Believe in Tomorrow National Children’s Foundation, Inc.

Financial Report
December 31, 2021

Contents

Independent Auditor's Report

Board of Directors
Believe in Tomorrow National Children's Foundation, Inc.

Opinion
We have audited the financial statements of Believe in Tomorrow National Children's Foundation, Inc. (the Foundation), which comprise the statements of financial position as of December 31, 2021 and 2020, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2021 and 2020, and the changes it its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 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 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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are 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 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 audits.

RSM US LLP

Baltimore, Maryland
August 15, 2022

Believe in Tomorrow National Children's Foundation, Inc.

Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	$ 3,269,672	$ 4,016,304
Short-term investments (Note 3)	205,881	204,350
Promises to give, current portion (Note 5)	12,840	17,350
Other receivables	39,719	122,075
Prepaid expenses	7,821	9,947
Total current assets	3,535,933	4,370,026
Property and equipment, net (Note 6)	4,682,866	3,863,865
Promises to give, net of current portion, net of allowance for uncollectible promises (2021—$10,011; 2020—$9,547) (Note 5)	14,363	18,468
Due from related-party (Note 4)	319,838	218,358
Total assets	$ 8,553,000	$ 8,470,717
Liabilities and Net Assets		
Current liabilities:		
Notes payable, current portion (Note 7)	$ -	$ 27,041
Economic Injury Disaster loan, current portion (Note 9)	538	-
Accounts payable and accrued expenses	35,659	28,476
Deferred revenue	177,306	30,417
Paycheck Protection Program promissory note (Note 8)	-	10,000
Total current liabilities	213,503	95,934
Non-current liabilities:		
Notes payable, net of current portion (Note 7)	-	183,585
Economic Injury Disaster Loan, net of current portion (Note 9)	149,462	150,000
Total liabilities	362,965	429,519
Commitments (Note 7)		
Net assets:		
Without donor restrictions	8,190,035	7,836,757
With donor restrictions (Note 10)	-	204,441
Total net assets	8,190,035	8,041,198
Total liabilities and net assets	$ 8,553,000	$ 8,470,717

See notes to financial statements.

Believe in Tomorrow National Children's Foundation, Inc.

Statements of Activities
Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support and gains:						
In-kind contributions	**$ 402,415**	**$ -**	**$ 402,415**	$ 390,308	$ -	$ 390,308
Public contributions	**938,954**	**-**	**938,954**	835,876	-	835,876
Fundraisers, net of direct costs of $105,258 and $137,826 for 2021 and 2020, respectively	**252,241**	**-**	**252,241**	458,111	-	458,111
Indirect public support	**40,306**	**-**	**40,306**	63,310	-	63,310
Investment income (Note 3)	**2,106**	**-**	**2,106**	10,748	-	10,748
Forgiveness of Paycheck Protection Program promissory note (Note 8)	**210,085**	**-**	**210,085**	179,223	-	179,223
Net assets released from restrictions (Note 10)	**204,441**	**(204,441)**	**-**	11,770	(11,770)	-
Total revenue, support and gains	**2,050,548**	**(204,441)**	**1,846,107**	1,949,346	(11,770)	1,937,576
Expenses:						
Program services:						
Children's housing	**1,567,278**	**-**	**1,567,278**	1,571,701	-	1,571,701
Total program services	**1,567,278**	**-**	**1,567,278**	1,571,701	-	1,571,701
Supporting services:						
Management and general	**66,172**	**-**	**66,172**	63,245	-	63,245
Fundraising and development	**63,820**	**-**	**63,820**	64,348	-	64,348
Total supporting services	**129,992**	**-**	**129,992**	127,593	-	127,593
Total expenses	**1,697,270**	**-**	**1,697,270**	1,699,294	-	1,699,294
Change in net assets	**353,278**	**(204,441)**	**148,837**	250,052	(11,770)	238,282
Net assets:						
Beginning of year	**7,836,757**	**204,441**	**8,041,198**	7,586,705	216,211	7,802,916
End of year	**$ 8,190,035**	**$ -**	**$ 8,190,035**	$ 7,836,757	$ 204,441	$ 8,041,198

See notes to financial statements.

Believe in Tomorrow National Children's Foundation, Inc.

Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services	Supporting Services		
	Children's Housing	Management and General	Fundraising and Development	Total
Salaries	$ 417,745	$ 28,008	$ 35,754	$ 481,507
Donation to affiliate	342,741	-	-	342,741
Resident activities	245,856	-	-	245,856
Depreciation (Note 6)	126,080	2,704	676	129,460
Payroll taxes and employee benefits (Note 11)	109,111	6,194	7,908	123,213
Occupancy	73,046	1,245	311	74,602
Volunteer services	27,708	1,431	37	29,176
Miscellaneous	19,585	5,786	88	25,459
Office supplies and equipment	34,613	2,395	857	37,865
Professional fees	34,225	5,704	5,704	45,633
Insurance	48,141	8,232	433	56,806
Janitorial	27,170	416	104	27,690
Maintenance and repairs	28,571	619	155	29,345
Automobile and travel	8,891	183	92	9,166
Dues and subscriptions	21,194	3,092	79	24,365
Publicity	2,601	163	488	3,252
Fundraising	-	-	11,134	11,134
Total functional expenses	$ 1,567,278	$ 66,172	$ 63,820	$ 1,697,270

See notes to financial statements.

Believe in Tomorrow National Children's Foundation, Inc.

Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services	Supporting Services		
	Children's Housing	Management and General	Fundraising and Development	Total
Salaries	$ 458,576	$ 20,801	$ 32,147	$ 511,524
Donation to affiliate	376,542	-	-	376,542
Resident activities	166,593	-	-	166,593
Depreciation (Note 6)	129,771	2,704	676	133,151
Payroll taxes and employee benefits (Note 11)	116,773	4,420	6,376	127,569
Occupancy	69,491	1,730	433	71,654
Volunteer services	28,762	1,529	39	30,330
Miscellaneous	24,803	12,544	112	37,459
Office supplies and equipment	35,174	2,923	788	38,885
Professional fees	34,979	5,830	5,830	46,639
Insurance	36,417	6,799	358	43,574
Janitorial	25,059	328	82	25,469
Maintenance and repairs	33,370	253	63	33,686
Automobile and travel	10,056	422	211	10,689
Dues and subscriptions	14,307	2,273	58	16,638
Publicity	11,028	689	2,068	13,785
Fundraising	-	-	15,107	15,107
Total functional expenses	$ 1,571,701	$ 63,245	$ 64,348	$ 1,699,294

See notes to financial statements.

Believe in Tomorrow National Children's Foundation, Inc.

Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	**$ 148,837**	$ 238,282
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	**129,460**	133,151
Increase in allowance for promises to give	**464**	341
In-kind contributions of fixed assets	**(2,304)**	(25,013)
Net realized and unrealized gain on short-term investments	**(1,531)**	(4,350)
Paycheck Protection Program promissory note forgiveness	**(210,085)**	(179,223)
Changes in assets and liabilities:		
Decrease (increase) in:		
Promises to give	**8,151**	1,764
Other receivables	**82,356**	(74,252)
Prepaid expenses	**2,126**	(7,126)
Due from related party	**(101,480)**	(110,231)
Increase (decrease) in:		
Accounts payable and accrued expenses	**7,183**	(24,525)
Deferred revenue	**146,889**	(54,255)
Net cash provided by (used in) operating activities	**210,066**	(105,437)
Cash flows from investing activities:		
Purchase of property and equipment	**(946,157)**	(22,556)
Net cash used in investing activities	**(946,157)**	(22,556)
Cash flows from financing activities:		
Principal payments on note payable	**(210,626)**	(26,013)
Proceeds from Paycheck Protection Program promissory note	**200,085**	189,223
Proceeds from Economic Injury Disaster Loan	**-**	150,000
Net cash (used in) provided by financing activities	**(10,541)**	313,210
Net (decrease) increase in cash and cash equivalents	**(746,632)**	185,217
Cash and cash equivalents:		
Beginning of year	**4,016,304**	3,831,087
End of year	**$ 3,269,672**	$ 4,016,304
Supplemental disclosure of cash flow information:		
Cash paid for interest	**$ 3,248**	$ 10,570
Supplemental schedule of noncash investing and financing activities:		
Donations of property and equipment	**$ 2,304**	$ 25,013
Forgiveness of Paycheck Protection Program promissory note	**$ 210,085**	$ 179,223

See notes to financial statements.

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Founded in 1982, Believe in Tomorrow National Children's Foundation, Inc. (the Foundation) provides comprehensive hospital and respite housing services to critically ill children and their families. The source of funds is primarily from public contributions, various fundraising events and federal, state, corporate and United Way employee-giving campaigns.

