


Pediatric Brain Tumor Foundation of the United States, Inc.

**Independent Auditor's Report and
Financial Statements**

September 30, 2023 and 2022



Pediatric Brain Tumor Foundation of the United States, Inc.
Contents
September 30, 2023 and 2022

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Independent Auditor's Report

Members of the Board of Directors
Pediatric Brain Tumor Foundation of the United States, Inc.
Atlanta, Georgia

Opinion

We have audited the financial statements of Pediatric Brain Tumor Foundation of the United States, Inc. (the "Foundation") which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for 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 September 30, 2023 and 2022, 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.

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 the Foundation's ability to continue as a going concern within one year after the date that these 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 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 audit.

FORVIS, LLP

**Asheville, North Carolina
May 20, 2024**

Pediatric Brain Tumor Foundation of the United States, Inc.
Statements of Financial Position
September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 491,074	\$ 1,407,813
Investments	3,239,299	3,491,679
Accounts receivable	1,204,952	963,326
Contributions receivable	180,500	-
Other assets	55,114	94,517
Property and equipment, net	<u>217,435</u>	<u>35,725</u>
Total assets	<u>\$ 5,388,374</u>	<u>\$ 5,993,060</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 824,478	\$ 289,128
Grants payable	<u>808,866</u>	<u>438,871</u>
Total liabilities	<u>1,633,344</u>	<u>727,999</u>
Net Assets		
Net assets without donor restrictions		
Board designated—quasi-endowment	1,473,767	1,473,767
Available for operations	<u>268,836</u>	<u>951,802</u>
Total net assets without donor restrictions	1,742,603	2,425,569
Net assets with donor restrictions	<u>2,012,427</u>	<u>2,839,492</u>
Total net assets	<u>3,755,030</u>	<u>5,265,061</u>
Total liabilities and net assets	<u>\$ 5,388,374</u>	<u>\$ 5,993,060</u>

Pediatric Brain Tumor Foundation of the United States, Inc.
Statements of Activities
Years Ended September 30, 2023 and 2022

	September 30, 2023			September 30, 2022		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenues, Gains, and Other Support						
Contributions and grants	\$ 4,729,653	\$ 180,500	\$ 4,910,153	\$ 4,628,921	\$ 1,597,822	\$ 6,226,743
Less direct benefits to donors	(95,651)	-	(95,651)	(236,674)	-	(236,674)
Non-cash contributions	19,075	-	19,075	10,508	-	10,508
Investment income, net	131,080	-	131,080	20,537	-	20,537
Net assets released from restrictions	1,007,565	(1,007,565)	-	2,111,174	(2,111,174)	-
Total revenues, gains, and other support	5,791,722	(827,065)	4,964,657	6,534,466	(513,352)	6,021,114
Expenses						
Programs	4,829,621	-	4,829,621	4,680,459	-	4,680,459
Management and general	976,696	-	976,696	880,042	-	880,042
Fundraising	668,371	-	668,371	626,443	-	626,443
Total expenses	6,474,688	-	6,474,688	6,186,944	-	6,186,944
Change in Net Assets	(682,966)	(827,065)	(1,510,031)	347,522	(513,352)	(165,830)
Net Assets at Beginning of Year	2,425,569	2,839,492	5,265,061	2,078,047	3,352,844	5,430,891
Net Assets at End of Year	\$ 1,742,603	\$ 2,012,427	\$ 3,755,030	\$ 2,425,569	\$ 2,839,492	\$ 5,265,061

Pediatric Brain Tumor Foundation of the United States, Inc.
Statements of Functional Expenses
Years Ended September 30, 2023 and 2022

