

Child Health and Development Institute of Connecticut, Inc.

Financial Statements

September 30, 2021 and 2020

Child Health and Development Institute of Connecticut, Inc.

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Independent Auditors' Report

To the Board of Directors of
Child Health and Development Institute of Connecticut, Inc.

We have audited the accompanying financial statements of Child Health and Development Institute of Connecticut, Inc. (the Institute), which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Institute as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



New York, New York
February 24, 2022

Child Health and Development Institute of Connecticut, Inc.

Statements of Financial Position

September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash	\$ 1,584,208	\$ 884,561
Short-term investments	600,000	-
Grants receivable	758,138	584,316
Other receivables	2,947	1,226
Prepaid expenses	34,315	27,694
	<u>2,979,608</u>	<u>1,497,797</u>
Total current assets		
Noncurrent Assets		
Investments	11,444,627	-
Furniture, equipment and leasehold improvements	484,491	280,898
Accumulated depreciation	(244,500)	(217,580)
	<u>239,991</u>	<u>63,318</u>
Furniture, equipment and leasehold improvements, net		
Security deposit	5,493	5,493
	<u>11,690,111</u>	<u>68,811</u>
Total noncurrent assets		
Total assets	<u>\$ 14,669,719</u>	<u>\$ 1,566,608</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 251,866	\$ 180,654
Accrued expenses	297,823	419,280
Deferred income	105,477	77,879
Grants payable	-	26,500
	<u>655,166</u>	<u>704,313</u>
Total current liabilities		
Net Assets		
Without donor restriction	14,014,553	856,295
With donor restriction	-	6,000
	<u>14,014,553</u>	<u>862,295</u>
Total net assets		
Total liabilities and net assets	<u>\$ 14,669,719</u>	<u>\$ 1,566,608</u>

See notes to financial statements

Child Health and Development Institute of Connecticut, Inc.

Statements of Activities

Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Changes in Net Assets Without Donor Restrictions		
Operating support and revenue:		
Operating grants	\$ 966,385	\$ 1,509,467
Government grants	5,821,479	4,650,413
Contributions	4,903	14,944
Net assets released from restrictions	6,000	41,605
	<u>6,798,767</u>	<u>6,216,429</u>
Total operating support and revenue		
Expenses:		
Program expenses	6,232,688	5,782,194
Management and general	249,286	349,057
	<u>6,481,974</u>	<u>6,131,251</u>
Total expenses		
Other income (loss):		
Transfer of investments to CHDI		
from the dissolution of the Children's Fund	12,171,593	-
Investment income	107,468	-
Net realized gain on sales of securities	879,029	-
Unrealized loss on investments	(316,625)	-
	<u>12,841,465</u>	<u>-</u>
Total other income		
Change in net assets without donor restrictions	<u>13,158,258</u>	<u>85,178</u>
Changes in Net Assets With Donor Restrictions		
Contributions	-	15,000
Net assets released from restrictions	(6,000)	(41,605)
	<u>(6,000)</u>	<u>(26,605)</u>
Change in net assets with donor restrictions		
Change in net assets	<u>13,152,258</u>	<u>58,573</u>
Net Assets, Beginning	<u>862,295</u>	<u>803,722</u>
Net Assets, Ending	<u>\$ 14,014,553</u>	<u>\$ 862,295</u>

See notes to financial statements

Child Health and Development Institute of Connecticut, Inc.

Statement of Functional Expenses

Year Ended September 30, 2021

	Mental Health Care	Pediatric Primary Care	Total Program	Management and General	Total
Salaries	\$ 2,103,536	\$ 264,537	\$ 2,368,073	\$ 438,973	\$ 2,807,046
Payroll taxes and fringe benefits	626,050	81,444	707,494	126,354	833,848
Total salaries and related expenses	2,729,586	345,981	3,075,567	565,327	3,640,894
Occupancy	124,382	11,324	135,706	33,052	168,758
Professional fees	165	-	165	46,811	46,976
Consulting	1,251,073	4,950	1,256,023	17,881	1,273,904
Depreciation	-	-	-	38,137	38,137
Travel, meetings and conferences	17,798	5,909	23,707	60	23,767
Insurance	-	-	-	20,723	20,723
Printing, publication and postage	-	-	-	1,629	1,629
Subcontractors	1,091,265	-	1,091,265	-	1,091,265
Other expenses	863	950	1,813	4,746	6,559
Supplies	132,537	1,565	134,102	31,055	165,157
Grants	-	4,205	4,205	-	4,205
Indirect cost allocation	509,252	883	510,135	(510,135)	-
Total expenses	<u>\$ 5,856,921</u>	<u>\$ 375,767</u>	<u>\$ 6,232,688</u>	<u>\$ 249,286</u>	<u>\$ 6,481,974</u>

See notes to financial statements

Child Health and Development Institute of Connecticut, Inc.