A summary of the Foundation's significant accounting policies follows:

Basis of presentation: The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB). As required by the Not-for-Profit Entities Topic of the FASB Accounting Standards Codification (ASC), the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions: Net assets without donor restrictions are the net assets that are neither invested in perpetuity, nor purpose or time restricted by donor-imposed stipulations.

Net assets with donor restrictions: Net assets with donor restrictions are contributions whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to these stipulations. Net assets may be restricted for various purposes, such as use in future periods or use for specified purposes.

Cash and cash equivalents: Cash and cash equivalents consist of demand deposits and short-term investments with original maturities at acquisition of three months or less.

Credit risk: The Foundation has deposits in financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). The Foundation has not experienced any losses in such accounts, and management believes the Foundation is not exposed to any significant credit risk on cash.

Promises to give: Promises to give are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. The Foundation uses the allowance method to determine uncollectible promises to give. Promises to give are written off at the time they are determined to be uncollectible. Net promises to give are expected to be collected over the next two years.

Investments: Short-term investments include certificates of deposit with original maturities at acquisition of greater than three months. Investment securities are carried at fair value. Accordingly, the change in net unrealized appreciation (depreciation) of marketable securities for the year is reflected in the statements of activities. Realized gains and losses on sales of investments are computed on a specific identification basis and are recorded on the settlement date of the transaction in the appropriate net asset category.

Investment risk and uncertainties: The Foundation invests in a portfolio that contains certificates of deposit. Such investments are exposed to various risks such as interest rate, market and credit.

Property and equipment: Property and equipment purchased by the Foundation is recorded at cost. Donated property and equipment is recorded at the fair value at the date of the gift. Depreciation is provided on the straight-line method over the estimated useful lives of the depreciable assets, which range from five to 40 years. The Foundation capitalizes all property and equipment purchased with a unit cost of $1,000 or more or donated with a fair value per unit of $1,000 or more and a useful live of more than one year.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Valuation of long-lived assets: The Foundation reviews the valuation of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

Functional allocation of expenses: The costs of providing various program and supporting activities have been presented on a detailed functional bases in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Certain expenses are attributable to more than one program or supporting function. These expenses are allocated consistently based on the following:

- Volunteer services, personnel related costs and other miscellaneous costs are allocated based on estimates of time and effort for each functional area
- Depreciation, occupancy and janitorial costs are allocated based on the percentage of fixed assets utilized by each functional area
- Donation to affiliate costs and resident activities costs are allocated entirely to program services provided to participants
- Fundraising costs are allocated entirely to fundraising and development supporting services

Income taxes: The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) as a charitable organization, whereby only unrelated business income, as defined by Section 512(a)(1) of the IRC, is subject to federal income tax. The Foundation is not considered to be a private foundation. Income, which is not related to exempt purposes, less applicable deductions, may be subject to federal and state corporate income taxes. For the years ended December 31, 2021 and 2020, the Foundation concluded it has no such unrelated business income.

The Foundation adopted the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed, or expected to be claimed, on a tax return should be recorded in the financial statements. Under this guidance, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses derecognition classification, interest and penalties on income taxes and accounting in interim periods.

Management evaluated the Foundation's tax positions and concluded that the Foundation has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of the guidance. Generally, the Foundation is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2018.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Support and revenue—contributions: Unconditional contributions received, including grants and contracts deemed to be non-exchange transactions, are recorded as support to net assets with or without donor restrictions, depending on the existence and/or nature of donor restrictions. All donor restricted support is reported as an increase in net assets with donor restrictions. 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. Conditional contributions are those contributions that contain donor-imposed rights of refund/return and barriers (performance obligations and/or controlling stipulations). Conditional contributions are recognized into revenue when conditions are satisfied and then follow the above policies for unconditional contributions. Conditional contributions received in advance of satisfying conditions are recorded as deferred revenue.

Indirect public support consists of contributions collected by a third-party and employee-giving campaigns held by various companies. Indirect public support is recognized as revenue in accordance with the contributions above.

Fundraising revenue is generated by events that take place throughout the year. Fundraising revenue consists of registration fees, admission tickets, sponsorships and raffle ticket sales for the events. The Foundation recognizes revenue for events as conditional contributions and conditions are satisfied in the fiscal year that the event occurs. Monies received prior to year-end that are related to an event occurring in the following fiscal year are recorded as deferred revenue until the earnings process is complete.

