

**ADULT CONGENITAL HEART ASSOCIATION**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2018**

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



**ADULT CONGENITAL HEART ASSOCIATION  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2018**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF FINANCIAL POSITION</b>	<b>3</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>4</b>
<b>STATEMENT OF FUNCTIONAL EXPENSES</b>	<b>5</b>
<b>STATEMENT OF CASH FLOWS</b>	<b>6</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>7</b>



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Adult Congenital Heart Association  
Philadelphia, Pennsylvania

We have audited the accompanying financial statements of Adult Congenital Heart Association (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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.

***Opinion***

In our opinion, the 2018 financial statements referred to above present fairly, in all material respects, the financial position of Adult Congenital Heart Association (ACHA) as of December 31, 2018, and the changes its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited Adult Congenital Heart Association's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 27, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
March 25, 2019

**ADULT CONGENITAL HEART ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2018**  
(WITH COMPARATIVE TOTALS FOR 2017)

	2018	2017
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 572,273	\$ 1,369,150
Grants and Contributions Receivable	30,861	122,526
Investments	150,000	-
Prepaid Expenses	45,546	32,401
Total Current Assets	798,680	1,524,077
<b>NONCURRENT ASSETS</b>		
Investments	452,318	270,238
Fixed Assets, Net	24,714	35,654
Deposits	6,000	6,000
Total Noncurrent Assets	483,032	311,892
Total Assets	\$ 1,281,712	\$ 1,835,969
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 47,594	\$ 189,892
Accrued Payroll	34,048	23,970
Deferred Revenue	210,850	220,845
Total Current Liabilities	292,492	434,707
<b>NET ASSETS</b>		
Without Donor Restrictions		
Board-Designated - Accreditation Program	210,850	196,473
Undesignated	360,535	558,634
Total Net Assets Without Donor Restrictions	571,385	755,107
With Donor Restrictions	417,835	646,155
Total Net Assets	989,220	1,401,262
Total Liabilities and Net Assets	\$ 1,281,712	\$ 1,835,969

See accompanying Notes to Financial Statements.

**ADULT CONGENITAL HEART ASSOCIATION**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2018**  
(WITH COMPARATIVE TOTALS FOR 2017)

	Without Donor Restrictions	With Donor Restrictions	2018 Total	2017 Total
<b>REVENUE</b>				
Grants (See Note 9)	\$ -	\$ 20,000	\$ 20,000	\$ 634,000
Contributions	1,679,157	208,680	1,887,837	1,619,858
Donated Services	137,700	-	137,700	292,500
Membership Dues	11,925	-	11,925	12,145
Program and Events	147,618	23,500	171,118	247,029
Other Revenue	148	-	148	940
Investment Income (Loss)	(7,343)	-	(7,343)	42,064
Net Assets Released from Restriction	480,500	(480,500)	-	-
Total Revenue	<u>2,449,705</u>	<u>(228,320)</u>	<u>2,221,385</u>	<u>2,848,536</u>
<b>EXPENSES</b>				
Program	1,897,035	-	1,897,035	2,012,048
Administrative	176,042	-	176,042	240,615
Fundraising	560,350	-	560,350	473,307
Total Expenses	<u>2,633,427</u>	<u>-</u>	<u>2,633,427</u>	<u>2,725,970</u>
<b>CHANGE IN NET ASSETS</b>	(183,722)	(228,320)	(412,042)	122,566
Net Assets - Beginning of Year	<u>755,107</u>	<u>646,155</u>	<u>1,401,262</u>	<u>1,278,696</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 571,385</u>	<u>\$ 417,835</u>	<u>\$ 989,220</u>	<u>\$ 1,401,262</u>

See accompanying Notes to Financial Statements.

