

HEALING THE CHILDREN,
NATIONAL OFFICE AND
AFFILIATED CHAPTERS

COMBINED FINANCIAL REPORT

December 31, 2018 and 2017

C O N T E N T S

	<u>PAGE</u>
INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1 and 2
 COMBINED FINANCIAL STATEMENTS	
Combined Statements of Financial Position.....	3 and 4
Combined Statements of Activities.....	5
Combined Statements of Functional Expenses	6 and 7
Combined Statements of Net Assets	8
Combined Statements of Cash Flows.....	9 and 10
NOTES TO COMBINED FINANCIAL STATEMENTS	11 to 18



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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Executive Committee
Healing the Children, National Office and Affiliated Chapters
Spokane, Washington

We have reviewed the accompanying financial statements of Healing the Children, National Office and Affiliated Chapters (a not-for-profit organization), which comprise the combined 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Combined 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT ACCOUNTANTS' REVIEW REPORT (CONTINUED)

Report on 2017 Combined Financial Statements

The December 31, 2017 financial statements were audited by us, and by other auditors, and we expressed an unmodified opinion on them in our report dated November 6, 2018. We have not performed any auditing procedures since that date.

HMA CPA, PS

Spokane, Washington
December 20, 2019

HEALING THE CHILDREN,
NATIONAL OFFICE AND AFFILIATED CHAPTERS
COMBINED STATEMENTS OF FINANCIAL POSITION
December 31, 2018 and 2017

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,700,333	\$ 1,523,545
Marketable securities	244,500	288,557
Accounts receivable	7,252	39,843
Prepaid expenses	59,712	131,202
	<u>2,011,797</u>	<u>1,983,147</u>
PROPERTY AND EQUIPMENT		
Land	33,900	33,900
Building and improvements	214,791	214,791
Medical equipment	250,755	243,625
Office furniture and equipment	63,780	65,376
	<u>563,226</u>	<u>557,692</u>
Less accumulated depreciation	<u>(328,672)</u>	<u>(301,013)</u>
	<u>234,554</u>	<u>256,679</u>
Net property and equipment	<u>234,554</u>	<u>256,679</u>
	<u>\$ 2,246,351</u>	<u>\$ 2,239,826</u>
Total assets	<u>\$ 2,246,351</u>	<u>\$ 2,239,826</u>

See Independent Accountants' Review Report.
The Notes to Combined Financial Statements are an integral part of these statements.

<u>LIABILITIES AND NET ASSETS</u>	<u>2018</u>	<u>2017</u>
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 72,963	\$ 173,505
Current portion of long-term debt	4,086	3,895
	<hr/>	<hr/>
Total current liabilities	77,049	177,400
LONG-TERM DEBT, net of current portion		
	73,322	77,422
	<hr/>	<hr/>
Total liabilities	150,371	254,822
NET ASSETS		
Net assets without donor restrictions	1,855,229	1,743,244
Net assets with donor restrictions	240,751	241,760
	<hr/>	<hr/>
Total net assets	2,095,980	1,985,004
	<hr/>	<hr/>
Total liabilities and net assets	\$ 2,246,351	\$ 2,239,826
	<hr/> <hr/>	<hr/> <hr/>

HEALING THE CHILDREN,
NATIONAL OFFICE AND AFFILIATED CHAPTERS
COMBINED STATEMENTS OF ACTIVITIES
Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
FROM OPERATING ACTIVITIES		
SUPPORT AND REVENUE		
Contributions in-kind	\$ 17,447,886	\$ 12,652,580
Public contributions	1,141,272	863,602
Grant income	2,850	6,000
Fundraising activities	145,162	281,021
Special event income, less cost of direct benefit to donors of \$19,156 and \$19,861, respectively	79,526	66,103
Other income	9,768	3,633
Investment gain	590	23,892
	<u>18,827,054</u>	<u>13,896,831</u>
Net assets released from donor restrictions	<u>110,740</u>	<u>66,748</u>
Total support and revenue without donor restrictions	<u>18,937,794</u>	<u>13,963,579</u>
EXPENSES		
Program services	18,575,304	13,572,084
Management and general	167,467	158,757
Fundraising	79,694	115,406
Interest	3,344	4,014
	<u>18,825,809</u>	<u>13,850,261</u>
Total expenses	<u>18,825,809</u>	<u>13,850,261</u>
Increase in net assets without donor restrictions	<u>111,985</u>	<u>113,318</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions subject to donor restrictions	109,731	116,888
Net assets released from donor restrictions	<u>(110,740)</u>	<u>(66,748)</u>
Increase in net assets with donor restrictions	<u>(1,009)</u>	<u>50,140</u>
INCREASE IN NET ASSETS	<u>\$ 110,976</u>	<u>\$ 163,458</u>

