

The Children's Health Fund

Financial Statements

Year Ended December 31, 2021

The Children's Health Fund

Financial Statements
Year Ended December 31, 2021

The Children's Health Fund

Contents

Independent Auditor's Report	3-4
Financial Statements	
Statement of Financial Position as of December 31, 2021	5
Statement of Activities for the Year Ended December 31, 2021	6
Statement of Functional Expenses for the Year Ended December 31, 2021	7
Statement of Cash Flows for the Year Ended December 31, 2021	8
Notes to Financial Statements	9-19



Tel: 212-371-4446
Fax: 212-371-9374
www.bdo.com

622 Third Ave, Suite 3100
New York, NY 10017

Independent Auditor's Report

The Board of Directors
The Children's Health Fund
New York, New York

Opinion

We have audited the financial statements of The Children's Health Fund (the Organization), which comprise the statement of financial position as of December 31, 2021, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the change in its net assets and its cash flows for the year 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 (GAAS). 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 Organization 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 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 GAAS 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 GAAS, 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 Organization'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 Organization'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 Summarized Comparative Information

We have previously audited the Organization's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 15, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, LLP

October 21, 2022

The Children's Health Fund
Statement of Financial Position
(with comparative totals for 2020)

<i>December 31,</i>	2021	2020
Assets		
Current		
Cash	\$ 888,533	\$ 683,263
Investments, at fair value, current portion	5,396	27,335
Government grants receivable	1,037,850	225,000
Contributions receivable, current portion, net of allowance of \$67,500	1,390,000	1,776,799
Prepaid expenses and other assets	128,641	276,333
Total Current Assets	3,450,420	2,988,730
Investments, at Fair Value, net of current portion	2,794,832	2,616,117
Contributions Receivable, less current portion, net	330,986	332,040
Property and Equipment, Net	1,013,379	645,429
Total Assets	\$ 7,589,617	\$ 6,582,316
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 452,096	\$ 383,961
Grants payable	3,531,698	2,281,081
Capital lease obligation, current portion	9,169	-
Total Current Liabilities	3,992,963	2,665,042
Capital Lease Obligation, net of current portion	25,463	-
Total Liabilities	4,018,426	2,665,042
Commitments and Contingencies (Notes 7, 8, 11, and 12)		
Net Assets		
Without donor restrictions	2,527,065	2,985,748
With donor restrictions:		
Purpose restrictions	294,126	481,526
Time-restricted for future periods	750,000	450,000
Total Net Assets with Donor Restrictions	1,044,126	931,526
Total Net Assets	3,571,191	3,917,274
Total Liabilities and Net Assets	\$ 7,589,617	\$ 6,582,316

See accompanying notes to financial statements.

The Children's Health Fund
Statement of Activities
(with comparative totals for 2020)

Year ended December 31,

	Without Donor Restrictions	With Donor Restrictions	Total	
			2021	2020
Revenues and Public Support				
Contributions and grants	\$ 3,197,214	\$ 3,687,629	\$ 6,884,843	\$ 9,242,079
Government grants	2,331,665	-	2,331,665	1,455,600
Special events revenue, net of direct cost	93,552	-	93,552	111,086
Consulting fees	10,000	-	10,000	25,000
Miscellaneous revenue	25,277	-	25,277	29,688
Net assets released from restrictions	3,575,029	(3,575,029)	-	-
Total Revenues and Public Support	9,232,737	112,600	9,345,337	10,863,453
Expenses				
Program services:				
New York program	1,525,183	-	1,525,183	1,824,551
Public health and crisis response	256,748	-	256,748	345,709
National programs	3,969,570	-	3,969,570	6,485,050
Education	1,308,224	-	1,308,224	1,221,638
Total Program Services	7,059,725	-	7,059,725	9,876,948
Supporting services:				
Management and general	1,827,538	-	1,827,538	1,961,237
Fundraising	1,128,389	-	1,128,389	1,229,478
Total Supporting Services	2,955,927	-	2,955,927	3,190,715
Total Expenses	10,015,652	-	10,015,652	13,067,663
Change in Net Assets, before nonoperating revenue	(782,915)	112,600	(670,315)	(2,204,210)
Nonoperating Revenue				
Investment income, net of fees of \$506	324,232	-	324,232	436,374
Change in Net Assets	(458,683)	112,600	(346,083)	(1,767,836)
Net Assets, beginning of year	2,985,748	931,526	3,917,274	5,685,110
Net Assets, end of year	\$ 2,527,065	\$ 1,044,126	\$ 3,571,191	\$ 3,917,274

See accompanying notes to financial statements.

