

**ACTION FOR HEALTHY KIDS, INC.**

**FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2019 AND 2018**

**TOGETHER WITH AUDITOR'S REPORT**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management  
of Action for Healthy Kids, Inc.

We have audited the accompanying financial statements of Action for Healthy Kids, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2019 and 2018, and the related statements of activities, cash flows and functional expenses 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.

### *Auditor's 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.

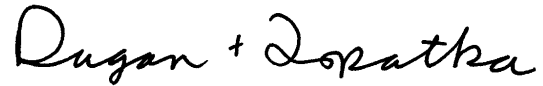
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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.

To the Board of Directors and Management  
of Action for Healthy Kids, Inc.  
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*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Action for Healthy Kids, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Dugan + Lopatka".

DUGAN & LOPATKA

Warrenville, Illinois  
May 11, 2020

ACTION FOR HEALTHY KIDS, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2019 AND 2018

	2019	2018
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 762,020	\$ 1,465,832
Investments	1,988,000	2,847,621
Accounts and contributions receivable	775,240	558,071
Prepaid expenses	297,956	464,204
Total current assets	3,823,216	5,335,728
PROPERTY AND EQUIPMENT, net	59,095	81,859
OTHER ASSETS:		
Security deposits	5,928	5,928
Total assets	\$ 3,888,239	\$ 5,423,515
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 512,767	\$ 572,365
NET ASSETS:		
Without donor restrictions - Designated	727,757	903,372
- Undesignated	189,267	69,476
Total net assets without donor restrictions	917,024	972,848
With donor restrictions	2,458,448	3,878,302
Total net assets	3,375,472	4,851,150
Total liabilities and net assets	\$ 3,888,239	\$ 5,423,515

The accompanying notes are an integral part of this statement.

ACTION FOR HEALTHY KIDS, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Public support and revenue -						
Contributions	\$ 452,360	\$ 3,779,000	\$ 4,231,360	\$ 870,770	\$ 5,829,860	\$ 6,700,630
Government grants	306,370	-	306,370	278,542	-	278,542
Conferences and other	67,645	-	67,645	56,901	-	56,901
Interest income	57,335	-	57,335	55,750	-	55,750
Total public support and revenue	883,710	3,779,000	4,662,710	1,261,963	5,829,860	7,091,823
Net assets released from restrictions -						
Satisfaction of program restrictions	5,198,854	(5,198,854)	-	4,579,542	(4,579,542)	-
Net public support and revenue	6,082,564	(1,419,854)	4,662,710	5,841,505	1,250,318	7,091,823
<b>EXPENSES:</b>						
Program expenses -						
National Activities	3,766,772	-	3,766,772	3,341,114	-	3,341,114
State Team Activities	1,088,505	-	1,088,505	1,465,312	-	1,465,312
Total program expenses	4,855,277	-	4,855,277	4,806,426	-	4,806,426
Supporting services -						
Management and general	519,289	-	519,289	375,501	-	375,501
Fundraising and marketing	763,822	-	763,822	792,207	-	792,207
Total supporting services	1,283,111	-	1,283,111	1,167,708	-	1,167,708
Total expenses	6,138,388	-	6,138,388	5,974,134	-	5,974,134
CHANGE IN NET ASSETS, before acquisition of Active Schools	(55,824)	(1,419,854)	(1,475,678)	(132,629)	1,250,318	1,117,689
Assets acquired in donation from Active Schools	-	-	-	-	479,224	479,224
CHANGE IN NET ASSETS	(55,824)	(1,419,854)	(1,475,678)	(132,629)	1,729,542	1,596,913
NET ASSETS, Beginning of year	972,848	3,878,302	4,851,150	1,105,477	2,148,760	3,254,237
NET ASSETS, End of year	\$ 917,024	\$ 2,458,448	\$ 3,375,472	\$ 972,848	\$ 3,878,302	\$ 4,851,150

The accompanying notes are an integral part of this statement.

