

Foundation for the National Institutes of Health, Inc.

**Financial Statements
and Supplementary Information**

Years Ended December 31, 2016 and 2015

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Independent Auditors' Report

Board of Directors
Foundation for the National Institutes of Health, Inc.
Bethesda, Maryland

We have audited the accompanying financial statements of Foundation for the National Institutes of Health, Inc., which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foundation for the National Institutes of Health, Inc. as of December 31, 2016 and 2015, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on page 24 are presented for purposes of additional analysis and are 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 audits of the financial statements and certain additional 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.

Dixon Hughes Goodman LLP

**Richmond, Virginia
May 24, 2017**

Foundation for the National Institutes of Health, Inc.
Statements of Financial Position
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 44,402,557	\$ 19,229,033
Appropriations receivable	500,000	500,000
Contributions receivable, net	17,152,232	9,355,038
Accrued interest	123,109	20,704
Prepaid expenses and other receivables	<u>105,919</u>	<u>107,953</u>
Total current assets	62,283,817	29,212,728
Contributions receivable	8,686,564	229,829
Investments	45,370,937	45,152,406
Furniture and equipment, net	<u>42,605</u>	<u>50,340</u>
Total assets	<u>\$ 116,383,923</u>	<u>\$ 74,645,303</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 8,076,645	\$ 1,460,257
Funds held for others, agency transactions	453,876	577,271
Charitable gift annuity	150,542	156,970
Deferred grant revenue, current portion	<u>-</u>	<u>2,120,000</u>
Total current liabilities	8,681,063	4,314,498
Deferred grant revenue	3,391,030	3,797,756
Other deferred revenue	<u>1,083,500</u>	<u>57,501</u>
Total liabilities	<u>13,155,593</u>	<u>8,169,755</u>
Net assets:		
Unrestricted:		
Unrestricted, general	5,846,315	5,165,965
Board designated	<u>7,476,625</u>	<u>6,496,424</u>
Total unrestricted	13,322,940	11,662,389
Temporarily restricted	86,811,639	51,608,294
Permanently restricted	<u>3,093,751</u>	<u>3,204,865</u>
Total net assets	<u>103,228,330</u>	<u>66,475,548</u>
Total liabilities and net assets	<u>\$ 116,383,923</u>	<u>\$ 74,645,303</u>

See accompanying notes.

Foundation for the National Institutes of Health, Inc.
Statement of Activities
Year Ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue, support and other changes:				
Contributions	\$ 282,273	\$ 80,464,445	\$ 8,886	\$ 80,755,604
Grants	351,613	-	-	351,613
In-kind contributions	960,688	-	-	960,688
Government appropriations	1,000,000	-	-	1,000,000
Donated services	30,000	-	-	30,000
Fundraising event	279,800	-	-	279,800
Investment and interest income	805,384	297,107	-	1,102,491
Administrative fee, agency transactions and grants	122,392	-	-	122,392
Net assets released from restrictions:				
Satisfaction of administrative fee requirements	3,410,033	(3,410,033)	-	-
Satisfaction of program restrictions	42,268,174	(42,268,174)	-	-
Total revenue, support and other changes	<u>49,510,357</u>	<u>35,083,345</u>	<u>8,886</u>	<u>84,602,588</u>
Expenses:				
Program services:				
Fellowships and training programs	1,257,933	-	-	1,257,933
Memorials, awards and events	390,128	-	-	390,128
Capital projects	51,627	-	-	51,627
Research partnerships	41,957,442	-	-	41,957,442
Total program services	<u>43,657,130</u>	<u>-</u>	<u>-</u>	<u>43,657,130</u>
Supporting services:				
Management and general	3,800,393	-	-	3,800,393
Fundraising	392,283	-	-	392,283
Total supporting services	<u>4,192,676</u>	<u>-</u>	<u>-</u>	<u>4,192,676</u>
Total expenses	<u>47,849,806</u>	<u>-</u>	<u>-</u>	<u>47,849,806</u>
Change in donor designation	<u>-</u>	<u>120,000</u>	<u>(120,000)</u>	<u>-</u>
Change in net assets	1,660,551	35,203,345	(111,114)	36,752,782
Net assets, beginning of year	<u>11,662,389</u>	<u>51,608,294</u>	<u>3,204,865</u>	<u>66,475,548</u>
Net assets, end of year	<u>\$ 13,322,940</u>	<u>\$ 86,811,639</u>	<u>\$ 3,093,751</u>	<u>\$ 103,228,330</u>

See accompanying notes.

Foundation for the National Institutes of Health, Inc.
Statement of Activities
Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue, support and other changes:				
Contributions	\$ 243,921	\$ 31,356,893	\$ 8,731	\$ 31,609,545
Grants	663,972	-	-	663,972
In-kind contributions	874,517	-	-	874,517
Government appropriations	1,000,000	-	-	1,000,000
Donated services	110,811	-	-	110,811
Fundraising event	257,150	-	-	257,150
Investment and interest income	(203,485)	(1,399)	-	(204,884)
Administrative fee, agency transactions and grants	194,500	-	-	194,500
Net assets released from restrictions:				
Satisfaction of administrative fee requirements	2,993,803	(2,993,803)	-	-
Satisfaction of program restrictions	53,367,972	(53,367,972)	-	-
 Total revenue, support and other changes	 <u>59,503,161</u>	 <u>(25,006,281)</u>	 <u>8,731</u>	 <u>34,505,611</u>
Expenses:				
Program services:				
Fellowships and training programs	1,210,274	-	-	1,210,274
Memorials, awards and events	734,852	-	-	734,852
Capital projects	313,270	-	-	313,270
Research partnerships	53,177,305	-	-	53,177,305
 Total program services	 <u>55,435,701</u>	 <u>-</u>	 <u>-</u>	 <u>55,435,701</u>
Supporting services:				
Management and general	3,781,357	-	-	3,781,357
Fundraising	382,386	-	-	382,386
 Total supporting services	 <u>4,163,743</u>	 <u>-</u>	 <u>-</u>	 <u>4,163,743</u>
 Total expenses	 <u>59,599,444</u>	 <u>-</u>	 <u>-</u>	 <u>59,599,444</u>
Change in donor restriction	100	19,900	(20,000)	-
 Change in net assets	 (96,183)	 (24,986,381)	 (11,269)	 (25,093,833)
Net assets, beginning of year	<u>11,758,572</u>	<u>76,594,675</u>	<u>3,216,134</u>	<u>91,569,381</u>
 Net assets, end of year	 <u>\$ 11,662,389</u>	 <u>\$ 51,608,294</u>	 <u>\$ 3,204,865</u>	 <u>\$ 66,475,548</u>