**ADULT CONGENITAL HEART ASSOCIATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2018**  
**(WITH COMPARATIVE TOTALS FOR 2017)**

	Program			Administrative	Fundraising	2018	2017
	Advocacy and Outreach	Education	Total			Total	Total
Personnel	\$ 600,842	\$ 386,411	\$ 987,253	\$ 154,242	\$ 334,685	\$ 1,476,180	\$ 1,093,348
Bank/Merchant Services	45,178	28,853	74,031	-	41,839	115,870	121,035
Fellowship	-	-	-	-	-	-	160,000
Insurance	2,116	1,361	3,477	543	1,179	5,199	4,708
Licenses and Subscription	3,212	2,066	5,278	825	1,789	7,892	7,269
Medical Providers - In-Kind	-	137,700	137,700	-	-	137,700	292,500
Meetings	24,514	17,751	42,265	1,472	34,214	77,951	249,087
Office Supplies and Equipment	7,312	3,716	11,028	1,499	2,691	15,218	12,272
Postage	3,867	5,738	9,605	369	4,698	14,672	17,159
Printing and Program Materials	92,705	86,552	179,257	2,049	71,848	253,154	236,037
Professional Fees	246,986	30,631	277,617	7,977	19,669	305,263	281,574
Rent	16,012	10,298	26,310	4,111	8,919	39,340	38,192
Software	16,563	24,572	41,135	689	21,232	63,056	41,967
Telephone and Internet	2,662	1,712	4,374	683	1,483	6,540	14,202
Travel	33,340	47,137	80,477	599	13,970	95,046	138,732
Depreciation	14,764	2,464	17,228	984	2,134	20,346	17,888
<b>Total Expenses</b>	<b>\$ 1,110,073</b>	<b>\$ 786,962</b>	<b>\$ 1,897,035</b>	<b>\$ 176,042</b>	<b>\$ 560,350</b>	<b>\$ 2,633,427</b>	<b>\$ 2,725,970</b>

See accompanying Notes to Financial Statements.

**ADULT CONGENITAL HEART ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2018**  
(WITH COMPARATIVE TOTALS FOR 2017)

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (412,042)	\$ 122,566
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation	20,346	17,888
Net Unrealized and Realized (Gain) Loss on Investments	22,104	(32,536)
(Increase) Decrease in:		
Grants and Contributions Receivable	91,665	431,821
Prepaid Expenses	(13,145)	30,047
Increase (Decrease) in:		
Accounts Payable	(142,298)	(351)
Accrued Payroll	10,078	8,472
Deferred Revenue	(9,995)	(54,557)
Net Cash Provided (Used) by Operating Activities	(433,287)	523,350
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(350,000)	(68,560)
Reinvested Dividends, Net	(4,184)	(3,777)
Proceeds from Sales of Investments	-	68,559
Purchase of Fixed Assets	(9,406)	(4,263)
Net Cash Used by Investing Activities	(363,590)	(8,041)
<b>NET INCREASE (DECREASE) IN CASH</b>	(796,877)	515,309
Cash - Beginning of Year	1,369,150	853,841
<b>CASH - END OF YEAR</b>	\$ 572,273	\$ 1,369,150

See accompanying Notes to Financial Statements.



**ADULT CONGENITAL HEART ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**  
**(WITH COMPARATIVE TOTALS FOR 2017)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Adult Congenital Heart Association (ACHA or the Organization) was formed as a tax-exempt organization for the purpose of education, outreach, advocacy, and promotion of research of adult congenital heart issues.

Educational resources include a monthly e-newsletter with personal stories, articles by medical professionals, and events and resource information. ACHA also holds both national and regional conferences for patient and family education and support, to recruit and train volunteers, and to review emerging issues in Adult Congenital Heart Disease.

**Basis of Accounting**

ACHA's accounting policies conform to accounting principles generally accepted in the United States of America, using the accrual basis of accounting.

**Basis of Presentation**

ACHA reports information regarding its financial position and activities according to two classes of net assets, as follows:

**Net Assets Without Donor Restrictions**

Are not subject to donor-imposed stipulations. The Board has designated net assets for accreditation program purposes.

**Net Assets With Donor Restrictions**

Net assets that are subject to donor-imposed stipulations that will be met either by actions of ACHA or the passage of time. ACHA has grants and contributions that carry these types of donor restrictions.

