



**NEPHCURE KIDNEY INTERNATIONAL
AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2018

NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY

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INDEPENDENT AUDITOR'S REPORT

July 24, 2019

To the Board of Directors
NephCure Kidney International and Subsidiary
King of Prussia, Pennsylvania

We have audited the accompanying consolidated financial statements of NephCure Kidney International and subsidiary, which comprise the consolidated statement of financial position as of December 31, 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no

To the Board of Directors
NephCure Kidney International and Subsidiary

such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NephCure Kidney International and subsidiary as of December 31, 2018, and the change in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note B to the financial statements, in 2018, NephCure Kidney International and subsidiary adopted the provisions of Financial Accounting Standards Board Accounting Standards Update 2016-14. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited NephCure Kidney International and subsidiary's December 31, 2017 financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated May 4, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.


BARBACANE, THORNTON & COMPANY LLP

**NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017**

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,502,106	\$ 666,876
Contributions receivable	229,910	776,744
Prepaid expenses and other assets	13,649	24,703
Asset held for resale	20,000	20,000
TOTAL CURRENT ASSETS	<u>1,765,665</u>	<u>1,488,323</u>
NONCURRENT ASSETS		
Fixtures and equipment, net of depreciation	17,390	27,461
TOTAL NONCURRENT ASSETS	<u>17,390</u>	<u>27,461</u>
TOTAL ASSETS	<u><u>\$ 1,783,055</u></u>	<u><u>\$ 1,515,784</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 96,894	\$ 274,189
Grants payable	-	20,522
Note payable	295,381	105,958
TOTAL CURRENT LIABILITIES	<u>392,275</u>	<u>400,669</u>
NONCURRENT LIABILITIES		
Note payable	-	446,057
Total Liabilities	<u>392,275</u>	<u>846,726</u>
NET ASSETS		
Without donor restriction:		
Operating	1,282,624	372,499
Donor-advised funds	40,000	60,044
Total without donor restriction	<u>1,322,624</u>	<u>432,543</u>
With donor restriction	68,156	236,515
Total Net Assets	<u>1,390,780</u>	<u>669,058</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,783,055</u></u>	<u><u>\$ 1,515,784</u></u>

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

NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018
(With Summarized Comparative Totals for 2017)

	Without Donor Restriction	With Donor Restriction	Totals	
	2018	2017	2018	2017
REVENUE AND OTHER SUPPORT:				
Contributions	\$ 1,639,713	\$ 129,961	\$ 1,769,674	\$ 1,279,465
In-kind services	329,942	-	329,942	247,092
Special event revenue, net of direct expenses of \$755,215 and \$539,746, respectively	1,800,980	-	1,800,980	1,806,981
Miscellaneous revenue	3,099	-	3,099	-
Symposia revenue	-	-	-	10,655
Net assets released from restriction	<u>3,773,734</u>	<u>129,961</u>	<u>3,903,695</u>	<u>3,344,193</u>
	298,320	(298,320)	-	-
TOTAL REVENUE AND OTHER SUPPORT	<u>4,072,054</u>	<u>(168,359)</u>	<u>3,903,695</u>	<u>3,344,193</u>
EXPENSES:				
Program services	2,466,742	-	2,466,742	3,525,307
Support services	715,231	-	715,231	537,734
TOTAL EXPENSES	<u>3,181,973</u>	<u>-</u>	<u>3,181,973</u>	<u>4,063,041</u>
CHANGE IN NET ASSETS	890,081	(168,359)	721,722	(718,848)
NET ASSETS, BEGINNING OF YEAR	<u>432,543</u>	<u>236,515</u>	<u>669,058</u>	<u>1,387,906</u>
NET ASSETS, END OF YEAR	<u>\$ 1,322,624</u>	<u>\$ 68,156</u>	<u>\$ 1,390,780</u>	<u>\$ 669,058</u>

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

NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018
(With Summarized Comparative Totals for 2017)