See accompanying notes.

Foundation for the National Institutes of Health, Inc.
Statements of Cash Flows
Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Change in net assets	\$ 36,752,782	\$ (25,093,833)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	20,094	21,850
Contributions restricted for long-term purposes	(8,886)	(8,731)
Net realized and unrealized (gain) loss on investments	(528,175)	572,781
Change in assets and liabilities:		
Contributions receivable	(16,253,929)	9,742,999
Accrued interest	(102,405)	(457)
Prepaid expenses and other receivables	2,034	(26,678)
Accounts payable and accrued expenses	6,616,388	121,856
Funds held for others, agency transactions	(123,395)	(761,566)
Charitable gift annuity	(6,428)	(6,491)
Deferred grant revenue	(2,526,726)	1,329,795
Other deferred revenue	1,025,999	40,001
Net cash provided (used) by operating activities	<u>24,867,353</u>	<u>(14,068,474)</u>
Cash flows from investing activities:		
Furniture and equipment acquisitions	(12,359)	(17,854)
Sales and maturities of investments	4,516,370	76,492,222
Purchase of investments	(4,206,726)	(57,073,905)
Net cash provided by investing activities	<u>297,285</u>	<u>19,400,463</u>
Cash flows from financing activities:		
Contributions restricted for investment in permanent endowment	8,886	8,731
Net increase in cash and cash equivalents	25,173,524	5,340,720
Cash and cash equivalents, beginning of year	<u>19,229,033</u>	<u>13,888,313</u>
Cash and cash equivalents, end of year	<u>\$ 44,402,557</u>	<u>\$ 19,229,033</u>

See accompanying notes.

Notes to Financial Statements

1. Organization and Nature of Activities

Foundation for the National Institutes of Health, Inc. (Foundation) is a not-for-profit organization, whose mission is to support the National Institutes of Health (NIH) in its mission, and to advance collaboration with biomedical researchers from universities, industry, and nonprofit organizations.

2. Summary of Significant Accounting Policies

Basis of accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of presentation

The Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Estimates

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

For purposes of the financial statement presentation, cash and cash equivalents includes all cash on hand, demand accounts, and highly-liquid investments with original maturities of three months or less, excluding temporarily uninvested money market funds held in brokerage accounts.

Investments

Investments are recorded at market value. Realized gains or losses are recognized upon sale or disposal. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Unrealized gains and losses, due to market fluctuations during the year, are recognized at year-end.

Contributions and appropriations receivable

Unconditional contributions receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional contributions to be collected in more than one year are recorded at net present value, which approximates fair value. Conditional contributions receivable are recognized when the conditions on which they depend are substantially met. Credit risk for contributions receivable is concentrated, as a significant amount of contributions receivable are received from a few donor organizations. Appropriations receivable are stated at net realizable value and are deemed fully collectible by management.

Foundation for the National Institutes of Health, Inc.
Notes to Financial Statements

Allowance for uncollectible receivables

Contributions receivable are stated at unpaid balances, less an allowance for doubtful accounts. Management has established an allowance for uncollectible contributions receivable in the amount of \$15,000 as of December 31, 2016 and 2015, based on a review of historical collections. Receivables are considered delinquent if full principal payments are not received in accordance with the contractual terms. It is the Foundation's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Amounts recorded as other receivables are deemed to be fully collectible by management. Accordingly, an allowance has not been recorded for those receivables.

Furniture and equipment

Furniture and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which is three to five years. The Foundation's policy is to capitalize furniture and equipment purchased with a cost of \$1,000 or more. Donated equipment is recorded at fair market value at the date of contribution. As of December 31, 2016 and 2015, furniture and equipment was \$692,845 and \$680,486, respectively, and accumulated depreciation was \$650,240 and \$630,146, respectively.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted revenue depending on the existence and/or nature of any donor restrictions. Donor-restricted revenue is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Agency transactions

The Foundation recognizes a liability equal to the fair value of assets received by the Foundation for which the donor stipulates that the assets are to be used on behalf of the donor or another entity (the beneficiary) or to be transferred to another entity.

Grant revenue recognition

Amounts received under grant awards are considered exchange transactions and are recognized as unrestricted revenue when the related expenses are incurred. Unexpended amounts received are recorded as deferred grant revenue. Expenditures in excess of receipts are recorded as grants receivable.

Appropriations revenue recognition

Government appropriations are recognized as revenue in the year they are appropriated.

Allocation of expenses

Salaries and benefits have been allocated to program and supporting services based on timekeeping by employees.

Income taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. The Foundation has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2016 and 2015.

Subsequent events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through May 24, 2017, the date the financial statements were available to be issued.