The Children's Health Fund

Statement of Functional Expenses (with comparative totals for 2020)

Year ended December 31,

	Program Services - Children's Health Care					Supporting Services				Total	
	New York Program	Public Health and Crisis Response	National Programs	Education	Total Program Services - Children's Health Care	Management and General	Fundraising	Special Events	Total Supporting Services	2021	2020
Salaries	\$ 132,267	\$ 31,235	\$ 1,284,378	\$ 803,564	\$ 2,251,444	\$ 711,052	\$ 622,722	\$ -	\$ 1,333,774	\$ 3,585,218	\$ 3,813,929
Payroll taxes and employee benefits	63,938	3,516	298,290	148,793	514,537	230,256	300,728	-	530,984	1,045,521	1,120,553
Total Salaries and Related Expenses	196,205	34,751	1,582,668	952,357	2,765,981	941,308	923,450	-	1,864,758	4,630,739	4,934,482
Contributions and grants	1,258,815	100,000	1,560,224	-	2,919,039	-	-	-	-	2,919,039	4,815,941
Professional fees	31,319	117,904	351,598	221,795	722,616	442,345	41,847	-	484,192	1,206,808	1,146,289
Rent	13,740	3,245	133,427	82,538	232,950	73,867	63,552	-	137,419	370,369	689,135
Travel and conferences	-	-	76,885	74	76,959	6,397	197	-	6,594	83,553	58,486
Office supplies and expenses	14,673	-	51,363	6,921	72,957	148,016	53,516	-	201,532	274,489	357,228
Dues and subscriptions	-	-	651	8,521	9,172	11,573	6,933	-	18,506	27,678	28,828
Postage and shipping	-	-	689	250	939	4,083	2,085	-	6,168	7,107	18,924
Printing, advertising, and website	2,135	-	3,622	14,180	19,937	3,578	20,109	-	23,687	43,624	72,919
Maintenance and lease of equipment	4,330	-	22,907	29	27,266	43,000	100	-	43,100	70,366	162,901
Insurance	3,589	848	34,851	21,559	60,847	19,294	16,600	-	35,894	96,741	91,442
Venue, catering, and entertainment	-	-	-	-	-	-	-	265,984	265,984	265,984	80,567
Bad debt expense	-	-	5,000	-	5,000	90,000	-	-	90,000	95,000	479,097
Interest	-	-	885	-	885	12,345	-	-	12,345	13,230	9,756
Total Expenses, before depreciation and amortization	1,524,806	256,748	3,824,770	1,308,224	6,914,548	1,795,806	1,128,389	265,984	3,190,179	10,104,727	12,945,995
Depreciation and Amortization	377	-	144,800	-	145,177	31,732	-	-	31,732	176,909	202,235
Less: costs of direct benefits to donors	-	-	-	-	-	-	-	(265,984)	(265,984)	(265,984)	(80,567)
Total Expenses	\$ 1,525,183	\$ 256,748	\$ 3,969,570	\$ 1,308,224	\$ 7,059,725	\$ 1,827,538	\$ 1,128,389	\$ -	\$ 2,955,927	\$10,015,652	\$ 13,067,663

See accompanying notes to financial statements.