	September 30, 2023					September 30, 2022				
	Program	Management and General	Fundraising	Total Supporting Services	Total	Program	Management and General	Fundraising	Total Supporting Services	Total
Salaries and related expenses	\$ 1,538,487	\$ 555,613	\$ 393,093	\$ 948,706	\$ 2,487,193	\$ 1,337,453	\$ 440,529	\$ 336,508	\$ 777,037	\$ 2,114,490
Research grants	1,935,733	-	-	-	1,935,733	2,023,357	-	-	-	2,023,357
Direct aid to families	461,483	-	-	-	461,483	421,748	-	-	-	421,748
Awards and honorariums	-	-	-	-	-	-	-	125	125	125
Conferences	7,491	495	4,584	5,079	12,570	19,323	848	850	1,698	21,021
Services	354,743	84,008	46,500	130,508	485,251	511,813	85,570	15,255	100,825	612,638
Office expenses	110	2,122	509	2,631	2,741	912	18,837	716	19,553	20,465
Equipment rental	9,394	1,555	1,678	3,233	12,627	6,581	1,763	1,051	2,814	9,395
Video	13,602	-	-	-	13,602	3,850	148	1,863	2,011	5,861
Advertising	37,090	332	38,462	38,794	75,884	21,247	614	97,295	97,909	119,156
Repairs and maintenance	2,500	-	-	-	2,500	-	-	-	-	-
Rent and utilities	451	49,583	5,237	54,820	55,271	8,394	50,656	3,973	54,629	63,023
Telephone	60,855	11,381	14,822	26,203	87,058	41,606	33,222	3,379	36,601	78,207
Auto expense	8,346	9,386	7,445	16,831	25,177	4,723	5,407	2,979	8,386	13,109
Travel	61,657	33,580	22,344	55,924	117,581	30,918	16,416	12,220	28,636	59,554
Training	-	-	-	-	-	389	281	-	281	670
Professional fees	5,865	57,057	-	57,057	62,922	64	33,049	-	33,049	33,113
Insurance	3,037	21,257	944	22,201	25,238	8,007	13,989	-	13,989	21,996
Printing and postage	21,057	4,212	33,099	37,311	58,368	67,916	6,097	40,423	46,520	114,436
Fees and licenses	164,191	139,577	80,154	219,731	383,922	98,893	155,664	80,239	235,903	334,796
IT services	10,562	-	-	-	10,562	7,176	5,740	-	5,740	12,916
Depreciation	-	3,478	-	3,478	3,478	-	5,703	-	5,703	5,703
Other	132,967	3,060	19,500	22,560	155,527	66,089	5,509	29,567	35,076	101,165
Total expenses before direct benefits to donors	4,829,621	976,696	668,371	1,645,067	6,474,688	4,680,459	880,042	626,443	1,506,485	6,186,944
Direct benefits to donors	95,651	-	-	-	95,651	-	-	-	-	236,674
Total expenses	<u>\$ 4,925,272</u>	<u>\$ 976,696</u>	<u>\$ 668,371</u>	<u>\$ 1,645,067</u>	<u>\$ 6,570,339</u>	<u>\$ 4,680,459</u>	<u>\$ 880,042</u>	<u>\$ 626,443</u>	<u>\$ 1,506,485</u>	<u>\$ 6,423,618</u>

Pediatric Brain Tumor Foundation of the United States, Inc.
Statements of Cash Flows
Years Ended September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (1,510,031)	\$ (165,830)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	3,478	5,703
Non-cash contributions of investments	(19,075)	(10,898)
Gain on sale of property and equipment	-	(694)
Changes in assets and liabilities		
Accounts receivable	(422,126)	(443,836)
Other assets	39,403	(66,972)
Accounts payable and accrued expenses	535,350	214,587
Grants payable	369,995	(333,428)
	<u>(1,003,006)</u>	<u>(801,368)</u>
Net cash provided (used) by operating activities		
Cash Flows From Investing Activities		
Purchase of investments	(128,545)	(19,373)
Proceeds from sale of investments	400,000	683
Proceeds from sale of property and equipment	-	693
Purchase of property and equipment	(185,188)	(30,000)
	<u>86,267</u>	<u>(47,997)</u>
Net cash used by investing activities		
Net Change in Cash and Cash Equivalents	(916,739)	(849,365)
Cash and Cash Equivalents, Beginning of Year	<u>1,407,813</u>	<u>2,257,178</u>
Cash and Cash Equivalents, End of Year	<u>\$ 491,074</u>	<u>\$ 1,407,813</u>

Note 1. Summary of Significant Accounting Policies

Organization

The Pediatric Brain Tumor Foundation of the United States, Inc. (the “Foundation”) is a national non-profit organization dedicated to funding pediatric brain tumor research, increasing public awareness about the disease of pediatric brain tumors, providing financial, educational and emotional support to the families of children with brain tumors, and nonpartisan advocacy for public policies that improve the lives of these families.

The Foundation’s goals are achieved through the funding of scientific research projects related to the disease of childhood brain tumors at leading research facilities across the United States and internationally. Research funds are granted through a scientific peer review process. The foundation also provides grants to sponsor medical symposia in the United States and internationally, and to attract new researchers to the field of study.

The Foundation provides support to patients and their families through educational resources, including: an educational website available in English and Spanish languages; online videos and webinars; a toolkit for newly diagnosed families, which provides disease information and a place for families to store and organize their child’s medical records, appointments, healthcare providers, scans, and other information; and online support groups and peer mentoring. The Foundation also provides emergency financial assistance to families in thirty-one states.

The Foundation continues to make critical investments of financial and human capital to achieve key objectives, including growing revenue from major donors, grant-making organizations, and corporate partners, in order to fund more research.

The Foundation offers four fundraising programs: Ride for Kids®, Vs. Cancer, Community Fundraising, and GameON The Foundation has created programs to encourage legacy giving, vehicle donations, and cryptocurrency donations.

