

**FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

**SAVE A CHILD'S HEART
FOUNDATION - U.S., INC.**

December 31, 2021 and 2020

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Farmer & First, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

"Grow Your Business With Us"

INDEPENDENT AUDITORS' REPORT

October 27, 2022

To the Board of Directors of:

Save A Child's Heart Foundation - U.S., Inc.
Potomac, MD

Opinion

We have audited the accompanying financial statements of Save A Child's Heart Foundation – US, Inc. (a non-profit organization) which comprise the statements of financial position as of December 31, 2021 and 2020 and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Save A Child's Heart Foundation – US, Inc. as of December 31, 2021 and 2020 and the changes in its net assets and its cash flows for the years then ended in conformity 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Save A Child's Heart Foundation – US, Inc. 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 these financial statements in accordance with the 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.

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 Save A Child's Heart Foundation - US, Inc'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 auditors' 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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 Save A Child's Heart Foundation, Inc'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 Save A Child's Heart Foundation - US, Inc'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.

James E. Crist, PC

Warren, RI

Save A Child's Heart Foundation - U.S., Inc.
STATEMENTS OF FINANCIAL POSITION
As of December 31,

	2021	2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,172,132	\$ 1,321,521
Investment in securities	191,100	188,329
Prepaid expenses	<u>18,650</u>	<u>7,262</u>
Total current assets	<u>2,381,882</u>	<u>1,517,112</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment	4,433	3,485
Less: accumulated depreciation and amortization	<u>1,914</u>	<u>1,199</u>
Property and equipment, net	<u>2,519</u>	<u>2,286</u>
TOTAL	<u><u>\$ 2,384,401</u></u>	<u><u>\$ 1,519,398</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable - trade	<u>\$ 7,912</u>	<u>\$ 15,733</u>
NET ASSETS:		
Without donor restrictions	2,136,741	1,503,665
With donor restrictions	<u>239,748</u>	<u>-</u>
Total net assets	<u>2,376,489</u>	<u>1,503,665</u>
TOTAL	<u><u>\$ 2,384,401</u></u>	<u><u>\$ 1,519,398</u></u>

The accompanying notes are an integral part of these statements.

Save A Child's Heart Foundation - U.S., Inc.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT & REVENUE:			
Contributions	\$ 2,912,691	\$ 239,748	\$ 3,152,439
Grant income - PPP note forgiveness	67,000	-	67,000
Interest and dividend income	6,379	-	6,379
Unrealized gain on marketable securities	17,205	-	17,205
Realized gain on sale of marketable securities	804	-	804
Net assets released from restrictions	-	-	-
 Total unrestricted support and reclassifications	 3,004,079	 239,748	 3,243,827
 EXPENSES:			
Program services	1,821,333	-	1,821,333
Support services			
Management and general	246,807	-	246,807
Fundraising	302,863	-	302,863
 Net expenses	 2,371,003	 -	 2,371,003
 Change in net assets	 633,076	 239,748	 872,824
 Net assets, January 1, 2021	 1,503,665	 -	 1,503,665
 Net assets, December 31, 2021	 \$ 2,136,741	 \$ 239,748	 \$ 2,376,489

The accompanying notes are an integral part of these statements.

Save A Child's Heart Foundation - U.S., Inc.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT & REVENUE:			
Contributions	\$ 2,858,830	\$ -	\$ 2,858,830
Grant income - PPP note forgiveness	67,300	-	67,300
Interest and dividend income	4,640	-	4,640
Unrealized gain on marketable securities	740	-	740
Realized gain on sale of marketable securities	5,650	-	5,650
Net assets released from restrictions	-	-	-
 Total unrestricted support and reclassifications	 2,937,160	 -	 2,937,160
 EXPENSES:			
Program services	1,800,016	-	1,800,016
Support services			
Management and general	251,807	-	251,807
Fundraising	306,602	-	306,602
 Net expenses	 2,358,425	 -	 2,358,425
 Change in net assets	 578,735	 -	 578,735
 Net assets, January 1, 2020	 924,930	 -	 924,930
 Net assets, December 31, 2020	 \$ 1,503,665	 \$ -	 \$ 1,503,665

The accompanying notes are an integral part of these statements.

