



**National Foundation for the Centers for
Disease Control and Prevention, Inc.**

FINANCIAL STATEMENTS

June 30, 2022 and 2021

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REPORT





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INDEPENDENT AUDITORS' REPORT

Board of Directors
National Foundation for the Centers for
Disease Control and Prevention, Inc.

Opinion

We have audited the accompanying financial statements of the National Foundation for the Centers for Disease Control and Prevention, Inc. (the Foundation) (a non-profit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the National Foundation for the Centers for Disease Control and Prevention, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on 2021 Financial Statements

The financial statements of the National Foundation for the Centers for Disease Control and Prevention, Inc. as of June 30, 2021, were audited by other auditors whose report dated January 12, 2022, expressed an unmodified opinion on those statements.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2023, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia
February 24, 2023



FINANCIAL STATEMENTS



National Foundation for the Centers for Disease Control and Prevention, Inc.
Statements of Financial Position

<i>June 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 4,693,571	\$ 1,858,648
Cash and cash equivalents reserved or restricted	49,687,807	52,915,026
Contributions and grants receivable, net	66,693,494	145,272,169
Accounts receivable	2,918,793	2,339,890
Investments	78,176,247	82,939,636
Prepaid and other assets	6,921,795	2,861,435
Property, plant and equipment, net	1,112,842	1,408,283
Total assets	\$ 210,204,549	\$ 289,595,087
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 2,413,208	\$ 1,040,570
Accrued payroll and related expenses	17,358,023	4,409,691
Contracts payable	779,530	8,870,726
Grants payable	16,269,348	12,806,838
Unamortized leasehold allowance	1,104,200	1,280,872
Deferred rent	1,356,881	1,481,709
Total liabilities	39,281,190	29,890,406
Net assets		
Without donor restrictions	47,654,904	35,872,286
With donor restrictions		
Restricted by purpose or time	118,535,826	219,164,911
Restricted in perpetuity	4,732,629	4,667,484
Total with donor restrictions	123,268,455	223,832,395
Total net assets	170,923,359	259,704,681
Total liabilities and net assets	\$ 210,204,549	\$ 289,595,087

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

National Foundation for the Centers for Disease Control and Prevention, Inc.
Statements of Activities

<i>For the year ended June 30, 2022</i>	Without Donor Restrictions	With Donor Restrictions	Total	2021 Summarized Total
Contributions, Gains (Losses), Other Support and Transfers				
Federal grants	\$ -	\$ 154,032,815	\$ 154,032,815	\$ 57,629,292
Non-federal grants and contributions of cash and other financial assets	1,849,514	66,913,079	68,762,593	105,344,433
Contributions of nonfinancial assets	176,000	5,637,578	5,813,578	17,572,348
Indirect cost recovery	82,781	34,123,154	34,205,935	31,922,564
Total grants and contributions	2,108,295	260,706,626	262,814,921	212,468,637
Service revenue	6,084,897	-	6,084,897	-
Other revenue	383,575	37,571	421,146	863,753
Refund – donor-restricted gifts	-	(1,336,571)	(1,336,571)	(136,189)
Reduction – donor-restricted gifts	-	(7,523,070)	(7,523,070)	(4,056,735)
Interest and dividend income, net	1,294,529	119,757	1,414,286	1,541,073
Net realized and unrealized gains (losses) on investments	(2,241,080)	(1,275,751)	(3,516,831)	1,925,754
Net assets released from restriction for time and purpose	351,292,502	(351,292,502)	-	-
Total contributions, gains (losses), other support and transfers	358,922,718	(100,563,940)	258,358,778	212,606,293
Program Costs and Other Expenses				
<i>Program costs</i>				
Emergency response	227,841,125	-	227,841,125	134,487,846
Non-infectious disease	33,019,363	-	33,019,363	27,929,518
Infectious disease	54,424,492	-	54,424,492	25,154,556
Other programs	10,242,488	-	10,242,488	6,721,614
Total program costs	325,527,468	-	325,527,468	194,293,534
<i>Supporting services</i>				
Management and general expenses	18,289,428	-	18,289,428	10,789,507
Fundraising expenses	3,323,204	-	3,323,204	2,906,987
Total supporting services	21,612,632	-	21,612,632	13,696,494
Total program costs and other expenses	347,140,100	-	347,140,100	207,990,028
Change in net assets	11,782,618	(100,563,940)	(88,781,322)	4,616,265
Net assets at beginning of year	35,872,286	223,832,395	259,704,681	255,088,416
Net assets at end of year	\$ 47,654,904	\$ 123,268,455	\$ 170,923,359	\$ 259,704,681

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

National Foundation for the Centers for Disease Control and Prevention, Inc.
Statements of Activities (Continued)

