

PUBLIC HEALTH INSTITUTE
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY REGULATORY
COMPLIANCE INFORMATION
December 31, 2021 and 2020

PUBLIC HEALTH INSTITUTE
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY REGULATORY
COMPLIANCE INFORMATION
December 31, 2021 and 2020

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION.....	4
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	5
STATEMENTS OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS.....	8
NOTES TO FINANCIAL STATEMENTS	9
SUPPLEMENTARY INFORMATION	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	18
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	28
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	29
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE	31
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	
SECTION I - SUMMARY OF AUDITOR'S RESULTS	34
SECTION II - FINANCIAL STATEMENT FINDINGS.....	35
SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS	35

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Public Health Institute
Oakland, California

Report on the Audit of the Financial Statements***Opinion***

We have audited the financial statements of Public Health Institute, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Public Health Institute as of December 31, 2021 and 2020, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Public Health Institute 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 Public Health Institute's ability to continue as a going concern for one year from the date the financial statements are available to be issued.

(Continued).

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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Public Health Institute'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 Public Health Institute's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

(Continued).

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 11, 2022 on our consideration of Public Health Institute's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Public Health Institute's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Public Health Institute's internal control over financial reporting and compliance.



Crowe LLP

San Francisco, California
July 11, 2022

PUBLIC HEALTH INSTITUTE
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 51,117,649	\$ 60,555,137
Investments (Note 3)	3,782,595	3,357,945
Grants and contracts receivable, net of allowance for doubtful accounts of \$75,000 in 2021 and 2020	31,829,241	25,653,836
Prepaid expenses	412,495	1,480,349
Other assets	<u>318,197</u>	<u>125,731</u>
Total current assets	87,460,177	91,172,998
Furniture, equipment and computer software, net of accumulated depreciation and amortization (Note 4)	<u>984,615</u>	<u>1,534,395</u>
Total assets	<u>\$ 88,444,792</u>	<u>\$ 92,707,393</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and other accrued liabilities	9,206,943	14,007,531
Accrued salaries and related leave	16,335,907	12,545,685
Contract advances	<u>13,095,564</u>	<u>7,213,812</u>
Total current liabilities	<u>38,638,414</u>	<u>33,767,028</u>
Net assets:		
Without donor restrictions:		
Undesignated	15,539,834	7,409,750
Designated (Note 5)	<u>3,255,830</u>	<u>2,059,613</u>
Total without donor restrictions	18,795,664	9,469,363
With donor restrictions (Note 6)	<u>31,010,714</u>	<u>49,471,002</u>
Total net assets	<u>49,806,378</u>	<u>58,940,365</u>
Total liabilities and net assets	<u>\$ 88,444,792</u>	<u>\$ 92,707,393</u>

See accompanying notes to financial statements.

PUBLIC HEALTH INSTITUTE
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the years ended December 31, 2021 and 2020

	2021			2020		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Support and revenue						
Grants and contracts (Notes 2 and 10)	\$ 175,904,653	\$ 66,431,894	\$ 242,336,547	\$ 111,406,107	\$ 82,098,589	\$ 193,504,696
Contributions	1,206,337	-	1,206,337	897,142	-	897,142
Interest income, net realized and unrealized investment gains	469,057	-	469,057	403,783	-	403,783
Net assets released from donor restrictions	84,892,182	(84,892,182)	-	45,265,032	(45,265,032)	-
Total support and revenue	<u>262,472,229</u>	<u>(18,460,288)</u>	<u>244,011,941</u>	<u>157,972,064</u>	<u>36,833,557</u>	<u>194,805,621</u>
Expenses						
Direct expenses:						
Salaries, wages and benefits (Note 9)	109,050,359	-	109,050,359	71,207,531	-	71,207,531
Professional services	25,084,234	-	25,084,234	17,116,308	-	17,116,308
Travel, training and professional development	1,545,912	-	1,545,912	13,578,136	-	13,578,136
Occupancy (Note 8)	2,815,377	-	2,815,377	3,747,394	-	3,747,394
Supplies	1,693,640	-	1,693,640	2,182,300	-	2,182,300
Publications and printing	101,065	-	101,065	238,304	-	238,304
Temporary help	41,199	-	41,199	56,051	-	56,051
Communications	1,510,572	-	1,510,572	924,157	-	924,157
Postage and delivery	521,715	-	521,715	441,492	-	441,492
Subcontracts and grants	87,548,562	-	87,548,562	27,219,243	-	27,219,243
Other	440,918	-	440,918	250,611	-	250,611
Total direct expenses	<u>230,353,553</u>	<u>-</u>	<u>230,353,553</u>	<u>136,961,527</u>	<u>-</u>	<u>136,961,527</u>
Indirect expenses:						
Allocated	22,683,129	-	22,683,129	17,520,355	-	17,520,355
Unallocated	109,246	-	109,246	46,295	-	46,295
Total indirect expenses	<u>22,792,375</u>	<u>-</u>	<u>22,792,375</u>	<u>17,566,650</u>	<u>-</u>	<u>17,566,650</u>
Total expenses	<u>253,145,928</u>	<u>-</u>	<u>253,145,928</u>	<u>154,528,177</u>	<u>-</u>	<u>154,528,177</u>
Change in net assets	9,326,301	(18,460,288)	(9,133,987)	3,443,887	36,833,557	40,277,444
Net assets at beginning of year	9,469,363	49,471,002	58,940,365	6,025,476	12,637,445	18,662,921
Net assets at end of year	<u>\$ 18,795,664</u>	<u>\$ 31,010,714</u>	<u>\$ 49,806,378</u>	<u>\$ 9,469,363</u>	<u>\$ 49,471,002</u>	<u>\$ 58,940,365</u>

See accompanying notes to financial statements.

PUBLIC HEALTH INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2021

	Program Services and Fundraising			Management and General			Total Expenses
	Program Services	Fundraising	Subtotal	PHI	ARG	Subtotal	
Salaries, wages and benefits	\$ 109,048,053	\$ 2,306	\$ 109,050,359	\$ 16,509,255	\$ 602,953	\$ 17,112,208	\$ 126,162,567
Professional services	25,084,234	-	25,084,234	1,021,015	89,895	1,110,910	26,195,144
Travel, training and professional development	1,545,912	-	1,545,912	174,261	115	174,376	1,720,288
Occupancy	2,815,377	-	2,815,377	666,056	251,850	917,906	3,733,283
Supplies	1,693,640	-	1,693,640	901,691	43,445	945,136	2,638,776
Publications and printing	101,065	-	101,065	100,522	29,051	129,573	230,638
Temporary help	41,199	-	41,199	128,709	-	128,709	169,908
Communications	1,509,180	1,392	1,510,572	229,596	28,182	257,778	1,768,350
Postage and delivery	521,715	-	521,715	10,498	568	11,066	532,781
Subcontracts and grants	87,548,562	-	87,548,562	-	-	-	87,548,562
Other	440,548	370	440,918	2,003,772	941	2,004,713	2,445,631
	<u>\$ 230,349,485</u>	<u>\$ 4,068</u>	<u>\$ 230,353,553</u>	<u>\$ 21,745,375</u>	<u>\$ 1,047,000</u>	<u>\$ 22,792,375</u>	<u>\$ 253,145,928</u>

See accompanying notes to financial statements.

