Courage
Innovation
Focus
The mission of the Cystic Fibrosis Foundation is to cure cystic fibrosis and to provide all people with the disease the opportunity to lead full, productive lives by funding research and drug development, promoting individualized treatment and ensuring access to high-quality, specialized care.
Dear Friends,

Our community has an amazing history of working together and taking risks to achieve what many might think impossible. Twenty-five years ago, an international team of scientists supported by the Cystic Fibrosis Foundation discovered the CF gene.

Today, a small group of people with CF have a drug that treats the underlying genetic cause of their disease. Similar therapies that could benefit more people with CF are advancing in the Foundation’s pipeline, with potential approval in 2015 of a combination drug for nearly half of the CF population.

With the sale of our royalty rights to drugs that were developed through the Foundation’s venture philanthropy business model, we now have an unprecedented opportunity to take even bolder steps forward to help transform the future for all people with CF.

Our comprehensive five-year strategic plan sharpens our focus on new and immediate priorities and will provide a roadmap as we explore every pathway to help people with CF lead long, healthy and fulfilling lives.

In every decision we make, we remain committed to collaborating with people with CF and their families, with a special emphasis on expanding initiatives for adults with CF.

Thanks to the extraordinary dedication of the entire CF community — volunteers and donors, exemplary care teams, committed researchers and, above all, people with CF and their families — we are now in a better position than ever before to dream big as we work together to achieve our shared mission.

This is a truly exciting time for the CF community. Though we can expect some challenges and hard work ahead, I am confident that we will continue to achieve the unimaginable together.

Robert J. Beall, Ph.D.
President and Chief Executive Officer
Guided by its new five-year strategic plan, the Cystic Fibrosis Foundation is pursuing an ambitious research agenda to harness the resources and expertise needed to bring vital new treatments to all people with cystic fibrosis.

With support from the Foundation’s nonprofit drug discovery and development affiliate, Cystic Fibrosis Foundation Therapeutics Inc. (CFFT), scientists and clinicians have expanded our understanding of how different CF mutations cause distinct problems and are now making great progress on many fronts to tackle these challenges.

At the same time, the Foundation continues to explore innovative strategies to help people living with CF manage the symptoms of their disease, and it has expanded its clinical trials initiative to speed development of promising new CF therapies and get them swiftly into the hands of those who need them.
FDA REVIEWING COMBINATION DRUG FOR MOST COMMON CF MUTATION

Three years after the approval of ivacaftor (Kalydeco™), more drugs designed to address the genetic defect that causes cystic fibrosis are advancing in the pipeline and could potentially extend the benefits of new therapies to the majority of people with the disease.

In June, the Foundation shared the exciting news of positive results from two large Phase 3 clinical trials of ivacaftor combined with the experimental drug lumacaftor in people with two copies of the most common CF gene mutation, F508del.

The results showed that study volunteers who received the combination drug had significant improvements in lung function and other important health measures, including weight gain, and a reduced rate of pulmonary exacerbations.

The U.S. Food and Drug Administration is now reviewing, on an expedited schedule, an application for the combination drug in people ages 12 and older with two copies of F508del, with a decision expected by July 2015.

Both ivacaftor and lumacaftor were developed by Vertex Pharmaceuticals Inc. with support from CFFT, as part of a long-term effort to develop small molecule compounds that could modulate the defective CFTR protein caused by mutations in the CF gene and improve key symptoms of the disease.

SECOND COMBINATION DRUG MOVES TO PHASE 3 TRIALS

Nearly 50 percent of people with CF in the United States have two copies of the F508del mutation and 40 percent have one copy. Repairing the faulty CFTR protein produced by F508del is particularly challenging. The mutation causes a series of problems that prevents the protein from reaching the cell surface, where it is needed to regulate the flow of salt and water in and out of the cells of the lungs and other organs.

Lumacaftor, which is known as a “corrector,” is designed to help move CFTR to the cell surface, where ivacaftor, a “potentiator,” can then boost the protein’s function. In the lungs, improved CFTR function helps reduce the buildup of thick mucus that puts people with CF at risk of chronic infections that often lead to serious lung damage.

Vertex plans to begin Phase 3 trials in 2015, studying ivacaftor coupled with another potential corrector, VX-661, in people with either one or two copies of the F508del mutation. In earlier studies of the ivacaftor and VX-661 combination, people with two copies of F508del showed a significant improvement in lung function, with those receiving the two highest doses of VX-661 demonstrating the greatest improvement.

Royalty Sale Transforms Search for Cure

In November, the Foundation announced that its affiliate, CFFT, had sold its royalty rights to CF treatments developed by Vertex Pharmaceuticals Inc. CFFT received $3.3 billion from the sale of the rights to Royalty Pharma — the largest transaction of its kind for a charitable health organization. The sale is a powerful example of the Foundation’s successful venture philanthropy model, through which CFFT provides upfront funding to pharmaceutical companies to help reduce the financial risk of developing new CF therapies.

Funds from the sale will allow the Foundation to significantly expand its efforts to accelerate the search for a cure and help people with CF have the best health and quality of life today.
When 34-year-old Kristin Dunn learned about an opportunity to participate in a CF clinical trial from her care team, she jumped at the chance. The trial was studying an inhaled antibiotic that had shown promise in treating lung infections.

After enrolling in the trial, Kristin included the drug in her regular treatment plan for 6 months. She kept a detailed log of how she felt each day and scheduled frequent visits with her care team so they could monitor her progress.

Kristin noticed she felt better while taking the drug, and she was not alone. In 2010, the FDA approved the drug, known as Cayston®, for people with CF.

“It feels great knowing that I was able to help scientists, researchers and other people with CF by participating in this trial,” Kristin says. “Without a doubt, I have benefited from others who have participated in trials. I loved having the opportunity to return the favor.”
ADVANCING MORE CFTR MODULATORS

The knowledge gained from earlier studies of CFTR modulators has accelerated the ongoing robust research effort to address the defective CFTR protein in people who have other CF mutations.

Working with academic researchers and a wide array of pharmaceutical companies — including Vertex, Pfizer Inc., Proteostasis Therapeutics Inc., Reata Pharmaceuticals and Genzyme, a Sanofi company — CFFT has expanded its support for programs to discover new and potentially more powerful CFTR modulators.

This work includes laboratory tests to explore the effectiveness of a three-drug combination to treat the F508del mutation, as well as a multipronged program to develop therapies for people with nonsense mutations of CF, which prematurely stop production of the CFTR protein.

Several unique CFFT-supported initiatives are providing researchers with critical information that could help extend new CFTR modulators to the greatest number of people as quickly as possible.

