

AMERICAN KIDNEY FUND, INC.

**Financial Statements Together with
Report of Independent Public Accountants**

For the Years Ended December 31, 2025 and 2024

AMERICAN KIDNEY FUND, INC.

**Financial Statements Together with
Report of Independent Public Accountants**

DECEMBER 31, 2025 AND 2024

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS

To the Board of Trustees
American Kidney Fund, Inc.

Opinion

We have audited the financial statements of American Kidney Fund, Inc. (AKF) (a District of Columbia corporation), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of AKF as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of AKF and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about AKF's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of AKF's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about AKF's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal controls-related matters that we identified during the audit.

Owings Mills, Maryland
April 24, 2026

SBC + Company, LLC

AMERICAN KIDNEY FUND, INC.

**Statements of Financial Position
As of December 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 138,941,294	\$ 130,678,653
Contributions receivable, net	3,301,047	3,101,781
Other assets	792,245	867,812
Total current assets	<u>143,034,586</u>	<u>134,648,246</u>
LONG-TERM ASSETS		
Investments	48,481,022	32,852,720
Right of use asset - operating	5,693,806	6,262,851
Other assets, net of current portion	1,118,454	1,004,015
Property and equipment, net	921,006	775,339
Total long-term assets	<u>56,214,288</u>	<u>40,894,925</u>
Total Assets	<u>\$ 199,248,874</u>	<u>\$ 175,543,171</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 3,621,871	\$ 3,285,491
Lease liability - operating	585,434	569,045
Annuities payable	8,078	5,826
Total current liabilities	<u>4,215,383</u>	<u>3,860,362</u>
LONG-TERM LIABILITIES		
Lease liability - operating, net of current portion	5,108,372	5,693,806
Other liabilities	1,057,368	948,972
Annuities payable, net of current portion	184,156	125,778
Total long-term liabilities	<u>6,349,896</u>	<u>6,768,556</u>
Total liabilities	<u>10,565,279</u>	<u>10,628,918</u>
NET ASSETS		
Without donor restrictions:		
Undesignated	94,507,555	83,037,350
Board-designated	88,502,800	75,443,000
Total without donor restrictions	<u>183,010,355</u>	<u>158,480,350</u>
With donor-restrictions:	5,673,240	6,433,903
Total net assets	<u>188,683,595</u>	<u>164,914,253</u>
Total Liabilities and Net Assets	<u>\$ 199,248,874</u>	<u>\$ 175,543,171</u>

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

AMERICAN KIDNEY FUND, INC.

**Statements of Activities
For the Years Ended December 31, 2025 and 2024**

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES, GAINS, AND OTHER SUPPORT						
Contributions	\$ 303,853,924	\$ 6,739,384	\$ 310,593,308	\$ 281,816,632	\$ 7,762,279	\$ 289,578,911
Planned giving	3,329,932	-	3,329,932	3,878,950	-	3,878,950
Nonfinancial contributions	7,896,434	-	7,896,434	906,510	-	906,510
Special events, net of direct benefit donor costs of \$553,106 and \$608,758, respectively	724,116	-	724,116	1,092,648	-	1,092,648
Special programs	191,294	65,319	256,613	261,759	62,591	324,350
Mailing list rental	94,627	-	94,627	115,242	-	115,242
Satisfaction of program restrictions	7,567,566	(7,567,566)	-	7,070,098	(7,070,098)	-
Total operating revenues, gains, and other support	<u>323,657,893</u>	<u>(762,863)</u>	<u>322,895,030</u>	<u>295,141,839</u>	<u>754,772</u>	<u>295,896,611</u>
OPERATING EXPENSES						
Direct patient aid	268,855,777	-	268,855,777	261,697,470	-	261,697,470
Education, advocacy, and outreach	26,914,246	-	26,914,246	19,290,593	-	19,290,593
Research	472,855	-	472,855	445,293	-	445,293
Fundraising	9,074,368	-	9,074,368	8,184,582	-	8,184,582
Management and general	4,518,194	-	4,518,194	4,052,310	-	4,052,310
Total operating expenses	<u>309,835,440</u>	<u>-</u>	<u>309,835,440</u>	<u>293,670,248</u>	<u>-</u>	<u>293,670,248</u>
Contributions designated by Board for patient assistance programs	<u>(13,059,800)</u>	<u>-</u>	<u>(13,059,800)</u>	<u>(612,000)</u>	<u>-</u>	<u>(612,000)</u>
EXCESS OF OPERATING REVENUES, GAINS, AND OTHER SUPPORT OVER OPERATING EXPENSES	762,653	(762,863)	(210)	859,591	754,772	1,614,363
Investment return, net	10,707,552	2,200	10,709,752	8,287,646	2,197	8,289,843
Contributions designated by Board for patient assistance programs	<u>13,059,800</u>	<u>-</u>	<u>13,059,800</u>	<u>612,000</u>	<u>-</u>	<u>612,000</u>
CHANGES IN NET ASSETS	24,530,005	(760,663)	23,769,342	9,759,237	756,969	10,516,206
Net assets - beginning of year	<u>158,480,350</u>	<u>6,433,903</u>	<u>164,914,253</u>	<u>148,721,113</u>	<u>5,676,934</u>	<u>154,398,047</u>
NET ASSETS - END OF YEAR	<u>\$ 183,010,355</u>	<u>\$ 5,673,240</u>	<u>\$ 188,683,595</u>	<u>\$ 158,480,350</u>	<u>\$ 6,433,903</u>	<u>\$ 164,914,253</u>

