

PUBLIC HEALTH INSTITUTE
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY REGULATORY
COMPLIANCE INFORMATION
December 31, 2020 and 2019

PUBLIC HEALTH INSTITUTE
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY REGULATORY
COMPLIANCE INFORMATION
December 31, 2020 and 2019

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1	
FINANCIAL STATEMENTS		
STATEMENTS OF FINANCIAL POSITION.....	3	
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	4	
STATEMENTS OF FUNCTIONAL EXPENSES	5	
STATEMENTS OF CASH FLOWS.....	7	
NOTES TO FINANCIAL STATEMENTS	8	
SUPPLEMENTARY INFORMATION		
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	16	
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	23	
SCHEDULE OF FINDINGS AND QUESTIONED COSTS		
SECTION I - SUMMARY OF AUDITOR'S RESULTS	24	
SECTION II - FINANCIAL STATEMENT FINDINGS.....	25	
SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS	25	
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>		26
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE		28

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Public Health Institute
Oakland, California

Report on the Financial Statements

We have audited the accompanying financial statements of Public Health Institute (the "Institute"), which comprise the statements of financial position as of December 31, 2020 and 2019, 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.

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.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's 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 Institute'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 Institute'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.

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Public Health Institute as of December 31, 2020 and 2019, 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.

Other Matter

Our audit was 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 14, 2021 on our consideration of Public Health Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 14, 2021

PUBLIC HEALTH INSTITUTE
STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 60,555,137	\$ 14,339,276
Investments (Note 3)	3,357,945	-
Grants and contracts receivable, net of allowance for doubtful accounts of \$75,000 in 2020 and 2019	25,653,836	22,381,926
Prepaid expenses	1,480,349	1,737,444
Other assets	<u>125,731</u>	<u>315,351</u>
Total current assets	<u>91,172,998</u>	<u>38,773,997</u>
Furniture, equipment and computer software, net of accumulated depreciation and amortization (Note 4)	<u>1,534,395</u>	<u>1,875,735</u>
Total assets	<u>\$ 92,707,393</u>	<u>\$ 40,649,732</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 14,007,531	\$ 7,691,231
Accrued salaries and related leave	12,545,685	8,461,319
Contract advances	<u>7,213,812</u>	<u>5,834,261</u>
Total current liabilities	<u>33,767,028</u>	<u>21,986,811</u>
Net assets:		
Without donor restrictions:		
Undesignated	7,409,750	4,200,626
Designated (Note 5)	<u>2,059,613</u>	<u>1,824,850</u>
Total without donor restrictions	9,469,363	6,025,476
With donor restrictions (Note 6)	<u>49,471,002</u>	<u>12,637,445</u>
Total net assets	<u>58,940,365</u>	<u>18,662,921</u>
Total liabilities and net assets	<u>\$ 92,707,393</u>	<u>\$ 40,649,732</u>

See accompanying notes to financial statements.

PUBLIC HEALTH INSTITUTE
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For The Years Ended December 31, 2020 and 2019

