



2019 ANNUAL REPORT

The Foundation for
The Malcolm Baldrige National Quality Award, Inc.

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“I am proud of the team here at the Baldrige Foundation as we continue our own Baldrige journey. We are incorporating feedback on our Organizational Profile received in late 2018 from our state-based program, The Partnership for Excellence. We will begin working on our 25-page application in the 2020-2021 timeframe as our next step in the process.”

The Year in Review

by Al Faber
President and CEO, Baldrige Foundation

As President and CEO of the Foundation for the Malcolm Baldrige National Quality Award, it is an honor to present the 2019 Annual Report which includes our audit and financial information.

To all the dedicated volunteers, examiners, judges, state program leaders and their Boards, as well as the Baldrige Program staff, thank you for another successful year filled with achievement and progress in pursuit of performance excellence. And to those in the greater Baldrige Community—consultants, members of ASQ, and other Baldrige-based organizations like the American Health Care Association—thanks for your continued support and collaboration.

Sustaining the government's commitment to our public-private partnership remains the Foundation's number one advocacy priority. Our strategy to engage the current administration, along with members of Congress, coupled with support from influential leaders throughout the Baldrige Community who help tell our story, has resulted in a renewed commitment to financially support the Baldrige Performance Excellence Program (BPEP). We continue to recognize leaders who are helping us make a difference.

We awarded the E. David Spong Lifetime Achievement Award to Senator Richard Shelby of Alabama in 2019. Senator Shelby has been an advocate for Baldrige since its inception, both in Alabama and across the nation.

We also recognized Representative Sam Graves Jr. from Missouri's 6th congressional district with the Award for Leadership Excellence in Government. Representative Graves was the primary champion helping us build support for the Baldrige FY2018 appropriation in the U.S. House of Representatives.

In 2020 we will recognize Senator Jeanne Shaheen for her leadership and support. Senator Shaheen has been a champion for cost effectiveness, quality, and value in health care for many years and her leadership has been instrumental in health care reform legislation. Along with leaders from other sectors, this year's select group of individual recipients exemplify role-model leadership.

The Baldrige Program's mission is precisely aligned with the National Institute of Standards and Technology (NIST) and the Department of Commerce. This public-private



Foundation President and CEO Al Faber (right) welcomes U.S. Secretary of Commerce Wilbur Ross (left) and his wife, Hilary Geary Ross, to the Malcolm Baldrige National Quality Award Ceremony at the 31st Quest for Excellence Conference, National Harbor, Maryland, April 7, 2019.



Showcasing the 2018 Baldrige National Quality Award winners, from right, Al Faber, President and CEO of the Baldrige Foundation; Mike Flores, Chancellor, Alamo Colleges District; Sue Dunn, President and CEO, Donor Alliance, Inc.; Lindel Fields, Superintendent and CEO, Tri County Tech; C. Richard Panico, President and CEO, Integrated Project Management Company, Inc.; Kyle Bennett, President and CEO, Memorial Hospital and Health Care Center; and P. George Benson, Ph.D., Chair of the Baldrige Foundation Board of Directors; April 7, 2019, National Harbor, Maryland.

partnership, which improves the performance and competitiveness of U.S. organizations, has an economic impact of more than one billion dollars annually, as noted by Secretary of Commerce Wilbur L. Ross in his remarks during the 2017 Awards Ceremony.

The Baldrige Program had another successful year in 2019, managing the awards process and delivering exceptional training experiences like the Baldrige Executive Fellows Program and national examiner training. This year, more than 25 high-performing organizations applied for the nation's highest honor for performance excellence and the only award for quality that carries the seal of the President of the United States. After a demanding and thorough analysis, six organizations emerged as national role-model organizations and the 2019 Malcolm Baldrige National Quality Award Winners:

- Adventist Health White Memorial, Los Angeles, California (Health Care)
- Center for Organ Recovery and Education (CORE), Pittsburgh, Pennsylvania (Nonprofit)
- City of Germantown, Germantown,

Tennessee (Nonprofit)

- Howard Community College, Columbia, Maryland (Education)
- Illinois Municipal Retirement Fund, Oak Brook, Illinois (Nonprofit)
- Mary Greeley Medical Center, Ames, Iowa (Health Care)

Congratulations to each of these stellar organizations.

Advocacy

Throughout 2019, the Foundation continued to champion the Baldrige Program, State-based Programs, and Communities of Excellence 2026 (COE 2026) with leaders at the national, state, and local levels. Once again, we had the opportunity to meet with the Commerce, Justice, Science and Related Agencies (CJS) staff in both the House and the Senate. There were several new members on each committee staff and we invested considerable time explaining the many benefits of Baldrige throughout the nation and across every sector of the economy. Once again, we impressed upon them the excitement behind Communities of Excellence 2026, cybersecurity, and our work in rural health care. In 2020, working along with COE 2026, BPEP, and the Alliance, we will be coordinating

support for “Community” to become the 7th Baldrige Award Category.

We have received strong bipartisan support in the Senate from both Senator Jerry Moran of Kansas, the Chairman, and Senator Jeanne Shaheen the ranking member, of the CJS Subcommittee on Appropriations. In fact, all of the Senators we have engaged on the CJS Subcommittee have indicated they will continue to support our efforts.

This year we have the honor of presenting the Baldrige Foundation Award for Leadership Excellence in Government to Senator Shaheen from New Hampshire. Her leadership in health care reform, growing a stronger economy, and numerous other areas have made her one of the nation’s most respected senators. We are excited to recognize her and thank her once again for her leadership. Bi-partisan support will be critical in both the House and Senate over the next two years as we advocate for “Community” to become the 7th Category of Baldrige Award. This will be a joint effort between the Foundation, COE 2026, Alliance for Performance Excellence, and the Baldrige Program. Our planning is currently on track and we are optimistic that we will soon see this exciting new category become a reality.

