

**NATIONAL KIDNEY FOUNDATION  
OF WISCONSIN, INC.**  
Brookfield, Wisconsin

**Audited Financial Statements**  
Years Ended June 30, 2015 and 2014

**Table of Contents**

	<b><u>Page(s)</u></b>
Independent Auditors' Report	1 - 2
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statements of Functional Expenses	6 - 7
Notes to Financial Statements	8 - 13

Thomas G. Wieland  
David A. Grotkin  
Joel A. Joyce  
Brian J. Mechenich



Carrie A. Gindt  
Patrick G. Hoffert  
Jason J. Wrasse

## Independent Auditors' Report

Board of Directors  
National Kidney Foundation of Wisconsin, Inc.  
Brookfield, Wisconsin

### Report on the Financial Statements

We have audited the accompanying financial statements of National Kidney Foundation of Wisconsin, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Kidney Foundation of Wisconsin, Inc. as of June 30, 2015 and 2014, 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.

*Reilly, Penner & Benton LLP*

September 30, 2015  
Milwaukee, Wisconsin

**NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.**  
 Brookfield, Wisconsin

**Statements of Financial Position**  
 June 30, 2015 and 2014

<b>ASSETS</b>	<b><u>2015</u></b>	<b><u>2014</u></b>
<b>Current assets:</b>		
Cash and equivalents	\$ 16,347	\$ 41,687
Investments	439,724	444,642
Accounts receivable	1,565	16,260
Prepaid expenses	16,262	20,713
<b>Total current assets</b>	<u>473,898</u>	<u>523,302</u>
<b>Restricted assets:</b>		
Cash and equivalents	64,847	63,498
Investments	29,829	29,831
Pledges receivable	11,069	12,893
<b>Total restricted assets</b>	<u>105,745</u>	<u>106,222</u>
<b>Property and equipment:</b>		
Equipment	38,064	38,064
Less accumulated depreciation	(34,159)	(31,648)
<b>Property and equipment - Net</b>	<u>3,905</u>	<u>6,416</u>
 <b>Total assets</b>	 <u><u>\$ 583,548</u></u>	 <u><u>\$ 635,940</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 14,968	\$ 8,293
Accrued payroll and payroll taxes	17,894	15,130
Deferred revenue - organ donation awareness	30,178	23,579
Deferred revenue - other events	---	60
Deferred revenue - DLI grant	16,822	---
<b>Total current liabilities</b>	<u>79,862</u>	<u>47,062</u>
<b>Net assets:</b>		
Unrestricted	397,939	482,656
Temporarily restricted	105,747	106,222
<b>Total net assets</b>	<u>503,686</u>	<u>588,878</u>
 <b>Total liabilities and net assets</b>	 <u><u>\$ 583,548</u></u>	 <u><u>\$ 635,940</u></u>

The accompanying notes to financial statements  
 are an integral part of these statements.

