CaringBridge

Financial Statements

December 31, 2021 and 2020

Independent Auditors' Report

To the Board of Directors of
CaringBridge

Opinion

We have audited the financial statements of CaringBridge (the 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, and the changes in 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 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 Organization'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 Organization'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.

Baker Tilly US, LLP

Minneapolis, Minnesota
March 4, 2022

CaringBridge

Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	$ 3,545,578	$ 3,279,616
Accounts receivable	48,998	34,701
Inventory	5,589	2,006
Prepaid expenses	121,185	175,773
Total current assets	3,721,350	3,492,096
Other Assets		
Endowment investments	222,844	222,398
Investments	1,210,306	1,219,285
Other assets	15,300	15,300
Fixed assets:		
Furniture and equipment	363,275	361,761
Leasehold improvements	423,458	423,458
Website and mobile phone applications	2,657,113	2,657,113
Less amortization and depreciation	(3,427,445)	(3,190,036)
Total fixed assets	16,401	252,296
Total other assets	1,464,851	1,709,279
Total assets	$ 5,186,201	$ 5,201,375
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 110,016	$ 190,611
Accrued expenses	295,964	164,274
Deferred leasehold improvements	5,987	-
Total current liabilities	411,967	354,885
Long-Term Liabilities		
Deferred leasehold improvements	-	77,826
Total long-term liabilities	-	77,826
Total liabilities	411,967	432,711
Net Assets		
Without donor restrictions	4,551,390	4,546,266
With donor restrictions	222,844	222,398
Total net assets	4,774,234	4,768,664
Total liabilities and net assets	$ 5,186,201	$ 5,201,375

See notes to financial statements

CaringBridge

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 and Other Support						
Contributions	$ 10,625,083	$ 52,000	$ 10,677,083	$ 10,166,823	$ 118,784	$ 10,285,607
GoFundMe revenue	247,376	-	247,376	197,786	-	197,786
Donated services	486,596	-	486,596	749,972	-	749,972
Investment income	8,132	446	8,578	44,950	2,928	47,878
Other income	6,407	-	6,407	4,392	-	4,392
Paycheck Protection Program Loan debt forgiveness	-	-	-	931,428	-	931,428
Net assets released from restrictions	52,000	(52,000)	-	118,784	(118,784)	-
Total revenue and other support	11,425,594	446	11,426,040	12,214,135	2,928	12,217,063
Expenses						
Program expenses	8,775,538	-	8,775,538	8,556,702	-	8,556,702
Management and general	1,545,538	-	1,545,538	1,074,959	-	1,074,959
Fundraising	1,099,394	-	1,099,394	866,071	-	866,071
Total expenses	11,420,470	-	11,420,470	10,497,732	-	10,497,732
Change in net assets	5,124	446	5,570	1,716,403	2,928	1,719,331
Net Assets, Beginning	4,546,266	222,398	4,768,664	2,829,863	219,470	3,049,333
Net Assets, Ending	$ 4,551,390	$ 222,844	$ 4,774,234	$ 4,546,266	$ 222,398	$ 4,768,664

See notes to financial statements

CaringBridge

Statements of Functional Expenses

Years Ended December 31, 2021 and 2020

	2021				2020			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Salaries and wages	$ 4,536,118	$ 562,316	$ 509,904	$ 5,608,338	$ 4,415,344	$ 439,737	$ 405,853	$ 5,260,934
Payroll taxes and employee benefits	836,771	104,431	94,167	1,035,369	785,239	80,932	72,071	938,242
Total salaries and related expenses	5,372,889	666,747	604,071	6,643,707	5,200,583	520,669	477,924	6,199,176
Professional fees	240	53,357	97,500	151,097	-	34,126	90,000	124,126
Website development and support	565,611	39,853	42,243	647,707	621,332	39,138	37,123	697,593
Contracted services	1,165,990	349,576	35,259	1,550,825	1,137,821	75,103	33,419	1,246,343
Outreach programs	1,184,678	-	10,297	1,194,975	1,158,199	-	13,564	1,171,763
Service materials	18,743	12	140,466	159,221	5,127	7	64,769	69,903
Travel	5,273	13,002	132	18,407	5,179	5,106	1,705	11,990
Insurance	21,682	2,167	2,437	26,286	27,258	2,657	2,506	32,421
Licenses and permits	24,837	20,466	1,594	46,897	1,770	18,337	7,341	27,448
Supplies and equipment	43,797	4,377	4,923	53,097	15,672	1,528	1,440	18,640
Postage and shipping	10,613	6,089	135,351	152,053	1,532	5,899	114,898	122,329
Telephone	4,987	498	561	6,046	271	26	25	322
Depreciation and amortization	218,093	9,393	10,565	238,051	238,551	9,921	9,355	257,827
Occupancy	124,496	12,443	13,995	150,934	130,569	12,728	12,002	155,299
Donation credit card fees	-	350,379	-	350,379	-	340,776	-	340,776
Miscellaneous	13,609	17,179	-	30,788	12,838	8,938	-	21,776
Total expenses	$ 8,775,538	$ 1,545,538	$ 1,099,394	$ 11,420,470	$ 8,556,702	$ 1,074,959	$ 866,071	$ 10,497,732

