



2022 ANNUAL REPORT

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

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The Year in Review

by Al Faber
President and CEO, Baldrige Foundation

“We are learning to live with COVID...and re-investing in American manufacturing as we seek to re-balance our ability to remain self-sufficient in critical areas like computer chips which effect a plethora of industries. As never before, *America needs Baldrige!*”

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

This past year has continued to test us in so many ways. The persistent COVID-19 pandemic, pending recession, steep inflation, and strained supply chains continue to challenge all sectors of the economy. The 2022 Russian invasion of Ukraine has forced global cooperation and alliances to unite against aggression in Eastern Europe, but at a high cost which is further straining international oil and gas markets. Tensions remain high between China and Taiwan, North and South Korea, and throughout the Middle East to include civil unrest in Iran. All of these factors are having an adverse impact on the global economy and forcing organizations to re-think their strategies and futures. But there have been positive developments as well. We are learning to live with COVID, developing new treatments that are proving to be more effective, and re-investing in American manufacturing as we seek to re-balance our ability to remain self-sufficient in critical areas like computer chips which effect a plethora of industries. As never before, *America needs Baldrige!*

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.

Shortly following the 33rd Quest for Excellence Conference, on July 25, 2022, NIST announced that, “Over the past 18 months, the leadership teams at Baldrige, the National Institute of Standards and Technology (NIST), and the Department of Commerce have been discussing the desire to enhance the reach and impact of the Baldrige Program. After much deliberation and consideration of multiple factors we have collectively decided to initiate a comprehensive, independent review to “reimagine” the Baldrige Program. This review will assess how the program can best advance U.S. competitiveness and address the challenges most relevant in today’s business environment, as well as examine how its impact and accessibility could be increased. The output of this process will inform how the program can best be positioned for maximal future impact to our nation.”

The independent review is expected to be completed in the first quarter of calendar year 2023 and we look forward to the recommendations and implementation strategies once approved by the Department of Commerce. The Baldrige Foundation and Baldrige Community will work closely with the national program on next steps to *increase the impact and accessibility to Baldrige and advance U.S. competitiveness.*

At the 33rd Quest for Excellence we did have the opportunity to recognize three national role-model organizations as the newest Malcolm Baldrige National Quality Award Winners! All three are

repeat winners and one, MidwayUSA, is only the second organization to ever win the National Quality Award three times. The organizations recognized in 2022 are:

- MidwayUSA, Columbia, MO. (service; also won in 2009 and 2015 in the small business sector)
- Charter School of San Diego, San Diego, CA. (education; also won in 2015)
- Mid-America Transplant Services, St. Louis, MO. (nonprofit; also won in 2015)

Congratulations to each of these outstanding organizations!

ADVOCACY

Throughout FY2022, the Foundation continued to advance the Baldrige Program, State-based Programs, and Communities of Excellence 2026 (COE2026) with leaders at the national, state, and local levels. We are always looking for new opportunities to strengthen our relationships with members of the Commerce, Justice, Science and Related Agencies Subcommittees and their staffs in both the House and the Senate. We provide members and their staffs with important updates and developments on the many benefits of Baldrige throughout the nation and across every sector of the economy and impress upon them the excitement behind Communities of Excellence 2026, Cybersecurity, and our continuing work in Rural Health Care. The Baldrige approach to workforce development in all sectors of the economy has resonated with political leaders at every level, reinforcing our contribution to a stronger and more resilient America.

Most notably, we continued our work with COE2026 and BPEP to coordinate support for "Community" to become the 7th Baldrige Awards Category through the NIST reauthorization language. On August 9, 2022, President Biden signed into law the CHIPS and Science Act of 2022, which also authorized "Community" becoming the seventh category of the Malcolm Baldrige National Quality Awards. The

bill now authorizes communities across the United States to apply for, and receive, the highest-level of recognition for quality and performance excellence using the Baldrige Criteria. Award recipient communities will serve as national role-models and share their best practices, which will allow thousands of other communities across America to learn from them.



Recognizing Toledo, Ohio, Communities of Excellence leader Angela Brandt, President of Promedica Senior Care (center), along with Dr. Margot Hoffman, President and CEO of the Partnership for Excellence and Al Faber, President and CEO of the Baldrige Foundation.

As Tommy Gonzalez, City Manager of El Paso, Texas, who formerly led the City of Irving, Texas to win the Malcolm Baldrige National Quality Award using the Nonprofit Criteria in 2012 stated: "Engaging multiple organizations can take communities to the next level in the pursuit of excellence for the communities they serve. The City of El Paso has a history of collaboration that is rooted in growing opportunities and service excellence in our organization, and for our community. Through our award-winning Communities of Excellence (COE) efforts, we work collaboratively with over 40 organizations across our community, achieving better results, improving services, and changing people's lives. Future Baldrige award-winning communities will serve as role models for others, spreading the possibilities created by the Baldrige model in ways not possible before."