<i>For the year ended June 30, 2021</i>	Without Donor Restrictions	With Donor Restrictions	Total
Contributions, Gains (Losses), Other Support and Transfers			
Federal grants	\$ -	\$ 57,629,292	\$ 57,629,292
Non-federal grants and contributions of cash and other financial assets	2,324,975	103,019,458	105,344,433
Contributions of nonfinancial assets	289,342	17,283,006	17,572,348
Indirect cost recovery	3,137,111	28,785,453	31,922,564
Total grants and contributions	5,751,428	206,717,209	212,468,637
Other revenue	547,168	316,585	863,753
Refund – donor-restricted gifts	-	(136,189)	(136,189)
Reduction – donor-restricted gifts	-	(4,056,735)	(4,056,735)
Interest and dividend income, net	1,408,995	132,078	1,541,073
Net realized and unrealized gains on investments	1,231,120	694,634	1,925,754
Net assets released from restriction for time and purpose	205,605,472	(205,605,472)	-
Total contributions, gains (losses), other support and transfers	214,544,183	(1,937,890)	212,606,293
Program Costs and Other Expenses			
<i>Program costs</i>			
Emergency response	134,487,846	-	134,487,846
Non-infectious disease	27,929,518	-	27,929,518
Infectious disease	25,154,556	-	25,154,556
Other programs	6,721,614	-	6,721,614
Total program costs	194,293,534	-	194,293,534
<i>Supporting services</i>			
Management and general expenses	10,789,507	-	10,789,507
Fundraising expenses	2,906,987	-	2,906,987
Total supporting services	13,696,494	-	13,696,494
Total program costs and other expenses	207,990,028	-	207,990,028
Change in net assets	6,554,155	(1,937,890)	4,616,265
Net assets at beginning of year	29,318,131	225,770,285	255,088,416
Net assets at end of year	\$ 35,872,286	\$ 223,832,395	\$ 259,704,681

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

National Foundation for the Centers for Disease Control and Prevention, Inc.
Statements of Functional Expenses

	Program Costs				Supporting Services			
	Emergency Response	Non-Infectious Disease	Infectious Disease	Other Programs	Total Programs	Management and General	Fundraising	Total
<i>For the year ended June 30, 2022</i>								
Personnel cost	\$ 176,052,259	\$ 8,095,076	\$ 5,198,181	\$ 3,984,227	\$ 193,329,743	\$ 8,857,092	\$ 2,098,195	\$ 204,285,030
Program awards	21,925,467	5,536,623	2,495,860	639,848	30,597,798	257,370	-	30,855,168
Other professional fees	14,152,450	18,928,228	43,357,924	5,190,331	81,628,933	5,261,450	478,489	87,368,872
Project supplies	4,266,667	112,184	3,154,005	5,595	7,538,451	-	-	7,538,451
Contributed goods and services	5,637,578	-	-	-	5,637,578	176,000	-	5,813,578
Office expenses	3,284,485	141,312	39,972	49,272	3,515,041	956,537	490,839	4,962,417
Conferences and meetings	69,081	12,027	31,123	15,189	127,420	25,421	11,535	164,376
Occupancy	643,332	29,581	18,995	14,559	706,467	32,366	7,667	746,500
Travel	521,851	73,412	74,272	44,599	714,134	60,626	5,605	780,365
Depreciation	-	-	-	118,176	118,176	118,176	59,089	295,441
Technology	1,227,159	35,996	23,422	96,754	1,383,331	1,789,284	140,230	3,312,845
Other expenses	60,796	54,924	30,738	83,938	230,396	755,106	31,555	1,017,057
Total	\$ 227,841,125	\$ 33,019,363	\$ 54,424,492	\$ 10,242,488	\$ 325,527,468	\$ 18,289,428	\$ 3,323,204	\$ 347,140,100

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

National Foundation for the Centers for Disease Control and Prevention, Inc.
Statements of Functional Expenses (Continued)

	Program Costs				Supporting Services			
	Emergency Response	Non-Infectious Disease	Infectious Disease	Other Programs	Total Program	Management and General	Fundraising	Total
<i>For the year ended June 30, 2021</i>								
Personnel cost	\$ 57,874,243	\$ 6,980,993	\$ 4,268,793	\$ 209,939	\$ 69,333,968	\$ 5,630,986	\$ 1,609,764	\$ 76,574,718
Program awards	24,173,474	8,262,052	4,937,614	3,243,580	40,616,720	15,211	551	40,632,482
Other professional fees	29,162,807	12,080,926	14,430,155	3,197,751	58,871,639	3,399,818	672,219	62,943,676
Project supplies	5,126,457	242,719	1,264,009	8,352	6,641,537	-	-	6,641,537
Contributed goods and services	17,283,006	-	-	-	17,283,006	270,464	-	17,553,470
Office expenses	140	78,792	42,656	6,804	128,392	320,158	125,149	573,699
Conferences and meetings	39,664	17,153	16,694	38,136	111,647	80,546	139	192,332
Occupancy	47,315	150,140	105,639	10,793	313,887	395,006	131,363	840,256
Travel	111,635	1,832	21,552	-	135,019	1,158	88	136,265
Depreciation	125,227	26,006	23,422	6,259	180,914	183,035	90,457	454,406
Technology	85,344	13,951	6,908	-	106,203	77,380	43,507	227,090
Other expenses	458,534	74,954	37,114	-	570,602	415,745	233,750	1,220,097
Total	\$ 134,487,846	\$ 27,929,518	\$ 25,154,556	\$ 6,721,614	\$ 194,293,534	\$ 10,789,507	\$ 2,906,987	\$ 207,990,028