Statement of Functional Expenses

Year Ended September 30, 2020

	Mental Health Care	Pediatric Primary Care	Early Childhood	Total Program	Management and General	Total
Salaries	\$ 1,866,554	\$ 346,525	\$ 139,858	\$ 2,352,937	\$ 412,283	\$ 2,765,220
Payroll taxes and fringe benefits	554,607	102,745	41,192	698,544	120,498	819,042
Total salaries and related expenses	2,421,161	449,270	181,050	3,051,481	532,781	3,584,262
Occupancy	123,382	21,720	8,499	153,601	28,859	182,460
Professional fees	-	-	-	-	36,781	36,781
Consulting	576,385	93,153	-	669,538	37,423	706,961
Depreciation	-	-	-	-	23,968	23,968
Travel, meetings and conferences	36,295	17,245	923	54,463	4,868	59,331
Insurance	-	-	-	-	9,538	9,538
Printing, publication and postage	8,785	3,364	903	13,052	1,765	14,817
Subcontractors	1,271,693	-	-	1,271,693	-	1,271,693
Other expenses	1,231	-	-	1,231	3,048	4,279
Supplies	86,767	2,380	1,400	90,547	55,614	146,161
Grants	83,000	8,000	-	91,000	-	91,000
Indirect cost allocation	380,296	5,292	-	385,588	(385,588)	-
Total expenses	<u>\$ 4,988,995</u>	<u>\$ 600,424</u>	<u>\$ 192,775</u>	<u>\$ 5,782,194</u>	<u>\$ 349,057</u>	<u>\$ 6,131,251</u>

See notes to financial statements

Child Health and Development Institute of Connecticut, Inc.

Statements of Cash Flows

Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 13,152,258	\$ 58,573
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	38,137	23,968
Net realized and unrealized gains on investments	(562,404)	-
Transfer of investments to CHDI from the dissolution of the Children's Fund	(12,171,593)	-
Changes in operating assets and liabilities:		
Grants receivable	(173,822)	140,856
Other receivables	(1,721)	(1,226)
Prepaid expenses	(6,621)	(17,510)
Accounts payable	71,212	(42,290)
Accrued expenses	(121,457)	138,304
Deferred income	27,598	(40,803)
Grants payable	(26,500)	(98,495)
	<u>225,087</u>	<u>161,377</u>
Net cash provided by operating activities		
Cash Flows From Investing Activities		
Purchase of furniture, equipment and leasehold improvements	(214,810)	(44,387)
Purchase of investments, net	(11,482,223)	-
	<u>(11,697,033)</u>	<u>(44,387)</u>
Net cash used in investing activities		
Cash Flows From Financing Activities		
Transfer of investments from the Children's Fund dissolution	12,171,593	-
	<u>12,171,593</u>	<u>-</u>
Net cash provided by financing activities		
Increase in cash	699,647	116,990
Cash, Beginning	<u>884,561</u>	<u>767,571</u>
Cash, Ending	<u>\$ 1,584,208</u>	<u>\$ 884,561</u>

See notes to financial statements

Child Health and Development Institute of Connecticut, Inc.

Notes to Financial Statements
September 30, 2021 and 2020

1. Organization and Summary of Significant Accounting Policies

Nature of Activities

The Child Health and Development Institute of Connecticut, Inc. (the Institute) was formed to promote and maximize the healthy physical, emotional, behavioral, cognitive and social development of children throughout Connecticut by creating, supporting or facilitating innovative primary and preventative strategies for such children, and working to maximize the effectiveness of the institutions and systems that contribute to their well-being.

The Institute was a wholly owned subsidiary of The Children's Fund of Connecticut, Inc. (Children's Fund), which was a 501(c)(3) organization. The Children's Fund was a subsidiary of The Connecticut Children's Medical Center. In March 2021, the Children's Fund was dissolved, and approximately 70 percent of its investments were transferred to The Connecticut Children's Medical Center Foundation, Inc. and approximately 30 percent of its investments were transferred to the Institute. In connection with the dissolution of the Children's Fund, the Institute became independent legal entity. The financial statements represent only the activities of the Institute.

