

**ASSOCIATION OF STATE AND TERRITORIAL CHRONIC DISEASE  
PROGRAM DIRECTORS**

**D/B/A  
THE NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2021 AND 2020**

**With Independent Auditor's Report Thereon**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Association of State and Territorial Chronic Disease Program Directors  
d/b/a The National Association of Chronic Disease Directors

### Report on the Financial Statements

We have audited the accompanying financial statements of the Association of State and Territorial Chronic Disease Program Directors d/b/a The National Association of Chronic Disease Directors (“NACDD”), which comprise the statements of financial position as of September 30, 2021 and 2020, 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.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association of State and Territorial Chronic Disease Program Directors d/b/a The National Association of Chronic Disease Directors as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

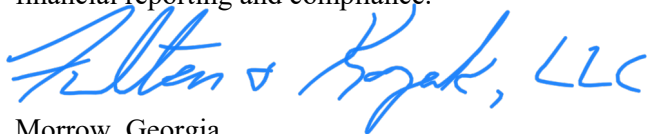
## **Other Matters**

### *Other Information*

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, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2022, on our consideration of the Association of State and Territorial Chronic Disease Program Directors d/b/a The National Association of Chronic Disease Directors' 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 the Association of State and Territorial Chronic Disease Program Directors d/b/a The National Association of Chronic Disease Directors' 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 the Association of State and Territorial Chronic Disease Program Directors d/b/a The National Association of Chronic Disease Directors' internal control over financial reporting and compliance.



Morrow, Georgia  
February 3, 2022

ASSOCIATION OF STATE AND TERRITORIAL CHRONIC DISEASE PROGRAM DIRECTORS  
D/B/A THE NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS  
STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2021 AND 2020

ASSETS		2021	2020
Current assets			
Cash and cash equivalents	\$	1,409,868	\$ 1,771,083
Investments		1,400,979	1,218,105
Grants receivable		430,877	1,988,333
Other receivable		363,136	61,170
Other current assets		147,738	174,204
Total current assets		3,752,598	5,212,895
Furniture and equipment, net		100,944	117,772
Total assets	\$	3,853,542	\$ 5,330,667
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable and accrued expenses	\$	1,071,649	\$ 2,076,017
Deferred revenue		269,234	555,877
Other current liabilities		62,018	20,928
Total liabilities		1,402,901	2,652,822
Net assets			
Without donor restrictions		2,193,858	2,608,379
With donor restrictions		256,783	69,466
Total net assets		2,450,641	2,677,845
Total liabilities and net assets	\$	3,853,542	\$ 5,330,667

*The accompanying notes are an integral part of these financial statements.*

ASSOCIATION OF STATE AND TERRITORIAL CHRONIC DISEASE PROGRAM DIRECTORS  
D/B/A THE NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains and other support			
Grant revenue	\$ -	\$ 29,902,740	\$ 29,902,740
Other grants and contributions	169,247	809,202	978,449
Investment income	182,875	-	182,875
Member dues	74,000	-	74,000
Conference and meetings	400	-	400
Other revenue	<u>69</u>	<u>-</u>	<u>69</u>
Revenue, gains and other support	426,591	30,711,942	31,138,533
Net assets released from restrictions	<u>30,524,625</u>	<u>(30,524,625)</u>	<u>-</u>
Total revenue, gains and other support	<u>30,951,216</u>	<u>187,317</u>	<u>31,138,533</u>
Expenses			
<i>Program activities:</i>			
Prevention	16,164,465	-	16,164,465
Public Awareness and Health Promotion	6,871,830	-	6,871,830
Professional Education and Training	<u>3,679,897</u>	<u>-</u>	<u>3,679,897</u>
Total program activities	26,716,192	-	26,716,192
<i>Supporting services:</i>			
Management and General	4,649,545	-	4,649,545
Fundraising	<u>-</u>	<u>-</u>	<u>-</u>
Total supporting services	<u>4,649,545</u>	<u>-</u>	<u>4,649,545</u>
Total expenses	<u>31,365,737</u>	<u>-</u>	<u>31,365,737</u>
Change in net assets	(414,521)	187,317	(227,204)
Net assets at beginning of year	<u>2,608,379</u>	<u>69,466</u>	<u>2,677,845</u>
Net assets at end of year	<u>\$ 2,193,858</u>	<u>\$ 256,783</u>	<u>\$ 2,450,641</u>

