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Financial statements of  
The Kidney Foundation of Canada

December 31, 2023

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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, 2023, 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, 2023, 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 14, 2024

<sup>1</sup> CPA auditor, public accountancy permit No. A125888

**The Kidney Foundation of Canada**  
**Statement of operations**  
Year ended December 31, 2023

	Notes	<b>2023</b>	2022
		\$	\$
<b>Revenue</b>			
Contributions		<b>26,504,128</b>	21,458,517
Bequests		<b>4,805,647</b>	2,620,875
Donation of surplus from The Canadian Kidney Trustee Corporation	13	<b>209,587</b>	411,563
Investment income allocated to operations	5 and 6	<b>1,763,015</b>	1,188,915
		<b>33,282,377</b>	25,679,870
Fundraising expenditures		<b>12,971,733</b>	9,688,339
Net revenue		<b>20,310,644</b>	15,991,531
<b>Expenditures</b>			
Mission			
Research		<b>4,264,744</b>	4,271,974
Programs and services including organ donation		<b>6,493,740</b>	5,669,170
Government and community relations		<b>3,089,572</b>	2,223,980
Foundation and volunteer development		<b>1,178,254</b>	640,589
		<b>15,026,310</b>	12,805,713
Management and administration		<b>4,368,553</b>	3,825,065
		<b>19,394,863</b>	16,630,778
Excess (deficiency) of revenue over expenditures before the following		<b>915,781</b>	(639,247)
Investment loss not allocated to operations	5 and 6	<b>(75,099)</b>	(971,032)
<b>Excess (deficiency) of revenue over expenditures</b>		<b>840,682</b>	(1,610,279)

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, 2023

	Unrestricted	Invested in capital assets	Internally restricted (Note 9)	Externally restricted for endowments (Note 8)	Total
	\$	\$	\$	\$	\$
Fund balances, December 31, 2021	5,211,541	485,949	15,240,398	5,149,155	26,087,043
(Deficiency) excess of revenue over expenditures excluding investment income not allocated to operations	58,471	(58,471)	(639,247)	—	(639,247)
Investment loss not allocated to operations	—	—	(971,032)	—	(971,032)
Endowment contributions	—	—	—	23,144	23,144
Reinvested investment income	—	—	—	10,972	10,972
Interfund transfers	(394,084)	24,580	369,504	—	—
Fund balances, December 31, 2022	4,875,928	452,058	13,999,623	5,183,271	24,510,880
Excess (deficiency) of revenue over expenditures excluding investment income not allocated to operations	<b>468,304</b>	<b>(133,169)</b>	<b>580,646</b>	—	<b>915,781</b>
Investment loss not allocated to operations	—	—	<b>(75,099)</b>	—	<b>(75,099)</b>
Endowment contributions	—	—	—	<b>22,614</b>	<b>22,614</b>
Reinvested investment income	—	—	—	<b>11,411</b>	<b>11,411</b>
Interfund transfers	<b>(1,229,629)</b>	<b>738,314</b>	<b>491,315</b>	—	—
Fund balances, December 31, 2023	<b>4,114,603</b>	<b>1,057,203</b>	<b>14,996,485</b>	<b>5,217,296</b>	<b>25,385,587</b>

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

# The Kidney Foundation of Canada

## Statement of financial position

As at December 31, 2023

	Notes	2023	2022
		\$	\$
<b>Assets</b>			
Current assets			
Cash		<b>4,160,646</b>	3,924,652
Due from The Canadian Kidney Trustee Corporation	13	<b>337,677</b>	1,382,532
Interest and sundry receivable		<b>2,007,378</b>	1,583,371
Prepaid expenses		<b>787,575</b>	1,274,835
		<b>7,293,276</b>	8,165,390
Capital assets			
Investments	3	<b>1,396,419</b>	833,648
	4	<b>24,374,606</b>	23,515,061
		<b>33,064,301</b>	32,514,099
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	10	<b>2,131,774</b>	1,729,841
Deferred contributions	7	<b>5,207,724</b>	5,891,788
Deferred contributions – capital assets	7	<b>339,216</b>	381,590
		<b>7,678,714</b>	8,003,219
Commitments and contractual obligations			
	11		
<b>Fund balances</b>			
Unrestricted		<b>4,114,603</b>	4,875,928
Contributed land		<b>335,000</b>	335,000
Invested in capital assets		<b>722,203</b>	117,058
Internally restricted	9	<b>14,996,485</b>	13,999,623
Externally restricted for endowments	8	<b>5,217,296</b>	5,183,271
		<b>25,385,587</b>	24,510,880
		<b>33,064,301</b>	32,514,099