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

National Foundation for the Centers for Disease Control and Prevention, Inc.
Statements of Cash Flows

<i>June 30,</i>	2022	2021
Operating Activities		
Change in net assets	\$ (88,781,322)	\$ 4,616,265
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	295,441	454,406
Realized and unrealized (gains) losses on investments	3,516,831	(1,925,754)
Contributions restricted for long-term investment	(65,145)	(58,688)
Change in allowance for uncollectible pledges	(4,280,000)	(2,900,000)
Amortization of leasehold allowance	(176,672)	(176,673)
Change in assets and liabilities:		
Contributions and grants receivable	82,858,675	(46,168,736)
Accounts receivable	(578,903)	(326,173)
Prepaid and other assets	(4,060,360)	1,532,217
Accounts payable and accrued expenses	1,372,638	363,044
Accrued payroll and related expenses	12,948,332	2,423,769
Contracts payable	(8,091,196)	(481,736)
Grants payable	3,462,510	5,430,892
Deferred rent	(124,828)	(100,952)
Net cash provided by (used in) operating activities	(1,703,999)	(37,318,119)
Investing Activities		
Purchases of investments	(44,097,378)	(21,994,421)
Sales of investments	45,343,936	8,057,824
Purchase of property and equipment	-	(76,338)
Net cash provided by (used in) investing activities	1,246,558	(14,012,935)
Financing Activities		
Contributions restricted for long-term investment	65,145	58,688
Net change in cash, cash equivalents, and reserved or restricted cash and cash equivalents	(392,296)	(51,272,366)
Cash, cash equivalents, and reserved or restricted cash and cash equivalents at beginning of year	54,773,674	106,046,040
Cash, cash equivalents, and reserved or restricted cash and cash equivalents at end of year	\$ 54,381,378	\$ 54,773,674

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

National Foundation for the Centers for Disease Control and Prevention, Inc.

Notes to Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

The National Foundation for the Centers for Disease Control and Prevention, Inc. (the Foundation) is a foundation that was formed by Federal law, incorporated as a Georgia non-profit organization in 1993, and began operations in 1995. The Foundation, while a separately incorporated organization, synergistically works with the Centers for Disease Control and Prevention (CDC) to forge effective partnerships by connecting people, resources and ideas to fight threats to health and safety. The Foundation's vision is to improve the health and well-being of all people by substantially enhancing the impact of the CDC.

The Foundation is recognized as an organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (the IRC) whereby only unrelated business income, as defined by Section 512(a)(1) of the IRC, is subject to Federal income tax. The Federal legislation authorizing the Foundation specifies that the Foundation shall not be an agency or instrumentality of the Federal government, and officers, employees and members of the Board of Directors (the Board) of the Foundation shall not be officers or employees of the Federal government.

The Foundation is a dynamic organization with hundreds of programs throughout the world to address various public health challenges. Additionally, the Foundation's revenue recognition policies, as described in Note 2, can result in program contribution revenues being recognized in a different period from the applicable program costs and expenses, which can also impact the change in net assets in any given reporting period. For the year ended June 30, 2022, the Foundation incurred significant program costs and expenses, including a headcount increase of over 400 percent, for which the corresponding contribution revenue was recorded in prior periods, resulting in a reduction in net assets for the year ended June 30, 2022. Each year, programs and funding sources might change, effecting the timing of revenue streams and expenses, and thus changes in net assets. During the years ended June 30, 2022 and 2021, the CDC Foundation was involved in a variety of projects, such as responding to the COVID-19 pandemic in the United States and across the globe, including providing staff to health departments nationwide; strengthening the U.S. public health system; supporting the opioid crisis response; working with communities nationwide to increase vaccine confidence; saving lives through meningitis screening in Africa; achieving better outcomes for newborns in Cameroon, Chad and Burkina Faso; managing the Data for Health initiative to strengthen the availability of public health data to governments spread across the world; and a wide variety of other critical public health protection efforts.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States (GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

National Foundation for the Centers for Disease Control and Prevention, Inc.

Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, including the reporting of allowances for doubtful accounts, allocation of functional expenses, and estimated lives of fixed assets, 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.

Net Assets

The Foundation classifies its net assets and revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations. These net assets may be used at the discretion of the Foundation’s management and the board of directors.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or passage of time, or stipulations that the Foundation maintains them perpetually.

Revenues and Expenses

Revenues are recognized when Foundation assets are enhanced or its liabilities are settled (or a combination of both) due to receipt of contributions, rendering services, or other activities. Expenses, including program costs, are recognized when Foundation assets are used, or liabilities are incurred, to render services, provide funding for other service providers, or perform other ongoing activities.