Basis of Presentation

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

Net Assets

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Institute and changes therein are classified as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions. All revenue not restricted by donors and donor restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net assets without donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that may be met either by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. The Institute does not have any net assets to be maintained in perpetuity at September 30, 2021 and 2020.

Income Taxes

The Institute is exempt from federal income taxes under the provisions of Internal Revenue Code (IRC) Section 501(c)(3). However, certain operations of the Institute may qualify as unrelated business taxable income and to the extent that these operations generate income, they will be subject to federal and state taxes.

The Institute has no unrecognized tax benefits as of September 30, 2021 and 2020. The Institute's federal information returns prior to fiscal year 2017 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. If the Institute had unrelated business income taxes, it would recognize interest and penalties associated with any tax matters as part of the income tax provision and include accrued interest and penalties with the related tax liability in the statements of financial position.

Child Health and Development Institute of Connecticut, Inc.

Notes to Financial Statements
September 30, 2021 and 2020

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents includes investments in highly liquid debt instruments purchased with an original maturity of three months or less. At September 30, 2021, the Institute had cash equivalents of \$802,898, which are considered part of the board designated endowment fund.

Investments

The Institute reports investments in equity securities, mutual funds - equity, mutual funds - fixed income and real asset funds with readily determinable fair values and all investments in debt securities at their current fair value and reflect any gain or loss in the consolidated statements of activities. Gains and losses are considered unrestricted unless restricted by donor stipulation or law.

Recognition of Grant Revenue

The Institute receives grant funds from various agencies of the State of Connecticut and from private, nonprofit organizations that are accounted for as exchange transactions. The Institute must apply for the grants each year. Grant revenue is recorded when the grant has been approved and eligible expenses have been incurred. Receivables are recognized to the extent costs have been incurred, but not reimbursed. Deferred income represents grant advances and other revenue which exceed eligible costs incurred.

Contributions

Unconditional promises to give are recorded as contributions receivable when the promise is received. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions support depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restrictions expire in the reporting period in which the support is recognized. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Receivables

The Institute regularly monitors receivables arising from regular operations to determine if an allowance for doubtful accounts is deemed necessary. Management considers past history, current economic conditions and overall viability of the third party when determining the need for an allowance. Receivables are written off only when management believes amounts will not be collected. Receivables are considered past due based on the invoice or pledge date. No allowance is required as of September 30, 2021 and 2020, as management believes all amounts are collectible.

Furniture, Equipment and Leasehold Improvements

The Institute capitalizes all expenditures for furniture, equipment and leasehold improvements in excess of \$3,000 and having a useful life of greater than one year. Purchased furniture, equipment and leasehold improvements are carried at cost. Donated furniture, equipment and leasehold improvements are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the assets' estimated useful lives. Estimated lives for office furniture and equipment are 5 - 7 years. Estimated lives for leasehold improvements are the shorter of asset lives or term of the lease.

Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period.

Child Health and Development Institute of Connecticut, Inc.

Notes to Financial Statements
September 30, 2021 and 2020

Gifts of Long-Lived Assets

The Institute reports gifts of land, buildings and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long these long-lived assets must be maintained, the Institute reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Expenses by Function

The cost of providing various programs and activities has been summarized on a functional basis in the accompanying statements of functional expenses. Accordingly, certain administrative costs have been allocated among programs and management and general. Occupancy and depreciation and amortization expenses are allocated based on square footage. Costs of other categories are allocated based on estimates of time and effort.

Endowment and Spending Policy

The Institute has investment and spending policies for endowment assets that attempt to provide a reasonably predictable stream of funding for programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include only board-designated funds.

Under this policy, as approved by the Board of Directors, the endowment assets are invested in accordance with sound investment practices that emphasize long-term investment fundamentals. It is recognized that short-term market fluctuations may cause variations in account performance.

To satisfy their long-term rate of return objectives, the Institute relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Institute can prudently invest for total return (income and gain) in any mix of investment vehicles considering general economic conditions, the possible effect of inflation or deflation, the role that each investment or course of action plays within the overall investment portfolio, the expected total return from income and the appreciation of investments and the needs of the Institute and the endowment funds to make distributions and to preserve capital to achieve their long-term return objectives within prudent risk constraints.

