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STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DIVISION OF PUBLIC HEALTH SERVICES

Lori A. Shibinette
Commissioner

Lisa M. Morris
Director

29 HAZEN DRIVE, CONCORD, NH 03301
603-271-4501 1-800-852-3345 Ext. 4501
Fax: 603-271-4827 TDD Access: 1-800-735-2964
www.dhhs.nh.gov

June 25, 2020

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

INFORMATIONAL ITEM

Pursuant to RSA 4:45, RSA 21-P:43, and Section 4 of Executive Order 2020-04, as extended by Executive Orders 2020-05, 2020-08, 2020-09, and 2020-10, Governor Sununu has authorized the Department of Health and Human Services, Division of Public Health Services, to enter into a **Sole Source** memorandum of agreement with the National Foundation for the Centers for Disease Control and Prevention, Inc. (VC# TBD), Atlanta, GA, at no cost to the Department for temporary employees to support the COVID-19 response in New Hampshire, with the option to renew through March 31, 2021 , effective upon Governor approval, through July 31, 2020.

Funding information is not provided because this memorandum of agreement is at no cost to the Department.

EXPLANATION

This request is **Sole Source** because the National Foundation for the Centers for Disease Control and Prevention, Inc. (CDC Foundation) is currently the only organization offering to provide specialized COVID-19 response services at no cost to the Department. The purpose of this memorandum of agreement is to allow for six (6) CDC Foundation employees to assist the State with the COVID-19 response. The employees will provide public health investigation and monitoring activities and be involved in the collection, analysis, interpretation, dissemination of COVID-19 related health data. Further, the employees will be involved with implementing and maintaining informational technology projects and associated tasks to support the COVID-19 response.

As referenced in Section 3 Terms and Conditions of the memorandum of agreement, the parties have the option to extend the agreement through March 31, 2021, contingent upon satisfactory delivery of services, available funding, agreement of the parties and governmental approval.

Area served: Statewide

Respectfully submitted,

Lori A. Shibinette
Commissioner

The Department of Health and Human Services' Mission is to join communities and families in providing opportunities for citizens to achieve health and independence.

CDC Foundation
Together our impact is greater

MEMORANDUM OF AGREEMENT

Contracting Party:	New Hampshire Department of Health and Human Services, Division of Public Health Services
Project Number:	4085 (MOA-2020-DPHS-01-SURGE-01)
Project Name:	COVID-19 Response

1. **PURPOSE**
The National Foundation for the Centers for Disease Control and Prevention, Inc. (hereafter CDC Foundation) and the New Hampshire Department of Health and Human Services, Division of Public Health Services (hereafter Department or Contracting Party) and hereby enter into this Memorandum of Agreement (hereafter MOA) for the purpose of supporting the COVID-19 Response in New Hampshire (the Project"). The temporary employees provided through this MOA will support New Hampshire's response to the COVID-19 outbreak through the provision of professional services, including, but not limited to, and as appropriate to the specific job duties of each position, 1) investigation of COVID-19 cases to identify and notify their close contacts, 2) conducting public health monitoring activities, 3) collecting, analyzing, interpreting, and disseminating COVID-19 related health data, and 4) implementing and maintaining information technology projects and associated tasks to support the COVID-19 response.

2. **SCOPE OF SERVICES**

2.1. Responsibilities of the Department. Under the terms of this MOA, the Department shall be responsible for:

- Providing a safe and secure space in Central Office (or other appropriate location) for six (6) CDC Foundation employees.
- Provide the CDC Foundation employees with safety training regarding use of the Department's designated workspace.
- As may be required or necessary, provide the CDC Foundation employees with the following amenities: laptop, software, phone, printer access, copy machine access, meeting room access, kitchen/breakroom access, clearance to enter the designated workspace, and parking.
- Ensure the safety of CDC Foundation employees, including utilizing safe infection prevention control practices and inform the CDC Foundation of CDC Foundation employees fall ill.
- Notify the CDC Foundation if concerns arise regarding the CDC Foundation employees' ability to complete designated Project assignments.

2.2. Responsibilities of the CDC Foundation. Under the terms of this MOA, CDC Foundation shall be responsible for:

- The CDC Foundation will temporarily assign employee(s) to the work at the Department's designated workspace. The CDC Foundation employees will comply with the policies and procedures of the CDC Foundation.
- CDC Foundation employees will be provided human resources support and training materials for successful onboarding including but not limited to information regarding benefits, instructions for the completion of timesheets and requests for leave.

3. **TERMS AND CONDITIONS**

3.1. Effective Dates. This MOA shall be effective upon approval of the Governor of New Hampshire and will terminate on July 31, 2020, with an opportunity to extend through March 31, 2021 should the CDC Foundation's underlying cooperative agreement be extended. Any further extensions are subject to required governmental approval.

3.2. Termination.

- Either party may terminate this MOA by providing thirty (30) days written notice of termination to the other party.
- The Department may terminate this MOA for cause, default, or negligence on the CDC Foundation part at any time without thirty days advance written notice. The Department may, at its option, allow the CDC Foundation a reasonable time to cure the default before termination.

4. AMENDMENTS

The MOA may only be amended by written agreement of all parties, which must be executed in the same manner as the MOA.

5. REPORTING

The Department will provide the CDC Foundation with periodic progress reports and a final narrative report detailing the impact of having CDC Foundation employees on staff and how the CDC Foundation employees supported the COVID-19 response in the Department. The final report will be due upon the completion of the project.

