Obici Healthcare Foundation, Inc.

Financial Statements

March 31, 2022 and 2021

Your Opportunity Advisors

4401 Dominion Boulevard
Glen Allen, Virginia 23060
Tel: 804.747.0000
www.keitercpa.com

OBICI HEALTHCARE FOUNDATION, INC.

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Your Opportunity Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Obici Healthcare Foundation, Inc.
Suffolk, Virginia

Opinion

We have audited the accompanying financial statements of Obici Healthcare Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of March 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of March 31, 2022 and 2021, and the change in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation 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, 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 Foundation'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 the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.

Keiter

September 28, 2022
Glen Allen, Virginia

OBICI HEALTHCARE FOUNDATION, INC.

Statements of Financial Position
March 31, 2022 and 2021

Assets	2022	2021
Current assets:		
Cash and cash equivalents	$ 1,904,593	$ 7,758,618
Accrued interest and dividends receivable	-	66
Grant receivable	8,820	14,298
Refundable excise taxes	-	59,200
Prepaid expenses	12,812	29,003
Total current assets	1,926,225	7,861,185
Investments	143,284,198	133,753,189
Property and equipment, net	1,288,904	1,333,056
Other assets	397,669	682,240
	$ 146,896,996	$ 143,629,670
Liabilities and Net Assets		
Current liabilities:		
Current portion of long-term debt	$ 97,836	$ 94,030
Accounts payable and accrued expenses	68,022	86,997
Excise taxes payable	53,978	-
Current portion of grants payable	707,679	2,081,925
Total current liabilities	927,515	2,262,952
Long-term debt less current portion	838,139	935,975
Grants payable, less current portion	111,652	263,104
Deferred federal excise taxes	636,142	707,910
Total liabilities	2,513,448	4,169,941
Net assets without donor restrictions	144,383,548	139,459,729
	$ 146,896,996	$ 143,629,670

See accompanying notes to financial statements.

OBICI HEALTHCARE FOUNDATION, INC.

Statements of Activities
Years Ended March 31, 2022 and 2021

	2022	2021
Revenues and support:		
Investment return, net	$ 9,838,963	$ 44,300,644
Grant revenue	84,357	31,828
Other	1,118	247
Total revenues and support	9,924,438	44,332,719
Expenses:		
Program services	3,867,994	3,594,120
Management and general	706,208	580,828
	4,574,202	4,174,948
Loss on impairment	284,571	-
Provision for excise tax expense	141,846	570,227
Total expenses	5,000,619	4,745,175
Change in net assets	4,923,819	39,587,544
Net assets without donor restrictions, beginning of year	139,459,729	99,872,185
Net assets without donor restrictions, end of year	$ 144,383,548	$ 139,459,729

See accompanying notes to financial statements.

OBICI HEALTHCARE FOUNDATION, INC.

Statements of Functional Expenses
Year Ended March 31, 2022

	Program Services	Management and General	Total
Grant payments	$ 2,911,842	$ -	$ 2,911,842
Program development	323,341	-	323,341
Communications	12,555	8,398	20,953
Salaries and benefits	518,865	347,099	865,964
Insurance	-	13,043	13,043
Utilities	11,303	7,561	18,864
Facility	2,154	70,052	72,206
Education and meeting	-	56,250	56,250
Office expenses	15,642	155,443	171,085
Depreciation	48,210	32,251	80,461
Interest on the building loan	24,082	16,111	40,193
	$ 3,867,994	$ 706,208	$ 4,574,202

See accompanying notes to financial statements.

OBICI HEALTHCARE FOUNDATION, INC.

Statements of Functional Expenses, Continued
Year Ended March 31, 2021

	Program Services	Management and General	Total
Grant payments	$ 2,761,596	$ -	$ 2,761,596
Program development	183,560	-	183,560
Communications	9,577	5,930	15,507
Salaries and benefits	536,209	332,017	868,226
Insurance	-	14,071	14,071
Utilities	10,885	6,740	17,625
Facility	2,236	53,813	56,049
Education and meeting	-	50,998	50,998
Office expenses	13,900	70,103	84,003
Depreciation	48,958	30,314	79,272
Interest on the building loan	27,199	16,842	44,041
	$ 3,594,120	$ 580,828	$ 4,174,948

See accompanying notes to financial statements.

OBICI HEALTHCARE FOUNDATION, INC.