PUBLIC HEALTH INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2020

	Program Services and Fundraising			Management and General			Total Expenses
	Program Services	Fundraising	Subtotal	PHI	ARG	Subtotal	
Salaries, wages and benefits	\$ 71,207,249	\$ 282	\$ 71,207,531	\$ 12,674,143	\$ 629,250	\$ 13,303,393	\$ 84,510,924
Professional services	17,116,308	-	17,116,308	345,903	50,925	396,828	17,513,136
Travel, training and professional development	13,578,136	-	13,578,136	92,980	435	93,415	13,671,551
Occupancy	3,747,394	-	3,747,394	1,106,878	383,496	1,490,374	5,237,768
Supplies	2,182,300	-	2,182,300	737,455	18,807	756,262	2,938,562
Publications and printing	238,304	-	238,304	100,264	12,921	113,185	351,489
Temporary help	56,051	-	56,051	29,386		29,386	85,437
Communications	922,469	1,688	924,157	182,368	20,677	203,045	1,127,202
Postage and delivery	441,492	-	441,492	10,238	400	10,638	452,130
Subcontracts and grants	27,219,243	-	27,219,243	-	-	-	27,219,243
Other	250,414	197	250,611	1,167,851	2,273	1,170,124	1,420,735
	<u>\$ 136,959,360</u>	<u>\$ 2,167</u>	<u>\$ 136,961,527</u>	<u>\$ 16,447,466</u>	<u>\$ 1,119,184</u>	<u>\$ 17,566,650</u>	<u>\$ 154,528,177</u>

See accompanying notes to financial statements.

PUBLIC HEALTH INSTITUTE
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ (9,133,987)	\$ 40,277,444
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	549,780	520,183
Unrealized gains on investments	(384,975)	(319,679)
(Increase) decrease in:		
Grants and contracts receivable	(6,175,405)	(3,271,910)
Prepaid expenses	1,067,854	257,095
Other assets	(192,466)	189,620
Increase (decrease) in:		
Accounts payable and accrued liabilities	(4,800,588)	6,316,300
Accrued salaries and related leave	3,790,222	4,084,366
Contract advances	5,881,752	1,379,551
	<u>(9,397,813)</u>	<u>49,432,970</u>
Cash flows from investing activities		
Purchases of investments, net	(560,158)	(3,038,266)
Proceeds from sale or maturity of investments	520,483	-
Purchase of furniture, equipment and computer software	-	(178,843)
	<u>(39,675)</u>	<u>(3,217,109)</u>
Net cash used in investing activities		
	<u>(39,675)</u>	<u>(3,217,109)</u>
Net change in cash and cash equivalents	(9,437,488)	46,215,861
Cash and cash equivalents at beginning of year	<u>60,555,137</u>	<u>14,339,276</u>
Cash and cash equivalents at end of year	<u>\$ 51,117,649</u>	<u>\$ 60,555,137</u>

See accompanying notes to financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization: The Public Health Institute is a California nonprofit public benefit corporation organized and operated for charitable and scientific purposes under section 501(c)(3) of the Internal Revenue Code. The specific and primary purposes of the Public Health Institute and its subsidiaries (collectively, the Institute or PHI) are to improve the public's health in United States and globally through research, training and professional education, institutional support, consultation and technical assistance, information dissemination and policy analysis.

Principles of Consolidation: The accompanying financial statements of the Institute include the accounts of the Public Health Institute and the Public Health Institute's controlled subsidiaries: PHI India Private Limited, a private limited company organized under the laws of India, and Instituto de Saude Publica do Brasil, a private association organized under the laws of Brazil. The Public Health Institute's controlled subsidiaries are operated exclusively for the purpose of carrying out projects that advance PHI's charitable and scientific purposes in the Republic of India and Brazil respectively. All intercompany balances and transactions have been eliminated in consolidation.

The Institute's mission is to generate and promote research, leadership and partnerships to build capacity for strong public health policy, programs, systems and practices. The Institute believes that health is a fundamental human right and just societies ensure equitable health outcomes for everyone. The Institute is guided by the following key principles:

- Accountability
- Leadership and creativity in individuals and institutions
- Cross-sector thinking
- Diverse partnerships throughout the world
- Innovation
- Evidence-based public health

The Institute has adopted a strategic framework consisting of the following six overarching goals:

- Strengthen public health engagement and leadership
- Advance sustainable global health solutions
- Strengthen public health systems, services and research
- Advance policy to improve social determinants of health
- Diversify and strengthen funding base to ensure long-term impact
- Deliver operational excellence to the Institute's programs

The Alcohol Research Group ("ARG"), is a program of the Institute which focuses on better understanding the public health implications of alcohol use patterns and associated problems. Additionally, it disseminates these findings, as well as trains future generations of public health researchers to become independent scientist in the field of alcohol studies.

Basis of Presentation: The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with generally accepted accounting principles in the United States of America (GAAP).

Cash and Cash Equivalents: The Institute considers all cash and other highly liquid investments with initial maturities of three months or less when purchased to be cash equivalents. This classification also includes money market accounts held by the Institute.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Institute maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Investments: Investments are valued at fair value based upon quoted market prices, when available, or estimates of fair value, in the Statements of Financial Position and realized and unrealized gains and losses are recognized in the Statements of Activities in the year incurred.

Furniture, Equipment and Computer Software: Furniture, equipment and computer software in excess of \$5,000 are capitalized and stated at cost if purchased, or at fair value if donated.

Furniture, equipment and computer software are depreciated/amortized on a straight-line basis over the estimated useful lives of the related assets, generally five to seven years. The cost of maintenance and repairs is recorded as expenses when incurred.

Compensated Absences: The Institute's current policy is to allow employees to accrue up to a maximum of 640 hours of paid time off. As of December 31, 2021 and 2020, the liability for accrued compensated absences aggregated \$13,419,122 and \$10,929,676, respectively, and is included in accrued salaries and related leave in the accompanying Statements of Financial Position.

