

**NATIONAL KIDNEY FOUNDATION OF
MIDDLE TENNESSEE, INC.**

**FINANCIAL STATEMENTS AND
ADDITIONAL INFORMATION**

JUNE 30, 2008 AND 2007

NATIONAL KIDNEY FOUNDATION OF MIDDLE TENNESSEE, INC.
Financial Statements
JUNE 30, 2008 AND 2007

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
<u>Financial Statements</u>	
Statements of Financial Position	2
Statements of Activities	3-4
Statements of Cash Flows	5
Statements of Functional Expenses	6-7
Notes to Financial Statements	8-13
<u>Additional Information</u>	
Schedules of Special Events Revenue and Direct Expenses	14-15
Gross Revenues/Affiliate Share Reconciliation Worksheet	16



INDEPENDENT AUDITOR'S REPORT

To Board of Directors
of National Kidney Foundation of Middle Tennessee, Inc.
Nashville, Tennessee

We have audited the accompanying statements of financial position of the National Kidney Foundation of Middle Tennessee, Inc. as of June 30, 2008 and 2007, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the National Kidney Foundation of Middle Tennessee, Inc. as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The audits referred to above was directed primarily toward formulating an opinion on the financial statements of the National Kidney Foundation of Middle Tennessee, Inc. taken as a whole. The additional information presented on pages 14-16 for the years ended June 30, 2008 and 2007 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Thomason Financial Resources".

September 25, 2008

NATIONAL KIDNEY FOUNDATION OF MIDDLE TENNESSEE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2008 AND 2007

ASSETS

	<u>2008</u>	<u>2007</u>
Current Assets		
Cash and cash equivalents	\$ 612,193	\$ 663,362
Contributions receivable	7,729	17,319
Prepaid insurance	1,285	785
Total current assets	<u>\$ 621,207</u>	<u>\$ 681,466</u>
Equipment		
Equipment	58,006	58,006
Less: accumulated depreciation	(55,244)	(50,714)
Total equipment	<u>2,762</u>	<u>7,292</u>
Total assets	<u>\$ 623,969</u>	<u>\$ 688,758</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 18,040	\$ 6,917
Due to National office	1,519	8,623
Deferred income	-	2,558
Total current liabilities	<u>19,559</u>	<u>18,098</u>
Net Assets		
Unrestricted	417,919	334,043
Temporarily restricted	186,491	336,617
Total net assets	<u>604,410</u>	<u>670,660</u>
Total liabilities and net assets	<u>\$ 623,969</u>	<u>\$ 688,758</u>

The accompanying notes are an integral part of these financial statements

NATIONAL KIDNEY FOUNDATION OF MIDDLE TENNESSEE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue			
Public support:			
Received directly - Grant income	\$ -	\$ 79,087	\$ 79,087
Received directly - Contributions	114,723	-	114,723
Received indirectly - United Way and federated funds	21,272	-	21,272
Received indirectly - Combined federal campaign	2,768	-	2,768
Special event revenue:			
Revenue	627,577	-	627,577
Less direct costs	(300,515)	-	(300,515)
Net revenue from special events	<u>327,062</u>	<u>-</u>	<u>327,062</u>
Total public support	465,825	79,087	544,912
 Government Grants	 -	 -	 -
Other revenue:			
Program service fees	700	-	700
Interest income	16,663	6,396	23,059
Sales of donated vehicles	68,257	-	68,257
Less cost of sales & selling expenses	(85,443)	-	(85,443)
Net sales of donated vehicles	<u>(17,186)</u>	<u>-</u>	<u>(17,186)</u>
Total other revenue	177	6,396	6,573
Net assets released from restrictions	<u>235,609</u>	<u>(235,609)</u>	<u>-</u>
Total public support and other revenue	<u>701,611</u>	<u>(150,126)</u>	<u>551,485</u>
 Expenses			
Program services:			
Research	57,912	-	57,912
Public education	57,490	-	57,490
Professional education	163,002	-	163,002
Patient services	175,394	-	175,394
Community services	79,813	-	79,813
Total program services	<u>533,611</u>	<u>-</u>	<u>533,611</u>
Supporting services:			
Fundraising	26,866	-	26,866
Management and general	57,258	-	57,258
Total supporting services	<u>84,124</u>	<u>-</u>	<u>84,124</u>
Total expenses	<u>617,735</u>	<u>-</u>	<u>617,735</u>
 Increase (decrease) in net assets	 83,876	 (150,126)	 (66,250)
Net assets at beginning of year	334,043	336,617	670,660
Net assets at end of year	<u>\$ 417,919</u>	<u>\$ 186,491</u>	<u>\$ 604,410</u>