Statements of Cash Flows
Years Ended March 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	$ 4,923,819	$ 39,587,544
Adjustment to reconcile change in net assets to net cash from operating activities:		
Depreciation	80,461	79,272
Amortization of debt issuance costs	-	64
Loss on disposal of property and equipment	-	505
Investment return, net	(9,838,963)	(44,300,644)
Loss on impairment	284,571	-
Deferred federal excise taxes	(71,768)	475,187
Change in operating assets and liabilities:		
Accrued interest and dividends receivable	66	3,959
Grant receivable	5,478	(14,298)
Prepaid expenses	16,191	(7,153)
Refundable excise taxes	59,200	(59,200)
Accounts payable and accrued expenses	(18,975)	(12,325)
Excise taxes payable	53,978	(40,701)
Grants payable	(1,525,698)	(1,788,397)
Net cash used in operating activities	(6,031,640)	(6,076,187)
Cash flows from investing activities:		
Purchase of investments	(34,153,917)	(29,945,091)
Proceeds from sale of investments	34,461,871	41,046,457
Purchase of property and equipment	(36,309)	(4,551)
Net cash provided by investing activities	271,645	11,096,815
Cash flows used in financing activities:		
Principal payments on long-term debt	(94,030)	(90,373)
Net change in cash and cash equivalents	(5,854,025)	4,930,255
Cash and cash equivalents, beginning of year	7,758,618	2,828,363
Cash and cash equivalents, end of year	$ 1,904,593	$ 7,758,618
Supplemental disclosures:		
Cash paid for interest	$ 40,193	$ 43,977
Cash paid for excise taxes	$ 100,000	$ 192,244

See accompanying notes to financial statements.

OBICI HEALTHCARE FOUNDATION, INC.

Notes to Financial Statements

1. Nature of Organization:

Obici Healthcare Foundation, Inc. (the “Foundation”) is a not-for-profit, nonstock health foundation incorporated in the Commonwealth of Virginia and organized as a private foundation since April 1, 2006. The Foundation provides assistance to those organizations working to meet community health needs in Suffolk, Virginia and surrounding communities, giving attention first to meeting unmet healthcare needs of the indigent and uninsured, and also including the support of programs which have been the primary purpose of preventing and reducing illness and disease. These activities are supported by income from the Foundation's investment portfolio.

2. Summary of Significant Accounting Policies:

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("GAAP") as determined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

Basis of Presentation: The Foundation reports its financial position and activities according to two classes of net assets as follows:

> **Net Assets Without Donor Restrictions:** Net assets available for use in general operations and not subject to donor-imposed restrictions. Such net assets are available for any purpose consistent with the Foundation’s mission.
>
> **Net Assets With Donor Restrictions:** Net assets that are subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. If a restriction is fulfilled in the same period in which the contribution is received, the support is reported as without donor restrictions. Other donor-imposed restrictions are perpetual in nature, whereby the donor stipulates that they must be maintained permanently by the Foundation to use all or part of the income earned on any related investments for general or specific purposes, in accordance with the conditions of each specific donation.

The Foundation has no net assets with donor restrictions for the years ended March 31, 2022 and 2021.

Cash and Cash Equivalents: Cash and cash equivalents consist primarily of cash held in checking accounts, money market investments, and highly liquid investments with original maturities of three months or less.

2. Summary of Significant Accounting Policies, Continued:

Investments: Investments in equity securities with readily determinable fair values and all investments in exchange traded funds and equity mutual funds are carried at fair value determined by quoted market prices in the accompanying statements of financial position.

Nonreadily marketable investments, consisting primarily of investments in U.S. limited partnerships and corporations, foreign investment corporations and common collective trusts, are carried at net asset value ("NAV") per share as the practical expedient estimate of fair value if a) the underlying investment manager's calculation of NAV is fair value based and b) the NAV has been calculated as of the Foundation's fiscal year end date. Accordingly, such carrying values could differ materially from the values that would have been used had a ready market for the investments existed. The NAV provided by the managers are reviewed and evaluated by Foundation personnel for reasonableness.

Gains and losses on investments are recognized in the accompanying statements of activities as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulations. Investment transactions are recorded on a trade-date basis. Dividends are reported on the ex-dividend date. In computing the realized and unrealized gains or losses, cost has been determined on the specific identification method.

Dividend, interest, and other investment income are reported in the period earned as increases in net assets without donor restrictions unless the use of the income received is limited by donor-imposed restrictions.

