equities	15%	10 - 20
Alternative investments	15%	0 - 25
Fixed income	25%	15 - 40
Cash equivalents	0%	0 - 10

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation's finance committee will review annually and recommend a spending percentage not to exceed 5% of the prior fiscal year end balances of the endowment account.

National Kidney Foundation of Michigan, Inc.
Notes to the Financial Statements
June 30, 2025
(With Summarized Comparative Information for 2024)

Note 15 - Revenue from Contracts with Customers

The following summarizes revenue by type for the year ended June 30:

	2025	2024
Revenue from contracts with customers	\$ 6,894,387	\$ 4,180,167
Public support and contributions		
Received directly - contributions	779,052	701,357
Contributions of nonfinancial assets	898,299	563,356
Private and government grants	4,716,318	8,489,039
Special events and fundraisers, net	465,267	513,407
Net investment income (loss)	1,102,847	1,067,939
Other revenues, gains and losses	12,618	13,454
Total revenue	\$ 14,868,788	\$ 15,528,719

The following summarizes bad debt expense for the year ended June 30:

	2025	2024
Impairment loss on pledges receivable	\$ -	\$ 1,000

The revenue from contracts with customers for the year ended June 30 consists of:

	2025	2024
Revenue earned at a point in time	\$ 6,894,387	\$ 4,180,167

Revenue earned at a point in time consists of two revenue streams: kidney disease prevention and education and ticket and event sales related to special events. For kidney disease prevention and education, the Foundation is paid by fixed rates associated with the contracts and level of service provided to individuals. The performance obligation is typically satisfied once a service has been performed. If the individual does not attend a training or class, revenue is still earned on the service. The transaction price is calculated using standardized rates for each service.

Ticket and event sales related to special events must be prepaid upon signup or the day of the event and therefore the revenues and cash flows related to these programs are without uncertainty. Special events are typically one day events and therefore the performance obligation is typically satisfied when the attendee attends the event. Ticket and event sales are typically not refundable. The transaction price is calculated using the expected value method based on historical experience for each price.

National Kidney Foundation of Michigan, Inc.
Notes to the Financial Statements
June 30, 2025
(With Summarized Comparative Information for 2024)

The following summarizes contract assets and contract liabilities as of:

	June 30, 2025	June 30, 2024	July 1, 2023
Accounts receivable	\$ <u>853,770</u>	\$ <u>1,002,808</u>	\$ <u>453,679</u>
Deferred revenue	\$ <u>198,839</u>	\$ <u>-</u>	\$ <u>-</u>

There were no changes in judgments related to revenue recognition for the years ended June 30, 2025 and 2024.

Note 16 - Contributed Nonfinancial Assets

Contributed nonfinancial assets for the year ended June 30 were:

Category	Revenue Recognized 2025	Revenue Recognized 2024	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Advertising	\$ 125,460	\$ 34,020	Public health education, patient services, community services	No associated donor restrictions	In valuing the contributed advertising, the fair value of ads and labor hours donated was used
Miscellaneous supplies	203,326	181,290	Fundraising supplies	No associated donor restrictions	The fair value of contributed supplies was used
Occupancy	2,500	2,500	Public health education	No associated donor restrictions	In valuing the contributed use of approximately 1,000 square feet of space, National Kidney foundation of Michigan, Inc. estimated the fair value on the basis of comparable rental prices for the use of the building
Services	567,013	345,546	Various medical and consulting services	No associated donor restrictions	Contributed services are valued at the estimated fair value based on current rates for similar services
Volunteer services	-	-	Various program services and fundraising	No associated donor restrictions	Criteria for recording revenue are not met; approximately 6,096 and 6,368 labor hours were donated in 2025 and 2024, respectively
	\$ 898,299	\$ 563,356			

Note 17 - Retirement Plan

The Foundation has a non-contributory defined 403(b) contribution pension plan, which covers substantially all full-time employees. Under the terms of the plan, individual single premium annuity contracts are purchased annually for each covered employee. There are no prior service costs. The contributions to the plan amount to \$298,793 and \$256,772 for the year ended June 30, 2025 and 2024, respectively.