This is an historic achievement for the Baldrige Foundation and our advocacy

“On August 9, 2022, President Biden signed into law the CHIPS and Science Act of 2022, which also authorized “Community” becoming the seventh category of the Malcolm Baldrige National Quality Awards.”

efforts. Not since the addition of Health Care and Education in 1998 and the Nonprofit sector in 2005 has Congress expanded the Baldrige Award categories. This latest expansion is a continuing demonstration of the ability of the Baldrige criteria to improve, evolve, and remain relevant. The Baldrige Foundation will continue to provide organizational and administrative support to Communities of Excellence 2026 and in FY2022 was the sole sponsor of the COE Criteria and Framework. We look forward to helping scale-up participation in communities nationwide and securing additional funding to help us drive success using the new “Community” Baldrige Excellence Framework.

Additionally, the Foundation will recognize Lowell C. Kruse, Baldrige Award Recipient and Cofounder of Communities of Excellence 2026, and Richard A. Norling, Baldrige Award Recipient and Cofounder of

Communities of Excellence 2026 with the E. David Spong Lifetime Achievement award which recognizes individuals who have performed truly extraordinary service that has changed the world, and inspired others to do the same. Both Lowell and Richard did groundbreaking work to adapt the Baldrige framework to the Community setting, leading in 2022 to Congress officially authorizing Community as an eligible category for the Malcolm Baldrige National Quality Award. We will also recognize Stephanie Norling, Executive Director of COE2026 with the Foundation’s Award for Leadership Excellence for her work over the past decade leading the COE program and building support across the United States through its national collaborative and pilot programs.

We continue to enjoy strong bipartisan support in the Senate from both Jeanne Shaheen as the Chair, and Senator Jerry Moran, the ranking member, of the CJS



Baldrige Fall Conference and COE2026 Conference Co-hosts and guest speakers (from left), Nick Macchione, Director of the San Diego County Health and Human Services Agency; Stephanie Norling, Executive Director, COE2026; Denise Shields, Board Chair, California Awards for Performance Excellence; Molly Baldrige, daughter of Mac Baldrige, and Al Faber, President and CEO of the Baldrige Foundation.



Subcommittee on Appropriations. Most notably, the entire subcommittee continues to support our efforts. With their support, the Foundation was instrumental in growing the Federal Appropriation for the Baldrige Program from \$2.5 million to \$2.7 million for FY23. This year, we also have the honor of presenting the Baldrige Foundation Award for Leadership Excellence in Government to Congressman Robert B. Aderholt from Alabama, for his leadership in rural development and health care, agriculture, veterans' issues, education, labor, and numerous other areas which have made him one of the nation's most respected members of Congress.

As part of the Foundation's advocacy outreach, we continue to track each state-based program's highest award recipients, send a letter of congratulations to each of them, and encourage them to apply at the national level. Additionally, we send letters of congratulations to both U.S. Senators, and their Congressional Representative so they are aware of these award-winning organizations. We also do this for national award recipients as well.

FUNDRAISING

Thanks to all our individual and organizational donors, sponsors, and partners over the past year who have helped us continue our mission to support the Baldrige Program and performance excellence in all sectors of the economy.

This year's giving campaigns, our *End-of-Year Campaign*, *Giving Tuesday*, *Planned Giving*, and growing membership in the *Mac Baldrige Society* were once again successful and we truly appreciate everyone's continued support. No gift is too small, from individual gifts through online donations resulting from social media outreach to transformational gifts as we grow membership in the Mac Baldrige Society. These collectively all work to advance the Baldrige Framework and grow its use across America and beyond. We are proud to showcase our FY2022-2023 donors on page 110 of this year's Journal.

On June 1, 2020, we established the Baldrige Foundation Institute for Performance Excellence. The Institute undertakes research projects, hosts conferences and other activities, and conducts executive-level and online skills training. It publishes and distributes a wide variety of educational materials including white papers, and the *Chronicle of Leadership and Management* to help organizations and individuals improve their leadership and management skills.

The Institute also makes available exclusive research materials and original content along with training and educational opportunities through online and classroom instruction. We have a best practice sharing online library and many other helpful resources, including instructional videos and webinars. The exclusive networking opportunities and sharing of best practices alone can provide organizations and their employees with invaluable assistance in pursuing their performance excellence goals.



The Institute is helping the Foundation move boldly into the next era of Baldrige with great confidence in our future, thanks to the support of our Institute Trustees who comprise the Mac Baldrige Society®. The Mac Baldrige Society is our campaign to establish the Institute with the generous support of the first twenty major donors who also serve as the Institute's Trustees. The first Institute Trustees are; the Baldrige Family, Adventist Health, MidwayUSA, Stellar Solutions, ABOUT Healthcare, and Freese and Nichols. Our newest members in 2022-2023 are Tata Sons, Mid-America Transplant, Center for



Organ Recovery & Education (CORE), and Adani Enterprises Ltd.