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ASSOCIATION OF STATE AND TERRITORIAL CHRONIC DISEASE PROGRAM DIRECTORS  
D/B/A THE NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, gains and other support			
Grant revenue	\$ -	\$ 25,822,187	\$ 25,822,187
Other grants and contributions	52,655	456,684	509,339
Investment income	149,351	-	149,351
Member dues	96,000	-	96,000
Conference and meetings	31,752	-	31,752
Other revenue	<u>10,617</u>	<u>-</u>	<u>10,617</u>
Revenue, gains and other support	340,375	26,278,871	26,619,246
Net assets released from restrictions	<u>26,938,165</u>	<u>(26,938,165)</u>	<u>-</u>
Total revenue, gains and other support	<u>27,278,540</u>	<u>(659,294)</u>	<u>26,619,246</u>
Expenses			
<i>Program activities:</i>			
Prevention	15,800,048	-	15,800,048
Public Awareness and Health Promotion	5,062,022	-	5,062,022
Professional Education and Training	<u>4,030,005</u>	<u>-</u>	<u>4,030,005</u>
Total program activities	24,892,075	-	24,892,075
<i>Supporting services:</i>			
Management and General	3,975,770	-	3,975,770
Fundraising	<u>3,232</u>	<u>-</u>	<u>3,232</u>
Total supporting services	<u>3,979,002</u>	<u>-</u>	<u>3,979,002</u>
Total expenses	<u>28,871,077</u>	<u>-</u>	<u>28,871,077</u>
Change in net assets	(1,592,537)	(659,294)	(2,251,831)
Net assets at beginning of year	<u>4,200,916</u>	<u>728,760</u>	<u>4,929,676</u>
Net assets at end of year	<u>\$ 2,608,379</u>	<u>\$ 69,466</u>	<u>\$ 2,677,845</u>

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ASSOCIATION OF STATE AND TERRITORIAL CHRONIC DISEASE PROGRAM DIRECTORS  
D/B/A THE NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Program Activities</u>						<u>Total</u>
	<u>Prevention</u>	<u>Public Awareness and Health Promotion</u>	<u>Professional Education and Training</u>	<u>Total</u>	<u>Management and General</u>	<u>Fundraising</u>	
Program expenses	\$ 14,684,383	\$ 6,234,209	\$ 2,855,850	\$ 23,774,442	\$ 433,692	\$ -	\$ 24,208,134
Personnel cost	619,629	566,756	664,246	1,850,631	2,967,588	-	4,818,219
Grant expense	699,535	-	34,545	734,080	-	-	734,080
Noncapitalized equipment	46,641	5,750	7,846	60,237	291,631	-	351,868
Professional services	17,528	-	1,163	18,691	275,107	-	293,798
Occupancy	3,016	1,775	-	4,791	277,096	-	281,887
Conferences and meetings	53,933	44,078	83,416	181,427	53,539	-	234,966
Travel	34,656	16,283	19,071	70,010	119,931	-	189,941
Depreciation, financing and other	380	279	-	659	152,469	-	153,128
Materials, services and consumables	4,764	2,700	13,760	21,224	44,074	-	65,298
Miscellaneous	-	-	-	-	34,418	-	34,418
Total expenses	<u>\$ 16,164,465</u>	<u>\$ 6,871,830</u>	<u>\$ 3,679,897</u>	<u>\$ 26,716,192</u>	<u>\$ 4,649,545</u>	<u>\$ -</u>	<u>\$ 31,365,737</u>