Save A Child's Heart Foundation - U.S., Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

	Support Services				<u>Totals</u>
	<u>Program Services</u>	<u>Mgmt & General</u>	<u>Fundraising</u>	<u>Total Support</u>	
Salaries	\$ 257,540	\$ 103,016	\$ 154,524	\$ 257,540	\$ 515,080
Employee benefits	40,366	16,146	24,220	40,366	80,732
Payroll Taxes	19,161	7,665	11,497	19,162	38,323
Total payroll -related expenses	317,067	126,827	190,241	317,068	634,135
Grants and awards	1,186,000	-	-	-	1,186,000
Marketing and advertising	180,578	60,193	-	60,193	240,771
Postage and shipping	29,945	-	36,599	36,599	66,544
Consultants	25,152	-	25,151	25,151	50,303
Nurses	40,000	-	-	-	40,000
Bank fees & credit card fees	-	4,049	27,403	31,452	31,452
Website, online services	18,145	-	6,048	6,048	24,193
Young leadership event exp	8,510	-	8,509	8,509	17,019
Accounting and bookkeeping	-	16,067	-	16,067	16,067
Rent	-	13,306	-	13,306	13,306
Event expenses	5,925	-	5,925	5,925	11,850
Office expenses and supplies	-	8,678	-	8,678	8,678
Travel	5,918	1,479	-	1,479	7,397
Insurance	-	5,312	-	5,312	5,312
State registrations	-	5,221	-	5,221	5,221
Dues and memberships	-	4,249	-	4,249	4,249
Printing and publications	747	-	2,987	2,987	3,734
Charitable donation	2,000	-	-	-	2,000
Medical publications	1,106	-	-	-	1,106
Depreciation	-	714	-	714	714
Meetings and conferences	-	500	-	500	500
Telephone	-	169	-	169	169
Miscellaneous	240	43	-	43	283
Total	<u>\$ 1,821,333</u>	<u>\$ 246,807</u>	<u>\$ 302,863</u>	<u>\$ 549,670</u>	<u>\$ 2,371,003</u>

The accompanying notes are an integral part of these statements.

Save A Child's Heart Foundation - U.S., Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020

	Support Services				<u>Totals</u>
	<u>Program Services</u>	<u>Mgmt & General</u>	<u>Fundraising</u>	<u>Total Support</u>	
Salaries	\$ 258,394	\$ 103,358	\$ 155,037	\$ 258,395	\$ 516,789
Employee benefits	39,766	15,906	23,860	39,766	79,532
Payroll Taxes	21,032	8,413	12,619	21,032	42,064
Total payroll -related expenses	319,192	127,677	191,516	319,193	638,385
Grants and awards	1,186,000	-	-	-	1,186,000
Marketing and advertising	144,982	48,328	-	48,328	193,310
Consultants	46,713	-	46,712	46,712	93,425
Postage and shipping	20,660	-	24,582	24,582	45,242
Young leadership event exp	18,888	-	18,887	18,887	37,775
Bank fees & credit card fees	-	3,391	20,975	24,366	24,366
Nurses	24,300	-	-	-	24,300
Accounting and bookkeeping	-	18,171	-	18,171	18,171
Medical supplies	17,400	-	-	-	17,400
Insurance	-	15,605	-	15,605	15,605
Travel	11,329	2,832	-	2,832	14,161
Rent	-	13,744	-	13,744	13,744
Office expenses and supplies	-	9,111	-	9,111	9,111
Website, online services	6,776	-	2,259	2,259	9,035
State registrations	-	5,224	-	5,224	5,224
Dues and memberships	-	4,975	-	4,975	4,975
Event expenses	1,425	-	1,425	1,425	2,850
Meetings and conferences	-	1,789	-	1,789	1,789
Medical publications	1,290	-	-	-	1,290
Charitable donation	1,000	-	-	-	1,000
Depreciation	-	612	-	612	612
Telephone	-	314	-	314	314
Printing and publications	61	-	246	246	307
Miscellaneous	-	34	-	34	34
Total	<u>\$ 1,800,016</u>	<u>\$ 251,807</u>	<u>\$ 306,602</u>	<u>\$ 558,409</u>	<u>\$ 2,358,425</u>