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

AMERICAN KIDNEY FUND, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2025, With Comparable Totals for 2024

	Program Services				Supporting Services			Total Expenses	2024 Total Expenses
	Direct Patient Aid	Education, Advocacy, and Outreach	Research	Total Program Services	Fundraising	Management and General	Total Supporting Services		
EXPENSES									
Grants and awards	\$ 263,568,593	\$ -	\$ 360,000	\$ 263,928,593	\$ -	\$ -	\$ -	\$ 263,928,593	\$ 256,814,302
Salaries and related benefits	3,579,480	9,161,288	92,463	12,833,231	3,064,950	3,938,707	7,003,657	19,836,888	17,420,943
Advertising and promotion	4,647	8,888,504	112	8,893,263	1,093,989	3,343	1,097,332	9,990,595	3,465,281
Professional fees	129,855	4,696,929	3,191	4,829,975	1,443,182	93,397	1,536,579	6,366,554	6,352,401
Printing	851	692,968	667	694,486	1,319,571	612	1,320,183	2,014,669	2,182,636
IT related costs	633,575	651,849	6,627	1,292,051	254,034	197,154	451,188	1,743,239	1,976,087
Postage and shipping	445	515,360	29	515,834	1,085,648	-	1,085,648	1,601,482	1,542,245
Conferences, meetings, and travel	48,581	857,504	918	907,003	189,049	25,152	214,201	1,121,204	757,300
Occupancy	169,706	396,957	4,103	570,766	125,524	122,059	247,583	818,349	540,530
Other outside services	514,233	91,249	8	605,490	71,198	238	71,436	676,926	708,855
Office expenses	86,556	218,130	2,092	306,778	69,364	62,273	131,637	438,415	342,172
Depreciation	86,724	202,856	2,097	291,677	64,146	62,375	126,521	418,198	623,895
Fairs and exhibits	19,041	271,591	233	290,865	3,629	3,529	7,158	298,023	347,484
Mailing list rental	-	72,434	-	72,434	166,101	-	166,101	238,535	266,401
Dues and subscriptions	7,080	142,469	171	149,720	22,772	5,092	27,864	177,584	157,166
Data processing	4,990	50,930	121	56,041	98,501	3,589	102,090	158,131	158,519
Telephone	1,420	3,228	23	4,671	2,710	674	3,384	8,055	14,031
Total Functional Expenses	\$ 268,855,777	\$ 26,914,246	\$ 472,855	\$ 296,242,878	\$ 9,074,368	\$ 4,518,194	\$ 13,592,562	309,835,440	293,670,248
Direct benefit to donor costs								553,106	608,758
Total Expenses								\$ 310,388,546	\$ 294,279,006

The accompanying notes are an integral part of this financial statement.