	Program Services			Support Services			Totals	2017
	Research	Health and Education	NephCure Accelerating Cures Institute	Total Program Services	Fund Raising	Management and General		
Payroll and related costs	\$ 642,950	\$ 482,213	\$ -	\$ 1,125,163	\$ 200,922	\$ 13,395	\$ 214,317	\$ 941,027
Bank charges	1,343	1,343	-	2,686	1,343	85,493	86,836	49,529
Conferences and meetings	37,624	69,873	-	107,497	-	-	-	130,782
Consultants and professional fees	2,644	45,834	1,235	49,713	6,170	33,494	39,664	203,726
Contracted services	91,816	61,835	-	153,651	28,107	5,621	33,728	178,561
Depreciation	-	-	-	-	-	10,071	10,071	10,071
Insurance	-	-	-	-	-	13,200	13,200	8,717
Interest	-	-	-	-	-	13,366	13,366	11,865
Marketing	-	21,471	-	21,471	-	-	-	22,754
Occupancy	55,859	35,749	-	91,608	16,758	3,352	20,110	122,598
Office and program supplies	9,652	31,495	-	41,147	-	9,652	9,652	65,306
Research grants	339,997	-	-	339,997	-	-	-	1,901,896
Technology	24,926	35,608	-	60,534	7,122	3,561	10,683	66,371
Telephone	24,012	43,222	-	67,234	12,006	800	12,806	9,468
Travel	31,763	282,692	-	314,455	-	3,176	3,176	66,544
Other	13,568	78,018	-	91,586	78,018	169,604	247,622	273,826
TOTAL EXPENSES	\$ 1,276,154	\$ 1,189,353	\$ 1,235	\$ 2,466,742	\$ 350,446	\$ 364,785	\$ 715,231	\$ 4,063,041

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

**NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 721,722	\$ (718,848)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	10,071	10,071
Discount on contributions receivable	-	16,667
Decrease (Increase) in contributions receivable	546,834	(104,675)
Decrease (Increase) in prepaid expenses and other assets	11,054	(9,774)
(Decrease) Increase in accounts payable and accrued expenses	(177,295)	201,860
Decrease in grants payable	<u>(20,522)</u>	<u>(47,644)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,091,864</u>	<u>(652,343)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of debt	<u>(256,634)</u>	<u>(108,135)</u>
NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES	<u>(256,634)</u>	<u>(108,135)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	835,230	(760,478)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>666,876</u>	<u>1,427,354</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,502,106</u>	<u>\$ 666,876</u>
SUPPLEMENTAL INFORMATION:		
Interest paid	<u>\$ 13,366</u>	<u>\$ 11,865</u>
Taxes paid	<u>\$ -</u>	<u>\$ -</u>

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

NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A PURPOSE OF THE ORGANIZATION

NephCure Kidney International is a nonprofit organization founded in 2000. NephCure Kidney International's mission is to seek a cause and cure for Nephrotic Syndrome and Focal Segmental Glomerulosclerosis ("FSGS"). NephCure Kidney International provides financial support for research, conducts advocacy and outreach initiatives, and provides educational programs for patient/families, physicians, and other medical professionals.

Effective December 21, 2015, NephCure Kidney International founded NephCure Accelerating Cures Institute, LLC, a wholly-owned subsidiary. NephCure Accelerating Cures Institute, LLC operates the NephCure Accelerating Cures Institute. In the beginning of 2018, NephCure Accelerating Cures Institute, LLC ceased operations; however, there were some residual expenses that occurred in 2018, which are reflected in the financial statements.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The consolidated financial statements ("financial statements") of NephCure Kidney International and Subsidiary ("the Organization") have been prepared on the accrual basis of accounting.

Principles of Consolidation

The financial statements of NephCure Accelerating Cures Institute, LLC are consolidated with the financial statements of NephCure Kidney International. Interorganizational transactions and balances have been eliminated in consolidation.

Financial Statement Presentation

In accordance with the section of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") regarding financial statements of not-for-profit organizations, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restriction and with donor restriction. In addition, the Organization is required to present a statement of cash flows.