Net assets that are subject to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by ACHA. ACHA has none of these types of donor restrictions.

**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 amount of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**ADULT CONGENITAL HEART ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**  
**(WITH COMPARATIVE TOTALS FOR 2017)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash**

Cash and other highly liquid investments with maturities of three months or less are considered to be cash equivalents. ACHA maintains its bank accounts in financial institutions with insurance provided by the Federal Deposit Insurance Corporation up to \$250,000. Cash balances may at times exceed this amount.

**Investments**

Investments are reported using fair value measurements as detailed in Note 3. ACHA incurred investment fees of \$2,714 and \$2,488 during the years ended December 31, 2018 and 2017, respectively.

**Allowance for Uncollectible Amounts**

Each grant or contribution receivable is evaluated separately by management to determine collectability. An allowance for uncollectible amounts, if any, is based on this determination. There was no allowance at December 31, 2018 and 2017, as all amounts were considered collectible.

**Fixed Assets**

Fixed Assets are defined as a unit of property that: 1) has an economic useful life that extends beyond 12 months; and 2) was acquired or produced for a cost of \$1,000 or more. Depreciation is provided on the straight-line method based upon the estimated useful lives of the assets. Office equipment and furniture are depreciated over five years. Computer equipment and website development is depreciated and amortized, respectively, over three years.

**Deferred Revenue**

Deferred revenue consists of accreditation fees and other program fees collected in advance of the period in which they are earned.

**Recognition of Contributions**

Contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. Amounts released from restriction totaled \$480,500 and \$703,596 for the years ended December 31, 2018 and 2017, respectively.

**ADULT CONGENITAL HEART ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**  
**(WITH COMPARATIVE TOTALS FOR 2017)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Recognition of Contributions (Continued)**

Unconditional promises to give that are expected to be collected in future periods are recorded at the time the promise is received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributions of assets other than cash are recorded at their estimated fair values. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. ACHA received in-kind contributions and recorded offsetting expenses of \$137,700 and \$292,500 for the years ended December 31, 2018 and 2017, respectively.

**Functional Allocation of Expenses**

The costs of providing the various programs and other supporting activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, such costs have been directly allocated among the programs and supporting services as shown on the statement of functional expenses. Indirect expenses include IT support, office and occupancy, licenses and fees and human resource consulting fees, as well as salaries and benefits, all of which are allocated on the basis of estimated time across all functions and walk expenses are allocated on an estimated time basis between program and fundraising. These allocations are consistently applied and are determined to be a reasonable basis.

**Income Tax Status**

ACHA is recognized as an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986.

**Comparative Financial Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with ACHA's financial statements for the year ended December 31, 2017, from which the comparative totals were derived.

**Change in Accounting Principle**

During August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The Organization was required to adopt ASU No. 2016-14 in 2018, and has applied the changes retrospectively to all periods presented except for the disclosures relating to the analysis of expenses by nature and function. This disclosure has been presented for 2018 only, as allowed under ASU No. 2016-14.

**ADULT CONGENITAL HEART ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**  
**(WITH COMPARATIVE TOTALS FOR 2017)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Change in Accounting Principle (Continued)**

The new standard changes the following aspects of the Organization's financial statements:

- The unrestricted net asset class has been renamed Net Assets Without Donor Restrictions;
- The temporarily restricted net asset class has been renamed Net Assets With Donor Restrictions
- The financial statements include a disclosure about liquidity and availability of resources (Note 2);
- The financial statements include a statement and disclosure which presents expenses by both their natural classification and functional classification.

**Subsequent Events**

In preparing these financial statements, ACHA has evaluated events and transactions for potential recognition or disclosure through March 25, 2019, the date the financial statements were available to be issued.

**Reclassifications**

Certain prior year financial statement amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reported net assets or changes in net assets amounts.

**NOTE 2 LIQUIDITY**

ACHA has \$308,455 of financial assets available within one year of the balance sheet date consisting of cash of \$158,455 and short-term investments of \$150,000. ACHA has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 90 days of normal operating expenses, which are, on average, approximately \$200,000. As part of its liquidity management, ACHA invests cash in excess of daily requirements in certificates of deposit. As more fully described in Note 6, ACHA also has an available line of credit in the amount of \$150,000, which ACHA could draw upon in the event of an unanticipated liquidity need.