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as released from restriction. If a restriction is fulfilled in the same period in which the contribution is received, the Foundation reports the support revenue in net assets with donor restrictions, with a corresponding release from restriction. Contributions subject to donor-imposed restrictions that the corpus be maintained in perpetuity are recognized as increases in net assets with donor restrictions.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized as revenue in the period received, provided there is no right of return of the assets received and no indicators of barriers imposed by the donor. Conditional pledges, if received, are not recognized until the conditions on which they depend are substantially met. Unconditional promises to give (contributions and grants receivable) that are expected to be collected in future years are recorded at fair value which is measured at the present value of the future cash flows with discounts computed using risk-adjusted rates commensurate with the associated risks. Discounts on contributions receivable are amortized and recorded as additional contribution revenue in accordance with any donor-imposed restriction.

National Foundation for the Centers for Disease Control and Prevention, Inc.

Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (continued)

An allowance for uncollectible contributions receivable is provided based upon management's judgment and consideration of various factors including prior collection history, type of contribution and nature of fundraising activity.

The Foundation is the recipient of certain Federal cost-reimbursement grants which are subject to certain conditions and restrictions typically met by incurring qualifying expenses for a program. Revenue is recognized for these grants as expenditures allowed by the grant are incurred and the requirements of applicable federal cost principles are met.

As of June 30, 2022 and 2021, conditional Federal grants awarded for which qualifying expenses have not been incurred and for which revenue has not been recognized totaled approximately \$142,750,000 and \$227,800,000, respectively.

Contributed Goods and Services

In accordance with accounting principles generally accepted in the United States of America, contributed goods and services are recorded at estimated fair value at the date of the gift as determined by independent appraisal or other valuation methods as deemed appropriate by management. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided. Generally, such services include specific programmatic expertise.

Donated Assets

It is the Foundation's practice to sell donated securities received as soon as administratively possible. Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation. In April 2020, the Foundation received a donation of 50,000 shares of certain Class A Common stock, valued at \$772,000; these shares were required under Securities Act Rule 144 to be held by the Foundation for six months prior to being sold. During the year ended June 30, 2021, the Foundation sold the shares for total proceeds of \$3,360,000 with the resulting gain reflected in net realized and unrealized gains on investments, without donor restrictions, in the statement of activities. There were no similar transactions during the year ended June 30, 2022.

Service Revenue

Service revenue is recognized over time as performance obligations are rendered, and totaled \$6,084,897 for the year ended June 30, 2022, as disclosed on the statements of activities. No service revenue was recognized for the year ended June 30, 2021. Service revenue consists of revenue from State-funded contracts to provide staff to health departments nationwide, which is recognized using the output method for performance obligations to be utilized over time. At June 30, 2022, related contract assets consist of contract receivables totaling \$2,633,793, which are reflected as part of accounts receivable on the statements of financial position; there were no contract receivables at June 30, 2021. There were no contract liabilities at June 30, 2022 or 2021.

National Foundation for the Centers for Disease Control and Prevention, Inc.
Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of interest-bearing checking accounts, savings accounts, money market accounts, Treasury bills, and certificates of deposit with maturities of three months or less. Cash and cash equivalents which are not reserved or restricted are available for operating activities.

Cash and Cash Equivalents Reserved or Restricted

Cash and cash equivalents reserved or restricted, while currently available, are restricted by grantors for disbursements related to specific grants or contracts, or are reserved for rapid deployment in responding to the COVID-19 pandemic.

The tables below present a summary of cash, cash equivalents, and reserved or restricted cash at beginning and end of year for the years ended June 30, 2022 and 2021:

<i>June 30,</i>	2022	2021
Beginning of year		
Cash and cash equivalents	\$ 1,858,648	\$ 16,908,213
Cash and cash equivalents reserved or restricted	52,915,026	89,137,827
Beginning of year, total	\$ 54,773,674	\$ 106,046,040
End of year		
Cash and cash equivalents	\$ 4,693,571	\$ 1,858,648
Cash and cash equivalents reserved or restricted	49,687,807	52,915,026
End of year, total	\$ 54,381,378	\$ 54,773,674

Investments

Investment securities are stated at fair value, generally determined based on quoted market prices or estimated fair value and are recorded within the various net asset classifications based upon the existence or absence of donor restrictions. If an investment is held directly by the Foundation and an active market with quoted prices exists, the fair value reported is the market price of an identical security. Valuation of shares in mutual funds is based on share values reported by the funds as of the last business day of the fiscal year.

Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments, is shown in the statements of activities and is a component of investment return.

National Foundation for the Centers for Disease Control and Prevention, Inc.

Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment

All acquisitions of property, plant and equipment and expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets and are in excess of \$5,000 are capitalized at cost at the date of acquisition or at estimated fair value at date of donation if acquired as gifts. Repairs and maintenance are expenses as incurred. Depreciation of property and equipment is computed on a straight-line basis over the estimated useful life of the asset. Land is not subject to depreciation. Capitalized leasehold improvements are depreciated over the shorter of the life of the asset or the life of the corresponding lease.