National Kidney Foundation of Michigan, Inc.
Notes to the Financial Statements
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In October 2008, the Foundation started a non-qualified 457(b) deferred compensation plan for the members of management. Under the terms of the plan, contributions are made on behalf of the eligible employees by the Foundation. The balance of the deferred compensation arrangement was \$888,046 and \$786,422 for the years ended June 30, 2025 and 2024, respectively, and is shown in both assets and liabilities on the Foundation's financial statements and is available to general creditors of the Foundation. Deferred compensation expense for the years ended June 30, 2025 and 2024 was \$30,000 and \$30,000, respectively.

Note 18 - Revenue Share Payment to National

The Foundation has agreed to make support payments to its National Organization ("National") based on gross contributed revenue, as defined by National. The Foundation uses a fixed licensing fee, calculated at year end. Payments to National totaled \$164,665 and \$163,328 at June 30, 2025 and 2024, respectively. National provides program, management, and other services in return for these payments. The Foundation allocates the expense among program and supporting services based on information supplied by national. There are no required support payments due to National on donor restricted support.

Note 19 - Related Party Transactions

The Foundation had promises to give from various board members for the years ended June 30, 2025 and 2024 of \$219,202 and \$185,698, respectively. They are expected to be collected upon annually through the year June 30, 2030. Revenue from various board members for the years ended June 30, 2025 and 2024 was \$150,000 and \$75,698, respectively.

Note 20 - Concentrations and Credit Risks

The Foundation's investments are held in a diversified portfolio with no concentrations of market risk. No other financial instruments expose the Foundation to concentrations of credit risk or market risk. The Foundation receives a substantial portion of its revenue from special events, fundraisers, and grants. A significant reduction in the level of these revenues, if it were to occur, could diminish certain programs of the Foundation.

Supplementary Information

National Kidney Foundation of Michigan, Inc.
Statement of Activities
For the Ten Years Ended June 30, 2016 through 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues										
Public support										
Received directly - contributions	\$ 779,052	\$ 701,357	\$ 395,702	\$ 412,867	\$ 358,040	\$ 295,809	\$ 511,296	\$ 848,101	\$ 842,252	\$ 786,541
Contributions of nonfinancial assets	898,299	563,356	649,016	519,451	973,517	726,620	668,582	764,700	896,540	698,206
Private and government grants	4,716,318	8,489,039	9,740,153	5,987,319	5,086,604	4,894,668	4,269,754	4,081,228	4,234,886	4,537,019
	<u>6,393,669</u>	<u>9,753,752</u>	<u>10,784,871</u>	<u>6,919,637</u>	<u>6,418,161</u>	<u>5,917,097</u>	<u>5,449,632</u>	<u>5,694,029</u>	<u>5,973,678</u>	<u>6,021,766</u>
Special events and fundraisers										
Revenues	1,510,740	1,301,563	1,070,274	1,594,384	652,500	935,844	1,515,722	1,564,003	1,864,522	1,769,386
Less: direct benefit costs	(494,321)	(393,943)	(353,942)	(361,958)	(59,542)	(354,410)	(438,348)	(383,038)	(431,466)	(448,355)
Net special events and fundraisers	<u>1,016,419</u>	<u>907,620</u>	<u>716,332</u>	<u>1,232,426</u>	<u>592,958</u>	<u>581,434</u>	<u>1,077,374</u>	<u>1,180,965</u>	<u>1,433,056</u>	<u>1,321,031</u>
Total public support	<u>7,410,088</u>	<u>10,661,372</u>	<u>11,501,203</u>	<u>8,152,063</u>	<u>7,011,119</u>	<u>6,498,531</u>	<u>6,527,006</u>	<u>6,874,994</u>	<u>7,406,734</u>	<u>7,342,797</u>
Program service fee and other revenues (losses)										
Program service fees	6,343,235	3,785,954	129,648	118,640	99,143	245,589	369,405	427,127	333,008	291,220
Net investment income	1,102,847	1,067,939	576,979	(761,985)	1,271,909	193,308	221,851	373,343	394,667	68,949
Forgiveness of debt - PPP loan	-	-	-	-	551,900	-	-	-	-	-
Other	12,618	13,454	7,145	12,386	(2,764)	22,662	102	564	4,570	850
Total program service fee and other revenues	<u>7,458,700</u>	<u>4,867,347</u>	<u>713,772</u>	<u>(630,959)</u>	<u>1,920,188</u>	<u>461,559</u>	<u>591,358</u>	<u>801,034</u>	<u>732,245</u>	<u>361,019</u>
Total revenues	<u>14,868,788</u>	<u>15,528,719</u>	<u>12,214,975</u>	<u>7,521,104</u>	<u>8,931,307</u>	<u>6,960,090</u>	<u>7,118,364</u>	<u>7,676,028</u>	<u>8,138,979</u>	<u>7,703,816</u>
Expenses										
Program services										
Research	-	-	-	-	-	18,231	44,389	48,118	39,962	124,402
Public education	6,779,524	9,060,817	6,362,917	3,576,123	3,628,113	4,054,666	4,501,132	5,795,758	5,700,426	5,470,240
Professional education	-	-	-	-	-	26,014	72,439	267,616	260,678	209,161
Patient services	-	-	-	-	-	442,294	638,935	389,357	355,540	279,402
Community services	6,396,419	3,840,004	1,938,022	2,094,910	2,276,160	1,678,741	829,453	261,616	323,748	288,857
Total program services	<u>13,175,943</u>	<u>12,900,821</u>	<u>8,300,939</u>	<u>5,671,033</u>	<u>5,904,273</u>	<u>6,219,946</u>	<u>6,086,348</u>	<u>6,762,465</u>	<u>6,680,354</u>	<u>6,372,062</u>