	2020			2019		
	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)	\$ 111,406,107	\$ 82,098,589	\$ 193,504,696	\$ 102,169,133	\$ 17,545,656	\$ 119,714,789
Contributions	897,142	-	897,142	993,250	-	993,250
Interest income, net realized and unrealized investment gains	403,783	-	403,783	181,157	-	181,157
Net assets released from donor restrictions	<u>45,265,032</u>	<u>(45,265,032)</u>	<u>-</u>	<u>17,825,995</u>	<u>(17,825,995)</u>	<u>-</u>
Total support and revenue	<u>157,972,064</u>	<u>36,833,557</u>	<u>194,805,621</u>	<u>121,169,535</u>	<u>(280,339)</u>	<u>120,889,196</u>
Expenses						
Direct expenses:						
Salaries, wages and benefits (Note 9)	71,207,531	-	71,207,531	59,044,299	-	59,044,299
Professional services	17,116,308	-	17,116,308	12,156,976	-	12,156,976
Travel, training and professional development	13,578,136	-	13,578,136	5,269,769	-	5,269,769
Occupancy (Note 8)	3,747,394	-	3,747,394	3,970,008	-	3,970,008
Supplies	2,182,300	-	2,182,300	1,425,336	-	1,425,336
Publications and printing	238,304	-	238,304	199,114	-	199,114
Temporary help	56,051	-	56,051	165,931	-	165,931
Communications	924,157	-	924,157	785,067	-	785,067
Postage and delivery	441,492	-	441,492	351,804	-	351,804
Subcontracts and grants	27,219,243	-	27,219,243	21,417,274	-	21,417,274
Other	<u>250,611</u>	<u>-</u>	<u>250,611</u>	<u>701,370</u>	<u>-</u>	<u>701,370</u>
Total direct expenses	<u>136,961,527</u>	<u>-</u>	<u>136,961,527</u>	<u>105,486,948</u>	<u>-</u>	<u>105,486,948</u>
Indirect expenses:						
Allocated	17,520,355	-	17,520,355	15,477,307	-	15,477,307
Unallocated	<u>46,295</u>	<u>-</u>	<u>46,295</u>	<u>118,454</u>	<u>-</u>	<u>118,454</u>
Total indirect expenses	<u>17,566,650</u>	<u>-</u>	<u>17,566,650</u>	<u>15,595,761</u>	<u>-</u>	<u>15,595,761</u>
Total expenses	<u>154,528,177</u>	<u>-</u>	<u>154,528,177</u>	<u>121,082,709</u>	<u>-</u>	<u>121,082,709</u>
Change in net assets	3,443,887	36,833,557	40,277,444	86,826	(280,339)	(193,513)
Net assets at beginning of year	<u>6,025,476</u>	<u>12,637,445</u>	<u>18,662,921</u>	<u>5,938,650</u>	<u>12,917,784</u>	<u>18,856,434</u>
Net assets at end of year	<u>\$ 9,469,363</u>	<u>\$ 49,471,002</u>	<u>\$ 58,940,365</u>	<u>\$ 6,025,476</u>	<u>\$ 12,637,445</u>	<u>\$ 18,662,921</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	259,611	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>\$ 16,447,465</u>	<u>\$ 1,119,185</u>	<u>\$ 17,566,650</u>	<u>\$ 154,528,177</u>

See accompanying notes to financial statements.

PUBLIC HEALTH INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2019

	Program Services and Fundraising			Management and General			Total Expenses
	Program Services	Fundraising	Subtotal	PHI	ARG	Subtotal	
Salaries, wages and benefits	\$ 59,021,353	\$ 22,946	\$ 59,044,299	\$ 10,689,086	\$ 783,523	\$ 11,472,609	\$ 70,516,908
Professional services	12,149,798	7,178	12,156,976	356,543	50,020	406,563	12,563,539
Travel, training and professional development	5,269,534	235	5,269,769	194,936	2,634	197,570	5,467,339
Occupancy	3,970,008	-	3,970,008	1,176,439	360,151	1,536,590	5,506,598
Supplies	1,425,336	-	1,425,336	527,445	25,757	553,202	1,978,538
Publications and printing	198,471	643	199,114	131,777	23,271	155,048	354,162
Temporary help	165,931	-	165,931	5,000	-	5,000	170,931
Communications	783,472	1,595	785,067	164,771	22,081	186,852	971,919
Postage and delivery	351,804	-	351,804	12,764	546	13,310	365,114
Subcontracts and grants	21,417,274	-	21,417,274	-	-	-	21,417,274
Other	699,798	1,572	701,370	1,064,048	4,969	1,069,017	1,770,387
	<u>\$ 105,452,779</u>	<u>\$ 34,169</u>	<u>\$ 105,486,948</u>	<u>\$ 14,322,809</u>	<u>\$ 1,272,952</u>	<u>\$ 15,595,761</u>	<u>\$ 121,082,709</u>

See accompanying notes to financial statements.

PUBLIC HEALTH INSTITUTE
STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 40,277,444	\$ (193,513)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	520,183	520,264
Unrealized gains on investments	(319,679)	-
(Increase) decrease in:		
Grants and contracts receivable	(3,271,910)	(11,479,512)
Prepaid expenses	257,095	181,207
Other assets	189,620	3,596
Increase (decrease) in:		
Accounts payable and accrued liabilities	6,316,300	2,942,855
Accrued salaries and related leave	4,084,366	773,310
Contract advances	<u>1,379,551</u>	<u>788,722</u>
Net cash provided by (used in) operating activities	<u>49,432,970</u>	<u>(6,463,071)</u>
Cash flows from investing activities		
Purchase of investments, net	(3,038,266)	-
Purchase of furniture, equipment and computer software	<u>(178,843)</u>	<u>(196,520)</u>
Net cash used in investing activities	<u>(3,217,109)</u>	<u>(196,520)</u>
Net change in cash and cash equivalents	46,215,861	(6,659,591)
Cash and cash equivalents at beginning of year	<u>14,339,276</u>	<u>20,998,867</u>
Cash and cash equivalents at end of year	<u>\$ 60,555,137</u>	<u>\$ 14,339,276</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, 2020 and 2019, the liability for accrued compensated absences aggregated \$10,929,676 and \$7,392,682, 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)

