

HEALTH RESEARCH, INC.

Reports Required by Uniform Guidance

March 31, 2020

Bonadio & Co., LLP
Certified Public Accountants

HEALTH RESEARCH, INC.

Reports Required by Government Auditing Standards and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)

MARCH 31, 2020

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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

June 23, 2020

To the Board of Directors of
Health Research, Inc.:

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 Health Research, Inc., (a nonprofit organization), which comprise the statement of financial position as of March 31, 2020, and the related statements of activities, 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 June 23, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Health Research, Inc.'s internal control over financial reporting (internal control) to determine the 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 Health Research, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Health Research, Inc.'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.

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(Continued)

**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**
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Health Research, Inc.'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bonadio & Co., LLP

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

June 23, 2020

To the Board of Directors of
Health Research, Inc.:

Report on Compliance for Each Major Federal Program

We have audited Health Research, Inc.'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 Health Research, Inc.'s major federal programs for the year ended March 31, 2020. Health Research, Inc.'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 Health Research, Inc.'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 Health Research, Inc.'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 Health Research, Inc.'s compliance.

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(Continued)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Opinion on Each Major Federal Program

In our opinion, Health Research, Inc. 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 March 31, 2020.

Report on Internal Control Over Compliance

Management of Health Research, Inc. 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 Health Research, Inc.'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 Health Research, Inc.'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.

(Continued)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Health Research Inc. as of and for the year ended March 31, 2020, and have issued our report thereon dated June 23, 2020, which contained an unmodified opinion on those financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to June 23, 2020. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis, as required by Uniform Guidance 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 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Bonadio & Co., LLP

HEALTH RESEARCH, INC.
Schedule of Expenditures of Federal Awards
Year ended March 31, 2020
Albany and Roswell Park Combined

CFDA No.	Description	Pass through entity award numbers	Total Amounts to Subrecipients	Total Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER				
U.S. Department of Agriculture	Wildlife Services			229,510
U.S. Department of Agriculture	Food Safety Cooperative Agreements			223,969
	Total U.S. Department of Agriculture			453,479
U.S. Department of Defense	Basic and Applied Scientific Research			8,538
U.S. Department of Defense	Military Medical Research and Development		147,697	2,697,105
	Total U.S. Department of Defense Direct Awards		147,697	2,705,663
U.S. Department of Defense	Military Medical Research and Development	W81XWH16-1-0404		11,238
U.S. Department of Defense	Uniformed Services University Medical Research Projects	HU0001-16-2-0006		93,078
U.S. Department of Defense	Military Medical Research and Development	W81XWH16-2-0038		33,250
U.S. Department of Defense	Military Medical Research and Development	W81XWH17-1-0244		44,643
	Total U.S. Department of Defense Pass Through Awards		182,709	182,709
	Total U.S. Department of Defense		147,697	2,887,872
U.S. Department of Housing and Urban Development	Healthy Homes Technical Studies Grants		86,288	117,765
	Total U.S. Department of Housing and Urban Development		86,288	117,765
U.S. Department of Justice	NICS Act Record Improvement Program	C002157	18,000	144,777
U.S. Department of Justice	NICS Act Record Improvement Program	C002173		220,411
	Total U.S. Department of Justice Awards		18,000	365,188
U.S. Department of Labor	Compensation and Working Conditions			89,402
	Total U.S. Department of Labor Direct Awards			89,402
U.S. Department of Transportation	State and Community Highway Safety	C002425	42,315	272,779
U.S. Department of Transportation	State and Community Highway Safety	C002453		206,172
U.S. Department of Transportation	National Priority Safety Programs	C002398		56,954
U.S. Department of Transportation	National Priority Safety Programs	C002447		41,570
	Total U.S. Department of Transportation Pass through Awards		42,315	577,475
	Total U.S. Department of Transportation Awards		42,315	577,475
National Aeronautics and Space Administration	Science		24,385	131,165
	Total National Aeronautics and Space Administration		24,385	131,165
National Science Foundation	Geosciences		87,858	500,990
National Science Foundation	Biological Sciences		110,827	737,028
	Total National Science Foundation Direct Awards		198,685	1,238,018
National Science Foundation	Biological Sciences	NSFMILLS00WC		9
National Science Foundation	Biological Sciences	5505HIRINSE9072		6,784
National Science Foundation	Computer and Information Science and Engineering	1445806		25,141
	Total National Science Foundation Pass Through Awards		198,685	31,954
	Total National Science Foundation		198,685	1,269,952
Department of Veterans Affairs	Intergovernmental Personnel Agreements			184,794
Department of Veterans Affairs	Intergovernmental Personnel Agreements			5,880
	Total Department of Veterans Affairs Pass Through Awards			190,774
	Total Department of Veterans Affairs			190,774

HEALTH RESEARCH, INC.
 Schedule of Expenditures of Federal Awards
 Year ended March 31, 2020
 Albany and Roswell Park Combined

CFDA No.	Description	Pass through entity	Pass through entity award numbers	Total Amounts to Subrecipients	Total Federal Expenditures
Environmental Protection Agency					
Environmental Protection Agency Direct Awards					
66-469	Great Lakes Program			-	146,876
66-509	Science to Achieve Results (STAR) Research Program			-	27,232
	Total Environmental Protection Agency			-	174,108
	Research and Data Analysis	The University of Baltimore	36	15,900	243,714
	Research and Data Analysis	The University of Baltimore	62	6,325	59,067
	Total Executive Office of the President Pass Through Awards			22,225	302,781
Department of Health and Human Services					
Centers for Disease Control and Prevention					
Centers for Disease Control and Prevention Direct Programs					
93-065	Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory Infrastructure			-	193,535
93-069	Public Health Emergency Preparedness			2,370,986	5,393,711
93-070	Environmental Public Health and Emergency Response			281,291	2,429,365
93-073	Birth Defects and Developmental Disabilities - Prevention and Surveillance			89,799	1,413,448
93-074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHIEP) Aligned Cooperative Agreements			10,868,368	21,855,134
93-082	Sodium Reduction in Communities			197,093	406,522
93-136	Injury Prevention and Control Research and State and Community Based Programs			3,195,737	7,227,400
93-262	Occupational Safety and Health Program			78,298	482,068
93-283	Centers for Disease Control and Prevention Investigations and Technical Assistance			459,321	459,321
93-314	Early Hearing Detection and Intervention Information System Surveillance Program			58,977	105,308
93-315	Rare Disorders: Research, Surveillance, Health Promotion and Education			31,286	691,106
93-317	Emerging Infections Programs			1,634,022	4,874,163
93-323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			730,193	10,260,499
93-336	Behavioral Risk Factor Surveillance System			191,416	364,903
93-354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response			1,924,980	3,355,724
93-426	Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke			1,298,725	2,535,954
93-435	Innovative State and Local Public Health Strategies to Prevent and Manage Diabetes and Heart Disease and Stroke			1,113,374	1,931,578
93-478	Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees			-	60,226
93-521	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF			565,646	1,019,734
93-735	State Public Health Approaches for Ensuring Quilrine Capacity			851,447	862,321
93-757	State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)			1,000	5,441
93-800	Organized Approaches to Increase Colorectal Cancer Screening			1,451,896	2,066,318
93-810	Paul Coverdell National Acute Stroke Program National Center for Chronic Disease Prevention and Health Promotion			130,856	702,524
93-944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance			-	983,507
93-945	Assistance Programs for Chronic Disease Prevention and Control			91,749	275,858
93-946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs			-	411,216
93-977	Sexually Transmitted Diseases (STD) Prevention and Control Grants			94,738	537,742
	Total Centers for Disease Control and Prevention Direct Programs			27,232,897	70,872,626

HEALTH RESEARCH, INC.
 Schedule of Expenditures of Federal Awards
 Year ended March 31, 2020
 Albany and Roswell Park Combined

CFDA No.	Description	Pass through entity award numbers	Total Amounts to Subrecipients	Total Federal Expenditures
Centers for Disease Control and Prevention Pass Through Programs				
93.262	Occupational Safety and Health Program	311336	-	20,465
93.262	Occupational Safety and Health Program	311531	-	9,875
93.322	CSELS Partnership: Strengthening Public Health Laboratories	56401200941802	-	73,843
93.322	CSELS Partnership: Strengthening Public Health Laboratories	56401200941904	-	7,585
93.322	CSELS Partnership: Strengthening Public Health Laboratories	56401200942002	-	8,047
93.322	CSELS Partnership: Strengthening Public Health Laboratories	564012009091901	-	35,092
93.322	CSELS Partnership: Strengthening Public Health Laboratories	564012009092001	-	73,065
93.322	CSELS Partnership: Strengthening Public Health Laboratories	564012009211902	-	116,011
93.322	CSELS Partnership: Strengthening Public Health Laboratories	564012009211904	-	12,932
93.322	CSELS Partnership: Strengthening Public Health Laboratories	564012009212002	-	208,663
93.322	CSELS Partnership: Strengthening Public Health Laboratories	5640120094119XX	-	134
93.322	CSELS Partnership: Strengthening Public Health Laboratories	564012009412002	-	378
93.322	CSELS Partnership: Strengthening Public Health Laboratories	564012009431904	-	401
93.322	CSELS Partnership: Strengthening Public Health Laboratories	564012009432007	-	1,663
93.424	NON-ACAPPHF - Building Capacity of the Public Health System to Improve Population Health through National Nonprofit Organizations	6210445	-	51,467
93.084	Prevention of Disease, Disability, and Death by Infectious Diseases	8147710844	40,862	496,516
93.262	Occupational Safety and Health Program	17A10006651401	-	16,247
93.069	Public Health Emergency Preparedness	19HR001	-	40,489
93.039	HIV Prevention Activities Non-Governmental Organization Based	19HR001	-	18,008
93.262	Occupational Safety and Health Program	50U010H01478-02	-	8,835
93.262	Occupational Safety and Health Program	50U010H01478-03	-	6,082
93.070	Environmental Public Health and Emergency Response	286629	-	13,276
	Total Centers for Disease Control and Prevention Pass Through Programs		40,862	40,862
	Total Centers for Disease Control and Prevention		27,275,739	72,092,100
Centers for Medicare and Medicaid Services				
Centers for Medicare and Medicaid Services Direct Awards				
93.511	Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review		762,247	777,506
93.624	Affordable Care Act (ACA) State Innovation Models: Funding for Model Design and Model Testing Assistance		38,339,940	40,107,327
	Total Centers for Medicare and Medicaid Services Direct Awards		39,102,187	40,884,833
Centers for Medicare and Medicaid Services Pass Through Programs				
93.986	Medicare Access and CHIP Reauthorization Act (MACRA) Funding Opportunity: Measure Development for the Quality Payment Program	IVICM6331641	-	9,575
	Total Centers for Medicare and Medicaid Services Pass Through Programs		-	9,575
	Total Centers for Medicare and Medicaid Services		39,102,187	40,894,408
Agency for Healthcare Research and Quality				
Agency for Healthcare Research and Quality Pass Through Awards				
93.226	Research on Healthcare Costs, Quality and Outcomes	RES510313	-	26,641
	Total Agency for Healthcare Research and Quality		-	26,641
Administration for Community Living				
Administration for Community Living Direct Awards				
93.761	Evidence-Based Falls Prevention Programs Financed Solely by PPHF		13,666	160,538
	Total Administration for Community Living Direct Awards		13,666	160,538
Administration for Community Living Living Pass Through Awards				
93.433	ACL National Institute on Disability, Independent Living, and Rehabilitation Research	0001344	-	11,676
	Total Administration for Community Living		-	11,676
	Total Administration for Community Living		13,666	172,214
Health Resources and Services Administration				
Health Resources and Services Administration Direct Awards				
93.110	Maternal and Child Health Federal Consolidated Programs		480,549	803,632
93.127	Emergency Medical Services for Children		23,541	75,237
93.145	HIV-Related Training and Technical Assistance		478,267	1,651,164
93.236	Grants to States to Support Oral Health Workforce Activities		17,643	356,991
93.241	State Rural Hospital Flexibility Program		198,929	355,925
93.251	Early Hearing Detection and Intervention		35,282	130,665
93.266	Health Systems Strengthening and HIV/AIDS Prevention, Care and Treatment under the President's Emergency Plan for AIDS Relief		-	(83)
93.300	National Center for Health Workforce Analysis		125,512	540,316
93.301	Small Rural Hospital Improvement Grant Program		186,117	186,117
93.913	Grants to States for Operation of Offices of Rural Health		58,415	193,057
93.928	Special Projects of National Significance		775,140	906,216
	Total Health Resources and Services Administration Direct Awards		2,379,395	5,199,237

