

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

FINANCIAL STATEMENTS

As of and for the Years Ended June 30, 2025 and 2024

And Reports of Independent Auditor

**NATIONAL FOUNDATION FOR THE CENTERS FOR DISEASE CONTROL
AND PREVENTION, INC.**
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Report of Independent Auditor

To the Board of Trustees
National Foundation for the Centers for Disease Control and Prevention, Inc.
Atlanta, Georgia

Opinion

We have audited the accompanying financial statements of the National Foundation for the Centers for Disease Control and Prevention, Inc. (the “Foundation”), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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 Foundation as of June 30, 2025 and 2024, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted 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, 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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Cherry Bekaert LLP

Atlanta, Georgia
February 13, 2026

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

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents	\$ 10,050,797	\$ 22,288,506
Contributions and grants receivable, net	25,073,332	31,967,628
Contract receivables, net	9,771,281	17,363,570
Investments	104,084,564	82,915,807
Prepaid and other assets	6,841,171	8,028,673
Operating lease right-of-use assets	2,016,386	2,581,864
Property and equipment, net	798,018	1,108,529
Total Assets	<u>\$ 158,635,549</u>	<u>\$ 166,254,577</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 6,724,660	\$ 6,139,769
Accrued payroll and related expenses	4,801,748	3,960,362
Deferred revenues	1,711,863	1,074,917
Contracts payable	364,005	250,143
Grants payable	801,048	2,704,082
Operating lease liabilities	3,423,394	4,365,791
Total Liabilities	<u>17,826,718</u>	<u>18,495,064</u>
Net Assets:		
Without Donor Restrictions:		
Undesignated	31,660,255	34,130,043
Board designated for strategic initiatives	13,007,907	15,489,066
Board designated endowment	560,215	500,000
Total Without Donor Restrictions	<u>45,228,377</u>	<u>50,119,109</u>
With Donor Restrictions:		
Restricted by purpose or time	80,650,566	84,740,615
Restricted in perpetuity	14,929,888	12,899,789
Total With Donor Restrictions	<u>95,580,454</u>	<u>97,640,404</u>
Total Net Assets	<u>140,808,831</u>	<u>147,759,513</u>
Total Liabilities and Net Assets	<u>\$ 158,635,549</u>	<u>\$ 166,254,577</u>

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

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

YEAR ENDED JUNE 30, 2025 (WITH SUMMARIZED TOTALS FOR 2024)

	Without Donor Restrictions	With Donor Restrictions	Total	2024 Summarized Total
Contributions, Gains (Losses), Other Support, and Transfers:				
Federal grants	\$ -	55,880,097	\$ 55,880,097	\$ 70,149,307
Non-federal grants and contributions of cash and other financial assets	1,239,110	43,978,384	45,217,494	41,827,339
Contributions of nonfinancial assets	-	-	-	3,586
Indirect cost recovery	322,984	14,603,308	14,926,292	11,968,155
Total Grants and Contributions	<u>1,562,094</u>	<u>114,461,789</u>	<u>116,023,883</u>	<u>123,948,387</u>
Service revenue	46,013,628	-	46,013,628	66,501,901
Other revenue	321,302	41,421	362,723	39,558
Refund – donor-restricted gifts	(294,564)	-	(294,564)	(605,084)
Investment returns, net	1,620,806	4,391,566	6,012,372	5,771,888
Net assets released from restrictions	<u>120,954,726</u>	<u>(120,954,726)</u>	<u>-</u>	<u>-</u>
Total Contributions, Gains (Losses), Other Support, and Transfers	<u>170,177,992</u>	<u>(2,059,950)</u>	<u>168,118,042</u>	<u>195,656,650</u>
Program Costs and Other Expenses:				
Program Costs:				
Workforce solutions	44,039,909	-	44,039,909	59,438,393
Non-infectious disease	71,393,435	-	71,393,435	59,463,236
Infectious disease	33,995,684	-	33,995,684	48,336,306
Other programs	4,195,284	-	4,195,284	18,035,446
Total Program Costs	<u>153,624,312</u>	<u>-</u>	<u>153,624,312</u>	<u>185,273,381</u>
Supporting Services:				
Management and general expenses	17,074,678	-	17,074,678	18,780,684
Fundraising expenses	4,369,734	-	4,369,734	3,537,314
Total Supporting Services	<u>21,444,412</u>	<u>-</u>	<u>21,444,412</u>	<u>22,317,998</u>
Total Program Costs and Other Expenses	<u>175,068,724</u>	<u>-</u>	<u>175,068,724</u>	<u>207,591,379</u>
Change in net assets	(4,890,732)	(2,059,950)	(6,950,682)	(11,934,729)
Net assets, beginning of year	<u>50,119,109</u>	<u>97,640,404</u>	<u>147,759,513</u>	<u>159,694,242</u>
Net assets, end of year	<u>\$ 45,228,377</u>	<u>\$ 95,580,454</u>	<u>\$ 140,808,831</u>	<u>\$ 147,759,513</u>

