

CHILDREN'S HEARTLINK
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018

**CHILDREN'S HEARTLINK
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YEARS ENDED JUNE 30, 2019 AND 2018**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Children's HeartLink
Minneapolis, Minnesota

We have audited the accompanying financial statements of Children's HeartLink (Organization) which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Children's HeartLink

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Children's HeartLink as of June 30, 2019 and 2018, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
September 30, 2019

**CHILDREN'S HEARTLINK
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018**

	2019	2018
ASSETS		
Cash and Cash Equivalents	\$ 998,251	\$ 1,025,608
Contributions and Other Receivables, Net	981,820	564,834
Prepaid Expenses	30,132	41,257
Property and Equipment, Net	143,644	164,066
Total Assets	\$ 2,153,847	\$ 1,795,765
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 55,829	\$ 81,482
Accrued Payroll and Benefit Liabilities	31,141	27,900
Deferred Revenue	245,000	280,590
Total Liabilities	331,970	389,972
NET ASSETS		
Without Donor Restrictions:		
Undesignated	218,117	51,635
Board Designated	152,200	652,200
Total Without Donor Restrictions	370,317	703,835
With Donor Restrictions	1,451,560	701,958
Total Net Assets	1,821,877	1,405,793
Total Liabilities and Net Assets	\$ 2,153,847	\$ 1,795,765

See accompanying Notes to Financial Statements.

**CHILDREN'S HEARTLINK
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2019 AND 2018**

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT						
Contributions	\$ 561,358	\$ 1,325,775	\$ 1,887,133	\$ 390,406	\$ 684,109	\$ 1,074,515
Donated Goods and Services	831,218	-	831,218	756,571	-	756,571
Special Events and Activities	1,065,377	-	1,065,377	1,123,891	-	1,123,891
Less: Costs of Direct Benefits to Donors	(202,889)	-	(202,889)	(175,257)	-	(175,257)
Net Revenues from Special Events and Activities	862,488	-	862,488	948,634	-	948,634
Interest and Other Income	3,459	-	3,459	4,659	-	4,659
Net Assets Released from Restriction	576,173	(576,173)	-	449,734	(449,734)	-
Total Revenue and Other Support	2,834,696	749,602	3,584,298	2,550,004	234,375	2,784,379
EXPENSES						
Program Related	2,466,958	-	2,466,958	2,359,132	-	2,359,132
Management and General	267,026	-	267,026	179,025	-	179,025
Special Events and Activities	98,035	-	98,035	109,176	-	109,176
Fundraising	336,195	-	336,195	349,244	-	349,244
Total Expenses	3,168,214	-	3,168,214	2,996,577	-	2,996,577
CHANGE IN NET ASSETS	(333,518)	749,602	416,084	(446,573)	234,375	(212,198)
Net Assets – Beginning of Year	703,835	701,958	1,405,793	1,150,408	467,583	1,617,991
NET ASSETS – END OF YEAR	<u>\$ 370,317</u>	<u>\$ 1,451,560</u>	<u>\$ 1,821,877</u>	<u>\$ 703,835</u>	<u>\$ 701,958</u>	<u>\$ 1,405,793</u>

See accompanying Notes to Financial Statements.

CHILDREN'S HEARTLINK
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Related	Management and General	2019 Special Events and Activities	Fundraising	Total
Salaries and Wages	\$ 668,357	\$ 123,671	\$ 58,800	\$ 210,713	\$ 1,061,541
Employee Benefits	75,918	10,331	8,400	25,961	120,610
Payroll Tax Expense	54,198	10,010	4,768	17,087	86,063
Total Salaries and Related Expenses	798,473	144,012	71,968	253,761	1,268,214
Training and Education	329,478	10,550	2,115	4,955	347,098
Medical Supplies – Noncash	19,797	-	-	-	19,797
Travel Expenses	231,293	2,441	5,791	109	239,634
Professional Fees – Cash	171,528	83,507	2,569	27,094	284,698
Professional Fees and Consulting – Noncash	811,422	-	-	-	811,422
Depreciation	13,361	2,407	1,293	3,361	20,422
Office Expenses	31,764	6,144	8,611	10,377	56,896
Utilities	16,496	2,290	1,420	3,243	23,449
Repairs and Maintenance	16,019	2,887	1,550	4,030	24,486
Other Expenses	27,327	12,788	2,718	29,265	72,098
Direct Benefit to Donors	-	-	-	202,889	202,889
Total Expenses Including Direct Benefit to Donors	\$ 2,466,958	\$ 267,026	\$ 98,035	\$ 539,084	3,371,103
Less: Direct Benefit to Donors	-	-	-	(202,889)	(202,889)
Total Expenses	\$ 2,466,958	\$ 267,026	\$ 98,035	\$ 336,195	\$ 3,168,214
	73.3%	7.9%	2.9%	16.0%	100%

See accompanying Notes to Financial Statements.