UNDERSTANDING CFTR

The newly launched PROSPECT Study is focused on understanding the relationships between the levels of CFTR function and health outcomes in different organ systems closely tied to CFTR activity. Study investigators will collect clinical data and biological specimens from people with CF, including those with two copies of the F508del mutation, as well as from people who do not have CF.

If the ivacaftor-lumacaftor combination treatment is approved for people with two copies of F508del, researchers will be poised to evaluate what happens once these patients begin a combination CFTR modulator regimen. The PROSPECT Study builds on findings from the GOAL Study, which is examining the effects of ivacaftor on people now taking the drug. Both studies aim to get a clearer picture of how much CFTR activity is needed to restore a person’s health, which could inform the design of future CFTR modulator trials to treat other CF mutations.

CFFT is also supporting a major international research collaboration, CFTR2, focused on defining the relationships between specific mutations and symptoms of CF, which could also help determine what other mutations might respond to CFTR modulators. Led by a team at Johns Hopkins University, aided by researchers in Canada and Italy, CFTR2 has a growing database of information on more than 40,000 people with CF, collected from patient registries and care centers around the world.

Scientists have identified more than 1,800 mutations of CF, and more continue to be found. Now in its third year, the CFTR2 project has described the characteristics of about 160 of the most common mutations, representing those found in 96 percent of the CF population worldwide. The CFTR2 database is available online (www.cftr2.org) to people with CF and their families as well as the medical and scientific communities.

Ivacaftor Approved for More CF Mutations

Ivacaftor — the first CFTR modulator, approved in 2012 for people ages 6 and older with the G551D mutation — is now available as a single therapy to about 8 percent of people with CF in the United States. In 2014, the FDA expanded approval of ivacaftor to people ages 6 and older with at least one of nine other CF mutations: G178R, S549N, S549R, G551S, G1244E, S1251N, S1255P, G1349D and R117H. As this report was being prepared, the FDA approved ivacaftor for children ages 2 to 5 who have one of these 10 mutations.
EMERGING TECHNOLOGIES
ADVANCE SEARCH FOR CURE

While it is possible that the majority of people with CF could eventually benefit from therapies targeting the defective CFTR protein, certain rare mutations are unlikely to respond to CFTR modulators. CFFT has ramped up its efforts to pursue cutting-edge strategies that target these and other mutations by addressing earlier cellular processes that generate the malfunctioning CFTR protein, including by repairing the faulty gene itself.

CFFT has entered into two research agreements that will explore the use of RNA therapy to treat CF. Messenger RNA is a conveyor of genetic code that is critical to the proper function of proteins. In most CF mutations, the sequence of messenger RNA is altered, affecting the formation of a normal CFTR protein.

CFFT has launched a new program with Shire plc to support development of a novel treatment to improve CFTR function by delivering messenger RNA for the CFTR protein directly to the lungs, where it can be used by the body to produce working copies of CFTR. If successful, the benefits of the therapy would not depend on a person’s CF mutations. The first phase of the Shire program will evaluate safety and dosing of the therapy in the laboratory.

CFFT has also begun a program with ProQR Therapeutics aimed at repairing the defective messenger RNA in the cell to create a healthy CFTR protein with normal function and stop the progression of CF. ProQR will begin Phase 1 trials in 2015 to evaluate the safety of its potential treatment, QR-010, in people who have two copies of the F508del mutation. Studies in other CF mutations are planned.

Exploring New Tools and Targets

HARNESSING EXPERTISE FROM AROUND THE WORLD

To help develop new technologies and new avenues of research that can be applied to the CF effort, CFFT is actively recruiting collaborative teams of key leaders in different scientific areas.

CFFT convened two important workshops in 2014 on potential strategies to manipulate the CF gene, one focused on increasing gene expression and the other on gene editing and delivery, which uses a novel technique to repair a defective gene by altering the genetic code. In early 2015, a third workshop brought leading academic and industry researchers together to explore advances in stem cell research that could hold promise for treating people with CF.

CFFT is now identifying opportunities that emerged from the workshops, with a plan to begin supporting innovative projects in each of these three areas in 2015.

While many of these emerging technologies and strategies are still in the earliest stages and could require years of development before being safely tested in people, they are crucial first steps toward the Foundation’s ultimate goal of a one-time, permanent cure for all people with CF.

CFFT Laboratory for Drug Discovery

Established in 2012, CFFT’s research laboratory in Bedford, Mass., has quickly come to play a pivotal role in bridging CF drug discovery and development programs. The CFFT Lab tests screening approaches identified by university research laboratories, developing some further to make them available to other researchers.

To date, the Lab’s primary focus has been on identifying additional correctors to treat the F508del mutation. In addition to screening promising compounds identified by other researchers, the laboratory conducts tests of its own collection and in 2014 completed screens of more than 70,000 compounds. An expansion of the CFFT Lab is planned for 2015, which will increase its capacity to develop tools to discover potential drugs for nonsense mutations and help advance new technologies that could support other approaches besides CFTR modulation to treat the basic defect in CF.
PRESERVING AND IMPROVING LUNG HEALTH

Through CFFT, the Foundation supports a wide range of research initiatives that could lead to new therapies that help people with CF better manage the symptoms of their disease and improve their health. A major focus of these efforts is developing effective new antibiotics, anti-inflammatories and other medications to slow or stop the destructive cycle of lung infection and inflammation that can lead to severe lung damage.

Among the bacteria that cause lung infection in people with CF, methicillin-resistant Staphylococcus aureus (MRSA) has grown more prevalent and is now found in 25 percent of people with the disease. MRSA has been linked to more hospitalizations, worsened lung function and reduced life expectancy.

AeroVanc™, an inhaled dry powder version of vancomycin, is the first inhaled antibiotic in development to address persistent MRSA infection in people with CF. Results from a Phase 2 clinical trial showed that participants who received AeroVanc had a significant reduction in MRSA density in their sputum, as well as encouraging trends in key measures like lung function and respiratory symptoms and in the amount of time until they needed IV antibiotics or hospitalization.

The 28th annual North American Cystic Fibrosis Conference (NACFC) brought together dedicated individuals from around the world to share information on the latest in CF research. More than 4,000 cystic fibrosis researchers and caregivers convened in Atlanta to mark the 25th anniversary of the discovery of the CF gene and discuss the remarkable progress made in treating the disease since that historic milestone.

Anti-Inflammatory Strategies

As part of the Foundation’s strategic plan, CFFT has launched a targeted effort to support development of more treatments to reduce lung inflammation, which contributes significantly to lung damage in people with CF. A newly formed working group has identified three promising new approaches to address inflammation, with the first of these moving into a Phase 2 clinical trial in the first half of 2015.
occurring in about half of all people with the disease and 70 percent of adults. CFFT is supporting the development of the chemical element gallium as a novel antimicrobial approach to treating people with CF who are chronically infected with *P. aeruginosa*. Gallium is now being studied in an intravenous formulation to evaluate its safety and effectiveness in controlling the growth of the bacteria and improving lung function and other symptoms.