*The accompanying notes are an integral part of these financial statements.*

ASSOCIATION OF STATE AND TERRITORIAL CHRONIC DISEASE PROGRAM DIRECTORS  
D/B/A THE NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Program Activities</u>						<u>Total</u>
	<u>Prevention</u>	<u>Public Awareness and Health Promotion</u>	<u>Professional Education and Training</u>	<u>Total</u>	<u>Management and General</u>	<u>Fundraising</u>	
Program expenses	\$ 14,761,874	\$ 4,871,708	\$ 2,669,980	\$ 22,303,562	\$ 505,215	\$ -	\$ 22,808,777
Personnel cost	181,638	145,742	1,079,755	1,407,135	2,364,950	3,232	3,775,317
Grant expense	384,336	-	-	384,336	-	-	384,336
Noncapitalized equipment	61	180	3,390	3,631	106,286	-	109,917
Professional services	3,375	-	4,290	7,665	263,546	-	271,211
Occupancy	-	-	1,500	1,500	176,047	-	177,547
Conferences and meetings	149,141	4,579	39,658	193,378	116,686	-	310,064
Travel	305,936	37,035	215,508	558,479	175,909	-	734,388
Depreciation, financing and other	1,765	231	13,975	15,971	146,628	-	162,599
Materials, services and consumables	11,922	2,547	1,949	16,418	52,999	-	69,417
Miscellaneous	-	-	-	-	4	-	4
Advocacy	-	-	-	-	67,500	-	67,500
Total expenses	<u>\$ 15,800,048</u>	<u>\$ 5,062,022</u>	<u>\$ 4,030,005</u>	<u>\$ 24,892,075</u>	<u>\$ 3,975,770</u>	<u>\$ 3,232</u>	<u>\$ 28,871,077</u>

*The accompanying notes are an integral part of these financial statements.*



ASSOCIATION OF STATE AND TERRITORIAL CHRONIC DISEASE PROGRAM DIRECTORS  
D/B/A THE NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (227,204)	\$ (2,251,831)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	16,828	13,635
Unrealized/Realized gain on investments	(174,618)	(122,654)
Decrease in government grants and other receivables	1,255,490	1,415,704
Decrease (Increase) in other assets	26,466	(50,437)
(Decrease) Increase in accounts payable and accrued expenses	(1,004,368)	481,054
Increase in other liabilities	41,090	12,275
(Decrease) Increase in deferred revenue	(286,643)	549,625
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(352,959)	47,371
NET CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,070,254)	(1,525,853)
Sale of investments	1,061,998	1,499,156
Purchase of property and equipment	-	(117,769)
NET CASH USED IN INVESTING ACTIVITIES	(8,256)	(144,466)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(361,215)	(97,095)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEARS	1,771,083	1,868,178
CASH AND CASH EQUIVALENTS AT THE END OF THE YEARS	\$ 1,409,868	\$ 1,771,083

*The accompanying notes are an integral part of these financial statements.*

ASSOCIATION OF STATE AND TERRITORIAL CHRONIC DISEASE PROGRAM DIRECTORS  
D/B/A THE NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 AND 2020

**1. ORGANIZATION AND PURPOSE**

The Association of State and Territorial Chronic Disease Program Directors d/b/a The National Association of Chronic Disease Directors (“NACDD”), is a public health association for Chronic Disease Directors from every state and U.S. territory. Its mission is to improve the health of the public by strengthening state-based leadership and expertise for chronic disease prevention and control in states and national levels.

Since its founding in 1988, NACDD has been a national leader in the effort to reduce chronic diseases by mobilizing its members to advocate for preventive policies and programs, and to encourage knowledge sharing and develop model partnerships for health promotion through state and community-based prevention strategies. NACDD primarily receives support through a cooperative agreement with the Centers for Disease Control and Prevention (CDC).

The following are NACDD’s major program activities in addressing and preventing chronic disease for the fiscal years ended September 30, 2021 and 2020:

**Prevention** - NACDD implements various public health programs and activities to address prevention, early detection, and education using different tools, innovative resources, and strategies to prevent chronic diseases.

**Public Awareness and Health Promotion** – Programs implemented by NACDD provide public information, awareness, education, tools, innovative resources, technical assistance and strategies working with public health practitioners in State, Tribal, and Territorial Health Departments and other partners in chronic disease prevention.

