

**CHILD HEALTH INVESTMENT
PARTNERSHIP, INC.**

Roanoke, Virginia

FINANCIAL STATEMENTS

**For the Years Ended
June 30, 2022 and 2021**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Child Health Investment Partnership, Inc.
Roanoke, Virginia

Opinion

We have audited the accompanying financial statements of Child Health Investment Partnership, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, cash flows and functional expenses 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 Child Health Investment Partnership, Inc. as of June 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 audits 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 Child Health Investment Partnership, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Child Health Investment Partnership, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and 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, including omissions, 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 Child Health Investment Partnership, 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 Child Health Investment Partnership, 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.

And + Real, LLP

Roanoke, Virginia
October 20, 2022

CHILD HEALTH INVESTMENT PARTNERSHIP, INC.

**Statements of Financial Position
June 30, 2022 and 2021**

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Current Assets:		
Cash and cash equivalents	\$ 114,740	\$ 235,561
Accounts receivable, net	36,111	160,302
Pledges receivable	7,188	14,188
Grants receivable	151,253	126,115
Other assets	<u>15,083</u>	<u>18,988</u>
Total current assets	324,375	555,154
Investments	2,227,360	2,349,380
Pledges Receivable – Noncurrent	8,500	10,000
Land, Building and Equipment – Net	<u>1,493,600</u>	<u>1,548,574</u>
Total assets	<u>\$ 4,053,835</u>	<u>\$ 4,463,108</u>
 <u>LIABILITIES and NET ASSETS</u>		
Current Liabilities:		
Accounts payable	\$ 70,818	\$ 88,855
Accrued payroll	40,802	77,217
Accrued compensated absences	44,981	43,633
Deferred revenue	<u>-</u>	<u>3,208</u>
Total liabilities	<u>156,601</u>	<u>212,913</u>
Net Assets:		
Without donor restrictions:		
Undesignated	1,635,903	1,857,447
Board-designated endowment	<u>2,227,360</u>	<u>2,349,380</u>
Total net assets without donor restrictions	3,863,263	4,206,827
With donor restrictions	<u>33,971</u>	<u>43,368</u>
Total net assets	<u>3,897,234</u>	<u>4,250,195</u>
Total liabilities and net assets	<u>\$ 4,053,835</u>	<u>\$ 4,463,108</u>

The accompanying notes are an integral part of these financial statements and should be read in connection therewith.

CHILD HEALTH INVESTMENT PARTNERSHIP, INC.

**Statements of Activities
For the Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Net Assets Without Donor Restriction		
Support and revenue:		
Contributions	\$ 235,934	\$ 266,051
CHIP of Virginia	467,585	480,267
Foundation grants	176,916	196,135
Government grants	142,572	218,725
United Way of Roanoke Valley	83,953	83,953
Third-party billings	205,046	233,846
Special events (net of costs of \$24,477 in 2022 and \$5,582 in 2021)	70,592	31,016
Rental income	16,997	37,750
Investment income (loss)	(121,150)	383,122
Net assets released from restriction	<u>9,618</u>	<u>52,662</u>
Total support and revenue	<u>1,288,063</u>	<u>1,983,527</u>
Expenses:		
Program services	1,333,612	1,337,425
Management and general	193,845	143,039
Fund raising	<u>104,170</u>	<u>94,474</u>
Total expenses	<u>1,631,627</u>	<u>1,574,938</u>
Change in Net Assets Without Donor Restriction	<u>(343,564)</u>	<u>408,589</u>
Net Assets With Donor Restriction		
Contributions	221	1,650
Net assets released from restriction	<u>(9,618)</u>	<u>(52,662)</u>
Change in Net Assets With Donor Restriction	<u>(9,397)</u>	<u>(51,012)</u>
Change in Net Assets	(352,961)	357,577
Net Assets		
Beginning of year	<u>4,250,195</u>	<u>3,892,618</u>
End of year	<u>\$ 3,897,234</u>	<u>\$ 4,250,195</u>

The accompanying notes are an integral part of these financial statements and should be read in connection therewith.