AMERICAN KIDNEY FUND, INC.

**Statement of Functional Expenses
For the Year Ended December 31, 2024**

	Program Services				Supporting Services			Total Expenses
	Direct Patient Aid	Education, Advocacy, and Outreach	Research	Total Program Services	Fundraising	Management and General	Total Supporting Services	
EXPENSES								
Grants and awards	\$ 256,466,358	\$ -	\$ 347,944	\$ 256,814,302	\$ -	\$ -	\$ -	\$ 256,814,302
Salaries and related benefits	3,356,141	7,850,202	78,126	11,284,469	2,714,932	3,421,542	6,136,474	17,420,943
Professional fees	222,708	4,626,928	4,415	4,854,051	1,353,497	144,853	1,498,350	6,352,401
Advertising and promotion	1,302	2,812,595	26	2,813,923	650,509	849	651,358	3,465,281
Printing	348	810,971	3	811,322	1,371,200	114	1,371,314	2,182,636
IT related costs	711,273	747,816	6,988	1,466,077	280,729	229,281	510,010	1,976,087
Postage and shipping	253	536,145	-	536,398	1,005,847	-	1,005,847	1,542,245
Conferences, meetings, and travel	49,811	502,272	737	552,820	180,309	24,171	204,480	757,300
Other outside services	518,659	119,919	13	638,591	69,840	424	70,264	708,855
Depreciation	140,687	292,392	2,794	435,873	96,328	91,694	188,022	623,895
Occupancy	121,888	253,322	2,421	377,631	83,457	79,442	162,899	540,530
Office expenses	74,156	162,009	1,470	237,635	56,286	48,251	104,537	342,172
Fairs and exhibits	13,593	317,081	71	330,745	14,417	2,322	16,739	347,484
Mailing list rental	-	85,584	-	85,584	180,817	-	180,817	266,401
Data processing	5,049	53,572	100	58,721	96,507	3,291	99,798	158,519
Dues and subscriptions	7,926	114,966	157	123,049	28,951	5,166	34,117	157,166
Telephone	7,318	4,819	28	12,165	956	910	1,866	14,031
Loss on disposal of equipment	-	-	-	-	-	-	-	-
Total Functional Expenses	<u>\$ 261,697,470</u>	<u>\$ 19,290,593</u>	<u>\$ 445,293</u>	<u>\$ 281,433,356</u>	<u>\$ 8,184,582</u>	<u>\$ 4,052,310</u>	<u>\$ 12,236,892</u>	293,670,248
Direct benefit to donor costs								608,758
Total Expenses								<u>\$ 294,279,006</u>

The accompanying notes are an integral part of this financial statement.

AMERICAN KIDNEY FUND, INC.

Statements of Cash Flows For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributions	\$ 314,273,492	\$ 287,163,835
Cash received from special events	724,116	1,092,648
Cash received from mailing list rental	94,627	115,242
Cash paid to patients, suppliers, and employees	(301,584,447)	(287,004,636)
Investment income received	6,916,428	6,168,607
Net Cash From Operating Activities	<u>20,424,216</u>	<u>7,535,696</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale/maturity of investments	10,757,969	7,450,204
Purchase of investments	(22,355,679)	(8,298,873)
Purchases of property and equipment	(563,865)	(499,694)
Net Cash From Investing Activities	<u>(12,161,575)</u>	<u>(1,348,363)</u>
Net change in cash and cash equivalents	8,262,641	6,187,333
Cash and cash equivalents - beginning of year	130,678,653	124,491,320
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 138,941,294</u>	<u>\$ 130,678,653</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Changes in net assets	\$ 23,769,342	\$ 10,516,206
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation	418,198	623,895
Realized and unrealized gain on investments	(3,793,324)	(2,121,236)
Donated stock	(237,268)	(349,455)
Effects of changes in non-cash operating assets and liabilities		
Contribution receivables, net	(199,266)	(1,006,805)
Other assets	(38,872)	(322,253)
Accounts payable and accrued expenses	336,380	158,815
Other liabilities	108,396	39,239
Annuities payable	60,630	(2,710)
Net Cash From Operating Activities	<u>\$ 20,424,216</u>	<u>\$ 7,535,696</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS		
Right of use asset and lease liability - operating	<u>\$ -</u>	<u>\$ 6,402,658</u>

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

AMERICAN KIDNEY FUND, INC.