The Foundation’s research investment strategy included establishing a framework for prioritizing funding; strengthening a Research Advisory Network to provide highly informed perspectives on the biomedical research enterprise; and broadening the scope of the Foundation’s research funding and expertise. The Foundation, in response to patient family needs, expanded online support groups, peer mentoring, and an educational webinar series. On the organizational side, the Foundation recruited new board members from insurance, consumer package goods, medical and media industries; and increased board involvement in fundraising.

The Foundation continues to strengthen its integrated marketing and communications plan; expand access to bilingual educational resources; and, increase communications resources to support foundation programs and initiatives.

Method of Reporting

The Foundation’s accounts are maintained, and these statements are presented, on the accrual basis of accounting to present the results of activities and financial position in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

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 available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for board-designated quasi-endowments.

Pediatric Brain Tumor Foundation of the United States, Inc.
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Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Contributions

Unconditional promises to give and contributions received are recorded as support with donor restrictions or without donor restrictions, depending on the existence and/or nature of donor restrictions.

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

Accordingly, the Foundation reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donated assets are recorded at fair market value on the date of receipt. A substantial number of unpaid volunteers have donated significant amounts of their time to the Foundation's programs. If donated services either created or enhanced non-financial assets or required specialized skills that would have to be purchased if not donated, the value of those donated services would be recorded. To that end, non-cash contributions of equipment, materials, food, and professional and other services in the amount of \$19,075 and \$10,508 are included in the 2023 and 2022 statements of activities, respectively.

Functional Expenses

The Foundation allocates its expenses on a functional basis among its programs and supporting services. Expenses that can be identified with a specific program and support service are allocated directly according to their nature and expense classification. Other expenses that are common to several functions are allocated based upon management's best estimates of time spent or facilities used.

Estimates

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America 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 reporting date. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and amounts on deposit in financial institutions with original maturities of three months or less.

Receivables

The Foundation considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectable, they will be charged to operations when the determination is made.

Pediatric Brain Tumor Foundation of the United States, Inc.
Notes to Financial Statements
September 30, 2023 and 2022

Contributions receivable

Unconditional contributions receivable are recorded at net present value as unrestricted contributions in the consolidated balance sheets or direct additions to net assets with donor restrictions, if restricted by the donor or time, net of any allowances for uncollectible pledges.

Investments

Investments have included cash and cash equivalents, money market funds, mutual funds, common stock, and corporate obligations and bond funds. Investments in equity securities with readily determinable fair value and all investments in debt securities would be measured at fair value in the statements of financial position. Currently, the Foundation only has cash and cash equivalents. Due to the short-term nature of cash and cash equivalents, they have not been classified in the three-tier fair value hierarchy.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. Depreciable lives range from three to seven years. The Foundation capitalizes and depreciates all capital expenditures in excess of \$5,000.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and are not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor or certain grantor restrictions, net assets for an operating reserve and board-designated endowment.

Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. The Foundation has determined that it does not have any material unrecognized tax benefits or obligations as of September 30, 2023.

Concentration of Credit Risk

The Foundation maintains bank accounts with various financial institutions throughout the United States. Accounts at each institution are insured by the Federal Deposit Insurance Corporation. At times, the Foundation has cash balances that exceed the insured amount. Management believes that the risks related to these deposits are minimal.

Subsequent Events

Subsequent events have been evaluated through May 20, 2024, which is the date the financial statements were available to be issued.

Pediatric Brain Tumor Foundation of the United States, Inc.
Notes to Financial Statements
September 30, 2023 and 2022

Note 2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 491,074	\$ 1,407,813
Investments	3,239,299	3,491,679
Accounts receivable	1,385,452	963,326
Donor-restricted amounts	<u>(2,012,427)</u>	<u>(2,839,492)</u>
Total	<u>\$ 3,103,398</u>	<u>\$ 3,023,326</u>

As part of the Foundation's liquidity management plan, cash in excess of daily requirements is invested in short-term investments.

Note 3. Fair Value of Financial Assets

The Foundation has \$3,239,299 and \$3,491,679 of cash and cash equivalents held in money market funds included in investment accounts as of September 30, 2023 and 2022, respectively, which was not classified as a level as prescribed within the provision.