Commenting on becoming a Mac Baldrige Society Trustee, S. Padmanabhan, Chairman, Governing Council, Tata Business Excellence Group, and Baldrige Foundation Board member said, "We are delighted to become a founding member of the Mac Baldrige Society® and Trustee of the Baldrige Foundation's Institute for Performance Excellence. Tata is the first international company to be accorded this opportunity. The Tata group has implemented the Baldrige excellence model for improving organization performance and quality across multiple industry clusters for almost three decades, and we look forward to enhancing this relationship. In this new role, we will be able to contribute to the Society based on our experience, enrich the value of the Baldrige, and help create a future for the Framework."

As Diane Brockmeier, President and CEO at Mid-America Transplant stated: "Mid-America Transplant has been integrating the Baldrige criteria into its day-to-day operations for nearly two decades. We began our Baldrige journey in 2003 as a way to continuously improve how we operate, so we could save more lives through organ and tissue donation. Since then, the tenets of quality and performance improvement have become the Mid-America Transplant way, helping us set donation records year after year and giving more people a second chance at life.

Since adopting the Baldrige Excellence Framework with the goal of saving more lives, Mid-America has continuously improved processes and outcomes to increase the number of lifesaving organs transplanted by 167 percent and increase the impact of tissue donation by 385 percent."



S. Padmanabhan, newest Foundation Board member and Executive Chairman, Tata Business Excellence Group and Chief Ethics Officer, Tata Sons Private Ltd.

Susan Stuart, President and CEO of CORE commented "CORE's Baldrige performance excellence journey has empowered us to focus successfully on the mantra, 'Every Donor, Every Time.' Today, a decade into this journey, CORE is a results-driven organization, thriving in a culture of transparency and innovation. The result: CORE is saving and healing more lives than ever before – the most significant indicator of performance excellence and proof that the Baldrige framework affects positive change. 2021 was CORE's third consecutive record-breaking year Saving and Healing lives through organ, tissue, and cornea donation. The organization made possible more than 700 life-saving organ transplants, thanks to the generosity of an unprecedented number of organ donors. That is a 150 percent increase since CORE began its performance excellence journey in 2012. CORE is honored to become part of this distinguished group of Mac Baldrige Society trustees. In doing so, CORE hopes to signify that our performance excellence journey is one without a destination. We will, now and in the future, continue to follow the Baldrige Framework and the roadmap



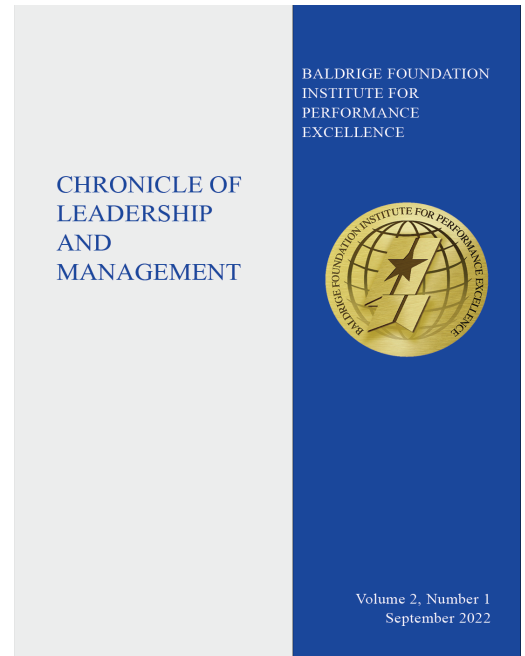
it provides us on our mission: Saving and Healing lives through donation.”

Under the visionary leadership of Mr. Gautam Adani, the Adani Group has witnessed unprecedented growth and has consolidated its position as India’s leading diversified business portfolio. The Group aligns its operational framework and leadership with its core philosophy of ‘Nation Building’ and ‘Growth with Goodness’ – a guiding principle for sustainable growth. The Group is committed to protecting the environment and improving communities through its CSR programs based on the principles of sustainability, diversity, and shared values. “The time has come to demonstrate and deeply institutionalize a culture of Business Excellence that covers all our businesses, as well as all our corporate functions. This is the most effective way to demonstrate benchmark performance and consolidate a strong foundation on which our enterprise can continue to achieve higher scales of performance and create high levels of stakeholder value on a sustainable basis.” said Mr. Gautam Adani. “Our pledge to join Mac Baldrige Society demonstrates the Group’s commitment to integrate Baldrige criteria for performance excellence in each aspect of business management and deliver long-term value to all stakeholders.”

The Institute Trustees are making a commitment to preserve and promote the Baldrige Framework and to help ensure that Baldrige remains relevant for future generations of organizations across all sectors of the economy. My sincerest thanks to each of these organizations for their leadership, and we look for others to join them in the coming months to help us continue in our mission.

In addition to the many resources available through the Institute, we released the Volume 2 of our flagship publication, the *Chronicle of Leadership and Management*.[®] I would like to thank all of our authors for their outstanding

articles, and the entire editorial board for reviewing the numerous submissions we received. I also want to recognize Dr. Mark Wayda, our Vice President of Marketing, for his final editing and coordination for publication.