Notes to the Financial Statements December 31, 2025 and 2024

1. BACKGROUND OF THE ORGANIZATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less when purchased that are used to fund current obligations. As of December 31, 2025 and 2024, cash equivalents consisted of U.S. Treasury Notes. Money market accounts and certificates of deposit held for investment are recorded and classified as investments.

Contributions Receivable, Net

Contributions receivable are recorded at net realizable value. AKF provides an allowance for doubtful accounts using the allowance method, which is based on management's judgment considering historical information and review of specific accounts. When all collection efforts have been exhausted, the accounts are written off against the related allowance. As of December 31, 2025 and 2024, management believes all contributions receivable are deemed to be fully collectible thus there is no allowance for doubtful accounts.

AMERICAN KIDNEY FUND, INC.

Notes to the Financial Statements December 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions Receivable, Net (continued)

Contributions receivable to be received in a future period are discounted to their net present value at the time the revenue is recorded. As of December 31, 2024, the discount rate was 4% and the discount amount was \$1,409. As of December 31, 2025, there was no discount as the receivable is due within the next year. The discount rate is the average of the annual one-month Secured Overnight Financing Rate (SOFR) plus a credit adjustment spread.

Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

Right of Use Asset and Lease Liability

AKF leases an office space. AKF determines if an arrangement is a lease at inception. AKF extended the lease in October 2024 until September 30, 2034. Operating leases are included in the right of use asset (ROU) and lease liability.

ROU assets represent AKF's right to use an underlying asset for the lease term and lease liabilities represent AKF's net present value of obligations to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the organization will exercise that option. The facility lease provides for an increase in future minimum annual rental payments subject to certain increases. The agreement requires AKF to pay its share of operating expenses, real estate taxes and insurance over its base year.

The projected future payments are recognized on a straight-line basis over the lease term. AKF has elected to recognize payments for leases with terms of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheet. During the years ended December 31, 2025 and 2024, the lease expense related to the right of use asset was \$569,045 and \$540,530, respectively, and it is included in the occupancy expenses in the statements of functional expenses. As of December 31, 2025 and 2024, the net book value of the right of use asset was \$5,693,806 and \$6,262,851, respectively.

AMERICAN KIDNEY FUND, INC.

Notes to the Financial Statements December 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

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

Annuities Payable

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

Net Assets

For financial statement purposes, net assets are as follows:

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

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

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

Revenue Recognition

Contributions

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

AMERICAN KIDNEY FUND, INC.

Notes to the Financial Statements December 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Contributions (continued)

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

Planned Giving

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

AKF records planned giving receivables that are expected to be collected within one year at net realizable value. Planned giving receivables that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are expected to be received. In 2025 and 2024, no discount was made.

Nonfinancial Contributions

Nonfinancial contributions are recorded at their estimated fair market value as of the date of the donation on the basis of contract values provided by the donor. Nonfinancial contributions are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by AKF.

Nonfinancial contributions, such as donated nutritional supplements, free advertising and other donated services, are included in the statements of activities within public support as nonfinancial contributions. Nonfinancial contributions are shown in the representative functional expense category the gift relates to.

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

AMERICAN KIDNEY FUND, INC.

Notes to the Financial Statements December 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Nonfinancial Contributions (continued)

Nonfinancial contributions for the years ended December 31, 2025 and 2024, consisted of the following:

	<u>2025</u>	<u>2024</u>
Advertising, printing, and donated items for patients and events	\$ 7,806,176	\$ 824,573
Donated services	<u>90,258</u>	<u>81,937</u>
Total Nonfinancial Contributions	<u>\$ 7,896,434</u>	<u>\$ 906,510</u>

The nonfinancial contributions supported Education, Advocacy, and Outreach programs for 2025 and 2024.