**Professional Education and Training** - NACDD provides practice-based learning, mentoring, and leadership development opportunities that support skill building, cross-training, and best practices to drive successful implementation of evidence-based chronic disease prevention and health promotion by the target population. Technical assistance and support are aimed at public health practitioners working at the state, territorial and local levels, people working in professional positions like public health practitioners, health educators, nurses, physicians, epidemiologists, evaluators, and social workers whose focus is chronic disease prevention and health promotion.

**2. COVID-19**

The COVID-19 pandemic, whose effects became known in January 2020, is having broad and negative impact on commerce and financial markets around the world.

The postponement of various meetings, conferences and travels also caused decline in indirect revenue that supports NACDD’s operational cost. In response to the decline in revenue, we took various measures to ensure financial stability, including the implementation measures to reduce operational costs. In addition, NACDD was able to secure two loans amounting to a total of \$1,042,409 from the U.S. Government’s Payroll Protection Program (PPP) in May 2020 and March 2021 respectively that supported qualified operational cost. NACDD initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for

ASSOCIATION OF STATE AND TERRITORIAL CHRONIC DISEASE PROGRAM DIRECTORS  
D/B/A THE NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS  
NOTES TO FINANCIAL STATEMENTS – Continued

**2. COVID-19 - continued**

conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. NACDD is using ASC 958-605 to recognize the PPP loan as a conditional grant. Loan forgiveness applications were submitted for both loans and a total amount \$1,019,336 was approved in June and August of 2021. NACDD has recognized \$1,019,336 in revenue for the year ended September 30, 2021. The revenue is included as grant revenue in the accompanying statement of activities.

In response to COVID 19, NACDD implemented projects with \$10M total awards from Center for Disease Control and Prevention (CDC) that provides educational outreach strategy to communicate critical health information to persons with chronic diseases and those most affected by COVID-19 pandemic and to improve food security, access to safe physical activity and social connectedness. Additional funding of \$10M was granted for these projects in August 2021. Moreover, a \$5M additional grant was recently secured to implement a project with the objective of reducing vaccine hesitancy at the community level by leveraging the expertise of state Chronic Disease Directors and leadership in promoting adult vaccinations for persons living with chronic conditions.

NACDD continues to monitor its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on NACDD's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on NACDD's donors, employees and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact NACDD's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

**Basis of Accounting**

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

**Net Assets**

The financial statements report net assets and changes to net assets that are based on the existence or absence of donor-imposed restrictions as follows:

- *Without donor restrictions* – net assets that are not subject to donor-imposed restrictions or the donor-imposed restrictions have expired. As reflected in the accompanying financial statement, NACDD's Board of Directors has designated a portion of these net assets without donor restrictions as available for use in general operations.
- *With donor restrictions* – net assets that are subject to donor-imposed restrictions. These include net assets that are subject to time or purpose restrictions. Assets with time or purpose restrictions are satisfied either by the passage of time or by actions of NACDD.

ASSOCIATION OF STATE AND TERRITORIAL CHRONIC DISEASE PROGRAM DIRECTORS  
D/B/A THE NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS  
NOTES TO FINANCIAL STATEMENTS – Continued

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Revenue is reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. If an expense is incurred for a purpose for which net assets with donor restrictions are available, a donor-imposed restriction is fulfilled to the extent of the expense incurred. When a donor restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as released from restrictions in the statement of activities. Gains and losses on investments are reported as investment income in net assets without donor restrictions.

**Cash Equivalents**

For purposes of the statement of cash flows, NACDD considers highly liquid investments with maturities of three months or less to be cash equivalents.

**Investments**

Investment securities are stated at fair value. Management fees and expenses are netted against interest and dividend income for the years ended September 30, 2021 and 2020, respectively.

**Government Grants and Other Receivables**

NACDD receives grants funding primarily from the U.S. Department of Health and Human Services (pass through entity — Centers for Disease Control and Prevention) for direct and indirect program costs and to provide certain whole or partial sub-grants to other agencies.

