
Financial statements of
The Kidney Foundation of Canada

December 31, 2021

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Independent Auditor's Report

To the Directors of
The Kidney Foundation of Canada

Opinion

We have audited the financial statements of The Kidney Foundation of Canada (the "Kidney Foundation"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Kidney Foundation as at December 31, 2021, and the results of its operations and cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian 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 independent of the Kidney Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Kidney Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Kidney Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Kidney Foundation's financial reporting process.

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 a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 the Kidney Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Kidney Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Kidney Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

May 12, 2022

¹ CPA auditor, CA, public accountancy permit No. A125888

The Kidney Foundation of Canada
Statement of operations
Year ended December 31, 2021

	Notes	2021	2020
		\$	\$
Revenue			
Contributions		21,499,334	21,481,675
Bequests		4,291,553	1,837,237
Donation of surplus from The Canadian Kidney Trustee Corporation	13	773,699	187,952
Investment income allocated to operations	5 and 6	842,241	672,938
		27,406,827	24,179,802
Fundraising expenditures		9,148,174	8,309,420
Net revenue		18,258,653	15,870,382
Expenditures			
Mission			
Research		3,775,639	2,602,077
Programs and services including organ donation		4,919,073	4,783,572
Government and community relations		1,978,623	2,081,949
Foundation and volunteer development		549,320	464,413
		11,222,655	9,932,011
Management and administration		3,560,434	2,860,423
		14,783,089	12,792,434
Excess of revenue over expenditures before the following Investment income (loss) not allocated to operations	5 and 6	3,475,564 914,814	3,077,948 (587,435)
Excess of revenue over expenditures		4,390,378	2,490,513

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

The Kidney Foundation of Canada
Statement of changes in fund balances
Year ended December 31, 2021

	Unrestricted	Invested in capital assets	Internally restricted (Note 9)	Externally restricted for endowments (Note 8)	Total
	\$	\$	\$	\$	\$
Fund balances, December 31, 2019	4,058,063	514,137	9,484,797	4,774,758	18,831,755
Excess (deficiency) of revenue over expenditures excluding investment income not allocated to operations	3,917,701	(88,107)	(751,646)	—	3,077,948
Investment loss not allocated to operations	—	—	(587,435)	—	(587,435)
Endowment contributions	—	—	—	17,473	17,473
Reinvested investment income	—	—	—	11,801	11,801
Interfund transfers	(4,603,891)	70,217	4,533,674	—	—
Fund balances, December 31, 2020	3,371,873	496,247	12,679,390	4,804,032	21,351,542
Excess (deficiency) of revenue over expenditures excluding investment income not allocated to operations	3,590,293	(89,381)	(25,348)	—	3,475,564
Investment income not allocated to operations	—	—	914,814	—	914,814
Endowment contributions	—	—	—	340,150	340,150
Reinvested investment income	—	—	—	4,973	4,973
Interfund transfers	(1,750,625)	79,083	1,671,542	—	—
Fund balances, December 31, 2021	5,211,541	485,949	15,240,398	5,149,155	26,087,043

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


The Kidney Foundation of Canada
Statement of financial position
As at December 31, 2021

	Notes	2021	2020
		\$	\$
Assets			
Current assets			
Cash		7,404,954	6,609,011
Due from The Canadian Kidney Trustee Corporation	13	868,423	467,210
Interest and sundry receivable		1,274,983	2,268,700
Prepaid expenses		486,388	454,829
		10,034,748	9,799,750
Capital assets			
Investments	3	909,114	963,064
	4	24,009,696	18,050,038
		34,953,558	28,812,852
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10	1,805,100	1,645,020
Deferred contributions	7	6,197,138	4,881,944
Deferred contributions – KRESCENT program	7	441,113	467,529
Deferred contributions – capital assets	7	423,165	466,817
		8,866,516	7,461,310
Commitments and contractual obligations			
	11		
Fund balances			
Unrestricted		5,211,541	3,371,873
Contributed land		335,000	335,000
Invested in capital assets		150,948	161,247
Internally restricted	9	15,240,398	12,679,390
Externally restricted for endowments	8	5,149,155	4,804,032
		26,087,042	21,351,542
		34,953,558	28,812,852