Contributions

In accordance with the section of the FASB ASC regarding accounting for contributions received and contributions made, contributions received are recorded as with or without donor restriction, depending on the existence and/or nature of any donor restrictions. Such

NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

contributions are required to be reported as support with donor restriction and are then reclassified to net assets without donor restriction upon expiration of the time restriction. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

In-kind Services

The Organization recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments without donor restriction with an initial maturity of three months or less to be cash equivalents.

Contributions Receivable

Unconditional promises to give are recognized as revenues or gains in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Promises to make contributions which are expected to be paid over a period in excess of one year are discounted and recorded at their present value. Conditional promises to make contributions are recorded as support in the period the condition is met. Promises to give are charged to the allowance for uncollectible accounts when determined to be uncollectible by management. Management has not provided for an allowance for doubtful accounts since it believes all balances are fully collectible.

Fixtures and Equipment and Depreciation

Acquisitions of fixtures and equipment in excess of \$1,500 are capitalized. Fixtures and equipment are stated at cost if purchased. Donations of fixtures and equipment are recorded as support at their estimated fair value. Such donations are reported a support without donor restriction unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire equipment are reported as support with donor restriction. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor

NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

restriction to net assets without donor restriction at that time. Expenditures for maintenance and repairs are charged to expense as incurred. Costs of renewals and betterments are capitalized. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is included in the statement of activities.

The cost of fixtures and equipment is depreciated over the estimated useful lives of the related assets using the straight-line method. The estimated useful lives of fixtures and equipment for purposes of calculating depreciation are seven and five years, respectively.

Allocation of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited using historical cost studies.

Marketing Costs

The Organization markets to promote its various programs to the public. The marketing costs are expensed when incurred.

Comparative Amounts

The financial statements include certain prior year summarized comparative information in total but not by net assets class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

Certain prior year amounts have been reclassified for consistency with the current year presentation.

Use of Estimates in the Preparation of Financial Statements

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

NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Implementation of FASB ASU 2016-14

During the year ended December 31, 2018, the Organization implemented Financial Accounting Standards Board Accounting Standards Update ("FASB ASU") 2016-14. FASB ASU 2016-14 provides new and expanded guidance for financial reporting for not-for-profit entities. The implementation of FASB ASU 2016-14 has resulted in multiple changes to the Organization's financial reporting. Net assets are now categorized in two categories; net assets with donor restriction and net assets without donor restriction. The Organization has added additional disclosures related to its financial liquidity and the availability of financial assets for general expenditure within one year from each balance sheet date.

This accounting guidance has been implemented retrospectively; however, the implementation of this guidance did not require restatement of prior accounting period balances.

NOTE C CONTRIBUTIONS RECEIVABLE

At December 31, 2018, contributions receivable have anticipated cash receipts of the following:

Less than one year	<u>\$ 229,910</u>
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NOTE D INCOME TAXES

NephCure Kidney International is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose may be subject to taxation as unrelated business income.

NephCure Accelerating Cures Institute, LLC is considered a disregarded entity for tax purposes. To the extent its activities are consistent with the charitable purposes of NephCure Kidney International, NephCure Accelerating Cures Institute, LLC is exempt from federal income tax.

Generally accepted accounting principles prescribe rules for the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Organization's tax returns. Management has determined that the Organization does not have any uncertain tax positions or associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are

NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE D INCOME TAXES (cont'd)

subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge.

NOTE E FIXTURES AND EQUIPMENT

At December 31, 2018, fixtures and equipment consisted of the following:

Fixtures and Equipment	\$ 60,676
Less: accumulated depreciation	<u>(43,286)</u>
	<u>\$ 17,390</u>

Depreciation expense totaled \$10,071 for the year ended December 31, 2018.