HEALTH RESEARCH, INC.
Schedule of Expenditures of Federal Awards
Year ended March 31, 2020
Albany and Roswell Park Combined

CFDA No.	Description	Pass through entity	Pass through entity award numbers	Total Amounts to Subrecipients	Total Federal Expenditures
Health Resources and Services Administration Pass Through Awards					
93.N/A	PRAMS and Healthy State Evaluation Project	Abt Associates, Inc.	N/A	-	3,450
93.110	Maternal and Child Health Federal Consolidated Programs	Association of Public Health Labs	56306001582010	-	5,478
93.145	HIV-Related Training and Technical Assistance	Columbia University	4CG01189704	10,900	35,716
93.145	HIV-Related Training and Technical Assistance	Columbia University	5GG01496501	21,000	65,348
93.110	Maternal and Child Health Federal Consolidated Programs	National Institute for Children's Health Quality	9287	-	76,834
93.110	National Center for Health Workforce Analysis	SUNY Research Foundation	R1164211	-	91,789
93.110	Maternal and Child Health Federal Consolidated Programs	The American College of Obstetrics and Gynecology	N/A	-	7,202
93.266	Health Systems Strengthening and HIV/AIDS Prevention, Care and Treatment under the President's Emergency Plan for AIDS Relief	University of California, San Francisco	117055C	-	40,805
93.110	Maternal and Child Health Federal Consolidated Programs	University of Colorado, Denver	FY16368013	25,000	25,000
93.145	HIV-Related Training and Technical Assistance	University of New Mexico	PO168833	-	4,209
	Total Health Resources and Services Administration Pass Through Awards			56,900	355,831
	Total Health Resources and Services Administration			2,436,295	5,555,068
Food and Drug Administration Direct Awards					
93.103	Food and Drug Administration Research			-	168,768
93.448	Food Safety and Security Monitoring Project			-	2,79,600
93.876	Antimicrobial Resistance Surveillance in Retail Food Specimens			-	1,13,714
	Total Food and Drug Administration Direct Awards			-	5,62,082
Food and Drug Administration Pass Through Awards					
93.103	Food and Drug Administration Research	Columbia University	0001098	-	1,458
	Total Food and Drug Administration Pass Through Awards			-	1,458
	Total Food and Drug Administration			-	5,63,540
National Institutes of Health					
National Institutes of Health Direct Awards					
93.077	Family Smoking Prevention and Tobacco Control Act Regulatory Research			1,459,574	3,868,237
93.113	Environmental Health			18,410	1,304,088
93.121	Oral Diseases and Disorders Research			181,127	686,594
93.172	Human Genome Research			555,302	1,227,318
93.213	Research and Training in Complementary and Integrative Health			190,493	293,223
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health			194,332	1,299,159
93.310	Trans-NIH Research Support			4,466	268,327
93.351	Research Infrastructure Programs			-	3,18,638
93.353	21st Century Cures Act - Beau Biden Cancer Moonshot			248,378	1,615,590
93.393	Cancer Cause and Prevention Research			958,191	5,279,683
93.394	Cancer Detection and Diagnosis Research			1,112,705	1,274,409
93.395	Cancer Treatment Research			594,206	6,021,919
93.396	Cancer Biology Research			200,126	3,266,007
93.397	Cancer Centers Support Grants			232,273	5,581,453
93.398	Cancer Research Manpower			-	1,056,525
93.7593019C00040	Lyme Disease: B Cell Epitope Discovery and Mechanisms of Antibody Protection			236,703	620,177
93.837	Cardiovascular Diseases Research			-	202,771
93.846	Arthritis, Musculoskeletal and Skin Diseases Research			102,169	108,576
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders			358,914	6,184,111
93.855	Allergy and Infectious Diseases Research			1,265,876	4,970,267
93.859	Biomedical Research and Research Training			417,187	2,575,818
93.865	Child Health and Human Development Extramural Research			-	147,006
93.866	Aging Research			-	41,382
93.HHSN2612018000051	Core Infrastructure Support and Surveillance, Epidemiology, and End Results (SEER) Analysis of Human Biospecimens			-	1,283,183
93.HHSN2752016000011	B Cell Epitope Discovery and Mechanisms of Antibody Protection			-	102,889
93.HHSN272201400021C	Total National Institutes of Health Direct Awards			446,569	897,659
	Total National Institutes of Health Pass Through Awards			7,685,705	44,766,805
National Institutes of Health Pass Through Awards					
93.121	Oral Diseases and Disorders Research	Albert Einstein College of Medicine	5R2DE026177-02	-	8,876
93.395	Cancer Treatment Research	American College of Radiology	5U10CA16661-01	-	125
93.396	Cancer Biology Research	Baylor College of Medicine	5U01CA179674-05	-	20,750
93.866	Aging Research	Beckman Research Institute - City of Hope	5R01AG037037-05	-	7,951
93.839	Blood Diseases and Resources Research	Biocenter of Wisconsin	1K12HL141954-01	-	40,927
93.839	Blood Diseases and Resources Research	Biocenter of Wisconsin	5K12HL141954-02	-	196,217
93.859	Biomedical Research and Research Training	Boise State University	833PO133657	-	700
93.859	Biomedical Research and Research Training	Boston University SPH	4500001875	-	41,796
93.395	Cancer Treatment Research	Brigham and Women's Hospital	1U00CA031946-01	-	113,889
93.395	Cancer Treatment Research	Cangene Biotechnology, LLC	4R43CA221389-01A1	-	1,840
93.395	Cancer Treatment Research	Cangene Biotechnology, LLC	5R44CA176937-03	-	25,767
93.077	Family Smoking Prevention and Tobacco Control Act Regulatory Research	Case Western Reserve University	1R01DA048529-01A1	-	20,982
93.394	Cancer Detection and Diagnosis Research	Case Western Reserve University	5R01CA204373-03	-	28,078

HEALTH RESEARCH, INC.
 Schedule of Expenditures of Federal Awards
 Year ended March 31, 2020
 Albany and Roswell Park Combined