Accounts Receivable

Accounts receivable consist primarily of amounts due to the Foundation under contracts with third party organizations. Amounts are considered past due when they are not paid within the terms agreed upon by the Foundation and the third party, and an allowance for uncollectible receivables is recorded as deemed necessary based on historical trends and specific account analysis. As of June 30, 2022, and 2021, the Foundation believes all accounts receivable are fully collectible.

Refund on Donor-Restricted Contributions

During the years ended June 30, 2022 and 2021, the Foundation recognized refunds of \$1,336,571 and \$136,189, respectively, related to gifts received from donors in prior years for specific projects. When donors originally contributed to support these projects, the total cost of each project was estimated, and the donors agreed to fully fund these amounts. In the years ended June 30, 2022 and 2021, the projects were completed and the total gift amount originally provided by the donor was more than the project costs incurred. In accordance with donor requests, the excess funds received were returned to the donor or the outstanding receivable was cancelled, and a corresponding loss was recognized.

Reduction – Donor-Restricted Contributions

During the years ended June 30, 2022 and 2021, the Foundation recorded reductions in contributions receivable originally recorded in a prior year totaling \$7,523,070 and \$4,056,735, respectively. These reductions related to several factors, including the Foundation being able to complete a project at a cost lower than originally anticipated or a change in circumstances resulting in the Foundation discontinuing its working relationship with a donor. As a result of these factors, the remaining pledge due from the donor was reduced and a corresponding reduction in net assets was recognized.

Contracts Payable

Contracts payable represent payments received in advance on contracts that the Foundation holds on behalf of the CDC and others. Funds are disbursed as projects reach certain checkpoints or reach completion.

Grants Payable

The Foundation disburses a portion of its project funds as cost reimbursement grants. Recognition of these funds as program expenses is contingent upon the recipient properly expending and documenting the expenditure as directed by the Foundation. Once these established conditions are met, the respective amounts are expensed and accrued as grants payable until the Foundation provides reimbursement.

National Foundation for the Centers for Disease Control and Prevention, Inc.

Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Rent and Unamortized Leasehold Allowance

Deferred rent represents the cumulative difference between the rent expense recognized on the straight-line basis and the actual rent paid. Unamortized leasehold allowance represents the unamortized balance of the leasehold allowance provided by the lessor under the rental agreement as described in Note 13.

Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents, accounts receivable, and short-term investments approximates fair value because of the nature and short maturity of these financial instruments. Fair value for other financial instruments is disclosed in other footnotes.

Compensated Absences

Foundation policies allow employees who work 20 or more hours per week to receive from 80 to 192 hours of vacation annually, based upon position. Employees may carry over up to 1.5 times their annual vacation. An accrual for unused vacation days has been included with accrued payroll and related expenses on the statements of financial position.

Risk Management

The Foundation is exposed to risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; material disasters; and liability. The Foundation carries commercial, cyber and directors' and officers' insurance addressing each of these identified risks.

Indirect Cost Recovery

Indirect cost recovery consists of revenue recognized on both Federal and non-Federal grants and contributions to support the Foundation's shared administrative and other costs incurred in administering the programs funded by those grants and contributions. For the years ended June 30, 2022 and 2021, approximately \$20,468,000 and \$10,850,000, respectively, of indirect cost recovery was related to Federal grants, and approximately \$13,738,000 and \$21,070,000, respectively, was related to non-Federal grants and contributions.

Advertising Expense

The Foundation's policy is to expense all public relations, advertising and marketing costs as they are incurred. These costs, included with management and general expenses, totaled \$150,293 and \$72,136 for the years ended June 30, 2022 and 2021, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

National Foundation for the Centers for Disease Control and Prevention, Inc.

Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses (continued)

Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Other expenses that are common to several functions, such as personnel cost, occupancy, technology, and depreciation are allocated among the programs and supporting activities based on time spent and estimates of usage.

Recently Adopted Accounting Guidance

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU specifies requirements for recording contributed nonfinancial assets. The ASU is effective for fiscal years beginning after June 15, 2021 and has been applied retrospectively to the disclosures relating to the year ending June 30, 2021 within these financial statements.

Accounting Guidance Not Yet Adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, (Topic 842), increasing the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statements of financial position and disclosing key information about leasing arrangements. The amendments in this update are effective for fiscal years beginning after December 15, 2021. The Foundation is currently evaluating the impact of FASB ASU No. 2016-02 on the presentation of the financial statements.

Income Taxes

The Foundation utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2022 and 2021, the Foundation has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Reclassifications

Certain reclassifications were made to prior year balances to conform with current year presentation.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 24, 2023. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

National Foundation for the Centers for Disease Control and Prevention, Inc.
Notes to Financial Statements

Note 3: LIQUIDITY

The schedule below reflects the Foundation's financial assets as of June 30, 2022 and 2021, reduced by amounts not available for general use within one year because of donor-imposed restrictions.