See Independent Accountants' Review Report.
The Notes to Combined Financial Statements are an integral part of these statements.

HEALING THE CHILDREN,
NATIONAL OFFICE AND AFFILIATED CHAPTERS
COMBINED STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2018 and 2017

	Year Ended December 31, 2018			Total
	Program Services	Management and General	Fund- raising	
Advertising	\$ 5,054	\$ 3,608	\$ 263	\$ 8,925
Depreciation	24,151	2,292	2,812	29,255
Donated medical and travel	16,020,349	-	-	16,020,349
Donated supplies and other	1,427,537	-	-	1,427,537
Dues and subscriptions	-	70	-	70
Equipment maintenance	-	5,850	-	5,850
Fundraising	-	-	39,129	39,129
Insurance	10,302	11,695	71	22,068
Medical trips and travel	546,098	37	37	546,172
Office expense	13,677	27,622	1,036	42,335
Other	18,209	18,153	404	36,766
Payroll, taxes and benefits	258,669	52,461	29,531	340,661
Professional fees	19,656	23,983	4,242	47,881
Programs expense	202,907	-	-	202,907
Rent	16,687	6,662	850	24,199
Shipping and postage	1,530	6,474	271	8,275
Telephone	10,478	8,560	1,048	20,086
Total expenses	\$ 18,575,304	\$ 167,467	\$ 79,694	\$ 18,822,465

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	Year Ended December 31, 2017			
	Program Services	Management and General	Fund- raising	Total
Advertising	\$ 4,458	\$ 7,283	\$ -	\$ 11,741
Depreciation	21,990	2,676	3,235	27,901
Donated medical and travel	11,511,773	-	-	11,511,773
Donated supplies and other	1,140,807	-	-	1,140,807
Dues and subscriptions	1,000	147	-	1,147
Equipment maintenance	-	4,609	-	4,609
Fundraising	-	-	66,382	66,382
Insurance	8,195	13,108	75	21,378
Medical trips and travel	467,350	-	-	467,350
Office expense	12,976	32,922	885	46,783
Other	11,993	11,571	534	24,098
Payroll, taxes and benefits	232,600	47,884	40,567	321,051
Professional fees	10,457	18,146	2,504	31,107
Programs expense	120,462	-	-	120,462
Rent	18,350	4,374	348	23,072
Shipping and postage	1,206	4,430	153	5,789
Telephone	8,467	11,607	723	20,797
Total expenses	<u>\$ 13,572,084</u>	<u>\$ 158,757</u>	<u>\$ 115,406</u>	<u>\$ 13,846,247</u>

HEALING THE CHILDREN,
 NATIONAL OFFICE AND AFFILIATED CHAPTERS
 COMBINED STATEMENTS OF NET ASSETS
 December 31, 2018 and 2017

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
	<u> </u>	<u> </u>	<u> </u>
NET ASSETS, December 31, 2016	\$ 1,629,926	\$ 191,620	\$ 1,821,546
Increase in net assets	<u>113,318</u>	<u>50,140</u>	<u>163,458</u>
NET ASSETS, December 31, 2017	1,743,244	241,760	1,985,004
Increase in net assets	<u>111,985</u>	<u>(1,009)</u>	<u>110,976</u>
NET ASSETS, December 31, 2018	<u>\$ 1,855,229</u>	<u>\$ 240,751</u>	<u>\$ 2,095,980</u>

See Independent Accountants' Review Report.
 The Notes to Combined Financial Statements are an integral part of these statements.