6. CONFIDENTIALITY

6.1. The CDC Foundation will comply with all confidentiality obligations under federal and state laws and Department policies and requirements including but not limited to the Federal Educational Rights and Privacy Act, 20 U.S.C. §1232g, and the Health Insurance Portability and Accountability Act (HIPAA), Public Law 104-92, as amended, and regulations (45 CFR Parts 160 and 164), as applicable. Confidential information means information known or maintained in any form, whether recorded or not, consisting of protected health information, other health information, personal information, personal identifying information, confidential business information, and any other information required by law to be treated as confidential, designated as confidential by the Department, or known or believed by the CDC Foundation or the CDC Foundation's employee or agent to be claimed as confidential or entitled to confidential treatment.

6.2. The CDC Foundation will not:

- access, view, use, or disclose confidential information without written authorization from the Department;
- discuss confidential information obtained in the course of its relationship with the Department with any other person or in any location outside of its area of responsibility in the Department; or
- make any unauthorized copy of confidential information, or remove or transfer this information to any unauthorized location or media.

6.3. The CDC Foundation will direct any request it receives for confidential information obtained through performance of services under this MOA, including a subpoena, litigation discovery request, court order, or Freedom of Information Act request, to the Department's Contracts Manager and the Department's Office of General Counsel as soon as possible, and in every case within one business day of receipt. If the CDC Foundation discloses confidential information pursuant to a properly completed authorization or legal process, order or requirement, the CDC Foundation must document the disclosure and make the documentation and authorization available for the Department's inspection and audit.

6.4. The CDC Foundation must immediately notify the Department's Privacy Officer at DHHSPrivacyOfficer@dhhs.nh.gov and the Department's Security Officer at DHHSInformationSecurityOffice@dhhs.nh.org of any unauthorized use or disclosure of confidential information received under this MOA. The CDC Foundation will immediately notify the Department of any suspected or actual breach of security of an individual's personal identifying information under applicable law.

6.5. The CDC Foundation's obligations under this provision and any other agreements concerning confidentiality shall survive termination, cancellation, or expiration of the MOA.

7. **RECORDKEEPING, AUDITS, & INSPECTIONS**

The CDC Foundation shall create and maintain adequate records to document all matters covered by this MOA. CDC Foundation shall retain all such records for six (6) years or other longer period required by law after termination, cancellation, or expiration of the MOA and make records available for inspection and audit at any time the Department deems necessary. If any litigation, claim or audit has begun but is not completed at the end of the six-year period, or if audit findings have not been resolved at the end of the six-year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken. CDC Foundation shall allow the Department to inspect facilities and locations where activities under this MOA are to be performed on reasonable notice. Unjustified failure to produce any records required under this paragraph may result in immediate termination of this MOA with no further obligation on the part of the Department.

CDC Foundation must dispose of records containing the Department's Confidential Information in a secure manner such as shredding or incineration once the required retention period has ended. Confidential Information means information known or maintained in any form, whether recorded or not, consisting of protected health information, other health information, personal information, personal identifying information, confidential business information, or any other information required by law to be treated as confidential, designated as confidential by the Department.

8. **LIABILITY, NO AGENCY RELATIONSHIP**

Neither party shall be liable for any claims, demands, expenses, liabilities and losses (including reasonable attorney's fees) which may arise out of any acts or failures to act by the other party, its employees or agents, in connection with the performance of services pursuant to this MOA. Neither party is an employee, agent, partner, or joint venturer of the other. Neither party has the right or authority to control or direct the activities of the other or the right or ability to bind the other to any agreement with a third party or to incur any obligation or liability on behalf of the other party, unless expressly authorized in this MOA.

9. **NON-DISCRIMINATION**

No person shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination in relation to activities carried out under this contract on the grounds of race, religion, color, sex, age, national origin, disability, or any other basis prohibited by law. This includes the provision of language assistance services to individuals of limited English proficiency eligible for services provided by the Department.

10. **DRUG FREE WORKPLACE**

By signing this MOA, the CDC Foundation certifies that it will comply with all applicable provisions of The Drug-free Workplace Act of 1988, 48 CFR § 52.223-6 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701-707).

11. **CHOICE OF LAW**

The MOA, any dispute, claim, or controversy relating to the MOA and all the rights and obligations of the parties shall, in all respects, be interpreted, construed, enforced and governed by and under the laws of the State of New Hampshire.

12. **DISPUTES**

This MOA will be interpreted, applied and enforced pursuant to the laws of the State of New Hampshire, including New Hampshire's statutes of limitation and without regard to its conflict of law principles. Any action to enforce or interpret this Agreement, or arising therefrom, must be brought exclusively in the courts located in Merrimack County, New Hampshire and the parties hereby consent to the exclusive jurisdiction of these courts in any such litigation and waive any claim of forum non conveniens with respect thereto.

13. **INSURANCE**
Each party will maintain general liability insurance and workers compensation insurance, and may be required to provide the other party with satisfactory evidence of such coverage. Neither party will provide individual coverage for the other party's employees, with each party being responsible for coverage of its employees.

14. **LICENSES**
During the term of this MOA, each party shall maintain its respective federal and state licenses, certifications, and accreditations required for the provision of services herein. The CDC Foundation will immediately notify the Department if a board, association, or other licensing authority takes any action to revoke or suspend the license, certification, or accreditation of CDC Foundation or CDC Foundation's employees or agents providing or performing services under this MOA.

15. **FINANCIAL RESPONSIBILITY**
Each party shall bear and be responsible solely for its own costs and expenses necessary to comply with this MOA.

16. **COMPLIANCE WITH LAWS**
CDC Foundation shall comply with all applicable laws and regulations in the performance of this MOA.

17. **SEVERABILITY**
The invalidity or unenforceability of any provision of this MOA shall not affect the validity or enforceability of any other provision, which shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement.

"Department"

Ann Landry, Associate Commissioner
NH Department of Health and Human Services

6/15/20
Date

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

DocuSigned by:
Monique S. Patrick
Monique S. Patrick, COO

6/11/2020 | 3:39:42 PM EDT
Date

The preceding Memorandum of Agreement, having been reviewed by this office, is approved as to form, substance, and execution.