PUBLIC HEALTH INSTITUTE
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

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, 2020 and 2019, 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, 2020 and 2019 nor does it expect there will be a material change in the twelve months following the year ended December 31, 2020. As of December 31, 2020, the Institute's tax years ended December 31, 2016 through December 31, 2020 remain subject to examination in the United States federal tax jurisdiction and the tax years ended December 31, 2015 through December 31, 2020 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 61% and 73% of the Institute's total support and revenue for the years ending December 31, 2020 and 2019 was derived from various agencies of the U.S. government. Approximately 11% and 13% of the Institute's total support and revenue for the years ended December 31, 2020 and 2019 respectively, was received under a single cooperative agreement from the United States Agency for International Development. Approximately 10% of the Institute's total support and revenue for the years ended December 31, 2020 and 2019, 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, 2020 and 2019

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, 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, 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, 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	<u>956,766</u>	<u>956,766</u>	<u>-</u>	<u>-</u>
	2,867,974	<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>			

The Institute did not hold any investments at December 31, 2019.

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.

(Continued)

PUBLIC HEALTH INSTITUTE
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 4 – FURNITURE, EQUIPMENT AND COMPUTER SOFTWARE

Furniture, equipment and computer software consisted of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 4,015,427	\$ 4,015,427
Computer software	<u>441,377</u>	<u>262,534</u>
Total furniture, equipment and computer software	4,456,804	4,277,961
Less: Accumulated depreciation and amortization	<u>(2,922,409)</u>	<u>(2,402,226)</u>
Net furniture, equipment and computer software	<u>\$ 1,534,395</u>	<u>\$ 1,875,735</u>

Total depreciation and amortization expense for the years ended December 31, 2020 and 2019 was \$520,183 and \$520,264, respectively.

NOTE 5 – DESIGNATED NET ASSETS

Internally designated program funds totaled \$2,059,613 and \$1,824,850, as of December 31, 2020 and 2019, respectively and were classified as designated net assets.

(Continued)

PUBLIC HEALTH INSTITUTE
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2020 and 2019, net assets with donor restrictions consisted of funds set aside for specific programs, as stipulated by the following donors providing the restricted support:

	<u>2020</u>	<u>2019</u>
East Bay Community Foundation	\$ 10,856,124	\$ 325
Crankstart	7,500,000	-
The California Endowment	5,617,507	1,242,850
Conrad N. Hilton Foundation	4,690,479	70,982
Ballmer Group	2,254,425	-
The California Wellness Foundation	2,221,674	597,779
Blue Shield of California	2,087,696	1,009,991
Nathan Cummings Foundation	1,764,062	2,205,196
University of California	1,397,353	1,067,224
Individual Donors	1,238,118	1,743,756
Chan Zuckerberg Initiative	1,000,000	-
Genentech	1,000,000	-
Cigna Foundation	761,050	832,690
David and Lucile Packard Foundation	636,661	128,167
Robert Wood Johnson Foundation	611,227	123,318
California Healthcare Foundation	576,636	156,431
Los Angeles County	495,667	-
Gordon and Betty Moore Foundation	432,366	315,000
Kaiser Permanente	422,274	377,586
The Kresge Foundation	385,030	352,126
Novo Foundation	310,328	249,965
Heising-Simons Foundation	300,000	-
The Health Trust	296,521	657,632
Echidna Giving	250,468	159,561
Abbott Fund	244,422	-
Tipping Point Community	200,000	-
Carestar Foundation	168,700	-
Battery Powered	125,000	125,000
Other	<u>1,627,214</u>	<u>1,221,866</u>
Total net assets with donor restrictions	<u>\$ 49,471,002</u>	<u>\$ 12,637,445</u>

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, 2021. Amounts borrowed under this agreement for 2020 and 2019 bear interest equal to Daily One Month LIBOR rate plus 2% (2.14% and 3.76% at December 31, 2020 and 2019, respectively). The line is secured by the cash and accounts receivable of the Institute. As of December 31, 2020 and 2019, there were no outstanding borrowings on the line of credit.

(Continued)

PUBLIC HEALTH INSTITUTE
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 8 – LEASE COMMITMENTS

The Institute leases office space under several agreements, expiring in various years through 2024. 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. Subsequent to December 31, 2020, PHI early-terminated their lease agreement for the office in Oakland, California. Lease termination fees incurred were not significant.