HEALING THE CHILDREN,
 NATIONAL OFFICE AND AFFILIATED CHAPTERS
 COMBINED STATEMENTS OF CASH FLOWS
 Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from support and revenue	\$ 1,520,310	\$ 1,297,404
Cash paid to suppliers and employees	(1,373,786)	(1,177,251)
Interest paid	(3,344)	(4,014)
	<u>143,180</u>	<u>116,139</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(7,130)	(22,348)
Purchase of marketable securities	(15,255)	-
Proceeds on sale of marketable securities	59,902	-
	<u>37,517</u>	<u>(22,348)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	(3,909)	(3,697)
	<u>(3,909)</u>	<u>(3,697)</u>
NET INCREASE IN CASH	176,788	90,094
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>1,523,545</u>	<u>1,433,451</u>
End of year	<u>\$ 1,700,333</u>	<u>\$ 1,523,545</u>

See Independent Accountants' Review Report.
 The Notes to Combined Financial Statements are an integral part of these statements.

	<u>2018</u>	<u>2017</u>
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Increase in net assets	\$ 110,976	\$ 163,458
Adjustments to reconcile-		
Depreciation	29,255	27,901
Unrealized gain on investments	(590)	(23,892)
(Increase) decrease in assets-		
Accounts receivable	32,591	(39,843)
Prepaid expenses	71,490	(64,232)
Increase (decrease) in liabilities-		
Accounts payable and accrued expenses	<u>(100,542)</u>	<u>52,747</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 143,180</u>	<u>\$ 116,139</u>

HEALING THE CHILDREN,
NATIONAL OFFICE AND AFFILIATED CHAPTERS
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2018 and 2017

NOTE 1. ORGANIZATION AND BASIS OF COMBINATION

Healing the Children, National Office (“National Office” or “Organization”) is a Washington nonprofit corporation that is a voluntary health and welfare entity, located in Spokane, Washington. The Organization’s mission is to provide free medical care to children, domestically and internationally through its five affiliated chapters and eleven branches located across the United States of America. The Organization’s primary sources of support and revenue are in-kind contributions of medical services and supplies as well as contributions from the public. Volunteer medical teams travel throughout the world providing donated surgeries and other medical care to children. The Organization also welcomes children from their native countries to the United States to receive donated medical care.

The combined financial statements present the combined financial information for Healing the Children, National Office and its Affiliated Chapters (collectively, the Organization). The statements are not those of a legal entity, but those of entities that have a common mandate and cooperate and coordinate their activities. The affiliated chapters are separately incorporated and governed by independent boards and provide free medical care to children. The National Office serves each chapter by coordinating care and international medical trips. The board of directors of the National Office and the affiliated chapters voted to report on combined financial information for the years ended December 31, 2018 and 2017. The combined financial statements are more meaningful than separate financial statements because of the common mandate and coordination of activities among all chapters and branches. All significant intercompany transactions and balances have been eliminated in the combination.

The affiliated chapters consist of the following:

- Healing the Children, Oregon/Western Washington - dissolved during 2018
- Healing the Children, Florida
- Healing the Children, Michigan/Ohio
- Healing the Children, New Jersey
- Healing the Children, Northeast

The branches consist of the following:

- Healing the Children, Arizona
- Healing the Children, Austin - dissolved during 2018
- Healing the Children, Greater Philadelphia
- Healing the Children, Illinois/Indiana
- Healing the Children, Inland Northwest
- Healing the Children, Kentucky
- Healing the Children, Northern California
- Healing the Children, Rocky Mountains
- Healing the Children, Southern California
- Healing the Children, Southwest
- Healing the Children, Wisconsin

HEALING THE CHILDREN,
NATIONAL OFFICE AND AFFILIATED CHAPTERS
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018 and 2017

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Contributions and Basis of Presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The Organization applies Financial Accounting Standards Board (FASB) Accounting Standards Codification (FASB ASC) No. 958, Financial Statements of Not-for-Profit Organizations. Under these provisions, contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and nature of any donor restrictions. All contributions are considered to be without donor restrictions unless specifically restricted by the donor or subject to legal restrictions.

Revenue consists, in part, of grants and contributions. Contributions are recorded as revenue in the statement of activity when received. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Operating funds restricted by the donor, grantor, or other outside party for a particular purpose are deemed to be earned and reported as revenues when the Organization has made expenditures in compliance with the specific restrictions. Donor contributions received before a particular purpose is met are reported as net assets with donor restrictions.