Annually, the Board of Directors will determine a spending ceiling that will not be more than 4.5 percent of the average of the assets of the endowment as of the last day of each of the 12 preceding quarters beginning with the quarter ending June 30th of the current year. Spending distributions may be made only from accumulated and current total investment returns (appreciation, dividends, interest and capital gains). Each year the Board of Directors will approve a budget for the expenditures of funds for program reservations, including program grants and program development grants, and for operating expenses, not to exceed the sum of the spending ceiling for that fiscal year and the current balance in the contingency fund established by the Board of Directors. Program reservations approved in one fiscal year may be carried forward and expended in future fiscal years, provided they do not exceed the spending ceiling for the year in which the reservations and/or grants were approved. At the end of each fiscal year, funds not previously reserved for program grants or program development grants, and funds not expended to meet operating expenses, shall be returned to the endowment or added to the contingency fund. The Board of Directors approves all additions to and withdrawals from the contingency fund.

Child Health and Development Institute of Connecticut, Inc.

Notes to Financial Statements
September 30, 2021 and 2020

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncements

Leases

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The core principles of ASU No. 2016-02 change the way organizations will account for their leases by recognizing lease assets and related liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU No. 2016-02 is effective for fiscal year-end September 30, 2022. Management is currently evaluating the impact of ASU No. 2016-02 on the Institute's financial statements.

Subsequent Events

The Institute has evaluated events and transactions for potential recognition or disclosure through February 24, 2022, which is the date the financial statements were available to be issued.

2. Liquidity and Availability of Resources

The following table reflects the Institute's financial assets available for general expenditure within one year of the September 30, 2021 and 2020 balance sheet date.

	<u>2021</u>	<u>2020</u>
Cash	\$ 781,310	\$ 884,561
Short-term investments	600,000	-
Grants receivable	758,138	584,316
Other receivables	2,947	1,226
Total	<u>\$ 2,142,395</u>	<u>\$ 1,470,103</u>

In addition, cash in the amount of \$802,898 and investments in the amount of \$11,444,627 are considered a board designated endowment. These investments can be made available for general operating expenditures upon board approval.

3. Concentrations

Concentrations of Credit Risk

Financial instruments which potentially subject the Institute to concentrations of credit risk consist principally of cash and receivables. The Institute maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Institute has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. At September 30, 2021, the Institute had cash balances in excess of federally insured limits of approximately \$1,334,208.

Child Health and Development Institute of Connecticut, Inc.

Notes to Financial Statements
September 30, 2021 and 2020

Funding Sources

The following agencies provided over 10 percent of the Institute's total grants receivable and support and revenues as of and for the years ended September 30, 2021 and 2020:

	2021		2020	
	Grants Receivable	Support and Revenue	Grants Receivable	Support and Revenue
Department of Children and Families	\$ 482,896 64%	\$ 4,100,276 60%	\$ 406,715 70%	\$ 3,457,160 56%
State Department of Education	\$ 44,887 6%	\$ 707,980 10%	\$ 67,106 11%	\$ 699,439 11%
SAMHSA	\$ 218,493 29%	\$ 1,009,893 15%	\$ 93,371 16%	\$ 427,624 7%
The Children's Fund of Connecticut, Inc.	\$ - 0%	\$ 746,181 11%	\$ - 0%	\$ 1,255,790 20%

4. Investments

Investments are carried at fair value. The cost and fair values for investments as of September 30 are as follows:

	2021		
	Cost	Fair Value	Unrealized Gain (Loss)
Equity securities	\$ 3,652,389	\$ 3,543,954	\$ (108,435)
Mutual funds, equity	5,543,906	5,380,528	(163,378)
Mutual funds, fixed income	2,422,775	2,396,737	(26,038)
Real asset funds	742,182	723,408	(18,774)
Total	\$ 12,361,252	\$ 12,044,627	\$ (316,625)

Investment returns for the years ended September 30 were as follows:

	2021	2020
Dividends	\$ 107,468	\$ -
Realized gain	879,029	-
Investment fees	(15,682)	-
Total	\$ 970,815	\$ -

Child Health and Development Institute of Connecticut, Inc.

Notes to Financial Statements
September 30, 2021 and 2020

5. Fair Value Measurements

The Organizations value their financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1 - Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of the observable inputs and minimize the use of the unobservable inputs. There have been no changes in the methodologies used during 2021.

Mutual funds and real assets are valued at the daily closing price as reported by the fund. Mutual funds held by the Institute are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds and real assets held by the Institute are deemed to be actively traded.

The Organizations recognize transfers of assets into and out of levels monthly, as of the date an event or change in circumstance causes the transfer.

