
Financial statements of
The Kidney Foundation of Canada

December 31, 2022

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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, 2022, 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, 2022, 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 4, 2023

¹ CPA auditor, public accountancy permit No. A125888

The Kidney Foundation of Canada

Statement of operations

Year ended December 31, 2022

	Notes	2022	2021
		\$	\$
Revenue			
Contributions		21,458,517	21,499,334
Bequests		2,620,875	4,291,553
Donation of surplus from The Canadian Kidney Trustee Corporation	13	411,563	773,699
Investment income allocated to operations	5 and 6	1,188,915	842,241
		25,679,870	27,406,827
Fundraising expenditures		9,688,339	9,148,174
Net revenue		15,991,531	18,258,653
Expenditures			
Mission			
Research		4,271,974	3,775,639
Programs and services including organ donation		5,669,170	4,919,073
Government and community relations		2,223,980	1,978,623
Foundation and volunteer development		640,589	549,320
		12,805,713	11,222,655
Management and administration		3,825,065	3,560,434
		16,630,778	14,783,089
(Deficiency) excess of revenue over expenditures before the following		(639,247)	3,475,564
Investment (loss) income not allocated to operations	5 and 6	(971,032)	914,814
(Deficiency) excess of revenue over expenditures		(1,610,279)	4,390,378

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, 2022

	Unrestricted	Invested in capital assets	Internally restricted (Note 9)	Externally restricted for endowments (Note 8)	Total
	\$	\$	\$	\$	\$
Fund balances, December 31, 2020	3,371,873	496,247	12,679,390	4,804,032	21,351,542
Excess (deficiency) of revenue over expenditures excluding investment income not allocated to operations	3,590,293	(89,381)	(25,348)	—	3,475,564
Investment income not allocated to operations	—	—	914,814	—	914,814
Endowment contributions	—	—	—	340,150	340,150
Reinvested investment income	—	—	—	4,973	4,973
Interfund transfers	(1,750,625)	79,083	1,671,542	—	—
Fund balances, December 31, 2021	5,211,541	485,949	15,240,398	5,149,155	26,087,043
(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

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

The Kidney Foundation of Canada

Statement of financial position


As at December 31, 2022

	Notes	2022	2021
		\$	\$
Assets			
Current assets			
Cash		3,924,652	7,404,954
Due from The Canadian Kidney Trustee Corporation	13	1,382,532	868,423
Interest and sundry receivable		1,583,371	1,274,983
Prepaid expenses		1,274,835	486,388
		8,165,390	10,034,748
Capital assets			
Investments	3	833,648	909,114
	4	23,515,061	24,009,696
		32,514,099	34,953,558
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10	1,729,841	1,805,100
Deferred contributions	7	5,779,019	6,197,138
Deferred contributions – KRESCENT program	7	112,769	441,113
Deferred contributions – capital assets	7	381,590	423,165
		8,003,219	8,866,516
Commitments and contractual obligations			
	11		
Fund balances			
Unrestricted		4,875,928	5,211,541
Contributed land		335,000	335,000
Invested in capital assets		117,058	150,948
Internally restricted	9	13,999,623	15,240,398
Externally restricted for endowments	8	5,183,271	5,149,155
		24,510,880	26,087,042
		32,514,099	34,953,558

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, 2022

	2022	2021
	\$	\$
Operating activities		
(Deficiency) excess of revenue over expenditures	(1,610,279)	4,390,378
Adjustments for:		
Amortization of capital assets	101,878	131,081
Amortization of deferred contributions – capital assets	(43,407)	(43,652)
Loss of disposal of capital assets	–	1,952
Gain on sale of investments	(40,524)	(103,432)
Unrealized change in fair value of investments	2,807,595	(1,011,392)
Deferred contributions recognized as revenue	(2,641,616)	(2,148,454)
	(1,426,353)	1,216,481
Changes in non-cash operating working capital items		
Due from The Canadian Kidney Trustee Corporation	(514,109)	(401,213)
Interest and sundry receivable	(308,388)	993,717
Prepaid expenses	(788,446)	(31,560)
Accounts payable and accrued liabilities	(75,259)	160,080
	(1,686,202)	721,024
Increase in deferred contributions	2,536,467	2,712,802
(Decrease) increase in deferred contributions – restricted investment income	(639,482)	724,430
	1,896,985	3,437,232
	(1,215,570)	5,374,737
Investing activities		
Acquisition of investments	(2,910,514)	(5,808,486)
Proceeds on sale of investments	638,078	963,652
Acquisition of capital assets	(26,412)	(79,083)
	(2,298,848)	(4,923,917)
Financing activities		
Endowment contributions	23,144	340,150
Reinvested investment income	10,972	4,973
	34,116	345,123
Net (decrease) increase in cash	(3,480,302)	795,943
Cash, beginning of year	7,404,954	6,609,011
Cash, end of year	3,924,652	7,404,954