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

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

YEAR ENDED JUNE 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Contributions, Gains (Losses), Other Support, and Transfers:			
Federal grants	\$ -	\$ 70,149,307	\$ 70,149,307
Non-federal grants and contributions of cash and other financial assets	1,416,452	40,410,887	41,827,339
Contributions of nonfinancial assets	3,586	-	3,586
Indirect cost recovery	205,518	11,762,637	11,968,155
Total Grants and Contributions	<u>1,625,556</u>	<u>122,322,831</u>	<u>123,948,387</u>
Service revenue	66,501,901	-	66,501,901
Other revenue	39,558	-	39,558
Refund – donor-restricted gifts	(76,733)	(528,351)	(605,084)
Investment returns, net	1,309,446	4,462,442	5,771,888
Net assets released from restrictions	<u>135,146,222</u>	<u>(135,146,222)</u>	<u>-</u>
Total Contributions, Gains (Losses), Other Support, and Transfers	<u>204,545,950</u>	<u>(8,889,300)</u>	<u>195,656,650</u>
Program Costs and Other Expenses:			
Program costs:			
Workforce solutions	59,438,393	-	59,438,393
Non-infectious disease	59,463,236	-	59,463,236
Infectious disease	48,336,306	-	48,336,306
Other programs	18,035,446	-	18,035,446
Total Program Costs	<u>185,273,381</u>	<u>-</u>	<u>185,273,381</u>
Supporting Services:			
Management and general expenses	18,780,684	-	18,780,684
Fundraising expenses	3,537,314	-	3,537,314
Total Supporting Services	<u>22,317,998</u>	<u>-</u>	<u>22,317,998</u>
Total Program Costs and Other Expenses	<u>207,591,379</u>	<u>-</u>	<u>207,591,379</u>
Change in net assets	(3,045,429)	(8,889,300)	(11,934,729)
Net assets, beginning of year	<u>53,164,538</u>	<u>106,529,704</u>	<u>159,694,242</u>
Net assets, end of year	<u>\$ 50,119,109</u>	<u>\$ 97,640,404</u>	<u>\$ 147,759,513</u>

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

NATIONAL FOUNDATION FOR THE CENTERS FOR DISEASE CONTROL AND PREVENTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2025 (WITH SUMMARIZED TOTALS FOR 2024)

	Program Costs					Supporting Services			Summarized Total 2024
	Workforce Solutions	Non-Infectious Disease	Infectious Disease	Other Programs	Total Programs	Management and General	Fundraising	Total	
Personnel cost	\$ 42,042,239	\$ 33,009,734	\$ 6,950,736	\$ 3,362,357	\$ 85,365,066	\$ 11,335,198	\$ 3,359,608	\$ 100,059,872	\$ 109,216,833
Program awards	27,218	7,068,059	9,724,428	277,188	17,096,893	47,482	2,237	17,146,612	34,548,475
Other professional fees	732,492	27,268,889	15,171,341	184,330	43,357,052	2,009,460	354,546	45,721,058	49,995,503
Project supplies	1,581	93,582	1,157,130	-	1,252,293	-	-	1,252,293	1,693,359
Contributed goods and services	-	-	-	-	-	-	-	-	3,586
Office expenses	20,365	343,522	175,483	15,463	554,833	442,936	418,996	1,416,765	2,008,176
Conferences and meetings	37,893	354,082	165,263	96,685	653,923	83,066	18,170	755,159	875,112
Occupancy	332,772	261,278	55,016	26,615	675,681	89,720	26,592	791,993	825,687
Travel	240,730	2,175,485	457,522	54,590	2,928,327	233,379	48,254	3,209,960	3,866,686
Depreciation	143,431	112,616	23,713	11,471	291,231	38,672	11,462	341,365	291,208
Technology	447,814	646,506	98,114	166,421	1,358,855	2,288,078	111,686	3,758,619	3,420,324
Other expenses	13,374	59,682	16,938	164	90,158	506,687	18,183	615,028	846,430
Total Expenses	\$ 44,039,909	\$ 71,393,435	\$ 33,995,684	\$ 4,195,284	\$ 153,624,312	\$ 17,074,678	\$ 4,369,734	\$ 175,068,724	\$ 207,591,379

