

**KIDNEY FOUNDATION OF
NORTHWEST OHIO, INC.**

REVIEWED FINANCIAL STATEMENTS

Years Ended December 31, 2025 and 2024

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To Board of Trustees
Kidney Foundation of Northwest Ohio, Inc.
Toledo, Ohio

We have reviewed the accompanying financial statements of Kidney Foundation of Northwest Ohio, Inc. (a non-profit organization), which comprise the statements of financial position as of December 31, 2025 and 2024 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Kidney Foundation of Northwest Ohio, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

DeMarco & Associates CPAs, LLC

Perrysburg, Ohio
May 19, 2026

KIDNEY FOUNDATION OF NORTHWEST OHIO, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

ASSETS	2025	2024
Cash and cash equivalents		
General operating	\$ 52,279	\$ 83,843
Matthews fund - money market	352,971	58,919
Endowment fund - money market	13,244	14,320
Total cash and cash equivalents	<u>418,494</u>	<u>157,082</u>
Receivables		
Interest receivable	-	3,913
Grants receivable	-	573
Other receivable	2,875	-
Promises to give	-	100,000
Total receivables	<u>2,875</u>	<u>104,486</u>
Investments		
Matthews fund	1,043,640	1,049,429
Endowment fund	633,584	588,421
Furniture, fixtures and equipment, net of accumulated depreciation of \$70,541 and \$68,065 in 2025 and 2024, respectively	6,026	8,502
Operating right of use assets - office suite	11,096	27,476
Promises to give - net - non-current	<u>-</u>	<u>254,595</u>
Total assets	<u>\$ 2,115,715</u>	<u>\$ 2,189,991</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 6,047	\$ 7,393
Accrued wages and related withholdings	4,628	3,863
Operating lease liabilities - office suite	11,848	28,571
Accrued pension	10,887	10,057
Total liabilities	<u>33,410</u>	<u>49,884</u>
Net assets		
Without donor restrictions		
Board designated	2,043,439	1,711,089
Undesignated	32,064	409,890
With donor restrictions	6,802	19,128
Total net assets	<u>2,082,305</u>	<u>2,140,107</u>
Total liabilities and net assets	<u>\$ 2,115,715</u>	<u>\$ 2,189,991</u>

See accompanying notes and independent accountants' review report.

KIDNEY FOUNDATION OF NORTHWEST OHIO, INC.

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2025 and 2024

	2025		
	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues			
Direct public support			
Contributions and bequests	\$ 82,052	\$ -	\$ 82,052
Pledges	-	-	-
Kidney Klassic	103	-	103
Other special events	28,744	-	28,744
Miscellaneous	6,929	-	6,929
Total direct public support	<u>117,828</u>	<u>-</u>	<u>117,828</u>
Indirect public support			
Grants	27,490	11,802	39,292
Net assets released from restrictions	24,128	(24,128)	-
Total indirect public support	<u>51,618</u>	<u>(12,326)</u>	<u>39,292</u>
Total public support	169,446	(12,326)	157,120
Expenses			
Public health education	80,786	-	80,786
Patient services	223,615	-	223,615
Fundraising	64,565	-	64,565
Management and general	45,167	-	45,167
Total expenses	<u>414,133</u>	<u>-</u>	<u>414,133</u>
Change in net assets from operations	(244,687)	(12,326)	(257,013)
Non-operating revenues			
Net unrealized and realized gain	124,912	-	124,912
Interest income	74,299	-	74,299
Change in net assets from non-operating revenues	<u>199,211</u>	<u>-</u>	<u>199,211</u>
Change in net assets	(45,476)	(12,326)	(57,802)
Net assets beginning of year	<u>2,120,979</u>	<u>19,128</u>	<u>2,140,107</u>
Net assets end of year	<u>\$ 2,075,503</u>	<u>\$ 6,802</u>	<u>\$ 2,082,305</u>