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

Approved by the Board


_____, Director


_____, Director

The Kidney Foundation of Canada

Statement of cash flows

Year ended December 31, 2021

	2021	2020
	\$	\$
Operating activities		
Excess of revenue over expenditures	4,390,378	2,490,513
Adjustments for:		
Amortization of capital assets	131,081	130,131
Amortization of deferred contributions – capital assets	(43,652)	(42,024)
Loss of disposal of capital assets	1,952	—
Gain on sale of investments	(103,432)	(5,914)
Unrealized change in fair value of investments	(1,011,392)	905,663
Deferred contributions recognized as revenue	(2,148,454)	(1,482,154)
	1,216,481	1,996,215
Changes in non-cash operating working capital items		
Due from The Canadian Kidney Trustee Corporation	(401,213)	440,101
Interest and sundry receivable	993,717	(337,793)
Prepaid expenses	(31,560)	30,266
Accounts payable and accrued liabilities	160,080	141,615
	721,024	274,189
Increase in deferred contributions	2,712,802	1,746,394
Increase (decrease) in deferred contributions – restricted investment income	724,430	(347,676)
	3,437,232	1,398,718
	5,374,737	3,669,122
Investing activities		
Acquisition of investments	(5,808,486)	(1,272,451)
Proceeds on sale of investments	963,652	2,166,091
Acquisition of capital assets	(79,083)	(94,624)
	(4,923,917)	799,016
Financing activities		
Endowment contributions	340,150	17,473
Reinvested investment income	4,973	11,801
	345,123	29,274
Net increase in cash	795,943	4,497,412
Cash, beginning of year	6,609,011	2,111,599
Cash, end of year	7,404,954	6,609,011

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

The Kidney Foundation of Canada

Notes to the financial statements

December 31, 2021

1. Mission of The Kidney Foundation of Canada

The Kidney Foundation of Canada is committed to achieving excellent kidney health, optimal quality of life, and a cure for kidney disease. The Kidney Foundation of Canada (the "Kidney Foundation") is the national volunteer organization committed to eliminating the burden of kidney disease through:

- funding and stimulating innovative research for better treatments and a cure;
- providing education and support to prevent kidney disease in those at risk and empower those with kidney disease to optimize their health status;
- advocating for improved access to high-quality health care; and
- increasing public awareness and commitment to advancing kidney health and organ donation.

The Kidney Foundation relies on its extensive network of qualified volunteers working in partnership with staff to deliver its programs and services throughout Canada. The Kidney Foundation is a registered charity under the *Income Tax Act* and is incorporated under the laws of Canada.

2. Accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

Adoption of the amendments to Section 3856, Financial Instruments, for financial instruments originated or exchanged in a related party transaction

Effective January 1, 2021, the Kidney Foundation has adopted the amendments to Handbook Section 3856, *Financial Instruments* ("Section 3856") related to the recognition of financial instruments originated or exchanged in a related party transaction, referred to herein as the "related party financial instruments amendments".

These amendments to Section 3856 establish new guidance for determining the measurement of a related party financial instrument. The related party financial instruments amendments require that such a financial instrument be initially measured at cost, which is determined based on whether the instrument has repayment terms. If the instrument has repayment terms, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any reduction for impairment. Otherwise, the cost is determined using the consideration transferred or received by the Kidney Foundation in the transaction. Subsequent measurement is based on how the instrument was initially measured.

The Kidney Foundation has applied the related party financial instruments amendments in accordance with the transition provisions of Section 3856. The amendments should be applied retrospectively. When related party financial instruments exist at the date these amendments are applied for the first time, the cost of an instrument that has repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment as at the beginning of the earliest comparative period i.e., January 1, 2020. The cost of an instrument that does not have repayment terms is deemed to be its carrying amount in the Kidney Foundation's financial statements, less any impairment, as at the same date. The fair value of an instrument that is an investment in shares quoted in an active market is determined as at the same date.

When related party financial instruments do not exist at the date these amendments are applied for the first time, transition relief was provided such that the related party financial instruments do not need to be restated as at the beginning of the earliest comparative period.

2. Accounting policies (continued)

Adoption of the amendments to Section 3856, Financial Instruments, for financial instruments originated or exchanged in a related party transaction (continued)

The adoption of these amendments had no material impact on the amounts recognized in the Kidney Foundation's financial statements or disclosures.

Financial instruments

Initial measurement

Financial assets and financial liabilities originated or exchanged in arm's length transactions are initially recognized at fair value when the Kidney Foundation becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Kidney Foundation is in the capacity of management, are initially recognized at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The cost of financial instruments with repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. The cost of financial instruments without repayment terms is determined using the consideration transferred or received by the Kidney Foundation in the transaction

Subsequent measurement

All financial instruments are subsequently measured at amortized cost.

Transaction costs

Transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in the statement of operations as interest income or expense.