Foundation for the National Institutes of Health, Inc.
Notes to Financial Statements

3. Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to concentration of credit risk consist of cash transaction accounts. The Foundation places its cash transaction accounts with high credit quality financial institutions. On December 31, 2016 and 2015, the Foundation had deposits in excess of the amount insured by the Federal Deposit Insurance Corporation (FDIC). The Foundation has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

4. Cash and Cash Equivalents

Elements of cash and cash equivalents consisted of the following at December 31:

	<u>2016</u>	<u>2015</u>
Cash in banks	\$ 264,539	\$ 697,708
Money market funds	<u>44,138,018</u>	<u>18,531,325</u>
	<u>\$ 44,402,557</u>	<u>\$ 19,229,033</u>

5. Investments

Investments as of December 31, 2016, are summarized as follows:

	<u>Cost</u>	<u>Market Value</u>
Money market funds	\$ 2,290,760	\$ 2,290,760
Stocks	482,094	740,342
Corporate bonds	842,395	926,955
U.S. government bonds	31,665,066	31,640,765
Exchange traded funds	1,524,177	1,561,261
Bond mutual funds	2,288,446	2,803,417
Equity mutual funds	<u>5,964,533</u>	<u>5,407,437</u>
	<u>\$ 45,057,471</u>	<u>\$ 45,370,937</u>

The following schedule summarizes the investment return and its classification for 2016.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest and dividends	\$ 404,239	\$ 170,077	\$ 574,316
Realized losses	(55,407)	(40,267)	(95,674)
Unrealized gains	<u>456,552</u>	<u>167,297</u>	<u>623,849</u>
Total investment return	<u>\$ 805,384</u>	<u>\$ 297,107</u>	<u>\$ 1,102,491</u>

Foundation for the National Institutes of Health, Inc.
Notes to Financial Statements

Investments as of December 31, 2015, are summarized as follows:

	<u>Cost</u>	<u>Market Value</u>
Money market funds	\$ 1,902,239	\$ 1,902,239
Stocks	518,639	679,071
Corporate bonds	868,496	861,052
U.S. government bonds	32,488,329	32,488,437
Exchange traded funds	1,446,692	1,428,541
Bond mutual funds	2,201,608	2,099,258
Equity mutual funds	<u>6,053,913</u>	<u>5,693,808</u>
	<u>\$ 45,479,916</u>	<u>\$ 45,152,406</u>

The following schedule summarizes the investment return and its classification for 2015.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest and dividends	\$ 243,527	\$ 124,370	\$ 367,897
Realized gains	3,062	14,492	17,554
Unrealized losses	<u>(450,074)</u>	<u>(140,261)</u>	<u>(590,335)</u>
Total investment return	<u>\$ (203,485)</u>	<u>\$ (1,399)</u>	<u>\$ (204,884)</u>

6. Contributions Receivable

Contributions receivable at December 31, were as follows:

	<u>2016</u>	<u>2015</u>
Receivable in less than one year	\$ 17,167,232	\$ 9,370,038
Receivable in one to five years	<u>8,894,000</u>	<u>235,000</u>
Total unconditional contributions receivable	26,061,232	9,605,038
Discounts to net present value	(207,436)	(5,171)
Allowance for uncollectible contributions receivable	<u>(15,000)</u>	<u>(15,000)</u>
Net unconditional contributions receivable	<u>\$ 25,838,796</u>	<u>\$ 9,584,867</u>

The discount rate used on long-term contributions receivable was 2.25% in 2016 and 2015.

Foundation for the National Institutes of Health, Inc.
Notes to Financial Statements

7. Conditional Contributions Receivable

As of December 31, the Foundation had the following contributions receivable subject to donor conditions:

	<u>2016</u>	<u>2015</u>
Comprehensive Cellular Vaccine Immune Monitoring Consortium	\$ 9,116,153	\$ -
Comprehensive Investigation into the Risk Factors of Malnutrition and the Consequences for Child Health	-	1,097,544
Developing Leads to Shorten Duration of TB Chemotherapy	3,375,351	-
Using Biomarkers to Predict TB Treatment Duration	8,672,115	-
Alzheimer's Disease Neuroimaging Initiative-2	10,000	70,000
Lurie Prize in Biomedical Research	100,000	200,000
Identification of high-quality HITs for Tuberculosis	-	1,571,489
Support functions for Vector-based Control of Transmission Research	1,785,326	56,855
Biomarkers Consortium High Definition Single Cell Analysis of Blood and Tissue Biopsies	800,000	1,200,000
Pew Latin American Fellows Awards	76,125	15,750
Biomarkers Consortium – Bone Quality Project	-	100,000
Exacerbation Sub-Study of SubPopulations and Intermediate Outcomes Measure in COPD study (SIROMICS)	-	40,000
Lifespan Connectome Project	1,741,935	2,322,580
Transitional Support for Gene Drive Research	5,287,190	-
Efficacy of Heterodimeric IL-15 Treatment Regimens in Reducing SIV Reservoir	2,874,832	-
Health Effects of Moderate Drinking	56,650,000	13,860,000
Biomarkers Consortium Novel Cardiac Biomarkers in the General US Population	325,000	300,000
Conditioned upon meeting certain milestones and/or the funder not canceling:		
The Sports and Health Research Program	16,325,242	16,325,242
Biomarkers Consortium Autism Spectrum Disorder	1,000,000	1,000,000
NIH Medical Research Scholars Program	270,000	-
NINDS/CNS Getch Scholar	-	100,000
Prize: Low Dose Helical CT (Coding for Cancer)	-	1,800,000
Follicular Lymphoma Research Fund	60,000	-
Charles A. Sanders Legacy Fund	100,000	-
2017 Cognitive Aging Summit	83,636	-
Alzheimer's Disease Neuroimaging Initiative-3	12,190,000	2,000,000
Accelerating Medicines Partnership: Alzheimer's Disease	-	13,450,000
Accelerating Medicines Partnership: RA, SLE & Related Autoimmune Disorders	11,443,000	12,445,000
Accelerating Medicines Partnership: Type 2 Diabetes	-	13,000,000
Roth Fellowship for Chronic Active Epstein Barr Virus and Chronic Active Epstein Barr Virus-Hydroa Vacciniforme	-	52,500
Biomarkers Consortium Minimal Residual Disease Detection in Adult Acute Lymphoblastic Leukemia	-	484,000
Biomarkers Consortium Treatments Against Rheumatoid Arthritis and Effect on FDG PET-CT	798,750	-
Biomarkers Consortium Advanced Metrics and Modeling with Volumetric CT for Precision Analysis of Clinical Trial Results	1,450,000	-
Longitudinal Proteomic Changes in CSF from ADNI: Towards Better Defining the Trajectory of Prodromal and Early Alzheimer's Disease	122,000	-
Amgen NIH Scholars Program	212,500	425,000
The Pew Scholars Program in the Biomedical Sciences	63,000	126,000
	<u>\$ 134,932,155</u>	<u>\$ 82,041,960</u>