CFDA No.	Description	Pass through entity	Pass through entity award numbers	Total Amounts to Subrecipients	Total Federal Expenditures
93.394	Cancer Detection and Diagnosis Research	Case Western	SR01CA204373-04	-	9,921
93.394	Cancer Detection and Diagnosis Research	Cedars Sinai Medical Center	SR01CA182438-05	-	19,564
93.395	Cancer Treatment Research	Cedars Sinai Medical Center	IUG1CA189823-01	-	18,208
93.394	Cancer Detection and Diagnosis Research	Children's Hospital of Philadelphia/Si. Jude's	SR01CA193476-01A1	-	415
93.395	Cancer Treatment Research	Children's Hospital of Philadelphia	IUG1CA180886-01	-	9,729
93.395	Cancer Treatment Research	Children's Hospital of Philadelphia	IUG1CA189955-01	-	7,242
93.396	Cancer Biology Research	Cleveland Clinic	SR01CA166404-04	-	2,035
93.242	Mental Health Research Grants	Columbia University	7GG01293602	4,558	9,887
93.242	Mental Health Research Grants	Columbia University	7GG01293603	16,711	24,993
93.279	Drug Abuse and Addiction Research Programs	Columbia University	8GG015428	-	15,570
93.394	Cancer Detection and Diagnosis Research	Columbia University	IUG1CA189955-01	-	17,851
93.855	Allergy and Infectious Diseases Research	Columbia University	4GG0083739	-	28,060
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	Columbia University Medical Center	2GG01174403	-	136
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	Columbia University Medical Center	2GG01174404	-	58,342
93.855	Allergy and Infectious Diseases Research	Cornell University	8284911010	6,933	18,293
93.396	Clinical Research	ECOG-ACRIN Cancer Research Group	HHSN261200622012C	-	3,471
93.396	Cancer Biology Research	Emory University	SR01CA192844-04	-	47,093
93.396	Cancer Biology Research	Emory University	SR01CA192844-05	-	1,812
93.393	Cancer Cause and Prevention Research	Fred Hutchinson Cancer Research Center	SR01CA215134-02	-	1,682
93.395	Cancer Treatment Research	Fred Hutchinson Cancer Research Center	SU01CA154967-06	-	19
93.865	Child Health and Human Development Extramural Research	Hackensack University	3R01HD090180-04S1	-	5,596
93.865	Child Health and Human Development Extramural Research	Hackensack University	3R01HD090180-04S2	-	4,239
93.865	Child Health and Human Development Extramural Research	Hackensack University	3R01HD090180-03	-	177,780
93.865	Child Health and Human Development Extramural Research	Hackensack University	SR01HD090180-04	13,886	213,465
93.113	Environmental Health	Harvard University	7002848277	5,691	778
93.395	Cancer Treatment Research	Hein School of Medicine at Mount Sinai	SR01CA108671-09	-	46
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	Indiana University	1304448	-	17,619
93.394	Cancer Detection and Diagnosis Research	International Agency for Research on Cancer	IU01CA195603	-	16,105
93.172	Human Genome Research	Johns Hopkins University	IU24HG010263-01	-	76,484
93.172	Human Genome Research	Johns Hopkins University	SU24HG010263-02	-	135,811
93.855	Allergy and Infectious Diseases Research	Johns Hopkins University	SR01A1370646-02	-	60,219
93.855	Allergy and Infectious Diseases Research	Johns Hopkins University	SR01A1370646-03	-	1,580
93.393	Cancer Cause and Prevention Research	Kaiser Permanente	3R01CA172855-04S1	1,134	209,710
93.393	Cancer Cause and Prevention Research	Kaiser Permanente	SR01CA172855-05	-	209,710
93.393	Cancer Cause and Prevention Research	Kaiser Permanente	SU01CA195865-03	-	192,734
93.393	Cancer Cause and Prevention Research	Kaiser Permanente	SU01CA195865-04	-	39,106
93.307	Minority Health and Health Disparities Research	KAFS Biotech	1842ND013412-01	-	2,644
93.855	Allergy and Infectious Diseases Research	Leidos Biomed Research, Inc.	18X062	-	167,885
93.218209	Clinical Research	Marp Biopharmaceutical, Inc.	7062	9,492	19,806
93.399	Cancer Control	Massachusetts General Hospital	218209	-	2,985
93.395	Cancer Treatment Research	Mayo Clinic Rochester	IUG1CA189823-01	-	34,247
93.395	Cancer Treatment Research	Medical College of Wisconsin	SR01CA184798-05	-	13,557
93.310	Trans-NIH Research Support	Medical College of Wisconsin	SR01CA184798-06	-	1,667
93.393	Cancer Cause and Prevention Research	Medical University of South Carolina	A002818905	-	22,730
93.393	Cancer Cause and Prevention Research	Medical University of South Carolina	SR01CA200512-03	-	25,176
93.393	Cancer Cause and Prevention Research	Medical University of South Carolina	SR01CA200512-04	-	383,199
93.393	Cancer Cause and Prevention Research	Medical University of South Carolina	SR01CA210625-02	-	12,369
93.393	Cancer Cause and Prevention Research	Medical University of South Carolina	SR01CA210625-03	-	8,862
93.399	Cancer Control	Medical University of South Carolina	SR01CA200512-03S1	-	177,264
93.353	21st Century Cures Act - Beau Biden Cancer Moonshot	Moffitt Cancer Center	3R01CA187532-03S1	-	143,276
93.855	Allergy and Infectious Diseases Research	Mount Sinai	SR01A072204-12	-	105,212
93.393	Cancer Cause and Prevention Research	Mount Sinai School of Medicine	0255C8614609	8,700	10,987
93.279	Drug Abuse and Addiction Research Programs	National Center on Addiction and Substance Abuse	N/A	-	60,436
93.279	Drug Abuse and Addiction Research Programs	National Development and Research Institutes	0000999	-	304
93.395	Cancer Treatment Research	NRG Oncology Foundation	SU01CA180868-03	-	4,992
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	New York University	14A0000130501	-	75,558
93.113	Environmental Health	New York University	16A00000862	-	13,386
93.113	Environmental Health	NYU School of Medicine	13A1000074001	-	17,220
93.113	Environmental Health	NYU School of Medicine	18A0001000860	-	135
93.310	Trans-NIH Research Support	NYU School of Medicine	16A00006253	-	32,441
93.839	Blood Diseases and Resources Research	Ohio State University	SUG1HL109322-08	-	1,865
93.839	Blood Diseases and Resources Research	Ohio State University	SUG1HL109322-09	-	18,254
93.839	Blood Diseases and Resources Research	Ohio State University	SUG1HL109322-09	-	18,254
93.HHSN261200622012C	Image Guided PDT Therapy in Combination of Chemotherapy for Lung Cancer	Phoelirech	HHSN261201700024C	-	208,718
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	Research Foundation of SUNY	1R2JAR071878-01A1	-	7,068
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	Research Foundation of SUNY	SR01AR073226-02	-	4,551
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	Research Foundation of SUNY	SR2JAR071878-02	-	6,585
93.866	Aging Research	Research Foundation of SUNY	1R01AG056392-01A1	-	3,605
93.866	Aging Research	Research Foundation of SUNY	SR01AG056392-02	-	22,718

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93.867	Vision Research	Research Foundation of SUNY	SR01EY020545-08	-	8,839
93.173	Research Related to Deafness and Communication Disorders	Research Foundation of SUNY at Buffalo	SR01DC014576-03	-	595
93.173	Research Related to Deafness and Communication Disorders	Research Foundation of SUNY at Buffalo	SR01DC014576-04	-	14,831
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	Research Foundation of SUNY at Buffalo	1R01EB023262-02A1	-	18,983
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	Research Foundation of SUNY at Buffalo	2R01EB01727065A1	-	93,332
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	Research Foundation of SUNY at Buffalo	SR03EB025349-02	-	17,201
93.350	National Center for Advancing Translational Sciences	Research Foundation of SUNY at Buffalo	SUL1TR001412-03	-	1,670
93.350	National Center for Advancing Translational Sciences	Research Foundation of SUNY at Buffalo	SUL1TR001412-04	-	16,347
93.393	Cancer Cause and Prevention Research	Research Foundation of SUNY at Buffalo	SR01CA206193-03	-	75,998
93.393	Cancer Cause and Prevention Research	Research Foundation of SUNY at Buffalo	SR01CA206193-04	-	11,869
93.394	Cancer Detection and Diagnosis Research	Research Foundation of SUNY at Buffalo	1R21CA235305-01	-	11,914
93.394	Cancer Detection and Diagnosis Research	Research Foundation of SUNY at Buffalo	SR33CA191245-03	-	1,022
93.395	Cancer Treatment Research	Research Foundation of SUNY at Buffalo	1R01CA247711-01	-	8,460
93.395	Cancer Treatment Research	Research Foundation of SUNY at Buffalo	1R21CA234775-01	-	6,357
93.395	Cancer Treatment Research	Research Foundation of SUNY at Buffalo	SR01CA198096-04	-	18,602
93.395	Cancer Treatment Research	Research Foundation of SUNY at Buffalo	SR01CA198096-05	-	8,338
93.395	Cancer Treatment Research	Research Foundation of SUNY at Buffalo	SR21CA234775-02	-	3,112
93.859	Biomedical Research and Research Training	Research Foundation of SUNY at Buffalo	2R44GM116193-02	-	7,063
93.394	Cancer Detection and Diagnosis Research	Rochester Institute of Technology	1R15CA219915-01A1	-	28,091
93.855	Allergy and Infectious Diseases Research	Rochester Institute of Technology	SR01A111694394	-	105,573
93.393	Cancer Cause and Prevention Research	Rutgers University	SR01CA185623-05	-	278,247
93.393	Cancer Cause and Prevention Research	Rutgers University	1R01CA222002-01A1	-	3,780
93.393	Cancer Cause and Prevention Research	Rutgers University	SR37CA222002-02	-	35,945
93.395	Cancer Treatment Research	Simpletek	2R44CA216544-02	-	162,079
93.395	Cancer Treatment Research	Simpletek	SR44CA216544-03	-	118,886
93.394	Cancer Detection and Diagnosis Research	Sloan Kettering	1R01CA230446-01	-	4,266
93.394	Cancer Detection and Diagnosis Research	Sloan Kettering	SR01CA230446-02	-	10,840
93.113	Development of Vaccine Formulations Effective Against NIAID Priority Pathogens	Soligenix, Inc.	SOL.NAID15H010C00	41,019	405,751
93.361	Nursing Research	SUNY at Buffalo	R1171708	-	32,872
93.361	Nursing Research	SUNY at Buffalo	1R01NR018215-01	-	21,772
93.859	Biomedical Research and Research Training	SUNY at Buffalo	SR01NR018215-02	-	5,049
93.879	Medical Library Assistance	SUNY at Buffalo	SR01GM073646-13	-	(310)
93.307	Minority Health and Health Disparities Research	SUNY at Buffalo	1R15LMD13030-01	-	393
93.393	Cancer Cause and Prevention Research	University of Arkansas	SU01MD010644-04	-	10,812
93.859	Biomedical Research and Research Training	University of CA, Davis	SU01CA175315-05	-	23,839
93.395	Cancer Treatment Research	University of CA, San Diego	699714609	-	53,802
93.395	Cancer Treatment Research	University of Chicago	2U10CA180822-06	-	2,712,088
93.395	Cancer Treatment Research	University of Chicago	U10CA18082207	-	75,409
93.113	Environmental Health	University of Chicago	2UG1CA189867-06	-	160,933
93.393	Cancer Cause and Prevention Research	University of Cincinnati	M174500097334	-	(935)
93.393	Cancer Cause and Prevention Research	University of Connecticut	SR01CA207491-02	-	3,262
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	University of Connecticut	SR01CA207491-03	-	7,019
93.113	Environmental Health	University of Florida	SR01EB018625-04	-	44
93.395	Cancer Treatment Research	University of Kentucky College of Public Health	N/A	-	1,804
93.859	Biomedical Research and Research Training	University of Maryland	7R21CA202338-03	-	5,865
93.399	Cancer Control	University of Maryland	SR01GM114267-04	-	20,393
93.393	Cancer Cause and Prevention Research	University of Michigan	SP80CA101451-10	(5,973)	259,573
93.393	Cancer Cause and Prevention Research	University of Minnesota	SP01CA217806-02	149,583	103,292
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	University of Minnesota	SP01CA217806-03	-	50,622
93.855	Allergy and Infectious Diseases Research	University of North Carolina	7R01EB023262-03	-	126,202
93.394	Cancer Detection and Diagnosis Research	University of Pennsylvania	574525	-	926
93.394	Cancer Detection and Diagnosis Research	University of Pittsburgh	SU24CA196067-04	-	15,514
93.395	Cancer Treatment Research	University of Pittsburgh	SU24CA196067-05	-	(107)
93.395	Cancer Treatment Research	University of Pittsburgh	SU10CA180822-04	-	26,723
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	University of Pittsburgh	SUG1CA18967-05	-	274,129
93.879	Medical Library Assistance	University of Pittsburgh	CNVA000468741264262	-	32,352
93.077	Family Smoking Prevention and Tobacco Control Act Regulatory Research	University of Pittsburgh	SUG4LM012342-04	-	6,267
93.31	Trans-NIH Research Support	University of Rochester	IUS4CA228110-01	-	6,056
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	University of Rochester	SU54CA228110-02	-	3,183
93.315	Modified Risk Tobacco	University of Washington	UWSC10690	-	42,658
93.315	Modified Risk Tobacco	University of Washington	SR01DK097598-05	-	17,303
93.315	Modified Risk Tobacco	University of Wisconsin	N01-CN-35153	-	9,447