Impairment

With respect to financial assets measured at cost or amortized cost, the Kidney Foundation recognizes in operations an impairment loss, if any, when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to operations in the period the reversal occurs.

Revenue recognition

The Kidney Foundation uses the deferral method of accounting for contributions. Contributions are recognized during the year in which they are received. Pledged contributions not received are not recorded. Unrestricted contributions are recognized as revenue when received. Restricted contributions are recorded as deferred contributions and recognized as revenue when the related expense is incurred or the related capital assets are amortized. Contributions for endowments are recognized as direct increases in the endowment fund balance.

2. Accounting policies (continued)

Revenue recognition (continued)

Unrestricted investment income is recognized as revenue when earned. Restricted investment income is recorded as a deferred contribution and is recognized when the related expense is incurred. Investment income required to be added to the endowment is recognized as a direct increase in the endowment fund balance.

Up to 4% of the fair value of investments is reported as investment income allocated to operations. With the approval of the National Board of Directors, additional investment income may be allocated to operations for specific purposes. The excess or shortfall, if any, is reported as investment income not allocated to operations and is transferred to the investment income reserve.

Revenues from fundraising activities are presented on a gross basis when the Kidney Foundation is considered to be the principal involved in the activity. Certain revenues generated from highly regulated government programs that result in net proceeds to the Kidney Foundation are recorded at the amount of net proceeds generated.

Donated services

The Kidney Foundation derives significant benefit from time and services donated by volunteers. These valuable contributions are not recorded in the financial statements.

Capital assets

Capital assets are recorded at cost and amortized on a straight-line basis over their estimated useful lives. Furniture and fixtures and other capital assets are amortized over five years. Computer equipment is amortized over three years. The building was donated and recorded at its appraised fair value and is being amortized over 25 years.

Allocations

The Kidney Foundation classifies its activities between Kidney Foundation development, management, and administration activities, and its four program-related activities: research, programs and services including organ donation, government and community relations and foundation and volunteer development. The cost of each activity includes the direct costs associated with those activities, including personnel costs and other direct expenses. In addition, the Kidney Foundation incurs a certain number of common operating expenses in connection with these activities. The Kidney Foundation performs a review of its cost allocations on an annual basis to ensure that they remain consistent with changes to its operating activities. Changes to such allocations are applied in the year of the revision.

Where shared or indirect costs relate to more than one activity, the Kidney Foundation allocates these costs according to the efforts of each activity. These costs include expenditures related to administrative staff, rental costs, and other operating costs that cannot be charged directly to a specific activity. Eligible expenditures are allocated based on either physical space used or staff time allocated to an activity.

The Kidney Foundation allocates a portion of its fundraising costs to Community relations for one of its fundraising activities on the basis that some of the communication messages used in this activity are primarily educational in nature and promote public engagement. The costs are allocated based on management's best estimate of the portion of the direct costs of the educational materials that apply to a non-fundraising activity.

2. Accounting policies (continued)

Government assistance

Amounts received or receivable resulting from government assistance programs are recorded as reductions of the cost of assets or expenses to which they relate when the Kidney Foundation becomes eligible to accrue them, provided there is reasonable assurance the benefits will be realized. Government assistance, including the Canada Emergency Wage Subsidy (CEWS), was recorded as a reduction of fundraising and operating expenses in the statement of operations. The CEWS is subject to review by the Canadian tax authorities.

Use of estimates

The preparation of financial statements in conformity with Canadian ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

3. Capital assets

	2021			2020
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Building	930,000	516,300	413,700	450,900
Land	335,000	—	335,000	335,000
Computer equipment	1,026,706	922,588	104,118	94,358
Furniture and fixtures	321,653	267,251	54,402	78,845
Others	19,444	17,550	1,894	3,961
	2,632,803	1,723,689	909,114	963,064

4. Investments

	2021			2020		
	Fair value	Cost	Unrealized gain	Fair value	Cost	Unrealized gain
	\$	\$	\$	\$	\$	\$
Money market funds	5,834,512	5,878,862	(44,350)	2,039,980	1,998,474	41,506
Bond funds	3,670,542	3,678,421	(7,879)	3,220,919	3,094,505	126,414
Canadian equity funds	5,057,638	4,381,840	675,798	4,627,358	4,574,083	53,275
International equity funds	9,447,004	8,729,596	717,408	8,161,781	8,053,391	108,390
	24,009,696	22,668,719	1,340,977	18,050,038	17,720,453	329,585

The values of investments are based on their fair values at the end of the reporting period.