NH Office of the Attorney General

Catherine Pinos

Name:
Title: Catherine Pinos, Attorney

06/16/20
Date

Resolution # 7 2016

RESOLUTION OF THE BOARD OF DIRECTORS OF THE NATIONAL FOUNDATION FOR THE CENTERS FOR DISEASE CONTROL AND PREVENTION, INC.

This resolution allows the CDC Foundation Chief Operating Officer to sign certain documents. This resolution will assist the CDC Foundation in continuing the day to day operation of the business when the President and CEO is unavailable to sign contracts or other legal documents requiring an authorized signature of the Corporation.

This resolution empowers the Chief Operating Officer to sign any subcontract and fellowship agreement (even for total projects larger than $500,000) if the total for the subcontract or fellowship agreement is less than $500,000.

This resolution empowers the Chief Operating Officer to sign contracts where, either the President or Chair of the Board has also signed on behalf of the corporation, the Chief Operating Officer would be allowed to sign as an Officer of the Corporation in the following circumstances requiring signatures during the President's absence:

1. When the President has already signed a document and a second Officer's signature is required.

2. When the President will be away from the office and pre-approves the Chief Operating Officer's signature of a specific document(s) in her stead.

3. When the President is away from the office and, after review of a document, via telephone, fax or email approves the Chief Operating Officer's signature of a specific document(s) in her stead.

4. When the President is away from the office, is unreachable, and both the VP who would normally recommend signature to the President and the Chief Operating Officer agree that the document must, of necessity, be signed prior to the President's return and a member of the CDC Foundation Board Executive Committee approves the signature.

WHEREAS, the Board of Directors of the National Foundation for the Centers for Disease Control and Prevention, Inc. has determined that the best interest of the Foundation will be advanced by the adoption of the following resolution:

RESOLVED, that Monique Patrick with the title of Chief Operating Officer is hereby appointed as an authorized signer of the Corporation with authority to execute on behalf of the corporation all documents and any contracts where, either the President or Chair of the Board has also signed on behalf of the corporation, and such other documents and instruments as the President may authorize pursuant to policies reviewed by the Board.

IN WITNESS WHEREOF, I have executed my name as Secretary and have hereto affixed the corporate seal of the above named corporation this

September 21, 2016

Date

David L. Ratliff

Secretary

*A fully executed and signed copy of the adopted resolution will become part of the foundation corporate record files.

DocuSign Envelope ID: 6A756A6D-4A0D-4F63-BBF1-E95344F91EF4

CDCFOU

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 6/09/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER USI Insurance Services, LLC 3475 Piedmont Rd Ste 800 Atlanta, GA 30305 404 923-3700	CONTACT NAME: Tracy Medina PHONE (A/C, No, Ext): 470-875-0413 FAX (A/C, No): 610-537-1929 E-MAIL ADDRESS: tracie.medina@usi.com
INSURED CDC Foundation 600 Peachtree Street, NE; Suite 1000 Atlanta, GA 30308	

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Travelers Property Cas. Co. of America	25674
INSURER B : Phoenix Insurance Company	25623
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC OTHER:			6306J67463A	07/01/2019	07/01/2020	EACH OCCURRENCE	$1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$1,000,000
							MED EXP (Any one person)	$20,000
							PERSONAL & ADV INJURY	$1,000,000
							GENERAL AGGREGATE	$2,000,000
							PRODUCTS - COMP/OP AGG	$
								$
A	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY / SCHEDULED AUTOS X HIRED AUTOS ONLY / X NON-OWNED AUTOS ONLY			BA6J547836	07/01/2019	07/01/2020	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
A	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED X RETENTION $0			CUP2L105166	07/01/2019	07/01/2020	EACH OCCURRENCE	$5,000,000
							AGGREGATE	$5,000,000
								$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) [N] If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		UB6K914660	07/01/2019	07/01/2020	X PER STATUTE / OTH-ER	
							E.L. EACH ACCIDENT	$1,000,000
							E.L. DISEASE - EA EMPLOYEE	$1,000,000
							E.L. DISEASE - POLICY LIMIT	$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Certificate of Liability Insurance

CERTIFICATE HOLDER	CANCELLATION
State of New Hampshire Department of Health and Human Services 129 Pleasant Street Concord, NH 03301-3857	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Donna G. Maddox

GXNE5

Centers for Disease Control and Prevention

About CDC 24-7

CDC Foundation

CDC Foundation
Together our impact is greater

Web Resources

- CDC Foundation
- Blog and Social Media

Established by Congress as an independent, nonprofit organization, the CDC Foundation is the sole entity authorized by Congress to mobilize philanthropic partners and private-sector resources to support CDC's critical health protection mission.

The CDC Foundation helps the CDC save and improve lives by unleashing the power of collaboration between CDC, philanthropies, corporations, organizations and individuals to protect the health, safety and security of America and the world. Since 1995, the CDC Foundation has launched approximately 1,000 programs and raised over $740 million. The CDC Foundation managed over 300 CDC-led programs in the United States and in more than 130 countries last year.

Because CDC is a federal agency, all scientific findings resulting from CDC research are available to the public and open to the broader scientific community for review. Funding for CDC's work provided through the CDC Foundation is not contingent on the outcomes of research or other scientific activity being favorable to one or more partners. The CDC Foundation works with CDC to ensure that programs will have a meaningful impact for CDC and public health, and complement CDC's priorities and ongoing work. The CDC and CDC Foundation each have review procedures in place to safeguard against possible conflicts of interest.

For more information, please visit www.cdcfoundation.org.