	2024		
	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues			
Direct public support			
Contributions and bequests	\$ 98,242	\$ -	\$ 98,242
Pledges	454,595	-	454,595
Kidney Klassic	14,164	-	14,164
Other special events	10,531	-	10,531
Miscellaneous	5,796	-	5,796
Total direct public support	<u>583,328</u>	<u>-</u>	<u>583,328</u>
Indirect public support			
Grants	11,000	19,128	30,128
Net assets released from restrictions	6,263	(6,263)	-
Total indirect public support	<u>17,263</u>	<u>12,865</u>	<u>30,128</u>
Total public support	600,591	12,865	613,456
Expenses			
Public health education	73,232	-	73,232
Patient services	171,721	-	171,721
Fundraising	60,437	-	60,437
Management and general	41,996	-	41,996
Total expenses	<u>347,386</u>	<u>-</u>	<u>347,386</u>
Change in net assets from operations	253,205	12,865	266,070
Non-operating revenues			
Net unrealized and realized gain	124,013	-	124,013
Interest income	71,487	-	71,487
Change in net assets from non-operating revenues	<u>195,500</u>	<u>-</u>	<u>195,500</u>
Change in net assets	448,705	12,865	461,570
Net assets beginning of year	<u>1,672,274</u>	<u>6,263</u>	<u>1,678,537</u>
Net assets end of year	<u>\$ 2,120,979</u>	<u>\$ 19,128</u>	<u>\$ 2,140,107</u>

See accompanying notes and independent accountants' review report.

KIDNEY FOUNDATION OF NORTHWEST OHIO, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2025 and 2024

	Method of Allocation	Program Services			Support Services			2025 Total
		Public Health Education	Patient Services	Subtotal	Fund Raising	Management and General	Subtotal	
Salaries	Direct	\$ 39,814	\$ 74,184	\$ 113,998	\$ 20,320	\$ 20,320	\$ 40,640	\$ 154,638
Payroll taxes	Direct	3,868	5,416	9,284	1,805	1,804	3,609	12,893
Benefits	Direct	11,134	15,590	26,724	5,196	5,196	10,392	37,116
Supplies	Sq. feet	1,809	2,375	4,184	1,018	452	1,470	5,654
Printing	Direct/Sq. feet	525	670	1,195	453	163	616	1,811
Postage	Direct/Sq. feet	571	749	1,320	321	143	464	1,784
Dues and subscriptions	Sq. feet	3,339	4,382	7,721	1,878	834	2,712	10,433
Occupancy expense	Sq. feet	522	685	1,207	294	131	425	1,632
Operating lease expense	Sq. feet	5,554	7,290	12,844	3,124	1,389	4,513	17,357
Insurance	Sq. feet	1,118	1,467	2,585	629	279	908	3,493
Professional fees	Sq. feet	6,852	8,993	15,845	3,854	1,712	5,566	21,411
Telephone	Sq. feet	995	1,305	2,300	559	249	808	3,108
Outside services	Direct	-	2,303	2,303	-	2,302	2,302	4,605
Travel	Sq. feet	392	515	907	221	98	319	1,226
Repair and maintenance	Sq. feet	-	-	-	-	-	-	-
Bank charges	Sq. feet	3,501	4,595	8,096	1,969	876	2,845	10,941
Specific assistance	Direct	-	92,056	92,056	-	-	-	92,056
Depreciation and amortization	Sq. feet	792	1,040	1,832	446	198	644	2,476
Miscellaneous expense	Direct	-	-	-	-	9,021	9,021	9,021
Direct fundraising expense	Direct	-	-	-	22,478	-	22,478	22,478
Total expenses		\$ <u>80,786</u>	\$ <u>223,615</u>	\$ <u>304,401</u>	\$ <u>64,565</u>	\$ <u>45,167</u>	\$ <u>109,732</u>	\$ <u>414,133</u>

