Believe in Tomorrow National Children's Foundation, Inc.

Financial Report
December 31, 2018

Contents

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Independent Auditor's Report

RSM US LLP

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

Report on the Financial Statements
We have audited the accompanying financial statements of Believe in Tomorrow National Children's Foundation, Inc. (the Foundation), which comprise the statements of financial position as of December 31, 2018 and 2017, the related statements of activities and cash flows for the years then ended, the related statement of functional expenses for the year ended December 31, 2018 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.

Auditor's 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 audit 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 Believe in Tomorrow National Children's Foundation, Inc. as of December 31, 2018 and 2017, 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.

Emphasis of Matter
As disclosed in Note 1 to the financial statements, the Foundation adopted the Financial Accounting Standards Board issued Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The adoption of this standard resulted in additional footnote disclosures changes to the classification of net assets, and the presentation of a separate statement of functional expenses. Our opinion is not modified with respect to this matter.

RSM US LLP

Baltimore, Maryland
July 3, 2019

Believe in Tomorrow National Children's Foundation, Inc.

Statements of Financial Position
December 31, 2018 and 2017

	2018	2017
Assets		
Current assets:		
Cash and cash equivalents (Note 2)	$ 1,198,072	$ 1,915,989
Investments (Notes 2, 3 and 4)	1,228,623	324,245
Promises to give, net of allowance for uncollectible promises (2018 – $5,970; 2017 – $7,799) (Notes 2 and 6)	18,065	25,538
Other receivables	62,604	40,227
Prepaid expenses	3,131	2,833
Due from related party (Note 5)	-	32,739
Total current assets	2,510,495	2,341,571
Property and equipment, net (Notes 7 and 8)	4,544,231	4,381,719
Total assets	$ 7,054,726	$ 6,723,290
Liabilities and Net Assets		
Current liabilities:		
Current portion of notes payable (Note 8)	$ 24,570	$ 23,419
Accounts payable and accrued expenses	49,580	51,597
Due to related party (Note 5)	27,006	-
Deferred revenue	45,473	34,403
Total current liabilities	146,629	109,419
Notes payable, less current portion (Note 8)	236,711	261,353
Total liabilities	383,340	370,772
Commitments (Notes 8 and 10)		
Net assets:		
Without donor restrictions	6,433,654	6,110,910
With donor restrictions (Note 9)	237,732	241,608
Total net assets	6,671,386	6,352,518
Total liabilities and net assets	$ 7,054,726	$ 6,723,290

See notes to financial statements.

Believe in Tomorrow National Children's Foundation, Inc.

Statements of Activities
Years Ended December 31, 2018 and 2017

	2018			2017		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
In-kind contributions	**$ 943,405**	**$ -**	**$ 943,405**	$ 930,562	$ -	$ 930,562
Public contributions	**955,160**	**-**	**955,160**	780,667	241,608	1,022,275
Fundraisers	**605,718**	**-**	**605,718**	332,179	-	332,179
Indirect public support	**77,117**	**-**	**77,117**	103,011	-	103,011
Investment income (Note 4)	**4,266**	**-**	**4,266**	34,466	-	34,466
Net assets released from restriction (Note 9)	**3,876**	**(3,876)**	**-**	75,000	(75,000)	-
Total revenue and support	**2,589,542**	**(3,876)**	**2,585,666**	2,255,885	166,608	2,422,493
Expenses:						
Program services						
Children's housing	**2,147,837**	**-**	**2,147,837**	1,823,342	-	1,823,342
Total program services	**2,147,837**	**-**	**2,147,837**	1,823,342	-	1,823,342
Supporting services:						
Management and general	**61,736**	**-**	**61,736**	60,514	-	60,514
Fundraising and development	**57,225**	**-**	**57,225**	35,552	-	35,552
Total supporting services	**118,961**	**-**	**118,961**	96,066	-	96,066
Total expenses	**2,266,798**	**-**	**2,266,798**	1,919,408	-	1,919,408
Change in net assets	**322,744**	**(3,876)**	**318,868**	336,477	166,608	503,085
Net assets:						
Beginning of year	**6,110,910**	**241,608**	**6,352,518**	5,774,433	75,000	5,849,433
End of year	**$ 6,433,654**	**$ 237,732**	**$ 6,671,386**	$ 6,110,910	$ 241,608	$ 6,352,518

See notes to financial statements.

Believe in Tomorrow National Children's Foundation, Inc.

Statement of Functional Expenses
Year Ended December 31, 2018

	Program Services	Supporting Services		
	Children's Housing	Management and General	Fundraising and Development	Total
Donation to affiliate	$ 592,745	$ -	$ -	$ 592,745
Salaries	454,924	18,217	19,201	492,342
Resident activities	407,395	-	-	407,395
Depreciation (Note 7)	129,296	2,704	676	132,676
Payroll taxes and employee benefits (Note 10)	118,141	4,731	4,986	127,858
Volunteer services	107,048	10,070	258	117,376
Occupancy	108,719	1,379	345	110,443
Office supplies and equipment	53,104	3,902	1,038	58,044
Insurance	38,813	7,606	400	46,819
Maintenance and repairs	31,176	612	153	31,941
Professional fees	21,801	3,633	3,633	29,067
Miscellaneous	18,755	5,509	109	24,373
Janitorial	23,811	447	112	24,370
Fundraising	-	-	23,902	23,902
Automobile and travel	18,087	693	347	19,127
Dues and subscriptions	13,219	1,558	40	14,817
Publicity	10,803	675	2,025	13,503
Total functional expenses	$ 2,147,837	$ 61,736	$ 57,225	$ 2,266,798

See notes to financial statements.