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CFDA No.	Description	Pass through entity	Pass through entity award numbers	Total Amounts to Subrecipients	Total Federal Expenditures
93.393	Cancer Cause and Prevention Research	Vanderbilt University	SR01CA202981-03	-	695,936
93.393	Cancer Cause and Prevention Research	Vanderbilt University	SR01CA202981-04	-	84,289
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	Vanderbilt University	SR01DK111554-03	-	24,723
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	Vanderbilt University	SR01DK111554-04	-	2,165
93.393	Cancer Cause and Prevention Research	Wake Forest University Health Sciences	R21CA220096	-	2,706
93.393	Cancer Cause and Prevention Research	Wake Forest University Health Sciences	721CA22009603	-	3,189
93.395	Cancer Treatment Research	Wake Forest University Health Sciences	SR01CA193981-05	-	10,800
93.395	Cancer Treatment Research	Wake Forest University Health Sciences	7R01CA193981-04	-	37,941
93.396	Cancer Biology Research	Wake Forest University Health Sciences	R01CA190653	-	6,102
93.396	Cancer Biology Research	Wake Forest University Health Sciences	SR01CA224434-03	-	42,690
93.396	Cancer Biology Research	Wake Forest University Health Sciences	7R01CA190653-05	-	4,852
93.396	Cancer Biology Research	Wake Forest University Health Sciences	7R01CA224434-02	-	6,630
93.396	Cancer Biology Research	Well Medical College of Cornell University	R01CA230913-01A1	-	11,720
93.HHS271201100027C	Modified Risk Tobacco	Westat	HHSN271201100027C	-	229,799
93.HHS271201600001C	Population Assessment of Tobacco and Health (PATH) Study	Westat	HHSN271201600001C	-	76,1492
93.854	Cancer Detection and Diagnosis Research	Witness Cases, LLC	1R41CA232824-01A1	-	69,916
93.855	Allergy and Infectious Diseases Research	Yale University	GR106144CON80001795	-	9,137
93.855	Allergy and Infectious Diseases Research	Yale University	GR106224	-	131,715
				256,573	
				7,943,278	57,280,522
	Office of the Secretary of Health and Human Services				
	Office of the Secretary Direct Awards				
93.296	State Partnership Grant Program to Improve Minority Health	Wake Forest University		19,118	214,211
93.500	Pregnancy Assistance Fund Program	Wake Forest University		775,228	913,308
93.817	Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	Wake Forest University		487,203	1,046,182
93.889	National Bioterrorism Hospital Preparedness Program	Wake Forest University		1,407,434	3,073,942
	Total Office of the Secretary Direct Awards			2,688,983	5,247,643
	Office of the Secretary of Health and Human Services Pass Through Awards				
93.889	National Bioterrorism Hospital Preparedness Program	Public Health Solutions	17HR01	-	9,303
	Total Office of the Secretary of Health and Human Services Pass Through Awards			-	9,303
	Total Department of Health and Human Services			2,688,983	5,256,946
	Total Department of Health and Human Services			79,458,168	181,841,439
	TOTAL RESEARCH AND DEVELOPMENT CLUSTER			79,997,763	188,401,400
	OTHER AWARDS				
	Department of Health and Human Services				
	Centers for Disease Control and Prevention				
	Centers for Disease Control and Prevention Direct Awards				
93.184	Disabilities Prevention			137,546	457,495
93.197	Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance on Blood Levels in Children			149,622	531,221
93.305	PPHF 2018: Office of Smoking and Health-National State-Based Tobacco Control Programs			276,290	2,032,458
93.439	State Physical Activity and Nutrition (SPAN) Assistance for Oral Disease Prevention and Control			45,059	925,954
93.875	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations			5,087,504	10,511,684
93.898	HIV Prevention Activities Health Department Based			1,523,640	16,497,742
93.940	Total Centers for Disease Control and Prevention Direct Awards			7,219,661	31,003,764
	Centers for Disease Control and Prevention Pass Through Awards				
93.421	Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	National Assoc of Chronic Disease Dir	0752020	-	39,777
93.421	Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	National Assoc of Chronic Disease Dir	2802019	-	858
93.940	HIV Prevention Activities Health Department Based	Public Health Solutions	16HR02	-	66,901
	Total Centers for Disease Control and Prevention			7,219,661	31,111,300
	Centers for Medicare and Medicaid Services				
	Centers for Medicare and Medicaid Services Direct Awards				
93.767	Children's Health Insurance Program			-	-
	Total Centers for Medicare and Medicaid Services Direct Awards			-	-
	Health Resources and Services Administration				
	Health Resources and Services Administration Direct Awards				
93.914	HIV Care Formula Grants			14,781,791	166,872,789
93.914	Update & Maintenance of Health Workforce Projection Models	IHS Global Insight		-	26,221
93.914	HIV Emergency Relief Project Grants	IHS Global Insight		-	42,661
93.914	HIV Emergency Relief Project Grants	Public Health Solutions	10QA4624	10,500	307,871
93.914	HIV Emergency Relief Project Grants	United Way of Long Island	921H4624M	-	103,749,241
93.914	HIV Emergency Relief Project Grants	United Way of Long Island	1801	-	11,115
93.914	HIV Emergency Relief Project Grants	United Way of Long Island	19011	-	109,557
	Total Health Resources and Services Administration Pass Through Awards			10,500	10,871,506
	Total Health Resources and Services Administration			14,792,291	171,744,385

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CFDA No.	Description	Pass through entity award numbers	Total Amounts to Subrecipients	Total Federal Expenditures
Substance Abuse and Mental Health Services Administration				
Substance Abuse and Mental Health Services Administration Pass Through Awards				
Opoid STR	Research Foundation for Mental Hygiene	26655	846,654	1,133,909
Opoid STR	Research Foundation for Mental Hygiene	140272	1,893,127	3,090,027
Opoid STR	Research Foundation for Mental Hygiene	145398	578,187	1,393,502
	Total Substance Abuse and Mental Health Services Administration Pass Through Awards		3,407,978	6,406,338
	Total Substance Abuse and Mental Health Services Administration		3,407,978	6,406,338
	Total Department of Health and Human Services		25,419,930	209,425,634
	TOTAL OTHER AWARDS		25,419,930	209,425,634
	TOTAL FEDERAL EXPENDITURES		\$ 105,417,693	\$ 397,827,034

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<u>CFDA No.</u>	<u>Description</u>	<u>Total Amounts to Subrecipients</u>	<u>Total Federal Expenditures</u>
		\$	\$
10.028	Wildlife Services	-	229,510
10.479	Food Safety Cooperative Agreements	-	223,969
12.300	Basic and Applied Scientific Research	-	8,558
12.420	Military Medical Research and Development	147,697	2,786,236
12.750	Uniformed Services University Medical Research Projects	-	93,078
14.906	Healthy Homes Technical Studies Grant	86,288	117,765
16.813	NICS Act Record Improvement Program	18,000	365,188
17.005	Compensation and Working Conditions	-	89,402
20.600	State and Community Highway Safety	42,315	478,951
20.616	National Priority Safety Programs	-	98,524
43.001	Science	24,385	131,165
47.050	Geosciences	87,858	500,990
47.070	Computer and Information Science and Engineering	-	25,141
47.074	Biological Sciences	110,827	743,821
64.NA	Intergovernmental Personnel Agreements	-	184,794
64.RX002902	Intergovernmental Personnel Agreements	-	5,980
66.469	Great Lakes Program	-	146,876
66.509	Science To Achieve Results (STAR) Research Program	-	27,232
93.065	Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory Infrastructure	2,370,986	193,535
93.069	Public Health Emergency Preparedness	281,291	5,434,200
93.070	Environmental Public Health and Emergency Response	89,799	2,442,641
93.073	Birth Defects and Developmental Disabilities - Prevention and Surveillance	10,868,368	1,413,448
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	1,459,574	21,855,134
93.077	Family Smoking Prevention and Tobacco Control Act Regulatory Research	197,093	3,898,438
93.082	Sodium Reduction in Communities	40,862	406,522
93.084	Prevention of Disease, Disability, and Death by Infectious Diseases	-	496,916
93.103	Food and Drug Administration Research	505,549	170,226
93.110	Maternal and Child Health Federal Consolidated Programs	18,410	918,146
93.113	Environmental Health	181,127	1,369,348
93.121	Oral Diseases and Disorders Research	23,541	695,470
93.127	Emergency Medical Services for Children	3,195,757	75,237
93.136	Injury Prevention and Control Research and State and Community Based Programs	510,167	7,227,400
93.145	HIV-Related Training and Technical Assistance	555,302	1,756,437
93.172	Human Genome Research	-	1,439,613
93.173	Research Related to Deafness and Communication Disorders	137,546	15,426
93.184	Disabilities Prevention	-	457,495
93.18X062	Specimens	-	167,885
93.197	Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance on Blood Levels in Children	149,622	531,221
93.213	Research and Training in Complementary and Integrative Health	190,493	293,723
93.218209	Clinical Research	-	2,985
93.226	Research on Healthcare Costs, Quality and Outcomes	-	26,641
93.236	Grants to States to Support Oral Health Workforce Activities	17,643	356,991
93.241	State Rural Hospital Flexibility Program	198,929	355,925
93.242	Mental Health Research Grants	21,269	34,880
93.251	Early Hearing Detection and Intervention	35,282	130,665
93.262	Occupational Safety and Health Program	78,298	543,572
93.266	Health Systems Strengthening and HIV/AIDS Prevention, Care and Treatment under the President's Emergency Plan for AIDS Relief	-	40,722
93.279	Drug Abuse and Addiction Research Programs	-	76,310
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistance	-	459,321
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	194,332	1,479,541
93.296	State Partnership Grant Program to Improve Minority Health	19,118	214,211