Future minimum lease payments under operating leases with remaining terms in excess of one year as of December 31, 2020 are as follows:

Year Ending December 31,	
2021	\$ 3,859,056
2022	1,815,266
2023	1,671,838
2024	1,732,190
2025 and after	<u>722,970</u>
	<u>\$ 9,801,320</u>

Rent expense under all operating leases totaled \$4,686,724 and \$4,901,628 for the years ended December 31, 2020 and 2019, 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, 2020 and 2019 totaled \$3,405,694 and \$3,635,700, respectively. During the same years, \$1,281,030 and \$1,265,928, 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, 2020 and 2019, the Institute contributed \$4,947,643 and \$4,695,499, 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).

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, 2020.

(Continued)

PUBLIC HEALTH INSTITUTE
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 11 – SUBSEQUENT EVENTS

In preparing these financial statements, the Institute has evaluated events and transactions for potential recognition or disclosure through July 14, 2021, 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>2020</u>	<u>2019</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 60,555,137	\$ 14,339,276
Investments	3,357,945	-
Grants and contracts receivable, net of allowance for doubtful accounts	<u>25,653,836</u>	<u>22,381,926</u>
	89,566,918	36,721,202
Less amounts not available for general expenditure within one year:		
Net assets with donor restrictions	(49,471,002)	(12,637,445)
Board-designated net assets	<u>(2,059,613)</u>	<u>(1,824,850)</u>
	<u>(51,530,615)</u>	<u>(14,462,295)</u>
	<u>\$ 38,036,303</u>	<u>\$ 22,258,907</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.

NOTE 13 – COVID-19 PANDEMIC

In December 2019, a novel strain of coronavirus surfaced and spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the Institute could be adversely affected. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

SUPPLEMENTARY INFORMATION

PUBLIC HEALTH INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2020

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Through Entity</u>	<u>CFDA Number</u>	<u>Grant/Contract Number</u>	<u>Provided to Sub-recipients</u>	<u>Expenditures</u>
Research and Development Cluster: Department of Health and Human Services (DHHS):					
Environmental Public Health and Emergency Response	Center for Disease Control and Prev	93.070	1 NUE1EH001343-01-00	\$ -	\$ 837,812
Blood Disorder Program: Prevention, Surveillance and Research	Center for Disease Control and Prev	93.080	1 NU58DD000011-01-00	-	207,330
Blood Disorder Program: Prevention, Surveillance and Research	University of California, San Francisco	93.080	12009sc	-	4,452
Subtotal CFDA 93.080				-	211,782
Environmental Health	National Institutes of Health	93.113	881R21ES031501-01	30,257	118,410
Environmental Health	University of California, Davis	93.113	A18-0412-A001	-	10,912
Environmental Health	University of California, San Francisco	93.113	9718sc	-	83,105
Environmental Health	University of Southern California	93.113	110056322	-	33,152
Subtotal CFDA 93.113				30,257	245,579
NIEHS Superfund Hazardous Substances, Basic Research and Education	University of California, San Diego	93.143	114231116	-	4,079
Mental Health Research Grants	Temple University	93.242	264202-PHI	-	62,028
Mental Health Research Grants	Temple University	93.242	0170338968	-	2,712
Subtotal CFDA 93.242				-	64,740
Substance Abuse and Mental Health Services Projects of Regional and National Significance	Substance Abuse & Mental Hlth Svcs Admin	93.243	1H79TI080720-01	154,757	564,472
Substance Abuse and Mental Health Services Projects of Regional and National Significance	Substance Abuse & Mental Hlth Svcs Admin	93.243	1U79SM063157-01	136,543	352,267
Substance Abuse and Mental Health Services Projects of Regional and National Significance	Substance Abuse & Mental Hlth Svcs Admin	93.243	IH79SP021774-01	6,401	211,695
Subtotal CFDA 93.243				297,701	1,128,434
Occupational Safety and Health Program	Natl Inst for Occupational Safety & Hlth	93.262	5U60OH010895	-	609,990
Occupational Safety and Health Program	Natl Inst for Occupational Safety & Hlth	93.262	5U60OH008468	-	6,700
Subtotal CFDA 93.262				-	616,690
Drug Abuse and Addiction Research Programs	Kaiser Permanente	93.279	RNG210174-PHI-01	-	135,246
Drug Abuse and Addiction Research Programs	National Institute on Drug Abuse	93.279	1R01DA039971-01A1	45,998	1,481,947
Drug Abuse and Addiction Research Programs	National Institute on Drug Abuse	93.279	5R01DA036606	165,285	330,936
Subtotal CFDA 93.279				211,283	1,948,129