Net Asset Classification: The net assets are reported in two self-balancing groups as follows:

- *Net assets without donor restrictions* – This classification includes revenue and contributions received which have no donor-imposed restrictions. These net assets are available for the operation of the Institute and include both internally designated (Note 5) and undesignated resources.
- *Net assets with donor restrictions* – This classification includes revenue and contributions which are subject to donor-imposed stipulations that will be met by the actions of the Institute, and/or the passage of time. When a restriction ceases, the restricted net assets are reclassified to “net assets without donor restrictions” and reported in the Statements of Activities and Changes in Net Assets, as net assets released from restrictions.

Grants and Contracts: Grants and contracts, which are generally considered non-exchange transactions, are recognized as net assets with donor restrictions when they are deemed to have a purpose or time restricted contribution. Conditional promises to give, with a barrier and right of return, are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Grants received in excess of qualifying direct and indirect expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements. Contracts are recorded as revenue without donor restrictions when reimbursable costs have been incurred by the Institute. Contract funding received in advance of incurring the related expenses is recorded as a contract advance. Contract advances remain as a liability until such time as the qualifying direct or indirect expenses have been incurred.

The Institute receives funding under grants and contracts from the U.S. Government for direct and indirect program costs. This funding is subject to contractual conditions, which must be met through incurring qualifying expenses for particular programs. Accordingly, such grants are recorded as without donor restrictions income to the extent that related direct and indirect expenses are incurred in compliance with the criteria stipulated in the grant agreements.

Grants and contracts receivable represents amounts due from funding organizations for reimbursable expenses incurred in accordance with the related agreements. Grants and contracts receivable approximate fair value.

The allowance for doubtful accounts is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the funder.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Income Taxes: The Institute is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income and franchise taxes under Section 23701d of the California Revenue and Taxation Code, except to the extent of unrelated business taxable income as defined under Internal Revenue Code Sections 511 through 515. A provision for income taxes has not been recorded in the accompanying financial statements. The Institute is not a private foundation.

Uncertain Tax Positions: For the years ended December 31, 2021 and 2020, the Institute has documented its consideration of guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

The Federal Form 990, Return of Organization Exempt from Income Tax, is subject to examination by the Internal Revenue Service, generally for three years after it is filed.

Tax positions taken related to the Institute's tax exempt status, unrelated business activities taxable income and deductibility of expenses and other miscellaneous tax positions have been reviewed, and management is of the opinion that material positions taken by the Institute would more likely than not be sustained by examination. Accordingly, the Institute has not recorded an income tax liability for uncertain tax benefits as of December 31, 2021 or 2020 nor does it expect there will be a material change in the twelve months following the year ended December 31, 2021. As of December 31, 2021, the Institute's tax years ended December 31, 2017 through December 31, 2021 remain subject to examination in the United States federal tax jurisdiction and the tax years ended December 31, 2016 through December 31, 2021 remain subject to examination in the California state tax jurisdiction.

Use of Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among program and supporting services benefited. Functional expenses are allocated based on hours incurred by the individuals assigned to the program and supporting services or by directly charging costs to a given function, where applicable. The Institute considers its services related to bettering the public health to encompass one program for purposes of functional expense allocation.

NOTE 2 – CONCENTRATION OF REVENUE

Approximately 50% and 61% of the Institute's total support and revenue for the years ending December 31, 2021 and 2020 was derived from various agencies of the U.S. government. Approximately 11% of the Institute's total support and revenue for the years ended December 31, 2021 and 2020, was received under a single cooperative agreement from the United States Agency for International Development. Approximately 8% and 10% of the Institute's total support and revenue for the years ended December 31, 2021 and 2020, respectively, was received under various awards from the National Institute of Health. Any interruption of these relationships (i.e. failure to renew grant agreements or withholding of funds) would require review of ongoing operations.

(Continued)

PUBLIC HEALTH INSTITUTE
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments are carried at fair value; therefore, realized and unrealized gains and losses are reflected in the statement of activities in the year incurred.

The Institute discloses investments recorded at fair value into the “fair value hierarchy.”, in accordance with GAAP. The categorization of a financial instrument within the fair value hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Institute’s perceived risk of that instrument. The three levels for measuring fair value are based on the reliability of inputs and are as follows:

- Level 1* Quoted prices are available in active markets for identical investments as of the reporting date. Level 1 investments generally include publicly traded equity and fixed income securities.
- Level 2* Pricing inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities. There were no such investments held by the Institute as of December 31, 2021 or 2020.
- Level 3* Pricing inputs are generally unobservable for the assets or liabilities and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require management's judgment or estimation of assumptions that market participants would use in pricing the assets or liabilities. The fair values are therefore determined using factors that involve judgment including private and comparable public companies, third party appraisals, discounted cash flow models, and fund manager estimates. There were no such investments held by the Institute as of December 31, 2021 or 2020.

Investments in equity securities and fixed income mutual funds are classified as Level 1 as they are traded on a public exchange. Investments recorded at cost include cash and money market funds. Investments recorded at cost are not required to be classified in one of the levels prescribed by the fair value hierarchy.

At December 31, 2021 investments consisted of the following:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments, at fair value:				
Equity securities	\$ 2,532,575	\$ 2,532,575	\$ -	\$ -
Fixed income securities	<u>1,174,349</u>	<u>1,174,349</u>	<u>-</u>	<u>-</u>
	3,706,924	<u>\$ 3,706,924</u>	<u>\$ -</u>	<u>\$ -</u>
Investments, at cost:				
Cash and money market funds	<u>75,671</u>			
Total investments	<u>\$ 3,782,595</u>			

(Continued)

PUBLIC HEALTH INSTITUTE
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

At December 31, 2020 investments consisted of the following:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments, at fair value:				
Equity securities	\$ 1,911,208	\$ 1,911,208	\$ -	\$ -
Fixed income securities	956,766	956,766	-	-
	<u>2,867,974</u>	<u>\$ 2,867,974</u>	<u>\$ -</u>	<u>\$ -</u>
Investments, at cost:				
Cash and money market funds	<u>489,971</u>			
Total investments	<u>\$ 3,357,945</u>			

Investment return consists of interest and dividend income, realized gains and losses, and unrealized gains and losses. Gains and losses on dispositions of investments, as included in the statements of activities, are determined on the specific-identification basis. Unrealized gains and losses from fair value fluctuations on investments are included in the statements of activities in the period such fluctuations occur. Investment and related fees include all external and direct internal investment expenses.