Page last reviewed: January 9, 2018

NATIONAL FOUNDATION FOR THE CENTERS FOR DISEASE CONTROL AND PREVENTION, INC.

CDC Foundation

Together our impact is greater

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

JUNE 30, 2019 AND 2018

Warren Averett

CPAs AND ADVISORS

NATIONAL FOUNDATION FOR THE CENTERS FOR DISEASE CONTROL AND PREVENTION, INC.
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JUNE 30, 2019 AND 2018

Warren Averett
CPAs AND ADVISORS

6 Concourse Parkway, Suite 600
Atlanta, GA 30328-5351
770.396.1100
warrenaverett.com

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the National Foundation for the Centers for Disease Control and Prevention, Inc., (the Foundation) (a Georgia not-for-profit corporation), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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

Auditors' Responsibility
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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the 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 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 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 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, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Warren Averett, LLC

Atlanta, Georgia
January 23, 2020

NATIONAL FOUNDATION FOR THE CENTERS FOR DISEASE CONTROL AND PREVENTION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

ASSETS

	2019	2018
Cash and cash equivalents	$ 7,056,252	$ 6,436,571
Contributions receivable, net	41,976,280	24,785,390
Accounts receivable	4,911,712	1,764,539
Cash and cash equivalents reserved or restricted	5,047,553	9,772,350
Investments	72,316,597	69,931,674
Prepaid and other assets	2,103,142	942,790
Property, plant and equipment, net	2,269,057	2,384,346
TOTAL ASSETS	$ 135,680,593	$ 116,017,660

LIABILITIES AND NET ASSETS

	2019	2018
LIABILITIES		
Accounts payable and accrued expenses	$ 1,900,107	$ 1,368,434
Agency funds held in trust	93,640	92,789
Contracts payable	13,568,005	10,478,069
Grants payable	3,719,204	2,471,842
Refundable advances	1,585,976	1,585,976
Unamortized leasehold allowance	1,634,217	1,810,889
Deferred rent	1,660,372	1,492,617
TOTAL LIABILITIES	24,161,521	19,300,616
COMMITMENTS AND CONTINGENCIES (Note 14)		
NET ASSETS		
Without donor restrictions	15,312,807	11,042,669
With donor restrictions		
Restricted by purpose or time	91,853,577	81,448,198
Restricted in perpetuity	4,352,688	4,226,177
With donor restrictions, total	96,206,265	85,674,375
TOTAL NET ASSETS	111,519,072	96,717,044
TOTAL LIABILITIES AND NET ASSETS	$ 135,680,593	$ 116,017,660

See notes to the financial statements.

NATIONAL FOUNDATION FOR THE CENTERS FOR DISEASE CONTROL AND PREVENTION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	Without Donor Restrictions	With Donor Restrictions	Total 2019	Total 2018
Contributions, gains (losses), other support and transfers				
Grants and contributions	$ 368,710	$ 50,116,933	$ 50,485,643	$ 46,846,963
Contributed goods and services	167,552	250,950	418,502	769,242
Direct Federal grants	-	15,217,129	15,217,129	4,798,742
Indirect cost recovery	1,942,487	9,916,552	11,859,039	5,822,114
Total grants and contributions	2,478,749	75,501,564	77,980,313	58,237,061
Interest and dividend income, net	995,965	632,468	1,628,433	835,074
Administrative fees	1,219,592	-	1,219,592	833,900
Other revenue	61,857	311,838	373,695	1,916,230
Refund – donor-restricted gifts	-	(298,747)	(298,747)	(211,032)
Reduction – donor-restricted gifts	(33,147)	(1,362,002)	(1,395,149)	(8,339)
Net realized and unrealized gain (loss) on investments	509,090	205,215	714,305	(417)
Net assets released from restriction for time and purpose	64,458,446	(64,458,446)	-	-
Total contributions, gains (losses), other support and transfers	69,690,552	10,531,890	80,222,442	61,602,477
Program costs and other expenses				
Program costs				
Project grants	16,695,575	-	16,695,575	23,725,299
Other program costs – contributed goods and services	250,950	-	250,950	-
Other program costs	41,616,875	-	41,616,875	35,714,749
Total program costs	58,563,400	-	58,563,400	60,011,016
Management and general expenses	4,952,325	-	4,952,325	3,687,887
Fundraising expenses	1,904,689	-	1,904,689	2,067,256
Total program costs and other expenses	65,420,414	-	65,420,414	65,766,159
CHANGE IN NET ASSETS	4,270,138	10,531,890	14,802,028	(4,163,682)
NET ASSETS AT:				
BEGINNING OF YEAR	11,042,669	85,674,375	96,717,044	100,880,726
END OF YEAR	$ 15,312,807	$ 96,206,265	$ 111,519,072	$ 96,717,044

See notes to the financial statements.

NATIONAL FOUNDATION FOR THE CENTERS FOR DISEASE CONTROL AND PREVENTION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total 2018
Contributions, gains (losses), other support and transfers			
Grants and contributions	$ 334,363	$ 46,512,600	$ 46,846,963
Contributed goods and services	198,274	570,968	769,242
Direct Federal grants	-	4,798,742	4,798,742
Indirect cost recovery	2,183,223	3,638,891	5,822,114
Total grants and contributions	2,715,860	55,521,201	58,237,061
Interest and dividend income, net	756,798	78,276	835,074
Administrative fees	833,900	-	833,900
Other revenue	13,644	1,902,586	1,916,230
Refund - donor-restricted gifts	-	(211,032)	(211,032)
Reduction - donor-restricted gifts	-	(8,339)	(8,339)
Net realized and unrealized (loss) gain on investments	(121,245)	120,828	(417)
Net assets released from restriction for time and purpose	63,358,318	(63,358,318)	-
Total contributions, gains (losses), other support and transfers	67,557,275	(5,954,798)	61,602,477
Program costs and other expenses			
Program costs			
Project grants - contributed goods and services	570,968	-	570,968
Project grants - other	23,725,299	-	23,725,299
Other program costs	35,714,749	-	35,714,749
Total program costs	60,011,016	-	60,011,016
Management and general expenses	3,687,887	-	3,687,887
Fundraising expenses	2,067,256	-	2,067,256
Total program costs and other expenses	65,766,159	-	65,766,159
CHANGE IN NET ASSETS	1,791,116	(5,954,798)	(4,163,682)
NET ASSETS AT:			
BEGINNING OF YEAR	9,251,553	91,629,173	100,880,726
END OF YEAR	$ 11,042,669	$ 85,674,375	$ 96,717,044

See notes to the financial statements.