Much of Volume 2 examines how organizations have used Baldrige principles to manage through the multiple crises experienced during the COVID-19 pandemic. The various authors have gleaned important lessons that may be applied by other organizations, in any sector of the economy, to create greater resilience when facing volatility and uncertainty. The Institute is also excited to publish Christel Gollnick’s article, “Key Success Factors in Communities of Excellence,” a particularly timely article on Communities of Excellence 2026 given that Congress has just authorized communities as the 7th sector for the Baldrige Award. Copies of the Chronicle are available for download, free of charge, on the Foundation website.

If Baldrige is to remain relevant and expand its reach, additional thought leadership in the domains of leadership and management will be required to inspire its application in every sector

of the economy. The Baldrige Foundation's Institute for Performance Excellence was created to serve as a platform for innovation, creative thought leadership, and to provide individual and organizational resources to support transformative adult learning and help elevate organizational performance excellence. This philosophy guides the Foundation's staff and drives us to create opportunities for investment in our future as we work tirelessly to strengthen America's competitiveness in the global economy.

LEADERSHIP AWARDS

Since the Hertz award was first established, we have grown our popular individual awards program which includes the E. David Spong Lifetime Achievement Award, the Foundation Awards for Leadership Excellence, and the Dr. Curt Reimann Baldrige Scholarship.

The E. David Spong Lifetime Achievement Award was authorized by the Baldrige Foundation Board of Directors in 2016. Recipients must have made sustained contributions of leadership excellence with exceptional and far-reaching magnitude in a manner worthy of recognition at the national level. The committee selects recipients for the Lifetime Achievement Award in recognition of an individual who has performed truly extraordinary service within the quality movement and Baldrige Enterprise. The award recognizes the entirety of an individual's career, rather than, or in addition to, a single contribution. Lifetime Achievement Award winners are credited with changing their world and inspiring others to do the same.

The Harry S. Hertz Leadership Award, authorized by the Baldrige Foundation Board of Directors in 2012, recognizes an individual whose behaviors provide a role model for others.

Our 2023 Individual Award Recipients are:

E. David Spong Lifetime Achievement Award

- Lowell C. Kruse, Baldrige Award Recipient and Cofounder of Communities of Excellence 2026
- Richard A. Norling, Baldrige Award Recipient and Cofounder of Communities of Excellence 2026

Harry S. Hertz Leadership Award

- Major General John C. Harris, Jr., The Adjutant General, Ohio National Guard

Foundation Awards for Leadership Excellence:

- Honorable Robert Aderholt, Member of Congress from Alabama in the Government Sector
- James Barlow, Chief Executive Officer, BZI Steel in the Business Sector
- Dr. Mark L. Blazey, President (retired), Quantum Performance Group, Inc. in the Business Sector
- Michael Daniel, President and CEO, Cyber Threat Alliance in the Cybersecurity Sector
- Erik Decker, Vice President & Chief Information Security Officer, Intermountain Healthcare in the Cybersecurity Sector
- Richard A. Derrick, City Manager/Chief Executive Officer, City of Henderson, Nevada in the Government Sector
- Karen S. Evans, Managing Director, Cyber Readiness Institute in the Cybersecurity Sector
- David S. Finn, CISA, CISM, CRISC, CDPSE, Vice President, College of Healthcare Information Management Executives (CHIME) in the Cybersecurity Sector
- Dr. Michael Flores, Chancellor, Alamo Colleges District in the Education Sector
- Brenda Grant, Formerly Performance Excellence Coach, UPMC Western

Maryland and Chief Strategy Officer, Charleston Area Medical Center Health System in the Health Care Sector

- Deanna Herwald, Vice President of Quality Management Systems, MidwayUSA in the Business Sector
- William H. Kose, MD, Vice President of Special Projects, Blanchard Valley Health System in the Health Care Sector
- Sangita P. Mallik, Executive Vice President, SANPEC, Inc. in the Business Sector
- Theresa Z. Meadows, RN, MS, Senior Vice President and Chief Information Officer, Cook Children's Health Care System in the Cybersecurity Sector
- Stephanie Norling, Executive Director, Communities of Excellence 2026 in the Nonprofit Sector
- Philippe Salah, CEO, Dental Monitoring in the Health Care Sector
- Sunil Sinha, Director, Tata International West Asia in the Business Sector
- Tim Tuter, Executive Director, The Charter School of San Diego in the Education Sector
- Laura Viaches, Associate Vice President - Market Access, Lilly USA, LLC in the Business Sector
- Janet Wagner, CEO, Area CEO Sutter Health South Bay Medical Centers in the Health Care Sector

Dr. Curt Reimann Baldrige Scholars are:

- Lewis W. Marshall Jr., MS, MBA, MD, JD, FACP, FACHE, FAADM, Fulbright Scholar Specialist; Affiliate Dean & Assistant Clinical Professor of Medicine, Weill Cornell Medicine at Lincoln
- Dr. Kathleen Moco, Retail Team Manager, Swedish Match North America





President and CEO of the Baldrige Foundation and Foundation Board Chair Dr. Kay Eggleston present a memento to outgoing Board member Rulon Stacey during the 2022 Quest for Excellence Conference.

personify the Harry S. Hertz Award Core Value Attributes and Leadership Behaviors: visionary leadership, customer-focused excellence, organizational and personal learning, valuing workforce members and partners, agility, managing for innovation, management by fact, societal responsibility, focus on results and creating value, and systems perspective.