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

The Kidney Foundation of Canada

Notes to the financial statements

December 31, 2022

1. Mission of The Kidney Foundation of Canada

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

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

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

2. Accounting policies

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

Adoption of the amendments to Section 3400, Revenue

Effective January 1, 2022, the Kidney Foundation has adopted the amendments to Handbook Section 3400, *Revenue* ("Section 3400"), which provided additional guidance relating to the accounting for multiple elements of a contract, percentage of completion, determination of principal or agent, and bill and hold transactions.

The adoption of these amendments had no material impact on the disclosures, nor on the amounts recognized in the Kidney Foundation's financial statements in the current period.

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.

2 Accounting policies (continued)

Financial instruments (continued)

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.

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.

The Kidney Foundation of Canada

Notes to the financial statements

December 31, 2022

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.

Government assistance

Amounts received or receivable resulting from government assistance programs are recorded as reductions of the cost of assets or expenses to which they relate when the Kidney Foundation becomes eligible to accrue them, provided there is reasonable assurance the benefits will be realized. Government assistance, including the Canada Emergency Wage Subsidy (CEWS), of nil (\$1,007,753 in 2021) was recorded as a reduction of fundraising and operating expenses in the statement of operations. The CEWS is subject to review by the Canadian tax authorities.

Use of estimates

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

3. Capital assets

	2022			2021
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Building	930,000	553,500	376,500	413,700
Land	335,000	—	335,000	335,000
Computer equipment	1,048,663	959,967	88,696	104,118
Furniture and fixtures	326,108	292,656	33,452	54,402
Others	19,444	19,444	—	1,894
	2,659,215	1,825,567	833,648	909,114

4. Investments

	2022			2021		
	Fair value	Cost	Unrealized (loss) gain	Fair value	Cost	Unrealized gain (loss)
	\$	\$	\$	\$	\$	\$
Money market funds	5,863,732	6,060,298	(196,566)	5,834,512	5,878,862	(44,350)
Bond funds	3,583,510	4,134,175	(550,665)	3,670,542	3,678,421	(7,879)
Canadian equity funds	4,835,435	5,253,298	(417,863)	5,057,638	4,381,840	675,798
International equity funds	9,232,384	9,533,907	(301,523)	9,447,004	8,729,596	717,408
	23,515,061	24,981,678	(1,466,617)	24,009,696	22,668,719	1,340,977

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:

	2022	2021
	\$	\$
Gain on sale of investments	40,524	103,432
Fund distributions related to dividends and interest	2,356,444	1,371,634
Unrealized change in fair value of investments	(2,807,595)	1,011,392
	(410,627)	2,486,458

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

	2022	2021
	\$	\$
Statement of operations		
Investment income allocated to operations	1,188,915	842,241
Investment (loss) income not allocated to operations (Note 6)	(971,032)	914,814
Direct increase (decrease) in deferred contributions		
Investment (loss) income from externally restricted endowments (Note 7a)	(651,789)	710,095
Investment income allocated to deferred contributions	12,307	14,335
Statement of changes in fund balances		
Investment income reinvested in endowment capital	10,972	4,973
	(410,627)	2,486,458

The Kidney Foundation of Canada

Notes to the financial statements

December 31, 2022

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.

	2022	2021
	\$	\$
Balance, beginning of year	2,503,765	1,588,951
Investment (loss) income not allocated to operations	(971,032)	914,814
Balance, end of year	1,532,733	2,503,765

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 \$420,720 (\$350,861 in 2021) 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)	1,988,888	(651,789)	—	1,337,099
Programs and services including organ donation	2,608,386	1,852,588	1,420,014	3,040,960
Research	738,330	298,176	494,197	542,309
Government and community relations	583,465	(4,398)	88,757	490,310
Fundraising	278,069	359,833	269,561	368,341
	6,197,138	1,854,410	2,272,529	5,779,019

The Kidney Foundation of Canada

Notes to the financial statements

December 31, 2022

7. Deferred contributions (continued)

(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.