(Continued)

PUBLIC HEALTH INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2020

Federal Granting Agency/Program Name	Pass-Through Entity	CFDA Number	Grant/Contract Number	Provided to Sub-recipients	Expenditures
Research and Development Cluster (Continued):					
Department of Health and Human Services (DHHS) (Continued):					
Alcohol Research Programs	National Institutes of Health	93.273	1R01AA026956-01A1	\$ -	\$ 345,127
Alcohol Research Programs	National Institutes of Health	93.273	1R21AA026654-01A1	-	206,821
Alcohol Research Programs	National Institutes of Health	93.273	1R01AA027920-01	-	16,774
Alcohol Research Programs	National Institutes of Health	93.273	1R01AA028252-01A1	-	62,060
Alcohol Research Programs	Natl Inst On Alcohol Abuse & Alcoholism	93.273	1K01AA024832-01A1	-	174,141
Alcohol Research Programs	Natl Inst On Alcohol Abuse & Alcoholism	93.273	1R01AA027782-01	9,301	387,952
Alcohol Research Programs	Natl Inst On Alcohol Abuse & Alcoholism	93.273	5P50AA005595	386,774	1,417,438
Alcohol Research Programs	Natl Inst On Alcohol Abuse & Alcoholism	93.273	5R01AA022857	-	2,294
Alcohol Research Programs	Natl Inst On Alcohol Abuse & Alcoholism	93.273	5R01AA023870	47,523	188,245
Alcohol Research Programs	Natl Inst On Alcohol Abuse & Alcoholism	93.273	R01AA013750	-	79,506
Alcohol Research Programs	Natl Inst On Alcohol Abuse & Alcoholism	93.273	1R21AA027882-01A1	-	94,496
Alcohol Research Programs	SCRIPPS Research Institute	93.273	5-53746	-	89,654
Alcohol Research Programs	SCRIPPS Research Institute	93.273	5-53950	-	42,559
Alcohol Research Programs	University of Sheffield	93.273	R01AA024443 SUB02	-	42,573
Alcohol Research Programs	University of Texas at Austin	93.273	UTA19-001179	-	25,875
Alcohol Research Programs	University of Iowa	93.273	S01158-01	-	72,721
Alcohol Research Programs	Virginia Commonwealth University	93.273	PD303768-SC105637	-	<u>6,247</u>
Subtotal CFDA 93.273				<u>443,598</u>	<u>3,254,483</u>
Mental Health and Health Disparities Research	National Institutes of Health	93.307	1R03MD011481-01A1	<u>9,023</u>	<u>12,431</u>
Common Fund Research Support	University of Illinois	93.310	093670-17187	-	<u>40,878</u>
Cancer Cause and Prevention Research	National Cancer Institute	93.393	1R01CA214470-01	-	308,650
Cancer Cause and Prevention Research	Stanford University	93.393	61739897-125888	-	15,996
Cancer Cause and Prevention Research	Stanford University	93.393	62369220-132926	-	16,936
Cancer Cause and Prevention Research	University of Southern California	93.393	107856651	-	94,864
Cancer Cause and Prevention Research	University of Southwestern Medical	93.393	GMO190807	-	<u>123,983</u>
Subtotal CFDA 93.393				-	<u>560,429</u>
Cancer Detection and Diagnosis Research	Research Institute at Nationwide	93.394	700063-0320-07	-	<u>33,771</u>
ACL National Institute On Disability, Independent Living, and Rehabilitation Research	TIRR memorial Hermann	93.433	18-1836	-	30,745
ACL National Institute On Disability, Independent Living, and Rehabilitation Research	Administration for Community Living	93.433	90DP0081-01-00	<u>209,177</u>	<u>1,346,203</u>
Subtotal CFDA 93.433				<u>209,177</u>	<u>1,376,948</u>

(Continued)