Change in Accounting Principle:

In August 2016, the Financial Standards Accounting Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements for Not-for-Profit Entities. The update addresses the complexity and understandability of net assets 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. The Organization has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

Accounting Estimates:

The preparation of combined financial statements in conformity with generally accepted accounting principles 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 combined financial statements and the reported amounts of support and revenue and expenses during the reporting period. Significant estimates consist of the fair values of donated medical services, donated supplies and other donated items including airfare. Actual results could differ from those estimates.

Cash and Cash Equivalents:

For the purposes of the combined statements of cash flows, the Organization considers all unrestricted highly liquid investments with maturity dates of three months or less to be cash equivalents.

Certificates of deposit totaling approximately \$170,181 and \$168,470 at December 31, 2018 and 2017, respectively, are included as cash and cash equivalents in the accompanying combined statements of financial position. The certificates bear interest ranging from 0.499% to 2.020% and have maturities through 2019.

HEALING THE CHILDREN,
NATIONAL OFFICE AND AFFILIATED CHAPTERS
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018 and 2017

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Marketable Securities:

Investments in marketable debt and equity securities are classified as available for sale. Available for sale securities are recorded at fair value on the combined statements of financial position, investment income and realized and unrealized gains and losses are reported as increases or decreases in unrestricted net assets absent any donor restrictions. Marketable securities with donor restrictions totaled \$150,000 at both December 31, 2018 and 2017. Marketable securities without donor restrictions totaled \$94,500 and \$138,557 at December 31, 2018 and 2017, respectively.

Property, Equipment and Depreciation:

Property and equipment are stated at cost for purchased items and fair value for donated items. Cost for purchased items is the amount paid and for donated items is the fair value at the time of acquisition. Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated using the straight-line method, over estimated useful lives of 5 to 39 years.

Functional Expenses:

The expenses of providing for the organizations' activities have been summarized on a functional basis in the combined statements of activities and in detail on the combined statements of functional expenses. Direct expenses are charged directly to the program services, fundraising, or management and general categories based on specific identification. Indirect expenses have been allocated based on management's estimates of benefit to the related activity.

Advertising Expense:

Advertising expense is recorded in the period in which the advertising takes place. Advertising expense was \$8,925 and \$11,741 for the years ended December 31, 2018 and 2017, respectively.

Income Taxes:

Healing the Children, National Office and Affiliated Chapters are nonprofit corporations, which are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Management has determined there are no material uncertain tax positions that require recognition in the combined financial statements. Additionally, no provision for income taxes is reflected in these combined financial statements. There is no interest or penalties recognized in the combined statements of activities or combined statements of financial position. The tax returns of the Organization for the years 2017, 2016, and 2015 are subject to examination by federal tax authorities, generally for three years after they were filed.

Donated Services and Supplies:

The Organization recognizes the fair value of donated services that require specialized skills and would have otherwise been purchased by the Organization. The Organization also receives donated supplies, airfare and other specialized services. These contributed services and supplies are reflected as expenses and contributions at their estimated fair value at date of the donation. The fair values were determined primarily using information obtained from the participating doctors, hospitals and suppliers based on rates they would have otherwise charged. During 2018 and 2017, respectively, the Organization received \$16,020,349 and \$11,511,773 of donated medical services and travel, and \$1,427,537 and \$1,140,807 of donated supplies and assistance.

HEALING THE CHILDREN,
NATIONAL OFFICE AND AFFILIATED CHAPTERS
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018 and 2017

NOTE 3. FAIR VALUE MEASUREMENTS

The Organization measures its marketable securities at fair value on a recurring basis in accordance with generally accepted accounting principles in the United States (GAAP). Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP provides a three-tier fair value hierarchy that prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). These tiers include:

Level 1: defined as observable inputs such as quoted prices for identical instruments in active markets;

Level 2: defined as inputs other than quoted prices in active markets that are directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and

Level 3: defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant value drivers are observable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value of the Organization's marketable securities are summarized as follows:

	As of December 31, 2018			
	Total	Level 1	Level 2	Level 3
Mutual funds	\$ 99,445	\$ 99,445	\$ -	\$ -
Fixed income securities	145,055	145,055		
	<u>\$ 244,500</u>	<u>\$ 244,500</u>	<u>\$ -</u>	<u>\$ -</u>
	As of December 31, 2017			
	Total	Level 1	Level 2	Level 3
Mutual funds	\$ 103,644	\$ 103,644	\$ -	\$ -
Fixed income securities	184,913	184,913		
	<u>\$ 288,557</u>	<u>\$ 288,557</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Accountants' Review Report.

