
Financial statements of
The Kidney Foundation of Canada

December 31, 2019

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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, 2019, 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* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Kidney Foundation as at December 31, 2019, 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, excess of revenue over expenditures, and cash flows from operations for the years ended December 31, 2019 and 2018, current assets as at December 31, 2019 and 2018, and fund balances as at January 1 and December 31, 2019 and 2018. Our audit opinion on the financial statements for the year ended December 31, 2018, 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

June 8, 2020

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

The Kidney Foundation of Canada
Statement of operations
Year ended December 31, 2019

	Notes	2019	2018
		\$	\$
Revenue			
Public support		23,385,900	23,295,629
Bequests and in memoriam		2,321,489	3,583,634
Transfer of surplus from The Canadian Kidney Trustee Corporation	13	882,985	768,402
Investment income allocated to operations	5 and 6	1,008,325	683,152
		27,598,699	28,330,817
Fundraising expenditures		10,994,960	11,439,299
Net revenue		16,603,739	16,891,518
Expenditures			
Programs			
Research		4,190,143	4,110,676
Patient services		3,438,233	3,076,461
Organ donation awareness		1,057,547	915,043
Public education services and communications		3,377,675	2,833,086
Kidney Foundation development		957,683	855,179
		13,021,281	11,790,445
Management and administration		3,541,837	3,434,281
Loss on disposal of capital assets		—	15,261
		16,563,118	15,239,987
Excess of revenue over expenditures before the following		40,621	1,651,531
Investment income (loss) not allocated to operations	5 and 6	754,291	(318,911)
Excess of revenue over expenditures		794,912	1,332,620

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, 2019

	Unrestricted	Invested in capital assets	Internally restricted (Note 9)	Externally restricted for endowments (Note 8)	Total
	\$	\$	\$	\$	\$
Fund balances, January 1, 2018	3,306,370	426,634	8,196,461	4,530,245	16,459,710
Excess (deficiency) of revenue over expenditures excluding investment income (loss) 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
Excess (deficiency) of revenue over expenditures excluding investment income (loss) not allocated to operations	398,202	(75,917)	(281,664)	—	40,621
Investment income not allocated to operations	—	—	754,291	—	754,291
Endowment contributions	—	—	—	30,902	30,902
Reinvested investment income	—	—	—	11,347	11,347
Interfund transfers	(805,831)	105,721	700,110	—	—
Fund balances, December 31, 2019	4,058,063	514,137	9,484,797	4,774,758	18,831,755

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

The Kidney Foundation of Canada
Statement of financial position
As at December 31, 2019

	Notes	2019	2018
		\$	\$
Assets			
Current assets			
Cash		2,111,599	4,200,842
Due from The Canadian Kidney Trustee Corporation	13	907,311	770,079
Interest and sundry receivable		1,930,907	1,523,655
Prepaid expenses		485,095	709,067
		5,434,912	7,203,643
Capital assets			
Investments	3	998,571	1,007,522
	4	19,843,427	16,721,981
		26,276,910	24,933,146
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10	1,503,405	1,603,650
Deferred contributions	7	5,116,509	4,381,379
Deferred contributions – KRESCENT program	7	340,807	430,333
Deferred contributions – capital assets	7	484,434	523,190
		7,445,155	6,938,552
Commitments and contractual obligations			
	11		
Fund balances			
Unrestricted		4,058,063	4,465,692
Contributed land		335,000	335,000
Invested in capital assets		179,137	149,333
Internally restricted	9	9,484,797	8,312,060
Externally restricted for endowments	8	4,774,758	4,732,509
		18,831,755	17,994,594
		26,276,910	24,933,146

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, 2019

	2019	2018
	\$	\$
Operating activities		
Excess of revenue over expenditures	794,912	1,332,620
Adjustments for:		
Amortization of capital assets	116,672	106,928
Amortization of deferred contributions – capital assets	(40,755)	(40,415)
Loss on disposal of capital assets	–	15,261
Gain on sale of investments	(27,052)	(4,441)
Unrealized change in fair value of investments	(1,662,332)	451,589
Deferred contributions recognized as revenue	(1,499,523)	(1,396,090)
	(2,318,078)	465,452
Changes in non-cash operating working capital items		
Due from The Canadian Kidney Trustee Corporation	(137,232)	411,852
Interest and sundry receivable	(407,252)	(217,410)
Prepaid expenses	223,972	(393,910)
Accounts payable and accrued liabilities	(100,245)	360,419
	(420,757)	160,951
Increase in deferred contributions	1,515,576	1,757,144
Increase (decrease) in deferred contributions – restricted investment income	631,550	(203,838)
	2,147,126	1,553,306
	(591,709)	2,179,709
Investing activities		
Acquisition of investments	(2,419,170)	(1,161,045)
Proceeds on sale of investments	987,108	68,916
Acquisition of capital assets	(107,721)	(140,804)
	(1,539,783)	(1,232,933)
Financing activities		
Endowment contributions	30,902	191,353
Reinvested investment income	11,347	10,911
	42,249	202,264
Net (decrease) increase in cash	(2,089,243)	1,149,040
Cash, beginning of year	4,200,842	3,051,802
Cash, end of year	2,111,599	4,200,842

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

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:

Financial instruments

Financial assets and financial 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

	2019			2018
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Building	930,000	441,900	488,100	525,300
Land	335,000	—	335,000	335,000
Computer equipment	903,891	815,370	88,521	116,256
Furniture and fixtures	336,354	255,433	80,921	29,385
Other	39,713	33,684	6,029	1,581
	2,544,958	1,546,387	998,571	1,007,522