**ADULT CONGENITAL HEART ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**  
(WITH COMPARATIVE TOTALS FOR 2017)

**NOTE 3 GRANTS AND CONTRIBUTIONS RECEIVABLE**

Represents amount due within one year as follows:

	2018	2017
Actelion Pharmaceuticals:		
Heart to Heart/Member Services	\$ -	\$ 100,000
Regional Events	12,000	-
Other	18,861	22,526
Total	\$ 30,861	\$ 122,526

**NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS**

**Fair Value Measurements**

ACHA follows the accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. ACHA accounts for certain assets at fair value under applicable accounting standards. All investments are measured at fair value based on this guidance. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. ACHA also follows the accounting standard that allows entities the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on an instrument-by-instrument basis.

**Fair Value Hierarchy**

In accordance with accounting standards, ACHA has categorized certain financial assets on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial assets fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value of the asset.

Financial assets recorded on the statement of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets whose values are based on unadjusted quoted prices for identical assets in an active market that ACHA has the ability to access.

*Level 2* – Financial assets whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset.

*Level 3* – Financial assets whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset.

**ADULT CONGENITAL HEART ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**  
(WITH COMPARATIVE TOTALS FOR 2017)

**NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

**Fair Value Hierarchy (Continued)**

ACHA does not carry Level 3 investments.

ACHA's investments are reported at fair value in the accompanying statement of financial position:

	Fair Value Measurements Using			
	Cost	Fair Value	(Level 1)	(Level 2)
<u>December 31, 2018:</u>				
Cash and Money Market Funds	\$ 5,758	\$ 5,758	\$ 5,758	\$ -
Mutual Funds	237,938	246,560	246,560	-
Certificate of Deposits	350,000	350,000	-	350,000
Total	<u>\$ 593,696</u>	<u>\$ 602,318</u>	<u>\$ 252,318</u>	<u>\$ 350,000</u>
<u>December 31, 2017:</u>				
Cash and Money Market Funds	\$ 4,594	\$ 4,594	\$ 4,594	\$ -
Mutual Funds	234,916	265,644	265,644	-
Total	<u>\$ 239,510</u>	<u>\$ 270,238</u>	<u>\$ 270,238</u>	<u>\$ -</u>

Investment income (loss) was comprised of the following for the years ended December 31:

	2018	2017
Interest and Dividends	\$ 14,761	\$ 9,528
Net Realized and Unrealized Gain (Loss)	(22,104)	32,536
Total	<u>\$ (7,343)</u>	<u>\$ 42,064</u>

**NOTE 5 FIXED ASSETS**

Fixed assets consist of the following at December 31:

	2018	2017
Leasehold Improvements	\$ 2,180	\$ 2,180
Equipment	70,480	61,074
Website	32,798	32,798
Total	<u>105,458</u>	<u>96,052</u>
Less: Accumulated Depreciation	(80,744)	(60,398)
Total Property and Equipment	<u>\$ 24,714</u>	<u>\$ 35,654</u>

**ADULT CONGENITAL HEART ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**  
(WITH COMPARATIVE TOTALS FOR 2017)

**NOTE 6 LINE OF CREDIT**

ACHA has a line of credit, dated June 30, 2010, with Valley Green Bank in the amount of \$150,000, which is currently available until August 17, 2019 and renewable annually. Outstanding balances carry an interest rate of prime + 1.5%, with a floor of 6.5%, and are secured by ACHA's business assets. The rate was 6.00% as of December 31, 2018. There were no borrowings during the years ended December 31, 2018 and 2017 and no outstanding balances as of December 31, 2018 and 2017.