The Baldrige Foundation Awards for Leadership Excellence were authorized by the Baldrige Foundation Board of Directors in 2016. They recognize leaders in the following sectors: Business (Manufacturing, Service, Small Business), Nonprofit, Government, Health Care, Education, and Cybersecurity. The award recognizes leaders who provide exceptionally outstanding support to Baldrige and the Foundation's mission.

While no one person in an organization can be credited with the achievement of excellence, this award will recognize and set forth role-model behaviors that have inspired, encouraged, challenged, and empowered others to achieve performance excellence. Award recipients will share how they lead their organizations and inspire their people to achieve high performance. Recipients of the award

The Dr. Curt Reimann Baldrige Scholarship provides recipients an opportunity to attend the Baldrige Examiner Training Experience, held each spring at NIST in Gaithersburg, MD. The scholarship was created to recognize and honor the important role played by examiners in the Baldrige Award process.



CEO Executive Roundtable in Atlanta, Georgia, co-sponsored by the Foundation's Institute for Performance Excellence and Institute Trustee ABOUT Healthcare.



PROMOTING PERFORMANCE EXCELLENCE

An important part of the Foundation's mission is promoting performance excellence in the United States and throughout the world. In furthering that mission over this past year, we strengthened several of our strategic partnerships and created new ones.

Our partnerships with international organizations continue to grow through mutual support and engagement in a number of ways. I had the opportunity to serve as a guest speaker and panelist during several international conferences, and for the first time, we conducted skills training and certification for international stakeholders via zoom. On November 25, 2022, I served as a guest speaker at the 30th CII Excellence Summit in Bengaluru, India. The theme — "India Inc @2047 — Capabilities, Technologies & Business Models," focused on India's future with sessions led by global thought leaders and industry experts. Though leaders at the summit led deliberations on strategy, technologies, and operational models to improve quality and economies of scale.

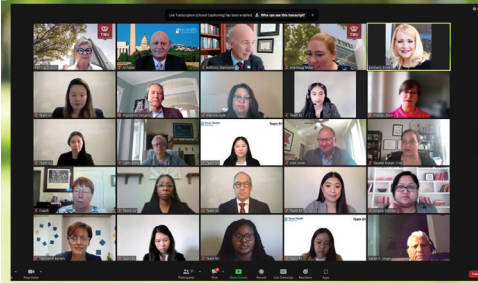
We were excited for one of our Board members, Sunil Sinha, Resident Director at Tata Sons Middle East and North Africa, who was named an Academician in the International Academy for Quality (IAQ) in 2022. IAQ is an independent, self-supported, nonprofit, nongovernmental organization that is administered by an assembly of individuals who have been elected by their peers from among the most respected, active, and experienced protagonists of quality in the world. IAQ is a prestigious global organization comprised of about 150 professionals from the field of quality and Sunil's inclusion in this group is a recognition of the global leadership role he has played in quality and performance excellence over several decades and reflects the professionalism and stature of the Foundation's Board.

In May, 2022, Competitive Solutions Inc. became the newest Institute for Performance Excellence Channel Partner. Competitive Solutions Inc., is a professional consulting and software based organization, and since 1991 has assisted organizations on their journey to performance excellence through effective leadership training and utilization of data. CSI is giving organizations the power and tools to move their business forward by creating cultures of accountability and engagement.

Competitive Solutions, based in Raleigh, North Carolina, has helped transform organizations such as 3M, Colgate Palmolive, Rockline, Alcon, and many more by providing the best metrics at the appropriate levels of their company to drive change, aligning and linking everyone in their organizations, and freeing company leaders to be more strategic. The inclusion of Competitive Solutions as a channel partner is yet another example of how the Institute for Performance Excellence is bringing key relationships to support the larger Baldrige Foundation mission: to promote organizational performance excellence in the United States by supporting the Baldrige Program.

As a member of the Board of Directors for the Commission on Accreditation of Healthcare Management Education (CAHME), I have the opportunity to network with health care professionals in higher education across the nation. In this role, we promote the Baldrige Framework with hundreds of graduate programs and their students who are currently pursuing an advanced degree. As a judge for the Texas Woman's University Case Competition this year, I witnessed first-hand how MHA programs across the United States are developing the future health care leaders of tomorrow. Exposing them to the Baldrige Framework now is an investment that will pay great dividends down the road.