Another group of bacteria, nontuberculous mycobacteria (NTM), is found in 12 percent of people with CF and can be very hard to treat. A Phase 3 clinical trial is investigating an inhaled form of the antibiotic Arikace™ in people with CF who have NTM lung disease. This form of the antibiotic is able to target the specific site in the cells of the lungs where NTM bacteria can hide from the body’s defenses. Arikace is also being studied in a Phase 3 trial as a treatment for *P. aeruginosa*.

**CLEARING THE AIRWAYS**

Other approaches to staving off respiratory problems focus on restoring normal airway clearance and reducing the thick mucus that builds up in the lungs of people with CF. One potential medication, P-1037, is designed to block the sodium channels on the airway surfaces, promoting secretion of fluids to rehydrate the mucus layers and reduce the risk of infection. Support from CFFT has helped accelerate the start of a Phase 2 clinical trial of P-1037 in combination with hypertonic saline.

Another novel strategy uses an active ingredient derived from a carbohydrate found in the cellular walls of a specific seaweed. The potential drug, OligoG, is aimed at thinning the thick mucus caused by CF, making it easier to clear.*

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**STRATEGIC PLAN**

**Our Commitment to a Cure**

At the start of the year, the Foundation embarked on its comprehensive strategic plan, a milestone-driven initiative to chart the Foundation’s course for the next five years and ensure it is well positioned to achieve its mission. The plan identifies six key strategies and includes steps to implement them:

1. Grow the pipeline of innovative therapies to address the disease from all angles.
2. Help people with CF overcome barriers to following their treatment plan.
3. Help ensure all people with CF have access to high-quality, specialized care and treatments.
4. Expand communications to more fully engage the entire CF community.
5. Increase fundraising to achieve the Foundation’s mission.
6. Increase engagement of the growing adult CF population in Foundation initiatives.

To download a copy of the Foundation’s strategic plan visit www.cff.org.

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*NACFC attendees from a wide range of disciplines explore the latest in CF science and care at the poster sessions in the Exhibit Hall.*
from the airways. Early trials of OligoG in people with CF with chronic *P. aeruginosa* infections showed no safety concerns, and studies are planned to examine its effectiveness in reducing the mucus as well as its potential to boost the effectiveness of antibiotics and other medications. Both P-1037 and OligoG are inhaled medications and, if successful, could be used by all people with CF regardless of their mutations.

**IMPROVING NUTRITION AND HEALTHY GROWTH**

Close to 90 percent of people with CF take pancreatic enzyme supplements to help them absorb essential vitamins and nutrients. The standardized use of these supplements, along with early diagnosis, has led to marked improvements for people with CF in body mass index (BMI) and BMI percentile — important measures for assessing growth and nutritional status.

The low levels of antioxidants found in many people with CF may contribute to poor lung function. An ongoing clinical trial of a reformulated version of AquADEKs™, an oral vitamin and mineral supplement with antioxidant properties, is studying its effects on inflammation, antioxidant levels and oxidative stress to determine whether this formulation helps improve lung health in people with CF.

People with CF who have difficulty maintaining a healthy weight often must rely on gastronomy tube (G-tube) feedings at night to meet their nutritional needs. Funding support from CFFT is accelerating development of a unique new technology to facilitate tube feeding and improve digestion without the use of pancreatic enzyme replacement therapy.

This treatment approach includes placing an enzyme-loaded cartridge in-line with the supplemental nutrition.

Fats in the supplemental nutrients would be digested as they flow through the cartridge, potentially simplifying the use of enzyme supplements for people with multiple needs, including those requiring overnight tube feeding or people with CF in intensive care units.

Evidence is also emerging that CFTR modulators affect the function of the CFTR protein not only in the lungs but also in the gastrointestinal system. Results from the GOAL Study on the effects of ivacaftor showed increased bicarbonate secretion (which aids in digesting fats) in the pancreas and liver, likely contributing to the significant weight gain seen in people now on the drug.

These early encouraging findings suggest that treatments targeting the defective CFTR protein can benefit nutrition and promote healthy growth in children and adults with CF.

When people ask me to provide an example of how patients, caregivers, researchers, a Foundation, NIH and industry can all work together to find cures, I point to cystic fibrosis. It’s the very best example.

**FRANCIS S. COLLINS, M.D., PH.D.**

Director of the National Institutes of Health and a member of the international team that discovered the CF gene

*CJ, age 19, must take pancreatic enzyme supplements with every snack and meal to help him properly digest food.*
In the first “One-on-One Live” conversation, live-streamed from NACFC, Dana Curry, 31, who has CF, and Michael P. Boyle, M.D., FCCP, director, Johns Hopkins Adult CF Program, shared news from NACFC, discussed topics of special interest to the adult CF community and wrapped with questions from the online audience.

CFFT hosted a series of workshops that brought together key leaders in gene editing, gene delivery and stem cell research, with plans to identify and support promising projects in each of these areas that could be applied to the CF effort.

Front-Page Focus on Venture Philanthropy Success

The Foundation was in the spotlight throughout 2014, as major news organizations chronicled exciting new milestones in the fight against CF.

In June, reporters cited the Foundation’s role in the development of the potential ivacaftor-lumacaftor combination, following positive Phase 3 results. CNBC, Reuters, Bloomberg Businessweek and The Boston Globe, among many others, featured this pivotal step forward, which was summarized by Forbes: “In the war against genetic disease, scientists just gained some important ground.”

A front-page story in The New York Times featured the Foundation’s royalty sale, which was covered widely not only by other influential news organizations, including The Wall Street Journal and the Associated Press, but also on NPR’s Diane Rehm Show and in trade publications like The Chronicle of Philanthropy and FierceBiotech.
ENGAGING PATIENTS AND FAMILIES IN RESEARCH

With 18 new CF clinical trials starting up in 2015, the Foundation has increased its efforts to engage more people with CF and their families in clinical research and to enhance the capacity of research centers to carry out this robust science program. Critical upcoming trials include studies of potential new antibiotics, anti-inflammatories and other respiratory treatments, as well as drugs targeting the underlying cause of CF.

Five centers were added to CFFT’s Therapeutics Development Network in 2014, expanding the network to 82 sites across the country and broadening the potential base of participants.

Through a matching-funds program, CFFT has launched an initiative to support the hiring of 60 additional research coordinators whose sole focus will be conducting multicenter TDN trials.

Completing the high volume of trials will require enrolling an unprecedented number of study volunteers. In a multipronged approach, the Foundation is learning directly from people with CF and families what they most want to know about clinical research and hearing their perspectives on important barriers to participating.