The accompanying notes are an integral part of these financial statements

NATIONAL KIDNEY FOUNDATION OF MIDDLE TENNESSEE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue			
Public support:			
Received directly - Grant income	\$ -	\$ 48,621	\$ 48,621
Received directly - Contributions	118,644	-	118,644
Received indirectly - United Way and federated funds	19,645	-	19,645
Received indirectly - Combined federal campaign	2,795	-	2,795
Special event revenue:			
Revenue	618,442	-	618,442
Less direct costs	(251,096)	-	(251,096)
Net revenue from special events	<u>367,346</u>	<u>-</u>	<u>367,346</u>
Total public support	508,430	48,621	557,051
Government Grants	-	71,397	71,397
Other revenue:			
Program service fees	280	-	280
Interest income	39,348	11,849	51,197
Sales of donated vehicles	68,125	-	68,125
Less cost of sales & selling expenses	(89,450)	-	(89,450)
Net sales of donated vehicles	<u>(21,325)</u>	<u>-</u>	<u>(21,325)</u>
Total other revenue	18,303	11,849	30,152
Net assets released from restrictions	<u>208,047</u>	<u>(208,047)</u>	<u>-</u>
Total public support and other revenue	<u>734,780</u>	<u>(76,180)</u>	<u>658,600</u>
Expenses			
Program services:			
Research	68,238	-	68,238
Public education	65,443	-	65,443
Professional education	165,375	-	165,375
Patient services	244,805	-	244,805
Community services	86,937	-	86,937
Total program services	<u>630,798</u>	<u>-</u>	<u>630,798</u>
Supporting services:			
Fundraising	39,543	-	39,543
Management and general	46,189	-	46,189
Total supporting services	<u>85,732</u>	<u>-</u>	<u>85,732</u>
Total expenses	<u>716,530</u>	<u>-</u>	<u>716,530</u>
Increase (decrease) in net assets	18,250	(76,180)	(57,930)
Net assets at beginning of year	<u>315,793</u>	<u>412,797</u>	<u>728,590</u>
Net assets at end of year	<u>\$ 334,043</u>	<u>\$ 336,617</u>	<u>\$ 670,660</u>

The accompanying notes are an integral part of these financial statements

NATIONAL KIDNEY FOUNDATION OF MIDDLE TENNESSEE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

Cash Flows From Operating Activities:	<u>2008</u>	<u>2007</u>
Change in net assets	\$ (66,250)	\$ (57,930)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	4,530	4,496
Donation of vehicles	(68,257)	(68,125)
Proceeds from the disposition of donated vehicles	68,257	68,125
Changes in operating assets and liabilities:		
Contributions receivable	9,590	(13,819)
Prepaid insurance	(500)	1,409
Accounts payable	11,123	(6,919)
Due to State of Tennessee		(388,257)
Due to National	(7,104)	7,333
Deferred income	(2,558)	(13,296)
	<u>(51,169)</u>	<u>(466,983)</u>
Net decrease in cash and cash equivalents	(51,169)	(466,983)
Cash and cash equivalents at beginning of year	663,362	1,130,345
Cash and cash equivalents at end of year	<u>\$ 612,193</u>	<u>\$ 663,362</u>
<u>Supplemental schedule of noncash operating activities:</u>		
In-kind donations	<u>\$ 125,849</u>	<u>\$ 88,860</u>