See notes to financial statements

CaringBridge

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

	2021	2020
Cash Flows From Operating Activities		
Change in net assets	$ 5,570	$ 1,719,331
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	238,051	257,827
Gain on disposal of assets	(75)	(175)
Amortization of deferred leasehold improvements	(71,839)	(71,838)
Unrealized loss (gain) on investments	8,979	(38,091)
Unrealized gain on endowment investments	(446)	(2,928)
Changes in assets and liabilities:		
Inventory	(3,583)	701
Accounts receivable	(14,297)	92,901
Prepaid expenses	54,588	(57,338)
Accounts payable	(80,595)	50,969
Accrued expenses	131,690	(225,651)
Deferred grant revenue	-	(118,784)
Net cash flows from operating activities	268,043	1,606,924
Cash Flows From Investing Activities		
Purchases of fixed assets	(2,156)	-
Proceeds from sale of assets	75	175
Net cash flows from investing activities	(2,081)	175
Net change in cash and cash equivalents	265,962	1,607,099
Cash and Cash Equivalents, Beginning	3,279,616	1,672,517
Cash and Cash Equivalents, Ending	$ 3,545,578	$ 3,279,616

See notes to financial statements

1. Summary of Significant Accounting Policies

Organization

CaringBridge (the Organization) is a global nonprofit social network dedicated to helping family and friends communicate with and support loved ones during a health journey. Thanks to compassionate donors, anyone, anywhere can create a free personal website through CaringBridge to share updates and receive the love and strength they need from their community during an illness or injury.

Benefits of Use

A free CaringBridge website has all the tools needed to keep family and friends updated during a difficult time. Through a CaringBridge website, users can: share news and updates with everyone at the same time; communicate in a private, ad-free place; activate friends and family and coordinate help; and receive emotional strength and support.

Since June 7, 1997, nearly 950,000 CaringBridge websites have been created. Combined, they have received more than 2.5 billion visits. In 2021, more than 45 million people visited CaringBridge to support their family and friends during a health journey. Today, every 12 minutes a new CaringBridge website is created for someone experiencing a health journey.

Financial Statement Presentation

For purposes of financial reporting, the Organization classifies resources into two net assets categories pursuant to any donor-imposed restrictions and applicable law. Accordingly, the net assets of the Organization are classified in the accompanying financial statements in the categories that follow:

Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

With Donor Restrictions - Net assets subject to donor-imposed stipulations that will be met by action of the Organization and/or passage of time. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy.

Board Designated Net Assets

The Organization's Board of Directors has the ability to designate identified amounts of net assets without restrictions to be used by management for specific future projects or activities. These designations can be modified or removed by the Board of Directors at any time. There are no board designated net assets at December 31, 2021 and 2020.

Revenue Recognition

Revenues from sources other than contributions are generally reported as increases in net assets without donor restrictions. Expenses are reported as decreases in that category. Income earned on donor restricted funds is initially classified as net assets with donor restrictions and is reclassified to net assets without donor restrictions when expenses are incurred for their intended purpose.

Unconditional contributions, those that do not include a measurable performance-related or other barrier or are those in which the Organization has limited discretion over how the contribution should be spent, are recognized as revenues in the period received and are reported as increases in the appropriate categories of net assets in accordance with donor restrictions. Expirations of donor-imposed restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. Contributions that include a measurable barrier or those for which the Organization has limited discretion over how the contribution should be spent and a right of return or release from future obligations are recorded as conditional contributions. Conditional contributions are not recognized until they become unconditional, that is, when the conditions surrounding the indications of the barrier have been met.