CHILD HEALTH INVESTMENT PARTNERSHIP, INC.

**Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (352,961)	\$ 357,577
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Depreciation	76,978	75,156
(Gain) loss on investments	156,501	(352,065)
Changes in assets and liabilities:		
(Increase) decrease:		
Receivables	107,553	21,728
Other assets	3,905	(15,466)
Increase (decrease):		
Accounts payable	(18,037)	52,826
Accrued expenses	(35,067)	(1,024)
Deferred revenue	(3,208)	94
Net cash provided by (used in) operating activities	<u>(64,336)</u>	<u>138,826</u>
INVESTING ACTIVITIES		
Investment activity	(34,481)	(182,237)
Purchase of property and equipment	(22,004)	(9,973)
Net cash used in investing activities	<u>(56,485)</u>	<u>(192,210)</u>
Net Decrease in Cash and Cash Equivalents	(120,821)	(53,384)
CASH AND CASH EQUIVALENTS		
Beginning	<u>235,561</u>	<u>288,945</u>
Ending	<u>\$ 114,740</u>	<u>\$ 235,561</u>

The accompanying notes are an integral part of these financial statements
and should be read in connection therewith.

CHILD HEALTH INVESTMENT PARTNERSHIP, INC.

**Statement of Functional Expenses
For the Year Ended June 30, 2022**

	<u>Medical Coordination</u>	<u>Family Strengthening</u>	<u>Education</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 443,097	\$ 289,693	\$ 176,092	\$ 908,882	\$ 73,970	\$ 51,158	\$ 1,034,010
Fringe Benefits	47,862	43,716	33,334	124,912	5,460	5,489	135,861
Payroll Taxes	35,297	24,026	14,807	74,130	7,007	4,081	85,218
Contract Services	19,262	9,801	7,436	36,499	69,423	18,479	124,401
Building and Grounds Maintenance	3,378	1,942	1,372	6,692	4,367	317	11,376
Utilities	7,139	3,733	2,575	13,447	2,429	561	16,437
Janitorial and Supplies Costs	1,342	978	678	2,998	162	147	3,307
Insurance	8,090	5,746	3,655	17,491	1,079	1,099	19,669
Software Support	11,744	10,554	-	22,298	-	4,126	26,424
Telephone	3,737	6,373	2,456	12,566	395	806	13,767
Copier and Printing Expense	2,686	2,082	1,319	6,087	507	5,991	12,585
Office and Computer Supplies	3,969	3,199	2,155	9,323	1,238	559	11,120
Postage	422	317	233	972	54	856	1,882
Program Expenses	759	16,831	1,346	18,936	-	25	18,961
Advertising, Marketing and Fundraising	114	116	58	288	1,105	3,189	4,582
Staff Development	1,599	1,129	599	3,327	420	281	4,028
Travel and Mileage	1,932	2,894	2,893	7,719	-	-	7,719
Transportation for Families	2,952	521	-	3,473	-	-	3,473
Professional Fees	-	-	-	-	7,500	-	7,500
Miscellaneous Expenses	2,446	1,804	1,113	5,363	3,158	3,807	12,328
Depreciation Expense	28,642	17,479	12,088	58,209	15,571	3,199	76,979
	<u>\$ 626,469</u>	<u>\$ 442,934</u>	<u>\$ 264,209</u>	<u>\$ 1,333,612</u>	<u>\$ 193,845</u>	<u>\$ 104,170</u>	<u>\$ 1,631,627</u>

The accompanying notes are an integral part of these financial statements and should be read in connection therewith.

CHILD HEALTH INVESTMENT PARTNERSHIP, INC.