In-kind contributions: Contributions of donated noncash assets are recorded at their estimated fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

The Foundation, through fundraising efforts, generated donated goods and services aggregating $402,415 and $390,308 for the years ended December 31, 2021 and 2020, respectively.

Use of estimates: The preparation of financial statements 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 revenue and expenses during the reporting period. Actual results may differ from those estimates.

Uncertainties: On January 30, 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak a "Public Health Emergency of International Concern" and, on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, quarantines in certain areas and forced closures for certain types of public places and businesses. COVID-19 and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries. It is unknown how long these conditions will last and what the complete financial effect will be on the Foundation. The extent of the impact of COVID-19 on the Foundation's operations and financial performance are uncertain and cannot be predicted. Management is continually monitoring the impact of COVID-19.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Recent accounting pronouncements not yet adopted: In July 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The amendment is intended to increase transparency of contributed nonfinancial assets for not-for-profit entities through enhancements in presentation and disclosure requirements. Entities will now be required to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. This ASU is effective for fiscal years beginning January 1, 2022. The Foundation is currently in the process of evaluating the impact of the new accounting guidance on its financial statements.

Subsequent events: Subsequent events have been evaluated through August 15, 2022, which is the date the financial statements were available to be issued.

Note 2. Liquidity and Availability

The Foundation is primarily supported by contributions, fundraising events and giving campaigns. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In the event of financial distress or an immediate liquidity need resulting from events outside of the typical life cycle of converting financial assets to cash or settling financial liabilities, the Foundation would attempt to obtain a loan, secured by its real estate assets.

Financial assets available to meet cash needs for general expenditures within one year as of December 31, 2021 and 2020, are as follows:

	2021	2020
Cash and cash equivalents	$ 3,269,672	$ 4,016,304
Short-term investments	205,881	204,350
Current portion of promises to give	12,840	17,350
Other receivables	39,719	122,075
Total liquidity	3,528,112	4,360,079
Less financial assets with donor restrictions	-	(204,441)
Financial assets available to meet cash needs for general expenditures within one year	$ 3,528,112	$ 4,155,638

Note 3. Investments

Investments consisted of a certificate of deposit with a value of $205,881 and $204,350 at December 31, 2021 and 2020, respectively.

Investment income was composed of the following for the years ended December 31, 2021 and 2020:

	2021	2020
Interest and dividends	$ 575	$ 6,398
Net realized and unrealized gain	1,531	4,350
Total	$ 2,106	$ 10,748

Note 4. Related-Party Transactions

The Children's House at The Johns Hopkins Hospital, Inc. (The Children's House) is a related party that provides temporary housing to children with life-threatening illnesses, and their families. The Foundation's Board of Directors has committed to provide substantial support to The Children's House by assisting in its fundraising efforts, including the solicitation of donated goods and services. The Foundation manages the operations of The Children's House and there is no formal payment arrangement.

In 2016, the Foundation began recording salary expense related to operation of The Children's House as an in-kind contribution from the Foundation to The Children's House, rather than requiring The Children's House to reimburse the Foundation for the related expenses. The contribution totaled $122,980 and $127,710 for the years ended December 31, 2021 and 2020, respectively. The following table reflects the activity of such support and outstanding balances due to/from The Children's House at December 31, 2021 and 2020:

	2021	2020
Due from related-party, beginning of year	$ 218,358	$ 108,127
Advances to related-party	345,553	695,955
Advances from related-party	(244,073)	(585,724)
Due from related-party, end of year	$ 319,838	$ 218,358

Note 5. Promises to Give

Promises to give of $27,203 and $35,818 at December 31, 2021 and 2020, respectively, consisted of gross promises to give of $37,214 and $45,365, net of allowances for doubtful promises to give of $10,011 and $9,547, respectively, for the years then ended. Promises to give are expected to be received over the next two years.

In addition to the above balances, the Foundation received conditional grants that have not yet been recognized as of the end of the year. As of December 31, 2021, $100,000 of conditional grants payments were not yet received. As such, these amounts are not reported in the accompanying statements of activities. Conditional grants are recognized as revenue when the specified conditions of the grant are met, such as documented expenses.