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, 2023

	2023	2022
	\$	\$
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenditures	<b>840,682</b>	(1,610,279)
Adjustments for:		
Amortization of capital assets	<b>175,251</b>	101,878
Amortization of deferred contributions – capital assets	<b>(42,374)</b>	(43,407)
Gain on sale of investments	<b>12,173</b>	(40,524)
Unrealized change in fair value of investments	<b>67,116</b>	2,807,595
Deferred contributions recognized as revenue	<b>(3,700,993)</b>	(2,641,616)
	<b>(2,648,145)</b>	(1,426,353)
Changes in non-cash operating working capital items		
Due from The Canadian Kidney Trustee Corporation	<b>1,044,855</b>	(514,109)
Interest and sundry receivable	<b>(424,007)</b>	(308,388)
Prepaid expenses	<b>487,260</b>	(788,446)
Accounts payable and accrued liabilities	<b>401,933</b>	(75,259)
	<b>1,510,041</b>	(1,686,202)
Increase in deferred contributions	<b>3,256,266</b>	2,536,467
Decrease in deferred contributions – restricted investment income	<b>(239,337)</b>	(639,482)
	<b>3,016,929</b>	1,896,985
	<b>1,878,825</b>	(1,215,570)
<b>Investing activities</b>		
Acquisition of investments	<b>(3,533,489)</b>	(2,910,514)
Proceeds on sale of investments	<b>2,594,655</b>	638,078
Acquisition of capital assets	<b>(738,314)</b>	(26,412)
Proceeds on sale of capital assets	<b>292</b>	–
	<b>(1,676,856)</b>	(2,298,848)
<b>Financing activities</b>		
Endowment contributions	<b>22,614</b>	23,144
Reinvested investment income	<b>11,411</b>	10,972
	<b>34,025</b>	34,116
Net increase (decrease) in cash	<b>235,994</b>	(3,480,302)
Cash, beginning of year	<b>3,924,652</b>	7,404,954
<b>Cash, end of year</b>	<b>4,160,646</b>	3,924,652

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



# The Kidney Foundation of Canada

## Notes to the financial statements

December 31, 2023

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### 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*

##### 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

Subsequently, all financial instruments are measured at amortized cost, except for investments, which are recorded at fair value.

##### Transaction costs

Transaction costs related to investments are expensed as incurred. Transaction costs related to 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 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.

## **2. Accounting policies (continued)**

### *Financial instruments (continued)*

#### *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.

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. Leasehold improvements are amortized over the lease term of 10 years.

## The Kidney Foundation of Canada

### Notes to the financial statements

December 31, 2023

## 2. Accounting policies (continued)

### *Allocations*

The Kidney Foundation classifies its activities between Kidney Foundation development, management and administration activities, and its four mission-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.

### *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

	2023			2022
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Leasehold improvements	614,759	62,520	552,239	—
Building	930,000	590,700	339,300	376,500
Land	335,000	—	335,000	335,000
Computer equipment	461,954	355,441	106,513	88,696
Furniture and fixtures	339,509	276,142	63,367	33,452
Others	6,201	6,201	—	—
	<b>2,687,423</b>	<b>1,291,004</b>	<b>1,396,419</b>	833,648

#### 4. Investments

	2023			2022		
	Fair value	Cost	Unrealized loss	Fair value	Cost	Unrealized loss
	\$	\$	\$	\$	\$	\$
Money market funds	<b>4,424,947</b>	<b>4,543,539</b>	<b>(118,592)</b>	5,863,732	6,060,298	(196,566)
Bond funds	<b>4,215,993</b>	<b>4,633,263</b>	<b>(417,270)</b>	3,583,510	4,134,175	(550,665)
Canadian equity funds	<b>5,809,221</b>	<b>6,336,571</b>	<b>(527,350)</b>	4,835,435	5,253,298	(417,863)
International equity funds	<b>9,924,445</b>	<b>10,394,966</b>	<b>(470,521)</b>	9,232,384	9,533,907	(301,523)
	<b>24,374,606</b>	<b>25,908,339</b>	<b>(1,533,733)</b>	23,515,061	24,981,678	(1,466,617)

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:

	2023	2022
	\$	\$
(Loss) gain on sale of investments	<b>(12,173)</b>	40,524
Fund distributions related to dividends and interest	<b>1,539,279</b>	2,356,444
Unrealized change in fair value of investments	<b>(67,116)</b>	(2,807,595)
	<b>1,459,990</b>	(410,627)

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

	2023	2022
	\$	\$
Statement of operations		
Investment income allocated to operations	<b>1,763,015</b>	1,188,915
Investment loss not allocated to operations (Note 6)	<b>(75,099)</b>	(971,032)
Direct increase (decrease) in deferred contributions		
Investment loss from externally restricted endowments (Note 7a)	<b>(248,571)</b>	(651,789)
Investment income allocated to deferred contributions	<b>9,234</b>	12,307
Statement of changes in fund balances		
Investment income reinvested in endowment capital	<b>11,411</b>	10,972
	<b>1,459,990</b>	(410,627)

## The Kidney Foundation of Canada

### Notes to the financial statements

December 31, 2023

#### 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.

	2023	2022
	\$	\$
Balance, beginning of year	<b>1,532,733</b>	2,503,765
Investment loss not allocated to operations	<b>(75,099)</b>	(971,032)
Balance, end of year	<b>1,457,634</b>	1,532,733

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

The investment income reserve balance at year-end includes a commitment of \$129,332 (\$420,720 in 2022) 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.