NOTE 4 – FURNITURE, EQUIPMENT AND COMPUTER SOFTWARE

Furniture, equipment and computer software consisted of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Furniture and equipment	\$ 4,015,427	\$ 4,015,427
Computer software	<u>441,377</u>	<u>441,377</u>
Total furniture, equipment and computer software	4,456,804	4,456,804
Less: Accumulated depreciation and amortization	<u>(3,472,189)</u>	<u>(2,922,409)</u>
Net furniture, equipment and computer software	<u>\$ 984,615</u>	<u>\$ 1,534,395</u>

Total depreciation and amortization expense for the years ended December 31, 2021 and 2020 was \$549,780 and \$520,183, respectively.

NOTE 5 – DESIGNATED NET ASSETS

Internally designated program funds totaled \$3,255,830 and \$2,059,613, as of December 31, 2021 and 2020, respectively and were classified as designated net assets.

(Continued)

PUBLIC HEALTH INSTITUTE
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2021 and 2020, net assets with donor restrictions consisted of funds set aside for specific programs, as stipulated by the following donors providing the restricted support:

	<u>2021</u>	<u>2020</u>
Silicon Valley Community Foundation	\$ 10,629,210	\$ -
The California Endowment	1,920,481	5,617,507
Individual Donors	1,871,215	1,238,118
Nathan Cummings Foundation	1,591,586	1,764,062
Blue Shield of California	1,490,844	2,087,696
Cigna Foundation	1,358,191	761,050
East Bay Community Foundation	1,290,679	10,856,124
The California Wellness Foundation	1,139,543	2,221,674
Conrad N. Hilton Foundation	950,317	4,690,479
California Air Resources Board	827,840	-
David and Lucile Packard Foundation	669,051	636,661
University of California	662,552	1,397,353
W.K. Kellogg Foundation	529,207	-
Gordon and Betty Moore Foundation	475,820	432,366
The Kresge Foundation	472,674	385,030
Robert Wood Johnson Foundation	437,831	611,227
Ballmer Group	404,600	2,254,425
Novo Foundation	345,893	310,328
Abbott Laboratories	298,606	244,422
Crankstart	282,745	7,500,000
The Chicago Community Trust	263,569	-
Sunlight Giving	164,000	-
Impact Assets	164,000	-
Chan Zuckerberg Initiative	161,137	1,000,000
Carestar Foundation	158,431	168,700
Battery Powered	150,059	125,000
Echidna Giving	124,674	250,468
Kaiser Permanente	122,451	422,274
Abbott Fund	104,579	244,422
Genentech, Inc.	320,734	1,000,000
Los Angeles County	-	495,667
Other	<u>1,628,195</u>	<u>2,755,949</u>
 Total net assets with donor restrictions	 <u>\$ 31,010,714</u>	 <u>\$ 49,471,002</u>

(Continued)

PUBLIC HEALTH INSTITUTE
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 7 – LINE OF CREDIT

The Institute has a renewable revolving bank line of credit for \$4,000,000, with a current expiration date of November 1, 2022. Amounts borrowed under this agreement for 2021 and 2020 bear interest equal to the Daily Simple Secured Overnight Financing Rate (SOFR) for any balances outstanding. The line is secured by the cash and accounts receivable of the Institute. As of December 31, 2021 and 2020, there were no outstanding borrowings on the line of credit. In addition, no amounts were borrowed from the revolving bank line of credit during the years ended December 31, 2021 or 2020.

NOTE 8 – LEASE COMMITMENTS

The Institute leases office space under several agreements, expiring in varying years through 2026. The Institute generally attempts to include a clause in its lease agreements which enables the lease to be terminated should support from a funding agency be terminated.

Future minimum lease payments under operating leases with remaining terms in excess of one year as of December 31, 2021 are as follows:

Year Ending <u>December 31,</u>	
2022	\$ 2,582,681
2023	2,457,129
2024	2,198,101
2025	1,141,255
2026	<u>281,980</u>
	<u>\$ 8,661,146</u>

Rent expense under all operating leases totaled \$3,343,911 and \$4,686,724 for the years ended December 31, 2021 and 2020, respectively.

Rent expense reported as direct occupancy expense in the accompanying Statements of Activities and Changes in Net Assets for the years ended December 31, 2021 and 2020 totaled \$2,633,974 and \$3,405,694, respectively. During the same years, \$709,937 and \$1,281,030, respectively, were included with allocated indirect expenses.

NOTE 9 – TAX DEFERRED RETIREMENT PLAN

The Public Health Institute offers participation in a tax deferred retirement plan. All regular full-time and part-time employees who work a minimum of 20 hours per week are eligible to make salary deferral contributions to the Plan and are eligible to receive employer contributions beginning on the first day of the month following six consecutive months of employment. The Institute contributes 10% of gross wages to the retirement plan. An employee's minimum contribution is \$25 per month. The maximum combined contributions are determined by limits set under Federal law.

During the years ended December 31, 2021 and 2020, the Institute contributed \$6,981,470 and \$4,947,643, respectively, to the tax-sheltered annuity plan. The aforementioned contributions are fully vested and are administered by the Teachers Insurance and Annuity Association of America (TIAA).

(Continued)

PUBLIC HEALTH INSTITUTE
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 10 – CONTINGENCIES

The Institute receives assistance from various agencies of the United States Government; such awards are subject to audit under the provisions of Uniform Guidance. The ultimate determination of amounts received under United States Government awards is based upon the allowance of costs reported to and accepted by the United States Government. There exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material contingent liability exists at December 31, 2021.

NOTE 11 – SUBSEQUENT EVENTS

In preparing these financial statements, the Institute has evaluated events and transactions for potential recognition or disclosure through July 11, 2022, the date the financial statements were available to be issued.

NOTE 12 - LIQUIDITY AND AVAILABILITY

The Institute's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2021</u>	<u>2020</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 51,117,649	\$ 60,555,137
Investments	3,782,595	3,357,945
Grants and contracts receivable, net of allowance for doubtful accounts	<u>31,829,241</u>	<u>25,653,836</u>
	<u>86,729,485</u>	<u>89,566,918</u>
Less amounts not available for general expenditure within one year:		
Net assets with donor restrictions	(31,010,714)	(49,471,002)
Board-designated net assets	<u>(3,255,830)</u>	<u>(2,059,613)</u>
	<u>(34,266,544)</u>	<u>(51,530,615)</u>
	<u>\$ 52,462,941</u>	<u>\$ 38,036,303</u>

The Institute has a liquidity management policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. None of the financial assets above are subject to donor or other contractual restrictions which would make them unavailable for general expenditure, within one year of the balance sheet date. The Institute also maintains a line of credit for \$4,000,000 which can be drawn upon should a need for additional liquidity arise. See additional information in Note 7.