Foundation for the National Institutes of Health, Inc.
Notes to Financial Statements

Since these represent conditional contributions receivable, they are not recorded as contributions receivable and contribution revenue until donor conditions are met.

8. Board Designated Net Assets

The Board of Directors has established two board designated funds as follows at December 31:

	<u>2016</u>	<u>2015</u>
Endowment Fund	\$ 6,259,011	\$ 6,044,650
Contingency Fund	467,614	451,774
Legacy Fund	<u>750,000</u>	<u>-</u>
	<u>\$ 7,476,625</u>	<u>\$ 6,496,424</u>

9. Temporarily Restricted Net Assets

As of December 31, temporarily restricted net assets were available for the following purposes:

	<u>2016</u>	<u>2015</u>
Fellowships and Training Programs:		
Amgen Scholars Program	\$ 184,721	\$ 184,371
Amgen Scholars Science Education Fellowship at NIH	54,466	-
Clinical Research Training Program	292,561	292,561
Dean R. O'Neill Renal Cell Cancer Research Fund	157,576	184,703
Dr. Edward T. Rancic Memorial Fund	11,982	11,935
Dr. John L. Barr Memorial Fund	9,239	8,969
Neva Fund	29,117	30,567
NIH Medical Research Scholarship Program	1,022,311	772,377
NINDS/CNS Getch Scholar	-	95,000
NOB Fund	8,152	8,652
Norman P. Salzman Memorial Award and Lecture in Virology	221,999	117,014
Pew Biomedical Scholars	45,750	45,020
Principles of Clinical Pharmacology Course	-	10,853
Robert Whitney Newcomb Memorial Lecture and Internship	1,125,665	1,082,254
Sallie Rosen Kaplan Fellowship for Women Scientists in Cancer Research	30,388	-
Swanson Family Fellowship in Generic Thyroid Benign Chorea and IgA Deficiency (TTF-1)	92,500	92,500
Memorials, Awards and Events:		
2016 Alzheimer's Disease-Related Dementia (ADRD) Summit	33,263	6,408
Adam J. Berry Memorial Fund	6,342	5,820
Alzheimer's Disease Research Summit: AD Summit	-	31,128
Breast Cancer Summit	9,296	9,296
Breast Cancer Summit 2	65,740	65,740
Carcinoid Summit Workshop	22,129	22,129
Celebrating 50 Years of Brain Research: New Discoveries, New Hope	171,452	171,451
Clinical Research Training Program 10-Year Reunion	23,642	23,642
Cognitive Aging Summit	180,117	-
Dr. Anita Roberts Memorial Fund	32,880	28,005
Dr. Jane M. Sayer Vision Research Lecture and Award	253,547	220,158
Edna Williams Curl & Myron R. Curl Endowment for Multiple Sclerosis Research	63,352	63,876
Human Genome Exhibition	146,033	198,010
International Summit in Human Genetics and Genomics	36,765	-

Foundation for the National Institutes of Health, Inc.
Notes to Financial Statements