Measurement of Operation

AKF does not consider investment returns and contributions designated by the Board of Trustees for patient assistance program to be revenues, gains, or support from its operations.

Functional Allocation of Expenses

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

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

Direct Patient Aid

AKF is the leading provider of charitable, treatment-related financial assistance to people in the United States who are living with kidney failure. In 2025 and 2024, AKF helped more than 73,000 and 68,000 kidney patients, respectively, by providing them need-based assistance for health care expenses. AKF's Health Insurance Premium Program helps dialysis and transplant patients maintain health insurance coverage. Its other programs assist with treatment-related expenses including the cost of transportation to dialysis, vital nutritional supplements, medications, and other expenses not covered by insurance. AKF also provides patients disaster relief grants when disaster strikes a local community; and grants to living kidney donors who need help with the cost of expenses.

AMERICAN KIDNEY FUND, INC.

Notes to the Financial Statements December 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses (continued)

Education, Advocacy, and Outreach

AKF educates the American public about the symptoms, causes, treatment and prevention of kidney disease. AKF's website, KidneyFund.org, received over 12 million page views in 2025 from individuals searching for health information. AKF develops multichannel awareness campaigns to educate the public about kidney disease and its comorbid conditions. AKF's educational offerings include free monthly webinars for patients and caregivers; a nutrition website, Kidney Kitchen; a Kidney Health Coach peer-to-peer community outreach program; and comprehensive health education and disease management information for people with kidney disease and kidney failure. In 2025, AKF held its sixth annual Kidney Action Week virtual event to provide interactive education and support to kidney patients and those at risk. AKF also runs a national virtual camp program for pediatric kidney patients. AKF's advocacy network grew to nearly 48,000 Ambassadors in 2025. In 2025, AKF's patient Ambassadors went to AKF's website to send more than 44,000 action alerts to their elected officials.

Research

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

Fundraising

AKF's comprehensive development program solicits and secures financial support across all traditional nonprofit fundraising channels including individual giving, corporate and foundation giving, special events, direct mail, planned giving, digital fundraising, and KidneyNation, AKF's peer-to-peer fundraising platform. AKF has over 87,000 active donors.

Management and General

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

AMERICAN KIDNEY FUND, INC.

Notes to the Financial Statements December 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

AKF is generally exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, AKF qualifies under Section 509(a)(2) as a publicly supported organization. Income, which is not related to exempt purposes, less applicable deductions, may be subject to federal and state corporate income taxes (unrelated business income).

Accounting principles generally accepted in the United States of America provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition of tax positions taken or expected to be taken in a tax return. AKF performed an evaluation of uncertain tax positions as of December 31, 2025 and 2024, and determined that there were no matters that would require recognition in the accompanying financial statements or which may have any effect on its tax-exempt status. As of December 31, 2025, the statute of limitations for fiscal years 2022 through 2025 remains open with the U.S. federal jurisdiction for which AKF files tax returns. It is AKF's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense.

Risks and Uncertainties

AKF invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of financial position and activities.

Regarding the California Assembly Bill 290 (AB290) litigation, following a US District Court of Central California ruling by Judge Carter on January 4, 2024, awarding summary judgment in part for AKF and in part for the State of California, the State of California appealed the ruling to the 9th Circuit Court of Appeals in February 2025. AKF cross-appealed to protect its interests and in the best interests of kidney patients in California. The parties argued the appeal to a 3-judge panel at the 9th Circuit in Pasadena on October 24, 2025. The parties currently await the 9th Circuit's decision. To date, the Health Insurance Premium Program has been unaffected by the AB290 litigation.

In January 2023, AKF received a civil investigative subpoena from the District of Columbia Attorney General's office. The investigative subpoena called for certain documents and records related to (i) AKF's relationships with DaVita, Fresenius, and American Renal Associates in the District; and (ii) AKF's compliance with the D.C. Non-Profit Corporations Act. AKF met with District of Columbia officials in March 2023 and turned over multiple tranches of documents and records as requested. AKF received no communication from the Attorney General's office again until September 2024 when it requested more documents and records. In January 2025, AKF turned over those documents and records and will await further communication from the Attorney General's office.