SUPPLEMENTARY INFORMATION

PUBLIC HEALTH INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2021

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Through Entity</u>	<u>Assistance Listing Number</u>	<u>Grant/Contract Number</u>	<u>Provided to Sub-recipients</u>	<u>Expenditures</u>
Research and Development Cluster:					
<i>Department of Health and Human Services (DHHS):</i>					
Environmental Public Health and Emergency Response	Center for Disease Control and Prev	93.070	1 NUE1EH001427-01-00	\$ 103,414	\$ 259,295
Environmental Public Health and Emergency Response	Center for Disease Control and Prev	93.070	1 NUE1EH001343-01-00	-	802,544
Subtotal CFDA 93.070				103,414	1,061,839
Blood Disorder Program: Prevention, Surveillance and Research	Center for Disease Control and Prev	93.080	1 NU58DD000011-01-00	-	424,635
Blood Disorder Program: Prevention, Surveillance and Research	University of California, San Francisco	93.080	12009sc	-	8,350
Subtotal CFDA 93.080				-	432,985
Environmental Health	National Institutes of Health	93.113	881R21ES031501-01	40,592	87,522
Environmental Health	University of California, San Francisco	93.113	9718sc	-	91,823
Environmental Health	University of Southern California	93.113	110056322	-	36,749
Subtotal CFDA 93.113				40,592	216,094
NIEHS Superfund Hazardous Substances, Basic Research and Education	University of California, San Diego	93.143	114231116	-	3,944
Mental Health Research Grants	Temple University	93.242	264202-PHI	-	96,129
Substance Abuse and Mental Health Services Projects of Regional and National Significance	Substance Abuse & Mental Hlth Srvs Admin	93.243	1H79TI080720-01	116,661	447,972
Substance Abuse and Mental Health Services Projects of Regional and National Significance	Substance Abuse & Mental Hlth Srvs Admin	93.243	1H79SM085087-01	-	102,844
Substance Abuse and Mental Health Services Projects of Regional and National Significance	Substance Abuse & Mental Hlth Srvs Admin	93.243	1U79SM063157-01	146,175	341,317
Substance Abuse and Mental Health Services Projects of Regional and National Significance	Substance Abuse & Mental Hlth Srvs Admin	93.243	1H79SP021774-01	-	247,274
Subtotal CFDA 93.243				262,836	1,139,407

(Continued)

PUBLIC HEALTH INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2021

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Through Entity</u>	<u>Assistance Listing Number</u>	<u>Grant/Contract Number</u>	<u>Provided to Sub-recipients</u>	<u>Expenditures</u>
Research and Development Cluster (Continued):					
<i>Department of Health and Human Services (DHHS) (Continued):</i>					
Occupational Safety and Health Program	Natl Inst for Occupational Safety & Hlth	93.262	2 U60OH008468-16-00	\$ -	\$ 263,282
Occupational Safety and Health Program	Natl Inst for Occupational Safety & Hlth	93.262	6 U60OH008468-16-01	-	4,604
Occupational Safety and Health Program	Natl Inst for Occupational Safety & Hlth	93.262	13093sc	-	4,990
Occupational Safety and Health Program	Natl Inst for Occupational Safety & Hlth	93.262	1 R01OH011668-01-00-BMSG	-	87,372
Occupational Safety and Health Program	Natl Inst for Occupational Safety & Hlth	93.262	5U60OH008468	-	530,478
Subtotal CFDA 93.262				-	890,726
Alcohol Research Programs	Brightoutcome Inc.	93.273		-	53,035
Alcohol Research Programs	Centre for Addiction and Mental Health	93.273	20-325	-	70,112
Alcohol Research Programs	National Institutes of Health	93.273	1R01AA027920-01	82,952	277,270
Alcohol Research Programs	National Institutes of Health	93.273	1R01AA028252-01A 1	-	27,034
Alcohol Research Programs	National Institutes of Health	93.273	1R01AA029001-01A 1	-	18,222
Alcohol Research Programs	National Institutes of Health	93.273	1R01AA029921-01	-	15,534
Alcohol Research Programs	National Institutes of Health	93.273	1R21AA026654-01A 1	-	56,738
Alcohol Research Programs	National Institutes of Health	93.273	2P50AA005595-41	118,827	1,465,363
Alcohol Research Programs	National Institutes of Health	93.273	1R01AA026956-01A 1	-	324,460
Alcohol Research Programs	National Institutes of Health	93.273	1R01AA028252-01A 1	-	336,829
Alcohol Research Programs	National Institute on Alcohol Abuse & Alcoholism	93.273	1K01AA024832-01A 1	-	79,544
Alcohol Research Programs	National Institute on Alcohol Abuse & Alcoholism	93.273	1R01AA027782-01	78,460	546,054
Alcohol Research Programs	National Institute on Alcohol Abuse & Alcoholism	93.273	5P50AA005595	26,531	112,154
Alcohol Research Programs	National Institute on Alcohol Abuse & Alcoholism	93.273	5R01AA023870	76,647	100,864
Alcohol Research Programs	National Institute on Alcohol Abuse & Alcoholism	93.273	1R21AA027882-01A 1	-	148,934
Alcohol Research Programs	The Scripps Research Institute	93.273	5-53746	-	62,252
Alcohol Research Programs	The Scripps Research Institute	93.273	5-53950	-	26,477
Alcohol Research Programs	University of California, San Francisco	93.273	12836sc	-	21,328
Alcohol Research Programs	University of Iowa	93.273	S01158-01	-	48,078
Alcohol Research Programs	University of Sheffield	93.273	R01AA024443 SUB02 PHI-ARG	-	49,163
Alcohol Research Programs	University of Texas at Austin	93.273	UTA 19-001179	-	14,440
Subtotal CFDA 93.273				383,417	3,853,885

(Continued)