The accompanying notes are an integral part of these financial statements

NATIONAL KIDNEY FOUNDATION OF MIDDLE TENNESSEE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Program Services</u>						<u>Supporting Services</u>			<u>Total Expenses</u>
	<u>Research</u>	<u>Public Education</u>	<u>Professional Education</u>	<u>Patient Services</u>	<u>Community Services</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Salaries	\$ 27,860	\$ 27,657	\$ 78,417	\$ 43,814	\$ 38,394	\$ 216,142	\$ 25,367	\$ 12,925	\$ 38,292	\$ 254,434
Employee benefits	3,153	3,129	8,872	4,957	4,344	24,455	2,870	1,462	4,332	28,787
Payroll taxes	1,627	1,615	4,579	2,558	2,242	12,621	1,481	755	2,236	14,857
Total compensation	<u>32,640</u>	<u>32,401</u>	<u>91,868</u>	<u>51,329</u>	<u>44,980</u>	<u>253,218</u>	<u>29,718</u>	<u>15,142</u>	<u>44,860</u>	<u>298,078</u>
Awards and grants	220	218	619	346	304	1,707	201	102	303	2,010
Professional fees	4,125	4,095	11,610	6,487	5,684	32,001	3,755	1,914	5,669	37,670
Direct assistance to patients	-	-	-	84,320	-	84,320	-	-	-	84,320
Office supplies and services	1,569	1,558	4,417	2,468	2,163	12,175	1,429	728	2,157	14,332
Telephone and fax	474	470	1,333	745	653	3,675	431	220	651	4,326
Postage and shipping	476	473	1,341	749	657	3,696	434	221	655	4,351
Building occupancy	2,462	2,444	6,931	3,872	3,395	19,104	2,242	1,142	3,384	22,488
Insurance	1,400	1,390	3,941	2,202	1,929	10,862	1,274	650	1,924	12,786
Printing and publications	1,338	1,329	3,767	2,105	1,845	10,384	1,219	621	1,840	12,224
Meetings and travel	1,825	1,812	5,136	2,870	2,515	14,158	1,661	847	2,508	16,666
Revenue share to NKF	11,217	11,135	31,572	17,640	15,460	87,024	10,213	5,204	15,417	102,441
Miscellaneous	166	165	467	261	228	1,287	151	75	226	1,515
Donated vehicles cost of sales	-	-	-	-	-	-	68,257	-	68,257	68,257
Donated vehicles service provider	-	-	-	-	-	-	17,186	-	17,186	17,186
Direct expenses of special events	-	-	-	-	-	-	-	300,515	300,515	300,515
Depreciation	-	-	-	-	-	-	4,530	-	4,530	4,530
Total expenses	<u>57,912</u>	<u>57,490</u>	<u>163,002</u>	<u>175,394</u>	<u>79,813</u>	<u>533,611</u>	<u>142,701</u>	<u>327,381</u>	<u>470,082</u>	<u>1,003,693</u>
Less: expenses netted with revenue on statement of activities;										
Cost of sales/selling exps donated	-	-	-	-	-	-	(85,443)	-	(85,443)	(85,443)
Direct expenses of special events	-	-	-	-	-	-	-	(300,515)	(300,515)	(300,515)
Total expenses by function	<u>\$ 57,912</u>	<u>\$ 57,490</u>	<u>\$ 163,002</u>	<u>\$ 175,394</u>	<u>\$ 79,813</u>	<u>\$ 533,611</u>	<u>\$ 57,258</u>	<u>\$ 26,866</u>	<u>\$ 84,124</u>	<u>\$ 617,735</u>
Current year's percentages	9.37%	9.31%	26.39%	28.39%	12.92%	86.38%	9.27%	4.35%	13.62%	100.00%