John Laws Decker Memorial Fund	2,360	3,271
Polio Conference	40,698	40,698
Stephen E. Straus Award	104,555	111,575
Capital Projects:		
Edmond J. Safra Family Lodge Bricks and Mortar	80,562	80,567
Edmond J. Safra Family Lodge All Programs	14,913	9,082
Edmond J. Safra Family Lodge GSK Endowment	67,078	-
Edmond J. Safra Family Lodge Weinberg Endowment	30,530	-
Edmond J. Safra Family Lodge Gallin Endowment	118,048	117,588
Edmond J. Safra Family Lodge Lifecycle Renewal Project	370,226	-
Edmond J. Safra Family Lodge Kitchen Renovation	-	676,726
Tracy's Toy Box	7,941	7,941
Research Partnerships:		
Accelerating Medicines Partnership Membership	2,184,170	2,664,882
Accelerating Medicines Partnership: Type 2 Diabetes	17,128,988	7,349,186
Accelerating Medicines Partnership: Alzheimer's	13,923,858	2,430,996
Accelerating Medicines Partnership: Rheumatoid Arthritis and Lupus	1,490,356	2,580,170
ADNI - Optimization of Alzheimer's Disease Cognitive Measures		
Project	15,980	15,980
Alzheimer's Disease Neuroimaging Initiative – 2	946,419	937,110
Alzheimer's Disease Neuroimaging Initiative – 3	3,038,197	22,933
AREDS2 ancillary	381,764	381,764
Biomarker Consortium	1,752,807	2,079,891
Biomarkers Consortium: Atherosclerosis Computer Modeling	956,137	1,210,714
Biomarkers Consortium: Autism Spectrum Disorder	46,371	541,456
Biomarkers Consortium: Beta Cell Clinical Trial	705,162	1,662,932
Biomarkers Consortium: Bone Quality Project	1,063,013	1,287,832
Biomarkers Consortium: CABP-Skin Infection	31,846	93,137
Biomarkers Consortium: CSF-Based Biomarkers in AD	75,319	75,319
Biomarkers Consortium: HABP/VABP Working Group	100,147	235,586
Biomarkers Consortium: HD-SCA in CRC (High Definition Single Cell		
Analysis of Blood and Tissue Biopsies	719,166	800,000
Biomarkers Consortium: Kidney Safety	453,327	907,393
Biomarkers Consortium: Longitudinal CSF Proteomics	168,407	-
Biomarkers Consortium: MRD Project	1,375,787	1,210,473
Biomarkers Consortium: Pet Variability	25,000	25,000
Biomarkers Consortium: Placebo Data Analysis Project in AD	221,577	221,577
Biomarkers Consortium: Target BMx	324,600	98,900
Biomarkers Consortium: Vol-PACT Pilot	9,718	107,466
Biomarkers Consortium: Vol-PACT	1,251,000	-
Biomarkers Consortium: Novel Cardiac Biomarkers in the General		
US Population	667,939	725,000
Biomarkers Consortium: Osteoarthritis Project	221,985	244,864
Bradley Charitable Gift Annuity	39,073	45,900
Cancer Research Fund	128,702	111,622
Centralized Envelope Comparative Immunogenicity Study (CECI)	10,426	10,385
Charles A. Sanders Legacy Fund	1,384,853	628,514
Coding for Cancer	-	195,970
Comprehensive Cellular Vaccine Immune Monitoring Consortium		
(CVIMC)	2,317,434	-
Comprehensive Investigation into the Risk Factors of Malnutrition and		
the Consequences for Child Health	511,276	860,881
Comprehensive T Cell Vaccine Immune Monitoring Consortium	296,485	299,673
Comprehensive T Cell Vaccine Immune Monitoring Consortium		
(CTVIMCS2)	1,238,123	3,077,211
Consensus Pathway for Gene Drive in Mosquitoes	982,873	-
Development of a Second Generation Broadly Neutralizing Antibody		
(2GVRC01)	34,738	58,810
Effects of Moderate Drinking	5,736,261	1,525,043

Foundation for the National Institutes of Health, Inc.
Notes to Financial Statements

Eliminate Dengue	5,401	5,081
Epidemiology of Visceral Leishmaniasis in Bihar, India	-	80,141
Epilepsy Research in the Laboratory of Kareem Zaghloul, M.D., Ph.D	148,212	148,212
FDG-PET Lung/Lymphoma	622,289	873,011
FNIH Travel support for NIH Scientists	220,045	270,852
Follicular Lymphoma Research Fund	18,000	20,700
Gates Funding for NIAID Ebola Community Engagement project	10,534	113,308
Gramlich Melanoma Research Trust	133,528	112,961
Grand Challenges in Global Health	119,258	119,258
Heart Truth Community Grant Award Program	47,941	47,361
HIT-TB	1,055,134	2,154,245
I-SPY TRIAL-2 (Investigation of Serial Studies to Predict Your Therapeutic Response with Imaging and Molecular Analysis)	176,311	263,268
Lifespan Connectome Project	540,000	540,000
Lung Cancer Master Protocol (LungMAP)	242,846	144,386
Partnership for Accelerating Cancer Therapies	290,807	-
PREDICT-TB	4,156,101	-
Rapid identification of individuals with viable adult female worms of Onchocerca volvulus: a means to the end	4,138	14,951
Sarcopenia 2	543,221	515,653
SHORTEN-TB	4,192,482	-
Solarz Memorial Fund	399,652	478,988
Spiromic Project	3,396	329,721
Spiromics Exacerbation Sub-Study	40,000	71,990
Support functions for VCTR	776,011	843,121
The Hemodialysis Fistula Maturation Cohort Study	24,317	24,317
The Lowy Cancer Research Support Fund	20,000	20,000
The Sports and Health Research Program	1,114,341	1,180,848
Sports and Health Research Program P2 CTE Research	103,398	2,629,254
Sports and Health Research Program P3 CTE Pilot	16,797	16,797
Transitional Support Gene Drive Research	4,197,180	-
The William N. Cafritz Trust - Recruitment Support for Parkinson's Disease	97,000	97,000
VCTR (Vector-based Control of Transmission)	97,414	700,067
Other Temporarily Restricted Programs	268,525	230,501
	<u>\$ 86,811,639</u>	<u>\$ 51,608,294</u>

10. Permanently Restricted Net Assets

Permanently restricted net assets consist of endowment fund assets, included in investments on the statements of financial position to be held indefinitely. The earnings from these assets are to be used for the purposes established by the donors and are recorded as temporarily restricted interest revenue for those purposes.