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

NATIONAL FOUNDATION FOR THE CENTERS FOR DISEASE CONTROL AND PREVENTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Program Costs				Supporting Services			
	Workforce Solutions	Non-Infectious Disease	Infectious Disease	Other Programs	Total Programs	Management and General	Fundraising	Total
Personnel cost	\$ 57,509,580	\$ 20,071,380	\$ 6,935,413	\$ 9,799,996	\$ 94,316,369	\$ 12,528,280	\$ 2,372,184	\$ 109,216,833
Program awards	-	8,514,824	23,394,390	2,332,313	34,241,527	306,948	-	34,548,475
Other professional fees	360,033	26,837,466	15,387,161	4,829,384	47,414,044	2,121,280	460,179	49,995,503
Project supplies	27,817	260,934	1,337,182	67,426	1,693,359	-	-	1,693,359
Contributed goods and services	-	-	3,586	-	3,586	-	-	3,586
Office expenses	105,226	287,054	75,778	266,440	734,498	698,402	575,276	2,008,176
Conferences and meetings	36,108	468,092	85,565	148,144	737,909	128,862	8,341	875,112
Occupancy	434,777	151,741	52,432	74,088	713,038	94,715	17,934	825,687
Travel	177,039	2,440,398	640,944	346,545	3,604,926	238,772	22,988	3,866,686
Depreciation	153,339	53,517	18,492	26,129	251,477	33,405	6,326	291,208
Technology	484,970	376,015	404,677	97,794	1,363,456	2,002,202	54,666	3,420,324
Other expenses	149,504	1,815	686	47,187	199,192	627,818	19,420	846,430
Total Expenses	<u>\$ 59,438,393</u>	<u>\$ 59,463,236</u>	<u>\$ 48,336,306</u>	<u>\$ 18,035,446</u>	<u>\$ 185,273,381</u>	<u>\$ 18,780,684</u>	<u>\$ 3,537,314</u>	<u>\$ 207,591,379</u>

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

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

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ (6,950,682)	\$ (11,934,729)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	341,365	291,208
Amortization of right-of-use assets	565,478	536,967
Realized and unrealized gains on investments	(2,697,489)	(3,188,513)
Contributions restricted for long-term investment	(2,030,099)	(1,976,958)
Change in allowance for uncollectible contributions and grants	(323,464)	382,500
Change in allowance for credit losses	(147,692)	147,693
Change in operating assets and liabilities:		
Contributions and grants receivable	7,217,760	12,121,216
Contract receivables	7,739,981	1,184,686
Prepaid and other assets	1,187,502	(1,570,421)
Accounts payable and accrued expenses	584,891	4,139,680
Accrued payroll and related expenses	841,386	(757,737)
Deferred revenues	636,946	(328,441)
Contracts payable	113,862	(385,201)
Grants payable	(1,903,034)	(5,295,088)
Operating lease liabilities	(942,397)	(888,114)
Net cash flows from operating activities	<u>4,234,314</u>	<u>(7,521,252)</u>
Cash flows from investing activities:		
Purchases of investments	(39,213,672)	(8,016,737)
Sales of investments	20,742,404	9,681,789
Purchase of property and equipment	(30,854)	(479,072)
Net cash flows from investing activities	<u>(18,502,122)</u>	<u>1,185,980</u>
Cash flows from financing activities:		
Contributions restricted for long-term investment	2,030,099	1,976,958
Net cash flows from financing activities	<u>2,030,099</u>	<u>1,976,958</u>
Net change in cash and cash equivalents	(12,237,709)	(4,358,314)
Cash and cash equivalents, beginning of year	22,288,506	26,646,820
Cash and cash equivalents, end of year	<u>\$ 10,050,797</u>	<u>\$ 22,288,506</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

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, governed, and managed 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 public health system, including the CDC.

The Foundation is recognized as an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (“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. Each year, programs and funding sources might change, affecting the timing of revenue streams and expenses, and thus changes in net assets. Additionally, the revenue recognition accounting, 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.