The Children's Health Fund
Statement of Cash Flows
(with comparative totals for 2020)

<i>Year ended December 31,</i>	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ (346,083)	\$ (1,767,836)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	176,909	202,235
Loss on disposal of property and equipment	1,800	-
Donated investments	(10,135)	(46,121)
Net realized gain on investments	(25,552)	(29,141)
Net unrealized gain on investments	(262,812)	(407,233)
Change in discount on contributions receivable	1,055	-
Bad debt expense	95,000	479,097
Decrease (increase) in:		
Government grants receivable	(812,850)	304,688
Contributions receivable	291,798	2,233,358
Prepaid expenses and other assets	147,692	(34,023)
Increase (decrease) in:		
Accounts payable and accrued expenses	68,135	69,907
Grants payable	1,250,617	(1,231,554)
Net Cash Provided by (Used in) Operating Activities	575,574	(226,623)
Cash Flows from Investing Activities		
Purchase of investments	(36,367)	-
Proceeds from sale of investments	178,090	489,481
Purchases of fixed assets	(507,010)	(17,641)
Net Cash (Used in) Provided by Investing Activities	(365,287)	471,840
Cash Flows from Financing Activities		
Principal payments on capital lease obligation	(5,017)	-
Net Cash Used in Financing Activities	(5,017)	-
Net Increase in Cash	205,270	245,217
Cash, beginning of year	683,263	438,046
Cash, end of year	\$ 888,533	\$ 683,263
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 13,230	\$ 9,756

See accompanying notes to financial statements.

The Children's Health Fund

Notes to Financial Statements

1. Description of Organization

The Children's Health Fund (the Organization) is a not-for-profit organization incorporated in New York State. The Organization is committed to providing health care to the nation's most medically underserved children and their families through the development and support of innovative primary care medical programs, response to public health crises, and the promotion of guaranteed access to appropriate health care for all children. The Organization's primary sources of revenue are contributions and grants.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). In the statement of financial position, assets are presented in order of liquidity or conversion to cash and liabilities are presented according to their maturity resulting in the use of cash.

Cash and Cash Equivalents

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

Financial Instruments and Fair Value

The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, established a hierarchy for inputs used in measuring fair value that maximized the use of observable inputs and minimized the use of unobservable inputs, requiring that inputs that are most observable be used when available. Observable inputs are those that market participants operating within the same marketplace as the Organization would use in pricing the Organization's asset or liability based on independently derived and observable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of the Organization are traded. The Organization estimates the price of any assets for which there are only unobservable inputs by using assumptions that market participants who have investments in the same or similar assets would use, as determined by the money managers for each investment based on best information available in the circumstances. The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable, as follows:

Level 1 - Valuation is based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 - Valuation is based on quoted market prices of investments that are not actively traded or for which certain significant inputs are not observable, either directly or indirectly.

Level 3 - Valuation is based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

The Children’s Health Fund

Notes to Financial Statements

Contributions Receivable

The Organization recognizes as revenue the estimated realizable value of all unconditional promises to contribute to its operations in the year such promise is made. If contributions receivable are to be paid to the Organization over a period greater than one year following December 31, 2021, they are recorded at the present value of their estimated future cash flows using the effective discount rate (see Note 5).

Government Grants Receivable

The Organization recognizes government grants when the conditions to satisfy the underlying grant have been “substantially met” or no items of substance are left to satisfy to qualify for the grant. As of December 31, 2021, government grants receivable was \$1,037,850.

Allowance for Uncollectible Receivables

An allowance for uncollectible contributions receivable is provided based upon management’s judgment of potential defaults. The determination includes such factors as prior collection history and communications with donors.

The allowance is increased by provisions charged to expense. Actual losses, net of any recoveries, are charged to the allowance. Allowance for uncollectible receivables was \$67,500 as of December 31, 2021.

Property and Equipment, Net

Property and equipment, net, are recorded at cost when purchased. Expenditures for additions, renewals, and betterments with a cost in excess of \$500 per unit are capitalized; expenditures for maintenance and repairs are charged to expenses as incurred. Assets under capital lease obligations and leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, as follows:

Assets	Years
Mobile medical units	10
Computers and equipment	3-5
Furniture	5
Leasehold improvements	Lesser of lease term or 10

Impairment of Long-Lived Assets

The Organization follows the provision of ASC 360-10-35, *Accounting for the Impairment or Disposal of Long-Lived Assets*, which requires the Organization to review long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. For the year ended December 31, 2021, there have been no such losses.

The Children's Health Fund

Notes to Financial Statements

Net Asset Classification

The classification of a not-for-profit organization's net assets and its support, revenue, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of two classes of net assets—with donor restrictions and without donor restrictions—be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

These classes are defined as follows:

With Donor Restrictions - Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. When a donor restriction expires—that is, when a stipulated time restriction ends, or purpose restriction is accomplished—the net assets are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

See Note 9 for more information on the composition of net assets with donor restrictions and the releases from restrictions.