Foundation for the National Institutes of Health, Inc.
Notes to Financial Statements

As of December 31, permanently restricted net assets consisted of the following endowed gifts to be held in perpetuity with the income to be used for:

	<u>2016</u>	<u>2015</u>
Edmond J. Safra Family Lodge:		
GlaxoSmithKline Endowment Fund	\$ 1,500,000	\$ 1,500,000
Harry and Jeanette Weinberg Endowment at the Edmond J. Safra Family Lodge	830,894	830,894
Sallie Rosen Kaplan Fellowship for Women Scientists in Cancer Research	727,772	747,772
Norman P. Salzman Memorial Fund	-	100,000
CarMollNat Muscular Dystrophy Endowment	<u>35,085</u>	<u>26,199</u>
	<u>\$ 3,093,751</u>	<u>\$ 3,204,865</u>

11. Endowments

The Foundation's endowments consist of individual donor-restricted endowment funds established for a variety of purposes and board designated endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law

The Board of Directors of the Foundation has interpreted the Maryland State Prudent Management of Institutional Funds Act (SPMIFA) 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. As a result of the interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time of the accumulation to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditures by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Foundation for the National Institutes of Health, Inc.
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The endowment net asset composition, by type of fund, was as follows as of December 31, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 351,268	\$ 3,093,751	\$ 3,445,019
Board-designated endowment funds	6,259,011	-	-	6,259,011
	<u>\$ 6,259,011</u>	<u>\$ 351,268</u>	<u>\$ 3,093,751</u>	<u>\$ 9,704,030</u>

The changes in endowment assets were as follows for 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 6,179,696	\$ 117,014	\$ 3,204,865	\$ 9,501,574
Investment return:				
Investment income	-	87,097	-	87,097
Net appreciation (realized and unrealized)	79,315	76,866	-	156,181
Total investment return	79,315	243,278	-	243,278
Contributions	-	2,526	8,886	11,412
Appropriation of endowment assets for expenditure	-	(52,235)	-	(52,235)
Change in donor restriction	-	120,000	(120,000)	-
Endowment net assets, end of year	<u>\$ 6,259,011</u>	<u>\$ 351,268</u>	<u>\$ 3,093,751</u>	<u>\$ 9,704,030</u>

The endowment net asset composition, by type of fund, was as follows as of December 31, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (79,315)	\$ 117,010	\$ 3,204,865	\$ 3,242,560
Board-designated endowment funds	6,259,011	-	-	6,259,011
Total	<u>\$ 6,179,696</u>	<u>\$ 117,010</u>	<u>\$ 3,204,865</u>	<u>\$ 9,501,571</u>

The changes in endowment assets were as follows for 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 6,259,011	\$ 141,515	\$ 3,216,134	\$ 9,616,660
Investment return:				
Investment income	-	70,821	-	70,821
Net appreciation (realized and unrealized)	(79,315)	(92,335)	-	(171,650)
Total investment return	(79,315)	(21,514)	-	(100,829)
Contributions	-	1,625	8,731	10,356
Appropriation of endowment assets for expenditure	-	(24,616)	-	(24,616)
Change in donor restriction	-	20,000	(20,000)	-
Endowment net assets, end of year	<u>\$ 6,179,696</u>	<u>\$ 117,010</u>	<u>\$ 3,204,865</u>	<u>\$ 9,501,571</u>

Foundation for the National Institutes of Health, Inc.
Notes to Financial Statements

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 state UPMIFA guidelines require the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets as of December 31, 2016 and 2015 were \$0 and \$79,315, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the funds were put into a new investment fund.

Return objectives and risk parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to maximize long-term results, consistent with a prudent level of risk while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period or purpose. Under this policy, as approved by the Board of Directors, the endowment assets are invested to maximize long-term results, consistent with a prudent level of risk. The goal is to produce a return on the assets to support the programmatic purposes, while also achieving growth of principal in order to maintain real purchasing power. This approach helps assure that gifts to endowment funds keep pace with inflation and always support the designated activity.

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which the 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 balances fixed-income and equity-based investments to achieve its long-term return objectives within prudent risk constraints.

12. Grant Revenue

The Foundation receives a portion of its support under certain grants and contributions that may be audited by the donors and the ultimate determination of allowable costs is determined by such audits.

13. In-Kind Contributions

Telephone expense, on-line communication costs, and some office space for the Foundation are donated by NIH. The value of the telephone expense, value of the on-line communication costs, and estimated rental value, has been reflected in the accompanying financial statements as in-kind contributions with a like amount recorded as telephone expense, communications expense, or rent/housing expense. For 2016 and 2015, these in-kind contributions from NIH of \$223,020 and \$225,428, respectively, are reflected in the financial statements.

In 2016 the Foundation received medical supplies from C.U.R.E for the Ebola Community Outreach project. The estimated value of the goods and services is determined by the donor, based on costs and current market value and has been reflected in the accompanying financial statements as in-kind contributions with a like amount recorded as program contracts. For 2016, in-kind contributions for these materials of \$737,668 are reflected in the financial statements.

In 2015, the Foundation received drugs from Sanofi-Aventis and Novartis for the Clinical Center Drug Donation project. The estimated value of the drugs is determined by the current market value that NIH pays for the drugs, and has been reflected in the accompanying financial statements as in-kind contributions with a like amount recorded as program contracts. For 2015, in-kind contributions for these materials of \$649,089 are reflected in the financial statements.

14. Donated Services

The Foundation receives benefit from services donated by NIH, which include various administrative and technical services performed by NIH employees. The estimated value of these services is based on the hourly rate and average benefit amount of the NIH employees. The estimated amount of these services has been reflected in the accompanying financial statements as donated services with a like amount recorded as salaries and benefits expense.

The Foundation also receives benefit from donated legal services. The value of these services has been reflected in the financial statements as donated services with a like amount recorded as professional fees expense.

For 2016 and 2015, donated services of \$30,000 and \$110,811, respectively, are reflected in the financial statements.