The components of investment income for the years ended September 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Interest and dividend income	\$ 131,680	\$ 20,874
Advisors' fees	<u>(600)</u>	<u>(337)</u>
	<u>\$ 131,080</u>	<u>\$ 20,537</u>

Note 4. Property and Equipment

At September 30, 2023 and 2022, property and equipment consist of the following:

	<u>2023</u>	<u>2022</u>
Computer equipment	\$ 11,440	\$ 11,440
Telephone system	2,950	2,950
Website enhancements	<u>215,188</u>	<u>30,000</u>
	229,578	44,390
Accumulated depreciation	<u>(12,143)</u>	<u>(8,665)</u>
Property and equipment, net	<u>\$ 217,435</u>	<u>\$ 35,725</u>

Pediatric Brain Tumor Foundation of the United States, Inc.
Notes to Financial Statements
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Note 5. Grants Payable

Grants payable at September 30, 2023 and 2022, include the following:

	<u>2023</u>	<u>2022</u>
Pediatric Brain Tumor Foundation Research Institute grants	\$ 707,570	\$ 269,723
Other grants	<u>101,296</u>	<u>169,148</u>
Grants Payable	<u>\$ 808,866</u>	<u>\$ 438,871</u>

Note 6. Net Assets with Donor Restrictions

Net assets with donor restrictions at September 30, 2023 and 2022, consist of the following:

	<u>2023</u>	<u>2022</u>
Research	\$ 2,012,427	\$ 2,839,492
Net assets with donor restrictions	<u>\$ 2,012,427</u>	<u>\$ 2,839,492</u>

Note 7. Quasi-Endowment

The Foundation's quasi-endowment was organized to support the financial operations of the Foundation. The Foundation's board designated funds include amounts classified as unrestricted. During 2023, the Board did not increase the board designated fund. During 2022, the Board elected to increase the amount of the board designated funds by \$431,821, from \$1,041,946 to \$1,473,767 to fund future reserves. The Board resolved to adjust the board designated funds as needed for the reserve to be held at a minimum of 30 percent of annual budgeted expenses. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted the North Carolina Uniform Prudent Management of Institutional Funds Act (the "Act") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation has classified as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulated is added to the fund. In accordance with the Act, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund

Pediatric Brain Tumor Foundation of the United States, Inc.
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3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. The investment policies of the Foundation

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for board designated assets that are intended to provide an ongoing stream of funding for financial assistance that is supported by the quasi-endowment. The quasi-endowment assets include assets of donor-restricted funds that the organization must hold in perpetuity as well as board-designated funds. Under this policy, as approved by the Board, the board designated assets are invested in a manner that is intended to produce a high level of total investment return consistent with a prudent level of portfolio risk. The Foundation expects its board designated funds, over time, to provide a rate of return similar to that of other investments of the Foundation.

Strategies Employed for Achieving Objectives

Historically, to satisfy its long-term rate-of-return objectives, the Foundation relied on a total return strategy in which investment returns were achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targeted a diversified asset allocation that included fixed income instruments and equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Note 8. Net Assets Released from Restrictions

Net assets released from restrictions for the years ended September 30, 2023 and 2022, consist of the following:

	<u>2023</u>	<u>2022</u>
Research	\$ 1,007,565	\$ 2,111,174
Net assets released from restrictions	<u>\$ 1,007,565</u>	<u>\$ 2,111,174</u>

Note 9. Commitments

Operating Lease

The Foundation had operating lease agreements for the rental of office space in Atlanta, Georgia. Rent expense totaled \$48,570 and \$48,500 for the years ended September 30, 2023 and 2022, respectively. The agreement for the Atlanta space will expire in July 2024. The Foundation does not intend to renew their lease in the future due to the transition to remote working after the COVID-19 pandemic. Annual future minimum payments are as follows for the next year ending September 30:

2024	<u>\$ 36,921</u>
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Note 10. Retirement Plan

The Foundation sponsors a 401(k) defined contribution pension plan covering all its employees. The Foundation matches 100% of eligible employee contributions up to 3% of employees' annual compensation plus 50% of eligible employee contributions up to 6% of the employees' annual compensation. The employees are immediately vested in their contributions. Foundation matching contributions begin when an employee begins contributing and are 100% vested immediately. Retirement plan expense amounted to \$75,111 and \$58,951 for the years ended September 30, 2023 and 2022, respectively.

Note 11. COVID-19 Pandemic and Government Grants

In March 2020, the World Health Organization declared the outbreak of COVID-19, a novel strain of coronavirus, a pandemic.

In response to the economic impact of the COVID-19 pandemic, Congress introduced the Employee Retention (ERC). The ERC is a refundable payroll tax credit available to taxpayers who experienced either a full or partial suspension of business operations due to government orders or had a significant drop in gross receipts during calendar years 2020 or the first three quarters of 2021. The credit is available for 50% of qualified wages for 2020 with a maximum credit per qualified employee of \$28,000 for calendar year 2020 and \$21,000 for calendar year 2021. The Foundation qualifies for the ERC and accounts for the ERC as a government grant under ASC 958-605. Under this ASC, the ERC may be recognized once the conditions attached to the grant have been substantially met. The Foundation incurred qualifying wages and has recognized \$434,679, associated with the ERC as grant income in the statement of activities for the year ended September 30, 2022 and a corresponding receivable in the statement of financial position presented in accounts receivable.