To help build and sustain grass roots support for our efforts and align the Baldrige Community, the Foundation continued its popular quarterly webinar series in 2019. For years, there has been a need for more communication and coordination across the Baldrige Community. The webinars are free, and designed to inform, educate, and synchronize our efforts. In addition to guest speakers on topics of interest to the Baldrige

Community and Foundation information, the Baldrige Program and Alliance have segments to share key information that keep our stakeholders updated and engaged. Filling a long-overdue gap, these webinars have become an ideal communication tool and attendance continues to grow steadily each quarter.

Fundraising

First and foremost, thanks to all our individual and organizational donors, sponsors, and partners over the past year listed in this *Journal*. During 2019, the Baldrige Foundation continued its transformation into a more successful and sustainable fundraising organization and advocate for the Baldrige Program. We are growing corporate interest in sponsorships for the Quest for Excellence® conference and continue to increase the number of channel partnerships by welcoming Constellation, Inc., joining Walden University, Beyond Feedback, The Synergy Organization, SOAR Vision Group, and AmazonSmile.

On October 8, 2019, Constellation and the Baldrige Enterprise announced, “a strategic collaboration which has a common mission to define, recognize, and foster excellence in health care.”

“Since 1988, the Baldrige Award, which carries the presidential seal, has been the highest recognition in the nation for excellence across the critical performance areas of the Baldrige criteria found in the Baldrige Excellence Framework. As a medical professional liability (MPL) insurance company, we have achieved an industry milestone in our collaboration with Baldrige. It’s a way for Constellation to incorporate Baldrige standards of quality and excellence in what we do,” said Vince Gallucci, head of national programs





Foundation President and CEO Al Faber with Youngstown Mayor Tito Brown and Team Mahoning Valley in Nashville, Tennessee at the Communities of Excellence 2026 and Baldrige Fall Conference. The Mahoning Valley Communities of Excellence team is now part of COE 2026's third cohort and off and running to become recognized as a Community of Excellence! Congratulations Mayor Brown and thanks for your leadership!

and client relations. "Specifically, it embraces our own Constellation Aligned Performance Initiative (CAPI), which is a way we partner with our health care and senior living clients to acknowledge and advance their performance metrics. CAPI's proprietary scoring system enables us to identify performance results, as indicated by their scorecard or dashboard, and—

more importantly—to reward those results using premium adjustments, gainsharing arrangements, multi-year rate locks, and expert support for risk management programs."

We look forward to our growing relationship with Constellation as we together offer incentives for performance excellence through use of the Baldrige Excellence Framework.

The Foundation continues to cultivate major gifts and strengthen corporate and individual giving to include online donations as part of national campaigns like #GivingTuesday. This year, we achieved an unprecedented 168 percent increase in donations as part of our #GivingTuesday campaign. We are also supporting state-based programs throughout the Alliance for Performance Excellence. We increased sponsorships more than 82 percent over 2018 levels for the 2019 Baldrige Fall Conference in Nashville!

In 2018, we expanded our individual awards program to include the Foundation Awards for Leadership Excellence and the Dr. Curt Reimann



In studio with Leader Dialogue Radio with Ben Sawyer (far left) President and CEO of the SOAR Vision Group; Jennifer Strahan (from left, facing), COO of the SOAR Vision Group; Sherry Farrugia, Chief Operating and Strategy Officer, Pediatric Technology Center at Georgia Tech; Lisa Counsell (back to the camera, right), Chief Commercial Officer, SOAR Vision Group, and Duffie Dixon, Host of Leader Dialogue Radio.

Baldrige Scholarship. The Baldrige Foundation Awards for Leadership Excellence recognize leaders in the Business (Manufacturing, Service, Small Business), Nonprofit, Government, Health Care, Education, and Cybersecurity sectors. The award recognizes leaders who provide exceptionally outstanding support to Baldrige and the Foundation's mission. The Dr. Curt Reimann Baldrige Scholarship provides recipients an opportunity to attend the Baldrige Examiner Training Experience, held each spring at NIST in Gaithersburg, Maryland. The scholarship was created to recognize and honor the important role played by examiners in the Baldrige Award process.

We are strengthening and scaling up our partnership with SOAR Vision Group as part of a long-term strategy to grow Baldrige in all business verticals. We continued to promote our co-branded leader dialogue website to provide virtual collaboration and thought leadership opportunities for leaders throughout the Baldrige Community and beyond. The leaderdialogue.com website helps leaders deepen their understanding of the Baldrige Framework and provides insights on what they can do to strengthen organizational deployment, strategy execution, and accelerate their performance excellence journey.

Complementing online resources is our radio show, Leader Dialogue Radio, co-hosted by the Baldrige Foundation and SOAR Vision Group, which now averages over 124,000 podcast downloads weekly. This year's guests included well-known Baldrige thought leaders like Dr. George Benson, Former President of the College of Charleston;

Our 2020 Individual Award Recipients are:

E. David Spong Lifetime Achievement Award

W. Paul Worstell, (Former CEO)
PRO-TEC Coating Company

Harry S. Hertz Leadership Award

Jayne Pope, Chief Executive
Officer, Hill Country Memorial

Award for Leadership Excellence recipients are:

Lawrence "Larry" Adams, Vice
President (Retired), Florida
Power and Light, in the
Business sector

Gerry Agnes, CEO, Elevations
Credit Union, in the Business
sector

Linda Vincent, Executive
Director, Alabama Performance
Excellence Program, in the
Nonprofit sector