PUBLIC HEALTH INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2020

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Through Entity</u>	<u>CFDA Number</u>	<u>Grant/Contract Number</u>	<u>Provided to Sub-recipients</u>	<u>Expenditures</u>
Research and Development Cluster (Continued):					
Department of Health and Human Services (DHHS) (Continued):					
Cancer Treatment Research	Children's Hospital of Philadelphia	93.395	20087276-RSUB	\$ 1,322,613	\$ 6,175,434
Cancer Treatment Research	Children's Hospital of Philadelphia	93.395	9500080220-XX/20124356	-	30,029
Cancer Treatment Research	Children's Hospital of Philadelphia	93.395	962575-RSUB	-	2,780,729
Cancer Treatment Research	Children's Hospital of Philadelphia	93.395	PO-20126867-RSUB	-	4,975
Cancer Treatment Research	Children's Hospital of Philadelphia	93.395	N/A	-	172,069
Cancer Treatment Research	Children's Hospital of Philadelphia	93.395	20119915-RSUB	-	1,570,307
Cancer Treatment Research	Children's Hospital of Philadelphia	93.395	500080220-S25	-	7,342
Cancer Treatment Research	Children's Hospital of Philadelphia	93.395	7S01	-	60,933
Cancer Treatment Research	Children's National Health System	93.395	30004166-02	-	38,139
Cancer Treatment Research	National Institutes of Health	93.395	2U10CA180899-06	2,446,810	9,844,823
Cancer Treatment Research	University of Florida	93.395	2020-02-02	-	7,327
Subtotal CFDA 93.395				<u>3,769,423</u>	<u>20,692,107</u>
Cancer Control	Children's Hospital of Philadelphia	93.399	20121678 - RSUB	-	365,179
Cancer Control	Children's Hospital of Philadelphia	93.399	9500100720-XX	-	1,642,309
Cancer Control	Children's Hospital of Philadelphia	93.399	07S02	-	6,773
Subtotal CFDA 93.399				<u>-</u>	<u>2,014,261</u>
Cardiovascular Diseases Research	National Institutes of Health	93.837	1R21HL150454	-	33,097
Aging Research	Emory University	93.866	A027536	-	37,374
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	California Department of Public Health	93.898	17-10098	-	222,616
Cancer Detection and Diagnosis Research	National Institutes of Health	93.989	R21TW011594	-	33,147
Preventive Health and Health Services Block Grant	Natl Inst for Occupational Safety & Health	93.991	19-10607	-	127,175
Development of a database on Non-English Measure and Instruments for use in Alcohol Research	Brightoutcome, Inc.	93.U01	N/A	-	35,649
Medical: Biomedical (Applied Research/ Exploratory Development)	Medable, Inc.	93.U02	N/A	-	288,134

(Continued)

PUBLIC HEALTH INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2020

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Through Entity</u>	<u>CFDA Number</u>	<u>Grant/Contract Number</u>	<u>Provided to Sub-recipients</u>	<u>Expenditures</u>
Research and Development Cluster (Continued):					
Department of Health and Human Services (DHHS) (Continued):					
Alcohol Research Program	CSR, Inc.	93.U03	CT-AEDS-001	\$ -	\$ 5,474
Alcohol Research Program	Hendall, Inc.	93.U04	3201-CON-001-01	-	409
The Surveillance, Epidemiology, and End Results (SEER) Program on Cancer Statistics program	National Cancer Institute	93.U05	HHSN261201800009I	-	4,050,802
Department of Defense:					
Military Medical Research and Development (B)	Dept of the Army	12.420	W81XWH-16-1-0254	36,168	109,240
Military Medical Research and Development (B)	Cedars-Sinai Medical Center	12.420	0001621140	-	73,947
Subtotal CFDA 12.420				36,168	183,187
Subtotal Research and Development Cluster				<u>5,006,630</u>	<u>38,059,617</u>
Other Programs:					
Department of Health and Human Services (DHHS):					
CMHS Child Mental Health Service Initiative	Corp for Nat'l and Community Service	93.013	18VS20700117VSPCA024	-	17,583
Healthy Marriage Promotion and Responsible Fatherhood Grants	Administration for Children and Families	93.086	90FM0090-01-000	436,987	748,678
Maternal and Child Health Federal Consolidated Programs	Assoc. of Maternal & Child Health Pgms	93.110	090820-153	-	5,769
Community Programs to Improve Minority Health Grant Program	Public Health Service	93.137	CPIMP151113-01-00	-	289,461
Centers of Excellence	University of California, San Francisco	93.157	11140sc	-	43,545
Telehealth Programs	Health Resources & Services Admin	93.211	2 G22RH30365-02-00	-	300,654
Telehealth Programs	Health Resources & Services Admin	93.211	1 GA5RH374700100	-	306,662
Subtotal CFDA 93.211				-	607,316
Racial and Ethnic Approaches to Community Health	Toiyabe County	93.304	NU58DP005678-03-01	-	2,503

(Continued)