**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS**

Net Assets with donor restrictions are composed of the following:

	<u>2018</u>	<u>2017</u>
Advocacy/Outreach:		
Advocacy	\$ -	\$ 5,000
Community Outreach	100,000	85,000
Marketing	-	70,000
Research	106,760	-
Total	<u>206,760</u>	<u>160,000</u>
Education Program:		
Accreditation	2,770	34,470
Ambassador	-	60,000
Fellowship	160,000	160,000
Conference	4,805	79,185
Patient/Family Member Services	10,000	52,500
Regional Events	33,500	50,000
Total	<u>211,075</u>	<u>436,155</u>
Fundraising:		
20th Anniversary Event	-	50,000
Total	<u>\$ 417,835</u>	<u>\$ 646,155</u>

All Net Assets with donor restrictions are expected to be released in 2019.

**ADULT CONGENITAL HEART ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**  
(WITH COMPARATIVE TOTALS FOR 2017)

**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net assets were released from donor restrictions by incurring expense, satisfying the restricted purpose or by occurrence of the passage of time.

	2018	2017
Satisfaction of Purpose Restrictions:		
Advocacy/Outreach:		
Advocacy	\$ 5,000	\$ 5,000
Community Outreach	85,000	-
Marketing	70,000	100,000
Total	160,000	105,000
Education Program:		
Accreditation	33,000	58,000
Ambassador	60,000	85,200
Conference	75,000	129,096
Fellowship	-	204,000
Patient/Family Member Services	52,500	77,300
Regional Events	50,000	45,000
Total	270,500	598,596
Fundraising:		
20th Anniversary Event	50,000	-
Total	\$ 480,500	\$ 703,596

**NOTE 8 CONGENITAL HEART WALKS**

During the years ended December 31, 2018 and 2017, ACHA distributed 50% or \$631,630 and \$684,920, respectively, of the net revenue generated from the Congenital Heart Walks Program to the Children's Heart Foundation (CHF). All revenue and expense related to the Congenital Heart Walks Program is reported on ACHA's financial statements. In accordance with the guidelines of the arrangement between ACHA and CHF, ACHA provided a dissolution notice of the existing Congenital Heart Walk Program on July 2, 2018, thereby, ending this relationship as of December 29, 2018.

Total revenue for the Walk Program was \$1,834,532 and \$1,975,700 for the years ended December 31, 2018 and 2017, respectively. Total expenses for the Walks Program was \$571,273 and \$605,860 for the years ended December 31, 2018 and 2017, respectively.



**ADULT CONGENITAL HEART ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**  
(WITH COMPARATIVE TOTALS FOR 2017)

**NOTE 9 CONCENTRATION OF REVENUE SOURCES**

Grant revenue in 2017 included a large annually recurring grant from a single source. Funding for this grant was historically received and recorded in December, but most recently was received after the year-end of 2018. Accordingly grant revenue from this source was:

	2018	2017
Recurring Grant	\$ -	\$ 500,000

This grant, in the amount of \$500,000, was received in February 2019 and will be reflected in ACHA's 2019 Annual Report. The contribution timing delay resulted in the Organization recording a deficit for 2018.

**NOTE 10 COMMITMENTS**

Effective January 1, 2015, ACHA entered into a lease for office space for a term which extends through December 2019. Total minimum monthly rent is \$3,000 in the first year of the lease, for an annual rent of \$36,000. Rent increases by 3% annually in each subsequent year of the lease term. Effective February 15, 2019, the office space lease was terminated without penalty.

Effective February 1, 2019, ACHA has entered into a new lease for office space for a term which extends through January 2021. Total minimum monthly rent is \$1,715 in the first year of the lease, for an annual rent of \$20,580. Rent increases by 2% annually in the subsequent year of the lease term.

Rental expense was \$39,338 and \$38,192 for the years ended December 31, 2018 and 2017, respectively.

Future minimum lease payments for office space and equipment are as follows:

Year Ending December 31,	Office Space	Equipment
2019	\$ 23,782	\$ 1,036
2020	20,965	-
2021	1,750	-
Total	\$ 46,497	\$ 1,036



Investment advisory services are offered through CliftonLarsonAllen  
Wealth Advisors, LLC, an SEC-registered investment advisor.