NOTE F NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restriction at and for the year ended December 31, 2018 related to contributions received by the Organization are as follows:

	<u>2017</u>	<u>Additions</u>	<u>Released</u>	<u>2018</u>
Purpose restrictions:				
International Podocyte Conference	\$ 41,045	\$ 129,961	\$ 107,680	\$ 63,326
Time restrictions:				
Retrophin grants	190,000	-	190,000	-
Beneficial interest in charitable remainder trusts	<u>5,470</u>	<u>-</u>	<u>640</u>	<u>4,830</u>
Total	<u>\$ 236,515</u>	<u>\$ 129,961</u>	<u>\$ 298,320</u>	<u>\$ 68,156</u>

NOTE G DONOR-ADVISED FUND

Net assets without donor restriction include \$40,000 of donor-advised funds as of December 31, 2018. Although grant recommendations are accepted from the donors or other advisors of these funds, the Organization has variance power; that is, the ultimate discretion of the use of these funds lies with the Organization. As a result, these donor-advised funds represent net assets without donor restriction of the Organization.

NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE H CONCENTRATION OF CREDIT RISK

The Organization maintains multiple cash accounts. At December 31, 2018, these accounts are covered under the Federal Deposit Insurance Corporation ("FDIC") and are insured by the FDIC up to \$250,000. At December 31, 2018, the Organization had \$1,002,236 of uninsured balances. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE I RELATED PARTY TRANSACTIONS

The Organization entered into an agreement to borrow the principal sum of \$725,000 with interest on the outstanding principal balance at an interest rate of 2.00 percent per annum from a Board member on April 11, 2016. On December 19, 2017, the interest rate was adjusted to 2.75 percent per annum. As of December 31, 2018, the outstanding balance of the note was \$295,381. The Organization owes the remaining balance in 2019. Interest expense for 2018 was \$13,366.

NOTE J CONCENTRATIONS

At December 31, 2018, 85 percent of the Organization's outstanding contributions receivable is due from one organization in the form of a pledge.

NOTE K DONATED SERVICES AND IN-KIND CONTRIBUTIONS

The Organization recognizes professional donated services and other in-kind contributions at their fair value. All donated professional services recognized required specialized skills that would have been purchased if they were not donated.

The fair value of donated services and other in-kind contributions included as support in the financial statements and the corresponding expenses for the year ended December 31, 2018 were \$329,942.

NOTE L 401(k) PLAN

All full-time employees who have completed one year of employment are eligible to participate in the Insperty 401(k) Plan, a defined contribution plan which is offered by Insperty, the Organization's professional employer organization. Eligible employees may make either pre-tax or Roth salary deferral contributions to the Plan, including catch-up contributions, from one percent to 80 percent of their eligible compensation each pay period. Contributions of up to six percent of eligible compensation are matched at 50 percent by the Organization. The Organization contributed \$27,742 to the Plan during 2018.

NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE M OPERATING LEASES

The Organization leases office space and a copier. The leasing arrangements expire in various years through 2021 and have varying renewal options. Rental payments for office space during 2018 totaled \$111,718 and are included in occupancy expense on the statement of functional expenses. Copier rental payments during 2018 totaled \$2,860 and are included in office and program supplies on the statement of functional expenses.

Future minimum payments are as follows:

<u>Year Ending December 31,</u>	
2019	\$ 116,491
2020	60,129
2021	<u>1,308</u>
	<u>\$ 177,928</u>

NOTE N LIQUIDITY AND AVAILABILITY OF RESOURCES

NephCure Kidney International has \$1,745,665 of financial assets to meet cash needs for general expenses consisting of cash and cash equivalents of \$1,502,106, contributions receivable of \$229,910, and prepaid expenses and other current assets of \$13,649.

The following reflects NephCure Kidney International's assets as of December 31, 2018, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the balance sheet date.

Financial assets, at year-end	\$ 1,745,665
Less those unavailable for general expenditures within one year due to:	
Donor-imposed purpose or time restrictions	<u>68,156</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,677,509</u>

NephCure Kidney International has a goal to maintain financial assets on hand to meet 90 days of normal operating expenses (excluding depreciation).

NOTE O SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through July 24, 2019, the date the financial statements were available to be issued.