Note 6. Property and Equipment

Property and equipment consisted of the following at December 31, 2021 and 2020:

	Depreciable Life (Range)	2021	2020
Buildings and improvements	5-40 years	$ 4,096,267	$ 3,616,114
Automobile	5 years	75,811	75,811
Equipment	5-10 years	381,201	372,893
Construction in progress	N/A	169,591	169,591
		4,722,870	4,234,409
Less accumulated depreciation		(1,787,295)	(1,657,835)
		2,935,575	2,576,574
Land		1,747,291	1,287,291
		$ 4,682,866	$ 3,863,865

Note 7. Notes Payable

The Foundation had a note payable to a bank at a fixed interest rate of 4.73%, whereby monthly principal and interest payments of $3,049 commenced on October 13, 2012. The note was scheduled to mature on September 13, 2027, whereby all remaining principal and accrued interest were to become due. The loan was collateralized by a mortgage on the property. The amount due on the note was $210,626 at December 31, 2020. The note was paid in full on April 6, 2021.

Note 8. Paycheck Protection Program Promissory Note

On April 23, 2020, the Foundation applied for and received a loan of $189,223 from Truist Bank pursuant to the Paycheck Protection Program (the PPP) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The interest rate was 1.0% per annum, payable monthly commencing after a decision on forgiveness is received, if necessary. The loan was guaranteed by the Small Business Administration (SBA) and was scheduled to mature on April 23, 2022. Proceeds were to be used to pay compensation and benefit costs in order to retain workers and to make mortgage interest payments, lease payments and utility payments. The Foundation used the entire loan amount for qualifying expenses. Under the terms of the loan, some or all of the loan may be forgiven if the funds are used for qualifying expenses as described in the CARES Act. As a result, the Foundation applied for and received forgiveness for $179,223 of the loan amount on December 23, 2020, and has reflected the forgiveness of the loan on the statement of activities for the year ended December 31, 2020. The SBA can audit the forgiveness of the loan for up to six years after it was received. The remaining loan amount of $10,000 was forgiven on February 12, 2021, and is reflected on the statement of activities for the year ended December 31, 2021.

On March 24, 2021, the Foundation applied for and received a loan of $200,085 from Truist Bank pursuant to the PPP. The interest rate was 1.0% per annum, payable monthly commencing one month after either a decision on forgiveness was received or 10 months after the end of the Forgiveness Covered Period if the Foundation had not applied for forgiveness of this loan, whichever was earlier. The loan was guaranteed by the SBA and was scheduled to mature on March 24, 2026. Proceeds were to be used to pay compensation and benefit costs in order to retain workers and to make mortgage interest payments, lease payments and utility payments. The Foundation used the entire loan amount for qualifying expenses. Under the terms of the loan, some or all of the loan may be forgiven if the funds are used for qualifying expenses as described in the CARES Act. As a result, the Foundation applied for and received forgiveness for the full loan amount on October 18, 2021, and has reflected the forgiveness of the loan on the statement of activities for the year ended December 31, 2021. The SBA can audit the forgiveness of the loan for up to six years after it was received.

Note 9. Economic Injury Disaster Loan

On May 13, 2020, the Foundation applied for and received an Economic Injury Disaster Loan (EIDL) of $150,000 from the SBA. The interest rate is 2.75% per annum, payable in monthly installments of $641 originally commencing on May 13, 2021, with the loan maturing on May 13, 2050. The loan is collateralized by the Foundation's tangible and intangible personal property. On March 26, 2021, the SBA granted a 24-month deferment of principal and interest payments from the original date of the note for EIDLs approved in 2020. On March 15, 2022, the SBA granted an additional 6-month deferment for a total 30-month deferment of principal and interest payments from the original date of the note for EIDLs approved in 2020. Monthly installments now commence on November 13, 2022, and the loan matures on November 13, 2052.

Note 9. Economic Injury Disaster Loan (Continued)

Maturities of the Economic Injury Disaster Loan at December 31, 2021, are due in future years as follows:

Years ending December 31:		
2022	$	538
2023		3,279
2024		3,371
2025		3,464
2026		3,561
Thereafter		135,787
	$	150,000

Note 10. Net Assets With Donor Restrictions

At December 31, 2021 and 2020, the Foundation had net assets with donor restrictions of $0 and $204,441, respectively, which are restricted for The Children's House Cottage by the Sea. Net assets with donor restrictions released from restrictions for the years ended December 31, 2021 and 2020, were $204,441 and $11,770, respectively, for expenditures related to The Children's House Cottage by the Sea.

Note 11. Pension Plan

The Foundation has a defined contribution pension plan that covers substantially all of its full-time employees. The Foundation may contribute a discretionary amount each plan year and employees can contribute a percentage of their compensation to the Plan. Contributions by the Foundation for the years ended December 31, 2021 and 2020, were $17,917 and $11,131, respectively.