Debt Issuance Costs: Debt issuance costs, net of accumulated amortization, were reported as a direct reduction of the obligation to which such costs related. Amortization of debt issuance costs were reported as a component of interest expense and was computed using the effective interest method.

Property and Equipment: Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the depreciable assets, which range from three to forty-five years. Routine maintenance and repairs are charged to expense when incurred.

Grants Payable: Grant expenditures are recognized in the period the grant is approved, provided the grant is not subject to future conditions. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee meets the terms of the conditions. There were no conditional grants payable as of March 31, 2022 and 2021. Grants payable that are expected to be paid in future years are recorded at the present value of expected future payments. Management determined the discount on future expected cash flows for grants payable at March 31, 2022 and 2021 was immaterial, therefore, no discount was considered necessary. Grants payable at March 31, 2022 are expected to be paid as follows: $707,679 in 2023 and $111,652 in 2024.

2. Summary of Significant Accounting Policies, Continued:

Contributions and Grants: The Foundation recognizes contributions and grants when cash, securities or other assets; an unconditional promise to give; notice of a grant award; or a notification of a beneficial interest is received.

The Foundation's grant revenue is derived from a cost-reimbursable grant, which is conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Foundation has incurred expenditures in compliance with specific grant provisions. The Foundation received cost-reimbursable grants with a gross amount of $143,459 that have not been recognized at March 31, 2022 because qualifying expenditures have not yet been incurred.

Income Taxes: The Foundation has been recognized by the Internal Revenue Service as tax exempt under Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code") and as a private foundation under Section 509(a) of the Code. In accordance with the Tax Reform Act of 1969 (the "Act"), the Foundation is subject to an excise tax on net investment income, including realized gains, as defined by the Act. The Act also requires that certain minimum distributions be made each year. The amount of these distributions is determined in accordance with a specified formula. Deferred federal excise taxes are computed based on the temporary differences between the financial statement carrying amounts and income tax basis of assets and liabilities using enacted federal excise tax rates in effect for the years in which the differences are expected to reverse. The temporary differences primarily consist of unrealized gains and losses on investments.

The Foundation has adopted financial reporting guidance related to accounting for uncertainty in income taxes, which prescribes the minimum recognition threshold that a tax position is required to meet before being recognized in the Foundation's financial statements. The guidance also provides criteria on derecognition, classification, interest and penalties, disclosure and transition.

The Foundation discloses the expected future tax consequences of uncertain tax positions presuming the taxing authorities' full knowledge of the facts and the Foundation's position, and records unrecognized tax benefits or liabilities for known, or anticipated tax issues based on the Foundation's analysis of whether additional taxes would be due to the authority given their full knowledge of the tax position. The Foundation has completed its assessment and determined that there are no tax positions which would require recognition. The Foundation is not currently under audit by any tax jurisdiction.

2. Summary of Significant Accounting Policies, Continued:

Functional Expense Allocation Methodology: The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Foundation. Those expenses include communications, salaries and benefits, utilities, facility, portions of office expenses, depreciation and amortization, and interest on building loan. The expenses are allocated based on management's estimates of time and effort which correlates to the utilization of those expense categories.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 differ from those estimates and assumptions.

Concentration of Credit Risk: Financial instruments which potentially subject the Foundation to concentrations of credit and/or market risk consist principally of cash and cash equivalents and investments. The Foundation places its temporary cash and money market accounts with creditworthy, high quality financial institutions. A significant portion of the funds are not insured by the Federal Deposit Insurance Corporation.

The Foundation has significant investments in equity securities and nonreadily marketable investments. Investments are made primarily by investment managers engaged by the Foundation, and the investments are monitored by management and the Investment Committee of the Board of Directors of the Foundation. As part of the fiduciary oversight of the investments, the Foundation's portfolio has been diversified in various investment categories in accordance with the Foundation's investment policy.

Subsequent Events: Management has evaluated subsequent events through September 28, 2022, the date the financial statements were available for issuance.

Subsequent to March 31, 2022, the Foundation's investments declined in value by approximately $13,300,000, which was consistent with both global and domestic market fluctuations resulting from inflation, supply chain interruptions, international conflicts, among other factors. The Foundation, in collaboration with its Outsourced Chief Investment Officer, continues to monitor the status of its investments and how recent changes impact both its investment and spending policies.

The Foundation has determined that there are no further subsequent events that would require disclosure.