Gary Floss, Retired Business
Leader, in the Business sector

Janice Garfield, Ph.D.,
Director, Professional Doctorate
Innovation and Assessment,
Walden University, in the
Education sector

Mac McMillan, CEO Emeritus,
CynergisTek, Inc., in the
Cybersecurity sector

Ray Montgomery, Special
Projects Executive; Former
President and CEO, Unity
Health, in the Health Care
sector

Tom Raffio, CEO, Northeast
Delta Dental, in the Health
Care sector

Senator Jeanne Shaheen, US
Senate, New Hampshire, in the
Government sector

Michelle Tierney, Ph.D., VP of
Organizational Development
and Innovation, Southcentral
Foundation, in the Health Care
sector

Dr. Robert Trenchel, President
and CEO, Yuma Regional
Medical Center, in the Health
Care sector

Dr. Curt Reimann Baldrige Scholars are:

Alan Lee Gunnerson, Ph.D.,
Director of Consulting - Service
Delivery, CGI Federal Program
Manager (ATIS) [Army Training
Information System]

Jason Hazelrigg, Regional
Practice Manager, Pain
Management, Mount Carmel
Health System



Scott McIntyre, CEO of Guidehouse; Dr. Dave Gifford, Director, Center for Health Policy Evaluation in Long-term Care and CMO, American Health Care Association/National Center for Assisted Living; Rulon Stacy, Program Director, University of Colorado Business School; Lowell Kruse Chair, COE 2026 and Former President and CEO, Heartland Health, and non-Baldrige leaders like Geoff Duncan, the Lieutenant Governor of Georgia.

Every leader has a strategy, executing on that strategy is the challenge. If you want to learn how to effectively achieve what you have set out to accomplish, then this show is for you. Gain keen insights and listen in as leaders share their stories and best practices. The show airs live each Friday at 1:00 p.m. ET, and podcasts are available to download on the Leader Dialogue website.

The Foundation staff also spent a great deal of time in 2019 planning for our announcement of the Baldrige Foundation's Institute for Performance Excellence and Mac Baldrige Society later this year. The Institute for Performance Excellence will be a thought leader on performance excellence, leadership, and management. Our team will carry out this mission by undertaking research projects, hosting conferences and activities, conducting executive-level training, and publishing and distributing a wide variety of educational materials. The mission of the Institute is to improve the practice of leadership and management in pursuit of performance excellence and its impact in an ever-changing world.

The Mac Baldrige Society is our campaign to raise the funding required to establish the Institute and consists of its first 20 Trustees. The Institute is one of the most exciting developments in creating a long-term vision for the Foundation and securing its sustainability.



The Institute's signature publication will be *The Chronicle of Leadership and Management*, a new peer-reviewed periodical scheduled to debut in late 2020. James R. Evans, Ph.D., Professor Emeritus at the Lindner College of Business, University of Cincinnati, is the *Chronicle's* Editor-in-Chief.

The goal of the *Chronicle* is to facilitate the sharing of knowledge by providing insightful and practical perspectives and thought leadership for leading and managing performance excellence in business, health care, education, government, nonprofit organizations, and in community and cybersecurity applications. The call for contributing papers for this peer-reviewed publication is available on the Foundation's website and in this edition of the *Journal*.

Promoting Performance Excellence

An important part of the Foundation's mission is promoting performance excellence in the United States and throughout the world. In addition to our very successful online initiatives through social media, and our weekly radio talk show, I have had the opportunity to attend and speak at numerous state-program conferences and other venues again this year.

Early in the year I attended the Quality New Mexico conference and also

paid a visit to Texas where Dr. Mac McGuire, his wife Lin, and Board Chair, Tommy Gonzalez, are driving one of the largest and best state-based programs in the country, helping to make Texas a “quality state.” I had the chance to publicly recognize Dr. Mac and Lin, who are planning to retire soon, and thank them for their dedicated service to Texas and the Baldrige Enterprise nationwide. I then made a visit to Denver and spoke at the Rocky Mountain Performance Excellence (RMPEX) state conference. The team at RMPEX is doing an outstanding job as a regional program across a four-state region that includes Colorado, Montana, Wyoming, and Nebraska.

We held two CEO Innovation Roundtable Events for health care leaders this year. The first was in Atlanta where we specifically addressed the challenges facing nonprofit health care organizations. The theme of the event was *Performance Excellence in the Age of Consumerism: Board Leadership*, focusing on effective strategy development, deployment, and the role of governance. The event started with a dinner at which Morten Hansen, Ph.D. provided the keynote address. Dr. Hansen is

a world-renowned organizational consultant who is a thought leader in many areas of business, some of the most notable being collaboration and developing high-performance organizations. Ben Sawyer and Jennifer Strahan from SOAR Vision Group; Pam Knecht, President and CEO of ACCORD LIMITED and faculty member at The Governance Institute; and Dr. Roger Spoelman, Executive Advisor, Strategic and Operational Integration at Trinity Health, all served as skillful facilitators, guiding attendees in meaningful and engaging dialogue.

The second CEO Roundtable was a collaboration between the Baldrige Foundation, SOAR Vision Group, and the University of Alabama at Birmingham’s (UAB) Department of Health Services Administration. We co-branded our Roundtable with UAB’s National Symposium for Healthcare Executives. The event featured a keynote presentation from Chuck Stokes, President and CEO of the Memorial Hermann Health System, Houston, Texas, and former Chair of the Board of Directors of the American College of Healthcare Executives. This was one of the most engaging events to date and immediately led to



Working session at the CEO Innovation Roundtable, co-sponsored by the Foundation, the SOAR Vision Group, and the University of Alabama at Birmingham.