	Method of Allocation	Program Services			Support Services			2024 Total
		Public Health Education	Patient Services	Subtotal	Fund Raising	Management and General	Subtotal	
Salaries	Direct	\$ 37,380	\$ 69,649	\$ 107,029	\$ 19,078	\$ 19,078	\$ 38,156	\$ 145,185
Payroll taxes	Direct	3,518	4,926	8,444	1,642	1,642	3,284	11,728
Benefits	Direct	6,688	9,364	16,052	3,121	3,120	6,241	22,293
Supplies	Sq. feet	555	728	1,283	312	139	451	1,734
Printing	Direct/Sq. feet	35	44	79	30	10	40	119
Postage	Direct/Sq. feet	463	608	1,071	260	116	376	1,447
Dues and subscriptions	Sq. feet	2,409	3,162	5,571	1,355	602	1,957	7,528
Occupancy expense	Sq. feet	1,572	2,064	3,636	885	393	1,278	4,914
Operating lease expense	Sq. feet	4,855	6,372	11,227	2,731	1,213	3,944	15,171
Insurance	Sq. feet	1,044	1,370	2,414	587	261	848	3,262
Professional fees	Sq. feet	8,370	10,985	19,355	4,708	2,092	6,800	26,155
Telephone	Sq. feet	1,042	1,368	2,410	586	260	846	3,256
Travel	Sq. feet	636	835	1,471	358	159	517	1,988
Repair and maintenance	Sq. feet	57	75	132	32	15	47	179
Bank charges	Sq. feet	3,497	4,590	8,087	1,967	875	2,842	10,929
Specific assistance	Direct	-	54,123	54,123	-	-	-	54,123
Depreciation and amortization	Sq. feet	1,111	1,458	2,569	625	278	903	3,472
Miscellaneous expense	Direct	-	-	-	-	11,743	11,743	11,743
Direct fundraising expense	Direct	-	-	-	22,160	-	22,160	22,160
Total expenses		\$ <u>73,232</u>	\$ <u>171,721</u>	\$ <u>244,953</u>	\$ <u>60,437</u>	\$ <u>41,996</u>	\$ <u>102,433</u>	\$ <u>347,386</u>

See accompanying notes and independent accountants' review report.

KIDNEY FOUNDATION OF NORTHWEST OHIO, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets	\$ (57,802)	\$ 461,570
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net unrealized and realized gain on investments	(124,912)	(124,013)
Depreciation	2,476	3,472
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Interest receivable	3,913	3,327
Grants receivable	573	(573)
Other receivable	(2,875)	-
Promises to give	354,595	(354,595)
Operating lease assets and liabilities	(343)	895
Increase (decrease) in:		
Account payable	(1,346)	5,364
Accrued wages and related withholdings	765	1,513
Accrued pension	830	4,866
Net cash provided by operating activities	<u>175,874</u>	<u>1,826</u>
Cash flows from investing activities		
Proceeds from sale of investments	121,536	123,000
Purchases of investments	<u>(35,998)</u>	<u>(119,866)</u>
Net cash provided by investing activities	<u>85,538</u>	<u>3,134</u>
Net change in cash	261,412	4,960
Cash and cash equivalents at beginning of year	<u>157,082</u>	<u>152,122</u>
Cash and cash equivalents at end of year	\$ <u><u>418,494</u></u>	\$ <u><u>157,082</u></u>
Supplemental disclosure of non-cash financing/investing activities:		
Right of use assets obtained in exchange for lease obligations		
Operating lease	\$ <u><u>-</u></u>	\$ <u><u>14,897</u></u>

See accompanying notes and independent accountants' review report.

KIDNEY FOUNDATION OF NORTHWEST OHIO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

Note A – Significant accounting policies

Nature of operations

The Kidney Foundation of Northwest Ohio, Inc. (Foundation) is a non-profit organization that is tax exempt under Section 501(c)(3) of the Internal Revenue Code and is considered a public charity. The Foundation was created to provide care, education and to fund research for the prevention and treatment of kidney disease.