AMERICAN KIDNEY FUND, INC.

Notes to the Financial Statements December 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Credit Risk

Financial instruments which potentially subject AKF to concentration of credit risk include cash and cash equivalents, and investments. It is AKF's practice to place its cash and cash equivalents, and investments in high credit quality institutions to mitigate this risk. AKF maintains its cash balances at several financial institutions which, at times, may exceed federally insured limits. As of December 31, 2025 and 2024, total cash deposits held at financial institutions were \$138,998,117 and \$130,712,269, respectively.

Subsequent Events

AKF evaluated subsequent events and transactions as of April 24, 2026, the date these financial statements were available for issue, and have determined that no material subsequent events have occurred, other than disclosed above, that would affect the information presented in the accompanying financial statements or require additional disclosure.

3. INVESTMENTS

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

The three levels of the fair value hierarchy under generally accepted accounting principles are described below:

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

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; and
- 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

AMERICAN KIDNEY FUND, INC.

Notes to the Financial Statements December 31, 2025 and 2024

3. INVESTMENTS (continued)

The asset's 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 methodologies used or any unfunded commitments as of December 31, 2025 and 2024.

U.S. Government Securities: Valued using quoted market prices in active markets.

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

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

	2025			Total
	Level 1	Level 2	Level 3	
Without donor restriction and purpose restriction:				
Cash	\$ -	\$ -	\$ -	\$ 1,580,219
U.S. government securities	-	4,261,066	-	4,261,066
Mutual funds and exchange-traded funds:				
Fixed income	12,166,582	-	-	12,166,582
Corporate stock:				
Large cap	18,401,332	-	-	18,401,332
Small and mid cap	2,753,099	-	-	2,753,099
International	9,143,707	-	-	9,143,707
Total Without Donor Restriction and Purpose Restriction	42,464,720	4,261,066	-	48,306,005
Endowment:				
Cash equivalents	-	-	-	43,543
Mutual funds and exchange-traded funds:				
Fixed income	131,474	-	-	131,474
Total Endowment	131,474	-	-	175,017
Total Investments	\$ 42,596,194	\$ 4,261,066	\$ -	\$ 48,481,022

AMERICAN KIDNEY FUND, INC.

Notes to the Financial Statements December 31, 2025 and 2024

3. INVESTMENTS (continued)

	2024			
	Level 1	Level 2	Level 3	Total
Without donor restriction and purpose restriction:				
Cash	\$ -	\$ -	\$ -	\$ 67,348
U.S. government securities	-	1,769,838	-	1,769,838
Mutual funds and exchange-traded funds:				
Fixed income	9,866,886	-	-	9,866,886
Corporate stock:				
Large cap	12,641,470	-	-	12,641,470
Small and mid cap	3,120,647	-	-	3,120,647
International	5,211,514	-	-	5,211,514
Total Without Donor Restriction and Purpose Restriction	30,840,517	1,769,838	-	32,677,703
Endowment:				
Cash equivalents	-	-	-	7,233
Mutual funds and exchange-traded funds:				
Fixed income	167,784	-	-	167,784
Total Endowment	167,784	-	-	175,017
Total Investments	\$ 31,008,301	\$ 1,769,838	\$ -	\$ 32,852,720

Investment income for the years ended December 31, 2025 and 2024, consisted of the following:

	2025	2024
Dividends and interest	\$ 7,044,359	\$ 6,272,288
Realized and unrealized appreciation, net	3,793,324	2,121,236
Investment advisory fees	(127,931)	(103,681)
Total	\$ 10,709,752	\$ 8,289,843

4. LIQUIDITY

AKF's financial assets available for general expenditure within one year as of December 31, 2025 and 2024, were as follows:

	2025	2024
Cash and cash equivalents	\$ 138,941,294	\$ 130,678,653
Contribution receivable, net	3,301,047	3,101,781
Investments at fair value	48,481,022	32,852,720
Total financial assets available within one year	190,723,363	166,633,154
Less:		
Amounts unavailable for general expenditure within one year due to:		
Restricted by donors in perpetuity	(175,017)	(175,017)
Restricted by donors with purpose restrictions	(5,499,023)	(6,258,886)
Total amounts unavailable for general expenditures within one year	(5,674,040)	(6,433,903)
Amounts unavailable to management without Board's approval:		
Board-Designated - patient assistance grants	(88,502,800)	(75,443,000)
Total Financial Assets Available to Management for General Expenditure Within One Year	\$ 96,546,523	\$ 84,756,251

AMERICAN KIDNEY FUND, INC.