Chuck Stokes, President and CEO of the Memorial Hermann Health System and former Chair of the Board of Directors of the American College of Healthcare Executives, addresses the National Symposium for Healthcare Executives at the University of Alabama at Birmingham, co-sponsored with the Foundation and the SOAR Vision Group.

another planned event in Denver, Colorado, in collaboration with Benjamin Anderson and the Colorado Hospital Association.

I also had the opportunity to serve again in 2019 as a judge for the Health Administration Case Competition at UAB. Graduate students from colleges and universities across the United States compete in a rigorous process to offer ideas on improving quality and access to a rural health care system. It was exciting to discuss the Baldrige Excellence Framework with these future leaders and provide them another tool in their leadership and academic experience. Connecting Baldrige with future leaders is a key strategy for the Foundation and we are making progress in several ways.

First, I have had the pleasure to work with the CEO of the Commission on Accreditation of Healthcare Management Education (CAHME), which is the accrediting body for graduate programs in health care management across the United States and Canada. Recently I was named to their Standards Council and have enjoyed participating in the

current review of their Accreditation Criteria for participating colleges and universities. The Foundation has also developed a Baldrige Course for MHA programs which includes a syllabus and all supporting materials needed to effectively teach a full semester graduate course covering the Baldrige Excellence Framework and performance excellence in health care. Dr. Jim Evans developed the course based on his work at the University of Cincinnati. The Foundation will begin to promote the course in MHA programs throughout the United States in 2020.

I was also proud of the team here at the Baldrige Foundation as we continue our own Baldrige Journey. We are incorporating feedback on our Organizational Profile received in late 2018 from our state-based program, The Partnership for Excellence. We will begin working on our 25-page application in the 2020-2021 timeframe as our next step in the process.

My last event of 2019 was the Baldrige Program's Board of Overseers meeting in Gaithersburg, Maryland. Deborah Bowen, CEO of the American College of Health Care Executives, is the Board Chair and along with all the Board members are working to guide the



Foundation President and CEO Al Faber (left) recognizes Phil Singerman for his service to the Baldrige Community. Mr. Singerman retired from the National Institute of Standards and Technology in early 2020.

Baldrige Program and serve as ambassadors for Baldrige in every sector of the economy.

On a personal note, I had the opportunity during the meeting to recognize Phil Singerman. Phil is the Associate Director for Innovation and Industry Services at NIST. He was appointed to this position in January 2011 after a 35-year career in tech-based economic development. He is responsible for the NIST suite of technology partnerships, quality, and advanced manufacturing programs, including the Hollings Manufacturing Extension Partnership, the Baldrige Performance Excellence Program, the Office of Advanced Manufacturing, the Technology Partnership Program, and other extramural activities. Phil retired in early 2020 and we will miss him. His support for the Baldrige Program has been extraordinary. We wish him all the best in retirement.

The year 2020 is also a transition year for the Foundation's leadership. Board Chair, Dr. George Benson, was replaced by Dr. Kathryn Eggleston. George served the Foundation as chair for more than seven years and did a superb job during one of the most turbulent times in the Foundation's history. He will remain on the board as immediate past chair, and we look forward to Kay's leadership moving forward!

In summary, 2019 proved to be very successful for the Baldrige Program, Foundation, Alliance programs, and ASQ. With a clear sense of purpose, mission, and strategy, we continue to grow fundraising operations and increase awareness through advocacy. The Foundation's operating costs remained under budget, demonstrating our responsible stewardship of the Foundation's endowment and commitment to sustainability.



Outgoing Foundation Board Chair P. George Benson, Ph.D. (from left), Foundation President and CEO Al Faber, and starting January 1, 2020, Foundation Board Chair Kathryn Eggleston, Ph.D., with the Baldrige Award at the Malcolm Baldrige National Quality Award presentation ceremony, April 2, 2017, Baltimore, Maryland.

On behalf of the Foundation's Board of Directors and staff, I wish to once again thank all the dedicated men and women across America who volunteer and support this great program. The Baldrige Excellence Framework continues to keep our nation on the leading edge of validated management best practices, and competitive in the global economy, returning enormous benefit to all U.S. citizens.

After three decades, Baldrige continues to be *America's Best Investment!*

Sincerely,

A handwritten signature in blue ink that reads 'Al Faber'.

Al Faber
President and CEO



**THE FOUNDATION FOR THE
MALCOLM BALDRIGE
NATIONAL QUALITY AWARD, INC.**

FINANCIAL STATEMENTS

September 30, 2019 and 2018

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**THE FOUNDATION FOR THE
MALCOLM BALDRIGE
NATIONAL QUALITY AWARD, INC.**

BOARD OF DIRECTORS

P. George Benson Ph.D., Chairman

Kathryn Eggleston, Ph.D., Vice-Chairman

Frank Fusco, Treasurer

Rulon Stacey, Ph.D., Secretary

E. David Spong, D.Sc.

Diane Brockmeier

David Gifford, MD, MPH

Lowell Kruse

Scott McIntyre

Tony Scott

Sunil Sinha

Russ Branzell

Scott Reiner

Al Faber, President and CEO



250 W. Old Wilson Bridge Road
Suite 300
Worthington, Ohio 43085
(614) 396-4200 fax (614) 396-4210
www.whalencpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Foundation for the Malcolm Baldrige National Quality Award, Inc.

We have audited the accompanying financial statements of The Foundation for the Malcolm Baldrige National Quality Award, Inc. (a nonprofit corporation) (the "Foundation") which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Foundation for the Malcolm Baldrige National Quality Award, Inc. as of September 30, 2019 and 2018, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of investments on page 18 is presented for the purpose 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.