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<u>CFDA No.</u>	<u>Description</u>	<u>Total Amounts to Subrecipients</u>	<u>Total Federal Expenditures</u>
93.300	National Center for Health Workforce Analysis	125,512	632,105
93.301	Small Rural Hospital Improvement Grant Program	186,117	186,117
93.305	PPHF 2018: Office of Smoking and Health-National State-Based Tobacco Control Programs	276,290	2,032,458
93.307	Minority Health and Health Disparities Research	-	13,456
93.310	Trans-NIH Research Support	4,466	1,246,743
93.314	Early Hearing Detection and Intervention Information System Surveillance Program	58,977	105,308
93.315	Rare Disorders: Research, Surveillance, Health Promotion and Education	31,286	659,106
93.317	Emerging Infections Programs	1,634,022	4,874,163
93.322	CSELS Partnership: Strengthening Public Health Laboratories	-	537,814
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	730,193	10,260,499
93.336	Behavioral Risk Factor Surveillance System	191,416	364,903
93.350	National Center for Advancing Translational Sciences	-	18,017
93.351	Research Infrastructure Programs	-	318,038
93.353	21st Century Cures Act - Beau Biden Cancer Moonshot	248,378	1,758,866
93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	1,924,980	3,355,724
93.361	Nursing Research	-	26,821
93.393	Cancer Cause and Prevention Research	1,116,474	8,105,516
93.394	Cancer Detection and Diagnosis Research	127,409	1,347,128
93.395	Cancer Treatment Research	504,206	9,848,635
93.396	Cancer Biology Research	200,126	3,409,691
93.397	Cancer Centers Support Grants	223,273	5,581,453
93.398	Cancer Research Manpower	-	1,056,525
93.399	Cancer Control	-	205,538
93.421	Strengthening Public Health Systems and Services through national Partnerships to Improve and Protect the Nation's Health NON-ACA/PPHF - Building Capacity of the Public Health System to Improve Population Health through National Nonprofit Organizations	1,299,725	51,467
93.424	Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	-	2,535,954
93.426	ACL National Institute on Disability, Independent Living, and Rehabilitation Research	-	11,676
93.433	Innovative State and Local Public Health Strategies to Prevent and Manage Diabetes and Heart Disease and Stroke	1,113,374	1,931,578
93.435	State Physical Activity and Nutrition (SPAN)	45,059	925,954
93.439	Food Safety and Security Monitoring Project	-	279,600
93.448	Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	-	60,226
93.478	Pregnancy Assistance Fund Program	775,228	913,308
93.500	Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review	762,247	777,506
93.511	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF	565,646	1,019,734
93.521	Affordable Care Act (ACA) State Innovation Models: Funding for Model Design and Model Testing Assistance	38,339,940	40,107,327
93.624	State Public Health Approaches for Ensuring Quidline Capacity	831,447	862,321
93.735	State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	1,000	5,441
93.757	Lyme Disease: B Cell Epitope Discovery and Mechanisms of Antibody Protection	236,703	620,177
93.761	Evidence-Based Falls Prevention Programs Financed Solely by PPHF	13,666	160,538
93.767	Children's Health Insurance Program	-	73,611
93.788	Opioid STR	3,407,978	6,496,338
93.800	Organized Approaches to Increase Colorectal Cancer Screening	1,431,896	2,066,318
93.810	Paul Coverdell National Acute Stroke Program National Center for Chronic Disease Prevention and Health Promotion	130,856	702,524
93.817	Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	487,203	1,046,182
93.837	Cardiovascular Diseases Research	-	202,771
93.839	Blood Diseases and Resources Research	-	257,263
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	102,169	176,651
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	-	119,749
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	358,914	676,889
93.855	Allergy and Infectious Diseases Research	1,282,301	5,576,464
93.859	Biomedical Research and Research Training	417,187	2,699,462

HEALTH RESEARCH, INC.
 Schedule of Expenditures of Federal Awards
 Year ended March 31, 2020
 Albany and Roswell Park Combined

Summary of CFDA Numbers

<u>CFDA No.</u>	<u>Description</u>	<u>Total Amounts to Subrecipients</u>	<u>Total Federal Expenditures</u>
93.865	Child Health and Human Development Extramural Research	19,577	548,086
93.866	Aging Research	-	75,656
93.867	Vision Research	-	8,839
93.875	Assistance for Oral Disease Prevention and Control	-	47,210
93.876	Antimicrobial Resistance Surveillance in Retail Food Specimens	-	113,714
93.879	Medical Library Assistance	-	6,660
93.889	National Bioterrorism Hospital Preparedness Program	1,407,434	3,083,245
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	5,087,504	10,511,684
93.913	Grants to States for Operation of Offices of Rural Health	58,415	193,057
93.914	HIV Emergency Relief Project Grants	10,500	10,802,714
93.917	HIV Care Formula Grants	14,781,791	160,872,789
93.928	Special Projects of National Significance	775,140	906,216
93.939	HIV Prevention Activities Non-Governmental Organization Based	-	18,008
93.940	HIV Prevention Activities Health Department Based	1,523,640	16,564,643
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	-	983,507
93.945	Assistance Programs for Chronic Disease Prevention and Control	91,749	275,858
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	-	411,216
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants	94,738	537,742
	Medicare Access and CHIP Reauthorization Act (MACRA) Funding Opportunity: Measure Development for the Quality Payment Program	-	9,575
93.986	Update & Maintenance of Health Workforce Projection Models	-	26,221
93.HHS250201600030GMOD0006	Update & Maintenance of Health Workforce Projection Models	-	42,661
93.HHS250201600030GMOD0008	Clinical Research	-	3,471
93.HHSN261200622012C	Image Guided PDT Therapy in Combination of Chemotherapy for Lung Cancer	-	208,718
93.HHSN261201700024C	Core Infrastructure Support and Surveillance, Epidemiology, and End Results (SEER)	-	1,283,183
93.HHSN261201800005I	Modified Risk Tobacco	-	229,799
93.HHSN271201100027C	Population Assessment of Tobacco and Health (PATH) Study	-	761,492
93.HHSN27201600001C	B Cell Epitope Discovery and Mechanisms of Antibody Protection	440,569	897,059
93.HHSN272201400021C	Analysis of Human Biospecimens	-	102,889
93.HHSN275201600001I	Modified Risk Tobacco	-	9,447
93.NA	PRAMS and Healthy State Evaluation Project	-	3,450
93.SOLNIAID15HR010C00	Development of Vaccine Formulations Effective Against NIAID Priority Pathogens Research and Data Analysis	41,019	405,751
95.007		22,225	302,781
	TOTAL FEDERAL EXPENDITURES	\$ 105,417,693	\$ 397,827,034

HEALTH RESEARCH, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED MARCH 31, 2020

1. SUMMARY OF ACCOUNTING POLICIES

General

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of Health Research, Inc. (the Corporation) for the year ended March 31, 2020. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in the schedule.

The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the cash basis of accounting used by the Corporation to report to the federal government.

Relationship to Financial Statements

The amounts reported as federal expenditures generally were obtained from the appropriate financial records for the applicable program and period. The amounts reported in federal financial reports are prepared from these financial records, which are maintained for each program. These records are periodically reconciled to the general ledger which is the source of the financial statements. The Corporation's financial statements are presented in accordance with generally accepted accounting principles.

2. FEDERAL LOANS AND LOAN GUARANTEES

The Corporation had no federal loans or loan guarantees outstanding as of March 31, 2020.

3. INDIRECT COST RATE

The Corporation has agreed upon indirect cost rates with the Department of Health and Human Services through March 31, 2022, ranging from 19.30% - 76.30%. The Corporation has elected not to use the 10% de-minimis indirect cost rate allowed under Uniform Guidance.

HEALTH RESEARCH, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2020**

Section 1 – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes 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 the Uniform Guidance? Yes No

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
93.917 93.940	HIV Care Formula Grants HIV Prevention Activities Health Department Based

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

Auditee qualified as low-risk auditee? Yes No

HEALTH RESEARCH, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) FOR THE YEAR ENDED MARCH 31, 2020

Section 2 – Financial Statement Findings

There were no financial statement findings for the year ended March 31, 2020.

Section 3 – Federal Award Findings and Questioned Costs

There were no findings, questioned costs, or recommendations for the year ended March 31, 2020.

Section 4 – Schedule of Prior Year Findings, Questioned Costs, and Recommendations

The following finding was identified during the audit performed for the year ended March 31, 2019.

Finding Number 2019-001

Condition: The Corporation's Uninsured Care Program (UCP) did not document the six-month recertification for eligibility of participants.

Recommendation: The Corporation should implement a process to ensure that the six-month eligibility recertification is consistently documented.

Current Status: This recommendation was adopted during the current fiscal year. Management continues to issue missing information letters every six months and recently implemented an automated six-month recertification process.

APPENDIX A

HEALTH RESEARCH, INC.

**Financial Statements as of
March 31, 2020 and 2019
Together with
Independent Auditor's Report**

INDEPENDENT AUDITOR'S REPORT

June 23, 2020

To the Board of Directors of
Health Research, Inc.:

We have audited the accompanying financial statements of Health Research, Inc. (a New York nonprofit organization) which comprise the statements of financial position as of March 31, 2020 and 2019, and the related statements of activities, 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 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.

(Continued)

INDEPENDENT AUDITOR'S REPORT

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Health Research, Inc. as of March 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.

Change in Accounting Principles

As described in Note 2 to the financial statements, Health Research, Inc. implemented Accounting Standards Updates: 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this manner.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2020 on our consideration of Health Research, Inc.'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Health Research, Inc.'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 Health Research, Inc.'s internal control over financial reporting and compliance.

Bonadio & Co., LLP

HEALTH RESEARCH, INC.