The Foundation’s major programs include the following:

Workforce Solutions – The Foundation continues its work to strengthen the nation’s public health protection system by recruiting, hiring, onboarding and managing diverse and experienced public health professionals on behalf of health jurisdictions across the nation. Field employees work in various roles, ranging from traditional public health positions like epidemiologists, disease investigators and emergency response specialists, to data scientists, cloud architects, legal professionals, health policy experts, school liaisons, overdose coordinators and more. These employees play integral roles in America’s public health infrastructure in support of the Foundation’s jurisdictional partners. By meeting health department needs and providing key staff when and where they are needed most, the Foundation sustains its invaluable contribution to public health, both in the moment and for the future.

Non-Infectious Disease (“NID”) – The Foundation implements programs focused on chronic disease prevention, injury and violence prevention, and other similar health challenges, as well as work to strengthen public health systems through efforts including modernizing public health systems and processes. The Foundation aims to implement innovative programs that improve health outcomes in communities around the world; leverage public health entrepreneurship to transform NID prevention strategies; nurture and develop a future-forward and future-ready multisectoral workforce; and build and support transformative public health partnerships in the United States and globally.

Infectious Disease (“ID”) – The Foundation’s ID programs support the critical work of preventing, detecting, and responding to infectious disease outbreaks and other public health emergencies. The team oversees a range of innovative projects, including research on new prevention and treatments, technology advances that improve disease surveillance, and capacity building to expand laboratory capabilities.

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 1—Description of the organization (continued)

Other Programs – The Foundation's other programs encompass initiatives aimed at enhancing the skills and capabilities of public health teams and their community partners to strengthen public health systems and improve outcomes. These initiatives provide tailored technical assistance, capacity building, and broad learning opportunities, fostering collaboration and emphasizing partnerships, relationships, and practical support to address evolving public health challenges, including emergency public health responses. When public health emergencies arise, activities include delivering resources such as personal protective equipment or providing direct aid for natural disasters. In addition to these efforts, other programs also include expenditures related to the Foundation's endowment funds and board-designated projects.

Note 2—Summary of significant accounting policies

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

Basis of Presentation – 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 of America (“U.S. 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 (“ASU”).

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, estimated lives of fixed assets, 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. The Foundation has chosen to provide further classification information about net assets without donor restrictions on the statements of financial position. The sub-classifications are as follows:

Board-Designated – Represents resources set aside by the Board to be used for specific activities within guidelines established by the Board.

Undesignated – Represents the cumulative net assets without donor restrictions excluding board-designated as described above.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 2—Summary of significant accounting policies (continued)

Revenues and Expenses – Revenues are recognized when the 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 the 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 that are expected to be collected in future years are recorded at fair value which is measured at the present value of the expected 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.

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, 2025 and 2024, conditional federal grants awarded for which qualifying expenses have not been incurred and for which revenue has not been recognized totaled approximately \$74,750,000 and \$115,300,000, respectively. In addition, conditional non-federal grants and contributions not recognized as of June 30, 2025 and 2024 totaled approximately \$22,000,000 and \$5,300,000, respectively.

Refund on Donor-Restricted Contributions – Refund on donor-restricted contributions represents amounts originally contributed to support specific projects, however, due to cost savings and/or other project circumstances, all funds received were not expended. 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.

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, 2025 and 2024, approximately \$9,161,000 and \$6,109,000, respectively, of indirect cost recovery was related to federal grants, and approximately \$5,765,000 and \$5,859,000, respectively, was related to non-federal grants and contributions.

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 2—Summary of significant accounting policies (continued)

Contributed Goods and Services – 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 services recognized primarily represents services performed by individuals loaned to the Foundation by the CDC for specific management and consulting expertise. There were no contributed nonfinancial assets during the year ended June 30, 2025. Contributed nonfinancial assets for the year ended June 30, 2024, recognized within the statements of activities, totaled \$3,586 and did not have donor-imposed restrictions.

Service Revenue – Service revenue is recognized over time as performance obligations are rendered. 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, 2025 and 2024, related contract assets consist of contract receivables totaled \$9,771,281 and \$17,363,570, respectively. At July 1, 2023, related contract assets consist of contract receivables totaled \$18,695,949.