The accompanying notes are an integral part of these financial statements

NATIONAL KIDNEY FOUNDATION OF MIDDLE TENNESSEE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Program Services</u>						<u>Supporting Services</u>			<u>Total Expenses</u>
	<u>Research</u>	<u>Public Education</u>	<u>Professional Education</u>	<u>Patient Services</u>	<u>Community Services</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Salaries	\$ 31,378	\$ 30,093	\$ 76,047	\$ 47,290	\$ 39,977	\$ 224,785	\$ 12,530	\$ 24,825	\$ 37,355	\$ 262,140
Employee benefits	3,753	3,599	9,094	5,655	4,781	26,882	2,969	1,498	4,467	31,349
Payroll taxes	1,777	1,704	4,307	2,678	2,264	12,730	1,406	710	2,116	14,846
Total compensation	<u>36,908</u>	<u>35,396</u>	<u>89,448</u>	<u>55,623</u>	<u>47,022</u>	<u>264,397</u>	<u>16,905</u>	<u>27,033</u>	<u>43,938</u>	<u>308,335</u>
Awards and grants	194	186	469	292	247	1,388	153	77	230	1,618
Professional fees	7,828	7,508	18,970	11,797	9,973	56,076	6,193	3,125	9,318	65,394
Direct assistance to patients	-	-	-	141,967	-	141,967	-	-	-	141,967
Office supplies and services	2,057	1,973	4,986	3,101	2,621	14,738	1,628	822	2,450	17,188
Telephone and fax	458	440	1,110	691	584	3,283	363	183	546	3,829
Postage and shipping	831	797	2,014	1,252	1,058	5,952	657	332	989	6,941
Building occupancy	2,624	2,516	6,359	3,954	3,343	18,796	2,076	1,048	3,124	21,920
Insurance	1,554	1,490	3,765	2,341	1,979	11,129	1,230	620	1,850	12,979
Printing and publications	1,551	1,487	3,760	2,337	1,976	11,111	1,227	619	1,846	12,957
Meetings and travel	1,629	1,562	3,946	2,454	2,075	11,666	1,289	650	1,939	13,605
Revenue share to NKF	12,482	11,971	30,253	18,812	15,903	89,421	9,875	4,985	14,860	104,281
Miscellaneous	122	117	295	184	156	874	97	49	146	1,020
Donated vehicles cost of sales	-	-	-	-	-	-	68,125	-	68,125	68,125
Donated vehicles service providers	-	-	-	-	-	-	21,325	-	21,325	21,325
Direct expenses of special events	-	-	-	-	-	-	-	251,096	251,096	251,096
Depreciation	-	-	-	-	-	-	4,496	-	4,496	4,496
Total expenses	<u>68,238</u>	<u>65,443</u>	<u>165,375</u>	<u>244,805</u>	<u>86,937</u>	<u>630,798</u>	<u>135,639</u>	<u>290,639</u>	<u>426,278</u>	<u>1,057,076</u>
Less: expenses netted with revenue on statement of activities;										
Cost of sales/selling exps donated vehicles							(89,450)		(89,450)	(89,450)
Direct expenses of special events	-	-	-	-	-	-	-	(251,096)	(251,096)	(251,096)
Total expenses by function	<u>\$ 68,238</u>	<u>\$ 65,443</u>	<u>\$ 165,375</u>	<u>\$ 244,805</u>	<u>\$ 86,937</u>	<u>\$ 630,798</u>	<u>\$ 46,189</u>	<u>\$ 39,543</u>	<u>\$ 85,732</u>	<u>\$ 716,530</u>
Current year's percentages	9.52%	9.13%	23.08%	34.17%	12.13%	88.04%	6.45%	5.52%	11.96%	100.0%

The accompanying notes are an integral part of these financial statements

NATIONAL KIDNEY FOUNDATION OF MIDDLE TENNESSEE, INC.
Notes to Financial Statements
June 30, 2008 and 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The National Kidney Foundation of Middle Tennessee, Inc. (the “Organization”) is a not-for-profit organization incorporated in 1972 to prevent kidney and urinary tract diseases, improve the health and well-being of patients and families affected by these diseases and increase the availability of all organs for transplantation. The Organization fulfills its mission through programs, including Kidney Research, Public Health Education, Professional Education, Patient Services, and Community Services.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and in the prescribed format required by the National Kidney Foundation, Inc., for its affiliated foundations. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted net assets – net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Organization and/or the passage of time.

Permanently restricted net assets – net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned and any related investments for general or specific purposes.

The amount for each of these classes of net assets is displayed in the statement of financial position and the amount of change in each class of net assets is displayed in the statement of activities. There were no permanently restricted net assets as of June 30, 2008 or 2007.

NATIONAL KIDNEY FOUNDATION OF MIDDLE TENNESSEE, INC.
Notes to Financial Statements
June 30, 2008 and 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all cash funds, cash bank accounts and highly liquid debt instruments, with an original maturity when purchased of three months or less, to be cash and cash equivalents.

Contributions

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Equipment

Equipment is recorded at cost to the Organization, or if donated, at the estimated fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful life is 5 years for equipment.

Expenditures for repairs and maintenance are charged to operations when incurred.

Donated Material, Services and Equipment

A substantial number of unpaid volunteers have made contributions of their time to assist the Organization, and substantial contributions of materials for use in special events have been received. The value of contributed materials for years ended June 30, 2008 and 2007 is \$125,849 and \$88,860, respectively, and is properly reflected in the financial statements. The value of time contributed by volunteers is not estimable.

Expense Allocation

The costs of providing program services and supporting services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among programs and supporting services based on actual or estimated time employees spend on each function.