NATIONAL FOUNDATION FOR THE CENTERS FOR DISEASE CONTROL AND PREVENTION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 14,802,028	$ (4,163,682)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	443,056	295,133
Realized and unrealized (gain) loss on investments	(714,305)	417
Contributions restricted for long-term investment	(94,341)	(71,631)
Change in assets and liabilities:		
Contributions receivable	(17,190,890)	16,437,541
Accounts receivable	(3,147,173)	(1,039,064)
Prepaid and other assets	(1,160,352)	1,234,907
Accounts payable and accrued expenses	531,673	57,620
Agency funds held in trust	851	11,895
Contracts payable	3,089,936	967,121
Unamortized leasehold allowance	(176,672)	(176,672)
Grants payable	1,247,362	(1,020,757)
Refundable advances	-	(1,889,000)
Deferred rent	167,755	781,838
Net cash (used in) provided by operating activities	(2,201,072)	11,425,666
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(41,543,179)	(85,735,791)
Sales of investments	39,872,561	34,975,268
Purchase of property and equipment	(327,767)	(546,665)
Net cash used in investing activities	(1,998,385)	(51,307,188)
CASH FLOWS FROM FINANCING ACTIVITY		
Contributions restricted for long-term investment	94,341	71,631
Net cash provided by financing activity	94,341	71,631
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESERVED OR RESTRICTED CASH AND CASH EQUIVALENTS	(4,105,116)	(39,809,891)
CASH, CASH EQUIVALENTS, AND RESERVED OR RESTRICTED CASH AND CASH EQUIVALENTS AT:		
BEGINNING OF YEAR	16,208,921	56,018,812
END OF YEAR	$ 12,103,805	$ 16,208,921

See notes to the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF BUSINESS

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.

During the years ended June 30, 2019 and 2018, the Foundation was involved in a variety of projects, including assisting with the opioid crisis, assisting with preventing infections in cancer patients, malaria elimination efforts, expanding the immunization system in Nigeria, 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 public health protection efforts.

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

Accrual Basis of Accounting
The financial statements of the Foundation have been prepared on the accrual basis of accounting.

Basis of Presentation
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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF BUSINESS – CONTINUED

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 central to its mission. 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 central to its mission. 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.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional pledges, if received, are not recognized until the conditions on which they depend are substantially met. Unconditional promises to give 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. 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.

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.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of interest bearing checking accounts, savings 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF BUSINESS – CONTINUED

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.

The tables below present a reconciliation of cash, cash equivalents, and reserved or restricted cash at beginning and end of year for the years ended June 30, 2019 and 2018:

	2019	2018
Beginning of year		
Cash and cash equivalents	$ 6,436,571	$ 13,808,029
Cash and cash equivalents reserved or restricted	9,772,350	42,210,783
Beginning of year, total	$ 16,208,921	$ 56,018,812
End of year		
Cash and cash equivalents	7,056,252	6,436,571
Cash and cash equivalents reserved or restricted	5,047,553	9,772,350
End of year, total	$ 12,103,805	$ 16,208,921

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.

Property, Plant and Equipment
Property, plant and equipment greater than $5,000 are capitalized at cost at the date of acquisition or at estimated fair value at date of donation if acquired as gifts, less accumulated depreciation. Depreciation of property and equipment is computed on a straight-line basis over the estimated useful life of three to seven years. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF BUSINESS – CONTINUED

Accounts Receivable
Accounts receivable consist primarily of amounts due to the Foundation under contracts with third party organizations. Accounts receivable not received within 60 days of invoicing are considered past due, and an allowance for uncollectible receivables is recorded as deemed necessary based on historical trends and specific account analysis. As of June 30, 2019, and 2018, the Foundation believes all accounts receivable are fully collectible.

Refund on Donor-Restricted Contributions
During the years ended June 30, 2019 and 2018, the Foundation recognized refunds of $298,747 and $211,032, 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, 2019 and 2018, the projects were completed and the total gift amount originally provided by the donor was not needed. 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, 2019 and 2018, the Foundation recognized a loss of $1,395,149 and $8,339, respectively, related to the reduction of gifts received from donors in prior years for specific projects. 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 loss was recognized.

Agency Funds Held in Trust
The Foundation holds funds in a custodial capacity for various organizations. The funds are primarily used for conferences and management training courses.

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF BUSINESS – CONTINUED

Compensated Absences

Foundation policies allow employees who work 20 or more hours per week to receive from 80 to 160 hours of vacation annually, based upon years of service. An accrual for unused vacation days has been included with accounts payable and accrued 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 and directors and officers insurance covering each of these identified risks.

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 14.

Management Estimates

Management of the Foundation has made certain estimates and assumptions in the preparation of the financial statements, including the reporting of allowances for doubtful accounts, estimated lives of fixed assets, accrued expenses and deferred compensation to prepare the financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates and assumptions.