In addition to a national survey and a series of focus groups, the Foundation has created a working group to help identify ways to improve communications about clinical trials opportunities and involve more people with CF in research.

The Foundation’s interactive learning tool, eQUIP-CR, was designed to help clinical research teams apply quality improvement principles to their day-to-day activities. Eight centers have participated in an eQUIP-CR program that provides coaching with a principal investigator and research coordinator, with five of the teams and coaches visiting high-performing sites this year. Centers can also use eQUIP-CR independently to improve their clinical research processes and increase their efficiency in conducting studies.

CF Research Leader

Bonnie Ramsey, M.D., received a special award at NACFC for her outstanding leadership of the Therapeutics Development Network from 1998 to 2014. A professor of pediatrics at the University of Washington School of Medicine, Dr. Ramsey oversaw the network’s rapid growth and success and remains actively involved in CF care and research.
Cystic Fibrosis Therapeutics Pipeline

AS OF DECEMBER 31, 2014

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In keeping with the Foundation’s venture philanthropy business model, CFFT has contractual agreements with Vertex, Pfizer, Genzyme and other companies to receive royalties in the event of the approval and/or sales of certain drugs—including Kalydeco™, VX-809 and ataluren—that are developed as a result of CFFT funding. Any royalties CFFT receives are reinvested in support of the Foundation’s mission.
People with cystic fibrosis and their families are experts in the daily management of their disease. By partnering with the highly specialized, multidisciplinary teams of health care professionals at one of the Cystic Fibrosis Foundation’s 120 accredited-care centers or 55 affiliate programs, people living with CF not only have access to comprehensive, specialized care, but they also have opportunities to be actively engaged members of their own care team.
More than 28,000 people with CF — with almost 50 percent age 18 or older — help drive improvements in care by sharing their health information in the Foundation’s Patient Registry.

This information provides critical data to help care teams and researchers identify new health trends, recognize the most effective treatments, design CF clinical trials and develop clinical care practice guidelines.

Each year, the Foundation compiles this information in its Patient Registry Annual Data Report, giving the broader CF community an overview of the progress made in CF care and the areas where more work is needed.

The most recent data reveals steady gains in the lifespan and quality of life for people with CF, with continued improvements in pulmonary function and nutrition, an increase in the detection of CF through newborn screening and a decrease in lung infections from Pseudomonas aeruginosa and methicillin-resistant Staphylococcus aureus (MRSA).

The 2013 Patient Registry Annual Data Report used graphics to help summarize the data and convey the impact that CF has on those living with the disease.
Anna Kampas is a typical 16-year-old. She loves sports and excels at soccer, skiing and track. Before she starts her day, though, Anna must do 30 minutes of CF treatments and take dozens of pills. She sets her alarm for 5:15 a.m. to complete her regimen.

“I want to live a long, healthy life and I know doing my treatments will help me,” says Anna, who was diagnosed with CF as an infant. She credits her parents and her care team at Children’s Hospital of Pittsburgh of UPMC for empowering her to take charge of her own health at an early age.

“My care team is like my family, and they really stressed to me from the time I was little how important it is to do my vest and take all of my medications,” Anna says. “Now that I’m older, they help me stick to a treatment schedule that works for me.”
Successful management of CF depends on the ongoing partnership between people with CF and their families and the health care professionals who are dedicated to their care. The Foundation is committed to collaborating with people with CF and families, along with members of the health care and technology sectors, to inspire innovative approaches to improve the quality of CF care.

**ONE CF CENTER**

The seamless integration of different stages and transitional moments in the patient experience — from diagnosis through advanced illness — is critical to successful, individualized CF care. To accomplish this goal, the Foundation launched a new Learning and Leadership Collaborative, One CF Center, to help care teams develop and carry out a quality improvement (QI) plan that spans the continuum of CF care.

One CF Center trains health care professionals, people with CF and their families in ways to strengthen their joint QI work across pediatric and adult programs. Leadership skills are developed among center directors and program coordinators to create a cohesive experience of care.

**CF CARE MODEL OF THE FUTURE**

Improving health outcomes is a shared goal for everyone involved in CF care. Rapid advances in technology and the dissemination of new ideas can inform what we do today in order to design a system that delivers better CF care tomorrow.

Together with Cincinnati Children’s Hospital Medical Center and the Dartmouth Institute, the Foundation is leading a strategic initiative to create a road map for a CF care model of the future. The goal of the project is to design and develop a collaborative, technology-enabled learning system that allows people with CF and their families, clinicians and researchers to share knowledge that delivers care for optimal health outcomes. The group’s efforts in 2015 will include proposing a prototype to test at multiple care centers.

**PATIENT ENGAGEMENT ON MANAGING TREATMENT BURDEN**

Empowering those living with CF to successfully follow their daily treatment plans requires the collaborative efforts of the wider CF community. The Foundation has formed a working group of adults with CF, parents, care team members and researchers, along with representatives of drug manufacturers and specialty pharmacies, to foster open conversations about the burdens of daily CF treatments.

Through regular meetings, the group informs a range of initiatives, including projects to facilitate discussion on treatment plans between patients and their care teams, explore methods for collecting objective measures of treatment completion and develop tools to identify barriers to maintaining a treatment regimen. The group also created a new research consortium to help facilitate the successful management of daily therapies.
Living with CF is very difficult. I have good days and bad days. I’m lucky because I’ve learned how to better cope with the bad ones. I feel confident about making the switch to adult care when the time comes. To me, it seems like any other normal transition — like going from junior high to high school. My care team at Miller Children’s has empowered me to own my CF.

DIANA ORTEGA, AGE 20
Receives care at Miller Children’s & Women’s Hospital Long Beach, Calif.

Guiding Best Practices toward Excellence in Care

The high standards in care that people with CF and their families rely on at Foundation-accredited care centers are based on a robust set of CF care guidelines, reflecting the latest in medical research and best practices across a range of medical topics.

Guidelines for infection prevention and control were released in August, following a two-year review of the latest medical literature by a Foundation-sponsored multidisciplinary committee, which included an adult with CF and parents of children with CF. The guidelines provide recommendations to clinicians, people with CF and families on ways to reduce the risk of spreading pathogens between people with CF in different settings.

The Foundation also released guidelines for the prevention and eradication of Pseudomonas aeruginosa infections in people with CF. These guidelines were based on a review of medical literature and recommendations that the Foundation conducted with the Johns Hopkins Evidence-Based Practice Center.