The accompanying notes are an integral part of these statements.

Save A Child's Heart Foundation - U.S., Inc.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 872,824	\$ 578,735
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	(715)	(612)
Non-cash contributions	(218,705)	(116,853)
PPP note forgiveness	(67,000)	(67,300)
Reinvested dividend income	(5,872)	(3,193)
Unrealized/realized gain on marketable securities	(18,009)	(6,390)
Decrease (increase) in operating assets:		
Contributions receivable	-	191,163
Accounts receivable - other	-	313
Prepaid expenses	(11,388)	7,462
Increase (decrease) in operating liabilities:		
Accounts payable - trade	(7,821)	13,444
NET CASH PROVIDED BY OPERATING ACTIVITIES	543,314	596,769
CASH FLOWS FROM BY INVESTING ACTIVITIES		
Purchase of furniture and equipment	(948)	-
Purchases of marketable securities	-	(111,921)
Net proceeds from sale of marketable securities	241,245	123,115
NET CASH PROVIDED BY INVESTING ACTIVITIES	240,297	11,194
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from Paycheck Protection Loan	67,000	67,300
NET CHANGE IN CASH	850,611	675,263
Cash and cash equivalents - January 1,	1,321,521	646,258
Cash and cash equivalents - December 31,	\$ 2,172,132	\$ 1,321,521
SUPPLEMENTARY CASH FLOW INFORMATION:		
Cash paid during the year for interest	\$ -	\$ -

The accompanying notes are an integral part of these statements.

Save A Child's Heart Foundation - U.S., Inc
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Activities

Save A Child's Heart Foundation - U.S., Inc. (the Foundation) is a non-profit organization incorporated in the state of Maryland in 1996. The Foundation's purpose is to provide funding for underprivileged children who are in need of cardiac surgery.

2. Basis of Accounting

These financial statements are prepared under the accrual basis of accounting. Under this accounting method, income is recorded as earned and expenses are recorded as incurred.

3. Basis of Presentation

The financial statements are presented in accordance with FASB Accounting Standard Codification (FASB ASC) released ASU2016-14 Not-for-Profit Entities (Topic 958). Under ASU 2016-14, the Organization 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 with donor restrictions include all assets received with donor designated restrictions whether they are perpetual in nature, or purpose or time restricted.

4. Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

5. Cash and Cash Equivalents

For purposes of the statements of financial position and cash flows, the Foundation considers all unrestricted highly liquid investments, with an initial maturity of three months or less, to be considered cash. The Foundation maintains its cash in bank accounts that, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant risk of loss on cash and cash equivalents.

Save A Child's Heart Foundation - U.S., Inc
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Property and Equipment

Property and equipment are stated at cost. Depreciation is calculated for financial statement purposes using the straight-line method based on the property's estimated life. Additions and improvements that add materially to productive capacity or extend the life of an asset are capitalized. Normal repairs and maintenance are charged against income. When facilities are retired or sold, their cost and accumulated depreciation are removed from the accounts and related gains or losses are included in income. In case of trade items, any remaining book value increases the basis of the new acquisitions.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donation asset to a specific purpose. The estimated lives used in determining depreciation are:

Furniture and equipment	5 years
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7. Income Taxes

The Foundation is a not-for-profit organization that is generally exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code. In addition, the Organization has been classified as an organization that is not a private foundation under Section 590(a)(1). Income that is not related to exempt purposes, less applicable deductions, is subject to Federal and Maryland corporate income taxes. The Foundation did not have any unrelated business income for the years ended December 31, 2021 and 2020.