Basis of presentation

The Foundation prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Use of estimates

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

Cash and cash equivalents

The Foundation considers all cash and short-term investments with an original maturity of three months or less to be cash equivalents.

Investments

Under the FASB Codification Topic, *Not-for-Profit Entities*, investments in debt and equity securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains on donor restricted contributions are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Property and equipment

It is the Foundation's policy to capitalize property and equipment over \$500 at cost. Lesser amounts are expensed. The Foundation follows the policy of providing for depreciation by charging to expense amounts sufficient to amortize the cost on the straight line basis. Furniture and fixtures are depreciated over their useful lives, which is estimated to be 5 – 10 years.

Contributions

Unconditional promises to give cash or marketable securities are reported at fair value at the date the pledge is made to the extent estimated to be collectible by the Foundation. Conditional donor promises to give are not recognized until the condition is satisfied. Promises to give that received with donor restrictions that limit the use of the donated assets are reported as donor restricted support.

Grants

Grant revenue is recognized in the period it is earned based on when the applicable project expenses are incurred and project milestones are achieved, or through the passage of time. Grant payments received in advance of related project expenses are deferred until the expenditure has been incurred and recorded as deferred revenue and included in other current liabilities.

KIDNEY FOUNDATION OF NORTHWEST OHIO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

Note A – Significant accounting policies (continued)

Promises to give receivable

The Foundation records unconditional promises to give that are expected to be collected within one year at net realizable value. Promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The allowance for uncollectible promises to give is determined based on an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At December 31, 2025 and 2024, no allowance was deemed necessary.

Leases

The Foundation determines if an agreement includes a lease at inception. Leases are included in the balance sheet as Right-of-use (ROU) assets and the corresponding Lease liability. ROU assets and lease liabilities are recognized based upon the present value of the future lease payments over the term. The Foundation does not recognize ROU assets and corresponding liabilities for short term leases, or those with a term less than 12 months. Instead, those payments are reflected in the statement of activities as occupancy expense, on a straight-line basis, over the term of the lease. Non-lease components are not included in lease liabilities and are expensed as incurred.

Functional expenses

Expenses directly related to each function are charged to the appropriate function classification. Indirect expenses are allocated to the functional classification based upon square footage of space occupied by or on the basis of time and effort to each program and supporting service.

Income taxes

Kidney Foundation of Northwest Ohio, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for federal income tax is required. The Foundation has determined that there are no uncertain tax positions that require disclosure in these financial statements under FASB Accounting Standards Codification Topic *Income Taxes*. The tax years 2023 through 2025 are subject to possible examination by the Internal Revenue Service.

Classification of net assets

Net assets, revenues, gains and losses are classified based upon the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions

Net assets that are available for use in general operations and not subject to donor or grantor-imposed restrictions.

Net assets with donor restrictions

Net assets that are subject to donor or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

KIDNEY FOUNDATION OF NORTHWEST OHIO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

Note A – Significant accounting policies (continued)

Reclassifications

Certain reclassifications have been made to the 2024 financial statements to conform to the 2025 presentation.

Subsequent events

The Foundation has evaluated subsequent events through May 19, 2026, the date the financial statements were available to be issued.

Note B – Liquidity and availability of financial assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the Statement of Financial Position are outlined in the following table. These assets include operating cash, and the spending policy appropriation from the Endowment fund of 5% and the Matthew's fund of 4% of the prior year's market value of assets.

	2025	2024
Cash and cash equivalents – operating	\$ 52,279	\$ 83,843
Pledge receivables – annual payment	-	100,000
Distribution from Investments	69,929	26,982
Total	\$ <u>122,208</u>	\$ <u>210,825</u>

As part of the Foundation's liquidity management, if operating cash shortfalls occur, additional funds can be borrowed from the line of credit with the bank, that provides up to \$50,000 of borrowings.