3. Investments:

The Foundation's investments at March 31, 2022 and 2021, are as follows:

	2022		2021	
	Fair Value	Cost	Fair Value	Cost
Readily marketable investments:				
Exchange traded funds	$ 2,023,031	$ 1,707,308	$ 2,809,249	$ 2,138,684
Equity mutual funds	5,496,387	4,005,847	5,214,805	4,305,860
Long-term:				
Limited partnerships and corporations	64,641,540	40,286,822	63,464,733	40,925,166
Foreign investment corporations	71,123,240	51,518,644	62,264,402	35,454,736
	$143,284,198	$97,518,621	$133,753,189	$ 82,824,446

Change in net unrealized gains and losses included in change in net assets relating to assets held were ($5,163,166) at March 31, 2022 and $39,316,889 at March 31, 2021.

4. Fair Value Measurements:

Assets and liabilities recorded at fair value in the accompanying statements of financial position are categorized based upon a three-tier fair value hierarchy. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. These tiers include the following:

Level 1 Inputs to the valuation methodology are quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market.

Level 2 Quoted prices for similar instruments in active and inactive markets; model driven valuations with significant inputs and drivers derived from observable active markets; and inputs that are derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.

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

4. Fair Value Measurements, Continued:

The following discussion describes the valuation methodologies used for financial assets measured at fair value. Care should be exercised in deriving conclusions about the Foundation's financial position based on the fair value information of financial assets presented below.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial asset and does not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular financial asset. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in amounts disclosed.

Fair values of equity securities and exchange traded funds have been determined by the Foundation from observable market quotations. The Foundation's interest in the shares of common collective trusts, total partnerships and corporations and foreign investment corporations is recorded at the net asset value per share, as provided by external investment managers as the practical expedient estimate of fair value.

Certain investment managers of nonreadily marketable investments use investment strategies and techniques designed to achieve higher investment returns with lower volatility and low correlation to major market indices. These strategies and techniques, which include the use of leverage, futures and forward contracts, option agreements and other derivative instruments, create special risks and could increase the impact of adverse security price movements on the Foundation's investment portfolio. The Foundation had unfunded commitments related to limited partnerships and corporations currently invested in of $15,415,568 at March 31, 2022 and $17,040,606 at March 31, 2021, and committed to, but not invested in of $500,000 at March 31, 2022 and $2,020,000 at March 31, 2021.

Nonreadily marketable investments also contain liquidity restrictions, which are as follows at March 31, 2022 and 2021:

Limited Partnerships and Corporations: At March 31, 2022, approximately 35% of these investments are eligible for redemption either on a daily, monthly, quarterly or bi-annual basis, subject to certain restrictions, which include a notice period of 48 hours to 60 days. Approximately 2% of these investments are subject up to a 3 year lock-up period, either on a rolling lock up basis or at set expiration dates. Approximately 63% of these investments cannot be redeemed during the life of the partnerships and have remaining lives ranging from 1 to 10 years. When the underlying assets are sold, the proceeds, less any incentives due to the partnerships' general partner, are to be distributed to the investors. These redemption restrictions lapsed in September 2022.

4. Fair Value Measurements, Continued:

Limited Partnerships and Corporations, Continued: At March 31, 2021, approximately 47% of these investments are eligible for redemption either on a daily, monthly or quarterly basis, subject to certain restrictions, which include a notice period of 48 hours to 60 days. Approximately 3% of these investments are subject up to a 3 year lock-up period, either on a rolling lock up basis or at set expiration dates. Approximately 50% of these investments cannot be redeemed during the life of the partnerships and have remaining lives ranging from 1 to 6 years. When the underlying assets are sold, the proceeds, less any incentives due to the partnerships' general partner, are to be distributed to the investors. These redemption restrictions lapsed in September 2022.

Foreign Investment Partnerships and Corporations: At March 31, 2022, approximately 43% of these investments are eligible for redemption either on a monthly, quarterly or annual basis, subject to certain restrictions, which include a notice period of 30 to 75 days. Approximately 41% of these investments are subject to a 1 to 3 year lock-up period, either on a rolling lock up basis or at set expiration dates. Approximately 16% of these investments cannot be redeemed during the life of the partnership. The life of these investments is unknown at this time. These redemption restrictions will lapse in December 2024.

At March 31, 2021, approximately 63% of these investments are eligible for redemption either on a monthly, quarterly, annual or bi-annual basis, subject to certain restrictions, which include a notice period of 30 to 120 days. Approximately 27% of these investments are subject to a 1 to 2 year lock-up period, either on a rolling lock up basis or at set expiration dates. Approximately 10% of these investments cannot be redeemed during the life of the partnership. The life of these investments is unknown at this time. These redemption restrictions will lapse in March 2024.