15. Retirement Plan

The Foundation has a retirement plan through TIAA-CREF. The plan calls for a mandatory contribution of at least 2% of annual salary from participating employees and an additional contribution of 10% of annual salary from the Foundation. Retirement plan expense for 2016 and 2015 was \$485,992 and \$512,501, respectively.

16. Concentration of Revenue

For 2016 and 2015, the Foundation received approximately 23% and 49%, respectively, of its revenue from contributions and grants from the Bill and Melinda Gates Foundation.

17. Relationship with the Foundation for Advanced Education in the Sciences, Inc.

The Foundation was established under legislation that authorized it to be the sole entity responsible for soliciting funds on behalf of NIH and to conduct specific other activities that support NIH in its mission. Certain of the activities described in the legislation are conducted by the Foundation for Advanced Education in the Sciences, Inc. (FAES) under a Memorandum of Understanding (MOU) with the Foundation. This MOU preserves the prerogatives conferred on the Foundation by its authorizing legislation but also allows the FAES to carry on its current activities under the authority of the Foundation.

18. Fair Value of Financial Instruments

Accounting Standards Codification (ASC) Topic 820 provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

U.S. government and corporate bonds

Valued at quoted market price per number of units held at year-end.

Equity mutual funds

Valued at net asset value (NAV) of shares held at year-end.

Bond mutual funds

Valued at net asset value (NAV) of shares held at year-end.

Exchange traded funds

Valued at net asset value (NAV) of shares held at year-end.

Common stocks

Valued at quoted market values of shares held at year-end.

All assets have been valued using a market approach. Fair values for assets in Level 2 are calculated using quoted market prices for similar assets in markets that are not active. There were no changes in the valuation techniques during the current year.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Foundation for the National Institutes of Health, Inc.
Notes to Financial Statements

The following sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2016 and 2015:

	Assets at Fair Value as of December 31, 2016			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Corporate bonds	\$ 926,955	\$ -	\$ -	\$ 926,955
U.S. government bonds	31,640,765	-	-	31,640,765
Equity mutual funds:				
Large-cap growth	1,231,614	-	-	1,231,614
Large-cap blend	1,713,102	-	-	1,713,102
Large-cap value	707,502	-	-	707,502
Mid-cap growth	302,354	-	-	302,354
Mid-cap blend	475,972	-	-	475,972
Small-cap blend	505,887	-	-	505,887
Small-cap value	188,630	-	-	188,630
Emerging market	4,838	-	-	4,838
Multi-alternative	277,538	-	-	277,538
Bond mutual funds:				
Low extensive	75,531	-	-	75,531
Low limited	3,030	-	-	3,030
Medium moderate	18,980	-	-	18,980
Intermediate	88,455	-	-	88,455
International	1,939,208	-	-	1,939,208
Short term	402,551	-	-	402,551
Small growth	11,223	-	-	11,223
High yield bond	264,439	-	-	264,439
Exchange traded funds:				
Large-cap growth	42,577	-	-	42,577
Large-cap value	527,210	-	-	527,210
Mid-cap blend	352,864	-	-	352,864
Government	609,664	-	-	609,664
Inflation-protected bond	21,502	-	-	21,502
Intermediate-term bond	7,444	-	-	7,444
Common stocks:				
Large-cap core	221,117	-	-	221,117
Large-cap growth	152,147	-	-	152,147
Large-cap value	199,544	-	-	199,544
Large-cap blend	24,248	-	-	24,248
Mid-cap growth	22,395	-	-	22,395
Small-cap value	100,446	-	-	100,446
Exchange traded fund	12,344	-	-	12,344
Mid-cap value	8,101	-	-	8,101
Total investments	<u>\$ 43,080,177</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,080,177</u>

Foundation for the National Institutes of Health, Inc.
Notes to Financial Statements

	Assets at Fair Value as of December 31, 2015			
	Level 1	Level 2	Level 3	Total
Corporate bonds	\$ 861,052	\$ -	\$ -	\$ 861,052
U.S. government bonds	32,488,437	-	-	32,488,437
Equity mutual funds:				
Large-cap growth	1,207,344	-	-	1,207,344
Large-cap blend	2,181,146	-	-	2,181,146
Large-cap value	673,835	-	-	673,835
Mid-cap growth	442,915	-	-	442,915
Mid-cap blend	285,045	-	-	285,045
Small-cap blend	440,020	-	-	440,020
Small-cap value	183,056	-	-	183,056
Emerging market	4,841	-	-	4,841
Multi-alternative	275,606	-	-	275,606
Bond mutual funds:				
Low extensive	73,458	-	-	73,458
Low limited	2,726	-	-	2,726
Medium moderate	19,001	-	-	19,001
Intermediate	42,597	-	-	42,597
International	1,122,921	-	-	1,122,921
Short term	306,930	-	-	306,930
Small growth	5,454	-	-	5,454
High yield bond	526,170	-	-	526,170
Exchange traded funds:				
Large-cap growth	38,300	-	-	38,300
Large-cap value	309,401	-	-	309,401
Mid-cap blend	447,987	-	-	447,987
Government	614,346	-	-	614,346
Inflation-protected bond	10,968	-	-	10,968
Intermediate-term bond	7,539	-	-	7,539
Common stocks:				
Large-cap core	205,072	-	-	205,072
Large-cap growth	135,863	-	-	135,863
Large-cap value	170,144	-	-	170,144
Large-cap blend	54,665	-	-	54,665
Mid-cap growth	22,361	-	-	22,361
Small-cap value	72,399	-	-	72,399
Exchange traded fund	11,285	-	-	11,285
Mid-cap value	7,283	-	-	7,283
Total investments	<u>\$ 43,250,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,250,167</u>