Note C – Promises to give

An unconditional promise to give was made to the Foundation in the total amount of \$500,000 during 2024, to be paid over five years, in equal payments of \$100,000 each year, starting in July, 2024. Unconditional promises to give consist of the following at December 31, 2025 and 2024:

	2025	2024
Pledge receivable, Life Connection of Ohio	\$ -	\$ 400,000
Less discount to net present value rate at 5%	-	(45,405)
Net pledges receivable	\$ <u>-</u>	\$ <u>354,595</u>
Amounts due:		
Within one year	\$ -	\$ 100,000
In one to five years	-	300,000
Total	\$ <u>-</u>	\$ <u>400,000</u>

The donor who promised to give the Foundation \$100,000 each year for five years in 2024 decided to give the entire remaining amount due during 2025.

KIDNEY FOUNDATION OF NORTHWEST OHIO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

Note D - Investments

Investments at December 31, 2025 are summarized as follows:

	Endowment Fund		Matthews Fund	
	Cost	Fair value	Cost	Fair value
Cash equivalents	\$ 13,244	\$ 13,244	\$ 352,971	\$ 352,971
Mutual funds	284,593	633,584	864,992	1,043,640
Total	<u>\$ 297,837</u>	<u>\$ 646,828</u>	<u>\$ 1,217,963</u>	<u>\$ 1,396,611</u>

	Endowment Fund	Matthews Fund	Totals
Interest and dividends	\$ 20,070	\$ 49,936	\$ 70,006
Net unrealized holding gains	53,749	71,163	124,912
Total	<u>\$ 73,819</u>	<u>\$ 121,099</u>	<u>\$ 194,918</u>

Investments at December 31, 2024 are summarized as follows:

	Endowment Fund		Matthews Fund	
	Cost	Fair value	Cost	Fair value
Cash equivalents	\$ 14,320	\$ 14,320	\$ 58,919	\$ 58,919
Mutual funds	283,190	588,421	945,704	1,049,429
Total	<u>\$ 297,510</u>	<u>\$ 602,741</u>	<u>\$ 1,004,623</u>	<u>\$ 1,108,348</u>

	Endowment Fund	Matthews Fund	Totals
Interest and dividends	\$ 18,858	\$ 49,188	\$ 68,046
Net unrealized holding gain	59,596	64,417	124,013
Total	<u>\$ 78,454</u>	<u>\$ 113,605</u>	<u>\$ 192,059</u>

Note E – Property and equipment

Property and equipment consisted of the following at December 31, 2025 and 2024:

	2025	2024
Furniture and equipment	\$ 76,567	\$ 76,567
Accumulated depreciation	(70,541)	(68,065)
Furniture, fixtures and equipment - net	<u>\$ 6,026</u>	<u>\$ 8,502</u>

Depreciation expense for 2025 and 2024 was \$2,476 and \$3,472, respectively.

KIDNEY FOUNDATION OF NORTHWEST OHIO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

Note F – Leases

Effective September 1, 2023, a new non-cancellable lease agreement was executed that qualified as a long-term operating lease. An Operating right-to-use asset and the corresponding obligation to pay the lease was recorded as an Operating lease liability. The terms include an initial period of 18 months with monthly payments of \$850 due at the beginning of each month. The lease terms include a renewal option for an additional 18 months, with an increase to the monthly payments to \$950 per month. We include in the determination of the right-to-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The operating lease requires payment of additional building expenses such as utilities, real estate taxes, insurance and maintenance, among other expenses, which are billed for reimbursement by the lessor at various times during the year, and recorded as occupancy expense.

This lease was amended effective May 1, 2024, to lease a small amount of additional space, and to increase the monthly rent through the end of the initial period to \$1,350 per month, with the opportunity to exercise the renewal option for another 18 months at a monthly payment of \$1,500 per month. There has been no change in the assumption that the Organization is reasonably certain to exercise the option to renew upon reaching the end of the initial term. This amendment to the lease contract impacted the right-of-use lease asset and liability. Lease expense from long-term operating lease commitments for the years ended December 31, 2025 and 2024 was \$17,357 and \$15,171, respectively.