Contracts Receivable – Contracts receivable consist primarily of amounts due to the Foundation under contracts with third party organizations and are stated at cost less an allowance for credit losses. Amounts are considered past due when they are not paid within the terms agreed upon by the Foundation and the third party. The allowance for credit losses is based on the Foundation's assessment of the collectability of contract receivables. In accordance with ASC Topic 326, *Financial Instruments – Credit Losses*, the Foundation makes ongoing estimates relating to the collectability of contracts receivable and records an allowance for estimated losses expected from the inability of third party organizations to make required payments. The Foundation establishes expected credit losses by evaluating historical levels of credit losses, current economic conditions that may affect a third party organization's ability to pay, and creditworthiness of third party organizations. These inputs are used to determine a range of expected credit losses and an allowance is recorded within that range. Contracts receivable are written off when there is no reasonable expectation of recovery. The beginning balance for the allowance for credit losses as of July 1, 2023 was \$0. The allowance for credit losses at June 30, 2024 was \$147,692. There was no allowance for credit losses at June 30, 2025 as it was determined to be immaterial.

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. Beginning balance for contracts payable as of July 1, 2023 was \$635,344.

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 2—Summary of significant accounting policies (continued)

Investments – Investments are recorded at cost when purchased and at fair value on the date of donation when donated. Thereafter, 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 interest and dividends, 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, net.

Property and Equipment – All acquisitions of property and equipment and expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets and are in excess of \$10,000 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 expensed as incurred. Depreciation of property and equipment is computed on a straight-line basis over the estimated useful life of the asset. Capitalized leasehold improvements are depreciated over the shorter of the life of the asset or the life of the corresponding lease.

Leases – The Foundation determines if an arrangement is or contains a lease at inception. After the implementation of ASU 2016-02, *Leases* are included in right-of-use (“ROU”) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Foundation does not report ROU assets and lease liabilities for any short-term leases. Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Fair Value of Financial Instruments – Assets and liabilities recorded at fair value in the statements of financial position are categorized based on the level of judgment associated with the inputs to measure their fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. The estimates are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. These estimates may differ substantially from amounts that could be realized in an immediate sale or settlement of the instrument.

The carrying amounts of cash and cash equivalents, receivables, prepaid expenses and other assets, accounts payable, accrued expenses, deferred revenues, contracts payable, grants payable and other liabilities approximate fair value because of the short maturity of these financial instruments. The carrying amount of contributions and grants receivable approximate fair value since contributions to be received after one year are discounted at a rate commensurate with the risk involved. Fair value of investments is disclosed in Note 7.

Compensated Absences – The Foundation policies allow employees who work 20 or more hours per week to receive from 80 to 200 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.

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 2—Summary of significant accounting policies (continued)

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.

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 \$600,338 and \$764,057 for the years ended June 30, 2025 and 2024, respectively.

Functional Allocation of Expenses – The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents 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.

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.

Income Taxes – The Foundation utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of 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, 2025 and 2024, the Foundation has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Reclassifications – Certain reclassifications have been made to present last year's financial statements on a basis comparable to the current year's financial statements. These reclassifications include separating \$12,225,825 of program expenses related to Emergency Response from inclusion with Workforce Solutions as presented in last year's financial statements to inclusion with Other Programs in the current year financial statements. This reclassification changed the presentation on the statement of activities and functional expenses in the prior year for consistency. This had no change to total program expenses and had no effect on the change in net assets or total net assets. Net assets released from donor-imposed restrictions and donor-restricted net asset purpose information in Note 9 as presented in last year's financial statements was also updated to reflect this reclassification.

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 3—Liquidity and availability of resources

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.

	<u>2025</u>	<u>2024</u>
Financial assets, at year-end:		
Cash and cash equivalents	\$ 10,050,797	\$ 22,288,506
Contributions and grants receivable, net	25,073,332	31,967,628
Contracts receivable	9,771,281	17,363,570
Investments	104,084,564	82,915,807
Total financial assets at year-end	<u>148,979,974</u>	<u>154,535,511</u>
Less net assets unavailable to meet cash needs for general expenditures within one year:		
Board designated for strategic initiatives	(13,007,907)	(15,489,066)
Board designated endowment	(560,215)	(500,000)
Subject to purpose or time restrictions	(80,650,566)	(84,740,615)
Donor-restricted endowment to be retained into perpetuity	<u>(14,929,888)</u>	<u>(12,899,789)</u>
Financial assets available to be used within one year	<u>\$ 39,831,398</u>	<u>\$ 40,906,041</u>

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.