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

Brookfield, Wisconsin

**Statements of Activities**

Years Ended June 30, 2015 and 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2015</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2014</u>
<b>Support from public:</b>						
Received directly:						
Contributions	\$ 136,483	\$ ---	\$ 136,483	\$ 177,284	\$ ---	\$ 177,284
Government grants	---	---	---	64,889	---	64,889
In-kind donations	42,672	---	42,672	32,870	---	32,870
Received indirectly:						
United Way	202	---	202	11	---	11
Community Health Charities	1,875	11,069	12,944	2,016	12,893	14,909
<b>Total support from the public before special event fund-raisers</b>	<b>181,232</b>	<b>11,069</b>	<b>192,301</b>	<b>277,070</b>	<b>12,893</b>	<b>289,963</b>
<b>Special events:</b>						
Revenue	30,688	---	30,688	22,758	---	22,758
Less: direct benefit costs	(18,887)	---	(18,887)	(11,745)	---	(11,745)
<b>Net support from special events</b>	<b>11,801</b>	<b>---</b>	<b>11,801</b>	<b>11,013</b>	<b>---</b>	<b>11,013</b>
<b>Total support from the public</b>	<b>193,033</b>	<b>11,069</b>	<b>204,102</b>	<b>288,083</b>	<b>12,893</b>	<b>300,976</b>
<b>Other revenue:</b>						
Program service fees	34,643	---	34,643	44,847	---	44,847
Interest and dividends	18,383	1,349	19,732	13,926	1,044	14,970
Transplant Games/Organ donation awareness	138,040	---	138,040	149,140	2,088	151,228
Realized gain on investments	3,183	---	3,183	6,423	---	6,423
Unrealized gain (loss) on investments	(20,836)	---	(20,836)	43,484	---	43,484
Realized loss on sale of fixed assets	---	---	---	(88)	---	(88)
Net expense of donated vehicles	(7,325)	---	(7,325)	(3,678)	---	(3,678)
<b>Total other revenue</b>	<b>166,088</b>	<b>1,349</b>	<b>167,437</b>	<b>254,054</b>	<b>3,132</b>	<b>257,186</b>
<b>Net assets released from restrictions:</b>						
Satisfaction of program restrictions	12,893	(12,893)	---	18,100	(18,100)	---
<b>Total support, other revenue and transfers</b>	<b>372,014</b>	<b>(475)</b>	<b>371,539</b>	<b>560,237</b>	<b>(2,075)</b>	<b>558,162</b>
<b>Expenses:</b>						
Research	1,459	---	1,459	20,958	---	20,958
Public education	56,715	---	56,715	97,637	---	97,637
Professional education	52,123	---	52,123	59,427	---	59,427
Patient services	260,529	---	260,529	205,694	---	205,694
Community services	18,633	---	18,633	44,865	---	44,865
Fund-raising	17,888	---	17,888	17,580	---	17,580
Management and general	49,384	---	49,384	48,526	---	48,526
<b>Total expenses</b>	<b>456,731</b>	<b>---</b>	<b>456,731</b>	<b>494,687</b>	<b>---</b>	<b>494,687</b>
<b>Change in net assets</b>	<b>(84,717)</b>	<b>(475)</b>	<b>(85,192)</b>	<b>65,550</b>	<b>(2,075)</b>	<b>63,475</b>
Net assets at beginning	482,656	106,222	588,878	417,106	108,297	525,403
<b>Net assets at end</b>	<b>\$ 397,939</b>	<b>\$ 105,747</b>	<b>\$ 503,686</b>	<b>\$ 482,656</b>	<b>\$ 106,222</b>	<b>\$ 588,878</b>

The accompanying notes to financial statements  
are an integral part of these statements.

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

Brookfield, Wisconsin

**Statements of Cash Flows**

Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ (85,192)	\$ 63,475
<b>Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:</b>		
Depreciation and amortization	2,511	2,905
Realized (gain) on investments	(3,183)	(6,423)
Unrealized (gain) on investments	20,836	(43,484)
Loss on sale of property and equipment	---	88
Changes in assets and liabilities:		
Accounts receivable	14,695	13,504
Prepaid expenses	4,451	(4,139)
Accounts payable	6,675	765
Accrued payroll and payroll taxes	2,764	(359)
Deferred revenue	23,361	(6,828)
<b>Net cash (used) provided by operating activities</b>	<u>(13,082)</u>	<u>19,504</u>
<b>Cash Flows from Investing Activities:</b>		
Purchase of property and equipment	---	(3,400)
Proceeds from sale of investments	41,273	63,675
Purchases of investments	(54,008)	(47,875)
Decrease in restricted assets	477	2,075
<b>Net cash provided by investing activities</b>	<u>(12,258)</u>	<u>14,475</u>
<b>Net increase (decrease) in cash and equivalents</b>	(25,340)	33,979
Cash and equivalents, beginning of year	<u>41,687</u>	<u>7,708</u>
<b>Cash and equivalents, end of year</b>	<u>\$ 16,347</u>	<u>\$ 41,687</u>

The accompanying notes to financial statements  
are an integral part of these statements.

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.