PUBLIC HEALTH INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2021

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Through Entity</u>	<u>Assistance Listing Number</u>	<u>Grant/Contract Number</u>	<u>Provided to Sub-recipients</u>	<u>Expenditures</u>
Research and Development Cluster (Continued):					
<i>Department of Health and Human Services (DHHS)</i> (Continued):					
Drug Abuse and Addiction Research Programs	Kaiser Permanente	93.279	RNG210174-PHI-01	\$ -	\$ 114,797
Drug Abuse and Addiction Research Programs	Massachusetts General Hospital	93.279	237126	-	22,533
Drug Abuse and Addiction Research Programs	National Institutes of Health	93.279	1R01DA042938-01A1	-	412,333
Drug Abuse and Addiction Research Programs	National Institutes of Health	93.279	1R01DA048526-01A1	-	485,812
Drug Abuse and Addiction Research Programs	National Institute on Drug Abuse	93.279	1R01DA039971-01A1	32,706	239,106
Drug Abuse and Addiction Research Programs	National Institute on Drug Abuse	93.279	5R01DA036606	20,336	38,421
Subtotal CFDA 93.279				53,042	1,313,002
Common Fund Research Support	University of Illinois	93.310	093670-17187	-	39,707
Cancer Cause and Prevention Research	National Cancer Institute	93.393	1R01CA214470-01	-	394
Cancer Cause and Prevention Research	National Cancer Institute	93.393	1R01CA264519-01	-	40,466
Cancer Cause and Prevention Research	Rutgers, The State University of New Jersey	93.393	PO#1422032 SUB#1366	-	8,567
Cancer Cause and Prevention Research	Stanford University	93.393	61739897-125888	-	1,959
Cancer Cause and Prevention Research	University of Southern California	93.393	107856651	-	84,544
Cancer Cause and Prevention Research	University of Texas Health Science Center	93.393	SA0002046	-	42,416
Cancer Cause and Prevention Research	Stanford University	93.393	62369220-132926	-	21,513
Cancer Cause and Prevention Research	University of Texas Southwestern Medical	93.393	GMO190807	-	91,783
Subtotal CFDA 93.393				-	291,642
ACL National Institute On Disability, Independent Living, and Rehabilitation Research	Administration For Community Living	93.433	90DPAD0006-01-00	-	232,872
ACL National Institute On Disability, Independent Living, and Rehabilitation Research	TIRR Memorial Hermann	93.433	18-1836	-	97,068
ACL National Institute On Disability, Independent Living, and Rehabilitation Research	Administration for Community Living	93.433	90DP0081-01-00	178,422	934,165
Subtotal CFDA 93.433				178,422	1,264,105

(Continued)

PUBLIC HEALTH INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2021

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Through Entity</u>	<u>Assistance Listing Number</u>	<u>Grant/Contract Number</u>	<u>Provided to Sub-recipients</u>	<u>Expenditures</u>
Research and Development Cluster (Continued):					
<i>Department of Health and Human Services (DHHS) (Continued):</i>					
Cancer Treatment Research	Children's Hospital of Philadelphia	93.395	20087276-RSUB	\$ -	\$ 975,526
Cancer Treatment Research	Children's Hospital of Philadelphia	93.395	20119915-RSUB	-	863,286
Cancer Treatment Research	Children's Hospital of Philadelphia	93.395	962575-RSUB	-	1,553,656
Cancer Treatment Research	Children's Hospital of Philadelphia	93.395	7S01 FP00032878_SUB01_0		156,218
Cancer Treatment Research	Children's Hospital of Philadelphia	93.395	FP00025505_SUB120_01	-	84,688
Cancer Treatment Research	Children's Hospital of Philadelphia	93.395	FP00026529_SUB711_0	-	21,495
Cancer Treatment Research	Children's Hospital of Philadelphia	93.395	PO-20126867-RSUB	-	29,031
Cancer Treatment Research	Children's National Health System	93.395	30004166-02	-	27,678
Cancer Treatment Research	NAACCR	93.395	2020-02-02	-	2,504
Cancer Treatment Research	National Cancer Institute	93.395	7U10CA 180886-08	1,211,644	13,239,202
Cancer Treatment Research	National Cancer Institute	93.395	7UM1CA228823-04	-	655,539
Cancer Treatment Research	National Institutes of Health	93.395	2U10CA 180899-06	<u>2,784,567</u>	<u>10,798,254</u>
Subtotal CFDA 93.395				<u>3,996,211</u>	<u>28,407,077</u>
Cancer Control	Children's Hospital of Philadelphia	93.399	20121678 - RSUB	-	186,834
Cancer Control	Children's Hospital of Philadelphia	93.399	07S02 FP00034094_SUB01_0	-	14,306
Cancer Control	National Cancer Institute	93.399	UG1CA 189955-08	21,327	1,105,858
Cancer Control	Children's Hospital of Philadelphia	93.399	9500100720-XX	-	<u>975,204</u>
Subtotal CFDA 93.399				<u>21,327</u>	<u>2,282,202</u>
Cardiovascular Diseases Research	National Institutes of Health	93.837	1R21HL150454	<u>9,604</u>	<u>31,973</u>
Diabetes, Digestive, and Kidney Diseases Extramural Rese:	University of California, San Francisco	93.847	12462sc	-	<u>85,770</u>
Aging Research	Emory University	93.866	A027536	-	<u>71,532</u>

(Continued)

PUBLIC HEALTH INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2021

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Through Entity</u>	<u>Assistance Listing Number</u>	<u>Grant/Contract Number</u>	<u>Provided to Sub-recipients</u>	<u>Expenditures</u>
Research and Development Cluster (Continued):					
<i>Department of Health and Human Services (DHHS)</i> (Continued):					
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	California Department of Public Health	93.898	17-10098	\$ -	\$ 326,596
Cancer Detection and Diagnosis Research	National Institutes of Health	93.989	R21TW011594	-	68,129
Development of a database on Non-English Measure and Instruments for use in Alcohol Research	Brightoutcome, Inc.	93.RD1	N/A	-	8,995
Biomedical (Applied Res. /Exploratory Development)	Medable, Inc.	93.RD2	N/A	-	115,569
Alcohol Research Program	CSR, Inc.	93.RD3	CT-AEDS-001	-	17,547
The Surveillance, Epidemiology, and End Results (SEER) Program on Cancer Statistics program	National Cancer Institute	93.RD4	HHSN261201800009I	-	3,989,025
<i>Environmental Protection Agency:</i>					
Science To Achieve Results (STAR) Research Program	US Environmental Protection Agency	66.509	84024201	25,000	58,558
<i>Department of Defense :</i>					
Military Medical Research and Development (B)	Dept of the Army	12.420	W81XWH-16-1-0254	-	24,521
Military Medical Research and Development (B)	Cedars-Sinai Medical Center	12.420	1621140	-	30,379
Military Medical Research and Development (B)	Dept of the Army	12.420	W81XWH2010102	-	156,123
Subtotal CFDA 12.420				-	211,023
Total Research and Development Cluster				5,073,865	46,277,461

(Continued)

