
Financial statements of
The Kidney Foundation of Canada

December 31, 2018

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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, 2018, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Kidney Foundation as at December 31, 2018, 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 Qualified Opinion

In common with many not-for-profit organizations, the Kidney Foundation derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Kidney Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to public support, bequests and in memoriam, excess of revenue over expenditures, and cash flows from operations for the years ended December 31, 2018 and 2017, current assets as at December 31, 2018 and 2017, and fund balances as at January 1 and December 31, 2018 and 2017. Our audit opinion on the financial statements for the year ended December 31, 2017 was also modified because of the possible effects of this limitation in scope.

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 qualified 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*¹

June 17, 2019

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

The Kidney Foundation of Canada
Statement of operations
Year ended December 31, 2018

	Notes	2018	2017
		\$	\$
Revenue			
Public support		23,295,629	21,784,584
Bequests and in memoriam		3,583,634	4,306,889
Transfer of surplus from The Canadian Kidney Trustee Corporation	13	768,402	1,165,197
Investment income allocated to operations	5	683,152	652,482
		28,330,817	27,909,152
Fundraising expenditures		11,439,299	11,330,732
Net revenue		16,891,518	16,578,420
Expenditures			
Programs			
Research		4,110,676	4,136,890
Patient services		3,076,461	2,880,877
Organ donation awareness		915,043	1,026,579
Public education services and communications		2,833,086	2,628,602
Kidney Foundation development		855,179	833,300
		11,790,445	11,506,248
Management and administration		3,434,281	3,357,853
Loss on disposal of capital assets		15,261	5,137
		15,239,987	14,869,238
Excess of revenue over expenditures before the following		1,651,531	1,709,182
Investment (loss) income not allocated to operations	5 and 6	(318,911)	219,022
Excess of revenue over expenditures		1,332,620	1,928,204

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, 2018

	Unrestricted	Invested in capital assets	Internally restricted (Note 9)	Internally restricted for endowments	Externally restricted for endowments (Note 8)	Total
	\$	\$	\$	\$	\$	\$
Fund balances, January 1, 2017	1,184,847	483,341	6,397,832	1,935,241	4,458,607	14,459,868
Excess (deficiency) of revenue over expenditures excluding investment income not allocated to operations	527,501	(76,098)	1,257,779	—	—	1,709,182
Investment income not allocated to operations	—	—	219,022	—	—	219,022
Endowment contributions	—	—	—	—	61,147	61,147
Reinvested investment income	—	—	—	—	10,491	10,491
Transfer internally restricted for endowments	—	—	1,935,241	(1,935,241)	—	—
Transfer operating reserve	1,000,000	—	(1,000,000)	—	—	—
Interfund transfers	594,022	19,391	(613,413)	—	—	—
Fund balances, December 31, 2017	3,306,370	426,634	8,196,461	—	4,530,245	16,459,710
Excess (deficiency) of revenue over expenditures excluding investment income not allocated to operations	1,839,828	(81,774)	(106,523)	—	—	1,651,531
Investment loss not allocated to operations	—	—	(318,911)	—	—	(318,911)
Endowment contributions	—	—	—	—	191,353	191,353
Reinvested investment income	—	—	—	—	10,911	10,911
Interfund transfers	(680,506)	139,473	541,033	—	—	—
Fund balances, December 31, 2018	4,465,692	484,333	8,312,060	—	4,732,509	17,994,594

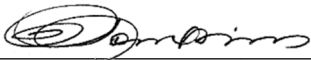
The accompanying notes are an integral part of the financial statements.

The Kidney Foundation of Canada
Statement of financial position
As at December 31, 2018

	Notes	2018	2017
		\$	\$
Assets			
Current assets			
Cash		4,200,842	3,051,802
Due from The Canadian Kidney Trustee Corporation	13	770,079	1,181,931
Interest and sundry receivable		1,523,655	1,306,245
Prepaid expenses		709,067	315,157
		7,203,643	5,855,135
Capital assets			
Investments	3	1,007,522	988,907
	4	16,721,981	16,077,000
		24,933,146	22,921,042
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10	1,603,650	1,243,231
Deferred contributions	7	4,381,379	4,169,796
Deferred contributions – KRESCENT program	7	430,333	486,031
Deferred contributions – capital assets	7	523,190	562,274
		6,938,552	6,461,332
Commitments and contractual obligations			
	11		
Fund balances			
Unrestricted		4,465,692	3,306,370
Contributed land		335,000	335,000
Invested in capital assets		149,333	91,634
Internally restricted	9	8,312,060	8,196,461
Externally restricted for endowments	8	4,732,509	4,530,245
		17,994,594	16,459,710
		24,933,146	22,921,042