<i>June 30,</i>	2022	2021
Financial assets, at year end:		
Cash and cash equivalents	\$ 4,693,571	\$ 1,858,648
Cash and cash equivalents reserved or restricted	49,687,807	52,915,026
Contributions receivable, net	66,693,494	145,272,169
Accounts receivable	2,918,793	2,339,890
Investments	78,176,247	82,939,636
Total financial assets at June 30	202,169,912	285,325,369
Less: assets unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	123,268,455	223,832,395
Financial assets available to meet cash needs for general expenditures within one year	\$ 78,901,457	\$ 61,492,974

Program costs are predominantly funded with donor-restricted funds whereas management and general and fundraising expenses are predominantly covered with funding from sources without donor restriction. Because a donor's restriction requires resources to be used for a particular purpose or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

Due to the donor restrictions described above, certain financial assets may not be available for general expenditure within one year. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 4: CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable at June 30, 2022 and 2021 are summarized as follows:

<i>June 30,</i>	2022	2021
Unconditional promises to give	\$ 76,757,867	\$ 155,451,082
Less: allowance for uncollectible pledges	(8,530,000)	(4,250,000)
Less: present value discount	(1,534,373)	(5,928,913)
Contributions and grants receivable, net	\$ 66,693,494	\$ 145,272,169

National Foundation for the Centers for Disease Control and Prevention, Inc.
Notes to Financial Statements

Note 4: CONTRIBUTIONS AND GRANTS RECEIVABLE (Continued)

Contributions receivable are due as follows:

<i>June 30,</i>	2022	2021
Amounts due in		
Less than one year	\$ 45,080,506	\$ 125,435,662
One year to five years	31,677,361	30,015,420
Unconditional promises to give	\$ 76,757,867	\$ 155,451,082

Discounts on contributions receivable in excess of one year were calculated as of the date of donation using rates commensurate with the risk involved (rates range from 3.25% to 5.50%). Amortization of discounts is recorded as additional contribution revenue based on the nature of the contributions, in accordance with donor-imposed restrictions on the contributions.

Note 5: INVESTMENTS

The following is a summary of investments at June 30, 2022 and 2021:

<i>June 30,</i>	2022	2021
Investment cash and equivalents	\$ 330,648	\$ 52,369
U.S. Treasury/agency securities	60,300,620	62,678,250
Corporate bonds	11,267,537	12,631,998
Mutual funds	5,066,437	5,967,432
Exchange traded funds	1,211,005	1,609,587
Total investments	\$ 78,176,247	\$ 82,939,636

Note 6: PROPERTY, PLANT AND EQUIPMENT

The components of property, plant and equipment at June 30, 2022 and 2021 are as follows:

	Estimated Useful Lives (in years)	2022	2021
Leasehold improvements	12	\$ 2,120,065	\$ 2,120,065
Equipment and furnishings	3 - 7	450,419	450,419
Software	3	894,759	894,759
Total depreciable property, plant and equipment		3,465,243	3,465,243
Less accumulated depreciation		(2,352,401)	(2,056,960)
Total property, plant and equipment, net		\$ 1,112,842	\$ 1,408,283

National Foundation for the Centers for Disease Control and Prevention, Inc.

Notes to Financial Statements

Note 7: FAIR VALUE HIERARCHY

Accounting standards emphasize that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, standards established a three-tier hierarchy to distinguish between various types of inputs used in determining the value of an organization's financial instruments. The inputs are summarized as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities. Valuations of these instruments do not require a high degree of judgment since the valuations are based on readily available quoted prices in active markets.
- Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and inputs other than quoted prices that are observable, such as models or other valuation methodologies. Valuations in this category are inherently less reliable than Level 1 quoted market prices due to the degree of subjectivity involved in determining appropriate methodologies and the applicable underlying assumptions.
- Level 3 – Unobservable inputs for the valuation of the asset or liability. Level 3 assets include investments for which there is little, if any, market activity. These inputs require significant management judgment or estimation. These financial instruments have inputs that cannot be validated by readily determinable market data and generally involve considerable judgment by management.

In certain cases, the inputs used to measure fair value may fall into different hierarchy levels. In such cases, for disclosure purposes, the level in the hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended June 30, 2022 and 2021, there were no significant transfers in or out of Levels 1, 2 or 3.

At June 30, 2022 and 2021, with the exception of corporate bonds, which meet the criteria for classification as Level 2, all of the Foundation's investments are classified within Level 1 of the hierarchy.

Note 8: ENDOWMENT

The Foundation's endowment consists of approximately 20 individual funds established by donors for a variety of purposes, including programs, awards, research and operations. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

National Foundation for the Centers for Disease Control and Prevention, Inc.
Notes to Financial Statements

Note 8: ENDOWMENT (Continued)

Interpretation of Relevant Law

The Foundation interprets Georgia's adoption of the Uniform Prudent Management of Institutional Funds Act (GPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment and (c) accumulations to the perpetual endowment made in accordance with the direction of applicable donor gift instruments at the time the accumulation is added to the endowment fund. The remaining portion of the donor-restricted endowment fund in excess of the original fair value is classified as net assets with donor restrictions until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by GPMIFA.