PUBLIC HEALTH INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2021

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Through Entity</u>	<u>Assistance Listing Number</u>	<u>Grant/Contract Number</u>	<u>Provided to Sub-recipients</u>	<u>Expenditures</u>
Other Programs:					
<i>Department of Health and Human Services (DHHS) :</i>					
National Organizations of State and Local Officials	Health Resources & Services Admin	93.011	1 G32HS42663-01-0	\$ 83,005	\$ 335,741
National Organizations of State and Local Officials	Assoc. Of State & Territory Health Office	93.011	00-FE-1705-07-00 2675	-	7,665
National Organizations of State and Local Officials	Health Resources & Services Admin	93.011	1 U3SHS42187-01-0	7,488,790	8,235,365
Subtotal CFDA 12.011				<u>7,571,795</u>	<u>8,578,771</u>
Maternal and Child Health Federal Consolidated Programs	Assoc. of Maternal & Child Health Pgms	93.110	090820-153	-	26,428
Centers of Excellence	University of California, San Francisco	93.157	11140sc	-	36,266
Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement Projects	Centers for Disease Control and Prevention	93.185	1 NU21IP000596-01-00	1,193,101	1,343,229
Telehealth Programs	Health Resources & Services Admin	93.211	1 U67TH43496-01-00	-	116,137
Telehealth Programs	Health Resources & Services Admin	93.211	GA5RH37466-01-00	-	24,997
Telehealth Programs	Health Resources & Services Admin	93.211	2 G22RH30365-02-00	-	250,301
Telehealth Programs	Health Resources & Services Admin	93.211	1 GA5RH374700100	-	440,237
Subtotal CFDA 93.211				<u>-</u>	<u>831,672</u>
Protecting and Improving Health Globally: Building and Strengthening Public Health Impact, Systems, Capacity and Security	Center for Disease Control and Prev	93.318	NU2GGH002093-01-00	130,125	7,301,664
Epidemiology and Lab. Capacity for Infectious Diseases	Heluna Health	93.323	860.0101	-	7,295
Epidemiology and Lab. Capacity for Infectious Diseases	Humboldt County Public Health	93.323	N/A	-	244,159
Epidemiology and Lab. Capacity for Infectious Diseases	San Joaquin County	93.323	N/A	-	73,723
Epidemiology and Lab. Capacity for Infectious Diseases	Stanislaus County	93.323	2021-0563	-	171,636
Epidemiology and Lab. Capacity for Infectious Diseases	Sutter County Health	93.323	21-167	-	42,679
Subtotal CFDA 93.323				<u>-</u>	<u>539,492</u>

(Continued)

PUBLIC HEALTH INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2021

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Through Entity</u>	<u>Assistance Listing Number</u>	<u>Grant/Contract Number</u>	<u>Provided to Sub-recipients</u>	<u>Expenditures</u>
Other Programs (Continued):					
<i>Department of Health and Human Services (DHHS) (Continued):</i>					
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis	Trinity County Public Health	93.354	21-147	\$ -	\$ 117,139
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis	Butte County	93.354	X24535	-	336,055
Subtotal CFDA 93.354				-	453,194
Strengthening Public Health Systems and Services Through National Partnerships to Improve & Protect the Nation's Health	Center for Disease Control and Prev	93.421	1 NU38OT000313-01-00	-	867,575
Strengthening Public Health Systems and Services Through National Partnerships to Improve & Protect the Nation's Health	Center for Disease Control and Prev	93.421	N/A	-	9,035
Strengthening Public Health Systems and Services Through National Partnerships to Improve & Protect the Nation's Health	Center for Disease Control and Prev	93.421	75D30121P11037	-	13,075
Strengthening Public Health Systems and Services Through National Partnerships to Improve & Protect the Nation's Health	Center for Disease Control and Prev	93.421	C6 NU38OT000313-04-02	-	22,789
Strengthening Public Health Systems and Services Through National Partnerships to Improve & Protect the Nation's Health	Center for Disease Control and Prev	93.421	X-42725-115-504200	-	12,865
Strengthening Public Health Systems and Services Through National Partnerships to Improve & Protect the Nation's Health	Center for Disease Control and Prev	93.421	2-952-01	-	4,768
Strengthening Public Health Systems and Services Through National Partnerships to Improve & Protect the Nation's Health	Center for Disease Control and Prev	93.421	6 NU38OT000313-01-01	-	121,407
Strengthening Public Health Systems and Services Through National Partnerships to Improve & Protect the Nation's Health	Center for Disease Control and Prev	93.421	6 NU38OT000313-02-04	-	4,744
Strengthening Public Health Systems and Services Through National Partnerships to Improve & Protect the Nation's Health	Center for Disease Control and Prev	93.421	NU38OT000313-01-00	-	350,987
Strengthening Public Health Systems and Services Through National Partnerships to Improve & Protect the Nation's Health	Center for Disease Control and Prev	93.421	6 NU38OT000313-03-02	-	163,790
Strengthening Public Health Systems and Services Through National Partnerships to Improve & Protect the Nation's Health	National Network of Public Health	93.421	G1439_AG-0030	-	19,460
Strengthening Public Health Systems and Services Through National Partnerships to Improve & Protect the Nation's Health	American Academy of Pediatrics	93.421	G1771_AG-0358	-	68,597
Subtotal CFDA 93.421				-	1,659,092

(Continued)

PUBLIC HEALTH INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2021

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Through Entity</u>	<u>Assistance Listing Number</u>	<u>Grant/Contract Number</u>	<u>Provided to Sub-recipients</u>	<u>Expenditures</u>
Other Programs (Continued):					
<i>Department of Health and Human Services (DHHS) (Continued):</i>					
Social Services Block Grant	Public Health Management Corporation	93.667	6090062101	\$ -	\$ 9,865
State Targeted Response to the Opioid Crisis Grants	State of CA, Dept of Health Care Service	93.788	18-95423	-	529,331
State Targeted Response to the Opioid Crisis Grants	CA Inst for Behavioral Health Solutions	93.788	N/A	-	404,830
State Targeted Response to the Opioid Crisis Grants	Roper St. Francis Healthcare	93.788	N/A	-	7,925
State Targeted Response to the Opioid Crisis Grants	Sierra Health Foundation	93.788	N/A	-	74,900
State Targeted Response to the Opioid Crisis Grants	State of CA, Dept of Health Care Service	93.788	20-10326	-	5,050,709
Subtotal CFDA 93.788				-	6,067,695
National Collaboration to Support Health, Wellness and Academic Success of School-Age Children	National Network of Public Health	93.858	G1731_AG-0335	-	66,050
Block Grant for Prevention and Treatment of Substance Abuse	Sacramento County	93.959	3027206000-16-085	-	264,119
SOS: ELC Cap Bldg Schl Dists	Calif. Department of Public Health	93.898	21-10703	-	171,506
Preventive Health and Health Services Block Grant	Stark County Health Department	93.991	N/A	-	1,029
<i>Corporation for National and Community Service:</i>					
CMHS Child Mental Health Service Initiative	Corp For Natl And Community Service	94.013	18VS207001 17VSPCA024	-	19,784
<i>Other Miscellaneous:</i>					
Firefighter Investigations	Centers for Disease Control and Prevention	99.U01	0000HCCK-2021-53586	-	620
Regional Equity LC	County of Santa Barbara	99.U02	CO327	-	1,312
CA Workers Comp Data Analyses	Centers for Disease Control and Prevention	99.U03	75D30120P07818	-	127,455
Advancing MPTs HIV Prev	National Institutes of Health	99.U04	N/A	-	45,701
EBRC Guidebook	ABT Associates Inc.	99.U05	51957	-	1,712
CA Workers Comp Data Analyses	Department of Pesticide Regulation	99.U06	19-PML-G0001	7,435	51,762
Rethink Your Drink	Clemson University	99.U07	N/A	-	15,802