Federal grants are considered conditional contributions. Revenue from grants and contracts is recognized only when funds are utilized by NACDD to carry out the activity stipulated in the grants or contracts agreement. Grants and contracts receivable represent amounts due from funding organizations for reimbursable expenses incurred. Cash received under grants and contracts in advance of incurring the related expenses is reported as deferred revenue.

**Property and Equipment**

Equipment is stated at cost and is being depreciated on a straight-line basis over estimated useful life of three to seven years. Furniture and equipment are capitalized if it has a cost of \$5,000 or more and a useful life of more than one year when acquired.

**Management Estimates**

NACDD's management has made certain estimates and assumptions related to the reporting of government grants receivable, accounts payable, and accrued expenses to prepare the financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

**Revenue Concentrations**

For the years ended September 30, 2021 and 2020, NACDD received majority of its revenue from grants coming from the U.S. Department of Health and Human Services (pass through entity — Centers for Disease Control and Prevention). As a percentage of revenue, these grants amounted to 93% in 2021 and 98% in 2020.

ASSOCIATION OF STATE AND TERRITORIAL CHRONIC DISEASE PROGRAM DIRECTORS  
D/B/A THE NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS  
NOTES TO FINANCIAL STATEMENTS – Continued

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Grant Revenue**

Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenue from federal agencies is subject to independent audit under the Office of Management and Budget’s audit requirements for federal awards and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grants or reductions of future grant funds. Based on prior experience, NACDD’s management believes that cost ultimately disallowed, if any, would not materially affect the financial position of the organization.

**Functional Allocation of Expenses**

The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NACDD’s expenses are classified into two categories: 1) Program activities, which primarily focus on prevention of chronic disease, public awareness and health education, and professional education and training. 2) Support services are expenses incurred to support NACDD’s mission activities. They include activities that provide governance (Board of Directors), oversight, business management, financial recordkeeping, budgeting and reporting, legal services, general and administrative, human resource management, and similar functions that ensure adequate working environment and an equitable employment program.

For the years ended September 30, 2021 and 2020 NACDD’s expenses were allocated to these two areas as follows:

	2021		2020	
	Amount	%	Amount	%
Program activities	\$ 26,716,192	85%	\$ 24,892,075	86%
Support services	4,649,545	15%	3,979,002	14%
Total	\$ 31,365,737	100%	\$ 28,871,077	100%

**Tax Status**

NACDD is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to the organization are tax deductible to donors under Section 170 of the IRC. NACDD is not classified as a private foundation. NACDD is no longer subject to examination by federal, state or local tax authorities for periods before 2018.

**Adoption of New Accounting Pronouncements**

FASB issued ASU 2016-02, Leases (Topic 842), which, when effective, will require organizations to recognize assets and liabilities on the balance sheet for the rights and obligations created by the leases. A lessee will be required to recognize assets and liabilities for leases with terms that exceed twelve months. The standard will also require disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. The disclosures include qualitative and quantitative requirements, providing additional information about the amounts recorded in the financial statements. NACDD does not expect the adoption to have a material impact on net assets. This ASU is effective for the year ending September 30, 2023.

ASSOCIATION OF STATE AND TERRITORIAL CHRONIC DISEASE PROGRAM DIRECTORS  
D/B/A THE NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS  
NOTES TO FINANCIAL STATEMENTS – Continued

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Reclassifications**

Certain prior year amounts have been reclassified to conform to the current year presentation.

**4. LIQUIDITY AND AVAILABILITY**

NACDD regularly monitors liquidity required to meet its operating needs and other financial commitments. In addition to the financial assets and other resources available for general expenditure within one year, NACDD has Board Designated Operating Reserve net assets without donor restrictions of \$1,400,979 that, while the Organization does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, with Board approval as needed.