**Statement of Functional Expenses
For the Year Ended June 30, 2021**

	<u>Medical Coordination</u>	<u>Family Strengthening</u>	<u>Education</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 455,887	\$ 306,042	\$ 190,604	\$ 952,533	\$ 57,137	\$ 52,781	\$ 1,062,451
Fringe Benefits	54,774	47,467	36,128	138,369	5,159	6,171	149,699
Payroll Taxes	31,302	23,170	13,992	68,464	4,677	4,481	77,622
Contract Services	4,159	2,890	2,659	9,708	45,878	9,263	64,849
Building and Grounds Maintenance	2,600	1,796	1,304	5,700	2,087	249	8,036
Utilities	6,081	2,912	2,145	11,138	232	412	11,782
Janitorial and Supplies Costs	2,011	1,276	940	4,227	198	180	4,605
Insurance	7,213	5,473	3,914	16,600	929	928	18,457
Software Support	14,068	12,683	200	26,951	72	4,502	31,525
Telephone	5,753	4,744	2,037	12,534	415	1,306	14,255
Copier and Printing Expense	2,707	2,203	1,409	6,319	380	4,526	11,225
Office and Computer Supplies	2,950	2,203	1,638	6,791	514	338	7,643
Postage	918	688	507	2,113	107	925	3,145
Program Expenses	153	2,301	2,845	5,299	-	-	5,299
Advertising, Marketing and Fundraising	-	-	-	-	-	1,882	1,882
Staff Development	1,140	1,179	607	2,926	390	155	3,471
Travel and Mileage	2,508	2,799	2,280	7,587	516	327	8,430
Transportation for Families	551	1,372	-	1,923	-	-	1,923
Professional Fees	-	-	-	-	7,500	-	7,500
Miscellaneous Expenses	558	134	152	844	1,735	3,404	5,983
Depreciation Expense	24,916	18,709	13,774	57,399	15,113	2,644	75,156
	<u>\$ 620,249</u>	<u>\$ 440,041</u>	<u>\$ 277,135</u>	<u>\$ 1,337,425</u>	<u>\$ 143,039</u>	<u>\$ 94,474</u>	<u>\$ 1,574,938</u>

The accompanying notes are an integral part of these financial statements and should be read in connection therewith.

CHILD HEALTH INVESTMENT PARTNERSHIP, INC.

Notes to Financial Statements June 30, 2022 and 2021

Note 1. Nature of Activities

Child Health Investment Partnership, Inc. (CHIP) is a human services organization designed to coordinate collaborative efforts between public and private sectors to provide health care coordination and family support services for area children living in poverty. The process of providing this service is multifaceted and includes case management, health care coordination, and parental involvement. CHIP is located in Roanoke, Virginia and primarily serves families residing in the Roanoke Valley region of western Virginia. The Organization's primary sources of revenue are public contributions, government and private grants, and fees for services.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Financial Statement Presentation:

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

CHILD HEALTH INVESTMENT PARTNERSHIP, INC.

Notes to Financial Statements June 30, 2022 and 2021

Note 2. Summary of Significant Accounting Policies (Continued)

Support and Revenue Recognition:

Contributions are recognized when cash, other assets or an unconditional promise to give is received. Grants (conditional promises to give) are recognized when the conditions, on which they depend, are substantially met.

Third-party billings and special events revenues are recognized when the activity, event or service is provided. Deferred revenue at June 30, 2022 and 2021 is \$-0- and \$3,208, respectively.

Functional Allocation of Expenses:

In the accompanying statement of functional expenses, all expenses are allocated based upon the functions to which they relate. Salaries and the related expenses are allocated on estimates of time spent under each function. Costs of other expenses are allocated based on estimates of the amount spent per each functional category.

Cash and Cash Equivalents:

The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable:

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. The balance of the bad debt valuation allowance at June 30, 2022 and 2021 is \$45,000 and netted against accounts receivable on the statements of financial position.

Investments:

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the statements of activities.

Property and Equipment:

Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment are carried at cost or, if donated, at fair value at the date of donation.

CHILD HEALTH INVESTMENT PARTNERSHIP, INC.

Notes to Financial Statements June 30, 2022 and 2021

Note 2. Summary of Significant Accounting Policies (Continued)

Property and Equipment: (Continued)

Depreciation of building and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. The estimated useful life of the building is 25 to 40 years and the equipment is 5 to 10 years.