In accordance with GPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the endowment fund
- 2) The purposes of the Foundation and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effects of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Foundation
- 7) The investment policies of the Foundation

Composition and changes in endowment net assets for the years ended June 30, 2022 and 2021 are as follows:

<i>For the years ended June 30,</i>	2022	2021
Donor-restricted endowment net assets, beginning of year	\$ 7,719,450	\$ 6,060,538
Contributions	65,145	58,688
Investment return	(1,072,069)	1,613,217
Appropriation of endowment assets for expenditure	(17,387)	(12,993)
Donor-restricted endowment net assets, end of year	\$ 6,695,139	\$ 7,719,450

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for the endowment assets that attempt to provide for the preservation of assets, growth of capital and generation of income. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to minimize the risk of large losses and generate a long-term rate of return to equal or exceed the appropriate market indices, and over time, exceed the rate of inflation in order to preserve the purchasing power of assets, and generate income to fund operations as needed.

National Foundation for the Centers for Disease Control and Prevention, Inc.

Notes to Financial Statements

Note 8: ENDOWMENT (Continued)

Return Objectives and Risk Parameters (continued)

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 greater emphasis on equity-based investments to achieve its long-term objectives with prudent risk restraints.

Endowment Spending Policy

The Board encourages the growth of the Foundation endowment assets through a spending policy that will provide a predictable stream of income to the Foundation and to the appropriate restricted projects, while permitting reinvestment of any earnings above the approved spending rate. The initial payout is up to 4% of the 12-quarter trailing average fund balance as of June 30th of each year. In any year that the June 30 fair value of an endowment is less than its fair value at the time of original contribution, the Foundation will use an income-only approach to the spending rate.

Funds with Deficiencies

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or GPMIFA requires the Foundation to retain as a fund of perpetual duration. No deficiencies of this nature were present for the years ended June 30, 2022 and 2021.

Note 9: RETIREMENT PLANS

The Foundation has established a voluntary defined contribution retirement plan, in which all employees who work at least 20 hours per week are eligible to participate after 90 days of consecutive service. Upon meeting these eligibility requirements, employees are fully vested. Contributions under this plan are invested, at the discretion of the participant, in one or more of the available investment options at the Teachers Insurance and Annuity Association and College Retirement Equities Fund (TIAA-CREF). Contributions to the retirement plan by the Foundation totaled \$5,832,654 and \$2,836,987 for the years ended June 30, 2022 and 2021, respectively. Contributions increased due to the headcount increase, as noted in Note 1.

The Foundation also has a 457 deferred compensation plan. Per the plan document, any Foundation contributions to the plan vest at 20% per year and are fully vested after five years. The Foundation did not make any contributions to the plan during the years ended June 30, 2022 and 2021. There were no liabilities outstanding as of June 30, 2021 or 2022, as final disbursements of \$25,082 were made to plan participants in 2021.

National Foundation for the Centers for Disease Control and Prevention, Inc.
Notes to Financial Statements

Note 10: NET ASSETS

Net assets were released from donor-imposed restrictions as a result of actions of the Foundation and/or passage of time for the years ended June 30, 2022 and 2021 as follows:

<i>For the years ended June 30,</i>	2022	2021
Satisfaction of program restrictions		
Sponsored programs		
Emergency response	\$224,095,105	\$ 135,776,013
Non-infectious disease	32,327,376	28,317,882
Infectious disease	53,514,183	25,267,941
Other sponsored programs	3,999,211	1,086,904
Total sponsored programs	313,935,875	190,448,740
General operating purposes – operating grant	1,429,848	1,226,397
Satisfaction of program restrictions, total	315,365,723	191,675,137
Expiration of time restrictions – administrative fees recovered	35,909,392	13,917,342
Appropriation from donor-restricted endowment	17,387	12,993
Total releases from restriction	\$ 351,292,502	\$ 205,605,472

Donor-restricted net assets are available for the following purposes at June 30, 2022 and 2021:

<i>June 30,</i>	2022	2021
Restricted by purpose or time		
Sponsored programs		
Emergency response	\$ 18,209,951	\$ 91,503,550
Non-infectious disease	57,629,590	62,366,286
Infectious disease	30,146,988	54,804,720
Other sponsored programs	10,586,787	7,438,389
Total sponsored programs	116,573,316	216,112,945
Endowment earnings	1,962,510	3,051,966
Total restricted by purpose or time	118,535,826	219,164,911
Endowment assets restricted in perpetuity	4,732,629	4,667,484
Total net assets with donor restrictions	\$ 123,268,455	\$ 223,832,395

National Foundation for the Centers for Disease Control and Prevention, Inc.
Notes to Financial Statements

Note 11: GRANTS RECEIVED FROM THE CDC (RELATED PARTY TRANSACTIONS)

In addition to other funding the Foundation raises to extend CDC’s work, the Foundation is also eligible to apply for and receive grants from the Federal government, including a \$1,250,000 operating grant received annually from the CDC. Additionally, during the years ended June 30, 2022 and 2021, the Foundation received grant awards from CDC totaling \$172,800,000 and \$67,210,800, primarily to fund Foundation programs aimed at responding to the COVID-19 pandemic as well as programs aimed at opioid addiction prevention. As of June 30, 2022 and 2021, the Foundation had outstanding grant receivables from the CDC totaling \$21,327,080 and \$73,062,009, respectively.