As of June 30, 2025, the Foundation’s governing board has designated, from net assets without donor restrictions, \$13,007,907 to support the strategic initiatives of the Foundation and \$560,215 to support the CDC Museum Public Health Academy Endowed Fund. These designations were established by the governing board, which may undesignate these funds, in the event of an immediate liquidity need.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 4—Contributions and grants receivable, net

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

	<u>2025</u>	<u>2024</u>
Contributions and grants receivable	\$ 26,614,786	\$ 34,338,414
Less allowance for uncollectible pledges	(796,735)	(1,120,199)
Less present value discount	<u>(744,719)</u>	<u>(1,250,587)</u>
Contributions and grants receivable, net	<u>\$ 25,073,332</u>	<u>\$ 31,967,628</u>

Contributions and grants receivable are due as follows:

	<u>2025</u>	<u>2024</u>
Amounts due in:		
Less than one year	\$ 22,603,778	\$ 28,850,832
One year to five years	<u>4,011,008</u>	<u>5,487,582</u>
Contributions and grants receivable	<u>\$ 26,614,786</u>	<u>\$ 34,338,414</u>

Discounts on contributions and grants 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 5.42%). 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—Property and equipment, net

The components of property and equipment, net at June 30 are as follows:

	<u>Estimated Useful Lives</u>	<u>2025</u>	<u>2024</u>
Leasehold improvements	12 years	\$ 2,120,065	\$ 2,120,065
Equipment and furnishings	3 to 7 years	455,672	426,939
Software	3 years	<u>1,309,241</u>	<u>1,309,241</u>
Total depreciable property and equipment		3,884,978	3,856,245
Less accumulated depreciation		<u>(3,086,960)</u>	<u>(2,747,716)</u>
Total property and equipment, net		<u>\$ 798,018</u>	<u>\$ 1,108,529</u>

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 6—Investments

The following is a summary of investments at June 30:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 7,024,584	\$ 2,607,295
U.S. government and agency securities	32,675,526	33,594,670
Corporate bonds	17,556,012	18,636,276
Mutual funds	31,523,328	17,412,479
Exchange traded funds	13,534,000	10,665,087
Alternative investments	1,771,114	-
Total investments	<u>\$ 104,084,564</u>	<u>\$ 82,915,807</u>

Investment returns, net for the years ended June 30 consisted of the following:

	<u>2025</u>	<u>2024</u>
Interest and dividend income	\$ 3,465,255	\$ 2,726,047
Net realized and unrealized gains	2,697,489	3,188,513
Investment fees	(150,372)	(142,672)
Total investment returns, net	<u>\$ 6,012,372</u>	<u>\$ 5,771,888</u>

Note 7—Fair value hierarchy

Fair value is determined based on the assumptions that market participants would use in pricing assets or liabilities. As a basis for considering market participant assumptions in fair value measurements, accounting standards established a three-tier hierarchy to distinguish between various types of inputs used in determining the value of an organization's financial instruments.

Level inputs as defined by ASC 820, *Fair Value Measurements and Disclosures*, are 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.

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 7—Fair value hierarchy (continued)

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 as of the beginning of the reporting period.

The following tables summarize the valuation of the Foundation’s financial assets measured at fair value, based on the level of input utilized to measure fair value. Measurement at fair value on a recurring basis as of June 30 was as follows:

	Fair Value Measurements at June 30, 2025:			
	Total	Level 1	Level 2	Level 3
Assets				
Investments at fair value:				
Cash and cash equivalents	\$ 7,024,584	\$ 7,024,584	\$ -	\$ -
U.S. government and agency securities	32,675,526	32,675,526	-	-
Corporate bonds	17,556,012	-	17,556,012	-
Mutual Funds	31,523,328	31,523,328	-	-
Exchange traded funds	13,534,000	13,534,000	-	-
Subtotal investments carried at fair value	102,313,450	<u>\$ 84,757,438</u>	<u>\$ 17,556,012</u>	<u>\$ -</u>
Investments carried at other than fair value:				
Alternative investments measured at NAV (*)	<u>1,771,114</u>			
Total investments		<u>\$ 104,084,564</u>		

(*) In accordance with FASB ASC *Subtopic 820-10, Fair Value Measurements*, alternative investments that were measured at net asset value (“NAV”) per unit (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of financial position.

	Fair Value Measurements at June 30, 2024:			
	Total	Level 1	Level 2	Level 3
Assets				
Investments at fair value:				
Cash and cash equivalents	\$ 2,607,295	\$ 2,607,295	\$ -	\$ -
U.S. government and agency securities	33,594,670	33,594,670	-	-
Corporate bonds	18,636,276	-	18,636,276	-
Mutual Funds	17,412,479	17,412,479	-	-
Exchange traded funds	10,665,087	10,665,087	-	-
Total investments	<u>\$ 82,915,807</u>	<u>\$ 64,279,531</u>	<u>\$ 18,636,276</u>	<u>\$ -</u>

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, 2025 and 2024, there were no significant transfers in or out of Levels 1, 2, or 3.