(Continued)

PUBLIC HEALTH INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2021

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Through Entity</u>	<u>Assistance Listing Number</u>	<u>Grant/Contract Number</u>	<u>Provided to Sub-recipients</u>	<u>Expenditures</u>
Other Programs (Continued):					
<i>U.S. Department of Agriculture - SNAP Cluster:</i>					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Auburn University	10.561	PO-PH-19008708-I	\$ -	\$ 15,419
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Healthmpowers	10.561	N/A	-	96,522
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Sacramento County	10.561	7207500-17/20-269	-	146,967
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	State Of CA. Dept Of Social Services	10.561	20-7010	-	8,136,132
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	State of Georgia	10.561	42700 – 040 – 0000097476	-	251,003
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	State of Georgia	10.561	42700-040-000010385	-	101,951
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	State of North Carolina	10.561	38272 30-190238-DSS	-	64,723
Subtotal CFDA 10.561 - SNAP Cluster				-	8,812,717
<i>U.S. Department of Homeland Security:</i>					
Disaster Grants - Public Assistance	Oregon Health Authority	97.036	171927	-	549,789
<i>U.S. Environmental Protection Agency:</i>					
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	CA Environmental Protection Agency	66.034	83924101	-	41,146
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	US Environmental Protection Agency	66.034	84021601	107,637	146,527
Subtotal CFDA 66.034				107,637	187,673

(Continued)

PUBLIC HEALTH INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2021

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Through Entity</u>	<u>Assistance Listing Number</u>	<u>Grant/Contract Number</u>	<u>Provided to Sub-recipients</u>	<u>Expenditures</u>
Other Programs (Continued):					
<i>U.S. Department of Transportation :</i>					
Airport Improvement Program and COVID-19 Airport Program	Clark County, WA	20.016	HDC.1486	\$ -	\$ 8,561
<i>U.S. Department of the Treasury:</i>					
COVID-19: Coronavirus Relief Fund	Los Angeles County	21.019	HOA 103046831_1	-	223,379
COVID-19: Coronavirus Relief Fund	Oregon Health Authority	21.019	166600	-	92,703
COVID-19: Coronavirus Relief Fund	Spokane Regional Health District	21.019	800-811-1624 C8008111624	328,275	410,412
COVID-19: Coronavirus Relief Fund	Spokane Regional Health District	21.019	C8502901633-21 850-290-16	-	2,877,026
COVID-19: Coronavirus Relief Fund	Washington County, Oregon	21.019	20-0681	-	9,928
Subtotal CFDA 21.019				<u>328,275</u>	<u>3,613,448</u>
COVID-19: Coronavirus State and Local Fiscal Recovery	El Dorado County	21.027	6039	-	139,494
COVID-19: Coronavirus State and Local Fiscal Recovery	Madera County	21.027	12033-21	-	114,872
COVID-19: Coronavirus State and Local Fiscal Recovery	Marin County	21.027	N/A	-	168,871
COVID-19: Coronavirus State and Local Fiscal Recovery	Santa Clara County	21.027	N/A	-	183,281
COVID-19: Coronavirus State and Local Fiscal Recovery	Sierra County	21.027	2021-121	-	66,215
COVID-19: Coronavirus State and Local Fiscal Recovery	Skamania County	21.027	N/A	-	126,674
COVID-19: Coronavirus State and Local Fiscal Recovery	Tehama County	21.027	N/A	-	67,536
Subtotal CFDA 21.027				<u>-</u>	<u>866,943</u>
<i>U.S Agency for International Development:</i>					
USAID Foreign Assistance for Programs Overseas	Credence Management Solutions Llc	98.001	1154-OASISGHTP-PHI-01	-	6,877,793
USAID Foreign Assistance for Programs Overseas	FH360	98.001	PO21001680	-	97,600
USAID Foreign Assistance for Programs Overseas	US Agency For Intl. Development	98.001	7200AA 18CA00001	1,760,417	26,576,420
USAID Foreign Assistance for Programs Overseas	US Agency For Intl. Development	98.001	AID-OAA-A-16-00045	-	317,436
Subtotal CFDA 98.001				<u>1,760,417</u>	<u>33,869,249</u>
Subtotal Other Programs				<u>11,098,785</u>	<u>75,522,600</u>
Total Expenditures of Federal Awards				<u>\$ 16,172,650</u>	<u>\$ 121,800,061</u>

See accompany note to Schedule of Expenditures of Federal Awards.

PUBLIC HEALTH INSTITUTE
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2021

NOTE 1 - PURPOSE OF THE SCHEDULE

Basis of Presentation: The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the expenditures of all federal awards of Public Health Institute for the year ended December 31, 2021 and is presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Public Health Institute, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Public Health Institute

Expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Institute has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

To the Board of Directors
Public Health Institute
Oakland, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Public Health Institute, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 11, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

(Continued)

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Crowe LLP".

Crowe LLP

San Francisco, California
July 11, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Public Health Institute
Oakland, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Public Health Institute's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Public Health Institute's major federal programs for the year ended December 31, 2021. Public Health Institute's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Public Health Institute complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Public Health Institute and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Public Health Institute's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Public Health Institute's federal programs.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Public Health Institute's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Public Health Institute's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Public Health Institute's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Public Health Institute's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Public Health Institute's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

(Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

San Francisco, California
July 11, 2022

PUBLIC HEALTH INSTITUTE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 December 31, 2021

SECTION I – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiencies identified not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

FEDERAL AWARDS

Internal Control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiencies identified not considered to be material weaknesses? Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Numbers</u>	<u>Expenditures</u>
COVID-19: Coronavirus Relief Fund (CRF)	21.019	\$ 3,613,448
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	\$ 8,812,717
National Organizations of State and Local Officials	93.011	\$ 8,578,771
Protecting and Improving Health Globally: Building and Strengthening Public Health Impact, Systems, Capacity and Security	93.318	\$ 7,301,664

Dollar threshold used to distinguish between Type A and Type B programs: \$ 3,000,000

Auditee qualified as low-risk auditee? X Yes No

(Continued)

PUBLIC HEALTH INSTITUTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.