Notes to the Financial Statements December 31, 2025 and 2024

4. LIQUIDITY (continued)

AKF also had a line of credit with available borrowings of \$9,585,000 as of December 31, 2025 and 2024, which it could draw upon in the event of an unanticipated liquidity need subject to the level of collateral available of investments.

5. PROPERTY AND EQUIPMENT

AKF's property and equipment consisted of the following as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Software and office equipment	\$ 5,039,642	\$ 4,523,164
Furniture and fixtures	124,745	124,745
Leasehold improvements	<u>260,073</u>	<u>260,073</u>
Property and equipment	5,424,460	4,907,982
Accumulated depreciation	<u>(4,503,454)</u>	<u>(4,132,643)</u>
Property and Equipment, Net	<u><u>\$ 921,006</u></u>	<u><u>\$ 775,339</u></u>

Depreciation expense was \$418,198 and \$623,895, for the years ended December 31, 2025 and 2024, respectively.

6. BOARD-DESIGNATED NET ASSETS

AKF's Board of Trustees has designated net assets without restrictions from surplus contributions for patient assistance programs as of December 31, 2025 and 2024, and these were \$88,502,800 and \$75,443,000, respectively.

AMERICAN KIDNEY FUND, INC.

Notes to the Financial Statements December 31, 2025 and 2024

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Subject to expenditure of specific purpose:		
Research	\$ 215,454	\$ 431,006
Patient aid	1,015,349	1,166,562
Public and professional education	4,249,987	4,645,285
Total	<u>5,480,790</u>	<u>6,242,853</u>
Subject to AKF spending policy and appropriation:		
Investment in perpetuity (including amounts above original gift amount of \$175,017), the Income from which is expendable to support:		
Research	5,991	5,991
Patient aid	187,259	185,059
Total	<u>193,250</u>	<u>191,050</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 5,674,040</u></u>	<u><u>\$ 6,433,903</u></u>

Net assets released from donor restrictions were comprised of the following for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Purpose restrictions accomplished:		
Research	\$ 472,853	\$ 445,293
Patient aid	1,691,512	1,363,820
Public and professional education	5,403,201	5,260,985
Total Restrictions Released	<u><u>\$ 7,567,566</u></u>	<u><u>\$ 7,070,098</u></u>

8. LEASE LIABILITY

AKF leases an office facility which expires on September 30, 2034. The facility lease does not provide information about the discount rate implicit in the lease. Therefore, AKF has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities. The weighted average discount rate was 2.80% at inception.

AMERICAN KIDNEY FUND, INC.

Notes to the Financial Statements December 31, 2025 and 2024

8. LEASE LIABILITY (continued)

Future minimum payments under this lease agreement as of December 31, 2025, were as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2026	\$ 756,062
2027	774,964
2028	662,770
2029	679,340
2030	696,323
Thereafter	2,881,769
Undiscounted cash flows	6,451,228
Less: imputed interest	757,422
Total Present Value	\$ 5,693,806

9. COMMITMENTS AND CONTINGENCIES

Estates and Bequests

During the year ended December 31, 2025, the Organization was notified that it was one of the beneficiaries of several estates and bequests. As of April 24, 2026, certain estates and bequests are still in the liquidation process. AKF anticipates it is likely they will receive final distributions once the liquidation processes are completed, but as of April 24, 2026, these amounts are unknown and cannot be reasonably estimated.

Contingencies

In the ordinary course of activities, AKF is party to various legal and administrative actions in the normal course of its operations. In the opinion of management, after consultation with legal counsel, the potential liability from these legal and administrative actions is estimated to be immaterial to the financial statements of AKF.