National Kidney Foundation of Michigan, Inc.
Statement of Activities
For the Ten Years Ended June 30, 2016 through 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Supporting services										
Management and general	926,215	611,733	543,524	682,266	706,520	584,681	899,272	372,461	353,279	362,794
Fundraising	844,558	727,565	648,871	416,049	418,370	450,256	565,989	559,908	494,568	477,631
Total supporting services	<u>1,770,773</u>	<u>1,339,298</u>	<u>1,192,395</u>	<u>1,098,315</u>	<u>1,124,890</u>	<u>1,034,937</u>	<u>1,465,261</u>	<u>932,369</u>	<u>847,847</u>	<u>840,425</u>
Total expenses	<u>14,946,716</u>	<u>14,240,119</u>	<u>9,493,334</u>	<u>6,769,348</u>	<u>7,029,163</u>	<u>7,254,883</u>	<u>7,551,609</u>	<u>7,694,834</u>	<u>7,528,201</u>	<u>7,212,487</u>
Change in net assets	(77,928)	1,288,600	2,721,641	751,756	1,902,144	(294,793)	(433,245)	(18,806)	610,778	491,329
Net assets - beginning of year	<u>14,680,323</u>	<u>13,391,723</u>	<u>10,670,082</u>	<u>9,918,326</u>	<u>8,016,182</u>	<u>8,310,975</u>	<u>8,744,220</u>	<u>8,763,026</u>	<u>8,152,248</u>	<u>7,660,919</u>
Net assets - end of year	<u>\$ 14,602,395</u>	<u>\$ 14,680,323</u>	<u>\$ 13,391,723</u>	<u>\$ 10,670,082</u>	<u>\$ 9,918,326</u>	<u>\$ 8,016,182</u>	<u>\$ 8,310,975</u>	<u>\$ 8,744,220</u>	<u>\$ 8,763,026</u>	<u>\$ 8,152,248</u>

