

Statements of Financial Position

Condensed Financial Information*
As of December 31, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 109,107,327	\$ 89,345,517
Investments	4,470,130,374	4,448,228,889
Program-related investments	86,033,200	70,183,691
Due from investment managers	146,017,734	40,531,240
Receivables, net	39,538,598	45,280,452
Other assets	5,344,206	6,408,437
Fixed assets, net	8,863,037	10,429,966
Operating lease right-of-use asset	20,886,648	24,650,798
Total assets	\$ 4,885,921,124	\$ 4,735,058,990
LIABILITIES AND NET ASSETS		
Accounts payable and other liabilities	\$ 40,625,244	\$ 34,590,068
Awards payable	226,220,440	226,137,686
Operating lease liabilities	26,119,138	30,612,220
Total liabilities	292,964,822	291,339,974
NET ASSETS		
Without donor restrictions	4,576,101,053	4,421,196,358
With donor restrictions	16,855,249	22,522,658
Total net assets	4,592,956,302	4,443,719,016
Total liabilities and net assets	\$ 4,885,921,124	\$ 4,735,058,990

*The independently audited financial statements of the Cystic Fibrosis Foundation are available online at the Foundation's website, [cff.org](https://www.cff.org).

ORGANIZATION

The accompanying financial statements include the operations of the Cystic Fibrosis Foundation, including all of its field offices (the "Foundation").

CASH AND CASH EQUIVALENTS

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. Cash and cash equivalents that are held as part of the Foundation's investment portfolio are reported within investments.

INVESTMENTS

Investments as of December 31, 2023 included primarily fixed income securities, global public equity securities and interests in alternative investment funds. Authoritative guidance 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 as of December 31, 2023 were \$1,282,051,079 in Level 1 assets, \$1,533,530,636 in Level 2 assets, and \$51,614,154 in Level 3 assets. Level 2 assets include \$91,432,231 which are part of cash equivalents in the statement of financial position. Investments totalling \$1,780,399,936 which are measured at fair value using net asset value as a practical expedient, have not been categorized in the fair value hierarchy.

PROGRAM-RELATED INVESTMENTS

The Foundation makes program-related investments in companies with cystic fibrosis-related projects. These include direct equity investments, investments in equity funds, and a convertible promissory note. Equity investments are stated at fair value using quoted market prices or net asset value (NAV) as a practical expedient. The promissory note is recorded at net realizable value and included in receivables, net on the statement of financial position.

AWARDS PAYABLE AND COMMITMENTS

The Foundation generally awards medical/scientific grants and contracts for periods of three years or less. Grants are awarded contingent upon renewal criteria at the beginning of each award period. Awards are expensed at the time the Foundation unconditionally commits to fund the grant or, for those contracts with measurable performance milestones, when the milestone has been met. As of December 31, 2023, in addition to awards payable, the Foundation has medical scientific grant commitments of approximately \$134,061,000 which extend through 2030. These subsequent year awards are contingent upon renewal criteria, and therefore the costs and liabilities are not reflected in the financial statements. Certain agreements provide for future contracted drug discovery and development research payments amounting to approximately \$66,279,000. These costs will be expensed when the services are provided.

LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation's financial assets available for general expenditures, such as program expenses, grants and other operating expenses, within one year of December 31, 2023 are \$2,234,168,175. The Foundation's Board of Trustees approves an annual operating budget and the Investment Committee of the Board of Trustees approves redemptions from the investment portfolio sufficient to meet projected cash needs. The Foundation maintains cash and highly liquid securities sufficient to meet anticipated cash needs for operations, capital commitments, and new investments over an eighteen-month rolling period.

Statements of Activities

Condensed Financial Information*

For the years ended December 31, 2023 and 2022

REVENUE

SUPPORT RECEIVED FROM THE PUBLIC

	2023	2022
Special event revenue	\$ 68,006,550	\$ 68,595,290
Direct benefit expenses	(14,605,601)	(12,405,197)
Net special event revenue	53,400,949	56,190,093
General contributions	33,216,782	41,797,920
Total support received from the public	86,617,731	97,988,013
Licensing, royalties, and other revenue	29,082,343	23,469,251
Total revenue	115,700,074	121,457,264

EXPENSES

PROGRAM SERVICES

Medical programs	317,894,829	282,331,776
Public and professional information and education	20,162,835	19,125,953
Community services	23,754,437	21,891,088
Total program services	361,812,101	323,348,817

SUPPORTING SERVICES

Management and general	33,157,471	29,684,084
Fundraising	32,375,523	30,435,741
Total supporting services	65,532,994	60,119,825
Total expenses	427,345,095	383,468,642

Decrease in net assets from operations	(311,645,021)	(262,011,378)
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OTHER CHANGES IN NET ASSETS

Net nonoperating investment income (loss)	460,882,307	(710,899,915)
Increase (decrease) in net assets	\$ 149,237,286	\$ (972,911,293)

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MEASURE OF OPERATIONS

The Foundation includes in its measure of operations all support received from the public, income on investments designated for operations, royalty revenue, other revenue and all costs of program and supporting services. The measure of operations excludes interest and dividends and realized and unrealized gains or losses on nonoperating and program-related investments. Nonoperating investments are amounts identified for investment over the intermediate to long term.

REVENUE RECOGNITION

Contributions are recorded as revenue when received or when the donor has made an unconditional promise to give. Contributions received for future events are recorded as refundable advances and are recognized as revenue in the year in which the event takes place. 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 revenues with or without donor restriction. All donor-restricted support, including related investment income and realized and unrealized gains and losses, is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Revenues from contracts with customers are recognized when or as performance obligations have been satisfied. Licensing revenue is recognized at a point in time for licenses issued to use intellectual property or over time for licenses granted to access intellectual property. Sales-based royalty revenue is recognized at the later of when 1) the sales occur and 2) the associated performance obligation has been satisfied. Amounts received in advance of the performance period are recorded as deferred revenue.

LEASES

The Foundation is obligated under various operating leases for office space as of December 31, 2023. The Foundation analyses each lease agreement at inception to determine if it is an operating or financing lease and has classified all leases as operating. On the lease commencement date, the right of use assets and liabilities related to operating leases are recorded on the statements of financial position at the estimated present value of lease payments over the lease term. Operating lease expense recognized on a straight-line basis for the year ended December 31, 2023 was \$5,668,423. The approximate future minimum lease payments under noncancellable operating leases are \$27,025,876. The Foundation has entered into sublease agreements with tenants to occupy its former headquarters and certain chapter office spaces. As of December 31, 2023, the approximate future minimum sublease rental payments due from sublease tenants are \$503,000.