CHILDREN'S HEARTLINK
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018

	Program Related	Management and General	2018 Special Events and Activities	Fundraising	Total
Salaries and Wages	\$ 612,450	\$ 75,721	\$ 69,082	\$ 226,616	\$ 983,869
Employee Benefits	58,789	8,765	7,627	24,911	100,092
Payroll Tax Expense	47,910	5,799	5,452	17,558	76,719
Total Salaries and Related Expenses	<u>719,149</u>	<u>90,285</u>	<u>82,161</u>	<u>269,085</u>	<u>1,160,680</u>
Training and Education	350,246	4,708	1,304	2,860	359,118
Medical Supplies – Noncash	-	-	-	-	-
Travel Expenses	327,139	1,157	2,176	8,108	338,580
Professional Fees – Cash	104,007	66,215	3,559	22,417	196,198
Professional Fees and Consulting – Noncash	755,966	-	605	-	756,571
Depreciation	9,403	1,194	1,194	3,134	14,925
Office Expenses	43,836	1,611	10,743	5,821	62,011
Utilities	15,087	1,515	1,543	4,251	22,396
Repairs and Maintenance	14,086	1,789	1,789	4,695	22,359
Other Expenses	20,213	10,551	4,102	28,873	63,739
Direct Benefit to Donors	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,257</u>	<u>175,257</u>
Total Expenses Including Direct Benefit to Donors	<u>\$ 2,359,132</u>	<u>\$ 179,025</u>	<u>\$ 109,176</u>	<u>\$ 524,501</u>	<u>3,171,834</u>
Less: Direct Benefit to Donors	<u>-</u>	<u>-</u>	<u>-</u>	<u>(175,257)</u>	<u>(175,257)</u>
Total Expenses	<u><u>\$ 2,359,132</u></u>	<u><u>\$ 179,025</u></u>	<u><u>\$ 109,176</u></u>	<u><u>\$ 349,244</u></u>	<u><u>\$ 2,996,577</u></u>
	74.4%	5.6%	3.5%	16.5%	100%

See accompanying Notes to Financial Statements.

**CHILDREN'S HEARTLINK
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 416,084	\$ (212,198)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	20,422	14,925
(Increase) Decrease in Assets:		
Contributions and Other Receivables	(416,986)	(452,334)
Prepaid Expenses	11,125	70,751
Increase (Decrease) in Liabilities:		
Accounts Payable	(25,653)	12,468
Accrued Payroll and Benefit Liabilities	3,241	18,759
Deferred Revenue	(35,590)	(119,410)
Net Cash Used by Operating Activities	(27,357)	(667,039)
 NET DECREASE IN CASH AND CASH EQUIVALENTS	 (27,357)	 (667,039)
 Cash and Cash Equivalents – Beginning of Year	 1,025,608	 1,692,647
 CASH AND CASH EQUIVALENTS – END OF YEAR	 \$ 998,251	 \$ 1,025,608

See accompanying Notes to Financial Statements.

**CHILDREN'S HEARTLINK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Children's HeartLink (the Organization), founded in 1969 and headquartered in Minneapolis, Minnesota, is an international medical nonprofit organization. To save the lives of children with heart disease, Children's HeartLink partners with organizations to train medical teams, provide education, and transform health care in underserved parts of the world.

The principal activity of the Organization is to improve cardiovascular care for children in Brazil, China, India, Malaysia, and Vietnam. Children's HeartLink works in partnership with pediatric cardiac programs in these countries and focuses efforts on programs and training for medical personnel, including clinical, organizational and community capacity-building initiatives, direct treatment of children, and technical support.

The Organization's revenues come from a broad base of support from individual, corporate, and foundation donors, along with special-event fundraising activities.

Basis of Presentation

Children's HeartLink presents its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The financial statements have been prepared in accordance with accounting standards generally accepted in the United States of America. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor-restriction and net assets with donor-restriction, on the accrual basis of accounting. Accordingly, the Organization's net assets are classified in accordance with the absence or existence of donor-imposed restrictions as follows:

Without Donor Restrictions – Net assets without donor restrictions are net assets that are not with donor restrictions by donor-imposed stipulations. These net assets also include those funds that are designated for specific purposes by the board of directors as well as with donor restriction gifts which meet restrictions within the year they are donated.

With Donor-Restrictions - Those resources subject to donor-imposed restrictions which will be satisfied by actions of the Organization or passage of time.

At June 30, 2019 and 2018, the Organization had net assets without donor-restriction and net assets with donor-restriction.