National Kidney Foundation of Michigan, Inc.
Schedule of Public Support Received and Special Events and Fundraisers
For the Ten Years Ended June 30, 2016 through 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Public support received directly										
Contributions	\$ 391,895	\$ 271,833	\$ 287,237	\$ 347,407	\$ 256,546	\$ 261,595	\$ 237,550	\$ 208,465	\$ 153,456	\$ 138,499
Annual associate drive	127,678	35,268	48,895	36,404	33,369	30,861	27,077	38,179	33,733	26,042
Legacies and bequests	259,479	394,256	59,570	29,056	68,125	3,353	246,669	601,457	655,063	622,000
Contributions of nonfinancial assets	898,299	563,356	649,016	519,451	973,517	726,620	668,582	764,700	896,540	698,206
Total support received directly	<u>\$ 1,677,351</u>	<u>\$ 1,264,713</u>	<u>\$ 1,044,718</u>	<u>\$ 932,318</u>	<u>\$ 1,331,557</u>	<u>\$ 1,022,429</u>	<u>\$ 1,179,878</u>	<u>\$ 1,612,801</u>	<u>\$ 1,738,792</u>	<u>\$ 1,484,747</u>
Other events										
Revenues	\$ 1,510,740	\$ 1,301,563	\$ 1,070,274	\$ 1,594,384	\$ 652,500	\$ 935,844	\$ 1,515,722	\$ 1,564,003	\$ 1,864,522	\$ 1,769,386
Less direct costs	(494,321)	(393,943)	(353,942)	(361,958)	(59,542)	(354,410)	(438,348)	(383,038)	(431,466)	(448,355)
Net other events support	<u>\$ 1,016,419</u>	<u>\$ 907,620</u>	<u>\$ 716,332</u>	<u>\$ 1,232,426</u>	<u>\$ 592,958</u>	<u>\$ 581,434</u>	<u>\$ 1,077,374</u>	<u>\$ 1,180,965</u>	<u>\$ 1,433,056</u>	<u>\$ 1,321,031</u>



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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditors' Report

Management and the Board of Directors
National Kidney Foundation of Michigan, Inc.
Ann Arbor, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of National Kidney Foundation of Michigan, Inc., which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 10, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered National Kidney Foundation of Michigan, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of National Kidney Foundation of Michigan, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of National Kidney Foundation of Michigan, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether National Kidney Foundation of Michigan, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of

our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Yeo & Yeo, P.C.

Ann Arbor, MI
December 10, 2025



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Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditors' Report

Management and the Board of Directors
National Kidney Foundation of Michigan, Inc.
Ann Arbor, MI

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited National Kidney Foundation of Michigan, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of National Kidney Foundation of Michigan, Inc.'s major federal programs for the year ended June 30, 2025. National Kidney Foundation of Michigan, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, National Kidney Foundation of Michigan, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of National Kidney Foundation of Michigan, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of National Kidney Foundation of Michigan, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or agreements applicable to National Kidney Foundation of Michigan, Inc.'s federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on National Kidney Foundation of Michigan, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about National Kidney Foundation of Michigan, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 National Kidney Foundation of Michigan, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of National Kidney Foundation of Michigan, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of National Kidney Foundation of Michigan, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Yeo & Yeo, P.C.

Ann Arbor, MI
December 10, 2025

National Kidney Foundation of Michigan, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Award Amount	Current Year Expenditures
U.S. Department of Agriculture				
SNAP Cluster				
Passed through Michigan Fitness Foundation				
Food Stamp Program	10.561	FY24 NKFM	\$ 675,000	\$ 148,351
Food Stamp Program	10.561	FY25 NKFM	700,000	<u>500,991</u>
Total SNAP Cluster				<u>649,342</u>
Direct Award				
Farm to School Grant Program	10.575	248MI102L3203	138,007	<u>18,283</u>
Total U.S. Department of Agriculture				<u>667,625</u>
U.S. Department of Transportation				
Passed through Michigan Fitness Foundation				
Safe Routes to School	20.205	2017087	69,998	<u>4,817</u>
U.S. Department of Treasury				
Passed through Michigan Department of Health and Human Services				
COVID-19 Morris Hood III Chronic Kidney Disease and COVID Complications Prevention	21.027	E20244341	5,131,234	1,282,165
COVID-19 Morris Hood III Chronic Kidney Disease and COVID Complications Prevention	21.027	E20254351	507,191	<u>507,191</u>
Total U.S. Department of Treasury				<u>1,789,356</u>
U.S. Department of Health and Human Services				
Passed through Regents of University of Michigan				
Chronic Diseases: Research, Control, and Prevention	93.068	U18DP006712	104,513	<u>28,570</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