4. Fair Value Measurements, Continued:

The following tables present the Foundation's fair value hierarchy for those assets measured at fair value on a recurring basis as of March 31, 2022 and 2021.

	Assets at Fair Value as of March 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Exchange traded funds:				
Global equities	$ 2,023,031	$ -	$ -	$ 2,023,031
Total exchange traded funds	2,023,031	-	-	2,023,031
Equity mutual funds:				
US equities	5,496,387	-	-	5,496,387
Total equity mutual funds	5,496,387	-	-	5,496,387
Partnerships and corporations measured at net asset value: (a)				
China-focused long-only equity	-	-	-	1,453,435
Global equity securities	-	-	-	3,588,579
US equity securities	-	-	-	5,627,737
US corporate credit	-	-	-	4,889,136
US micro-cap equity securities	-	-	-	3,300,795
US opportunistic value	-	-	-	3,191,960
US investment grade government and corporate	-	-	-	9,053,917
Frontier markets equity	-	-	-	1,015,890
Private equity	-	-	-	18,205,559
Resources	-	-	-	4,925,554
Real estate	-	-	-	9,388,978
Total partnerships and corporations	-	-	-	64,641,540
Foreign investment corporations measured at net asset value: (a)				
Brazil public/private equity	-	-	-	516,562
China long/short equity	-	-	-	3,829,569
Global long-only equity	-	-	-	14,476,882
Global distressed credit hedge	-	-	-	2,856,599
Global opportunistic hedge	-	-	-	1,881,428
Global long/short equity hedge	-	-	-	17,435,705
Emerging markets long-only equity	-	-	-	1,960,212
European long-only equity	-	-	-	3,596,942
Japanese-focused long/short equity	-	-	-	3,872,211
Private equity	-	-	-	8,461,481
US long-only equity	-	-	-	6,516,866
US long/short equity	-	-	-	2,046,457
US long/short opportunistic	-	-	-	3,426,476
US credit markets	-	-	-	245,850
Total foreign investment corporations	-	-	-	71,123,240
Total assets at fair value	$ 7,519,418	$ -	$ -	$143,284,198

4. Fair Value Measurements, Continued:

	Assets at Fair Value as of March 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Exchange traded funds:				
Global equities	$ 2,809,249	$ -	$ -	$ 2,809,249
Total exchange traded funds	2,809,249	-	-	2,809,249
Equity mutual funds:				
US equities	5,214,805	-	-	5,214,805
Total equity mutual funds	5,214,805	-	-	5,214,805
Partnerships and corporations measured at net asset value: (a)				
China-focused long-only equity	-	-	-	1,779,134
International closed end funds	-	-	-	2,962,021
Global equity securities	-	-	-	9,510,409
US equity securities	-	-	-	2,877,010
US corporate credit	-	-	-	4,801,271
US micro-cap equity securities	-	-	-	5,685,815
US opportunistic value	-	-	-	3,532,215
US investment grade government and corporate	-	-	-	8,437,980
Frontier markets equity	-	-	-	529,090
Private equity	-	-	-	12,477,287
Resources	-	-	-	3,478,131
Real estate	-	-	-	7,394,370
Total partnerships and corporations	-	-	-	63,464,733
Foreign investment corporations measured at net asset value: (a)				
Brazil public/private equity	-	-	-	640,599
China long/short equity	-	-	-	4,432,054
Global long-only equity	-	-	-	17,067,188
Global distressed credit hedge	-	-	-	2,899,949
Global opportunistic hedge	-	-	-	758,614
Global long/short equity hedge	-	-	-	9,802,281
Emerging markets long-only equity	-	-	-	3,805,130
European long-only equity	-	-	-	3,285,788
Japanese-focused long/short equity	-	-	-	3,339,064
Private equity	-	-	-	4,318,524
US long-only equity	-	-	-	5,085,319
US long/short opportunistic	-	-	-	2,543,532
US credit markets	-	-	-	4,286,360
Total foreign investment corporations	-	-	-	62,264,402
Total assets at fair value	$ 8,024,054	$ -	$ -	$133,753,189

4. Fair Value Measurements, Continued:

(a) In accordance with the amendments to Subtopic 820-10 from accounting standards update (“ASU”) 2015-07, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

5. Property and Equipment:

Property and equipment consist of the following at March 31:

	2022	2021
Building	$ 1,616,468	$ 1,616,468
Land improvements	432,748	432,748
Furniture and fixtures	219,672	186,052
Equipment	75,691	75,512
Land	102,507	102,507
Building improvements	5,150	5,150
	2,452,236	2,418,437
Less - accumulated depreciation	(1,163,332)	(1,085,381)
	$ 1,288,904	$ 1,333,056

Depreciation expense was $80,461 for 2022 and $79,272 for 2021.