Note 12: CONTRIBUTED NONFINANCIAL ASSETS

For the years ended June 30, 2022 and 2021, contributed nonfinancial assets recognized within the statement of activities included:

<i>For the years ended June 30,</i>	2022	2021
Services	\$ 176,000	\$ 289,342
Advertising	5,637,578	16,328,181
Hardware and software	-	549,653
Medical supplies	-	405,172
Total	\$ 5,813,578	\$ 17,572,348

The Foundation recognizes donated services that create or enhance nonfinancial assets or that require specialized skills and would typically need to be purchased if not provided by donation. Donated services recognized primarily includes services performed by individuals loaned to the Foundation by the CDC for specific management and consulting expertise. The contributed services did not have donor-imposed restrictions and are reported in the financial statements based on the salaries of the loaned employees.

Contributed advertising includes donated radio airtime and internet advertising. These advertisements were donor-restricted and were utilized to amplify public health information about COVID-19. The fair value of these advertisements was estimated by the Foundation based on the date, time, and market in which each is displayed.

Contributed hardware and software was donor-restricted and was passed to other organizations for use in the Foundation’s sponsored projects. Since these were passed on to other organizations, based on need as determined by the Foundation, they are reflected in the accompanying statements of activities as both contribution revenue and an expense. The Foundation estimated the fair value of hardware and software on the basis of estimates of wholesale values that would be received for selling similar products.

Medical supplies were donor-restricted and were also passed on to partner organizations. The Foundation estimated the fair value of supplies on the basis of estimates of wholesale values that would be received for selling similar products.

National Foundation for the Centers for Disease Control and Prevention, Inc.
Notes to Financial Statements

Note 13: COMMITMENTS AND CONTINGENCIES

Operating Lease

In September of 2016, the Foundation executed a non-cancelable operating lease for office space, which continues until September of 2028. This lease includes rent abatement of the first 24 monthly rental payments. In accordance with applicable accounting standards, the Foundation recognizes rental expense on a straight-line basis based on the total cash payments to be made over the life of the lease; therefore, this rent abatement is being amortized over the life of the lease. The Foundation also made leasehold improvements in the full amount of the tenant improvement allowance provided under the lease, which are included in property, plant, and equipment, with the corresponding credit to leasehold allowances amortized as a reduction in rent expense over the term of the lease. Rental expense for office space, net of amortization of leasehold allowances, was \$711,751 and \$823,427 for the years ended June 30, 2022 and 2021, respectively.

The minimum lease payments under the Foundation's office lease are as follows:

For the years ending June 30,

2023	\$ 1,002,260
2024	1,027,399
2025	1,053,171
2026	1,079,338
2027	1,106,296
Thereafter	1,419,193
<hr/>	
Total	\$ 6,687,657

Federal Grant Programs

The Foundation has received proceeds from various Federal grants. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies.

Payment of Project Funds

The Foundation disburses some of its project funds as cost reimbursement grants with third party service providers. As discussed in Note 2, the disbursement of funds, and recognition of revenue by the Foundation is generally contingent upon the service provider properly expending and documenting eligible expenditures. Project disbursements for these grants are not accrued by the Foundation until these conditions are met by the service provider. Cost reimbursement grants expected to be funded by the Foundation as project costs in future years totaled approximately \$100,125,000 and \$197,000,000 at June 30, 2022 and 2021, respectively.

National Foundation for the Centers for Disease Control and Prevention, Inc.
Notes to Financial Statements

Note 14: CONCENTRATIONS OF CREDIT RISK

Throughout the year, the Foundation maintains bank deposits in excess of Federal Deposit Insurance Corporation (FDIC) coverage limits. Uninsured cash balances aggregated approximately \$38,000,000 and \$47,700,000 at June 30, 2022 and 2021, respectively. Management of the Foundation has evaluated and accepted the risk associated with uninsured cash balances.

Contributions receivable from Federal grants awarded by the CDC represented approximately 28% and 47% of total contributions receivable at June 30, 2022 and 2021, respectively, and contributions revenue from Federal grants awarded by the CDC represented approximately 67% and 32% of total revenue for the years ended June 30, 2022 and 2021, respectively.



SUPPLEMENTARY INFORMATION





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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
National Foundation for the Centers for
Disease Control and Prevention, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of National Foundation for the Centers for Disease Control and Prevention, Inc. (the Foundation) (a non-profit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 24, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

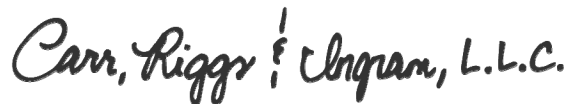
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia
February 24, 2023