Foundation for the National Institutes of Health, Inc.
Notes to Financial Statements

19. Conditional Grant Awards

As of December 31, 2016 and 2015, the Foundation has authorized conditional scientific grants under the following programs:

	<u>2016</u>	<u>2015</u>
Comprehensive T Cell Vaccine Immune Monitoring Consortium	\$ -	\$ 1,951,416
HIT-TB	997,641	3,606,948
Accelerating Medicines Partnership: Type 2 Diabetes	4,425,736	2,671,484
Predict TB	955,909	-
Support Functions of VCTR	857,814	-
Biomarkers Consortium-Cardiac Troponin Project	751,891	-
LungMaP (Lung Cancer Master Protocol)	250,000	400,000
Gates GCGH/VCTR	-	948,002
Biomarkers Consortium – Sarcopenia 2 Project	90,620	-
Biomarkers Consortium – Bone Quality Project	520,105	660,115
Biomarkers Consortium – HD-SCA in CRC Project	1,266,490	-
Accelerating Medicines Partnership: Alzheimer’s Disease	<u>76,666</u>	-
	<u>\$ 10,192,872</u>	<u>\$ 10,237,965</u>

These authorized awards would become a liability to the Foundation in the future, if the grantees meet certain conditions, including the Foundation’s satisfaction with and approval of progress reports.

20. Lease

The Foundation has an office location in Bethesda, Maryland under a lease agreement with the Federation of American Societies for Experimental Biology (FASEB). Beginning in 2007, the Foundation entered into a lease agreement with FASEB for a ten year period which expires October 31, 2017. The Foundation also has an option to extend the lease for two additional five year terms.

Rent expense under this lease was \$467,012 and \$449,207, respectively, for 2016 and 2015.

In January 2017, the Foundation entered into a new lease agreement with Hines USVF North Bethesda Place LP for a fifteen-year period which expires October 31, 2032. This lease is effective November 2017 and contains a rent abatement period for the first seven months.

The future minimum lease payments required under the operating lease for the years ending December 31, are as follows:

2017	\$ -
2018	326,276
2019	572,845
2020	588,599
2021	604,785
Thereafter	<u>7,036,743</u>
	<u>\$ 9,129,248</u>

21. Risks and Uncertainties

The Foundation invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the Foundation's account balances and amounts reported in the statements of financial position.

Supplementary Information

Foundation for the National Institutes of Health, Inc.

Schedules of Functional Expenses

Year Ended December 31, 2016, with Comparative Totals for 2015

	Program Services					Supporting Services				
	Fellowships and Training Programs	Memorials, Awards and Events	Capital Projects	Research Partnerships	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 2016	Total 2015
Salaries and benefits	\$ 34,626	\$ 55,803	\$ 10,484	\$ 3,328,424	\$ 3,429,337	\$ 2,663,127	\$ 234,562	\$ 2,897,689	\$ 6,327,026	\$ 6,720,125
Stipends	5,100	111,600	-	13,000	129,700	-	500	500	130,200	170,164
Program contracts	1,058,858	107,862	-	28,975,646	30,142,366	-	-	-	30,142,366	25,604,180
Grant awards	-	-	-	6,307,252	6,307,252	-	-	-	6,307,252	21,407,698
Meetings and travel	147,144	82,504	20,500	1,137,553	1,387,701	78,349	60,577	138,926	1,526,627	1,504,188
Office supplies and expense	1,682	390	316	9,905	12,293	12,985	10	12,995	25,288	32,813
Telephone	-	-	-	73,185	73,185	71,117	6,864	77,981	151,166	156,089
Books and supplies	-	-	-	2,516	2,516	3,617	-	3,617	6,133	9,453
Tuition	-	-	-	3,210	3,210	1,260	1,805	3,065	6,275	1,363
Insurance	-	-	-	141,179	141,179	49,494	-	49,494	190,673	193,885
Consultants	-	-	6,500	1,450,145	1,456,645	152,669	5,750	158,419	1,615,064	2,226,968
Professional fees	903	-	-	110,149	111,052	92,178	-	92,178	203,230	255,268
Depreciation	-	-	-	-	-	20,094	-	20,094	20,094	21,850
Rent/housing	6,067	-	-	183,343	189,410	294,711	-	294,711	484,121	530,842
Recruiting	-	-	-	3,090	3,090	75,874	-	75,874	78,964	60,579
Temporary services	84	1,176	-	72,751	74,011	22,088	847	22,935	96,946	-
Dues and subscriptions	-	-	-	7,326	7,326	8,899	9,983	18,882	26,208	18,252
Equipment and rental and maintenance	1,142	-	1,280	21,406	23,828	12,641	-	12,641	36,469	40,018
Printing and photocopying	-	3,140	-	16,292	19,432	19,249	33,875	53,124	72,556	265,244
Postage and delivery	-	595	3	2,819	3,417	9,983	10,157	20,140	23,557	13,093
Service charges	797	17,720	12,537	12,145	43,199	96,753	674	97,427	140,626	111,704
Communications	1,530	2,338	-	86,188	90,056	106,080	17,363	123,443	213,499	223,895
Advertising and promotion	-	7,000	-	-	7,000	-	-	-	7,000	14,756
Miscellaneous	-	-	7	(82)	(75)	9,225	9,316	18,541	18,466	17,017
	<u>\$ 1,257,933</u>	<u>\$ 390,128</u>	<u>\$ 51,627</u>	<u>\$ 41,957,442</u>	<u>\$ 43,657,130</u>	<u>\$ 3,800,393</u>	<u>\$ 392,283</u>	<u>\$ 4,192,676</u>	<u>\$ 47,849,806</u>	<u>\$ 59,599,444</u>