Champion Caregiver

Connie Richless, R.N., M.S. (right), meets with team members Mike Myerburg, M.D., and dietitian Stephanie Mitchell. Ms. Richless has been an adult CF nurse coordinator at the University of Pittsburgh medical CF care center for more than 20 years, and in 2014 was a recipient of the Foundation’s first Mary M. Kontos Care Champion Award, recognizing non-physician members of the CF care team.
A decade of strategic efforts to improve care has played a profound role in improving the quality and length of life for people with CF in the United States, according to a series of reports published in a supplement to the April issue of the *British Medical Journal Quality & Safety*. The supplement, “BMJ, Ten Years of Improvement Innovation in Cystic Fibrosis Care,” highlights the development of the CF care model through the establishment of the care center network, the Foundation’s Patient Registry, quality improvement collaboratives and the release of clinical care guidelines.

The Foundation’s Patient Registry was featured as a case study by the Agency for Healthcare Research and Quality (AHRQ) in its *Registries for Evaluating Patient Outcomes, A User’s Guide*. Part of the U.S. Department of Health and Human Services, AHRQ’s mission is to produce evidence to make health care safer, higher-quality and more accessible, equitable and affordable. This recognition highlights how people living with CF and their families continue to lead the way by generously sharing their information to drive continuous improvements in CF care.

**Medical Information Made Easier to Promote Informed Decision Making**

People with CF and their families need medically sound information that helps them make informed decisions to preserve and protect their health. In a collaborative effort to support informed decision making, the Foundation developed a multimedia suite of health education materials to help people with CF reduce their risk of getting and spreading dangerous germs.

These resources accompanied the release of updated guidelines for infection prevention and control for CF and serve as a tool to help people with CF and their families work with health care providers to implement best practices and lower the risk of cross-infection in care centers and hospitals, as well as in everyday life.

The suite of education materials includes a fact sheet, tip sheets, posters and video animations. Select materials were also made available in Spanish and French.
In a focused effort to engage key stakeholders and the wider community of adults with cystic fibrosis, the Adult Advisory Council was adopted into the Foundation’s bylaws. The Council’s primary charge is to inform new, innovative projects that could improve the everyday quality of life for people living with CF.

These projects include exploring a peer-to-peer mentoring program for adults with CF, identifying new and expanded opportunities for collaboration between Foundation chapters and adults in their communities and developing virtual communities.

The Council’s activities bolster the Foundation’s ongoing outreach to adults with CF and families for insights and advice on a broad range of topics, including communications, clinical care and research.

The 2014 Volunteer Leadership Conference featured live-streamed sessions of event highlights, including a virtual panel discussion — “Real Talk about Real Life With CF” — led by four adults with CF, who discussed overcoming challenges while living with a chronic disease.

Somer Love, age 34, wraps up her clinic visit with Center Director Ted Liou, M.D., at University of Utah Health Care.
Access & Advocacy

A COALITION COMMITTED TO CONTINUOUS SUPPORT

The steady gains in longevity and improved quality of life for people with CF are made possible through focused efforts to help all people with CF gain and maintain access to innovative therapies and specialized CF care. The Foundation continues to build on these efforts to ensure access by expanding programs that help people lead healthier lives today, while preserving and strengthening the CF model of care for even greater gains tomorrow.
Connecting the CF Community with Valuable Resources

The Cystic Fibrosis Patient Assistance Foundation (CFPAF) offers the only national patient assistance program designed specifically for the CF community. CFPAF provided $2 million in assistance to more than 1,400 enrollees to help with medication co-pays and Social Security applications this year. A subsidiary of the CF Foundation, CFPAF is funded by corporate and nonprofit donors.

The Foundation’s Patient Assistance Resource Library (PARL), a one-stop online self-service portal, helps people with CF, their families and CF care providers identify assistance programs and navigate common insurance obstacles. The library also connects health care professionals and insurers to CF care guidelines, letters of medical necessity, white papers and other important resources.

The Mutation Analysis Program (MAP) provides free genetic testing to people with a confirmed diagnosis of CF to help them make informed decisions about treatment options. Launched in 2012, the MAP has helped more than 2,700 people get testing to identify their CF mutations. As more drugs targeting the underlying genetic cause of CF move through the pipeline, it will become increasingly important for people with the disease to know their mutations.

PROVIDING EXPERT ADVICE

The Foundation promoted its expanded case management services to help people with CF get and manage their health insurance coverage. In 2014, more than 1,000 people received help coordinating their insurance benefits, filing medication coverage appeals and identifying local sources of financial aid.

Funded by the Foundation, the CF Legal Information Hotline provides free information about the laws that protect the rights of individuals with CF. The Hotline continues to be a valuable source of information for the CF community, fielding over 6,000 calls in 2014.

My first contact with CFPAF was so pleasant. I was able to finish everything they needed within a few hours and was approved to start receiving assistance in less than one week. I can’t thank them enough for working so hard to get me the medications I need.

MARYANNE WALLACE, AGE 72

Making More Time for Patient Care

To help reduce the amount of time CF care teams spend on administrative tasks, in 2014, the Foundation launched a project to support centers’ use of the CoverMyMeds system. Through this service, care centers can expedite the submission of prior authorizations for almost all health plans and CF medications. Nearly 100 care centers have signed up for CoverMyMeds, enabling them to spend less time on paperwork and more time with patients.
Medical student Bill Elder Jr., 27, received a rare honor in early 2015: an invitation to attend the State of the Union Address as a guest of First Lady Michelle Obama.

Bill was diagnosed with CF when he was 8. Today, he is benefiting from a drug that targets the underlying cause of CF in a small group of people with the disease.

During his address, President Barack Obama hailed the treatment, ivacaftor, as an example of “precision medicine” — an emerging approach to treating illnesses that takes into account an individual's genetic makeup.

At a later White House event focused on precision medicine, Bill met with Francis S. Collins, M.D., Ph.D., director of NIH and co-discoverer of the CF gene.

For Bill, the drug has allowed him to pursue his dreams: the third-year medical student has hopes of practicing family medicine after completing his residency.
Advocating for the Acceleration of Drug Development and Delivery

The Foundation continued to engage members of Congress and the administration on issues important to the CF community, garnering support for policies that will help innovative treatments move forward more efficiently and ensure access to specialized, quality CF care.

PERSONALIZED MEDICINE AND QUALITY, COORDINATED CARE: THE CYSTIC FIBROSIS MODEL

A February briefing co-sponsored by Sens. Edward Markey (D-Mass.) and Kelly A. Ayotte (R-N.H.) and Congressional Cystic Fibrosis Caucus co-chairs Reps. Tom Marino (R-Pa.) and James McGovern (D-Mass.), highlighted the benefits of the Foundation’s model of specialized, coordinated care and its innovative strategies for drug development. In a discussion moderated by the Foundation’s president and CEO, Robert J. Beall, Ph.D., a panel of health care experts who specialize in CF described how the Foundation’s successful approach can serve as an example for policymakers.