Foundation President and CEO Al Faber served this year as a finalist judge for the Texas Woman's University Master in Healthcare Administration Case Study Competition.

The Baldrige Foundation and its Institute for Performance Excellence announced a new strategic partnership in 2022 with MindEdge Learning, bringing hundreds of new courses and certifications to the Baldrige community, including discounted tuition rates for partners of the Institute for Performance Excellence. MindEdge is a learning house with four different doors: higher education for credit, continuing education non-credit, professional development, and corporate solutions. The courses and certifications provided by MindEdge are high-quality, expertly designed, and learner-approved, and focus on helping adults learn the fundamentals and master the skills needed to succeed personally and professionally. This new partnership will bring over 370 new educational offerings to the Institute, including certification programs and recognized continuing professional education credits, to meet the specific requirements of professional learning in the 21st Century.

We celebrated a third year with our co-branded cybersecurity awards in health care along with the College of Healthcare Information Management Executives (CHIME). *Digital Health Most Wired* recognition is the new standard for

IT recognition throughout hospitals and hospital systems across the nation. This achievement celebrates and validates an organization's dedication to patient and community focused Digital Health. They have proven their commitment to leading performance excellence and pioneering advancements in the health care industry. Baldrige was established to help organizations improve in a meaningful and structured way. This is why the Baldrige Foundation is partnering with CHIME on the *Digital Health Most Wired* program. Together, we have worked to transform the entire survey, results, and recognition program to mirror the Baldrige program's improvement framework. More than 38,000 organizations were surveyed, benchmarked, and ranked, resulting in a record number of organizations setting themselves apart on their excellence journey to achieve the highest-level of recognition.

We will continue to support Communities of Excellence 2026 and all of their great work across the nation in their pilot communities. We are excited to have been instrumental in securing congressional approval for "Community" to become the 7th Category of the Baldrige Awards. If we have learned anything over the past 2 years, it is the



UNLOCKING TOP PERFORMANCE AND CREATING EXTRAORDINARY OUTCOMES THROUGH THE POWER OF FULL ENGAGEMENT
WITH JIM LOEHR

The Foundation, through its Institute for Performance Excellence has hosted a series of co-branded events including its popular Leader Dialogue events with Institute Trustee ABOUT Healthcare.

value of community solutions to help solve the most complex challenges, and the need for leaders from every sector to come together and develop strategies to continuously improve their communities by leveraging their unique strengths. The “Community” Framework and award process to identify role-model communities and share their best practices may truly become the brightest star in the future of Baldrige.

In summary, fiscal year 2022 proved to be another challenging, yet successful year for the Baldrige Program, Foundation, and State-Based Programs. With a strong commitment to our mission and strategy, we continue to grow fundraising opportunities and strengthen the Baldrige brand. The Foundation’s operational costs remained under budget, demonstrating our responsible stewardship of the Foundation’s endowment and commitment to sustainability. Together, along with the Foundation’s Board of Directors, we navigated another tumultuous year dealing with the persistent COVID-19

pandemic, record inflation, and a pending recession to ensure a bright future for the Foundation, and the Institute for Performance Excellence.

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,

Al Faber
President and CEO





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FINANCIAL STATEMENTS
September 30, 2022 and 2021

The Foundation for the Malcolm Baldrige
National Quality Awards, Inc.
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**THE FOUNDATION FOR THE
MALCOLM BALDRIGE
NATIONAL QUALITY AWARD, INC.**

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2022 and 2021, 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.

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, 2022 and 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Foundation for the Malcolm Baldrige National Quality Award, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
 - Obtain an understanding of internal control relevant to the audit 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 Foundation for the Malcolm Baldrige National Quality Award, Inc.'s internal control. Accordingly, no such opinion is expressed.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
 - Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Foundation for the Malcolm Baldrige National Quality Award, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 17 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.



Whalen CPAs
Worthington, Ohio

January 28, 2023

**THE FOUNDATION FOR THE MALCOLM BALDRIGE
NATIONAL QUALITY AWARD, INC.**
STATEMENTS OF FINANCIAL POSITION
As of September 30, 2022 and 2021

	ASSETS	
	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 162,131	\$ 615,216
Current portion of contributions receivable	115,000	25,000
Certificates of deposit	<u>5,003</u>	<u>-</u>
TOTAL CURRENT ASSETS	282,134	640,216
PROPERTY AND EQUIPMENT		
Furniture and equipment	5,943	5,943
Less accumulated depreciation	<u>(5,802)</u>	<u>(4,613)</u>
NET PROPERTY AND EQUIPMENT	141	1,330
OTHER ASSETS		
Deposits	2,587	2,587
Contributions receivable, net of current portion	<u>133,300</u>	<u>69,700</u>
TOTAL OTHER ASSETS	<u>135,887</u>	<u>72,287</u>
TOTAL ASSETS	<u><u>\$ 418,162</u></u>	<u><u>\$ 713,833</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, 2022 and 2021