8. Contribution Receivable

Unconditional contributions are recognized as revenue when the promise is received. Conditional contributions receivable are recognized when the conditions on which they depend are substantially met. Contributions receivable due in more than one year are discounted to their present value (estimated fair value) using a rate commensurate with the risks involved.

Save A Child's Heart Foundation - U.S., Inc
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

9. **Contributed Services**

During the years ended December 31, 2021 and 2020, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

10. **Liquidity**

The Foundation maintains a liquid cash balance through its checking account in an amount necessary to meet its anticipated expenditures for the next 30 days. The Foundation reconciles the balance of financial assets subject to donor restrictions monthly, based on restricted amounts used and received. Any restricted cash is separately identified and monitored as part of the Foundation's monthly financial reporting process.

The Foundation's financial assets available within one year to meet cash needs for general expenditures through December 31, 2022 are as follows:

Financial Assets:

Cash	\$2,172,132
Marketable securities	<u>191,100</u>
Total Financial Assets	2,363,232

Less amounts not available within one year -239,748

Financial Assets available to meet cash needs for
general expenditures within one year \$2,123,484

11. **Restricted and Unrestricted Revenue**

Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in with donor restrictions net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), with donor restrictions net assets are reclassified to without restrictions net assets and reported in the statement of activities as net assets released from restrictions.

Save A Child's Heart Foundation - U.S., Inc
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

12. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

13. Advertising

The Foundation expenses advertising costs as they are incurred. Advertising expenses for 2021 and 2020 were \$95,127 and \$65,569, respectively.

14. Uncertain Tax Provisions

Accounting for uncertain income tax positions, relating to both federal and state income taxes, are required when a more likely than not threshold is attained. If such positions result in uncertainties, then the unrecognized tax liability is estimated based on a cumulative probability assessment that aggregates the estimated tax liability for all uncertain tax positions. With the adoption of these new rules, the Foundation assessed its tax positions in accordance with the guidance. The Foundation has determined that its tax status as a MD non-profit corporation is its only tax position and is highly certain. Therefore, these new rules had no impact on the Foundation's financial statements.

15 Subsequent Events

Management has evaluated subsequent events through November 9, 2022, the date which the financial statements were available to be issued.

NOTE B - CASH

Concentration of Risk - Cash

The Foundation maintains its cash in bank accounts that, at times, may exceed federally insured limits. Accounts held at these financial institutions are insured, in amounts up to \$250,000 by the Federal Deposit Insurance Corporation. The aggregate of all uninsured balances at December 31, 2021 was \$1,828,408. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant risk of loss of cash and cash equivalents.

Save A Child's Heart Foundation - U.S., Inc
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE C – CONCENTRATION OF CREDIT RISK

Concentration of Risk – Marketable Securities

The Foundation maintains accounts with two brokerage firms. These accounts contain cash and securities. Balances are insured up to \$500,000 (with a limit of \$100,000 for cash) by the Security Investor Protection Corporation. The brokerage firms maintain additional insurance to cover any significant credit risk on cash and cash equivalents. The Foundation has not experienced any losses in such accounts. The Foundation believes that it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE D – INVESTMENT IN DEBT AND EQUITY SECURITIES

The Foundation classifies debt and equity securities into two categories, available-for-sale securities and held-to-maturity securities. All securities are carried at their fair market values in the statement of financial position. Unrealized gains and losses are included in the accompanying statement of activities.