Without Donor Restrictions - Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes.

Contributions

Contributions received are recorded as with or without donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires—that is, when a stipulated time restriction ends, or purpose restriction is accomplished—restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service. Contributions are nonexchange transactions in which no commensurate value is exchanged. Therefore, contributions fall under the purview of ASC Topic 958, *Not-for-profit Entities*. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Special Events

The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. Revenue is recognized when events take place. At December 31, 2021, there were no liabilities pertaining to special events revenue. All proceeds received, net of direct cost of the benefits received by the participant, are recorded as special events revenue in the accompanying statement of activities.

The Children's Health Fund

Notes to Financial Statements

Revenue from special events is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for the direct cost of the benefits received by the attendees at the events.

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over a period of time is generally recognized when goods are provided to attendees over a period of time and the Organization does not believe it is required to provide additional goods or services related to that sale.

The Organization determines the transaction price based on standard charges for goods and services provided. For the year ended December 31, 2021, the Organization recognized revenue of \$93,552 from goods and services that transfer to the attendees over a period of time.

Government Grants

Support funded by grants is recognized as the Organization meets the conditions prescribed by the grant agreement, performs the contracted services, or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Consulting Fees

The Organization receives consulting fees for program-related guidance provided to non-profit organizations. Revenue is recognized when performance obligations are satisfied based on signed agreements.

Contributions and Grant Expenses

Contributions and grant expenses are recorded at the time they are approved by the Board. The grants are recorded as current or long term based on the required payment schedule. Grants due in more than one year are discounted using risk-adjusted rates.

Functional Allocation of Expenses

The majority of expenses can generally be directly identified with program or supporting services to which they relate and are allocated accordingly. Other expenses have been allocated among program and supporting service classifications. These expenses include depreciation and amortization, utilities, information technology, and facilities operations and maintenance. These expenses are allocated based on usage or other equitable bases established by management.

Income Taxes

The Organization is exempt from federal, state, and local income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and, therefore, has made no provision for income taxes in the accompanying financial statements.

Under ASC 740, an organization must recognize the financial statement effects of a tax position taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. The Organization does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax

The Children's Health Fund

Notes to Financial Statements

benefits. The Organization has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Organization has filed Internal Revenue Service (IRS) Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required. For the year ended December 31, 2021, there were no income tax-related interest or penalties recorded or included in the statement of activities. Management believes that the Organization is no longer subject to income tax examinations for years prior to 2018.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash and cash equivalents. At various times, the Organization has cash deposits at financial institutions, which exceed the Federal Deposit Insurance Corporation insurance limits. The financial institutions have strong credit ratings and management believes that credit risk related to these accounts is minimal.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Accounting Pronouncements Issued but Not Yet Adopted

Accounting for Leases (Topic 842)

On February 25, 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases*, which will require lessees to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and a right-of-use asset, which is an asset that represents the lessee's right to use or control the use of a specified asset for the lease term. The FASB also issued ASU 2020-05, which deferred the effective date for the Organization until annual periods beginning after December 15, 2021. Management is currently evaluating the impact of the pending adoption of ASU 2016-02.

Accounting for Contributed Nonfinancial Assets

On September 17, 2020, the FASB issued ASU, 2020-07, *Presentation and Disclosures by Non-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU intended to increase transparency on how contributed nonfinancial assets (also referred to as gifts-in-kind) received by nonprofits are to be used and how they are valued. The amendments in the ASU should be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. The Organization is in the process of evaluating the effect the amendment will have on the financial statements.

Accounting for Financial Instruments - Credit Losses

The FASB amended its standards related to the accounting for credit losses on financial instruments. This amendment introduces new guidance for accounting for credit losses on instruments, including trade receivables and finance receivables. The new standard is effective for fiscal years beginning

The Children's Health Fund

Notes to Financial Statements

after December 15, 2022, including interim periods within those years. The Organization is in the process of evaluating the effect the amendment will have on the financial statements.