Brookfield, Wisconsin

Statement of Functional Expenses

Year Ended June 30, 2015

	Program Services					Total	Support Services			2015
	Research	Public Education	Professional Education	Patient Services	Community Services		Fund-raising	Management & General	Total	
<b>Expenses:</b>										
Salaries	\$ ---	\$ 21,023	\$ 8,409	\$ 89,696	\$ 2,803	\$ 121,931	\$ 2,802	\$ 15,416	\$ 18,218	\$ 140,149
Payroll taxes	---	1,513	605	6,456	202	8,776	202	1,109	1,311	10,087
Employee benefits	---	2,781	1,112	11,866	371	16,130	371	2,041	2,412	18,542
Professional fees and contract services	---	1,169	967	11,534	---	13,670	---	1,368	1,368	15,038
Direct assistance to patients	---	---	---	6,865	---	6,865	---	---	---	6,865
Office supplies	---	15,345	20,973	86,291	5,000	127,609	12,744	16,999	29,743	157,352
Telephone and fax	---	489	337	2,361	---	3,187	63	1,897	1,960	5,147
Postage and shipping	---	197	3,827	11,047	305	15,376	9,723	778	10,501	25,877
Building occupancy	---	2,509	2,509	17,561	---	22,579	---	2,509	2,509	25,088
Insurance	---	---	---	---	---	---	---	2,525	2,525	2,525
Printing, publications and audiovisual	---	6,242	740	10,588	803	18,373	7,035	157	7,192	25,565
Meetings and travel	---	949	1,902	1,446	165	4,462	197	206	403	4,865
Subscriptions and publications	---	---	---	500	---	500	---	265	265	765
Revenue share payments to National	1,459	3,965	10,209	3,785	8,451	27,869	3,387	3,986	7,373	35,242
Depreciation	---	533	533	533	533	2,132	251	128	379	2,511
<b>Total expenses</b>	<b>1,459</b>	<b>56,715</b>	<b>52,123</b>	<b>260,529</b>	<b>18,633</b>	<b>389,459</b>	<b>36,775</b>	<b>49,384</b>	<b>86,159</b>	<b>475,618</b>
Less: expenses netted with revenues on the statements of activities										
Direct expenses of special events	---	---	---	---	---	---	(18,887)	---	(18,887)	(18,887)
<b>Total expenses reported by function</b>	<b>\$ 1,459</b>	<b>\$ 56,715</b>	<b>\$ 52,123</b>	<b>\$ 260,529</b>	<b>\$ 18,633</b>	<b>\$ 389,459</b>	<b>\$ 17,888</b>	<b>\$ 49,384</b>	<b>\$ 67,272</b>	<b>\$ 456,731</b>
Percentage of total expenses after deducting direct expenses of special events	0.32%	12.42%	11.41%	57.04%	4.08%	85.27%	3.92%	10.81%	14.73%	100.00%

The accompanying notes to financial statements are an integral part of these statements.

NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.

Brookfield, Wisconsin

Statement of Functional Expenses

Year Ended June 30, 2014

	Program Services						Support Services			2014
	Research	Public Education	Professional Education	Patient Services	Community Services	Total	Fund-raising	Management & General	Total	
<b>Expenses:</b>										
Salaries	\$ 17,308	\$ 10,143	\$ 13,968	\$ 52,756	\$ 23,080	\$ 117,255	\$ 3,579	\$ 13,292	\$ 16,871	\$ 134,126
Payroll taxes	959	741	993	3,861	1,686	8,240	261	973	1,234	9,474
Employee benefits	---	1,474	1,780	7,668	3,363	14,285	521	1,934	2,455	16,740
Professional fees and contract services	---	2,214	816	5,957	---	8,987	---	816	816	9,803
Direct assistance to patients	---	---	---	8,683	---	8,683	---	---	---	8,683
Office supplies	---	64,916	17,623	82,114	4,106	168,759	9,703	16,944	26,647	195,406
Telephone and fax	---	429	1,136	2,871	41	4,477	---	1,371	1,371	5,848
Postage and shipping	---	519	3,531	7,835	64	11,949	5,060	675	5,735	17,684
Building occupancy	---	2,557	2,557	17,898	---	23,012	---	2,557	2,557	25,569
Insurance	---	---	---	---	---	---	---	3,185	3,185	3,185
Printing, publications and audiovisual	---	7,186	1,208	8,571	(233)	16,732	4,863	328	5,191	21,923
Meetings and travel	---	1,209	1,342	1,070	227	3,848	255	314	569	4,417
Subscriptions and publications	---	---	---	500	---	500	148	89	237	737
Revenue share payments to National	2,691	5,632	13,856	5,293	11,914	39,386	4,644	5,902	10,546	49,932
Depreciation	---	617	617	617	617	2,468	291	146	437	2,905
						---				
<b>Total expenses</b>	20,958	97,637	59,427	205,694	44,865	428,581	29,325	48,526	77,851	506,432
Less: expenses netted with revenues on the statement of activities										
Direct expenses of special events	---	---	---	---	---	---	(11,745)	---	(11,745)	(11,745)
<b>Total expenses reported by function</b>	<b>\$ 20,958</b>	<b>\$ 97,637</b>	<b>\$ 59,427</b>	<b>\$ 205,694</b>	<b>\$ 44,865</b>	<b>\$ 428,581</b>	<b>\$ 17,580</b>	<b>\$ 48,526</b>	<b>\$ 66,106</b>	<b>\$ 494,687</b>
Percentage of total expenses after deducting direct expenses of special events	4.24%	19.74%	12.01%	41.58%	9.07%	86.64%	3.55%	9.81%	13.36%	100.00%

The accompanying notes to financial statements are an integral part of these statements.



**NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.**  
Brookfield, Wisconsin

**Notes to Financial Statements**  
June 30, 2015 and 2014

**1. Summary of Significant Accounting Policies**

**Nature of Activities**

National Kidney Foundation of Wisconsin, Inc. (the "Organization") is a nonprofit corporation organized under the laws of the State of Wisconsin for the purpose of educating and supporting patients, health professionals, and the general public regarding the causes, treatments, and rehabilitation options for kidney and urinary tract diseases. The Organization's support comes primarily through Wisconsin donor contributions, bequests, and special fund-raising events.

**Basis of Preparation**

Financial statement presentation follows accounting principles generally accepted in the United States of America (U.S. GAAP). Under U.S. GAAP, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Unrestricted net assets** – Net assets that are not subject to donor-imposed stipulations.

**Temporarily restricted net assets** – Net assets subject to donor-imposed stipulations that may or will be met, whether by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

**Permanently restricted net assets** – Net assets subject to donor-imposed stipulations that may be maintained permanently by the Organization.

**Use of Estimates in Preparation of Financial Statements**

The preparation of the accompanying financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure 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. Actual results may differ from these estimates.

**Cash and Equivalents**

The Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash or equivalents, excluding restricted amounts.

**Investments**

U.S. GAAP provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under U.S. GAAP are described as follows:

**NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.**  
Brookfield, Wisconsin

**Notes to Financial Statements**  
June 30, 2015 and 2014  
(Continued)

**1. Summary of Significant Accounting Policies (continued)**

**Investments (Continued)**

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

**Level 2** – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2015 and 2014.

*Mutual funds and ETF's:* Valued at the net asset value (NAV) of shares held by the Organization at year-end.

**Restricted Assets**

Restricted cash and investments are assets set aside for patient services and professional education, and consist of cash and equivalents and investments in mutual funds. The carrying value of their assets approximates their fair value. Pledges receivable are restricted by time rather than purpose.

**Accounts Receivable**

Accounts receivable are reported at contract value, less our estimate for uncollectible amounts based on our experience relative to the total population of accounts receivable. Receivables are reviewed periodically by management to determine the adequacy of the allowance for doubtful accounts. Based upon management's evaluation as of June 30, 2015 and 2014, an allowance for doubtful accounts was not considered necessary.

**Property and Equipment**

Property and equipment are recorded at cost and capitalized. The costs of these items are charged to expense as depreciation computed on the straight-line method over the estimated useful lives of the assets.

Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

**NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.**  
 Brookfield, Wisconsin

**Notes to Financial Statements**  
 June 30, 2015 and 2014  
 (Continued)

**1. Summary of Significant Accounting Policies (continued)**

**Contributions**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the year in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

**Income Taxes**

The Organization is a nonprofit voluntary health agency as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the code under the exemption granted to The National Kidney Foundation, Inc.

Generally, for United States Federal income taxes, the Organization is only subject to examination for the current year's tax return and the preceding three years' returns. Generally, for state income taxes the Organization is only subject to examinations for the current year's tax return and the preceding four years' returns.

**Special Event Revenue**

Special event revenues are recognized as revenue when the event takes place. Monies received prior to the event are recorded as deferred revenue.

**Reclassifications**

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation of the current-year financial statements.

**2. Investments**

At June 30, 2015 and 2014, the cost and fair values of investments consisted of the following:

	2015		2014	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Mutual funds:				
Domestic stock	\$ 198,796	\$ 278,646	\$ 179,516	\$ 264,479
International stock	53,533	55,379	49,067	58,745
Preferred stock	16,560	16,801	15,527	16,242
Fixed income	84,902	87,182	96,239	101,128
Other investments:				
Energy ETF's	25,783	31,545	23,196	33,879
<b>Total</b>	\$ 379,574	\$ 469,553	\$ 363,545	\$ 474,473

**NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.**  
Brookfield, Wisconsin

**Notes to Financial Statements**  
June 30, 2015 and 2014  
(Continued)

**2. Investments (Continued)**

For the years ended June 30, 2015 and 2014, the Organization had an unrealized gain (loss) of \$(20,836) and \$43,484, respectively.

Investments expenses are netted against interest and dividends and totaled \$6,000 for the years ended June 30, 2015 and 2014, respectively.