5. Investment income

Investment income is composed of:

	2021	2020
	\$	\$
Gain on sale of investments	103,432	5,914
Fund distributions related to dividends and interest	1,371,634	649,377
Unrealized change in fair value of investments	1,011,392	(905,663)
	2,486,458	(250,372)

The presentation of investment income in the financial statements is as follows:

	2021	2020
	\$	\$
Statement of operations		
Investment income allocated to operations	842,241	672,938
Investment income (loss) not allocated to operations (Note 6)	914,814	(587,435)
Direct increase in deferred contributions		
Investment income (loss) from externally restricted endowments (Note 7a)	710,095	(363,190)
Investment income allocated to deferred contributions	14,335	15,514
Statement of changes in fund balances		
Investment income reinvested in endowment capital	4,973	11,801
	2,486,458	(250,372)

6. Investment income reserve

In accordance with the Kidney Foundation's income appropriation policy, investment income allocated to operations is determined at the beginning of the year as a percentage of the fair value of investments, with a maximum allocation of 4%. With the approval of the National Board of Directors, additional investment income may be allocated to operations for specific purposes. Excess income over the amount allocated is recorded as investment income not allocated to operations. In the event that the actual income is less than the amount allocated, the shortfall is taken from the investment income reserve and is recorded as a negative in the investment income not allocated to operations. The objectives of this policy are to provide a more stable amount of investment income to operations annually and to help maintain the capital, including in years when the market does not perform well.

	2021	2020
	\$	\$
Balance, beginning of year	1,588,951	2,176,386
Investment income (loss) not allocated to operations	914,814	(587,435)
Balance, end of year	2,503,765	1,588,951

In 2017, the National Board of Directors established an Innovation Fund which is funded from investment income to be allocated to operations.

The investment income reserve balance at year-end includes a commitment of \$350,861 (\$261,508 in 2020) for the Innovation Fund. The investment income reserve is a component of internally restricted funds (Note 9).

7. Deferred contributions

(a) Deferred contributions

Deferred contributions consist of contributions which the donor has restricted to a specific purpose, plus restricted investment income on externally restricted endowments. These amounts are only recognized in income when expenditures meeting the restriction are incurred. The Kidney Foundation complies with these external restrictions.

	Beginning	Additions	Disbursements	Balance, end of year
	\$	\$	\$	\$
Investment income on externally restricted endowments (Note 5)	1,278,793	710,095	—	1,988,888
Programs and services including organ donation	2,181,797	1,748,231	1,321,642	2,608,386
Research	722,366	277,777	261,813	738,330
Government and community relations	500,435	231,025	147,995	583,465
Fundraising	198,553	354,586	275,070	278,069
	4,881,944	3,321,714	2,006,520	6,197,138

(b) Deferred contributions – KRESCENT program

The Kidney Foundation is responsible for the Kidney Research Scientist Core Education and National Training Program (KRESCENT) secretariat that manages the overall program and raises and administers funds for the initiative. The funds raised by the Kidney Foundation, and dedicated to the program, are subject to the normal accounting policies and practices of the Kidney Foundation's research program.

	2021	2020
	\$	\$
Balance, beginning of year	467,529	340,807
Plus: sponsorships and donations received	115,518	149,625
Less: amount recognized as revenue during the year	(141,934)	(22,903)
Balance, end of year	441,113	467,529

(c) Deferred contributions – capital assets

This balance includes donated capital assets and capital assets purchased with funds restricted for that purpose.

	2021	2020
	\$	\$
Balance, beginning of year	466,817	484,434
Plus: contributions received	—	24,407
Less: amount recognized as revenue during the year	(43,652)	(42,024)
Balance, end of year	423,165	466,817

8. Externally restricted for endowments

Externally restricted for endowments consist of the original endowment contribution amounts.

	2021	2020
	\$	\$
Research	2,394,713	2,387,380
Other designated activities	2,095,753	2,082,743
Undesignated	658,689	333,909
	5,149,155	4,804,032

The fair value adjustment for the externally restricted endowments is reflected in the deferred contributions.

9. Internally restricted fund balance

The internally restricted fund balance consists of resources designated by the National Board of Directors for specific purposes. This fund balance is composed of the following components:

	2021	2020
	\$	\$
Surpluses for use in future years	8,648,693	6,918,256
Three years commitment for research	3,790,862	3,875,105
Investment income reserve (Note 6)	2,503,765	1,588,951
Capacity building for Saskatchewan	190,548	190,548
Future capital expenditures in Southern Alberta	80,000	80,000
Programs in Manitoba	26,530	26,530
	15,240,398	12,679,390

In 2016, the National Board of Directors approved a policy to encourage long-term fiscal responsibility. This policy permits branches and the national office to carry forward a portion of their share of the consolidated surplus for spending in future years.

10. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include \$3,740 (\$3,572 as at December 31, 2020), of government remittances.

11. Commitments and contractual obligations

The Kidney Foundation has commitments for research (including the KRESCENT program). These commitments less deferred contributions for research amount to \$3,190,863. The Kidney Foundation signed a letter of intent with Canadian Institutes of Health Research in 2019 for \$1,000,000 over five years. The project will start in 2022 and ends in 2026. The Kidney Foundation has minimum rental obligations under existing long-term operating leases, exclusive of certain operating costs, for which the Kidney Foundation is also responsible totalling \$1,971,047. These amounts are expected to be disbursed in the forthcoming years as follows:

	Research commitments	Contractual obligations
	\$	\$
2022	2,002,648	557,800
2023	1,230,671	355,492
2024	557,544	318,405
2025	200,000	287,042
2026 and thereafter	200,000	452,308

12. Allocations

As described in the accounting policies, management and administration expenditures have been allocated as follows:

	2021	2020
	\$	\$
Programs and services including organ donation	689,601	818,328
Research	219,489	198,418
Fundraising expenses	209,743	237,103
Government and community relations	142,428	159,494
Foundation and volunteer development	81,920	102,696
	1,343,181	1,516,039

As described in the accounting policies, certain expenditures incurred coincidentally with fundraising have been allocated to other activities as follows:

	2021	2020
	\$	\$
Government and community relations	165,861	149,339

13. Related-party transactions

The Kidney Foundation has an economic interest in The Canadian Kidney Trustee Corporation (the "Trust"), since the Trust is the national volunteer organization committed to raise funds in support of the Kidney Foundation by collecting and selling donated items, including clothing and household goods. During the year, the Kidney Foundation carried out transactions with the Trust, which took place during the normal course of business and are measured at the exchange amount. The balance due between these related parties is presented separately in the financial statements.

During the year, the Kidney Foundation charged the Trust management fees of \$73,704 (\$73,704 in 2020) for administrative services rendered.

The summary of financial information of the Trust as at December 31, 2021 and 2020, and for the years then ended, is as follows:

	2021	2020
	\$	\$
Statement of financial position		
Assets	1,166,345	1,100,958
Liabilities	1,166,345	1,100,958
Liabilities include an amount due to the Kidney Foundation of \$868,423 (\$467,210 in 2020)		
Statement of operations		
Total revenue	3,030,792	2,646,436
Total expenditures	2,257,093	2,458,484
Donation of surplus to the Kidney Foundation	773,699	187,952
Excess of revenue over expenditures	—	—
	2021	2020
	\$	\$
Statement of cash flows		
Operating activities	520,143	(540,816)
Investing activities	—	(3,834)
Financing activities	—	—
Increase (decrease) in cash	520,143	(544,650)

14. Financial instruments

Credit risk

The Kidney Foundation is exposed to credit risk to the extent that its donors and debtors may experience financial difficulty and would be unable to meet their obligations; however, the Kidney Foundation has a large number of diverse donors and debtors, which minimizes concentration of credit risk.

Market risk

The Kidney Foundation's investment portfolio is subject to market risk, which is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. This risk includes exposure to fluctuations in interest rates and in foreign currencies. The Kidney Foundation's investment portfolio is professionally managed following a diversified investment strategy to manage risk. The portfolio is monitored on a periodic basis by the Kidney Foundation's National Finance and Audit Committee and Investment Committee.

Liquidity risk

The Kidney Foundation's objective is to have sufficient liquidity to meet its liabilities when due. The Kidney Foundation monitors its cash balances and cash flows generated from operations to meet its requirements. As at December 31, 2021, the most significant financial liabilities are accounts payable and accrued liabilities.

15. Supplemental information

In 2021, total remuneration paid to employees of the province of Alberta whose principal duties include fundraising was \$180,757 (\$167,314 in 2020).

16. COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in the implementation of a series of public health and emergency measures aimed at containing the spread of the virus. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. While management is monitoring the situation, given the dynamic nature of these circumstances, the expected duration and the related financial impact cannot be reasonably estimated at this time.

In response to COVID-19, the Canadian government has put in place certain assistance programs. During the year, the Kidney Foundation recorded a reduction of its fundraising and operating expenses in an amount of \$1,007,753 (\$2,464,582 in 2020) in connection with these programs.

17. Comparative figures

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.