Financial assets for general expenditures available within one year from September 30, 2021, are as follows:

Financial assets:	
Cash and cash equivalents	\$ 1,409,868
Investments	1,400,979
Grants receivable	430,877
Other receivables	<u>363,136</u>
Total financial assets	3,604,860
Less amounts not available to be used within one year:	
Board Designated Operating Reserve	1,400,979
Net assets with donor restrictions	256,783
Deferred revenue with grant restrictions	<u>241,734</u>
	<u>1,899,496</u>
Total financial assets available for general expenditures within one year	<u>\$ 1,705,364</u>

**5. INVESTMENTS**

The fair value of investments on September 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Short term Reserves and Cash	\$ 7,715	\$ 840,019
Equity Funds	881,988	90,733
Fixed Income Funds	<u>511,276</u>	<u>287,353</u>
	<u>\$ 1,400,979</u>	<u>\$ 1,218,105</u>

ASSOCIATION OF STATE AND TERRITORIAL CHRONIC DISEASE PROGRAM DIRECTORS  
D/B/A THE NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS  
NOTES TO FINANCIAL STATEMENTS – Continued

**6. FAIR VALUE MEASUREMENTS**

NACDD follows the provisions of Statement of Financial Accounting Standards Board (FASB) Accounting Standards Codification ASC 820, Fair Value Measurements and Disclosures, for financial assets and liabilities. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. U.S. GAAP requires NACDD to disclose the fair value of each of its assets and liabilities based on the level of observable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date or published net asset value for alternative investments with characteristics similar to a mutual fund.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement falls, in its entirety, is based on the lowest level input that is significant to the fair value measurement.

The following table summarized the NACDD’s financial instruments measured at fair value on a recurring basis in accordance with ASC 820 as of September 30, 2021:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Short term reserves and cash	\$ 7,715	\$ -	\$ -	\$ 7,715
Equity funds	881,988	-	-	881,988
Fixed income funds	<u>511,276</u>	<u>-</u>	<u>-</u>	<u>511,276</u>
	<u>\$ 1,400,979</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,400,979</u>

The following table summarized the NACDD’s financial instruments measured at fair value on a recurring basis in accordance with ASC 820 as of September 30, 2020:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Short term reserves and cash	\$ 840,019	\$ -	\$ -	\$ 840,019
Equity funds	90,733	-	-	90,733
Fixed income funds	<u>287,353</u>	<u>-</u>	<u>-</u>	<u>287,353</u>
	<u>\$ 1,218,105</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,218,105</u>

ASSOCIATION OF STATE AND TERRITORIAL CHRONIC DISEASE PROGRAM DIRECTORS  
D/B/A THE NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS  
NOTES TO FINANCIAL STATEMENTS – Continued

**7. FURNITURE AND EQUIPMENT**

Furniture and equipment consisted of the following on September 30, 2021 and 2020:

	2021	2020
Furniture, equipment, & software	\$ 161,768	\$ 161,768
Leasehold improvement	35,617	35,617
Total fixed assets	197,385	197,385
Less: accumulated depreciation	(96,441)	(79,613)
Furniture and equipment, net	\$ 100,944	\$ 117,772

**8. LEASE COMMITMENTS**

NACDD leases office space under an operating lease that expires on February 28, 2022 with a provision to extend this lease for up to one additional, one-year period. Rent expense was \$78,520 for each of the fiscal years ended September 30, 2021 and 2020, respectively.

Gross minimum lease payments due per above lease agreement is \$32,717 for fiscal year 2022.

**9. EMPLOYEE BENEFIT PLAN**

NACDD sponsors a defined contribution 401(k) retirement plan in which all employees are eligible to participate. Contributions may be made by employees through pretax contributions. NACDD matches contributions 100% up to 5% of an employee's salary and matches 100% up to 7% of the CEOs salary.

Expenditures for employer contributions to the plan totaled \$151,043 and \$122,097 for the years ended September 30, 2021 and 2020, respectively.