Believe in Tomorrow National Children's Foundation, Inc.

Statements of Cash Flows
Years Ended December 31, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Change in net assets	**$ 318,868**	$ 503,085
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized loss (gain) on investments	**13,729**	(29,820)
Depreciation	**132,676**	121,096
Decrease in allowance for promises to give	**(1,829)**	(6,878)
In-kind contributions of fixed assets	**(117,177)**	(200,771)
Noncash contribution	**(112)**	(256,930)
Changes in assets and liabilities:		
(Increase) decrease in:		
Promises to give	**9,302**	1,763
Other receivables	**(22,377)**	35,636
Prepaid expenses	**(298)**	13,167
Due to/from related party	**59,745**	(86,064)
Increase (decrease) in:		
Accounts payable and accrued expenses	**(2,017)**	11,343
Deferred revenue	**11,070**	14,477
Net cash provided by operating activities	**401,580**	120,104
Cash flows from investing activities:		
Purchase of investments	**(917,995)**	(4,631)
Purchase of property and equipment	**(178,011)**	(314,220)
Net cash used in investing activities	**(1,096,006)**	(318,851)
Cash flows from financing activities:		
Principal payments on note payable	**(23,491)**	(22,327)
Net cash used in financing activities	**(23,491)**	(22,327)
Net decrease in cash and cash equivalents	**(717,917)**	(221,074)
Cash and cash equivalents:		
Beginning of year	**1,915,989**	2,137,063
End of year	**$ 1,198,072**	$ 1,915,989
Supplemental disclosures of cash flow information:		
Cash paid for interest	**$ 13,091**	$ 14,255
Stock contributions received	**$ 112**	$ 256,930
Supplemental disclosure of noncash investing activities:		
Donations of property and equipment	**$ 117,177**	$ 200,771

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 are the net assets that are neither invested in perpetuity, nor purpose or time restricted by donor-imposed stipulations.

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 in 2019.

Investments: 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 5 to 40 years.

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.

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 $943,405 and $930,562 for the years ended December 31, 2018 and 2017, respectively.

Functional allocation of expenses: The costs of providing various program and supporting activities have been presented on a detailed functional bases in the statement 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, 2018 and 2017, 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.

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

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 2015.

Revenue recognition: Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

The Foundation recognizes revenue for events in the fiscal year that the event occurs. Monies received prior to year-end that is related to an event occurring in the following fiscal year is recorded as deferred revenue until the earnings process is complete.

Unconditional promises to give are recognized as revenue in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

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.

Subsequent events: Subsequent events have been evaluated through July 3, 2019, which is the date the financial statements were available to be issued.

Accounting pronouncements adopted: In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendments in this ASU make improvements to the information provided in the financial statements and accompanying notes of not-for-profit entities. The amendments set forth the FASB's improvements to net asset classification requirements and the information presented about a not-for-profit entity's liquidity, financial performance and cash flows. The Foundation has implemented ASU 2016-14 and has adjusted the presentation of its financial statements accordingly. As permitted by the ASU, the statement of functional expenses and liquidity and availability and functional expense disclosures have not been presented on a comparative basis.

Accounting pronouncements pending: In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The amendments in this ASU create Topic 606, *Revenue from Contracts with Customers*, and supersede the revenue requirements in Topic 605, *Revenue Recognition*, including most industry-specific revenue recognition guidance throughout the Industry Topics of the Codification. In summary, the core principle of Topic 606 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in this ASU are effective for annual reporting periods beginning January 1, 2019. The impact of adopting ASU 2014-09 on the Foundation's financial statements for subsequent periods has not yet been determined.

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

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. Where the Foundation is the resource recipient, the ASU is applicable to contributions received for annual periods beginning after January 1, 2019. Where the Foundation is the resource provider, the ASU is applicable to contributions made within the annual periods beginning January 1, 2020. The Foundation is currently evaluating the impact of the adoption of this guidance on its financial statements.

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 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, 2018 are as follows:

Cash and cash equivalents	$ 1,198,072
Investments	1,228,623
Promises to give, net	18,065
Other receivables	62,604
Total financial assets	2,507,364
Less financial assets with donor restrictions	(237,732)
Financial assets available to meet cash needs for general expenditures within one year	$ 2,269,632

Note 3. Fair Value Measurements

The Foundation defines fair value as 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 and within a fair value hierarchy. The fair value hierarchy gives the highest rank to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest rank to unobservable inputs (Level 3). Inputs are broadly defined as data that market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Listed equities and holdings in mutual funds are types of investments included in Level 1.