THE 21ST CENTURY CURES INITIATIVE

The Foundation is contributing to a new House Energy and Commerce Committee initiative, “21st Century Cures,” focused on developing policies to accelerate the discovery, development and delivery of treatments and to promote medical innovation.

At a July hearing dedicated to the patient perspective on these issues, Dr. Beall discussed the Foundation’s recent successes in drug development and recommended ways that Congress can best help advance treatments for rare diseases. Frank Accurso, M.D., director of CF clinical research at Children’s Hospital Colorado and University of Colorado Denver, participated in a congressional roundtable on personalized medicine, emphasizing the need for greater collaboration and patient involvement in specialized care and the importance of patient registries and clinical trial networks like those of the CF community. The 21st Century Cures initiative is co-sponsored by Committee Chair Fred Upton (R-Mich.) and Rep. Diana DeGette (D-Colo.).

Sharing One Family’s Story

The Foundation shared a video that told the Cox family’s story of how the Patient Assistance Resource Center helped them afford the medications their two boys with CF need to stay healthy.
As more transformational CF therapies emerge, the Foundation continues to expand its collaboration with public and private insurers as part of its strategic plan to ensure all people with CF have access to quality care. In 2014, the Foundation, CF care providers and volunteers worked directly with payers to promote access to CF care in 17 states, representing about two-thirds of the CF community.

In Michigan, CF care providers advocated on behalf of people with CF when the state’s Medicaid program suggested reducing the number of covered pancreatic enzyme supplements. Working together, the providers and the Foundation not only successfully preserved but also expanded access to pancreatic enzymes within the Medicaid program.

In another example, Foundation and care center staff at Nationwide Children’s Hospital in Columbus met with Ohio Medicaid leadership to discuss the value of the high-quality, multidisciplinary care provided throughout the care center network and the challenges that people with CF face in accessing treatments. Participants also explored how the CF care center model could work for people with other complex diseases.

Tennessee advocate Blake Leyers regularly meets with local and national elected officials to educate them about the needs of people with cystic fibrosis. She has helped win several important victories on behalf of the CF community, and is determined to help find a cure after losing her younger brother, Andy, to the disease. Andy was 26.

Dedicated Advocate

Teen advocate Sean Sondermann discusses the Foundation’s drug development pipeline in a congressional meeting with Rep. Steve Israel (D-N.Y.). Foundation staff and advocates conducted over 400 meetings with members of Congress in 2014, many through the Foundation’s annual “March on the Hill” and “Teen Advocacy Day” events.
Determined to sustain the Cystic Fibrosis Foundation’s progress in the search for a cure, volunteers, donors and friends across the country generously gave their time and talents to help add tomorrows for people with CF. Day after day, these selfless individuals worked to raise the funds needed to support lifesaving research and medical programs and provide critical services for people living with the disease. Every step we take is possible because of their support.
Great Strides Volunteers Walk On for a Cure

More than 110,000 walkers gathered at city parks, zoos, beaches and downtown districts to participate in Great Strides, the Foundation’s largest national fundraising event, generating an outstanding $41.9 million. For an incredible fourth year in a row, the Georgia Chapter’s Atlanta Great Strides walk raised more than $1 million in a single year and was the top-grossing Great Strides location.

The Baker Boys’ Battalion, a national family team steered by Pam and Jon Baker of Atlanta, led the way in fundraising by securing more than $401,000, while Kayden’s Krew, steered by the Carrol-Stack family of St. Louis, raised $221,000 in support of the Foundation’s mission.

The Cystic Fibrosis Foundation was started by people like us — a group of concerned parents who refused to take no for an answer. It’s been amazing to watch the Foundation grow from humble beginnings into the research and drug development leader it is today. We’re proud to be part of the journey to end this disease and are confident the Foundation will find a cure for our son Andy, and for all people living with CF.

CHARLES AND EVA LIPMAN
CF parents

CF Ambassador

Longtime friend of the Foundation and Grammy Award-winning comedian Lewis Black hosted a once-in-a-lifetime performance to support the Foundation’s mission. Big Stars, Big Cure: An Unforgettable Night of Comedy and Music to Fight Cystic Fibrosis at Jazz at Lincoln Center in New York featured performances by Whoopi Goldberg, Jon Stewart, Joy Behar, Kathleen Madigan and Chris Bliss and raised nearly $1 million.
Some of Will Harvey’s earliest memories are of attending CF Foundation fundraising events. The 18-year-old, who is pursuing a degree in mechanical engineering at MIT, was diagnosed with CF as an infant.

Today, when he isn’t studying or racing his Formula 1600 car, Will can be found volunteering in his home state with the Foundation’s Sooner Chapter — Oklahoma City Office.

He works alongside his grandfather, Ralph Harvey, as co-chair of the chapter’s Marlin Oil Golf Classic. Since 2003, the event has raised more than $2 million to support the Foundation’s mission.

“Helping organize the event has been an amazing experience. I’ve learned that the community really does care about me, my family and people with this disease,” Will says. “Because of the selflessness of others, I can go a thousand miles from home and live the life of my dreams.”
Biking, Hiking, Climbing and Dancing for More Tomorrows

Thousands of dedicated supporters came together, raising tens of millions of dollars to support the Foundation’s mission. At events across the country, they danced, biked, climbed, hiked and laughed, all in the name of helping people with CF breathe easier and live longer. Here are highlights of some of the most successful special events.

CF Cycle for Life Goes Mobile

The Aptalis CF Cycle for Life mobile app allows cyclists to easily solicit donations via email, text and social media while on the go.

More than 700 guests at the Washington Chapter’s Breath of Life Gala enjoyed a bohemian-chic themed, multicourse gourmet dinner, one-of-a-kind auction items and after-party featuring live entertainment.

Volunteers, donors and friends of the Foundation pushed themselves to the limits by racing up and down stadium stairs at Sports Authority Field at Mile High, home of the Denver Broncos, during the Colorado Chapter’s 5th annual CF Climb.

Guests of the Southern California – Orange County Office’s seventh annual Pipeline to a Cure event had the chance to mingle with music moguls and surf legends who came out to show their support for people with CF and their families.
At the Grand Chef’s Gala, guests tasted the signature dishes of some of Chicago’s finest chefs, including Curtis Duffy, Giuseppe Tentori and Fabio Viviani.

Golfers and their guests had the opportunity to bid on one-of-a-kind live auction items during a kick-off banquet before the official start of the Texas Gulf Coast Chapter – Houston Office’s 65 Roses Golf Classic.

At the Louisiana Chapter – Baton Rouge Office’s Capital City’s Finest, 13 successful business professionals under the age of 35 were honored for their extraordinary dedication to battling CF. The event boasted a unique menu and craft beer from several local restaurants.