STATEMENTS OF FINANCIAL POSITION MARCH 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 154,538,031	\$ 145,996,210
Investments (note 4)	510,057,272	528,765,512
Expense reimbursements due from sponsors (note 11)	64,205,209	73,878,771
Accrued interest receivable	1,845,249	1,986,147
Prepaid expenses	478,682	412,911
Property and equipment, net (note 5)	884,562	733,832
Agency fund (note 6)	<u>28,951,388</u>	<u>37,994,619</u>
	<u>\$ 760,960,393</u>	<u>\$ 789,768,002</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 50,573,910	\$ 48,453,303
Accrued payroll and related liabilities	16,705,034	14,431,854
Estimated liability for compensated absences	9,599,631	9,427,132
Restricted advances and deferred revenue	37,954,346	564,670,646
Agency fund (note 6)	<u>28,951,388</u>	<u>37,994,619</u>
Total liabilities	143,784,309	674,977,554
Net assets without donor restrictions	123,021,844	114,790,448
Net assets with donor restrictions	<u>494,154,240</u>	<u>-</u>
Total net assets	617,176,084	114,790,448
	<u>\$ 760,960,393</u>	<u>\$ 789,768,002</u>

The accompanying notes are an integral part of these statements.

HEALTH RESEARCH, INC.

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE:		
Grants and contracts (note 11)	\$ 817,107,287	\$ 758,412,389
Contract fees and technology transfer revenue earned (note 9)	329,356	1,080,878
Investment income (note 4)	<u>11,059,694</u>	<u>13,136,160</u>
Total revenue	<u>828,496,337</u>	<u>772,629,427</u>
EXPENSES:		
Direct research, prevention and treatment costs	782,388,546	723,681,751
Indirect costs charged (note 2)	<u>37,876,395</u>	<u>34,300,646</u>
Total expenses	<u>820,264,941</u>	<u>757,982,397</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	8,231,396	14,647,030
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		
Grants and contracts (note 12)	<u>494,154,240</u>	<u>-</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>494,154,240</u>	<u>-</u>
CHANGE IN NET ASSETS	<u>502,385,636</u>	<u>14,647,030</u>
NET ASSETS - beginning of year	<u>114,790,448</u>	<u>100,143,418</u>
NET ASSETS - end of year	<u>\$ 617,176,084</u>	<u>\$ 114,790,448</u>

The accompanying notes are an integral part of these statements.

HEALTH RESEARCH, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED MARCH 31, 2020

	<u>Program</u>	<u>Management & General</u>	<u>Total</u>
Grant expenditures	\$ 441,746,069	\$ -	\$ 441,746,069
Salaries & wages	119,037,463	19,951,365	138,988,828
Subcontracts	137,471,396	2,077,801	139,549,197
Office expense	24,911,216	1,101,457	26,012,673
Other employee benefits	20,905,997	3,679,705	24,585,702
Pension plan contributions	14,035,252	2,368,331	16,403,583
Payroll taxes	7,932,132	1,336,757	9,268,889
Other expenses	5,726,154	225,594	5,951,748
Occupancy	29,461	3,322,432	3,351,893
Travel	3,722,101	47,344	3,769,445
Other - fee for service	3,124,450	631,451	3,755,901
Information technology	1,228,773	1,126,958	2,355,731
Tuition, training & professional dues	878,914	82,515	961,429
Printing & publications	610,131	600,547	1,210,678
Conferences, conventions & meetings	931,904	520	932,424
Insurance	-	665,996	665,996
Legal	97,133	310,793	407,926
Accounting	-	152,488	152,488
Depreciation and amortization	-	194,341	194,341
	<u>\$ 782,388,546</u>	<u>\$ 37,876,395</u>	<u>\$ 820,264,941</u>

The accompanying notes are an integral part of these statements.

HEALTH RESEARCH, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED MARCH 31, 2019

	<u>Program</u>	<u>Management & General</u>	<u>Total</u>
Grant expenditures	\$ 409,041,639	\$ -	\$ 409,041,639
Salaries & wages	114,118,105	18,958,849	133,076,954
Subcontracts	118,335,979	137,552	118,473,531
Office expense	24,362,962	831,851	25,194,813
Other employee benefits	18,731,039	3,302,376	22,033,415
Pension plan contributions	13,974,550	2,331,901	16,306,451
Payroll taxes	7,357,189	1,226,667	8,583,856
Other expenses	6,960,963	254,822	7,215,785
Occupancy	65,243	3,897,492	3,962,735
Travel	3,786,408	53,722	3,840,130
Other - fee for service	2,989,416	759,569	3,748,985
Information technology	1,430,498	748,694	2,179,192
Tuition, training & professional dues	1,004,599	77,520	1,082,119
Printing & publications	413,705	555,558	969,263
Conferences, conventions & meetings	960,516	5,708	966,224
Insurance	-	624,183	624,183
Legal	148,940	251,040	399,980
Accounting	-	148,770	148,770
Depreciation and amortization	-	134,372	134,372
	<u>\$ 723,681,751</u>	<u>\$ 34,300,646</u>	<u>\$ 757,982,397</u>

The accompanying notes are an integral part of these statements.

HEALTH RESEARCH, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 502,385,636	\$ 14,647,030
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation and amortization	194,341	134,373
Realized and unrealized gains on investments	3,966,725	(1,670,530)
Changes in:		
Expense reimbursements due from sponsors	9,673,562	(10,316,006)
Accrued interest receivable	140,898	(614,557)
Prepaid expenses	(65,771)	277,081
Accounts payable	2,120,607	9,721,643
Accrued payroll and related liabilities	2,273,180	(29,764)
Estimated liability for compensated absences	172,499	29,525
Restricted advances and deferred revenue	<u>(526,716,300)</u>	<u>56,256,771</u>
Net cash flow from operating activities	<u>(5,854,623)</u>	<u>68,435,566</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of investments	(528,478,088)	(499,298,219)
Sales of investments	543,219,603	449,991,875
Purchases of property and equipment	(345,071)	(402,994)
Sale of property and equipment	<u>-</u>	<u>231,450</u>
Net cash flow from investing activities	<u>14,396,444</u>	<u>(49,477,888)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	8,541,821	18,957,678
CASH AND CASH EQUIVALENTS - beginning of year	<u>145,996,210</u>	<u>127,038,532</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 154,538,031</u>	<u>\$ 145,996,210</u>

The accompanying notes are an integral part of these statements.

HEALTH RESEARCH, INC.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

1. DESCRIPTION OF THE ORGANIZATION

Health Research, Inc. (the Corporation) is a nonprofit organization chartered under the laws of New York State in 1953 primarily to apply for, secure and administer gifts or grants in furtherance of the research, prevention, and treatment of diseases and conditions by the New York State Department of Health (NYS DOH), the Roswell Park Cancer Institute Corporation (RPCIC) (a public benefit corporation) and other health related entities. The Corporation has divisions in Buffalo (Roswell Division) and Albany (Albany Division), New York which administer projects conducted at the RPCIC, the NYS DOH and other health related entities, primarily financed by private and governmental contracts, grants, and donations. The Corporation has an agreement with NYS DOH and RPCIC which defines the operating relationship, administrative authority, facilities use and financial guidelines. The Corporation is included in the financial statements of the State of New York as a component unit for financial reporting purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States.

Change in Accounting Principles

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, and has subsequently issued supplemental and/or clarifying ASUs (collectively "ASC 606"). ASC 606 outlines a five-step framework that supersedes the principles for recognizing revenue and eliminates industry specific guidance. The core principle of the guidance in ASC 606 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. In addition, ASC 606 revises current disclosure requirements in an effort to help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The Corporation adopted ASC 606 as of April 1, 2019, using a modified retrospective approach. There was no impact from the change in accounting principle on the financial position or results of operations for the year ended March 31, 2020.

On April 1, 2019, the Corporation adopted Accounting Standards Update 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the determination of whether a grant or contract is a contribution or an exchange transaction subject to other guidance. Changes resulting from the adoption of ASU 2018-08 were made on a modified prospective basis effective April 1, 2019 and therefore had no effect on the financial position or results of operations for the year ended March 31, 2019. In 2020, the impact of the change in accounting principle was that \$494,154,240 (Roswell Division - \$30,166,947 and Albany Division - \$463,987,293) of deferred revenue was recognized as grants and contracts revenue, resulting in a corresponding increase in net assets with donor restrictions. It was determined that these revenues are nonreciprocal transactions with no right-of-return or conditions to be satisfied.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The most significant areas which are affected by the use of estimates include the expense reimbursements and deferred revenue from sponsors. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash held in bank demand deposit and money market accounts. The Corporation's cash balances may at times exceed federally insured limits. The Corporation has not experienced any losses in these accounts and believes it is not exposed to any significant risk with respect to cash.

Investments

All investments are stated at fair value. Investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Investments are held in the Corporation's name, as described in Note 4. Investment income, including interest and dividend income and realized and unrealized gains and losses on the Corporation's assets without donor restrictions, is recognized in the statements of activities.

Expense Reimbursements Due From Sponsors

Expense reimbursements due from sponsors consist of primarily grants and contract payments due from the federal government. Management evaluates the collectability of the amounts due on a periodic basis and has determined that an allowance for uncollectible receivables is not necessary at March 31, 2020 and 2019.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. Depreciation and amortization are computed utilizing the straight-line method over the estimated useful lives of the assets or lease term for leasehold improvements, ranging from 5 to 10 years.

The Corporation capitalizes property and equipment purchased with non-sponsored funds in excess of \$5,000 and a useful life greater than one year. Generally, equipment purchased using sponsored funds is directly charged as an expense to the respective grant or contract and not capitalized.

Agency Fund

As more fully described in Note 6, the Corporation administers an agency fund on behalf of the Office of the Attorney General, New York State Department of Law (OAG), pursuant to an Assurance Discontinuance Agreement signed on December 22, 2010. Interest income earned on money market accounts of the Agency Fund are recognized in the statements of financial position as an increase to the Agency Fund liability.

Estimated Liabilities for Compensated Absences

Employees are granted vacation leave and other compensated absences at varying amounts. In the event of termination or upon retirement, employees are entitled to payment for their accumulated vacation and compensated absences. Estimated vacation leave and other compensated absences have been recognized in the financial statements based on entitled employees' present rate of pay.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Advances and Deferred Revenue

Restricted advances consist of contracts and grants received in advance of related expenses.

Revenue Recognition

Substantially all of the Corporation's revenue is derived from restricted contracts, grants, and donations. Revenue without donor restrictions is recognized when expenses relative to the contracts, grants, and donations are incurred. Revenue with donor restrictions is recognized when proceeds are received by the Corporation, for specific program purposes. This revenue is then released from with donor restrictions into without donor restrictions when the program expends funds.