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, 2018

	2018	2017
	\$	\$
Operating activities		
Excess of revenue over expenditures	1,332,620	1,928,204
Adjustments for:		
Amortization of capital assets	106,928	109,549
Amortization of deferred contributions – capital assets	(40,415)	(39,563)
Loss on disposal of capital assets	15,261	5,137
Gain on sale of investments	(4,441)	(1,936,270)
Unrealized change in fair value of investments	451,589	1,191,530
Deferred contributions recognized as revenue	(1,396,090)	(1,402,184)
	465,452	(143,597)
Changes in non-cash operating working capital items		
Due from The Canadian Kidney Trustee Corporation	411,852	(392,527)
Interest and sundry receivable	(217,410)	343,733
Prepaid expenses	(393,910)	81,233
Accounts payable and accrued liabilities	360,419	157,398
	160,951	189,837
Increase in deferred contributions	1,757,144	1,400,578
(Decrease) increase in deferred contributions – restricted investment income	(203,838)	197,141
	1,553,306	1,597,719
	2,179,709	1,643,959
Investing activities		
Acquisition of investments	(1,161,045)	(16,120,913)
Proceeds on sale of investments	68,916	15,596,706
Acquisition of capital assets	(140,804)	(26,942)
Proceeds on sale of capital assets	–	975
	(1,232,933)	(550,174)
Financing activities		
Endowment contributions	191,353	61,147
Reinvested investment income	10,911	10,491
	202,264	71,638
Net increase in cash	1,149,040	1,165,423
Cash, beginning of year	3,051,802	1,886,379
Cash, end of year	4,200,842	3,051,802

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

1. Mission of The Kidney Foundation of Canada

The Kidney Foundation of Canada (the "Kidney Foundation") exists for the enhancement of kidney health and the reduction and, if possible, the elimination of the burden of kidney disease. The primary beneficiaries are people at risk of and/or affected by kidney disease. The Kidney Foundation provides:

- Hope through research and its translation into the treatment, prevention, and slowing of the progression of kidney disease;
- Support through access to care, comfort, and transplantation;
- Empowerment through knowledge, capacity building, and community; and
- Engagement through an informed public and effective public policies and strategies.

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:

Financial instruments

Financial assets and liabilities are initially recognized at fair value when the Kidney Foundation becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for investments, which are measured at fair value at the closing date. The fair value of investments is based on closing prices. Fair value fluctuations, including interest earned, interest accrued, gains and losses realized on sale, and unrealized gains and losses, are included in investment income.

Transaction costs related to investments are expensed as incurred. Transaction costs related to the other financial instruments 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 straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Kidney Foundation recognizes in the statement of operations an impairment loss, if any, when 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 shall be reversed in the statement of operations in the period the reversal occurs.

2. Accounting policies (continued)

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.

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, patient services, organ donation awareness, and public education services and communications. 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 public education 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)

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 revenue and expenditures during the reporting period. Actual results could differ from these estimates.

3. Capital assets

	2018			2017
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Building	930,000	404,700	525,300	562,500
Land	335,000	—	335,000	335,000
Computer equipment	913,398	797,142	116,256	51,828
Furniture and fixtures	323,174	293,789	29,385	36,199
Other	60,017	58,436	1,581	3,380
	2,561,589	1,554,067	1,007,522	988,907

4. Investments

	2018			2017		
	Fair value	Cost	Unrealized gain (loss)	Fair value	Cost	Unrealized gain (loss)
	\$	\$	\$	\$	\$	\$
Money market funds	2,025,845	2,034,606	(8,761)	2,011,709	2,017,538	(5,829)
Bond funds	4,504,309	4,668,691	(164,382)	4,201,530	4,298,399	(96,869)
Canadian equity funds	3,608,152	3,929,274	(321,122)	3,518,653	3,437,897	80,756
International equity funds	6,583,675	6,516,494	67,181	6,345,108	6,298,661	46,447
	16,721,981	17,149,065	(427,084)	16,077,000	16,052,495	24,505

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

5. Investment income

Investment income is composed of:

	2018	2017
	\$	\$
Gain on sale of investments	4,441	1,936,270
Fund distribution related to dividends and interest	618,462	346,185
Unrealized change in fair value of investments	(451,589)	(1,191,530)
	171,314	1,090,925

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

	2018	2017
	\$	\$
Statement of operations		
Investment income allocated to operations	683,152	652,482
Investment (loss) income not allocated to operations (Note 6)	(318,911)	219,022
Direct increase in deferred contributions		
Investment (loss) income from externally restricted endowments (Note 7a)	(203,838)	197,141
Investment income allocated to deferred contributions	—	11,789
Statement of changes in fund balances		
Investment income reinvested in endowment capital	10,911	10,491
	171,314	1,090,925

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.