Line of Credit

AKF has a line of credit with Raymond James Financial in the amount of \$9,585,000 as of December 31, 2025 and 2024, which is secured by AKF's Raymond James securities. The available amount is based on the investments in the account and their individual release rate. The line of credit bears interest at the CME one-month SOFR plus a credit adjustment spread fixed at 2.25% and 0.11%. As of December 31, 2025 and 2024, the rate was approximately 5.80% and 6.45%, respectively. There were no outstanding borrowings as of December 31, 2025 and 2024.

AMERICAN KIDNEY FUND, INC.

Notes to the Financial Statements December 31, 2025 and 2024

10. PUBLIC SUPPORT

During 2025 and 2024, AKF continued its tradition of broad-based public support with over 87,000 and 84,000 active contributors, respectively. AKF received public support from two corporations in the amount of \$262,406,833 and \$243,518,200 during the years ended December 31, 2025 and 2024, respectively. These contributions represented 81% and 82% of the total support and revenue for the years ended December 31, 2025 and 2024, respectively.

11. JOINT COSTS

For the years ended December 31, 2025 and 2024, AKF incurred joint costs of \$3,814,341 and \$3,935,702, respectively, for educational materials and activities that included fundraising appeals. The joint costs incurred for these activities for the years ended December 31, 2025 and 2024, consisted of the following:

	<u>2025</u>	<u>2024</u>
Fundraising	\$ 2,655,925	\$ 2,670,767
Public education	1,158,416	1,264,935
Total	<u>\$ 3,814,341</u>	<u>\$ 3,935,702</u>

12. RETIREMENT PLANS

AKF maintains a Section 403(b) retirement plan allowing employees to elect to defer compensation up to the maximum allowed under Internal Revenue Service (IRS) regulations. AKF contributes 2% of participants' eligible compensation, plus matches the lesser of 100% of amounts deferred under the Section 403(b) plan, up to 5% of compensation. AKF's contributions were \$877,086 and \$735,435 for the years ended December 31, 2025 and 2024, respectively.

AKF also maintains a nonqualified Section 457(b) deferred compensation plan allowing top hat executives to elect to defer compensation up to the maximum allowed under IRS regulations. AKF does not contribute to this 457(b) plan. Due to risk of forfeiture the 457(b) plan balance is included in other assets and plan obligations are included within other liabilities on the statements of financial position. Additionally, total assets included in the 457(b) represent mutual funds invested in equities and bonds valued at fair value based on quoted market prices in active markets and are Level 1 within their fair value hierarchy. Total amounts recorded by AKF were \$1,057,368 and \$942,929 as of December 31, 2025 and 2024, respectively.

AMERICAN KIDNEY FUND, INC.

Notes to the Financial Statements December 31, 2025 and 2024

13. ENDOWMENTS

AKF was provided a contribution for investment in perpetuity in the early 1980s. The purpose of this contribution was to support patient-related grants with a balance of \$169,026, and a smaller balance of \$5,991 to support research, as of December 31, 2025 and 2024. These amounts are kept in a separate investment account and conservatively invested in fixed income securities. The interest earned on this account supports their respective purpose.

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

Interpretation of Relevant Law

The board of AKF has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

Consequently, AKF classifies net assets held in perpetuity as:

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

Endowment net asset with donor restrictions were as follows as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Donor-restricted endowment funds:		
Original donor-restricted gift amount and amounts required to be retained by donor	\$ 175,017	\$ 175,017
Portion subject to appropriation under SPMIFA	18,233	16,033
Total	<u>\$ 193,250</u>	<u>\$ 191,050</u>

AMERICAN KIDNEY FUND, INC.

**Notes to the Financial Statements
December 31, 2025 and 2024**

14. ENDOWMENTS (continued)

Changes in endowment net assets were as follows as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Endowment net assets - beginning of year	\$ 191,050	\$ 191,353
Investment income	2,200	2,197
Appropriation of endowment assets for expenditure	-	(2,500)
Endowment Net Assets - End of Year	<u><u>\$ 193,250</u></u>	<u><u>\$ 191,050</u></u>