Donated services and facilities are recognized as contributions in accordance with the accounting guidance if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, and would otherwise be purchased by the Organization.

Contributions received from related parties (members of the Board of Directors) for the years ended December 31, 2021 and 2020 totaled $188,248 and $173,062 , respectively.

The Organization recognizes contract revenue at an amount that reflects consideration to which the Organization expects to be entitled to in exchange for transferring goods or services to a customer. There is currently one type of contract that the Organization is engaged, which is based on performance reporting. Due to the nature and varying performance obligations of these contracts, the timing and methods of recognizing revenue from these contracts will vary. For performance reporting contracts, a customer pays the agreed upon amounts after the completion and submission of specified deliverables in the contract. For these contracts, the Organization will allocate the transaction price of the contract to the specific performance obligations based on the contract. The Organization recognizes revenue when the performance obligations are met and delivered to the customer. The Organization had one contract during 2021 and 2020 that was a performance reporting contract. There are no contract assets or liabilities.

Cash and Cash Equivalents

CaringBridge defines cash and cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less. Cash in excess of FDIC and similar insurance coverages are subject to the usual banking risks of funds in excess of those limits.

Receivables

Receivables are primarily from credit card payment-related donations made through the website. No allowance for doubtful accounts is recorded based on historical experience and management's evaluation of receivables. Bad debts are expensed when deemed uncollectible. Receivables are generally unsecured.

Inventories

Inventories consist of promotional items and awareness materials. They are valued at cost.

Investment and Investment Income Recognition

The Organization's investments are presented in the financial statements at fair value in accordance with accounting principles generally accepted in the United States of America. Changes in fair value are recorded as unrealized gains (losses). Realized gains (losses) will be recorded upon the sale of the investments. Investment income and gains pertaining to certain donor restrictions are recorded as with donor restrictions in accordance with the applicable gift instruments. Interest income is recognized under the accrual basis.

Investments are exposed to various risks such as interest rate, market and credit risks. It is reasonably possible that changes in values of investments will occur in the near term and that such changes could materially affect the amounts reported.

Fixed Assets

Property and equipment purchased are capitalized at cost or in the case of donated equipment, at estimated market value on the date of the gift. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (three years for the website and mobile phone applications and three to seven years for furniture and equipment). Leasehold improvements are being amortized over the shorter of the expected life of the asset or the period of the lease. The Organization capitalizes additions in excess of $2,000.

Website development costs are capitalized if they significantly enhance the capability or capacity of CaringBridge's website. Mobile phone application costs are capitalized for new platforms and for enhancements that significantly upgrade the capability of the mobile application.

Costs capitalized include external direct costs of materials and services and internal payroll and payroll-related costs. Any costs during the preliminary project stage or related to training or maintenance is expensed as incurred. Capitalization ceases when the projects are substantially complete and ready for their intended use. The capitalization and ongoing assessment of recoverability of development costs requires considerable judgment by management with respect to certain external factors, including, but not limited to, technological and economic feasibility, and estimated economic life.

When the projects are ready for their intended use, the Organization amortizes such costs over their estimated useful lives of three years. There is no estimated amortization expense remaining for the 2016 and 2018 application modernizations for the year ending December 31, 2021.

Contributions of fixed assets related to the website are reported as increases in donor-restricted net assets. Restrictions are considered met and an appropriate amount reclassified to net assets without donor-restrictions when the asset is placed in service.

Research and Development Costs

Research and development costs are expensed as incurred. Research and development costs are included in the statements of functional expenses described as website development and support and includes costs expended related to website development and mobile phone application projects which have not met the requirement for capitalization.

Income Tax Status

The Internal Revenue Service has determined that CaringBridge is exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. It is also exempt from state income tax. However, any unrelated business income may be subject to taxation. There was no unrelated business income tax recorded for the years ended December 31, 2021 and 2020.

The Organization follows the accounting standards for contingencies in evaluating uncertain tax positions. This guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. No liability has been recognized by the Organization for uncertain tax positions as of December 31, 2021 and 2020. The Organization's tax returns are subject to review and examination by federal and state authorities.

Functional Expense Allocation

The costs of providing the programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. All expenses are allocated based on an analysis of personnel time and resources utilized for the related activities based on the best estimates of management.