A handwritten signature in black ink that reads "Whalen & Company, CPAs". The signature is written in a cursive, flowing style.

Whalen & Company, CPAs
Worthington, Ohio

January 27, 2020

**THE FOUNDATION FOR THE MALCOLM BALDRIGE
NATIONAL QUALITY AWARD, INC.**
STATEMENTS OF FINANCIAL POSITION
As of September 30, 2019 and 2018

	ASSETS	
	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 511,424	\$ 604,682
Restricted cash and cash equivalents	-	1,000
Current portion of contributions receivable	85,000	138,227
Certificates of deposit	1,102,050	1,258,987
Investments	-	751,335
Prepaid expenses	-	20,000
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	1,698,474	2,774,232
PROPERTY AND EQUIPMENT		
Furniture and equipment	5,943	5,943
Less accumulated depreciation	(2,235)	(1,046)
	<hr/>	<hr/>
NET PROPERTY AND EQUIPMENT	3,708	4,897
OTHER ASSETS		
Deposits	2,587	2,587
Contributions receivable, net of current portion	85,700	154,873
	<hr/>	<hr/>
TOTAL OTHER ASSETS	88,287	157,460
	<hr/>	<hr/>
TOTAL ASSETS	<u><u>\$ 1,790,469</u></u>	<u><u>\$ 2,936,589</u></u>

See accompanying notes and independent auditor's report.

**THE FOUNDATION FOR THE MALCOLM BALDRIGE
NATIONAL QUALITY AWARD, INC.**
STATEMENTS OF FINANCIAL POSITION
As of September 30, 2019 and 2018

	2019	2018
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 10,499	\$ 6,614
Agency liability	-	1,000
TOTAL CURRENT LIABILITIES	10,499	7,614
LONG-TERM LIABILITIES		
Deferred revenue	1,000,000	1,000,000
TOTAL LIABILITIES	1,010,499	1,007,614
NET ASSETS		
WITHOUT DONOR RESTRICTIONS		
Undesignated	431,381	1,269,697
Board designated	252,000	252,000
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	683,381	1,521,697
WITH DONOR RESTRICTIONS		
Restricted for purpose	10,889	12,221
Time restricted	85,700	395,057
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	96,589	407,278
TOTAL NET ASSETS	779,970	1,928,975
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,790,469</u>	<u>\$ 2,936,589</u>

See accompanying notes and independent auditor's report.

**THE FOUNDATION FOR THE MALCOLM BALDRIGE
NATIONAL QUALITY AWARD, INC.**

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Years Ended September 30, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Contributions	\$ 165,212	\$ -	\$ 165,212	\$ 16,410	\$ 115,222	\$ 131,632
Quest sponsorship	78,000	30,000	108,000	4,220	164,384	168,604
In-kind donations	186,771	-	186,771	141,053	-	141,053
Other	37,162	-	37,162	6,334	-	6,334
Net assets released from restrictions	494,744	(494,744)	-	433,661	(433,661)	-
TOTAL REVENUE AND SUPPORT	961,889	(464,744)	497,145	601,678	(154,055)	447,623
INVESTMENT ACTIVITY						
Dividend and interest income	59,342	-	59,342	54,899	-	54,899
Net realized and unrealized gain (loss) on investments	(17,583)	-	(17,583)	34	-	34
NET INVESTMENT ACTIVITY	41,759	-	41,759	54,933	-	54,933
TOTAL	1,003,648	(464,744)	538,904	656,611	(154,055)	502,556
OPERATING EXPENSES						
Program services	659,638	-	659,638	586,885	-	586,885
Management and general	624,182	-	624,182	564,705	-	564,705
Fundraising	404,089	-	404,089	353,477	-	353,477
TOTAL OPERATING EXPENSES	1,687,909	-	1,687,909	1,505,067	-	1,505,067
CHANGE IN NET ASSETS	(684,261)	(464,744)	(1,149,005)	(848,456)	(154,055)	(1,002,511)
NET ASSETS, BEGINNING OF YEAR	1,367,642	561,333	1,928,975	2,370,153	561,333	2,931,486
NET ASSETS, END OF YEAR	\$ 683,381	\$ 96,589	\$ 779,970	\$ 1,521,697	\$ 407,278	\$ 1,928,975

See accompanying notes and independent auditor's report.

**THE FOUNDATION FOR THE MALCOLM BALDRIGE
NATIONAL QUALITY AWARD, INC.**

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2019

	Program Services	Management and General	Fundraising	Total
OPERATING EXPENSES				
Process management and support	\$ 263,192	\$ -	\$ -	\$ 263,192
Outreach	-	-	130,670	130,670
Harry Hert award	241	-	-	241
Regional conference	33,443	-	-	33,443
Leadership excellence awards	15,677	-	-	15,677
Scholarships	3,000	-	-	3,000
Salaries and wages	322,818	141,075	222,347	686,240
Payroll taxes	19,393	14,999	12,224	46,616
Employee benefits	-	3,616	656	4,272
Outside services	-	1,770	-	1,770
Recruitment	-	140	-	140
Special events	-	1,590	-	1,590
Professional fees	-	22,043	-	22,043
Depreciation	-	1,189	-	1,189
Consulting	-	190,000	-	190,000
Bank fees	-	561	-	561
Office	-	79,055	18,260	97,315
Travel	-	7,488	9,748	17,236
Board member expense	-	4,490	-	4,490
Board member travel and meetings	-	62,895	-	62,895
Insurance	-	2,414	-	2,414
Bad debt	-	5,421	-	5,421
Miscellaneous	-	11,701	-	11,701
Registration fees	-	-	10,184	10,184
Information technology	1,874	73,735	-	75,609
TOTAL OPERATING EXPENSES	\$ 659,638	\$ 624,182	\$ 404,089	\$ 1,687,909

See accompanying notes and independent auditor's report.