**10. NET ASSETS**

Net assets as of September 30, 2021 and 2020 consist of funds for the following:

	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Available for operations	\$ 792,879	\$ -	\$ 1,390,274	\$ -
Board designated operating reserve	1,400,979	-	1,218,105	-
Lupus Education - ACR#2	-	20,306	-	9,644
Community eConnect – Missouri	-	40	-	40
Community eConnect – Delaware	-	7,487	-	7,487
Hawaii Dept. of Health	-	42,500	-	15,000
Georgia Dept. of Health	-	33,530	-	14,451
Florida Dept. of Health	-	33,403	-	-
Florida Dept. of Health Clinic	-	15,222	-	15,223
North Dakota Health Equity	-	4,010	-	2,110
Community eConnect- Texas	-	2,600	-	2,600
ScreenVision/Connecticut	-	450	-	450
North Dakota Oral Health	-	622	-	(5,039)



ASSOCIATION OF STATE AND TERRITORIAL CHRONIC DISEASE PROGRAM DIRECTORS  
D/B/A THE NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS  
NOTES TO FINANCIAL STATEMENTS – Continued

**10. NET ASSETS - continued**

	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Active Southern West Virginia	-	-	-	7,500
National Hypertension Control Roundtable	-	48,706	-	-
The SC Dept. of Health and Environment	-	500	-	-
Georgia Dept of Health Equity Training	-	614	-	-
BAA TextHealth	-	49,499	-	-
PHPA – Cost of Diabetes in the Workplace	-	8,494	-	-
Beyond Covids, St. Marys Hospital	-	(14,500)	-	-
Maryland Walkability Virtual Academy	-	1,800	-	-
Beyond COVID – Saint James Hospital	-	1,500	-	-
	<u>\$ 2,193,858</u>	<u>\$ 256,783</u>	<u>\$ 2,608,379</u>	<u>\$ 69,466</u>

**11. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through February 3, 2022, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

**SINGLE AUDIT SECTION**

ASSOCIATION OF STATE AND TERRITORIAL CHRONIC DISEASE PROGRAM DIRECTORS  
D/B/A THE NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
SEPTEMBER 30, 2021

**Federal Grantor**

<i>Pass Through Grantor</i> Title of Federal Program	Contract Number	CFDA Number	Passed-through to Subrecipients	Federal Expenditures
<b>Other Programs –</b>				
<b>Department of Health and Human Services</b>				
<i>Direct Federal</i>				
Advancing Arthritis Public Health Approaches Through National Organizations	NU58DP006261	93.068	\$ 35,176	\$ 428,092
Total Chronic Diseases: Research, Control, and Prevention			<u>35,176</u>	<u>428,092</u>
<i>Direct Federal</i>				
Scaling and Sustaining the Diabetes Prevention Program	NU58DP006363	93.261	-	1,337,180
Total Scaling the National Diabetes Prevention Program to Priority Populations			-	<u>1,337,180</u>
<i>Passed through North Dakota Department of Health</i>				
Oral Health State Engagement Implementation For North Dakota Program	NU58DP006477	93.366	-	27,918
Total State Actions to Improve Oral Health Outcomes and Partner Actions to Improve Oral Health Outcomes			-	<u>27,918</u>
<i>Direct Federal</i>				
Preventative Health and Health Services	NU38OT000286	93.421	666,455	23,762,432
COVID-19 Messaging for Chronic Disease Directors	NU38OT000286	93.421	-	1,623,691
Total Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nations Health			<u>666,455</u>	<u>25,386,123</u>
<i>Passed through Nevada Department of Health and Human Services</i>				
Heart Disease and Stroke Prevention Program	NU58DP006538	93.426	-	57,256
<i>Passed through Missouri Department of Health and Senior Services</i>				
Community E-Connect	NU58DP006520	93.426	-	10,000
<i>Passed through Hawaii Department of Health</i>				
Community E-Connect	DP18-1805PPHF18	93.426	-	48,500
Total Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke			<u>\$ -</u>	<u>\$ 115,756</u>

ASSOCIATION OF STATE AND TERRITORIAL CHRONIC DISEASE PROGRAM DIRECTORS  
D/B/A THE NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
SEPTEMBER 30, 2021