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 7—Fair value hierarchy (continued)

The Foundation has placed funds for investment with investment managers that measure the fair value of investments at NAV per share. The investment managers have established, for accounting purposes, an initial unit value for an accounting unit of the participants' accounts based on the participants' net assets divided by the unit value. At all times, the total value of the participants' net assets, divided by the total of all participants' units, will equal the unit value. The unit value of the net assets will be determined on the valuation date. These estimated fair values may differ from the values that would have been used had a ready market existed for these investments.

For entities that calculate NAV per share (or its equivalent), the following table provides information to more fully describe those funds and the probability of investments being sold at amounts different from NAV per share for the year ended June 30, 2025:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Ironwood Institutional Multi-Strategy Fund LLC ^(a)	\$ 881,890	\$ -	Quarterly	95 day notice
Infinity Premier Fund (QP) Cayman, L.P. ^(b)	889,224	-	6-month	95 day notice
	<u>\$ 1,771,114</u>	<u>\$ -</u>		

(a) Ironwood Institutional Multi-Strategy Fund LLC's investment objective is capital appreciation with limited variability of returns. The Fund attempts to achieve this objective by allocating capital among a number of pooled entities, each managed by an independent investment advisor pursuant to relative value investment strategies or other techniques and subject to various risks.

(b) Infinity Premier Fund (QP) Cayman, L.P. is a multi-manager fund whose investment approach is to invest with a select group of multi-strategy managers, each with more than 10 years' operating history and greater than \$5 billion in AUM. The objective of the fund is to provide investors with a well-diversified, low volatility, non-correlated investment strategy that seeks to generate high levels of risk-adjusted returns.

Note 8—Endowments

The Foundation's endowment consists of approximately 25 individual funds established by donors for a variety of purposes, including programs, awards, research, and operations. The Foundation's endowments also includes funds designated by the Board to function as endowments. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, 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.

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 8—Endowments (continued)

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

- The duration and preservation of the endowment fund.
- The purposes of the Foundation and the donor-restricted endowment fund.
- General economic conditions.
- The possible effects of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Foundation.
- The investment policies of the Foundation.

The endowment net asset composition by type of fund is as follows at June 30:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowments:			
Restricted in perpetuity	\$ -	\$ 14,929,888	\$ 14,929,888
Accumulated investment gains	-	6,033,468	6,033,468
Board-designated endowment	560,215	-	560,215
Total endowment funds	<u>\$ 560,215</u>	<u>\$ 20,963,356</u>	<u>\$ 21,523,571</u>
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowments:			
Restricted in perpetuity	\$ -	\$ 12,899,789	\$ 12,899,789
Accumulated investment gains	-	4,527,258	4,527,258
Board-designated endowment	500,000	-	500,000
Total endowment funds	<u>\$ 500,000</u>	<u>\$ 17,427,047</u>	<u>\$ 17,927,047</u>

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 8—Endowments (continued)

The changes in endowment net assets for the years ended June 30 are as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of the year	\$ 500,000	\$ 17,427,047	\$ 17,927,047
Contributions	-	2,030,099	2,030,099
Investment returns, net	60,215	2,148,649	2,208,864
Amounts appropriated for expenditure	-	(642,439)	(642,439)
End of the year	<u>\$ 560,215</u>	<u>\$ 20,963,356</u>	<u>\$ 21,523,571</u>
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of the year	\$ -	\$ 13,656,212	\$ 13,656,212
Transfers in	500,000	-	500,000
Contributions	-	1,976,958	1,976,958
Investment returns, net	-	1,871,298	1,871,298
Amounts appropriated for expenditure	-	(77,421)	(77,421)
End of the year	<u>\$ 500,000</u>	<u>\$ 17,427,047</u>	<u>\$ 17,927,047</u>

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 applicable restricted projects, while permitting reinvestment of any earnings above the approved spending rate. The initial payout is up to 5% 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, 2025 and 2024.