3. Liquidity and Availability of Resources

Financial assets available for general expenditure—that is, without donor or other restrictions limiting their use—within one year of December 31, 2021, comprise the following:

December 31, 2021

Financial assets at year-end:	
Cash and cash equivalents	\$ 888,533
Investments, at fair value, current portion	5,396
Government grants receivable	1,037,850
Contributions receivable, current portion	1,390,000
Total Financial Assets, at year end	3,321,779
Less: amounts unavailable for general expenditures within one year, due to:	
Restricted by donor with time or purpose restrictions, current portion	(645,640)
Financial Assets Available to Management for General Expenditures Within One Year	\$ 2,676,139

To help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of \$1,000,000, which it could draw upon.

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization has a policy to target a year-end balance of reserves without donor restriction and which are undesignated by the Board to meet 90 to 180 days of expected expenditures. To achieve these targets, the Organization forecasts its future cash flows and monitors its liquidity monthly and monitors its reserves quarterly. During the year ended December 31, 2021, the level of liquidity and reserves was managed within the policy requirements.

4. Investments, at Fair Value

Recurring Measurements

The Organization's assets recorded at fair value have been categorized based upon a fair value hierarchy, in accordance with ASC 820. See Note 2 for a discussion of the Organization's policies regarding this hierarchy.

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 as of December 31, 2021.

Mutual Funds - These assets are valued at the closing price reported on the active market on which the individual securities are traded and are classified as Level 1.

The Children's Health Fund

Notes to Financial Statements

Money Market Fund - This asset is valued at cost plus interest, which approximates fair value.

The following table presents the fair value measurements of assets recognized in the accompanying statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall:

December 31, 2021

	Total Fair Value	Fair Value Measurements Using			Investments Measured at NAV ^(a)
		Level 1	Level 2	Level 3	
Investments:					
Mutual funds:					
Money market fund	\$ 5,396	\$ 5,396	\$ -	\$ -	\$ -
Alternative investments:					
TIFF Multi-Asset Fund ^(b)	2,794,832	-	-	-	2,794,832
Total Investments	\$ 2,800,228	\$ 5,396	\$ -	\$ -	\$ 2,794,832

^(a) Certain investments that are measured at fair value using NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

^(b) *TIFF Multi-Asset Fund* - The TIFF Multi-Asset Fund is an investment vehicle under the TIFF Investment Program, Inc. (TIP). TIP is a no-load, open-end management investment company that seeks to improve the net investment returns of its members. The Multi-Asset Fund is available primarily to foundations, endowments, other 501(c)(3) organizations, and certain other non-profit organizations that meet TIP's eligibility requirements. The fund's investment objective is to attain a growing stream of current income and appreciation of principal that at least offset inflation.

Alternative Investments

Investments in certain entities measured at fair value using NAV per share as a practical expedient consist of the following:

December 31, 2021

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Period Notice
TIFF Multi-Asset Fund	\$ 2,794,832	\$ -	Daily	None

The Children's Health Fund

Notes to Financial Statements

5. Contributions Receivable, Net

Contributions receivable have been recorded at present value. At December 31, 2021, the net present value discount rate used was the U.S. Treasury two-year risk-free rate, which was 0.38%.

The receivables consisted of the following:

December 31, 2021

Amount due in:		
One year	\$	1,390,000
Two to five years		400,000
		<hr/>
		1,790,000
Less:		
Allowance for uncollectible receivables		(67,500)
Unamortized discount		(1,514)
		<hr/>
	\$	1,720,986

6. Property and Equipment, Net

Property and equipment, net, consists of the following:

December 31, 2021

Mobile medical units	\$	3,784,858
Computers and equipment		185,921
Furniture		41,631
Leasehold improvements		487,559
		<hr/>
		4,499,969
Less: accumulated depreciation and amortization		(3,486,590)
		<hr/>
	\$	1,013,379

Depreciation and amortization expense was \$176,909 for the year ended December 31, 2021.

7. Line of Credit

The Organization has a \$1,000,000 working capital line of credit available from Citibank, N.A. that is collateralized by the assets of the Organization. Interest is computed at the prime rate, which was 3.25% at December 31, 2021. The line of credit does not have a set expiration date. There was no balance outstanding as of December 31, 2021.