CONSOLIDATING FINANCIAL STATEMENTS

**NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018**

	NephCure Kidney International	NephCure Accelerating Cures Institute, LLC	Eliminations	Consolidated Totals
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,502,106	\$ -	\$ -	\$ 1,502,106
Contributions receivable	229,910	-	-	229,910
Prepaid expenses and other assets	13,649	-	-	13,649
Asset held for resale	20,000	-	-	20,000
TOTAL CURRENT ASSETS	1,765,665	-	-	1,765,665
NONCURRENT ASSETS				
Fixtures and equipment, net	17,390	-	-	17,390
TOTAL NONCURRENT ASSETS	17,390	-	-	17,390
TOTAL ASSETS	\$ 1,783,055	\$ -	\$ -	\$ 1,783,055
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	\$ 96,894	\$ -	\$ -	\$ 96,894
Note payable	295,381	-	-	295,381
TOTAL CURRENT LIABILITIES	392,275	-	-	392,275
Total Liabilities	392,275	-	-	392,275
NET ASSETS				
Without donor restriction:				
Operating	1,282,624	-	-	1,282,624
Donor-advised funds	40,000	-	-	40,000
Total without donor restriction	1,322,624	-	-	1,322,624
With donor restriction	68,156	-	-	68,156
Total Net Assets	1,390,780	-	-	1,390,780
TOTAL LIABILITIES AND NET ASSETS	\$ 1,783,055	\$ -	\$ -	\$ 1,783,055

**NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	NephCure Kidney International Without Donor Restriction	NephCure Kidney International With Donor Restriction	NephCure Accelerating Cures Institute, LLC Without Donor Restriction	Eliminations	Consolidated Totals
REVENUE AND OTHER SUPPORT:					
Contributions	\$ 1,639,713	\$ 129,961	\$ 1,235	\$ (1,235)	\$ 1,769,674
In-kind services	329,942	-	-	-	329,942
Special event revenue, net of direct expenses of \$755,215	1,800,980	-	-	-	1,800,980
Miscellaneous revenue	3,099	-	-	-	3,099
Net assets released from restriction	<u>3,773,734</u>	<u>129,961</u>	<u>1,235</u>	<u>(1,235)</u>	<u>3,903,695</u>
	298,320	(298,320)	-	-	-
TOTAL REVENUE AND OTHER SUPPORT	<u>4,072,054</u>	<u>(168,359)</u>	<u>1,235</u>	<u>(1,235)</u>	<u>3,903,695</u>
EXPENSES:					
Program services	2,466,742	-	1,235	(1,235)	2,466,742
Support services	<u>715,231</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>715,231</u>
TOTAL EXPENSES	<u>3,181,973</u>	<u>-</u>	<u>1,235</u>	<u>(1,235)</u>	<u>3,181,973</u>
CHANGE IN NET ASSETS	890,081	(168,359)	-	-	721,722
NET ASSETS, BEGINNING OF YEAR	432,543	236,515	-	-	669,058
NET ASSETS, END OF YEAR	<u>\$ 1,322,624</u>	<u>\$ 68,156</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,390,780</u>

**NEPHCURE KIDNEY INTERNATIONAL AND SUBSIDIARY
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	NephCure Kidney International	NephCure Accelerating Cures Institute, LLC	Eliminations	Consolidated Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$ 721,722	\$ -	\$ -	\$ 721,722
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation	10,071	-	-	10,071
Decrease in contributions receivable	546,834	-	-	546,834
Decrease in prepaid expenses and other assets	11,054	-	-	11,054
Decrease in accounts payable and accrued expenses	(177,295)	-	-	(177,295)
Decrease in grants payable	(20,522)	-	-	(20,522)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,091,864</u>	<u>-</u>	<u>-</u>	<u>1,091,864</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayment of debt	(256,634)	-	-	(256,634)
NET CASH USED BY INVESTING ACTIVITIES	<u>(256,634)</u>	<u>-</u>	<u>-</u>	<u>(256,634)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	835,230	-	-	835,230
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	666,876	-	-	666,876
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,502,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,502,106</u>
SUPPLEMENTAL INFORMATION:				
Interest paid	\$ 13,366	-	-	\$ 13,366
Income taxes paid	\$ -	-	-	\$ -