	2018	2017
	\$	\$
Balance, beginning of year	1,605,362	1,521,984
Investment (loss) income not allocated to operations	(318,911)	219,022
Transfer to fund internally restricted for Innovation Fund	135,644	(135,644)
Balance, end of year	1,422,095	1,605,362

In 2018 and 2017, the National Board of Directors approved an additional \$200,000 of investment income to be allocated to operations to establish an Innovation Fund.

The investment income reserve balance at year end includes a commitment of \$230,054 (\$135,644 in 2017) 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)	1,245,300	9,919	213,757	1,041,462
Research	509,792	740,598	285,983	964,407
Organ donation awareness	698,453	457,599	362,234	793,818
Public education services and communications	916,438	38,477	253,022	701,893
Patient services	661,043	114,256	159,332	615,967
Others	138,770	189,244	64,182	263,832
	4,169,796	1,550,093	1,338,510	4,381,379

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.

	2018	2017
	\$	\$
Balance, beginning of year	486,031	358,626
Plus: sponsorships and donations received	1,882	127,405
Less: amount recognized as revenue during the year	(57,580)	—
Balance, end of year	430,333	486,031

c) *Deferred contributions – capital assets*

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

	2018	2017
	\$	\$
Balance, beginning of year	562,274	594,285
Plus: contributions received	1,331	7,552
Less: amount recognized as revenue during the year	(40,415)	(39,563)
Balance, end of year	523,190	562,274

8. Externally restricted for endowments

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

	2018	2017
	\$	\$
Research	2,373,203	2,192,174
Other designated activities	2,026,693	2,006,238
Undesignated	332,613	331,833
	4,732,509	4,530,245

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:

	2018	2017
	\$	\$
Surpluses for use in future years	3,306,764	2,000,590
Commitment for research (including the KRESCENT program)	3,162,111	3,934,559
Investment income reserve (Note 6)	1,422,095	1,605,362
Capacity building for Saskatchewan	190,548	190,548
Capacity building for Manitoba	121,336	213,805
Future capital expenditures in Southern Alberta	80,000	80,000
Programs in Manitoba	29,206	35,953
Innovation Fund	—	135,644
	8,312,060	8,196,461

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 \$7,053 (\$12,034 as at December 31, 2017), 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 \$2,222,439. In addition, the Kidney Foundation signed an agreement for five years in 2016 with Canadians Seeking Solutions and Innovations to Overcome Chronic Kidney Disease (Can SOLVE CKD). The commitment for this project represents \$939,672. 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 \$1,846,898. These amounts are expected to be disbursed in the forthcoming years as follows:

	Research commitments	Contractual obligations
	\$	\$
2019	2,102,144	767,037
2020	1,034,967	545,819
2021	25,000	294,432
2022	—	211,803
2023	—	27,139
2024 and thereafter	—	668

12. Allocations

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

	2018	2017
	\$	\$
Patient services	601,572	579,782
Research	375,457	307,476
Public education services and communications	309,570	289,701
Fundraising expenditures	246,077	244,831
Kidney Foundation development	167,477	168,453
Organ donation awareness	160,146	183,982

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

	2018	2017
	\$	\$
Public education services and communications	135,545	134,024

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 (\$87,284 in 2017) for administrative services rendered.

The summary of financial information of the Trust as at December 31, 2018 and 2017, and for the years then ended, is as follows:

	2018	2017
	\$	\$
Statement of financial position		
Assets	1,071,947	1,563,300
Liabilities	1,071,947	1,563,300
Liabilities include accounts payable to the Kidney Foundation for an amount of \$770,079 (\$1,181,931 in 2017)		
Statement of operations		
Total revenue	5,945,681	6,505,418
Total expenses	5,177,279	5,340,221
Transfer of surplus to the Kidney Foundation	768,402	1,165,197
Excess of revenue over expenditures	—	—
	2018	2017
	\$	\$
Statement of cash flows		
Operating activities	(562,295)	450,471
Investing activities	—	(16,586)
Financing activities	—	(11,571)
(Decrease) increase in cash	(562,295)	422,314

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 risks

The Kidney Foundation's investment portfolios are 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. These risks include 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.

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, 2018, the most significant financial liabilities are accounts payable and accrued liabilities.

15. Supplemental information

In 2018, total remuneration paid to employees of the province of Alberta whose principal duties include fundraising was \$165,503.