	Balance, beginning of year	Additions	Disbursements	Balance, end of year
	\$	\$	\$	\$
Investment income on externally restricted endowments (Note 5)	1,337,099	<b>(248,571)</b>	—	<b>1,088,528</b>
Programs and services including organ donation	3,040,960	<b>2,420,959</b>	<b>(2,773,414)</b>	<b>2,688,505</b>
Research and KRESCENT	655,078	<b>300,041</b>	<b>(372,222)</b>	<b>582,897</b>
Government and community relations	490,310	<b>15,000</b>	<b>(38,947)</b>	<b>466,363</b>
Fundraising	368,341	<b>291,310</b>	<b>(405,500)</b>	<b>254,151</b>
Foundation and volunteer development	—	<b>238,190</b>	<b>(110,910)</b>	<b>127,280</b>
	5,891,788	<b>3,016,929</b>	<b>(3,700,993)</b>	<b>5,207,724</b>

## The Kidney Foundation of Canada

### Notes to the financial statements

December 31, 2023

#### 7. Deferred contributions (continued)

(b) *Deferred contributions – capital assets*

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

	<b>2023</b>	2022
	\$	\$
Balance, beginning of year	<b>381,590</b>	423,165
Plus: contributions received	—	1,832
Less: amount recognized as revenue during the year	<b>(42,374)</b>	(43,407)
Balance, end of year	<b>339,216</b>	381,590

#### 8. Externally restricted for endowments

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

	<b>2023</b>	2022
	\$	\$
Research	<b>2,411,425</b>	2,402,118
Programs and services including organ donation	<b>2,146,853</b>	2,122,265
Undesignated	<b>659,018</b>	658,888
	<b>5,217,296</b>	5,183,271

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:

	<b>2023</b>	2022
	\$	\$
Surpluses for use in future years	<b>8,590,092</b>	8,009,446
Three years commitment for research	<b>4,651,681</b>	4,160,366
Investment income reserve (Note 6)	<b>1,457,634</b>	1,532,733
Capacity building for Saskatchewan	<b>190,548</b>	190,548
Future capital expenditures in Southern Alberta	<b>80,000</b>	80,000
Programs in Manitoba	<b>26,530</b>	26,530
	<b>14,996,485</b>	13,999,623

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.

## The Kidney Foundation of Canada

### Notes to the financial statements

December 31, 2023

#### 10. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include \$52,231 (\$14,006 as at December 31, 2022), 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 \$5,094,182. 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 \$3,725,471. These amounts are expected to be disbursed in the forthcoming years as follows:

	Research commitments	Contractual obligations
	\$	\$
2024	2,669,030	726,060
2025	1,489,034	714,198
2026	493,617	697,218
2027	160,000	602,785
2028	282,501	215,738
2029 and thereafter	—	769,472
	<u>5,094,182</u>	<u>3,725,471</u>

#### 12. Allocations

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

	2023	2022
	\$	\$
Programs and services including organ donation	<b>742,875</b>	727,433
Research	<b>299,248</b>	128,727
Fundraising expenses	<b>231,227</b>	225,897
Foundation and volunteer development	<b>209,359</b>	119,544
Government and community relations	<b>195,461</b>	163,533
	<b><u>1,678,170</u></b>	<u>1,365,134</u>

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

	2023	2022
	\$	\$
Government and community relations	<b>208,961</b>	209,730

## The Kidney Foundation of Canada

### Notes to the financial statements

December 31, 2023

#### 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 \$92,130 (\$73,704 in 2022) for administrative services rendered.

The summary of financial information of the Trust as at December 31, 2023 and 2022, and for the years then ended, is as follows:

	2023	2022
	\$	\$
Statement of financial position		
Assets	<b>744,222</b>	1,743,305
Liabilities	<b>744,222</b>	1,743,305
Liabilities include an amount due to the Kidney Foundation of \$337,677 (\$1,382,532 in 2022)		
Statement of operations		
Total revenue	<b>4,394,245</b>	4,208,750
Total expenditures	<b>4,184,658</b>	3,797,187
Donation of surplus to the Kidney Foundation	<b>209,587</b>	411,563
Excess of revenue over expenditures	—	—
	2023	2022
	\$	\$
Statement of cash flows		
Operating activities	<b>(1,065,383)</b>	638,052
Investing activities	—	—
Financing activities	—	—
(Decrease) increase in cash	<b>(1,065,383)</b>	638,052

#### 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.



**14. Financial instruments (continued)**

*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, 2023, the most significant financial liabilities are accounts payable and accrued liabilities.

**15. Supplemental information**

In 2023, total remuneration paid to employees of the province of Alberta whose principal duties include fundraising was \$196,431 (\$187,529 in 2022).

**16. Comparative figures**

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