Public Relations, Advertising and Marketing Costs

The Foundation's policy is to expense all public relations, advertising and marketing costs as they are incurred. Advertising expenses totaled $56,850 and $54,585 for the years ended June 30, 2019 and 2018, respectively.

New Accounting Standards – Adopted

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. FASB ASU No. 2016-14 (1) reduces the number of net asset classes presented from three to two; (2) requires the presentation of expense by functional and natural classification in one location; (3) requires quantitative and qualitative disclosures about liquidity and availability of financial assets; and (4) requires additional policy disclosures regarding Board-designated funds. The Foundation implemented the provisions of FASB ASU 2016-14 during the fiscal year ended June 30, 2019 and applied the changes retrospectively. The changes required by FASB ASU No. 2016-14 are disclosed throughout these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF BUSINESS – CONTINUED

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows* (Topic 230), requiring the statements of cash flows to explain the change in restricted cash and cash equivalents together with cash and cash equivalents. The amendments in this update are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The Foundation early adopted ASU No. 2016-18 in the fiscal year ended June 30, 2019 and applied the changes retrospectively.

New Accounting Standards – Yet to be 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, 2019, and interim periods within fiscal years beginning after December 15, 2020. The Foundation is currently evaluating the impact of FASB ASU No. 2016-02 on the presentation of the financial statements.

2. CONCENTRATIONS OF CREDIT RISK

The Federal Deposit Insurance Corporation (FDIC) insures up to $250,000 per financial institution. Uninsured cash balances aggregated approximately $11,400,000 and $17,100,000 at June 30, 2019 and 2018, respectively. Management of the Foundation has evaluated the risk associated with uninsured cash balances, and manages this risk.

Contributions receivable from two donors represent approximately 52% and 48% of total contributions receivable at June 30, 2019 and 2018, respectively. Revenue from the same two donors represents approximately 40% and 33% of total revenue for the years ended June 30, 2019 and 2018, respectively.

3. LIQUIDITY

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

	2019	2018
Financial assets, at year end:		
Cash and cash equivalents	$ 7,056,252	$ 6,436,571
Cash and cash equivalents reserved or restricted	5,047,553	9,772,350
Accounts receivable	4,911,712	1,764,539
Investments	72,316,597	69,931,674
Contributions receivable, net	41,976,280	24,785,390
Total financial assets at June 30	131,308,394	112,690,524
Less: assets unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Net assets with donor restrictions	96,206,265	85,674,375
Financial assets available to meet cash needs for general expenditures within one year	$ 35,102,129	$ 27,016,149

The Foundation obtains certain support from donor-restricted contributions. 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.

4. CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30, 2019 and 2018 are summarized as follows:

	2019	2018
Unconditional promises to give	$ 45,909,809	$ 26,771,609
Less: allowance for uncollectible pledges	(750,000)	(350,000)
Contributions receivable, gross	45,159,809	26,421,609
Less: present value discount	(3,183,529)	(1,636,219)
Contributions receivable, net	$ 41,976,280	$ 24,785,390

Contributions receivable are due as follows:

	2019	2018
Amounts due in:		
Less than one year	$ 33,670,184	$ 19,505,609
One year to five years	12,239,625	7,266,000
Unconditional promises to give	$ 45,909,809	$ 26,771,609

Discounts on contributions receivable were calculated at the date of donation using rates commensurate with the risk involved (rates range from 3.90% 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.

5. INVESTMENTS

The following is a summary of investments at June 30, 2019 and 2018:

	2019	2018
Investment cash and equivalents	$ 124,434	$ 4,660,002
U.S. Treasury/agency securities	58,593,293	52,826,062
Corporate bonds	8,163,087	7,305,889
Domestic equity mutual funds	2,819,557	2,566,996
International equity mutual funds	1,394,521	1,199,662
Fixed income mutual funds	1,221,705	1,373,063
Total investments	$ 72,316,597	$ 69,931,674

5. INVESTMENTS – CONTINUED

Investment return, net of investment management fees, is classified in the statements of activities as follows for the years ended June 30, 2019 and 2018:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income, net	$ 995,965	$ 632,468	$ 1,628,433
Net realized and unrealized gains	509,090	205,215	714,305
Total investment return	$ 1,505,055	$ 837,683	$ 2,342,738

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income, net	$ 756,798	$ 78,276	$ 835,074
Net realized and unrealized (losses) gains	(121,245)	120,828	(417)
Total investment return	$ 635,553	$ 199,104	$ 834,657

6. 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 Inputs* – 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 Inputs* – 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.

6. FAIR VALUE HIERARCHY – CONTINUED

- *Level 3 Inputs* – 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.

At June 30, 2019 and 2018, all of the Foundation's investments are classified within Level 1 of the hierarchy.

7. ENDOWMENT

The Foundation's endowment consists of 17 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.

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

7. ENDOWMENT – CONTINUED

Composition and changes in endowment net assets for the years ended June 30, 2019 and 2018 are as follows:

	2019	2018
Donor-restricted endowment net assets, beginning of year	$ 5,151,331	$ 5,019,488
Contributions	110,161	71,631
Investment return	475,683	103,655
Appropriation of endowment assets for expenditure	(46,253)	(43,443)
Donor-restricted endowment net assets, end of year	$ 5,690,922	$ 5,151,331

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.

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, 2019 and 2018.

8. 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. As of June 30, 2019 and 2018, the Foundation had grants payable totaling $3,719,204 and $2,471,842, respectively.

9. REFUNDABLE ADVANCES

During a prior year, the Foundation received certain refundable advances to be used for Emergency Preparedness and Response which includes severe and/or infrequent national level emergencies. Recognition as revenue was contingent upon the Foundation using these funds for their intended purpose, with any amounts not used to be returned to the donor. During the year ended June 30, 2018, the donor authorized the Foundation to use, and the Foundation used, $1,889,000 of this funding as a part of the Foundation's response to the effects of devastating hurricanes in Puerto Rico, leaving $1,585,976 remaining as of June 30, 2018. No further funds were spent during the year ended June 30, 2019, with the donor specifying that unspent funds can continue to be held by the Foundation for a future emergency response.