	2022	2021
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 5,533	\$ 8,491
Accrued liabilities	500	2,467
TOTAL CURRENT LIABILITIES	6,033	10,958
TOTAL LIABILITIES	6,033	10,958
NET ASSETS		
WITHOUT DONOR RESTRICTIONS		
Undesignated	99,829	334,175
Board designated	52,000	252,000
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	151,829	586,175
WITH DONOR RESTRICTIONS		
Restricted for purpose	12,000	22,000
Time restricted	248,300	94,700
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	260,300	116,700
TOTAL NET ASSETS	412,129	702,875
TOTAL LIABILITIES AND NET ASSETS	\$ 418,162	\$ 713,833

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, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Contributions	\$ 940,892	\$ 180,000	\$ 1,120,892	\$ 296,767	\$ 54	\$ 296,821
Quest sponsorship	134,200	-	134,200	93,516	-	93,516
In-kind donations	159,136	-	159,136	128,692	-	128,692
Advertising	9,199	-	9,199	7,316	-	7,316
Other	2,772	-	2,772	5,879	-	5,879
Training	17,381	-	17,381			
Net assets released from restrictions	36,400	(36,400)	-	264,920	(264,920)	-
TOTAL REVENUE AND SUPPORT	1,299,980	143,600	1,443,580	797,090	(264,866)	532,224
INVESTMENT ACTIVITY						
Dividend and interest income	45	-	45	3,865	-	3,865
Net realized and unrealized gain on investments	-	-	-	999	-	999
NET INVESTMENT ACTIVITY	45	-	45	4,864	-	4,864
TOTAL	1,300,025	143,600	1,443,625	801,954	(264,866)	537,088
OPERATING EXPENSES						
Program services	762,445	-	762,445	382,516	-	382,516
Management and general	494,301	-	494,301	504,483	-	504,483
Fundraising	477,625	-	477,625	428,606	-	428,606
TOTAL OPERATING EXPENSES	1,734,371	-	1,734,371	1,315,605	-	1,315,605
CHANGE IN NET ASSETS	(434,346)	143,600	(290,746)	(513,651)	(264,866)	(778,517)
NET ASSETS, BEGINNING OF YEAR	586,175	116,700	702,875	1,099,826	381,566	1,481,392
NET ASSETS, END OF YEAR	\$ 151,829	\$ 260,300	\$ 412,129	\$ 586,175	\$ 116,700	\$ 702,875

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, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
OPERATING EXPENSES				
Process management and support	\$ 28,105	\$ -	\$ -	\$ 28,105
Outreach	2,819	-	166,797	169,616
Harry Hertz award	(73)	-	-	(73)
David Spong award	(300)	-	-	(300)
Regional conference	24,220	-	-	24,220
Leadership excellence awards	2,164	-	-	2,164
Leadership dialouge	349,602	-	-	349,602
Salaries and wages	333,315	161,334	229,714	724,363
Payroll taxes	20,608	16,405	13,765	50,778
Employee benefits	-	1,657	-	1,657
Outside services	-	1,290	-	1,290
Special events	-	35,189	9,198	44,387
Professional fees	-	17,936	-	17,936
Depreciation	-	1,189	-	1,189
Consulting	-	120,000	-	120,000
Bank fees	-	3,353	-	3,353
Office	-	81,206	46,540	127,746
Travel	-	2,374	2,172	4,546
Board member expense	-	3,274	-	3,274
Board member travel and meetings	-	22,594	-	22,594
Insurance	-	1,792	-	1,792
Bad debt	-	670	-	670
Miscellaneous	-	3,751	-	3,751
Registration fees	-	-	9,439	9,439
Information technology	1,985	20,287	-	22,272
TOTAL OPERATING EXPENSES	<u>\$ 762,445</u>	<u>\$ 494,301</u>	<u>\$ 477,625</u>	<u>\$ 1,734,371</u>

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, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
OPERATING EXPENSES				
Process management and support	\$ 17,173	\$ -	\$ -	\$ 17,173
Outreach	750	-	134,215	134,965
Harry Hertz award	171	-	-	171
David Spong award	1,205	-	-	1,205
Regional conference	13,574	-	-	13,574
Leadership excellence awards	837	-	-	837
Salaries and wages	325,822	152,155	227,099	705,076
Payroll taxes	20,072	9,600	13,172	42,844
Employee benefits	-	2,054	-	2,054
Outside services	-	1,450	-	1,450
Special events	-	5,000	-	5,000
Professional fees	-	16,902	-	16,902
Depreciation	-	1,189	-	1,189
Consulting	-	120,000	-	120,000
Bank fees	-	1,566	-	1,566
Office	-	80,383	44,074	124,457
Travel	-	791	684	1,475
Board member expense	-	686	-	686
Board member travel and meetings	-	3,000	-	3,000
Insurance	-	6,590	-	6,590
Bad debt	-	83,399	-	83,399
Miscellaneous	-	3,842	-	3,842
Registration fees	-	-	9,362	9,362
Information technology	2,912	15,876	-	18,788
TOTAL OPERATING EXPENSES	<u>\$ 382,516</u>	<u>\$ 504,483</u>	<u>\$ 428,606</u>	<u>\$ 1,315,605</u>