At June 30, 2018, \$652,200 of net assets without donor restriction had been designated by the board and consisted of a \$500,000 future operating reserve and a \$152,500 strategic initiatives reserve. In Fiscal Year 2019, the Board rescinded the designation of the \$500,000 future operating reserve. Therefore, at June 30, 2019, there was a remaining balance of \$152,500 in the strategic initiatives reserve.

**CHILDREN'S HEARTLINK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Organization defines cash and cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less. The Organization maintains cash accounts in commercial banks in the United States primarily at one financial institution. Accounts at the banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC). At various times throughout the year, the Organization had cash balances in excess of FDIC insurance limits. The Organization has not experienced any losses on these accounts.

Contributions and Other Receivables

The Organization follows a policy of providing an allowance for uncollectible receivables; however, based on historical collection experience and the current composition of receivables, management is of the belief that such receivables are collectible in all material respects and thus an allowance is not considered necessary as of June 30, 2019 and 2018.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. As of June 30, 2019 and 2018, the discount to net present value was \$42,192 and \$18,766, respectively.

Property and Equipment

Property and equipment are stated at the lower of cost or fair value if purchased and the lower of fair value at date of the gift or current fair value if donated. Maintenance, repairs, and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income. The Organization's capitalization threshold is \$2,000.

Depreciation and amortization are computed on the straight-line basis over the assets' estimated useful lives as follows:

Buildings	39 Years
Building Improvements	5 – 10 Years
Furniture and Equipment	3 – 10 Years

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use and eventual disposition of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

**CHILDREN'S HEARTLINK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue

Deferred revenue consists primarily of sponsorships received in advance of the annual gala event, which will be held subsequent to year-end.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized in the period received. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

Contributions and Pledges

The Organization reports gifts of cash and other assets as restricted support 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, with donor restrictions net assets are reclassified to without donor restrictions net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as with donor restrictions support and then released upon being spent.

The Organization reports gifts of land, buildings, and equipment as general support unless explicit donor stipulations specify how the donated assets are to be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated Medical Supplies, Program Services and Supporting Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

The Organization receives contributions of supplies, patient care services, and other supporting services. The estimated fair value of professional (primarily medical) services, which require specialized skills and would have been purchased if not provided by contributors, is reported as revenue and expense in the period in which the services are provided and totaled \$811,422 and \$756,571 for the years ended June 30, 2019 and 2018, respectively.

Donated professional fees and consulting which consist of patient care and other supporting services on the statement of activities represent significant estimates to the financial statements, which may change in the near term.

Donated medical supplies are recognized as revenue when received at their fair value. Subsequently, they are valued at the lower of their current fair value or their fair value when donated. Expense related to donated medical supplies totaled \$19,796 and \$-0- for the years ended June 30, 2019 and 2018, respectively.

**CHILDREN'S HEARTLINK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Medical Supplies, Program Services and Supporting Services (Continued)

In addition to the above, a substantial number of unpaid nonprofessional volunteers have made significant contributions of their time to the Organization. The value of this contributed time is not reflected in these statements since the value, while clearly substantial, does not meet the standards for recognizing donated services.

Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. When possible, expenses are charged to program costs or supporting services based on direct expenditures incurred. Any expenses that are not directly chargeable, such as salaries are allocated to program costs or supporting services based on management's estimates of how employees utilize their time. Beginning in fiscal year 2020, a new payroll system will be put in place to directly monitor how much time employees spend on each program so that salary expenses can be allocated more accurately. Fundraising and special events costs totaled \$434,230 and \$458,420 for the years ended June 30, 2019 and 2018, respectively, exclusive of the costs of direct benefits to donors for the special events and activities. The Organization conducted activities that included requests for contributions as well as program related components.

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 and disclosures. Although estimates are considered fairly stated, actual results could differ from those estimates.

Tax-Exempt Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and applicable state statutes. However, income from certain activities not directly related to the Organization's tax-exempt purpose could result in taxable income. The Children's HeartLink follows guidance in the income tax standard regarding the recognition of uncertain tax positions. The Organization has identified no significant income tax uncertainties and has no current obligation for unrelated business income tax.

The Organization had no income tax expense or cash payments for income taxes for the year ended June 30, 2019.

Subsequent Events

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure through September 30, 2019, which is the date that the financial statements were available to be issued. Subsequent to year-end, the Organization entered into a line of credit agreement on August 1, 2019 for \$100,000, expiring on August 1, 2020. The outstanding principal balance on the line of credit bears interest at 5.500%. There has been no drawn on the line of credit as of September 30, 2019.

**CHILDREN'S HEARTLINK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. We have implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented which resulted in no change to the previously reported net assets, except for the liquidity disclosure which applies to fiscal year 2019 only.