PUBLIC HEALTH INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2020

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Through Entity</u>	<u>CFDA Number</u>	<u>Grant/Contract Number</u>	<u>Provided to Sub-recipients</u>	<u>Expenditures</u>
Other Programs (Continued):					
Department of Health and Human Services (DHHS) (Continued):					
Centers for Disease Control and Prevention Investigations and Technical Assistance	State of CA, Dept of Public Health	93.283	15-10331	\$ _____ -	\$ <u>26,533</u>
Protecting and Improving Health Globally: Building and and Strengthening Public Health Impact, Systems, Capacity and Security	Center for Disease Control and Prev	93.318	NU2GGH002093-01-00	97,113	5,596,244
Protecting and Improving Health Globally: Building and and Strengthening Public Health Impact, Systems, Capacity and Security	Healthmpowers	93.318	N/A	-	108,709
Protecting and Improving Health Globally: Building and and Strengthening Public Health Impact, Systems, Capacity and Security	Michigan Fitness Foundation	93.318	PHI REC/PAC 2019-04ST	-	80,387
Protecting and Improving Health Globally: Building and and Strengthening Public Health Impact, Systems, Capacity and Security	Michigan Fitness Foundation	93.318	PHI RFA/EEB 2019-04AM	_____ -	<u>131,034</u>
Subtotal CFDA 93.318				<u>97,113</u>	<u>5,916,374</u>
Partnerships to Improve Community Health	Toiyabe County	93.331	NU58DP005678-03-01	_____ -	<u>911</u>
Activities to Support State, Tribal, Local and Territorial Health Department Response to Public Health Crises	Assoc of State & Terr Hlth Ofc (ASTHO)	93.391	57-17055	_____ -	<u>2,003</u>
Strengthening Public Health Systems and Services Through National Partnerships to Improve and Protect the Nation's Health	Center for Disease Control and Prev	93.421	1 NU38OT000313-01-00	-	852,767
Strengthening Public Health Systems and Services Through National Partnerships to Improve and Protect the Nation's Health	Center for Disease Control and Prev	93.421	6 NU38OT000313-01-01	-	8,791
Strengthening Public Health Systems and Services Through National Partnerships to Improve and Protect the Nation's Health	Center for Disease Control and Prev	93.421	6 NU38OT000313-02-04	-	188,172
Strengthening Public Health Systems and Services Through National Partnerships to Improve and Protect the Nation's Health	Center for Disease Control and Prev	93.421	NU38OT000313-01-00	-	333,856
Strengthening Public Health Systems and Services Through National Partnerships to Improve and Protect the Nation's Health	Center for Disease Control and Prev	93.421	6 NU38OT000313-03-02	-	25,458
Strengthening Public Health Systems and Services Through National Partnerships to Improve and Protect the Nation's Health	National Network of Public Health	93.421	G1439_AG-0030	-	57,757
Strengthening Public Health Systems and Services Through National Partnerships to Improve and Protect the Nation's Health	American Academy of Pediatrics	93.421	N/A	_____ -	<u>74,965</u>
Subtotal CFDA 93.421				_____ -	<u>1,541,766</u>

(Continued)

PUBLIC HEALTH INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2020

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Through Entity</u>	<u>CFDA Number</u>	<u>Grant/Contract Number</u>	<u>Provided to Sub-recipients</u>	<u>Expenditures</u>
Other Programs (Continued):					
Department of Health and Human Services (DHHS) (Continued):					
NON-ACA/PPHF Building Capacity of the Public Health System to Improve Population Health through National Nonprofit Organizations	National Network of Public Health	93.424	C1231	\$ -	\$ 2,182
State Targeted Response to the Opioid Crisis Grants	California Rural Indian Health Board	93.788	18-95423	3,006,000	8,117,736
State Targeted Response to the Opioid Crisis Grants	California Rural Indian Health Board	93.788	N/A	-	9,151
State Targeted Response to the Opioid Crisis Grants	California Rural Indian Health Board	93.788	CA19MAT184	75,000	500,000
State Targeted Response to the Opioid Crisis Grants	State of CA, Dept of Health Care Service	93.788	20-10326	-	463,466
Subtotal CFDA 93.788				<u>3,081,000</u>	<u>9,090,353</u>
National Collaboration to Support Health, Wellness and Academic Success of School-Age Children	National Network of Public Health	93.858	G1731_AG-0335	-	15,949
Block Grants for Prevention and Treatment of Substance Abuse	Sacramento County	93.959	3027206000-16-085	-	319,013
Occupational Safety and Health Program	Centers for Disease Control and Prev.	93.U06	75D0119P06715	-	15,023
NCIPC-DVP-Workforce Development	Centers for Disease Control and Prev.	93.U07	1991171	-	925
Surgeon General's Repro	Health & Human Svcs. Admin	93.U09	0468400001	-	7,775
Equity-Focused Technical Assistance	County of Orange HCA	93.U10	MA-042-21010777	-	12,153
Environmental Protection Agency (EPA):					
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	US Environmental Protection Agency	66.034	83924101	27,400	137,573
U.S Agency for International Development (USAID):					
USAID Foreign Assistance for Programs Overseas	Credence Management Solutions LLC	98.001	1154-OASISGHTP-PHI-01	-	5,604,601
USAID Foreign Assistance for Programs Overseas	US Agency for Intl Development	98.001	7200AA18CA00001	1,363,288	20,467,443
USAID Foreign Assistance for Programs Overseas	US Agency for Intl Development	98.001	AID-OAA-A-16-00045	380,020	824,547
Subtotal CFDA 98.001				<u>1,743,308</u>	<u>26,896,591</u>