8. Grants Payable

The Organization's grants payable, which amounted to \$3,531,698 as of December 31, 2021, are due within one year of the statement of financial position date.

The Children's Health Fund

Notes to Financial Statements

9. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

December 31, 2021

Subject to expenditure for specified purpose:		
National network programs	\$	294,126
Subject to the passage of time:		
Promises to give that are not restricted by donors but which are unavailable for expenditure until due		750,000
	\$	1,044,126

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

December 31, 2021

Satisfaction of purpose restrictions:		
New York programs	\$	1,168,880
Public Health and Crisis Response		217,104
National network programs		1,989,045
		3,375,029
Expiration of time restrictions		200,000
	\$	3,575,029

10. Government Grants

On December 27, 2020, the Economic Aid to Hard-Hit Small Business, Non-Profits, and Venues Act (Economic Aid Act) was signed into law. The Economic Aid Act created a new loan pursuant to the Paycheck Protection Program (PPP2 loan), administered by the United States Small Business Administration (SBA). The PPP2 loan is available to certain eligible entities that received loans under the Paycheck Protection Program pursuant to the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). On March 23, 2021, the Organization received a PPP2 loan in the amount of \$828,300. Funds from the loan may only be used for payroll costs, costs used to continue group health benefits, mortgage interest payments, rent, and utilities. The proceeds were used in accordance with the loan agreement and management has determined, under ASC 958-605, that the conditions to recognize this contribution are substantially met as of December 31, 2021. The entire amount of the loan proceeds was recognized as revenue and is included in government grants on the statement of activities. The approval for loan forgiveness was received from the SBA subsequent to year-end.

The Taxpayer Certainty and Disaster Tax Relief Act of 2020, enacted December 27, 2020, made a number of changes to the employee retention tax credits previously available under the CARES Act, including modifying and extending the Employees Retention Credit (ERC), for six months through

The Children's Health Fund

Notes to Financial Statements

June 30, 2021. The Organization is qualified for three quarters of 2021 in the amount totaling \$899,865, which is included in government grants on the statement of activities. The amount has been received in full as of December 31, 2021.

For the year ended December 31, 2021, the Organization also received various New York City grants totaling \$603,500, which is included in government grants on the statement of activities.

11. Lease Commitments

On January 27, 2021, the Organization entered into a lease agreement to rent an office space at 475 Riverside Drive. The lease commencement date is March 1, 2021, with a term of five years and three months. The annual rental for each year ending December 31 will be an amount equal to the Organization's proportionate share of the building.

Future minimum lease payments required subsequent to December 31, 2021 are as follows:

Year ending December 31,

2022	\$	167,827
2023		167,827
2024		167,827
2025		167,827
2026		69,928
	\$	741,236

12. Employee Benefit Plans

The Organization maintains an employee benefit plan under Section 403(b) of the Code covering all qualified employees. All employees at least 21 years of age working over 1,000 hours per year are qualified to participate in this plan after one year of service. The employer contributes 5% of eligible employees' gross salaries to the plan. Contribution expense for the year ended December 31, 2021 was \$161,437.

13. Significant Estimates and Concentrations

U.S. GAAP requires disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Approximately 56% of contributions were received from five donors in 2021. Approximately 83% of contributions receivable at December 31, 2021 were from five donors.

14. Related Party Transactions

The Organization contracted one of the Board members as a consultant and paid a fee of \$12,000 in 2021.

Since 2005, the Organization has worked in partnership with National Center for Disaster Preparedness (NCDP) of Columbia University in developing and implementing a series of multi-faceted research and disaster response initiatives. One of the Organization's board member served as the Founding Director for NCDP of Columbia University. In 2021, the Organization made a grant payment to the Trustees of Columbia University in the amount of \$100,000.

The Children's Health Fund

Notes to Financial Statements

15. Subsequent Events

The Organization's management has evaluated its December 31, 2021 financial statements for subsequent events through October 21, 2022, the date the financial statements were available to be issued. Other than the matters noted in Note 10, management is not aware of any other subsequent events that would require recognition or disclosure in the financial statements.