NATIONAL KIDNEY FOUNDATION OF MIDDLE TENNESSEE, INC.
Notes to Financial Statements
June 30, 2008 and 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is a nonprofit organization exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code, and the Organization is classified as an entity that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. Therefore, no provision for income taxes is included in the accompanying financial statements.

Contributions Receivable

Contributions receivable are recorded at their estimated value and reflect discounts for payment terms greater than one year, if applicable. Contributions receivable are considered to be conditional or unconditional promises to give. A conditional contribution is one which depends on the occurrence of some specified uncertain future event to become binding on the donor. Conditional contributions are not recorded as revenue until the condition is met, at which time they become unconditional. Unconditional contributions are recorded as revenue at the time verifiable evidence of the promise to give is received. All contributions receivable are due within one year of June 30, 2008. There were no conditional promises to give as of June 30, 2008 or 2007.

NATIONAL KIDNEY FOUNDATION OF MIDDLE TENNESSEE, INC.
Notes to Financial Statements
June 30, 2008 and 2007

NOTE 2 – RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets consist of the following at June 30, 2008 and 2007 for the following purposes:

	<u>2008</u>	<u>2007</u>
Research	\$ -	\$ 5,822
Patient services and education	7,318	63,274
Nutritional supplements	<u>179,173</u>	<u>267,521</u>
	<u>\$ 186,491</u>	<u>\$ 336,617</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	<u>2008</u>	<u>2007</u>
Research	\$ 5,822	\$ -
Patient services and education	135,043	99,839
Nutritional supplements	<u>94,744</u>	<u>108,208</u>
Total restrictions released	<u>\$ 235,609</u>	<u>\$ 208,047</u>

NOTE 3 – DUES TO NATIONAL KIDNEY FOUNDATION

The Organization is required to remit 25% of its support and revenue, net of funds restricted for use in the Middle Tennessee area, and net of direct fund-raising expenses, to the National Kidney Foundation, Inc. (National). National provides program, management and fund raising services in return for these payments. The Organization allocates these payments among program and supporting service activities based on information supplied by National. Expenses related to these payments totaled \$102,441 and \$104,281 for the years ended June 30, 2008 and 2007, respectively.

NATIONAL KIDNEY FOUNDATION OF MIDDLE TENNESSEE, INC.
Notes to Financial Statements
June 30, 2008 and 2007

NOTE 4 – LEASE COMMITMENT

The Organization leases office facilities under an operating lease which expires in July 2011. Rent expense for the years ended June 30, 2008 and 2007 totaled \$22,488 and \$21,920, respectively.

Future minimum lease payments under the office operating lease are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Amount</u>
2009	23,104
2010	23,798
2011	24,516
2012	<u>2,048</u>
	<u>\$ 73,466</u>

NOTE 5 – RETIREMENT PLAN

The Organization has a simplified employee pension plan for essentially all employees developed pursuant to Internal Revenue Code Section 403(b). Contributions by the Organization equal 8% of annual salary and totaled \$ 10,381 and \$12,983 for the years ending June 30, 2008 and 2007, respectively.

NOTE 6 – VITAMIN SETTLEMENT GRANT

In June 2003, the Organization received \$587,250 from the State of Tennessee related to a vitamin antitrust lawsuit settlement. The funds must be used solely for purposes identified by the Organization in their grant fund application, and mainly entail purchasing nutritional supplements for dialysis patients. As of June 30, 2008, \$453,854 of funds has been released from restriction. The grant funds have also earned \$6,396 of interest during 2008.

NATIONAL KIDNEY FOUNDATION OF MIDDLE TENNESSEE, INC.
Notes to Financial Statements
June 30, 2008 and 2007

NOTE 7 – CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to credit risk consist principally of cash and cash equivalents. Cash and cash equivalent balances are maintained in excess of Federal Deposit Insurance Corporation insured amounts.