As of December 31, 2021, detail of the unrealized gains and losses was as follows:

	Amortized <u>Cost</u>	Gross Unrealized <u>Gains</u>	Gross Unrealized <u>Losses</u>	Fair Market <u>Value</u>
Available-for-sale securities				
Equity securities	<u>\$156,782</u>	<u>\$34,318</u>	<u>\$ -0-</u>	<u>\$191,100</u>

As of December 31, 2020, detail of the unrealized gains and losses was as follows:

	Amortized <u>Cost</u>	Gross Unrealized <u>Gains</u>	Gross Unrealized <u>Losses</u>	Fair Market <u>Value</u>
Available-for-sale securities				
Equity securities	<u>\$175,627</u>	<u>\$13,979</u>	<u>\$ 1,277</u>	<u>\$188,329</u>

Save A Child's Heart Foundation - U.S., Inc
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE D – INVESTMENT IN SECURITIES (continued)

Investment return consists of the following:

	2021	2020
Interest and dividends	\$ 6,379	\$ 4,433
Net realized and unrealized gain	<u>18,009</u>	<u>6,391</u>
	<u>\$24,388</u>	<u>\$10,824</u>

On January 1, 2009, the Foundation adopted certain provisions of ASC Topic 820. ASC Topic 820 clarifies the principle that fair value should be based on the assumptions that market participants would use when pricing the asset or liability and establishes the following fair value hierarchy.

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the partners or managers have the ability to access.
- Level 2 inputs may include quoted prices for similar assets and liabilities in active intervals; and
- Level 3 inputs are unobservable inputs for the asset or liability that are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the fair value measurement will fall with the lowest level input that is significant to the fair value measurement in its entirety.

The following table presents a financial asset that the Foundation measured at fair value on a recurring basis as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities	<u>\$ 191,100</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 191,100</u>

The following table presents a financial asset that the Foundation measured at fair value on a recurring basis as of December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities	<u>\$ 188,329</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 188,329</u>

Save A Child's Heart Foundation - U.S., Inc
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE E – 401(K) PROFIT SHARING PLAN

On July 1, 2018, the Foundation initiated a 401 (k) plan policy that allowed eligible employees to make annual contributions up to 5% of their wages. The Foundation matches up to 4% of the employee’s contribution. The Foundation’s contribution to the plan for the years ended December 31, 2021 and 2020 was \$16,423 and \$9,737, respectively.

NOTE F – NOTES PAYABLE – PAYROLL PROTECTION PROGRAM

On April 13, 2020, the Foundation received a Payroll Protection Program forgivable loan in the amount of \$67,300. This loan was forgiven on December 2, 2020.

On March 16, 2021, the Foundation received another Payroll Protection Program forgivable loan in the amount of \$67,000. This loan was forgiven on July 26, 2021.

NOTE G – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at the end of the year represent grants that were received and with time or purpose restrictions by the grantor. As these funds are spent, the donor restrictions expire and the net assets with donor restrictions are reclassified to net assets without donor restrictions on the statement of activities.

Net assets with donor restrictions, by fund, as of December 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Time or purpose restrictions:		
Endowment fund	\$ <u>239,748</u>	\$ <u>-0-</u>

In 2021, an endowment fund was formed to provide resources for the continued existence and expansion of the Foundation by supporting pediatric surgery and medical training programs. Each year, beginning 2022, the Foundation will distribute 5% of the value of the fund determined on the last day of the previous fiscal year.

Save A Child's Heart Foundation - U.S., Inc
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE H – COMMITMENTS

The Foundation is obligated under the following rental leases:

<u>Lessor</u>	<u>Location/Equipment</u>	<u>Term / Exp. Date</u>	<u>Terms</u>
Jewish Council for the Aging of Greater Washington, DC	12320 Parklawn Drive, Rockville, MD	Three years, January 1 2021, to December 31, 2023.	\$8,652 annual rental due in 12 equal monthly payments

The future minimum rental commitments under operating leases as of December 31, 2021 are as follows:

For the year ending December 31, 2022	\$8,652
For the year ending December 31, 2023	\$8,652

NOTE I – COVID-19

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Foundation expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.