Use of Estimates

The preparation of financial statements in conformity 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 date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates and assumptions include the allocations to the various functional expense categories.

Recent Accounting Pronouncements Not Yet Effective

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases*. ASU No. 2016-02 was issued to increase transparency and comparability among entities. Lessees will need to recognize nearly all lease transactions (other than leases that meet the definition of a short-term lease) on the statement of financial position as a lease liability and a right-of-use asset (as defined). Lessor accounting under the new guidance will be similar to the current model. The ASU is effective for fiscal years beginning after December 15, 2021 (2022). Upon adoption, lessees and lessors will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach, which includes a number of optional practical expedients that entities may elect to apply. The Organization is currently assessing the effect that this standard will have on its financial statements.

In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU No. 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The standard will be required to be applied retrospectively for annual periods beginning after June 15, 2021 (2022). The Organization is currently assessing the effect that this standard will have on its financial statements.

2. Liquidity and Availability

The Organization's financial assets available within one year of the statement of financial position date for general expenditure such as operating expenses are as follows:

	2021	2020
Cash and cash equivalents	$ 3,545,578	$ 3,279,616
Accounts receivable	48,998	34,701
Investments without donor restrictions	1,210,306	1,219,285
Total financial assets available to meet cash needs for general expenses within one year	$ 4,804,882	$ 4,533,602

The Organization's practice is to structure its financial assets to be available as its general expenses, liabilities and obligations come due. Cash in excess of daily requirements is typically invested in short-term, liquid securities.

3. Fair Value Measurements and Investments

Fair Value Hierarchy

Fair value is defined under generally accepted accounting principles as the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the assets or liability in an orderly transaction between market participants at the measurement date. Under this guidance, a three-level hierarchy is used for fair value measurements which are based on the transparency of information, such as the pricing source, used in the valuation of an asset or liability as of the measurement date.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following three categories:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 1 assets include investments in corporate bonds, Treasury securities, government securities, and money market funds for which quoted prices are readily available.

Level 2 - Inputs are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data.

Level 3 - Inputs are unobservable for the asset or liability. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input this is significant to the fair value measurement in its entirely. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset.

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table presents information about the Organization's assets measured at fair value on a recurring basis as of December 31, 2021 based upon the three-tier hierarchy:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Corporate bonds	$ 486,680	$ -	$ -	$ 486,680
Treasury securities	36,561	-	-	36,561
Government securities	16,960	-	-	16,960
Money market	670,105	-	-	670,105
Endowment investments:				
Corporate bonds	21,041	-	-	21,041
Money market	201,803	-	-	201,803
Total	$ 1,433,150	$ -	$ -	$ 1,433,150

The following table presents information about the Organization's assets measured at fair value on a recurring basis as of December 31, 2020 based upon the three-tier hierarchy:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Corporate bonds	$ 667,503	$ -	$ -	$ 667,503
Treasury securities	25,993	-	-	25,993
Government securities	8,034	-	-	8,034
Money market	517,755	-	-	517,755
Endowment investments:				
Corporate bonds	39,064	-	-	39,064
Money market	183,334	-	-	183,334
Total	$ 1,441,683	$ -	$ -	$ 1,441,683

Investment income for the years ending December 31, 2021 and 2020 was as follows:

	2021	2020
Interest, dividends and realized gains	$ 17,111	$ 6,859
Unrealized (losses) gains	(8,533)	41,019
Total investment income	$ 8,578	$ 47,878

4. Lease Commitments

Office Leases

On August 23, 2016, CaringBridge signed an operating lease for office space. The lease is a 63-month lease with escalating payments with the first three months free. On August 12, 2021, CaringBridge extended the lease for an additional 18 months starting on February 1, 2022. Rental expense is recognized on a straight-line basis over the life of the lease. Rent expense for the years ended December 31, 2021 and 2020 under this lease was $140,941 and $152,789, respectively.

The difference between the amount paid and the amount expensed are included in accrued expenses at year-end. Future minimum lease payments under the lease are as follows:

	Future Minimum Rental Payments
Years ending December 31:	
2022	$ 149,734
2023	70,720
Total	$ 220,454

5. In-Kind Contributions

CaringBridge records in-kind contributions at fair value at the date of donation. The fair value of these services has been recorded as contribution revenue on the statements of activities and in the related expense account on the statements of activities or in fixed assets on the statement of financial position if the useful life of the contributed asset is greater than one year. In-kind contributions consisted of the following during the years ended December 31, 2021 and 2020:

	2021	2020
Donated services	$ 486,596	$ 749,972

6. Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2021 and 2020 consisted of funds held in a donor restricted endowment fund (see Note 7).