The following summarizes the classification of investments by classification and method of valuation in accordance with accounting principles generally accepted in the United States of America as of June 30, 2015:

<u>Description</u>	<u>Totals</u>	<u>Fair Value Measurement at Reporting Date Using</u>		
		<u>Quoted Prices in Active markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual funds:				
Domestic stock	\$ 278,646	\$ 278,646	\$ ---	\$ ---
International stock	55,379	55,379	---	---
Preferred stock	16,801	16,801	---	---
Fixed income	87,182	87,182	---	---
Total mutual funds	438,008	438,008	---	---
Other investments:				
Energy ETF's	31,545	31,545	---	---
<b>Total</b>	<b>\$ 469,553</b>	<b>\$ 469,553</b>	<b>\$ ---</b>	<b>\$ ---</b>

The following summarizes the classification of investments by classification and method of valuation in accordance with accounting principles generally accepted in the United States of America as of June 30, 2014:

<u>Description</u>	<u>Totals</u>	<u>Fair Value Measurement at Reporting Date Using</u>		
		<u>Quoted Prices in Active markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual funds:				
Domestic stock	\$ 264,479	\$ 264,479	\$ ---	\$ ---
International stock	58,745	58,745	---	---
Preferred stock	16,242	16,242	---	---
Fixed income	101,128	101,128	---	---
Total mutual funds	440,594	440,594	---	---
Other investments:				
Energy ETF's	33,879	33,879	---	---
<b>Total</b>	<b>\$ 474,473</b>	<b>\$ 474,473</b>	<b>\$ ---</b>	<b>\$ ---</b>

**NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.**  
Brookfield, Wisconsin

**Notes to Financial Statements**  
June 30, 2015 and 2014  
(Continued)

**3. Temporarily Restricted Net Assets**

Temporarily restricted net assets are set aside in accordance with donor restrictions as to time or use.

At June 30, 2015 and 2014, these assets are restricted as follows:

	<u>2015</u>		<u>2014</u>
Patient services	\$ 32,358	\$	32,310
Transplant games sponsorship	2,088		2,088
Professional education	60,232		58,931
Time restriction – Pledges receivable	11,069		12,893
<b>Total restricted net assets</b>	<u>\$ 105,747</u>	<b>\$</b>	<u>106,222</u>

**4. Retirement Plan**

The Organization has a 403(b) Tax Sheltered Annuity Plan (the “Plan”) for those full-time employees who have attained the age of twenty-one and have completed one year of service. The amount of the contributions to the Plan is at the discretion of the Organization’s Board of Directors. The Organization made no contributions to the Plan for the years ended June 30, 2015 and 2014.

**5. Related-Party Transactions**

As an affiliate of National Kidney Foundation, Inc., (“National”) the Organization is required to allocate 25% of the adjusted contributions it receives from the public to support National activities. The Organization paid \$35,240 and \$49,932 to National during 2015 and 2014, respectively. The amount due to National, \$2,452 and \$1,981 as of June 30, 2015 and 2014 respectively, is included in accounts payable in the accompanying statements of financial position.

**6. Lease Commitments**

The Organization signed a lease for office space under an operating lease which expires in September 2015. The lease calls for base monthly payments (including required additional expense amounts) beginning at \$2,099 at commencement of the lease on October 1, 2012 and gradually increasing to \$2,185 by October 1, 2014. Rent expense in the accompanying financial statements was \$25,088 and \$25,569 for 2015 and 2014, respectively.

Also, effective October 1, 2015, the Organization signed a lease for new office space under an operating lease which expires in September 2020. The lease allows the Organization to utilize the space rent free from October 1, 2015 through March 31, 2016. Beginning in April 2016, the lease calls for base monthly payments beginning at \$1,405 and gradually increasing to \$1,521 by October 1, 2019.

**NATIONAL KIDNEY FOUNDATION OF WISCONSIN, INC.**  
Brookfield, Wisconsin

**Notes to Financial Statements**  
June 30, 2015 and 2014  
(Continued)

**6. Lease Commitments (Continued)**

The future minimum rental payments required under the terms of the leases described above are as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Total</u>
2016	\$ 10,770
2017	17,114
2018	17,456
2019	17,805
2020	18,161
Thereafter	4,563
	<u>\$ 85,869</u>

**7. Pledges Receivable**

Unconditional promises are included in the financial statements as pledges receivable and revenue of the appropriate net asset category.

Unconditional promises are expected to be realized in the following periods:

	<u>2015</u>	<u>2014</u>
In one year or less	\$ 11,069	\$ 12,893

**8. Noncompliance with Grantor or Donor Restrictions**

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

**9. Subsequent Events**

Management of the Organization has evaluated all subsequent events through the date the financial statements were available to be distributed (September 30, 2015) for possible inclusion as a disclosure in the notes to the financial statements. Subsequent to year end and prior to the issuance of this report, the Organization signed a lease for new office space. Details of this lease can be found in footnote 6.