10. 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 $1,046,662 and $985,812 for the years ended June 30, 2019 and 2018, respectively.

The Foundation also has established a deferred 457 compensation plan. Per the plan document, any Employer contributions to the plan vest at 20% per year and are fully vested after five years. This is an unfunded plan in which any amounts due or payable pursuant to the terms of the plan will be paid from the general assets of the Foundation. Participants may make contributions up to the maximum amount allowed by law. There are no legal obligations for the Foundation to make any contributions to this plan. Disbursements from the plan totaled $25,082 for each of the years ended June 30, 2019 and 2018. The Foundation did not make any contributions to the plan during the years ended June 30, 2019 and 2018. Liabilities outstanding to plan participants totaled $44,491 and $69,573 as of June 30, 2019 or 2018, respectively.

11. 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, 2019 and 2018 as follows:

	2019	2018
Satisfaction of program restrictions		
Sponsored programs		
Data for Health	$ 6,498,488	$ 7,192,074
Malaria elimination efforts	5,636,216	5,807,326
Meningitis Surveillance in Africa	1,618,209	3,194,487
Expanding the Immunization Data System in Nigeria	1,771,003	6,629,974
Freedom from Smoking Initiative	3,725,823	5,160,696
Opioid Surge Staffing	2,764,650	-
Hurricane relief efforts	-	2,278,173
Ebola relief efforts	-	3,525,991
Other sponsored programs	37,252,925	23,775,802
Total sponsored programs	59,267,314	57,564,523
General operating purposes - operating grant	1,275,480	1,172,911
Satisfaction of program restrictions, total	60,542,794	58,737,434
Expiration of time restrictions - administrative fees recovered	3,869,399	4,577,441
Appropriation from donor-restricted endowment	46,253	43,443
Total releases from restriction	$ 64,458,446	$ 63,358,318

11. NET ASSETS – CONTINUED

Donor-restricted net assets are available for the following purposes at June 30, 2019 and 2018:

	2019	2018
Restricted by purpose or time:		
Sponsored programs		
Malaria elimination efforts	$ 9,187,984	$ 15,267,396
Data for Health	2,978,061	7,933,609
Freedom from Smoking Initiative	10,673,730	5,841,481
Opioid Surge Staffing	6,980,116	-
Digital Bridge Information Exchange	4,008,967	-
Alliance Partner Engagement Framework	4,715,500	-
Other programs	46,894,979	48,317,483
Total sponsored programs	85,439,337	77,359,969
General operating expenses - operating grant	960,758	867,148
Administrative cost recovery for use in future years	4,115,248	2,295,927
Endowment earnings	1,338,234	925,154
Total restricted by purpose or time	91,853,577	81,448,198
Endowment assets restricted in perpetuity	4,352,688	4,226,177
Total net assets with donor restrictions	$ 96,206,265	$ 85,674,375

12. GRANTS RECEIVED FROM THE CDC

During each of the years ended June 30, 2019 and 2018, the Foundation received operating grants from the CDC totaling $1,250,000. Additionally, during the year ended June 30, 2019, the Foundation received grant awards from the CDC through Federal cooperative agreements totaling $15,241,293, primarily for opioid prevention efforts.

13. CONTRIBUTED GOODS AND SERVICES

Contributed services totaling approximately $168,000 and $198,000, for the years ended June 30, 2019 and 2018, respectively, related to services performed by individuals loaned to the Foundation by the CDC for specific management and consulting expertise. These services were performed by individuals with specialized skills and the Foundation would have paid individuals to perform the same tasks if the services had not been contributed.

13. CONTRIBUTED GOODS AND SERVICES – CONTINUED

For the years ended June 30, 2019 and 2018, the Foundation received additional donated supplies and equipment with fair values of approximately $250,000 and $570,000, respectively, which were immediately passed to organizations for use in the Foundation's sponsored projects. Since these supplies and equipment 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.

14. 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 new 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 $696,849 and $605,404 for the years ended June 30, 2019 and 2018, respectively.

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

For the Year Ending June 30,	
2020	$ 930,635
2021	953,878
2022	977,752
2023	1,002,260
2024	1,027,399
Thereafter	4,657,999
	$ 9,549,923

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.

14. COMMITMENTS AND CONTINGENCIES – CONTINUED

Payment of Project Funds

The Foundation disburses the majority of its project funds as cost reimbursement grants with third party service providers. As discussed in Note 8, the disbursement of funds by the Foundation is generally contingent upon the service provider properly expending and documenting approved expenditures. Project disbursements are not accrued by the Foundation until these conditions are met. A majority of funding for these grants is provided by donor contributions and grants received by the Foundation. These grants are recognized as donor-restricted revenue by the Foundation at the time of the initial gift. As most grants awarded by the Foundation occur over more than one fiscal year, it is not uncommon for timing differences to exist between the year revenue is recognized and the year an expenditure occurs. It should also be noted that gift revenues can fluctuate significantly year to year. Cost reimbursement grants expected to be funded by the Foundation in future years totaled $76,281,081 and $65,699,950 at June 30, 2019 and 2018, respectively.

The Foundation agreed to prepay certain service organizations approximately $1,461,800 and $828,000 in 2019 and 2018, respectively, for services to be rendered during a future year. These arrangements were acceptable due to the legal requirements of the providers and based upon their history of providing exceptional service.