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 9—Net assets with donor restrictions

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 as follows:

	<u>2025</u>	<u>2024</u>
Satisfaction of program restrictions:		
Sponsored programs:		
Workforce solutions	\$ 3,136,778	\$ 2,886,602
Non-infectious disease	67,707,025	55,729,060
Infectious disease	29,700,274	47,208,388
Other sponsored programs	<u>3,933,202</u>	<u>16,390,136</u>
Total sponsored programs	104,477,279	122,214,186
General operating purposes - operating grant	<u>1,012,073</u>	<u>913,522</u>
Satisfaction of program restrictions, total	105,489,352	123,127,708
Expiration of time restrictions - administrative fees recovered	14,822,935	11,941,093
Appropriation from donor-restricted endowment	<u>642,439</u>	<u>77,421</u>
Total releases from restriction	<u>\$ 120,954,726</u>	<u>\$ 135,146,222</u>

Donor-restricted net assets are available for the following purposes at June 30:

	<u>2025</u>	<u>2024</u>
Restricted by purpose or time:		
Sponsored programs:		
Workforce solutions	\$ 83,019	\$ 136,341
Non-infectious disease	30,914,436	31,383,920
Infectious disease	27,001,004	32,169,126
Other sponsored programs	<u>16,618,639</u>	<u>16,523,970</u>
Total sponsored programs	74,617,098	80,213,357
Accumulated endowment earnings	<u>6,033,468</u>	<u>4,527,258</u>
Total restricted for purpose or time	80,650,566	84,740,615
Endowment assets restricted in perpetuity	<u>14,929,888</u>	<u>12,899,789</u>
Total net assets with donor restrictions	<u>\$ 95,580,454</u>	<u>\$ 97,640,404</u>

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 10—Retirement plans

The Foundation has established a voluntary defined contribution retirement plan (the “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 in the Plan. Contributions under the 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). The Foundation contributes 10% of a qualifying participant's compensation to the Plan, provided the participant contributes 2% of their compensation to the Plan and completes 1,000 hours of service. Contributions to the Plan by the Foundation totaled \$5,827,606 and \$6,729,245 for the years ended June 30, 2025 and 2024, respectively.

Changes were made to the Plan effective January 1, 2026, in which all employees hired on or after that date are subject to a 2-year vesting schedule.

Note 11—Transactions with affiliated organization

During the years ended June 30, 2025 and 2024, the Foundation received grant awards from CDC totaling approximately \$42,467,000 and \$73,679,000, to fund specific Foundation programs. In addition, the Foundation receives an annual operating grant from the CDC of \$1,250,000. As of June 30, 2025 and 2024, the Foundation had outstanding grant receivables from the CDC totaling \$4,937,481 and \$8,027,540, respectively.

The CDC also has authority to accept funds from the Foundation. During the years ended June 30, 2025 and 2024, the Foundation provided program funds to the CDC totaling approximately \$6,300,000 and \$6,300,000, respectively.

Note 12—Leases

The Foundation has obligations as a lessee for office space and office equipment with initial noncancelable terms in excess of one year. The Foundation has classified these leases as operating leases.

Required supplemental information related to the Foundation’s operating leases as of and for the years ended June 30 are as follows:

	<u>2025</u>	<u>2024</u>
Operating leases expense:		
Leases expense, included in program services	\$ 688,552	\$ 688,552
Total operating leases expense	<u>\$ 688,552</u>	<u>\$ 688,552</u>
Cash flow information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	<u>\$ 942,397</u>	<u>\$ 888,114</u>
Lease term and discount rate:		
Weighted average remaining lease term—operating leases	3.25 years	4.24 years
Weighted average discount rate—operating leases	3.06%	3.13%

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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 12—Leases (continued)

Future minimum lease payments under operating leases as of June 30, 2025 are as follows:

Years Ending June 30,

2026	\$ 1,081,388
2027	1,106,296
2028	1,133,965
2029	<u>285,230</u>
Total lease payments	3,606,879
Less present value discount	<u>(183,485)</u>
Total lease obligations	<u><u>\$ 3,423,394</u></u>

Note 13—Commitments and contingencies

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 or requests for reimbursement not being paid due to disallowed expenses. Management does not believe that such disallowance, if any, would have a material effect on the financial position of the Foundation. As of June 30, 2025, there were no material questioned or disallowed costs as a result of grant audits in process or completed by grantor agencies.

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 \$9,000,000 and \$21,000,000 at June 30, 2025 and 2024, 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 19% and 23% of total contributions receivable at June 30, 2025 and 2024, respectively, and contributions revenue from federal grants awarded by the CDC represented approximately 26% and 38% of total revenue for the years ended June 30, 2025 and 2024, respectively.

Note 15—Subsequent events

The Foundation has evaluated subsequent events through February 13, 2026, which was the date the consolidated financial statements were available to be issued.