The weighted-average discount rate is based on the discount rate implicit in the lease. We have elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. We have applied the risk-free rate option to the building class of assets.

The weighted-average remaining lease term in years and weighted-average discount rate for 2025, for the operating lease in effect is approximately .67 and 4.63%, respectively.

Future minimum lease payments under the non-cancelable operating lease with terms greater than one year are as follows as of December 31, 2025:

		Operating
2026	\$	<u>12,000</u>
Less: interest		<u>(152)</u>
Present value of lease liabilities	\$	<u><u>11,848</u></u>

KIDNEY FOUNDATION OF NORTHWEST OHIO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

Note G – Line of credit

The Foundation maintains a \$50,000 revolving demand note with Signature Bank, N.A. with an interest rate of prime plus 0.75% (7.5% at December 31, 2025). The line is secured by the Foundation's Matthews fund investment account and contains certain covenants. The Foundation had no outstanding borrowings on the line of credit as of December 31, 2025 or 2024.

Note H – Retirement plans

Prior to January 1, 2004, the Foundation's employees participated in the Employee Benefit Plan of the United Way of Greater Toledo. Effective January 1, 2004, the United Way of Greater Toledo amended the Plan to freeze participant benefit accruals as of December 31, 2003.

As of January 1, 2020 (the most recent valuation available) the actuarial value of the Plan assets was higher than the Plan's current liability as computed in accordance with FASB Accounting Standards Codification topic, *Present Value of Accumulated Vested and Non-vested Benefits*. However, since the present value of benefits was greater than plan assets, the plan is requiring a contribution from participating employers. Contributions in future years may be required in order for the Plan to meet required minimum funding levels. In addition, the Organization may be required to provide additional funding to the extent that other participating affiliates do not meet their obligations related to these contributions. Annual contributions of \$4,893 and \$675, made quarterly, were made during the years ended December 31, 2025 and 2024, respectively, representing the Foundation's allocated share of contributions.

The Foundation sponsors a 403(b) Plan that provides for pre-tax and roth deferrals, along with discretionary matching and profit sharing contributions for substantially all current employees of the Foundation. The Foundation contributed \$10,887 and \$10,057, respectively for the years ended December 31, 2025 and 2024.

Note I – In-kind contributions

In addition to the total support and revenue reported on the accompanying statement of activities, the Foundation also receives in-kind services and goods. Volunteers contribute their time in various positions for the Foundation. The Foundation believes that the donated services do not require specialized skills and, therefore, are not recognized in the financial statements. Donated goods are also received as in-kind contributions. The donated goods relate to items auctioned at fundraising events and are recorded as event revenue in the Statement of Activities. The amounts estimated for in-kind contributions were \$0 for both 2025 and 2024.

KIDNEY FOUNDATION OF NORTHWEST OHIO, INC.
NOTES TO FINANCIAL STATEMENTS
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Note J – Board designated net assets

There are two board designated funds, the Matthews Fund and the Endowment Fund. The Matthews Fund was originally designated by the Board for research purposes, however, in lieu of awarding a research grant, the Board approved a temporary spending policy allowing 5% of the averages of the preceding year's month-end market value to be used for operating expenses. During 2011, the board amended the spending policy to approve using the Matthews Fund to pay a consultant for fundraising and management services. The original temporary spending policy was made permanent as of October, 2024, with the rate set at 4%. At December 31, 2025 and 2024, the Matthews Fund totaled \$1,396,611 and \$1,108,348, respectively.