**The Foundation for the Malcolm Baldrige
National Quality Award, Inc.**

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2018

	Program Services	Management and General	Fundraising	Total
OPERATING EXPENSES				
Process management and support	\$ 250,715	\$ -	\$ -	\$ 250,715
Outreach	-	-	130,389	130,389
Harry Hert award	1,654	-	-	1,654
David Spong award	726	-	-	726
Regional conference	38,819	-	-	38,819
Leadership excellence awards	892	-	-	892
Scholarships	3,000	-	-	3,000
Salaries and wages	257,086	128,189	135,942	521,218
Payroll taxes	15,937	10,179	6,821	32,937
Employee benefits	18,000	1,623	5,705	25,328
Outside services	-	75	-	75
Recruitment	-	1,458	-	1,458
Special events	-	-	55	55
Professional fees	-	14,667	-	14,667
Depreciation	-	1,046	-	1,046
Consulting	-	240,039	9,499	249,538
Bank fees	-	670	-	670
Office	-	71,241	28,299	99,540
Travel	-	611	26,301	26,912
Board member expense	-	10,557	-	10,557
Board member travel and meetings	-	67,865	-	67,865
Insurance	-	1,674	-	1,674
Bad debt	-	260	-	260
Miscellaneous	56	3,159	-	3,214
Registration fees	-	-	10,466	10,466
Information technology	-	11,392	-	11,392
TOTAL OPERATING EXPENSES	\$ 586,885	\$ 564,705	\$ 353,477	\$ 1,505,067

See accompanying notes and independent auditor's report.

**THE FOUNDATION FOR THE MALCOLM BALDRIGE
NATIONAL QUALITY AWARD, INC.**

STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2019 and 2018

	2019	2018
OPERATING ACTIVITIES		
Change in net assets	\$ (1,149,005)	\$ (1,002,511)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	1,189	1,046
Net realized and unrealized (gains) losses on investments	17,583	(34)
Bad debt expense	5,421	260
(Increase) decrease in operating assets:		
Unconditional promises to give	116,979	267,973
Agency funds	(1,000)	-
Prepaid expenses	20,000	5,305
Increase (decrease) in operating liabilities:		
Accounts payable	3,885	(6,392)
Agency funds	1,000	1,000
NET CASH FROM OPERATING ACTIVITIES	(983,948)	(733,353)
INVESTING ACTIVITIES		
Purchase of investments	(998,102)	(49,661)
Proceeds from the sale of investments	1,888,791	1,134,501
Purchase of property and equipment	-	(5,943)
NET CASH FROM INVESTING ACTIVITIES	890,689	1,078,897
NET CHANGE IN CASH AND CASH EQUIVALENTS	(93,259)	345,544
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	604,682	259,138
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 511,424</u>	<u>\$ 604,682</u>

See accompanying notes and independent auditor's report.

**THE FOUNDATION FOR THE MALCOLM BALDRIGE
NATIONAL QUALITY AWARD, INC.**
NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

NOTE 1 - ORGANIZATION

The Foundation for the Malcolm Baldrige National Quality Award, Inc. (the "Foundation") is a not-for-profit corporation that provides the private sector a means of accomplishing the following for the Malcolm Baldrige National Quality Award (Award Program) objectives: raise sufficient funds to establish an endowment which, when supplemented by fees from Award Program applicants, would permanently fund the Award Program; oversee the investment of endowment funds; review the Award Program's accomplishments; disburse required funds to the National Institute of Standards and Technology (NIST); and review the plan and approve associated funds requirements for subsequent years to ensure the future success of the Award Program.

The Foundation is intended to function as an endowment fund. The fund is not legally restricted, and the Foundation plans to fund its future operations through earnings derived from its investments and potential additional solicitation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for not-for-profit organizations.

The Foundation is required to report information regarding its financial position and activities by either net assets with donor restrictions or net assets without donor restrictions. A description of the two net asset categories follows:

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions due to timing restrictions, purpose or both that they be maintained temporarily or permanently by the Foundation.

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.

Contributions Receivable

Contributions receivable are unconditional promises to give. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future fiscal years are recorded at the present value of their estimated future cash flows. The discount on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discount is included in interest income.

Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents

For purposes of the statement of financial position and the statement of cash flows, cash and cash equivalents consist of cash and other highly liquid resources, such as investments in certificates of deposit and money market funds, with an original maturity of three months or less when purchased. Restricted cash and cash equivalents on the statement of financial position include funds held on behalf of the Community of Excellence 2026, Inc. (COE2026) a separate nonprofit organization. These funds are solely for the benefit for COE2026.

Liquidity Management

The foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Foundation invests cash in excess of monthly requirements in short-term investments.

**THE FOUNDATION FOR THE MALCOLM BALDRIGE
NATIONAL QUALITY AWARD, INC.**
NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Investments

Investments are stated at fair value and are composed of individual marketable securities, mutual funds or unit investment trusts. The Foundation's investment policy determines the types of investments held and are primarily limited to cash and cash equivalents, domestic and international fixed income securities, domestic and international equities including emerging markets equities, floating rate corporate loans, high yield fixed income securities, and alternative investments such as interests in low correlated hedge funds, direct real estate, commodities, or real estate investment trusts.

Investments are exposed to various risks such as interest rate, market, and credit risks. Accordingly, it is at least reasonably possible that changes in the fair values of investments may occur in the near term, which could be material.