HEALING THE CHILDREN,
 NATIONAL OFFICE AND AFFILIATED CHAPTERS
 NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
 December 31, 2018 and 2017

NOTE 4. MARKETABLE SECURITIES

Marketable securities consist of equity securities, mutual funds, and certain government and corporate fixed income securities which have been classified as available for sale based on management's intent. The amortized cost of the securities and their approximate fair values are as follows at December 31:

	<u>2018</u>	<u>2017</u>
Cost	\$ 250,342	\$ 265,316
Gross unrealized holding gains	-	23,241
Gross unrealized holding losses	<u>(5,842)</u>	<u>-</u>
Fair value	<u>\$ 244,500</u>	<u>\$ 288,557</u>

The components of investment gain (loss) included in unrestricted net assets in the combined statements of activities are as follows for the years ended December 31:

	<u>2018</u>	<u>2017</u>
Change in unrealized gains (losses)	\$ (2,008)	\$ 22,128
Dividends and interest	<u>2,598</u>	<u>1,764</u>
Total	<u>\$ 590</u>	<u>\$ 23,892</u>

In evaluating unrealized losses for other than temporary impairment, management considers the severity of the unrealized loss for the individual securities. There are no investments that experienced declines in value that management believes are other than temporary in nature.

HEALING THE CHILDREN,
NATIONAL OFFICE AND AFFILIATED CHAPTERS
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018 and 2017

NOTE 5. LONG-TERM DEBT

Long-term debt consisted of the following at December 31:

	<u>2018</u>	<u>2017</u>
Healing the Children, New Jersey:		
Note payable to Columbia Bank, monthly payments of \$643, including interest at 4.75% through September 1, 2022, at which time a balloon payment is due, secured by a building.	\$ 77,408	\$ 81,317
Current portion of long-term debt	<u>(4,086)</u>	<u>(3,895)</u>
	<u>\$ 73,322</u>	<u>\$ 77,422</u>

The aggregate amount of required principal payments maturing after December 31, 2018 is as follows:

Year ending December 31,	
2019	\$ 4,086
2020	4,287
2021	4,498
2022	<u>64,537</u>
	<u>\$ 77,408</u>

NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes:

	<u>2018</u>	<u>2017</u>
Nurses recognition award	\$ 23,000	\$ 23,000
Perpetually restricted	150,000	150,000
Medical programs abroad	62,410	54,046
Other	<u>5,341</u>	<u>14,714</u>
	<u>\$ 240,751</u>	<u>\$ 241,760</u>

See Independent Accountants' Review Report.

HEALING THE CHILDREN,
NATIONAL OFFICE AND AFFILIATED CHAPTERS
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018 and 2017

NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets were released from net assets with donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors, as follows:

	<u>2018</u>	<u>2017</u>
Medical programs abroad	\$ 89,182	\$ 66,439
Other	<u>21,558</u>	<u>309</u>
	<u>\$ 110,740</u>	<u>\$ 66,748</u>

NOTE 7. LIQUIDITY

Financial assets available for general expenditure within one year are as follows as of December 31, 2018:

Cash and cash equivalents	\$ 1,700,333
Marketable securities	<u>244,500</u>
	1,944,833
Net assets with donor restrictions	<u>(240,751)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,704,082</u>

As part of its liquidity management, the Organization has a goal to maintain financial assets on hand to meet at least 90 days of normal operating expenses, or approximately \$350,000. The Organization's goal is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization does not have a line of credit available to assist with liquidity management.

HEALING THE CHILDREN,
NATIONAL OFFICE AND AFFILIATED CHAPTERS
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018 and 2017

NOTE 8. SUBSEQUENT EVENTS

Management has evaluated potential subsequent events through December 20, 2019, the date the combined financial statements were available to be issued, and concluded that no other events have arisen which require disclosure.