Income Tax Status:

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Donated Services:

The Organization has a substantial number of volunteers that have donated significant amounts of their time in the Organization's program services and fund-raising campaigns. In accordance with generally accepted accounting principles, no amounts have been reflected in the financial statements for these services.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

Note 3. Investments

The fair value of investment securities at June 30, 2022 and 2021 are as follows:

	2022	
	<u>Cost</u>	<u>Fair Value</u>
Money Market	\$ 392,416	\$ 392,416
U. S. Government Securities	147,906	129,775
Corporate and Other Bonds	75,880	65,830
Marketable Equity Securities	1,025,331	1,403,520
Mutual Funds	<u>266,417</u>	<u>235,819</u>
	<u><u>\$ 1,907,950</u></u>	<u><u>\$ 2,227,360</u></u>

CHILD HEALTH INVESTMENT PARTNERSHIP, INC.

Notes to Financial Statements June 30, 2022 and 2021

Note 3. Investments (Continued)

	<u>2021</u>	
	<u>Cost</u>	<u>Fair Value</u>
Money Market	\$ 385,557	\$ 385,557
U. S. Government Securities	139,778	135,228
Corporate and Other Bonds	87,929	87,553
Marketable Equity Securities	1,000,942	1,473,297
Mutual Funds	<u>266,674</u>	<u>267,745</u>
	<u>\$ 1,880,880</u>	<u>\$ 2,349,380</u>

The components of investment income for the years ended June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Interest and Dividends	\$ 53,993	\$ 51,927
Gain (Loss) on Investments	(156,501)	352,065
Investment Fees	<u>(18,642)</u>	<u>(20,870)</u>
Investment Income (Loss)	<u>\$ (121,150)</u>	<u>\$ 383,122</u>

Note 4. Land, Building and Equipment

Land, building and equipment (at cost) are summarized as follows:

	<u>2022</u>	<u>2021</u>
Land	\$ 232,000	\$ 232,000
Building	1,335,300	1,335,300
Leasehold improvements	559,109	548,075
Furniture and equipment	394,762	383,792
Computer equipment	<u>42,678</u>	<u>42,678</u>
Total land, building and equipment	2,563,849	2,541,845
Less Accumulated Depreciation	<u>1,070,249</u>	<u>993,271</u>
Net land, building and equipment	<u>\$ 1,493,600</u>	<u>\$ 1,548,574</u>

Note 5. Line of Credit

The Organization has a \$75,000 unsecured line of credit with American National Bank & Trust Company. The line of credit has an interest rate of prime plus .50% and has no outstanding balance at June 30, 2022 and 2021.

CHILD HEALTH INVESTMENT PARTNERSHIP, INC.

Notes to Financial Statements June 30, 2022 and 2021

Note 6. Net Assets With Donor Restrictions

Net assets with donor restrictions as of June 30, 2022 and 2021 consists of the following:

	<u>2022</u>	<u>2021</u>
Pledges receivable	\$ 15,688	\$ 24,188
Glontz fund	15,833	16,132
Bazak book fund	2,450	2,229
Asthma Coalition	<u>-</u>	<u>819</u>
	<u>\$ 33,971</u>	<u>\$ 43,368</u>

Note 7. Board-Designated Endowment

As of June 30, 2022, the Board of Directors had designated \$2,227,360 of net assets without donor restrictions as a general endowment fund to support the mission of the Organization. Since that amount resulted from an internal designation and is not donor restricted, it is classified and reported as net assets without donor restrictions.

Return Objectives and Risk Parameters:

The Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of five percent, while growing the fund if possible. Accordingly, the Organization expects its endowment assets, over time, to produce an average rate of return above that of the average of several public market indexes. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels or risk.

Strategies Employed for Achieving Objectives:

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current year (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on fixed income investments to achieve its long-term return objectives within prudent risk constraints.

CHILD HEALTH INVESTMENT PARTNERSHIP, INC.

Notes to Financial Statements June 30, 2022 and 2021

Note 7. Board-Designated Endowment (Continued)

Changes in endowment net assets for the years ending June 30, 2022 and 2021 are as follows:

Endowment net assets, June 30, 2020	\$ 1,815,078
Contributions	2,000
Cash transfer	150,000
Investment return, net	382,302
Amounts appropriated for expenditure	<u>-</u>
Endowment net assets, June 30, 2021	2,349,380
Investment return, net	(122,020)
Amounts appropriated for expenditure	<u>-</u>
Endowment net assets, June 30, 2022	<u>\$ 2,227,360</u>

Note 8. Fair Value Measurements

The Organization's investments are reported at fair value in the accompanying statements of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization 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.