Property and Equipment

Property and equipment are stated at cost, if purchased, or estimated fair value, if donated, at the date of donation. Additions of \$1,000 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

	<u>Life</u>
Furniture and Equipment	5 years

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid expenses.

Deferred Revenue

Cash received by the Foundation in the current or prior years that will be recognized over the subsequent periods to which it relates have been recorded as deferred revenue.

Donated Services

Donated services are recognized as contributions at their estimated fair value if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. The Foundation recorded \$186,771 and \$141,053 in donated services for various professional services and donated board member travel during the years ended September 30, 2019 and 2018, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Foundation to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**THE FOUNDATION FOR THE MALCOLM BALDRIGE
NATIONAL QUALITY AWARD, INC.**
NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue Recognition

Unconditional promises to give are recognized as revenue in the period the promise was made. Conditional promises are recorded as revenue when the conditions are substantially met. Contributions with donor imposed stipulations that limit the use of the donated asset, either temporarily or permanently, are recorded as increases to net assets with donor restrictions. When a donor restriction expires, net assets with temporary donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. When restrictions are met in the same period as the contribution is received, the Foundation records the contribution revenue as an increase to net assets without donor restrictions.

Expense Allocation

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

Direct Program Expenses – direct program expenses include any expenses that are incurred to ensure the long-term financial growth and viability of the Baldrige Performance Excellence Program and to support organizational performance excellence in the United States of America and around the world.

Direct Management and General Expenses – direct management and general expenses include normal administrative activities such as, but not limited to, management, accounting, human resources and governance.

Direct Fundraising Expenses – direct fundraising expenses are any expenses incurred in soliciting cash and noncash contributions.

Common Expenses – common expenses that cover multiple functional areas are allocated based on time incurred or use of space. Expenses allocated by time spent, are allocated based on the direct time or the direct supervision spent on these activities. Any remaining expense is allocated to management and general expenses. Expenses allocated based on the use of space are determined based on square footage used by the activity. Common-use space is further allocated based on staffing time allocation.

Program Expenses

The Foundation sponsors the Malcolm Baldrige National Quality Award for performance excellence in the business, health care, education and nonprofit communities.

The Foundation provides to NIST the funds necessary to support the Award Program, under the requirements of the *Malcolm Baldrige National Quality Improvement Act of 1987*. The Foundation records annual expenses based on the most recent actual data provided by NIST as of September 30, 2019 and 2018.

Income Taxes

The Foundation has been determined, by the Internal Revenue Service, as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation and, as a result, a provision for income taxes is not required. The Foundation records interest and penalties, if any, in interest expense and other expense, respectively, in operating expenses. During the years ended September 30, 2019 and 2018, the Foundation did not have any interest or penalties related to taxes. Management believes there are no uncertain tax positions taken as of September 30, 2019 or 2018.

**THE FOUNDATION FOR THE MALCOLM BALDRIGE
NATIONAL QUALITY AWARD, INC.**
NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Certificates of Deposit

Certificates of deposit are considered amounts held for investment that are not debt securities. Certificates with original maturities of more than three months and remaining maturities of one year or less are classified as current assets on the Statements of Financial Position. Certificates of deposit with remaining maturities greater than one year are classified as other assets.

Reclassification

Certain balances as of and for the year ended September 30, 2018 have been reclassified in order to conform to the financial statement presentation as of and for the year ended September 30, 2019.

Subsequent Events

Management evaluated subsequent events through January 27, 2020, the date the financial statements were available to be issued.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The financial assets available for the Foundation's general use as of September 30, 2019 and 2018 are as follows:

	2019	2018
Financial assets, at year end	\$ 1,784,174	\$ 2,929,105
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time and purpose	(96,589)	(168,094)
Subject to appropriation	(13,086)	(10,067)
Investments held for long term purpose	(1,000,000)	(1,000,000)
Board designations:		
Commitment to Performance Excellence Program	(250,000)	(250,000)
Commitment to Quest Conference	(2,000)	(2,000)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 422,499</u>	<u>\$ 1,498,944</u>

NOTE 4 - FAIR VALUE MEASUREMENTS

In determining fair value, the Foundation uses various valuation approaches within the fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability. A hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Levels within the hierarchy are based on the reliability of inputs as follows:

**THE FOUNDATION FOR THE MALCOLM BALDRIGE
NATIONAL QUALITY AWARD, INC.**
NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

NOTE 4 - FAIR VALUE MEASUREMENTS – CONTINUED

Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;

Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models, and similar techniques not based on market, exchange, dealer, or broker-traded transactions.

The fair values of assets and liabilities measured on a recurring basis as of September 30, 2018 are as follows, note there were no assets or liabilities measured at fair value as of September 30, 2019:

	<u>Cost</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 738,322	\$ 751,335	\$ 751,335	\$ -	\$ -
Total Investments	\$ 738,322	\$ 751,335	\$ 751,335	\$ -	\$ -

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2019 and 2018.

Mutual funds - Valued at net asset value (NAV) of shares held at year-end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 5 - CONTRIBUTIONS RECEIVABLE

Contributions receivable consists of unconditional promises to give. The Foundation's management reviews past due receivables and allows for all accounts deemed uncollectible after all reasonable collection efforts have been exhausted. Based on management review of contributions receivable at September 30, 2019, no allowance for doubtful accounts was deemed necessary. Bad debt expense was \$5,421 and \$2,347 for the years ended September 30, 2019 and 2018, respectively. Estimated collections on outstanding contributions receivable at net present value are as follows at September 30:

	<u>2019</u>	<u>2018</u>
Current – less than one year	\$ 85,000	\$ 138,227
Noncurrent – one to five years	75,000	140,000
Noncurrent – over five years	20,000	30,073
Less unamortized discount	<u>(9,300)</u>	<u>(15,200)</u>
Total noncurrent	<u>85,700</u>	<u>154,873</u>
Total contributions receivable	<u>\$ 170,700</u>	<u>\$ 293,100</u>

Contributions receivable with due dates extending beyond one year are discounted using rates similar for term investments. The rate at September 30, 2019 and 2018 was 2.50%.