Allocation of Certain Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Corporation. Those expenses include payroll and benefits expenses, which are allocated based on time spent in the program and supporting functions in accordance with time and efforts reports that are completed by management.

Financial Statement Presentation

The Corporation reports information regarding its activities and the related net assets using two net asset categories: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions - Includes amounts that have no external donor restrictions on their use or purpose. The Board of Directors can authorize use of these funds as it desires to carry on the purpose of the Corporation according to its by-laws. During the year ended March 31, 2020, the Board of Directors designated \$10,000,000 in support of the new Wadsworth Center laboratories.

Net Assets with Donor Restrictions - Includes amounts that have donor-imposed restrictions that expire when the donor-imposed restrictions have been satisfied by actions of the Corporation.

Indirect Costs

Grants and contracts generally provide for reimbursement of indirect costs through the use of an indirect cost rate agreed upon between the sponsor and the Corporation. The Corporation's standard rate is negotiated with the Federal Department of Health and Human Services (DHHS), which includes both Corporation and NYS DOH indirect costs, or, in the case of the Roswell Division, the RPCIC costs. Many nonfederal sponsors, and some federal grant programs, limit the amount of indirect cost reimbursement to less than the actual approved rate.

Joint Indirect Cost Rate

In general, personal services and facilities provided by NYS DOH or RPCIC, applicable to certain contract and grant research, are included as a component of the joint indirect cost rates allowable by certain contracting and granting agencies. Therefore, certain allowable costs relative to the personal services and facilities provided by NYS DOH or RPCIC are included in the Corporation's indirect costs charged and recovered. The Corporation recovers indirect costs through the use of an indirect cost rate agreed upon between the sponsor and the Corporation in its billing process and are used to support agency operations.

On an annual basis, the joint indirect cost rates are approved by DHHS based upon the submission of a joint indirect cost proposal for the Corporation and NYS DOH, and for the Corporation and RPCIC. Any adjustment to these fixed rates based on final costs or audit is normally reflected on a prospective basis, either as an increase or reduction in the subsequent year's rates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement – Definition and Hierarchy

The Corporation uses various valuation techniques in determining fair value. A hierarchy for inputs used in measuring fair value has been established that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Corporation. Unobservable inputs are inputs that reflect the Corporation's assumptions about the assumptions market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the Corporation has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment. Fair value is determined using the market approach using relevant market data.
- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The Corporation currently has no assets or liabilities that are measured using Level 3 inputs.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Corporation in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Income Taxes

The Corporation is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Corporation has also been classified by the Internal Revenue Service as an entity that is not a private foundation.

3. LIQUIDITY

The Corporation is substantially supported by restricted contracts, grants and donations. In addition, the Corporation holds financial assets for specific programmatic purposes and/or with specific donor designations. Thus, financial assets reported on the accompanying statement of financial position may not be available for general expenditure within one year.

The Corporation's financial assets available within one year of the balance sheet date for general expenditure are as follows.

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 154,538,031	\$ 145,996,210
Investments	510,057,272	528,765,512
Expense reimbursements due from sponsors	64,205,209	73,878,771
Accrued interest receivable	<u>1,845,249</u>	<u>1,986,147</u>
	730,645,761	750,626,640
Less: Financial assets unavailable for general expenditures within one year, due to:		
Net assets with donor restrictions	(494,154,240)	-
Board designated net assets	(10,000,000)	-
Restricted advances and deferred revenue	(37,954,346)	(564,670,646)
Long-term fixed-income securities	<u>(11,303,996)</u>	<u>(14,541,888)</u>
	<u>\$ 177,233,179</u>	<u>\$ 171,414,106</u>

4. INVESTMENTS

In accordance with its investment policy, the Corporation invests in fixed income, mutual funds and equity securities and maintains deposits with financial institutions and obligations of, or which are guaranteed by the United States government. These investments are held by the Corporation's agents in the Corporation's name.

Investments consisted of the following at March 31, 2020:

<u>Description</u>	<u>Division</u>		<u>Total</u>
	<u>Roswell</u>	<u>Albany</u>	
Fixed income securities:			
United States government bonds and notes	\$ 8,466,722	\$ 410,972,414	\$ 419,439,136
Municipal Taxable	1,224,199	3,325,241	4,549,440
Corporate Bonds	5,674,773	12,878,697	18,553,470
Asset Backed Securities	1,277,037	3,278,570	4,555,607
Commercial Mortgage Backed	1,653,743	4,476,704	6,130,447
Residential Mortgage Backed	581,539	1,705,467	2,287,006
Mutual Funds	15,453,146	36,952,974	52,406,120
Equity securities	<u>630,210</u>	<u>1,505,836</u>	<u>2,136,046</u>
	<u>\$ 34,961,369</u>	<u>\$ 475,095,903</u>	<u>\$ 510,057,272</u>

4. INVESTMENTS (Continued)

Investments consisted of the following at March 31, 2019:

<u>Description</u>	<u>Division</u>		<u>Total</u>
	<u>Roswell</u>	<u>Albany</u>	
Fixed income securities:			
United States government bonds and notes	\$ 8,065,601	\$ 426,025,614	\$ 434,091,215
Municipal Taxable	1,436,825	3,420,130	4,856,955
Corporate Bonds	4,163,321	10,415,249	14,578,570
Asset Backed Securities	1,945,666	5,456,933	7,402,599
Commercial Mortgage Backed	1,917,103	4,702,219	6,619,322
Residential Mortgage Backed	369,377	1,240,916	1,610,293
Mutual Funds	16,829,148	40,255,820	57,084,968
Equity securities	742,871	1,778,719	2,521,590
	<u>\$ 35,469,912</u>	<u>\$ 493,295,600</u>	<u>\$ 528,765,512</u>

Equity securities are valued based on quoted market prices in active markets (Level 1 measurement).

Fixed income securities are valued based on quoted market prices in active markets (Level 1 measurement). When quoted market prices are not available, fair values are based on quoted market prices of comparable instruments (Level 2 measurement). When necessary, the Corporation utilizes matrix pricing from a third party pricing vendor to determine fair value pricing (Level 2 measurement). Matrix prices are based on quoted prices for securities with similar coupons, ratings, and maturities, rather than on specific bids and offers for the designated security.

The following presents the Corporation's investments at March 31, 2020 and 2019 that are measured at fair value on a recurring basis. Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurements.

4. INVESTMENTS (Continued)

The following investments are measured at fair value on a recurring basis at March 31, 2020:

<u>Description</u>	Level 1 <u>Inputs</u>	Level 2 <u>Inputs</u>	<u>Total</u>
Fixed investment securities:			
United States government bonds and notes	\$ 409,227,235	\$ 10,211,901	\$ 419,439,136
Municipal Taxable	-	4,549,440	4,549,440
Corporate Bonds	-	18,553,470	18,553,470
Asset Backed Securities	-	4,555,607	4,555,607
Commercial Mortgage Backed	-	6,130,447	6,130,447
Residential Mortgage Backed	-	2,287,006	2,287,006
Equities securities:			
Domestic equities	2,136,046	-	2,136,046
Mutual funds:			
Fixed Income Mutual Funds	-	5,491,189	5,491,189
Domestic Equity Mutual Funds	2,225,661	-	2,225,661
International Equity Funds	9,378,843	-	9,378,843
State Street Global Advisors	-	11,485,976	11,485,976
Colchester Global Bond Fund	-	12,093,126	12,093,126
Western Asset Management Company	-	11,731,325	11,731,325
	<u>\$ 422,967,785</u>	<u>\$ 87,089,487</u>	<u>\$ 510,057,272</u>

The following investments are measured at fair value on a recurring basis at March 31, 2019:

<u>Description</u>	Level 1 <u>Inputs</u>	Level 2 <u>Inputs</u>	<u>Total</u>
Fixed investment securities:			
United States government bonds and notes	\$ 424,240,577	\$ 9,850,638	\$ 434,091,215
Municipal Taxable	-	4,856,955	4,856,955
Corporate Bonds	-	14,578,570	14,578,570
Asset Backed Securities	-	7,402,599	7,402,599
Commercial Mortgage Backed	-	6,619,322	6,619,322
Residential Mortgage Backed	-	1,610,293	1,610,293
Equities securities:			
Domestic equities	2,521,590	-	2,521,590
Mutual Funds			
Fixed Income Mutual Funds	-	6,142,901	6,142,901
Domestic Equity Mutual Funds	2,903,050	-	2,903,050
International Equity Funds	11,633,273	-	11,633,273
State Street Global Advisors	-	12,345,434	12,345,434
Colchester Global Bond Fund	-	11,932,086	11,932,086
Western Asset Management Company	-	12,128,224	12,128,224
	<u>\$ 441,298,490</u>	<u>\$ 87,467,022</u>	<u>\$ 528,765,512</u>

4. INVESTMENTS (Continued)

The Corporation has no investments that are valued using Level 3 inputs as of March 31, 2020 and 2019. There were no significant transfers into or out of Level 1 and Level 2 for the years ended March 31, 2020 and 2019.

Net investment income (loss) is comprised of the following as of March 31, 2020:

<u>Description</u>	<u>Division</u>		<u>Total</u>
	<u>Roswell</u>	<u>Albany</u>	
Interest and dividend income, net of fees of \$487,259	\$ 695,613	\$ 14,330,806	\$ 15,026,419
Net unrealized losses	(1,534,575)	(2,254,805)	(3,789,380)
Net realized losses	<u>(75,342)</u>	<u>(102,003)</u>	<u>(177,345)</u>
	<u>\$ (914,304)</u>	<u>\$ 11,973,998</u>	<u>\$ 11,059,694</u>

Net investment income (loss) is comprised of the following as of March 31, 2019:

<u>Description</u>	<u>Division</u>		<u>Total</u>
	<u>Roswell</u>	<u>Albany</u>	
Interest and dividend income, net of fees of \$433,231	\$ 602,503	\$ 10,863,127	\$ 11,465,630
Net unrealized gains	152,000	2,016,462	2,168,462
Net realized losses	<u>(146,820)</u>	<u>(351,112)</u>	<u>(497,932)</u>
	<u>\$ 607,683</u>	<u>\$ 12,528,477</u>	<u>\$ 13,136,160</u>

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of March 31, 2020:

<u>Description</u>	<u>Division</u>		<u>Total</u>
	<u>Roswell</u>	<u>Albany</u>	
Buildings and improvements	\$ 21,697	\$ 671,514	\$ 693,211
Furnitures, fixtures, and equipment	<u>90,095</u>	<u>3,621,414</u>	<u>3,711,509</u>
	111,792	4,292,928	4,404,720
Less: accumulated depreciation and amortization	<u>98,436</u>	<u>3,421,722</u>	<u>3,520,158</u>
	<u>\$ 13,356</u>	<u>\$ 871,206</u>	<u>\$ 884,562</u>

5. PROPERTY AND EQUIPMENT (Continued)

Property and equipment consisted of the following as of March 31, 2019:

<u>Description</u>	<u>Division</u>		<u>Total</u>
	<u>Roswell</u>	<u>Albany</u>	
Buildings and improvements	\$ 21,697	\$ 523,562	\$ 545,259
Furniture's, fixtures, and equipment	90,095	4,003,838	4,093,933
	111,792	4,527,400	4,639,192
Less: accumulated depreciation and amortization	86,715	3,818,645	3,905,360
	<u>\$ 25,077</u>	<u>\$ 708,755</u>	<u>\$ 733,832</u>

Depreciation and amortization expense for the years ended March 31, 2020 and 2019 was \$194,341 and \$134,373, respectively.