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, 2022 and 2021

	2022	2021
OPERATING ACTIVITIES		
Change in net assets	\$ (290,746)	\$ (778,517)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	1,189	1,189
Net realized and unrealized (gains) on investments	-	(999)
Bad debt expense	670	83,399
(Increase) decrease in operating assets:		
Unconditional promises to give	(154,270)	166,501
Related party receivables	-	3,506
Increase (decrease) in operating liabilities:		
Accounts payable	(2,958)	666
Accrued liabilities	(1,967)	2,467
	(448,082)	(521,788)
NET CASH FROM OPERATING ACTIVITIES		
INVESTING ACTIVITIES		
Purchase of investments	(142,541)	(148,461)
Proceeds from the sale of investments	137,538	751,368
	(5,003)	602,907
NET CASH FROM INVESTING ACTIVITIES		
NET CHANGE IN CASH AND CASH EQUIVALENTS	(453,085)	81,119
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	615,216	534,097
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 162,131	\$ 615,216

See accompanying notes and independent auditor's report.

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

NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

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 and 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.

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, 2022 and 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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 \$159,136 and \$128,692 in donated services for various professional services and donated board member travel during the years ended September 30, 2022 and 2021, 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.

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.

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 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.

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, 2022 and 2021.

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

NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 expenses are 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.

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, 2022 and 2021, 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, 2022 or 2021.

**THE FOUNDATION FOR THE MALCOLM BALDRIGE
NATIONAL QUALITY AWARD, INC.**
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

NOTE 3 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The financial assets available for the Foundation's general use as of September 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Financial assets, at year end	\$ 415,434	\$ 709,916
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time and purpose	(249,300)	(104,700)
Subject to appropriation	(6,033)	(10,958)
Board designations:		
Commitment to Performance Excellence Program	(50,000)	(250,000)
Commitment to Quest Conference	(2,000)	(2,000)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 108,101</u>	<u>\$ 342,258</u>

NOTE 4 - 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, 2022, no allowance for doubtful accounts was deemed necessary. Bad debt expense was \$670 and \$83,399 for the years ended September 30, 2022 and 2021, respectively. Estimated collections on outstanding contributions receivable at net present value are as follows at September 30:

	<u>2022</u>	<u>2021</u>
Current – less than one year	\$ 115,000	\$ 25,000
Noncurrent – one to five years	140,000	75,000
Noncurrent – over five years	-	-
Less unamortized discount	<u>(6,700)</u>	<u>(5,300)</u>
Total noncurrent	<u>133,300</u>	<u>69,700</u>
Total contributions receivable	<u>\$ 248,300</u>	<u>\$ 94,700</u>

Contributions receivable with due dates extending beyond one year are discounted using rates for similar investments. The rate at September 30, 2022 and 2021 was 2.50%.

**THE FOUNDATION FOR THE MALCOLM BALDRIGE
NATIONAL QUALITY AWARD, INC.**
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

NOTE 5 - OPERATING LEASE

In November 2017, the Foundation entered into a thirty-six month operating lease for office space, which was scheduled to expire in October 2021. In February 2020, this lease was extended until October 2023. Under the terms of the lease, rent payments escalate and average \$1,382 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 an additional three-year term. Rent and common area expense under this lease agreement totaled \$35,231 and \$34,389 for the years ended September 30, 2022 and 2021, respectively.

Aggregate future minimum maturities under this operating lease at September 30, 2022, are as follows:

2023	\$	16,551
2024		1,382
Total	\$	<u>17,933</u>

NOTE 6 - 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 7 - 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 generate 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, 2022 and 2021 contributions from these arrangements was \$27,000 and \$94,000, respectively.

NOTE 8 - DESIGNATED NET ASSETS

During the years ended September 30, 2022 and 2021, 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 \$50,000 and \$250,000, respectively, of the Foundation's net assets without donor restriction as of September 30, 2022 and 2021 to fund this program. The Foundation's board of directors has also designated \$2,000 for the 2022 and 2021 Quest Conference.

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

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

	2022	2021
Reimann Scholarship Fund	\$ 12,000	\$ 12,000
Quest Conference	-	10,000
Unconditional promises to give:		
Current	115,000	25,000
Noncurrent	133,300	69,700
Total	\$ 260,300	\$ 116,700

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

NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

NOTE 10 - RISKS AND UNCERTAINTIES

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 11 - SUBSEQUENT EVENTS

Management evaluated subsequent events through January 28, 2023, the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

**THE FOUNDATION FOR THE MALCOLM BALDRIGE
NATIONAL QUALITY AWARD, INC.**
SCHEDULE OF INVESTMENTS
September 30, 2022

<u>Description</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Cost</u>	<u>Fair Value</u>
Money Markets	N/A	Varies	\$ 5,003	\$ 5,003

See independent auditor's report.