**THE FOUNDATION FOR THE MALCOLM BALDRIGE
NATIONAL QUALITY AWARD, INC.**
NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

NOTE 6 - OPERATING LEASE

In November 2017, the Foundation entered into an operating lease for office space. Over the term of the lease, which expires in October 2020, rent payments escalate and average \$1,247 per month. The Foundation is also responsible for its proportional share of real estate taxes and certain operating expenses. The Foundation has the ability to renew this lease for two additional three-year terms. Rent and common area expense under this lease agreement totaled \$37,344 and \$30,324 for the years ended September 30, 2019 and 2018, respectively.

Aggregate future minimum maturities under this operating lease at September 30, 2019, are as follows:

2020	\$	15,337
2021		<u>1,281</u>
Total	\$	<u>16,618</u>

NOTE 7 - CONCENTRATION OF CREDIT RISK

The Foundation maintains cash in various bank deposit accounts, which at times may exceed federally insured limits of \$250,000. The Foundation has not experienced any losses in such accounts and management believes that it is not exposed to any significant credit risk on cash.

NOTE 8 - DEFERRED REVENUE

In 2013, the Foundation, as an agent, received one million dollars from a private donor. These funds are an incentive for the K-12 public school districts in the State of Missouri to receive the Malcolm Baldrige National Quality Award. The first K-12 district to receive the Malcolm Baldrige National Quality Award in this state will receive these funds. If no school district receives the award by December 31, 2023, the funds will become an unrestricted contribution to the Foundation.

NOTE 9 - EMPLOYEE RETIREMENT PLAN

The Foundation sponsors a voluntary 403(b) plan for all eligible employees who work a minimum of twenty hours per week and are at the age of twenty-one years or older. The Foundation does not contribute to this plan.

NOTE 10 - CHANNEL PARTNERSHIPS

The Foundation has entered into a number of partnership agreements to promote the Baldrige Foundation through co-marketing agreements and the sharing of trademark and marketing materials. These mutually beneficial arrangements also generates contributions for the Foundation when certain conditions or referrals from the Foundation result in new customers for these companies. During the years ended September 30, 2019 and 2018 contributions from these arrangements was \$32,006 and \$36,784, respectively.

NOTE 11 - RESTRICTED CASH AND CASH EQUIVALENT AND AGENCY FUNDS

The Foundation maintained certain funds and performs some administrative duties for COE2026, an independent nonprofit organization. These funds were restricted for the use for COE2026 and an offsetting liability had been recorded for the cash and cash equivalents held by the Foundation. Total agency funds held by the Foundation for COE2026 at September 30, 2019 and 2018 were \$0 and \$1,000, respectively.

**THE FOUNDATION FOR THE MALCOLM BALDRIGE
NATIONAL QUALITY AWARD, INC.**
NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

NOTE 11 - RESTRICTED CASH AND CASH EQUIVALENT AND AGENCY FUNDS - CONTINUED

The Foundation will occasionally receive contributions designated to the American Society for Quality program (ASQ) which is overseen by the Award Program. Any funds received by the Foundation that are designated for ASQ are identified and transferred to the Award Program within one to two business days. The Foundation did not receive any designated contributions for ASQ during 2019 and 2018.

NOTE 12 - DESIGNATED NET ASSETS

During the years ended September 30, 2019 and 2018, the Foundation's board of directors made a commitment to continue funding for the Performance Excellence Program through the following year. Accordingly, the Foundation's board of directors designated \$250,000 of the Foundation's net assets without donor restriction as of September 30, 2019 and 2018 to fund this program. The Foundation's board of directors has also designated \$2,000 for the 2020 and 2019 Quest Conference.

NOTE 13 - NET ASSETS WITH DONOR RESTRICTIONS

The Foundation had the following net asset with donor restrictions for the year ending September 30:

	<u>2019</u>	<u>2018</u>
Reimann Scholarship Fund	\$ 10,889	\$ 12,221
Unconditional promises to give	<u>85,700</u>	<u>395,057</u>
Total	<u>\$ 96,589</u>	<u>\$ 407,278</u>

SUPPLEMENTAL SCHEDULES

**THE FOUNDATION FOR THE MALCOLM BALDRIGE
NATIONAL QUALITY AWARD, INC.**
SCHEDULE OF INVESTMENTS
September 30, 2019

Description	Maturity Date	Interest Rate	Cost	Fair Value
Money Markets	N/A	Varies	\$ 297,891	\$ 297,891
Certificates of Deposit				
Safra National Bank	December 16, 2019	2.70%	90,000	90,146
Homestreet Bank	January 2, 2020	2.10%	100,000	100,063
Valley National Banco	February 7, 2020	2.70%	100,000	100,284
Hometrust Bank	February 21, 2020	2.40%	210,000	210,439
East West Bank	February 22, 2020	2.40%	150,000	150,316
New York Community	February 24, 2020	2.40%	150,000	150,320
Reliant Bank	February 28, 2020	2.40%	200,000	200,469
Midland States Bank	October 10, 2019	2.40%	100,000	100,013
Total certificates of deposit			1,100,000	1,102,050
Total investments			\$ 1,397,891	\$ 1,399,941

See independent auditor's report.