Net assets with donor restrictions released from restriction in 2021 and 2020 of $52,000 and $118,784, respectively, related to a grant funded project restricted for program purposes.

7. Endowment Funds

As required by generally accepted accounting principles, net assets with donor restrictions associated with the Organization's endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization's Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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 Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The donor restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization 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

(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) Other resources of the Organization

(7) The investment policies of the Organization

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to minimize risk of investments with certain percent available without penalty. Investments should generate income to support the mission of CaringBridge. The primary investment objectives are to achieve long-term total return, to preserve the principal of the fund by reinvesting income and to produce a consistent stream of investment income.

Endowment assets include those assets of donor restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s). As of December 31, 2021 and 2020, the Organization had no board-designated funds. Donor restricted endowment funds to be held in perpetuity are $200,000 at December 31, 2021 and 2020.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a conservative strategy. The balance of the endowment should be invested in fixed income vehicles. The guiding criteria for the choice of investment vehicle are safety and yield. The guiding criteria for liquidity would be that the spendable amount determined by the Endowment Fund Policy Statement is liquid to be withdrawn in January each year.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization will determine the spendable amount for its endowment funds for the upcoming budget year following the close of the September 30 quarter by calculating the average fair market value of its endowment funds, calculated over twelve quarters ending with the September 30 quarter, and multiplying that average value by the applicable spending percentage, as determined by the Board. The spending percentage will generally be no less than three percent (3%) and no greater than six percent (6%). The Organization will not calculate an annual spendable amount for any fund which, as of September 30, has fallen below 90 percent of the aggregate value of all gifts to that fund. Furthermore, in the event the spendable amount calculated may over time materially impact the income generating ability of the endowment, as determined by the Chief Financial Officer, no spendable amount will be calculated for the year. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The Organization elected not to take an appropriation in 2021 and 2020.

Endowment and Restricted Net Asset Composition by Type of Fund

	December 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Roger and Hazel Perkins Endowment Fund	$ -	$ 222,844	$ 222,844

	December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Roger and Hazel Perkins Endowment Fund	$ -	$ 222,398	$ 222,398

Changes in Endowment Net Assets

	December 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment, beginning of year	$ -	$ 222,398	$ 222,398
Investment income	-	446	446
Appropriation for expenditures	-	-	-
Endowment, end of year	$ -	$ 222,844	$ 222,844

	December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment, beginning of year	$ -	$ 219,470	$ 219,470
Investment income	-	2,928	2,928
Appropriation for expenditures	-	-	-
Endowment, end of year	$ -	$ 222,398	$ 222,398

Funds With Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies at December 31, 2021 and 2020.

8. Retirement Plans

The Organization's retirement plan, CaringBridge 401(k) Plan, covers all eligible employees. The employer contribution structure is a Safe Harbor Qualified Non-Elective Contribution of 3 percent.

Employer contribution expense totaled $161,083 and $156,630 for the years ended December 31, 2021 and 2020, respectively.

9. Paycheck Protection Program (PPP) Loan

On April 9, 2020, the Organization entered into a new loan facility with Bremer Bank under the recent government-enacted Paycheck Protection Program (PPP) (part of the Coronavirus Aid, Relief and Economic Stability Act) administered by the Small Business Administration (SBA). The Organization borrowed $931,300 under the loan facility. The loan carried a fixed interest rate of 1 percent and was scheduled to mature on April 9, 2022. No payments were required for the first six months. Subsequent regulations deferred payments until the date on which the amount of forgiveness is remitted to the lender or, if the Organization fails to apply for forgiveness within ten months after the covered period, then payment of principal and interest shall begin on that date. Borrowings under this facility were unsecured. Loans under the PPP have a loan forgiveness feature based on the level of payroll, rent and utilities costs over a twenty-four week period commencing on the date of the loan. On November 25, 2020, the loan and related interest was forgiven. The total amount of forgiveness of $931,428 was recorded as revenue in the December 31, 2020 statement of activities.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request.

10. Subsequent Events

The Organization has evaluated subsequent events through March 4, 2022, which is the date that the financial statements were approved and available to be issued.