4. Investments

	2019			2018		
	Fair value	Cost	Unrealized gain (loss)	Fair value	Cost	Unrealized gain (loss)
	\$	\$	\$	\$	\$	\$
Money market funds	3,630,603	3,661,938	(31,335)	2,025,845	2,034,606	(8,761)
Bond funds	3,306,278	3,277,548	28,730	4,504,309	4,668,691	(164,382)
Canadian equity funds	4,627,862	4,377,022	250,840	3,608,152	3,929,274	(321,122)
International equity funds	8,278,684	7,291,671	987,013	6,583,675	6,516,494	67,181
	19,843,427	18,608,179	1,235,248	16,721,981	17,149,065	(427,084)

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:

	2019	2018
	\$	\$
Gain on sale of investments	27,052	4,441
Fund distributions related to dividends and interest	716,129	618,462
Unrealized change in fair value of investments	1,662,332	(451,589)
	2,405,513	171,314

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

	2019	2018
	\$	\$
Statement of operations		
Investment income allocated to operations	1,008,325	683,152
Investment income (loss) not allocated to operations (Note 6)	754,291	(318,911)
Direct increase in deferred contributions		
Investment income (loss) from externally restricted endowments (Note 7a)	600,521	(203,838)
Investment income allocated to deferred contributions	31,029	—
Statement of changes in fund balances		
Investment income reinvested in endowment capital	11,347	10,911
	2,405,513	171,314

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.

	2019	2018
	\$	\$
Balance, beginning of year	1,422,095	1,605,362
Investment income (loss) not allocated to operations	754,291	(318,911)
Transfer from internally restricted for Innovation Fund	—	135,644
Balance, end of year	2,176,386	1,422,095

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 \$61,508 (\$230,054 in 2018) 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)	1,041,462	600,521	—	1,641,983
Research	964,407	170,623	357,577	777,453
Organ donation awareness	793,818	461,058	499,874	755,002
Public education services and communications	701,893	(277,707)	15,525	408,661
Patient services	615,967	411,637	225,619	801,985
Others	263,832	701,256	233,663	731,425
	4,381,379	2,067,388	1,332,258	5,116,509

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.

	2019	2018
	\$	\$
Balance, beginning of year	430,333	486,031
Plus: sponsorships and donations received	77,739	1,882
Less: amount recognized as revenue during the year	(167,265)	(57,580)
Balance, end of year	340,807	430,333

c) *Deferred contributions – capital assets*

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

	2019	2018
	\$	\$
Balance, beginning of year	523,190	562,274
Plus: contributions received	1,999	1,331
Less: amount recognized as revenue during the year	(40,755)	(40,415)
Balance, end of year	484,434	523,190

8. Externally restricted for endowments

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

	2019	2018
	\$	\$
Research	2,380,218	2,373,203
Other designated activities	2,060,911	2,026,693
Undesignated	333,629	332,613
	4,774,758	4,732,509

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:

	2019	2018
	\$	\$
Surpluses for use in future years	3,415,309	3,306,764
Commitment for research (including the KRESCENT program)	3,171,024	3,162,111
Investment income reserve (Note 6)	2,176,386	1,422,095
Strategic project	425,000	—
Capacity building for Saskatchewan	190,548	190,548
Capacity building for Manitoba	—	121,336
Future capital expenditures in Southern Alberta	80,000	80,000
Programs in Manitoba	26,530	29,206
	9,484,797	8,312,060

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 \$5,182 (\$7,053 as at December 31, 2018), 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 \$2,287,254. In addition, the Kidney Foundation signed an agreement for five years in 2017 with Canadians Seeking Solutions and Innovations to Overcome Chronic Kidney Disease (Can SOLVE CKD). The commitment for this project represents \$483,770. The Kidney Foundation signed a letter of intent with Canadian Institutes of Health Research in 2019 for \$1 million over five years. The project will start in 2021 and ends in 2025. 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 \$2,920,171. These amounts are expected to be disbursed in the forthcoming years as follows:

	Research commitments	Contractual obligations
	\$	\$
2020	1,692,262	707,577
2021	1,055,220	588,702
2022	423,542	447,495
2023	200,000	255,162
2024	200,000	239,141
2025 and thereafter	200,000	682,094

12. Allocations

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

	2019	2018
	\$	\$
Patient services	609,011	601,572
Public education services and communications	327,914	309,570
Research	270,176	375,457
Fundraising expenditures	224,752	246,077
Kidney Foundation development	181,457	167,477
Organ donation awareness	164,085	160,146

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

	2019	2018
	\$	\$
Public education services and communications	140,182	135,545

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 2018) for administrative services rendered.

The summary of financial information of the Trust as at December 31, 2019 and 2018, and for the years then ended, is as follows:

	2019	2018
	\$	\$
Statement of financial position		
Assets	1,251,823	1,071,947
Liabilities	1,251,823	1,071,947
Liabilities include an amount due to the Kidney Foundation of \$907,311 (\$770,079 in 2018)		
Statement of operations		
Total revenue	5,973,681	5,945,681
Total expenses	5,090,696	5,177,279
Transfer of surplus to the Kidney Foundation	882,985	768,402
Excess of revenue over expenditures	—	—
	2019	2018
	\$	\$
Statement of cash flows		
Operating activities	317,954	(562,295)
Investing activities	(1,794)	—
Financing activities	(202)	—
Increase (decrease) in cash	315,958	(562,295)

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 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. 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, 2019, the most significant financial liabilities are accounts payable and accrued liabilities.

15. Supplemental information

In 2019, total remuneration paid to employees of the province of Alberta whose principal duties include fundraising was \$197,313 (\$165,503 in 2018).

16. Subsequent event

Subsequent to the year-end, 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 a series of public health and emergency measures that have been put in place to combat the spread of the virus. The fair value of the Foundation's investments have been affected in line with overall declines experienced in the financial markets. However, the duration and impact of COVID-19 are unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Foundation in future periods.