The fair value measurements authoritative literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

Level 1 Fair Value Measurements:

The fair values of marketable equity securities are based on the closing price reported on the active market where the individual securities are traded. The fair value of mutual funds is based on quoted net asset values of the shares as reported by the fund. The mutual funds held by the Organization are open-end mutual funds registered with the U. S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Organization are considered to be actively traded.

CHILD HEALTH INVESTMENT PARTNERSHIP, INC.

Notes to Financial Statements June 30, 2022 and 2021

Note 8. Fair Value Measurements (Continued)

Level 2 Fair Value Measurements:

The fair values of corporate and other bonds and U. S. government securities are measured using a market approach on yields currently available on comparable securities of issuers with similar credit ratings.

The following table sets forth, by level within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2022 and 2021:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
<u>June 30, 2022:</u>			
Money Market	\$ 392,416	\$ 392,416	\$ -
U. S. Government Securities	129,775	-	129,775
Corporate and Other Bonds	65,830	-	65,830
Marketable Equity Securities	1,403,520	1,403,520	-
Mutual Funds	<u>235,819</u>	<u>235,819</u>	<u>-</u>
	<u>\$ 2,227,360</u>	<u>\$ 2,031,755</u>	<u>\$ 195,605</u>
<u>June 30, 2021:</u>			
Money Market	\$ 385,557	\$ 385,557	\$ -
U. S. Government Securities	135,228	-	135,228
Corporate and Other Bonds	87,553	-	87,553
Marketable Equity Securities	1,473,297	1,473,297	-
Mutual Funds	<u>267,745</u>	<u>267,745</u>	<u>-</u>
	<u>\$ 2,349,380</u>	<u>\$ 2,126,599</u>	<u>\$ 222,781</u>

Note 9. Leases

The Organization leases a portion of a building to a tenant. Rental income for the years ending June 30, 2022 and 2021 was \$16,997 and \$37,750, respectively.

Note 10. Retirement Plan

The Organization provides retirement benefits to its employees through a 403(b) defined contribution plan covering employees working a minimum of 20 hours per week, with one year of eligible service. The Organization matches one half of employee contributions up to a maximum contribution of two and one-half percent (2-1/2%) of gross wages. Contributions to the plan during the years ended June 30, 2022 and 2021 were \$9,241 and \$11,671, respectively.

CHILD HEALTH INVESTMENT PARTNERSHIP, INC.

Notes to Financial Statements June 30, 2022 and 2021

Note 11. Liquidity

The Organization manages its financial assets to ensure resources are available to meet obligations over the next twelve months. Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 114,740	\$ 235,561
Receivables	<u>194,552</u>	<u>310,605</u>
Financial assets	309,292	546,166
Donor-imposed restrictions	(33,971)	(43,368)
United Way funding for partner agencies	<u>(17,942)</u>	<u>(36,151)</u>
Financial assets available for general expenditures	<u>\$ 257,379</u>	<u>\$ 466,647</u>

Note 12. Pending Pronouncements

Lease Accounting:

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. ASU No. 2016-02 requires that lessees recognize all leases (other than leases with a term of 12 months or fewer) on the balance sheet as lease liabilities, based upon the present value of the lease payments, with corresponding right of use assets. ASU No. 2016-02 also makes targeted changes to other aspects of current guidance, including identifying a lease and lease classification criteria as well as the lessor accounting model, including guidance on separating components of a contract and consideration in the contract. The amendments in ASU No. 2016-02 will be effective for the Organization on July 1, 2022 and will require modified retrospective application as of the beginning of the earliest period presented on the consolidated financial statements. Early application is permitted.

Note 13. Subsequent Events

Management has evaluated subsequent events through October 20, 2022, the date which the financial statements were available to be issued.