Financial assets and liabilities carried at fair value at September 30 are classified in the tables below in one of the three categories described above:

	2021			
	Total	Level 1	Level 2	Level 3
Equity securities	\$ 3,543,954	\$ 3,543,954	\$ -	\$ -
Mutual funds:				
Equities:				
Domestic growth	1,446,268	1,446,268	-	-
International	3,934,260	3,934,260	-	-
Fixed Income:				
Aggregate	1,198,237	1,198,237	-	-
Social choice invest-grade	1,198,500	1,198,500	-	-
Total mutual funds	11,321,219	11,321,219	-	-
Real asset funds	723,408	723,408	-	-
Total	\$ 12,044,627	\$ 12,044,627	\$ -	\$ -

Child Health and Development Institute of Connecticut, Inc.

Notes to Financial Statements
September 30, 2021 and 2020

6. Deferred Income

Grant funds received but not expended as of September 30, 2021 and 2020 were for the following purposes:

	<u>2021</u>	<u>2020</u>
Mental Health Care	\$ 69,516	\$ 65,616
State funded and other programs	<u>35,961</u>	<u>12,263</u>
Total	<u>\$ 105,477</u>	<u>\$ 77,879</u>

7. Line of Credit

For the year ended September 30, 2020, the Institute had a revolving line of credit agreement (the Line) with People's United Bank (the Bank) in the amount of \$500,000. Interest on advances is due and payable at a rate equal to the Bank's Prime Rate, as defined in the Line (2.75 percent as of February 2021). The Line is collateralized by specific assets of the Institute. The Line was allowed to expire on February 2021 and was not renewed.

8. Grants Payable

The Institute has approved certain grants payable over future periods. As of September 30, 2020 amounts payable to grantees were \$26,500. There were no grants payable as of September 30, 2021.

9. Net Assets

Net assets are available for the following purposes at September 30:

	<u>2021</u>	<u>2020</u>
Net Assets		
Without donor restrictions:		
Board designated	\$ 14,014,553	\$ 856,295
	<u>14,014,553</u>	<u>856,295</u>
With donor restrictions:		
Purpose restricted:		
Children's Pediatric Primary Care	-	6,000
	-	6,000
Total net assets	<u>\$ 14,014,553</u>	<u>\$ 862,295</u>

Child Health and Development Institute of Connecticut, Inc.

Notes to Financial Statements
September 30, 2021 and 2020

10. Operating Lease

The Institute leases office space with monthly payments ranging from \$1,954 to \$6,909 through June 2025. The lease expires on June 30, 2025.

Fiscal years ending September 30:	
2022	\$ 81,913
2023	82,913
2024	82,913
2025	<u>82,913</u>
	<u>\$ 330,652</u>

11. Tax Deferred Annuity Plan

The Institute has a tax deferred annuity plan under the provisions of Section 403(b) of the IRC and the Employee Retirement Income Security Act of 1974. Under the plan, all employees except students are eligible to participate. Eligible employees can make contributions beginning on his or her date of hire, with the employer contributions commencing on that same date. Employer contributions are made at 5 percent of compensation, and matching contributions of 100 percent of employee deferrals up to a maximum of 5 percent is made by the Institute. Matching contributions are 100 percent vested when made. The Institute's contributions under this plan totaled \$264,543 and \$266,199 for the years ended September 30, 2021 and 2020, respectively.

12. Related-Party Transactions

Members of the Board of Directors of the Institute are on the faculties of University of Connecticut, University of Connecticut Health Center (UCHC), Yale University, Yale University School of Medicine and the Connecticut Children's Medical Center. The Institute contracted with these organizations to provide program related services. The Institute incurred \$321,687 and \$217,669 for services provided by these organizations for the years ended September 30, 2021 and 2020, respectively. The amount payable at September 30, 2021 and 2020 was \$58,994 and \$31,426, respectively, which is included in accounts payable and grants payable on the statements of financial position.

The Institute received grant funds from Connecticut Children's Medical Center for the years ended September 30, 2021 and 2020 in the amount of \$74,905 and \$57,418, respectively. The amount receivable from Connecticut Children's Medical Center at September 30, 2021 and 2020 was \$0 and \$11,457 respectively, which is included in grants receivable on the statements of financial position.

Children's Fund provided grants of \$838,177 and \$1,236,828 to support specific programs of the Institute for the years ended September 30, 2021 and 2020, respectively. Any unused funds are recorded as deferred income in the statements of financial position. The Institute used \$746,181 and \$1,255,790, respectively, of the grants to support programs during the years ended September 30, 2021 and 2020. Additionally, the Institute provided management support for the Children's Fund in the amounts of \$105,000 and \$100,000 for the years ended September 30, 2021 and 2020, respectively, which was recorded as operating grants in the statements of activities.