6. Federal Excise and Unrelated Business Income Taxes:

In accordance with the Further Consolidated Appropriations Act (the “Act”), the Foundation pays a flat 1.39% excise tax on net investment income. A deferred federal excise tax liability is estimated based on cumulative net unrealized gains as of year-end.

The Foundation is also subject to unrelated business income tax (“UBIT”) on income from certain investments on both the federal and state level. There was no UBIT incurred for 2022 and 2021.

7. Art Collection:

On April 1, 2006, Obici Health System contributed a collection of artwork to the Foundation appraised at approximately $660,000. During 2022, the Foundation determined the artwork was impaired in accordance with Accounting Standards Codification Topic 360. The Foundation recorded an impairment loss of $284,571 which is included in the 2022 statement of activities. The net carrying value is included as other assets on the accompanying statements of financial position.

8. Long-Term Debt:

In 2010, the Foundation issued Economic Development Authority of the City of Suffolk Revenue Bonds (Obici Healthcare Foundation Inc.) Series 2010 in the amount of $1,850,000. In January 2016, the bonds were reissued. The revised repayment schedule consists of monthly installments of principal and interest of $11,107 and a final payment of $701,608 due July 1, 2024. The note contains a fixed interest rate of 3.92% for the term of the bond. The bond is unsecured, however, any assets of the Foundation not already encumbered must be maintained free and clear of all liens, encumbrances and pledges. The bond also contains several financial covenants with which management determined the Foundation was in compliance with or had received a waiver of the covenant from the lender as of March 31, 2022 and 2021.

Debt issuance costs, net of accumulated amortization, were reported as a direct reduction of the long-term debt. Amortization of these costs of $64 in 2021 was reported as a component of interest expense, which was included in both program and management and general expenses on the accompanying statements of activities, over the term of the loan. These costs were fully amortized at March 31, 2021.

Future principal payments are as follows:

Year	Amount
2023	$ 97,836
2024	101,715
2025	736,424
	935,975
Current portion	(97,836)
	$ 838,139

9. Retirement Plan:

The Foundation has a qualified employee benefit 403(b) retirement plan intended to comply with all applicable federal laws and regulations, including the Code, as amended, and the Employee Retirement Income Security Act of 1974. The Foundation makes both matching and nonmatching discretionary contributions to the individual accounts of eligible employees. Contributions are based on compensation during the calendar year. The Foundation contributed $23,305 during 2022 and $33,356 during 2021. These amounts are included in salaries and benefits on the accompanying statements of functional expenses.

10. Related Party Transactions:

During 2022, the Foundation awarded $5,000 in grants to related party organizations of various members of the Foundation’s Board of Directors. These amounts are included in program expense on the accompanying 2022 statement of activities. At March 31, 2022, there was $100,000 in grants payable related to these organizations.

During 2021, the Foundation awarded approximately $362,000 in grants to related party organizations of various members of the Foundation’s Board of Directors. These amounts are included in program expense on the accompanying 2021 statement of activities. At March 31, 2021, there was approximately $200,000 in grants payable related to these organizations.

During 2022, the Foundation had banking and financing relationships with a financial institution for which a Board Member also served on the regional advisory board. As of March 31, 2022, the Foundation’s operating cash account and debt remained at the financial institution.

11. Liquidity and Availability of Financial Assets:

Financial assets available for general expenditure that are readily available within one year of March 31, 2022 and 2021 include:

	2022	2021
Cash	$ 1,904,593	$ 7,758,618
Actively traded investments	7,519,418	8,024,054
Total financial assets avalable within one year	$ 9,424,011	$15,782,672

11. Liquidity and Availability of Financial Assets, Continued:

The Foundation must annually pay out a minimum amount of 5% of the average fair value of its investment assets for the preceding year for charitable and administrative purposes in accordance with private foundation Internal Revenue Service requirements. The Foundation investment objectives have been aligned to meet the minimum distribution requirement. Also, the Foundation has additional investments that could provide liquidity, if necessary, but, has no plans to use those investments for operations in the near term.