Participants in the Carolinas Chapter – Charlotte Office’s Xtreme Hike pushed themselves to the limit, covering a grueling 30.1 miles in a single day over rugged terrain of the Appalachian Trail.

Members of team Max’s Miles, sponsored by JetBlue, collectively biked 1,093 miles at the Central Florida Chapter’s CF Cycle for Life event.

More than 200 anglers fished for bass and walleye on the shores of Lake Erie during the Western New York Chapter – Buffalo Office’s Greater Niagara Basseye Celebrity Tournament, a Redbone@Large event.
Volunteer Leaders Share Best Practices for Fundraising Growth

United by their determination to find a cure for all people with CF, 400 volunteers, 300 online participants and dozens of corporate supporters gathered at the Foundation’s 2014 Volunteer Leadership Conference near Washington, D.C., to network, share fundraising success stories and develop fresh strategies to help power the Foundation’s mission.

New co-chairs Angie Kinney and Katrina Young introduced the conference’s theme — The Time is Now — which highlighted the momentum the Foundation has recently gained and the need for continued acceleration of its lifesaving mission.

Many of the Foundation’s most inspirational volunteer leaders were recognized for the lasting impact their work has made on the lives of those touched by cystic fibrosis.

Frank Deford, chair emeritus of the Board of Trustees, presented Marissa Benchea with the Alex Award. This special honor, named in memory of Deford’s daughter Alexandra, who passed away from CF in 1980, is presented each year to a person with CF who is a role model to others with the disease. Despite having to complete three to four hours of treatments daily, Marissa plays a critical role as a volunteer for the Tennessee Chapter, CF advocate and member of the newly formed Adult Advisory Council, which aims to guide the Foundation on issues particularly important to adults with CF.

Gateway Chapter volunteer Mike Hart was the recipient of the Jena Award, presented annually to someone who does not have a direct connection to the disease yet works tirelessly on behalf of the Foundation’s mission. The award is named in honor of the daughter of Marc and Margarete Cassalina, who passed away from CF at age 13. Mike, whose childhood friend has CF, serves on the board for the Gateway Chapter and is co-chair of the chapter’s black-tie gala and Great Strides walks.

Paul di Sant’Agnese Planned Giving Society

A great pioneer in the field of cystic fibrosis research and care, Dr. Paul di Sant’Agnese is best known for his work to develop the “sweat test,” which remains the gold standard for diagnosing CF to this day. The Cystic Fibrosis Foundation established the Paul di Sant’Agnese Planned Giving Society to honor his legacy and recognize those who have included the Foundation in their long-term plans, through a bequest, life insurance gift or other estate planning vehicles. The Paul di Sant’Agnese Planned Giving Society celebrates the tradition of excellence that Dr. di Sant’Agnese embodied throughout his distinguished medical career, and members are among the Foundation’s most valued supporters. This dedicated group contributed more than $7 million in bequests to the CF Foundation in 2014.

Doris F. Tulcin Major Giving Society

Doris F. Tulcin is a pillar in the CF community and one of the founding parents of the Cystic Fibrosis Foundation. Determined to find a cure for all people with CF, Doris has been a powerful advocate for CF families everywhere. She has inspired others to understand the important role major giving plays in advancing CF research and drug development, and was instrumental in leading the effort to fund the establishment of the research development network. The Doris F. Tulcin Major Giving Society continues to honor her leadership and vision by recognizing the outstanding generosity of its 353 members who have made total commitments of $100,000 or more to the Foundation’s major giving initiatives since 1998.
Corporate friends generously showed their dedication to the cause by sponsoring events at sites across the country and offering luxurious auction items at chapter galas.

Leading the way in these efforts is the Foundation’s Outstanding Corporate Supporter, American Airlines. For three decades, the company has offered steadfast support for the CF community by hosting its signature Celebrity Ski event and sponsoring other exciting fundraisers, including the annual Ultimate Golf Experience and other special events, and donating their AAdvantage Miles as auction items.

Pharmaceutical and research development company AbbVie has stood by families affected by CF for the last 20 years through its support of Great Strides. In addition to sponsoring the event, the company has created two corporate Great Strides teams — AbbVie East and AbbVie West — successfully introducing employees to the cause and making the search for a cure part of its workplace culture.

Corporate supporters played an integral role in the success of all of the Foundation’s national events, with thousands of employees from AbbVie, GEICO, Chubb, Vertex, Walgreens, Activis, Genentech and many other committed companies coming together to help generate funds through Great Strides and CF Cycle for Life.
Inspired by significant advances in CF research and care, and eager to accelerate the development of therapies that could lead to a cure for all people with CF, major donors continued to help advance the Foundation’s mission through the Milestones II major giving campaign.

Under the visionary leadership of Milestones II Chair Joe O’Donnell, the campaign aims to raise $75 million by the end of 2015. This year, major donors generously contributed nearly $12 million to Milestones II.

The passion and dedication of the Foundation’s major donors has resulted in remarkable progress in the quest to cure CF. Through their heart-warming generosity, this extraordinary group of individuals is helping people with cystic fibrosis live longer, breathe easier and focus on achieving their dreams.

**TOP:** CF parents, major gift donors and Greater Illinois Chapter volunteers Jon and Mary Kay Botorff join Joe O’Donnell, chair of the Milestones II campaign, at the Volunteer Leadership Conference. **BOTTOM:** Milestones Club members and Washington Chapter volunteers Penny and Lee Amsler discuss the latest in CF research and drug development with CF Foundation President and CEO Robert J. Beall.
Rick and Susan Besant learned their son, Will, has cystic fibrosis 29 years ago. In the nearly three decades since CF has been part of their lives, Rick and Susan have seen major progress in CF research and care, made possible by the Foundation. Those achievements — and a desire to be part of cutting-edge research that could lead to a cure for all people with CF — inspired the couple’s most recent gift to the Milestones II campaign in December of 2014.

“Every year, we feel like we’re getting one step closer to a cure, and we need to do everything we can to help keep that momentum going,” says Rick.

Anna, age 6, from Illinois, is the granddaughter of Mat Klein, who became a Milestones Club member in 2010.

The steadfast dedication and unwavering generosity of Milestones donors continues to inspire and humble me. Since the campaign was started in 2004, nearly 2,000 individuals, families and organizations have stepped forward, pledging support and resources to help accelerate the search for a cure. Their commitment to this cause gives me hope that we can and will end this disease once and for all.

JOE O’DONNELL
Chair, Milestones II

Passionate Supporters
Cash and cash equivalents represent demand deposits, money market funds and money market mutual funds. Cash equivalents consist of highly liquid investments with original maturities of three months or less and present an insignificant risk of change in value. The Foundation had outstanding commitments to purchase $84,910,437 of investments as of December 31, 2014. The cash associated with these commitments is classified as cash and cash equivalents as of December 31, 2014, and the purchases were completed in January 2015.