6. AGENCY FUND

Pursuant to an Assurance of Discontinuance Agreement (AOD), the Office of the Attorney General, New York State Department of Law (OAG) required certain health insurers to fund the establishment and operation of new independent databases for determining fair and accurate reimbursement rates for out-of-network health services. In addition, the AOD requires the development of a website available to the public which discloses out-of-network reimbursement information that will educate consumers on the true cost of health care services and the reimbursement rate system.

As part of the AOD, FAIR Health, Inc. (FAIR Health), a New York Not-for-Profit Corporation was formed to create, maintain, operate and own the independent databases and website. FAIR Health entered into a Database and Website Agreement with Syracuse University to design, establish and maintain the new databases and website, under the oversight of an independent Contract Monitor.

On December 22, 2010, OAG entered into a Funding Administration Agreement with the Corporation to continue the administration of the funds collected to support the AOD activities contemplated through the establishment of FAIR Health and the provisions of the Database and Website Agreement. In connection with the Funding Administration Agreement, the Corporation accepted an assignment from the OAG, the responsibilities of the OAG under the Database and Website Agreement with FAIR Health.

Accordingly, OAG transferred to the Corporation approximately \$56.0 million, which the balance is reflected in the statements of financial position as an Agency Fund. The Corporation is entitled to a fixed annual fee of \$75,000 to cover its costs and expenses in administering the remaining funds collected under the AOD beginning April 2011. The funds are held by a bank in money market cash accounts.

As of January 28, 2014, a second amendment was signed ending the contract between the Corporation and FAIR Health as the original terms of the agreement had been fulfilled and FAIR Health demonstrated its financial self-sufficiency. The Corporation will continue to administer the use of the remaining funds, in keeping with the purpose of AOD.

7. EMPLOYEE BENEFIT PLANS

Defined Benefit Plan

The Corporation participates in the New York State and Local Employees' Retirement System (System), a defined benefit cost sharing, multiple-employer pension plan. The System is noncontributory except for employees with less than 10 years of service who joined the System after July 27, 1976 who are required by law to contribute 3% of their salary. In addition, employees entering the System after January 1, 2010 are required to contribute 3% of their salary for the duration of their employment. Employees entering the System after April 1, 2012 are required to contribute, for the duration of their employment, between 3% and 6% based on the value of their annual compensation. The risks of participating in a multi-employer plan are different from single-employer plans in the following aspects: (a) assets contributed to a multi-employer plan by one employer may be used to provide benefits to employees of other participating employers; (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; (c) if the Corporation chooses to stop participating in its multi-employer plan, the Corporation may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability. As of March 31, 2020, the Corporation has no plans to withdraw from its multi-employer pension plan.

As set forth in the New York State Retirement and Social Security Law (NYSRSSL), the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of its funds, and the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers. The rates billed by the Comptroller for the years ended March 31, 2020 and 2019 approximated 13.5% and 13.8%, respectively.

The required pension contribution for plan years ended March 31, 2020 and 2019 consisted of the Corporation's contributions of \$15,894,038 and \$15,763,077, respectively, and employees' contributions of \$2,131,332 and \$1,977,517, respectively. Actuarial and plan asset data relating to employees of the Corporation is not available due to the System being accounted for using standards promulgated by the Governmental Accounting Standards Board (GASB). The System issues a publicly available financial report which may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12236.

Defined Contribution Plan

The New York State Voluntary Defined Contribution Program (VDC) is a Defined Contribution 401(a) retirement plan and is an alternative option to the Defined Benefit plan. The VDC is available to unrepresented employees hired on or after July 1, 2013 and who earn \$75,000 or more on an annual basis. If hired in a position where there is mandatory retirement system participation, the employee has 30 days from the date of hire to select and enroll in the VDC. If the employee does not enroll within 30 days from the day of hire, that employee will automatically default into the Defined Benefit plan and will not have the option to enroll in the VDC in the future. Election is retroactive to the date of full-time employment and election to participate cannot be changed.

Individual employee accounts are set up for participants electing the VDC and benefits are based on the amounts credited to these accounts (employer contributions and employee pretax contributions) plus any investment earnings on the money in the account. The employee contribution rate varies based on annual salary (currently 3%-6%).

7. EMPLOYEE BENEFIT PLANS (Continued)

Defined Contribution Plan (Continued)

Vesting occurs after 366 days of active service. All employee and employer contributions as well as interest earned, will become the property of the employee upon vesting. All investments will be directed by the participant upon reaching the 366-day vesting date. A participant who does not complete the vesting period is entitled to a refund of the employees' contributions, plus interest, upon request. During the years ended March 31, 2020 and 2019, the Corporation contributed \$24,756 and \$32,815, respectively, to vested participants.

Postretirement Benefits Trust

In addition to pension benefits, the Corporation also provides postretirement health reimbursements through the Health Research, Inc. Postretirement Health Benefit Trust (the Trust), which was established on August 1, 2014. The Trust was established to eliminate the Corporation's previously recorded defined benefit obligation by replacing it with a defined contribution structure.

The Trust was created to provide reimbursements for health insurance premiums, and qualifying medical expenses not covered by health insurance. Participants are eligible to participate in the Trust if they are a Class 1, Class 2 or Class 3 retiree, as defined by the Plan document. Employees become eligible for postretirement benefits upon retirement from the Corporation. Generally, eligibility begins at age 55 with 15 years of service.

The Corporation contributes annually to the Trust, in accordance with the contribution schedule included in the Plan document. During the years ended March 31, 2020 and 2019, the Corporation contributed approximately \$2,263,000 and \$2,301,000, respectively, to the Trust for the benefit of participants.

8. CONTRACT AND GRANT AWARDS

At March 31, 2020 and 2019, the unexpended portion of contract and grant awards available to be used in subsequent years totaled \$1,063,176,758 (Roswell Division - \$99,687,061 and Albany Division - \$963,489,697) and \$342,322,528 (Roswell Division - \$91,813,467 and Albany Division - \$250,509,061), respectively.

9. TECHNOLOGY TRANSFER

The Corporation serves as Technology Transfer administrator for the NYS DOH and RPCIC. When NYS DOH or the RPCIC assigns or sells any inventions developed by their employees to the Corporation, the Corporation assumes the responsibility for the filing of patent applications and marketing the invention, usually in the form of royalty bearing licenses, to companies which develop, produce, and sell products based upon the invention.

As of March 31, 2020, the Corporation has a total of 177 inventions under administration, has obtained 88 U.S. patents, and 117 inventions have been licensed. As of March 31, 2019, the Corporation had a total of 171 inventions under administration, has obtained 87 U.S. patents, and 112 inventions have been licensed. During the years ended March 31, 2020 and 2019, the Corporation's expenses relating to these patents and inventions were \$378,269 and \$576,583 and the related income totaled \$153,699 and \$849,600 net of royalties paid of \$79,979 and \$709,700, respectively.

10. OPERATING LEASES

Rent expense for the years ended March 31, 2020 and 2019 was approximately \$3,064,000 and \$3,033,000 per year, respectively. A summary of the Corporation's future minimum lease obligations is as follows:

Years Ending March 31,	
2021	\$ 3,132,011
2022	3,188,280
2023	3,188,280
2024	3,188,280
2025	3,188,280
Thereafter	<u>9,764,018</u>
	<u>\$ 25,649,149</u>

11. COMMITMENTS AND CONTINGENCIES

Significant Concentration

The majority of the Corporation's funding is received directly from DHHS. For the years ended March 31, 2020 and 2019, approximately 43% and 45%, respectively, of total revenue relates to contracts and grants from DHHS. Included in expense reimbursements due from sponsors at March 31, 2020 and 2019 is \$35,475,545 and \$44,522,177, respectively, due from DHHS.

Substantially all Federal contracts and grants are subject to financial and compliance audits by the grantor agencies of the Federal government. Disallowances, if any, as a result of these audits may become liabilities of the Corporation. Management believes that no material disallowances will result from audits by the grantor agencies.

Collective Bargaining Agreement

Approximately 71% of the Corporation's employees are covered by a collective bargaining agreement. The labor contract, with the Civil Service Employee Association – Private Sector, covers a two-year period ending March 31, 2021. The agreement covers all Corporation employees, except persons in positions established under training grants or contracts, or training components of other grants or contracts; variable hour employees; and personnel in positions which are designated as Management/Confidential services employees.

12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are to be used for the following purposes for the year ending March 31, 2020:

<u>Description</u>	<u>Division</u>		<u>Total</u>
	<u>Roswell</u>	<u>Albany</u>	
Helen Hayes Hospital	\$ -	\$ 651,140	\$ 651,140
School of Public Health	-	1,376,403	1,376,403
Uninsured Care Program	-	446,634,106	446,634,106
Wadsworth Center	-	12,847,504	12,847,504
Cancer Research	30,166,947	-	30,166,947
Other Sponsored Programs	-	2,478,140	2,478,140
	<u>\$ 30,166,947</u>	<u>\$ 463,987,293</u>	<u>\$ 494,154,240</u>

13. SUBSEQUENT EVENTS

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID – 19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the Corporation and its future results and financial position is not presently determinable.

Subsequent events have been evaluated through June 23, 2020, which is the date the financial statements were available to be issued.