(Continued)

PUBLIC HEALTH INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2020

<u>Federal Granting Agency/Program Name</u>	<u>Pass-Through Entity</u>	<u>CFDA Number</u>	<u>Grant/Contract Number</u>	<u>Provided to Sub-recipients</u>	<u>Expenditures</u>
Other Programs (Continued):					
U.S Department of Agriculture – SNAP Cluster:					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Los Angeles County	10.561	PO-PH-19008708-I	\$ 389,287	\$ 905,410
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	State of North Carolina	10.561	38272	-	62,903
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	US Dept. of Agriculture	10.561	N/A	9,975	11,753
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Sacramento County	10.561	7207500-17/20-269	-	149,158
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	National Alliance of Comm. Economic	10.561	N/A	-	16,532
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	State of CA, Dept of Social Services	10.561	18-7014	797,967	2,691,559
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	State of Georgia	10.561	42700-040-0000088473	-	252,023
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	State of Georgia	10.561	42700-040-0000097476	-	122,558
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	University of California, Davis	10.561	201600591-01	-	35,526
Subtotal CFDA 10.561 – SNAP Cluster				<u>1,197,229</u>	<u>4,247,422</u>
U.S Department of Treasury:					
COVID-19 - Coronavirus Relief Fund	Los Angeles County	21.019	HOA 103046831_1	10,738,184	24,234,682
COVID-19 - Coronavirus Relief Fund	Clark County, Washington	21.019	HDC.1486	-	2,923,185
COVID-19 - Coronavirus Relief Fund	Washington County, Oregon	21.019	20-0681	-	3,208,137
COVID-19 - Coronavirus Relief Fund	Oregon Health Authority	21.019	166600	-	272,892
Subtotal CFDA 21.019 – Coronavirus Relief Fund				<u>10,738,184</u>	<u>30,638,896</u>
U.S Department of Justice:					
Crime Victim Assistance/Discretionary Grants (B,C)	Youth Alive	16.582	2015-VF-GX-K025	-	57,390
Subtotal Other Programs				<u>17,321,221</u>	<u>80,643,687</u>
Total Expenditures of Federal Awards				<u>\$ 22,327,851</u>	<u>\$ 118,703,304</u>

See accompany note to Schedule of Expenditures of Federal Awards.

PUBLIC HEALTH INSTITUTE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2020

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, 2020 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.

PUBLIC HEALTH INSTITUTE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 December 31, 2020

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>CFDA Numbers</u>	<u>Expenditures</u>
Coronavirus Relief Fund (CRF)	21.019	\$ 30,638,896
USAID Foreign Assistance for Programs Overseas	98.001	\$ 26,896,591

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, 2020

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

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, 2020, 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 14, 2021.

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 may exist that have not been identified.

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*.

(Continued)

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

Crowe LLP

San Francisco, California
July 14, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

To the Board of Directors
Public Health Institute
Oakland, California

Report on Compliance for Each Major Federal Program

We have audited Public Health Institute's compliance with the types of compliance requirements described 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, 2020. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Public Health Institute's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Public Health Institute's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Public Health Institute's compliance.

Opinion on Each Major Federal Program

In our opinion, Public Health Institute complied, in all material respects, with the types of 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, 2020.

(Continued)

Report on Internal Control Over Compliance

Management of Public Health Institute is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Public Health Institute's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Public Health Institute's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.



Crowe LLP

San Francisco, California
July 14, 2021