ADDITIONAL INFORMATION

**NATIONAL KIDNEY FOUNDATION OF MIDDLE TENNESSEE, INC.
SCHEDULE OF SPECIAL EVENTS REVENUE AND DIRECT EXPENSES
FOR YEAR ENDED JUNE 30, 2008**

	<u>Revenue</u>	<u>Direct Expenses</u>	<u>Excess of Revenue Over (Under) Direct Expenses</u>
Kidney Kaper	\$ 183,389	\$ 91,908	\$ 91,481
Golf Tournament	78,110	24,238	53,872
Kidney Walk - Nashville	162,930	66,788	96,142
Kidney Walk - Murfreesboro	68,560	53,284	15,276
Kidney Walk - Clarksville	45,769	25,348	20,421
Kidney Walk - Columbia	72,692	15,240	57,452
Transplant Games	15,352	23,629	(8,277)
Spring Tea Party	775	80	695
	<u>\$ 627,577</u>	<u>\$ 300,515</u>	<u>\$ 327,062</u>

**NATIONAL KIDNEY FOUNDATION OF MIDDLE TENNESSEE, INC.
SCHEDULE OF SPECIAL EVENTS REVENUE AND DIRECT EXPENSES
FOR YEAR ENDED JUNE 30, 2007**

	<u>Revenue</u>	<u>Direct Expenses</u>	<u>Excess of Revenue Over (Under) Direct Expenses</u>
Kidney Kaper	\$ 235,402	\$ 100,547	\$ 134,855
Golf Tournament	93,078	34,929	58,149
Kidney Walk - Nashville	146,251	44,706	101,545
Kidney Walk - Murfreesboro	39,581	21,172	18,409
Kidney Walk - Clarksville	39,085	23,920	15,165
Kidney Walk - Columbia	47,056	17,126	29,930
Kidney Walk - Hendersonville	16,384	8,436	7,948
Spring Tea Party	1,605	260	1,345
	<u>\$ 618,442</u>	<u>\$ 251,096</u>	<u>\$ 367,346</u>

NKF of Middle Tennessee

Gross Revenues/Affiliate Share Reconciliation Worksheet

For the Year Ended June 30, 2008 (FY08)

PER AUDIT

Total Revenues	551,485
Add back:	
Direct benefit costs	300,515
Other netted expenses	85,443
Other (explain)	
Gross Revenues per audit	<u>937,443</u>

PER SHARE REPORT

	Gross Revenue	Allowable Deductions	Non-Shareable Revenues	Shareable Revenue	Share Reported
July 2007	9,119	845	2,662	5,612	1,403
August 2007	12,276	1,864	3,335	7,077	1,769
September 2007	195,255	32,981	12,113	150,161	37,540
October 2007	55,093	7,689	37,088	10,316	2,579
November 2007	9,586	3,601	814	5,171	1,293
December 2007	17,145	2,266	1,398	13,481	3,370
January 2008	18,327	6,789	1,184	10,354	2,589
February 2008	35,854	1,507	18,961	15,386	3,847
March 2008	30,343	3,852	369	26,122	6,531
April 2008	81,935	7,025	1,132	73,778	18,445
May 2008	190,034	94,866	8,941	86,227	21,557
June 2008	10,421	6,136	(1,791)	6,076	1,519
June 2008 ADJUSTMENTS				<u>0</u>	

Totals per FY08 Share Reports **665,388 169,421 86,206 409,761 102,442**

Calculated Share 102,440

Difference in Share 2

Gross Revenues Difference
Audit compared to Share 272,055

Reconciling items:

Please list & state effect on Share Reporting Components

In-kind donations for special events	125,849	125,849			
Interest earned on supplemental grant	6,396		6,396		
Restricted Kidney Kaper Gifts	31,750	31,750			
Restricted Golf Tournament Gifts	14,100	14,100			
Restricted Gifts - Major Gifts	5,000		5,000		
Restricted Transplant Games Gifts	6,038	6,038			
Restricted Gifts - Third Party Willigans Golf Event	4,054		4,054		
Miscellaneous fundraising	2,422			2,422	
Tea Party Event	775			775	
Kidney Cars sales listed separately from contributions	68,257		68,257		
Annual meeting	700	700			
Network 8 meeting	1,317	1,317			
Restricted Grants - KEEP	3,450		3,450		
Interest earned but not previously reported	1,947		1,947		
Adjusted Share Gross Income	<u>937,443</u>	<u>349,175</u>	<u>175,310</u>	<u>412,958</u>	
Adjusted Calculated Share					<u>103,240</u>
Difference in Gross Revenues	<u>0</u>				
Difference in Calculated Share Amounts					<u>(800)</u>

The amounts and calculations appear to be reasonable:

Signed by: _____ Affiliate Auditor

Date: _____