The trust agreement for the Endowment Fund, a separate legal entity, stipulates that current and accumulated income may be distributed to the Foundation while no part of the principal may be distributed to or for the benefit of the Foundation. During 2022, the Endowment Fund was formally amended to allow the principal to be distributed, if approved by the Board. At December 31, 2025 and 2024, the Endowment Fund totaled \$646,828 and \$602,741, respectively.

Note K – Fair value measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, (ASC 820) establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described as follows:

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

Level 2: Inputs to the valuation methodology include

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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Note K – Fair value measurements (continued)

Following is a description of the valuation methodologies used for assets at fair value. There have been no changes in the methodologies used at either December 31, 2025 or 2024.

Mutual and money market funds: Valued at the net asset value (NAV) of shares held by the fund at year end.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Foundation's investment assets at fair value as of December 31, 2025:

	Level 1
Money market funds	\$ 366,215
Brokered CD	150,306
U.S. Treasury Bills	101,121
Mutual funds:	
Equity funds	1,083,232
Bond funds	290,149
International equity funds	52,416
Total mutual funds	1,425,797
Total	\$ 2,043,439

The Foundation's investment assets at fair value as of December 31, 2024 were:

	Level 1
Money market funds	\$ 73,239
Brokered CD	250,909
U.S. Treasury Bills	99,594
Mutual funds:	
Equity funds	964,738
Bond funds	278,247
International equity funds	44,362
Total mutual funds	1,287,347
Total	\$ 1,711,089

Note L – Endowments

The Foundation's Endowment Fund consists of one fund established for a variety of purposes. Its endowment includes funds designated by the Board of Trustees to function as an endowment. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

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Note L – Endowments (continued)

Interpretation of relevant law

The State Prudent Management of Institutional Funds Act (SPMIFA) became effective in June of 2009. The Board of Trustees of the Foundation has interpreted the State Prudent Management of Institutional Funds Acts (SPMIFA) as allowing a 5 percent spending rate that is calculated using the endowment fund's average fair value of the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is made. Applicable Ohio law prior to June 1, 2009, prohibited spending where fund assets did not appreciate in value in excess of the historic (original) dollar value of the fund. As of June 1, 2009 this prohibition no longer exists. On March 4, 2022, The Endowment Trust was amended to allow up to a 7 percent spending rate annually.

The following table outlines the composition of the Foundation's endowment fund by net asset class at December 31, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment fund	\$ 646,828	\$ -	\$ 646,828

Changes in endowment net assets for the year ended December 31, 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 602,741	\$ -	\$ 602,741
Investment gains (net with expenses of \$3,284)	71,069	-	71,069
Appropriation of endowment assets for expenditure	(26,982)	-	(26,982)
Endowment net assets, end of year	\$ 646,828	\$ -	\$ 646,828

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Note L – Endowments (continued)

The following table outlines the composition of the Foundation's endowment fund by net asset class at December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment fund	\$ <u>602,741</u>	\$ <u>-</u>	\$ <u>602,741</u>

Changes in endowment net assets for the year ended December 31, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 554,921	\$ -	\$ 554,921
Investment gains (net of expenses of \$3,024)	75,430	-	75,430
Appropriation of endowment assets for expenditure	(27,610)	-	(27,610)
Endowment net assets, end of year	\$ <u>602,741</u>	\$ <u>-</u>	\$ <u>602,741</u>

Return objective and risk parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 9% annually, actual returns in any given year may vary from this amount.

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

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Note L – Endowments (continued)

Spending policy and how the investment objectives relate to spending

The Foundation has a policy of appropriating for distribution each year 5 percent of its endowment fund's average fair value over the period 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 4 percent annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Note M – Donor restricted net assets

The Foundation received grants from difference agencies that includes restrictions as to timing and purpose. Remaining grant funds of \$6,802 and \$19,128 for the years ending December 31, 2025 and 2024, respectively, were to be used for specific purposes or within a specific timeframe. The grants received in 2025 will be used for the intended purpose in the future. The grant funds received during 2024 were used within the specified timeframe.