**Federal Grantor**

<i>Pass Through Grantor</i> Title of Federal Program	Contract Number	CFDA Number	Passed-through to Subrecipients	Federal Expenditures
Other Programs (Continued) –				
<b>Department of Health and Human Services - Continued</b>				
<i>Direct Federal</i>				
Partner Actions to Improve Oral Health Outcomes	NU58DP006574	93.446	\$ <u>          -</u>	\$ <u>      109,527</u>
Total Partner Actions to Improve Oral Health Outcomes			<u>                  -</u>	<u>          109,527</u>
 <i>Direct Federal</i>				
National Center for Chronic Disease Prevention and Health Promotion	NU58DP006510	93.809	<u>          32,450</u>	<u>      1,621,747</u>
Total National Organizations for Chronic Disease Prevention and Health Promotion			<u>          32,420</u>	<u>      1,621,747</u>
<b>Total Department of Health and Human Services</b>			<u>          734,081</u>	<u>      29,026,343</u>
Total Other Programs			<u>          734,081</u>	<u>      29,026,343</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$          734,081</u>	<u>\$      29,026,343</u>

ASSOCIATION OF STATE AND TERRITORIAL CHRONIC DISEASE PROGRAM DIRECTORS  
D/B/A THE NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
SEPTEMBER 30, 2021

**Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of the Association of State and Territorial Chronic Disease Program Directors d/b/a The National Association of Chronic Disease Directors (“NACDD”) under programs of the federal government for the year ended September 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of NACDD, it is not intended to and does not present the financial position, changes in net assets, or cash flows of NACDD.

**Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3 - Indirect Cost Rate**

NACDD has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

To the Board of Directors and Officers of  
Association of State and Territorial Chronic Disease Program Directors  
d/b/a The National Association of Chronic Disease Directors

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 the Association of State and Territorial Chronic Disease Program Directors d/b/a The National Association of Chronic Disease Directors (“NACDD”) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, 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 February 3, 2022.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered NACDD's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NACDD's internal control. Accordingly, we do not express an opinion on the effectiveness of the NACDD'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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether NACDD's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **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.



Morrow, Georgia  
February 3, 2022

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

To the Board of Directors and Officers of  
Association of State and Territorial Chronic Disease Program Directors  
d/b/a The National Association of Chronic Disease Directors

**Report on Compliance for Each Major Federal Program**

We have audited the Association of State and Territorial Chronic Disease Program Directors d/b/a The National Association of Chronic Disease Directors' ("NACDD") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of NACDD's major federal programs for the year ended September 30, 2021. NACDD'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 NACDD'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 NACDD'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 NACDD's compliance.



## Opinion on Each Major Federal Program

In our opinion, NACDD 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 September 30, 2021.

## Report on Internal Control over Compliance

Management of NACDD 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 NACDD'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 NACDD'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.

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. 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.



Morrow, Georgia  
February 3, 2022

ASSOCIATION OF STATE AND TERRITORIAL CHRONIC DISEASE PROGRAM DIRECTORS  
D/B/A THE NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SEPTEMBER 30, 2021

**Financial Statements**

Type of auditor’s report issued: **Unmodified**

Internal control over financial reporting:

	Yes	No	None Reported
• Material weakness(es) identified?		X	
• Significant deficiencies identified that are not considered to be material weaknesses?			X
Noncompliance material to financial statements noted?		X	

**Federal Awards**

Internal control over major programs:

• Material weakness(es) identified?		X	
• Significant deficiencies identified that are not considered to be material weaknesses?			X

Type of auditor’s report issued on compliance for Major programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance?

	X	
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ASSOCIATION OF STATE AND TERRITORIAL CHRONIC DISEASE PROGRAM DIRECTORS  
D/B/A THE NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SEPTEMBER 30, 2021

**Identification of Major Programs:**

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.421	Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nations Health
93.261	Scaling the National Diabetes Prevention Program to Priority Populations

Dollar threshold used to distinguish between type A and type B programs:

\$870,790

<u>Yes</u>	<u>No</u>
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Auditee qualified as low-risk auditee?

X

**Section II – Financial Statement Findings**

No matters were reported.

**Section III – Federal Award Findings and Questioned Costs**

No matters were reported.