National Kidney Foundation of Michigan, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Award Amount	Current Year Expenditures
Passed through Michigan Department of Health and Human Services				
Disabilities Prevention	93.184	E20241089	142,508	29,114
Disabilities Prevention	93.184	E20252970	116,166	67,141
				<u>96,255</u>
Passed through Michigan Department of Health and Human Services				
Well-Integrated Screening and Evaluation for Women Across the Nation (WISEWOMAN)	93.436	E20241632	16,000	9,088
Well-Integrated Screening and Evaluation for Women Across the Nation (WISEWOMAN)	93.436	E20253032	15,250	10,683
				<u>19,771</u>
Direct Award				
Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs – financed by Prevention and Public Health Funds (PPHF)	93.734	90CSSG0051	673,024	238,468
Evidence-Based Falls Prevention Programs	93.761	90FPSG0033	302,716	7,467
				<u>245,935</u>
Passed through Regents of University of Michigan				
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK125792	221,686	46,274
Passed through Michigan Department of Health and Human Services				
Assistance Programs for Chronic Disease Prevention and Control	93.945	E20252813	33,423	37,000
Direct Award				
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988	NU58DP007390	2,000,000	1,026,286
Passed through Michigan Public Health Institute				
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988	NU58DP007389-02-00	70,030	67,623
Total Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems				<u>1,093,909</u>
Total U.S. Department of Health and Human Services				<u>1,567,714</u>
Total Federal Awards				<u>\$ 4,029,512</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

National Kidney Foundation of Michigan, Inc.
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2025

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of National Kidney Foundation of Michigan, Inc. (the Foundation) under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Foundation.

Note 2 - Summary of Significant Accounting Policies

Expenditures

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the Uniform Guidance where certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

The Foundation has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance. Instead, the Foundation has obtained a federal approved indirect rate that is approved annually.

Note 3 - Reconciliation to the Financial Statements

The revenue relating to the schedule of expenditures of federal awards is included in the basic financial statements with private and government grants as follows:

Private and government grants	\$ 4,716,318
Nonfederal awards	<u>686,806</u>
Federal awards	<u>\$ 4,029,512</u>

Note 4 - Subrecipients

No amounts were provided to subrecipients.

National Kidney Foundation of Michigan, Inc.
Schedule of Findings and Questioned Costs
June 30, 2025

Section I – Summary of Auditors’ Results

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with Generally Accepted Accounting Principles: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs:

Assistance Listing Number

Name of Federal Program

21.027

Morris Hood III Chronic Kidney Disease and COVID Complications Prevention

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

National Kidney Foundation of Michigan, Inc.
Schedule of Findings and Questioned Costs
June 30, 2025

Section II – Government Auditing Standards Findings

There were no findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards* generally accepted in the United States of America for the year ended June 30, 2025.

Section III – Federal Award Findings

There were no findings or questioned costs related to the federal awards for the year ended June 30, 2025.

National Kidney Foundation of Michigan, Inc.
Summary Schedule of Prior Audit Findings
June 30, 2025

Section IV – Prior Government Auditing Standards Findings

There were no findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards* generally accepted in the United States of America for the year ended June 30, 2024.

Section V – Prior Federal Award Findings

There were no findings or questioned costs related to the federal awards for the year ended June 30, 2024.