Note 3. Fair Value Measurements (Continued)

Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly. Fair value is determined through the use of models or other valuation methodologies. Investments, which are generally included in this category, include less liquid restricted equity securities, certain corporate bonds, over-the-counter derivatives and certificates of deposit. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 2 measurement.

Level 3: Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. The following section describes the valuation techniques used by the Foundation:

Level 1: Investments in securities traded on a national securities exchange, or reported on the NASDAQ national market, are stated at the last reported sales price on the day of valuation. These financial instruments are classified as Level 1 in the fair value hierarchy.

Level 2: Certificates of deposit are a savings account that hold a fixed amount of principal for a fixed period of time, and in exchange, the issuing bank pays interest. These financial instruments are classified as a Level 2 in the fair value hierarchy.

Level 3: The Foundation does not have any investments within this level of the fair value hierarchy as of December 31, 2018 and 2017.

The following tables present the Foundation's fair value hierarchy for those assets measured at fair value as of December 31, 2018 and 2017:

		2018		
Description	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	$ 951,605	$ -	$ 951,605	$ -
	$ 951,605	$ -	$ 951,605	$ -

Note 3. Fair Value Measurements (Continued)

		2017		
Description	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Marketable equity securities:				
Industrials	$ 4,149	$ 4,149	$ -	$ -
Basic materials	30,126	30,126	-	-
Technology	1,339	1,339	-	-
Financial services	5,247	5,247	-	-
Healthcare	40,776	40,776	-	-
Consumer	188,243	188,243	-	-
Mutual funds:				
Large value	31,373	31,373	-	-
	$ 301,253	$ 301,253	$ -	$ -

The Foundation excludes cash and cash equivalents from the fair value hierarchy as cash is generally measured at cost. As such, $277,018 and $22,992 of money markets and cash, in the Foundation's investment portfolio years ended December 31, 2018 and 2017, respectively, have been excluded from these tables.

Note 4. Investments

Investment income was composed of the following for the years ended December 31, 2018 and 2017:

	2018	2017
Interest and dividends	$ 17,995	$ 4,646
Net realized and unrealized (loss) gain	(13,729)	29,820
Total	$ 4,266	$ 34,466

Note 5. 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.

Note 5. Related Party Transactions (continued)

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 for each of the years ended December 31, 2018 and 2017. The following table reflects the activity of such support and outstanding balances due to/from The Children's House at December 31, 2018 and 2017:

	2018	2017
Due from (to) related party, beginning of year	$ 32,739	$ (53,325)
Advances to related party	292,067	350,514
Advances from related party	(351,812)	(264,450)
Due (to) from related party, end of year	$ (27,006)	$ 32,739

Note 6. Promises to Give

Promises to give consisted of the following at December 31, 2018 and 2017:

	2018	2017
Independent Charities of America	$ 8,990	$ 16,464
America's Charities	15,045	16,873
Gross promises to give	24,035	33,337
Less allowance	(5,970)	(7,799)
Net promises to give	$ 18,065	$ 25,538

Note 7. Property and Equipment

Property and equipment consisted of the following at December 31, 2018 and 2017:

	Depreciable Life (Range)	2018	2017
Buildings and improvements	5-40 years	$ 4,404,981	$ 3,844,594
Automobile	5 years	165,079	165,079
Equipment	5-10 years	434,061	402,840
Construction in progress	N/A	65,904	362,324
		5,070,025	4,774,837
Less accumulated depreciation		(1,906,687)	(1,774,011)
		3,163,338	3,000,826
Land		1,380,893	1,380,893
		$ 4,544,231	$ 4,381,719

Note 8. Notes Payable

The Foundation has 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 matures on September 13, 2027, whereby all remaining principal and accrued interest become due. The loan is collateralized by a mortgage on the property.

Notes payable consisted of the following at December 31, 2018 and 2017:

	2018	2017
Mortgage loan	$ 261,281	$ 284,772
Less current portion	(24,570)	(23,419)
	$ 236,711	$ 261,353

Maturities of long-term debt at December 31, 2018, are due in future years as follows:

Years ending December 31:	
2019	$ 24,570
2020	25,745
2021	27,041
2022	28,369
2023	29,763
Thereafter	125,793
	$ 261,281

Note 9. Net Assets with Donor Restrictions

At December 31, 2018 and 2017, the Foundation had net assets with donor restrictions consisting of the following:

	2018	2017
The Children's House Cottage by the Sea	$ 237,732	$ 241,608
Total	$ 237,732	$ 241,608

Net assets with donor restrictions released from restriction for the years ended December 31, 2018 and 2017, were for the following funds:

	2018	2017
Believe in Tomorrow House at Deep Creek	$ -	$ 75,000
The Children's House Cottage by the Sea	3,876	-
Total	$ 3,876	$ 75,000

Note 10. 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, 2018 and 2017, were $15,823 and $12,038, respectively.

Note 11. Subsequent Event

In June 2019, the Foundation signed an agreement to sell a parcel of property for $1,300,000. The sale is expected to settle in July 2019.