15. EXPENSES BY NATURE AND FUNCTION

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities, with a summary by both nature and function provided in the tables below for the years ended June 30, 2019 and 2018. Occupancy, depreciation, building maintenance, information technology, telecommunications, printing and supplies have been allocated based on employee headcount. Program costs are divided into three categories: project grants, contributed goods and services and other program costs. Project grants are amounts paid to implementing partners that are non-profit or governmental organizations. This would include payments to the CDC and organizations such as the World Health Organization. Contributed goods and services consist of supplies, equipment and services donated to one of the Foundation's programs. Other program costs are all other costs incurred by the Foundation's programs and programs department, including personnel costs, professional fees, supplies, travel, etc.

	Program	Management and General	Fundraising	Total 2019
Personnel cost	$ 11,650,730	$ 2,959,096	$ 1,510,000	$ 16,119,826
Program awards	16,695,575	-	-	16,695,575
Conferences and meetings	604,059	93,261	3,916	701,236
Other professional fees	23,257,755	873,620	29,848	24,161,223
Office expenses	2,559,691	86,886	56,836	2,703,413
Occupancy	330,804	272,216	144,562	747,582
Travel	3,190,634	57,629	12,672	3,260,935
Depreciation	179,383	172,178	91,495	443,056
Other expenses	94,769	437,439	55,360	587,568
Total	$ 58,563,400	$ 4,952,325	$ 1,904,689	$ 65,420,414

	Program	Management and General	Fundraising	Total 2018
Personnel cost	$ 7,848,427	$ 2,541,537	$ 1,703,176	$ 12,093,140
Program awards	24,296,267	-	-	24,296,267
Conferences and meetings	482,659	46,346	9,404	538,409
Other professional fees	22,034,761	438,984	23,515	22,497,260
Office expenses	2,285,951	60,001	59,840	2,405,792
Occupancy	323,705	221,868	145,638	691,211
Travel	2,585,486	21,151	19,916	2,626,553
Depreciation	112,432	103,062	79,639	295,133
Other expenses	41,328	254,938	26,128	322,394
Total	$ 60,011,016	$ 3,687,887	$ 2,067,256	$ 65,766,159

16. SUBSEQUENT EVENTS

In connection with the preparation of the financial statements, management and the Board evaluated subsequent events after the statement of financial position date of June 30, 2019 through January 23, 2020, which was the date the financial statements were available to be issued.

OUR BOARD

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Retired CFO and Executive Vice President
Superior Essex, Inc.
CDC Foundation Treasurer, Executive Committee and Finance Committee
Atlanta, GA

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San Francisco, CA

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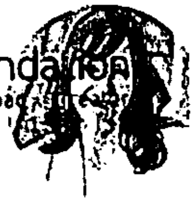

Elaine Chambers
Former Board Chair
Lucile Packard Foundation for Children's Health
CDC Foundation Advancement Committee
Palo Alto, CA

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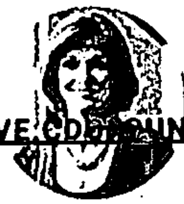

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University of North Carolina at Chapel Hill's Gillings School of Global Public Health
CDC Foundation Board Chair and Executive Committee
Chapel Hill, NC

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Dikembe Mutombo Foundation
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Washington, DC

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Managing Director
Boardwalk Consulting
CDC Foundation Advancement Committee

Brady Haynes
Vice President of Finance and Accounting
UPS Americas Region
CDC Foundation Finance Committee

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Founding Partner
The Pendelton Consulting Group
CDC Foundation Board Chair 2005-2010
CDC Foundation Advancement Committee

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Retired Trustee and Past President
Robert W. Woodruff Foundation, Joseph B. Whitehead Foundation and Lettie Pate Evans Foundation
Former CDC Foundation Board Member
CDC Foundation Advancement Committee

Preston Moister
Founder and Managing Partner
Third Century Investment Associates, LP
CDC Foundation Finance Committee

Marni T. Vliet
President
Marni Vliet Strategy
Former CDC Foundation Board Member
CDC Foundation Advancement Committee

Mark Volker
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CDC Foundation Finance Committee

Robert Yellowlees
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Global Payments, Inc. and NDC Health Corporation
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President
BD Foundation
CDC Foundation Board Chair 2010-2014

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Georgia-Pacific Corporation
CDC Foundation Board Chair 1994-1996
(deceased)

CDC Foundation
Together our impact is greater

(/).

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Retired Executive Director
The Association of State and Territorial Health Officials

Michelle Hooper
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Vice President, Health Programs
The Carter Center

Bob Jeffrey
Chairman & CEO - Worldwide
JWT

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The Aspen Institute

Andrew R. Klepchick, Jr.
Principal
Homrich Berg

Julius R. Krevans, MD
Chancellor Emeritus
University of California at San Francisco Medical Center School of Medicine
(deceased)

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CDC Foundation Board Chair 1996-1998
(deceased)

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Chairman, The Marcus Foundation
Co-founder and Director Emeritus, The Home Depot, Inc.
CDC Foundation Board Chair 1998-2001

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Retired President and CEO
The Annie E. Casey Foundation
CDC Foundation Board Chair 2014 - 2019

Kent C. "Oz" Nelson
Retired Chair and CEO
United Parcel Service, Inc.
CDC Foundation Board Chair 2001-2005

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Retired Chairman, President and CEO
Southern Company

David Satcher, MD, PhD
Director, Satcher Health Leadership Institute
Center of Excellence on Health Disparities, Center of Excellence on Health Disparities, Poussaint-Satcher-Cosby Chair in Mental Health, Morehouse School of Medicine, 16th Surgeon General of the United States
Center of Excellence on Health Disparities,
Poussaint-Satcher-Cosby Chair in Mental Health,
Morehouse School of Medicine;
16th Surgeon General of the United States

Andrew J. Young
Chairman
Andrew J. Young Foundation