Liquidity and Availability

The following table reflects the Organization's financial assets as of June 30, 2019, reduced by amounts not available for general expenditures within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. Other financial assets that are excluded from this measure of liquidity include contributions receivable due in over one year.

Financial Assets	
Cash and Cash Equivalents	\$ 998,251
Grant and Contributions Receivable, Net	981,820
Total Financial Assets	<u>1,980,071</u>
Less Net Assets with Donor Restrictions	(1,451,560)
Plus Time-Restricted Net Assets Available Within One Year	<u>481,670</u>
Financial Assets Available To Meet Cash Needs for General Purposes Within One Year	<u><u>\$ 1,010,181</u></u>

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 (sweep account). Subsequent to year-end, the Organization has secured a \$100,000 line of credit that can be drawn down if needed to cover operating expenses.

**CHILDREN'S HEARTLINK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2019	2018
Building	\$ 300,000	\$ 300,000
Building Improvements	82,899	82,899
Furniture and Equipment	59,828	59,828
Subtotal	442,727	442,727
Less: Accumulated Depreciation	(299,083)	(278,661)
Property and Equipment, Net	<u>\$ 143,644</u>	<u>\$ 164,066</u>

NOTE 3 LEASE OBLIGATIONS

The Organization leases storage space and office equipment under cancelable and noncancelable operating leases. The Organization is obligated to pay costs of insurance, taxes, repairs, and maintenance pursuant to the terms of the leases. Lease expense was \$3,260 and \$3,260 for the years ended June 30, 2019 and 2018, respectively.

The Organization's building was gifted to it and as part of the gift; it is required to pay for the maintenance of the parking lot. The Organization has a commitment to pay an unrelated party \$1,200 per month as long as it remains in the building. If it were to move or sell the building, the commitment would stay with the building and move to the new owner.

Future minimum lease payments due under noncancelable operating leases with terms greater than one year as follows for the years ending June 30:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 3,100
2021	2,450
Total	<u>\$ 5,550</u>

NOTE 4 WITH DONOR RESTRICTIONS NET ASSETS

With Donor Restrictions

Net assets with donor-restrictions are restricted for various purposes and consist of the following at June 30:

	2019	2018
Program Services:		
China	\$ 37,656	\$ 41,414
Southeast Asia	437,392	216,810
Time Restrictions	976,512	443,734
Total	<u>\$ 1,451,560</u>	<u>\$ 701,958</u>

**CHILDREN'S HEARTLINK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 4 WITH DONOR RESTRICTIONS NET ASSETS (CONTINUED)

Net Assets Without Donor Restrictions

Net assets released from donor restrictions consist of the following for the years ended June 30:

	2019	2018
Program Restrictions Accomplished:		
China	\$ 103,757	\$ 65,581
Southeast Asia	273,738	215,340
Scientific Communications Project	-	14,393
Other Program Restrictions	71,178	71,920
Time Restrictions	127,500	82,500
Total	\$ 576,173	\$ 449,734

NOTE 5 DONATED GOODS AND SERVICES

Donated goods and services are reflected as a contribution in the financial statements at their estimated value at the date of receipt and include the following at June 30:

	2019	2018
Donated Medical Devices	\$ 19,796	\$ -
Donated Professional Services	811,422	756,571
Total	\$ 831,218	\$ 756,571

NOTE 6 RETIREMENT BENEFITS

The Organization has established a 403(b) retirement plan, which covers all employees who have been employed by the Organization for at least one year and are at least 21 years old. Matching contributions are made at 50% of employee contributions up to 6% of the employee's compensation. Matching contributions of \$24,057 and \$14,904 were made for the years ended June 30, 2019 and 2018, respectively.

NOTE 7 CONCENTRATIONS

Three donors constituted approximately 44% and 64% of the contribution revenue for the years ended June 30, 2019 and 2018, respectively.

For the years ended June 30, 2019 and 2018, 24% and 34% of total revenue came from special events and activities.

For the year ended June 30, 2019, three donors constituted approximately 63% of receivables. For the year ended June 30, 2018, one donor constituted 86% of receivables.

**CHILDREN'S HEARTLINK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 8 CONTRIBUTIONS RECEIVABLE

Contributions Receivable as of June 30, 2019 and 2018 are expected to be collected as follows:

	<u>2019</u>	<u>2018</u>
Amounts Due in:		
Less than One Year	\$ 481,670	\$ 248,600
One to Five years	500,150	316,234
Total	<u>\$ 981,820</u>	<u>\$ 564,834</u>

NOTE 9 RELATED PARTY TRANSACTIONS

Children's HeartLink received contributions from those who were board members and employees at any time during the year totaling \$478,096 and \$148,930 for the years ended June 30, 2019 and 2018, respectively.