Investments
Investments as of December 31, 2014 included primarily U.S. government treasury securities, corporate debt securities, U.S. government-agency asset backed securities, commercial and other asset backed securities, corporate bond mutual funds, short duration bond mutual funds, equity mutual funds, inflation hedge mutual funds, inflation hedge commingled funds and alternative investment funds of funds. Authoritative guidance on fair value measurements requires an entity to maximize the use of observable inputs when measuring fair value. The guidance describes three levels of inputs that may be used to measure fair value: Level 1 – Quoted prices in active markets for identical assets or liabilities. Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets. Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets. The Foundation carries its cash and cash equivalents, all investment balances and certain other assets at fair value. Financial instruments measured at fair value on a recurring basis were $2,473,908,459 in Level 1 assets, $1,312,488,534 in Level 2 assets and $6,278,421 in Level 3 assets. The Foundation redeemed its investment in a long/short equity fund of funds in 2014. The amount due from this investment manager totals $41,093,843 as of December 31, 2014.

Operating lease commitments
The Foundation is obligated under various operating leases for office space as of December 31, 2014. The approximate future minimum rental commitments, subject to escalation, are $19,316,000.

Awards payable and commitments
The Foundation and Cystic Fibrosis Foundation Therapeutics, Inc. (CFFT) generally award medical/scientific grants and contracts for periods of three years or less. Grants are awarded contingent upon the availability of funds at the beginning of each award period. As of December 31, 2014, the Foundation and CFFT have medical scientific grant commitments of approximately $40,635,000, which extend through December 31, 2020. These subsequent year awards are contingent upon renewal criteria, and therefore the costs and liabilities are not reflected in the consolidated financial statements. Certain CFFT agreements provide for future contracted drug discovery and development research payments amounting to approximately $88,100,000. These costs will be expensed when the services are provided.

Unrestricted – Board-designated net assets
The Foundation’s Board of Trustees has designated $3,300,000,000 of the Foundation’s net assets as of December 31, 2014 to be spent in support of the mission of the Foundation over the long term. These board-designated net assets are known as the Opportunity Fund. The Board further determined that the Opportunity Fund supersedes funds previously reported as board-designated net assets.
The Cystic Fibrosis Foundation includes in its measure of operations all support received from the public, income on investments designated for operations including interest and dividends, realized and unrealized gains and losses, royalty revenue, other revenue, and all costs of program and supporting services. The measure of operations excludes gains or losses on discontinued operations and nonoperating investments. Nonoperating investments are amounts identified by the Investment Committee of the Board of Trustees for investment over an intermediate term.

### Revenue

<table>
<thead>
<tr>
<th>Revenue Item</th>
<th>2014</th>
<th>2013</th>
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<tbody>
<tr>
<td>Special Event Revenue</td>
<td>$110,482,695</td>
<td>$111,517,097</td>
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<tr>
<td>Direct Benefit Expenses</td>
<td>(14,236,354)</td>
<td>(13,429,403)</td>
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<td><strong>Net Special Event Revenue</strong></td>
<td><strong>96,246,341</strong></td>
<td><strong>98,087,694</strong></td>
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<tr>
<td>General Contributions</td>
<td>36,544,484</td>
<td>39,225,217</td>
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<tr>
<td><strong>Total Support Received from the Public</strong></td>
<td><strong>132,790,825</strong></td>
<td><strong>137,312,911</strong></td>
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<td>Investment Income</td>
<td>377,687</td>
<td>79,578</td>
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<td>Proceeds of Sale of Intangible Rights</td>
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<tr>
<td>Under Drug Discovery Agreement</td>
<td>3,274,431,963</td>
<td>247,900,946</td>
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<tr>
<td>Royalty Revenue</td>
<td>197,146</td>
<td>9,439,914</td>
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<tr>
<td>Other</td>
<td>8,653,135</td>
<td>10,797,035</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>3,416,450,756</strong></td>
<td><strong>405,530,384</strong></td>
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### Expenses

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<tr>
<th>Expense Item</th>
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<tbody>
<tr>
<td>Medical Programs</td>
<td>144,554,326</td>
<td>134,684,528</td>
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<tr>
<td>Public and Professional Information and Education</td>
<td>19,278,391</td>
<td>17,842,159</td>
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<tr>
<td>Community Services</td>
<td>8,080,186</td>
<td>8,135,278</td>
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<tr>
<td><strong>Total Program Services</strong></td>
<td><strong>171,912,903</strong></td>
<td><strong>160,661,965</strong></td>
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<tr>
<td>Management and General</td>
<td>12,798,986</td>
<td>13,755,362</td>
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<tr>
<td>Fundraising</td>
<td>17,477,338</td>
<td>15,912,998</td>
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<tr>
<td><strong>Total Supporting Services</strong></td>
<td><strong>30,276,324</strong></td>
<td><strong>29,668,360</strong></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>202,189,227</strong></td>
<td><strong>190,330,325</strong></td>
</tr>
<tr>
<td><strong>Increase in Net Assets from Operations</strong></td>
<td><strong>3,214,261,529</strong></td>
<td><strong>215,200,059</strong></td>
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### Other Changes in Net Assets

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<tr>
<th>Revenue Item</th>
<th>2014</th>
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</thead>
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<tr>
<td>Net Nonoperating Investment Income</td>
<td>2,335,571</td>
<td>31,935,904</td>
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<tr>
<td><strong>Increase in Net Assets</strong></td>
<td><strong>$3,216,597,100</strong></td>
<td><strong>$247,135,963</strong></td>
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**Measure of operations** Support received directly or indirectly from the public is recorded as revenue when received or when the donor has made an unconditional promise to give. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash, including gifts-in-kind, are recorded at their estimated fair value at the date of the gift. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. All donor-restricted support, including related investment income and realized and unrealized gains and losses, is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets. If the restrictions are removed, temporarily restricted net assets are reclassified to unrestricted net assets. CFF and CFFT retain legal and beneficial rights to intellectual property developed under certain scientific grants and drug discovery agreements. Revenues received under these agreements are recorded when earned. In addition, at times CFFT may sell its intangible rights under certain agreements in exchange for a lump sum. Amounts received under these agreements are recorded when rights are forfeited and proceeds are receivable. In May 2013 and November 2014, CFFT entered into agreements to sell its intangible rights to future revenues under a drug discovery agreement. Net revenue from the May 2013 transaction was $247,900,946, which consists of gross proceeds of $250,000,000, net of $2,099,054 of transaction costs. Net revenue from the November 2014 transaction was $3,274,431,963, which consists of gross proceeds of $3,300,000,000, net of $25,568,037 of transaction costs.
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AS OF DECEMBER 31, 2014

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