	2022	2021
	\$	\$
Balance, beginning of year	441,113	467,529
Plus: sponsorships and donations received	40,743	115,518
Less: amount recognized as revenue during the year	(369,087)	(141,934)
Balance, end of year	112,769	441,113

(c) *Deferred contributions – capital assets*

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

	2022	2021
	\$	\$
Balance, beginning of year	423,165	466,817
Plus: contributions received	1,832	—
Less: amount recognized as revenue during the year	(43,407)	(43,652)
Balance, end of year	381,590	423,165

8. Externally restricted for endowments

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

	2022	2021
	\$	\$
Research	2,402,118	2,394,713
Programs and services including organ donation	2,122,265	2,095,753
Undesignated	658,888	658,689
	5,183,271	5,149,155

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

The Kidney Foundation of Canada

Notes to the financial statements

December 31, 2022

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:

	2022	2021
	\$	\$
Surpluses for use in future years	8,009,446	8,648,693
Three years commitment for research	4,160,366	3,790,862
Investment income reserve (Note 6)	1,532,733	2,503,765
Capacity building for Saskatchewan	190,548	190,548
Future capital expenditures in Southern Alberta	80,000	80,000
Programs in Manitoba	26,530	26,530
	13,999,623	15,240,398

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 \$14,006 (\$3,740 as at December 31, 2021), of government remittances.

11. Commitments and contractual obligations

The Kidney Foundation has commitments for research (including the KRESCENT program). These commitments less deferred contributions for research amount to \$3,560,366. The Kidney Foundation signed a letter of intent with Canadian Institutes of Health Research in 2019 for \$1,000,000 over five years. The project started in 2022 and ends in 2026. The Kidney Foundation has minimum rental obligations under existing long-term operating leases, exclusive of certain operating costs, for which the Kidney Foundation is also responsible totalling \$4,261,781. These amounts are expected to be disbursed in the forthcoming years as follows:

	Research commitments	Contractual obligations
	\$	\$
2023	2,276,089	669,882
2024	1,380,774	705,026
2025	503,504	676,643
2026	212,305	841,671
2027	—	394,568
2028 and thereafter	—	973,991

The Kidney Foundation of Canada

Notes to the financial statements

December 31, 2022

12. Allocations

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

	2022	2021
	\$	\$
Programs and services including organ donation	727,433	689,601
Fundraising expenses	225,897	209,743
Government and community relations	163,533	142,428
Research	128,727	219,489
Foundation and volunteer development	119,544	81,920
	1,365,134	1,343,181

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

	2022	2021
	\$	\$
Government and community relations	209,730	165,861

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 2021) for administrative services rendered.

The summary of financial information of the Trust as at December 31, 2022 and 2021, and for the years then ended, is as follows:

	2022	2021
	\$	\$
Statement of financial position		
Assets	1,743,305	1,166,345
Liabilities	1,743,305	1,166,345
Liabilities include an amount due to the Kidney Foundation of \$1,382,532 (\$868,423 in 2021)		
Statement of operations		
Total revenue	4,208,750	3,030,792
Total expenditures	3,797,187	2,257,093
Donation of surplus to the Kidney Foundation	411,563	773,699
Excess of revenue over expenditures	—	—

13 Related-party transactions (continued)

	2022	2021
	\$	\$
Statement of cash flows		
Operating activities	638,052	520,143
Investing activities	—	—
Financing activities	—	—
Increase in cash	638,052	520,143

14. Financial instruments

Credit risk

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

Market risk

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

Liquidity risk

The Kidney Foundation's objective is to have sufficient liquidity to meet its liabilities when due. The Kidney Foundation monitors its cash balances and cash flows generated from operations to meet its requirements. As at December 31, 2022, the most significant financial liabilities are accounts payable and accrued liabilities.

15. Supplemental information

In 2022, total remuneration paid to employees of the province of Alberta whose principal duties include fundraising was \$187,529 (\$180,757 in 2021).