ACTION FOR HEALTHY KIDS, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Change in net assets	\$ (1,475,678)	\$ 1,117,689
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	34,031	25,205
Donated software licenses	-	(449,200)
Changes in assets and liabilities -		
(Increase) decrease in accounts and contributions receivable	(217,169)	177,443
(Increase) decrease in prepaid expenses	166,248	(11,959)
(Decrease) in accounts payable and accrued liabilities	(59,598)	(189,773)
	<u>(1,552,166)</u>	<u>669,405</u>
Net cash provided by (used in) operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(5,732,550)	(2,847,621)
Contributions received in acquisition of Active Schools	-	479,224
Proceeds from sale of investments	6,592,171	275,000
Purchase of property and equipment	(11,267)	(71,712)
	<u>848,354</u>	<u>(2,165,109)</u>
Net cash provided by (used in) investing activities		
NET CHANGE IN CASH AND CASH EQUIVALENTS	(703,812)	(1,495,704)
CASH AND CASH EQUIVALENTS, Beginning of year	<u>1,465,832</u>	<u>2,961,536</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 762,020</u>	<u>\$ 1,465,832</u>

The accompanying notes are an integral part of this statement.

ACTION FOR HEALTHY KIDS, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Programs			Supporting Services		Total Supporting Services	Total
	National Activities	State Team Activities	Total Programs	Management and General	Fundraising and Marketing		
Accounting and legal fees	\$ -	\$ -	\$ -	\$ 64,478	\$ -	\$ 64,478	\$ 64,478
Board meetings and expense	-	-	-	43,396	-	43,396	43,396
Consulting fees	552,834	38,806	591,640	6,711	138,831	145,542	737,182
Insurance	16,856	2,107	18,963	1,054	1,054	2,108	21,071
Office expenses	98,966	12,558	111,524	5,523	26,900	32,423	143,947
Personnel	1,419,501	231,544	1,651,045	366,677	505,500	872,177	2,523,222
Postage and delivery	3,864	462	4,326	188	188	376	4,702
Grants and program implementation	1,337,065	732,704	2,069,769	-	52,970	52,970	2,122,739
Rent	88,048	11,066	99,114	5,503	5,503	11,006	110,120
Travel and conference costs	222,414	55,855	278,269	24,057	31,174	55,231	333,500
Depreciation	27,224	3,403	30,627	1,702	1,702	3,404	34,031
Total functional expenses	<u>\$ 3,766,772</u>	<u>\$ 1,088,505</u>	<u>\$ 4,855,277</u>	<u>\$ 519,289</u>	<u>\$ 763,822</u>	<u>\$ 1,283,111</u>	<u>\$ 6,138,388</u>

The accompanying notes are an integral part of this statement.

ACTION FOR HEALTHY KIDS, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Programs			Supporting Services		Total Supporting Services	Total
	National Activities	State Team Activities	Total Programs	Management and General	Fundraising and Marketing		
Accounting and legal fees	\$ -	\$ -	\$ -	\$ 29,471	\$ 13,763	\$ 43,234	\$ 43,234
Board meetings and expense	-	-	-	19,281	6,427	25,708	25,708
Consulting fees	596,240	109,079	705,319	19,106	58,848	77,954	783,273
Insurance	9,815	6,478	16,293	1,374	1,963	3,337	19,630
Office expenses	71,435	44,859	116,294	9,203	28,898	38,101	154,395
Personnel	987,750	335,301	1,323,051	251,092	580,262	831,354	2,154,405
Postage and delivery	5,795	4,224	10,019	441	1,583	2,024	12,043
Grants and program implementation	1,379,237	877,983	2,257,220	-	58,585	58,585	2,315,805
Rent	55,424	36,362	91,786	7,713	11,019	18,732	110,518
Travel and conference costs	235,418	51,026	286,444	18,916	24,558	43,474	329,918
Depreciation	-	-	-	18,904	6,301	25,205	25,205
Total functional expenses	<u>\$ 3,341,114</u>	<u>\$ 1,465,312</u>	<u>\$ 4,806,426</u>	<u>\$ 375,501</u>	<u>\$ 792,207</u>	<u>\$ 1,167,708</u>	<u>\$ 5,974,134</u>

The accompanying notes are an integral part of this statement.



ACTION FOR HEALTHY KIDS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES:

Action for Healthy Kids, Inc. (AFHK) is a charitable organization incorporated in Washington, D.C. in September, 2002. AFHK is a nationwide grassroots network that mobilizes school professionals, parents and communities to activate school-based programs that are in support of children's physical, social and emotional health and well-being. Through training, funding, wellness programs and a shared determination to see all children become healthy, successful adults, AFHK provides the comprehensive support and resources needed to build healthy schools in every community.

The financial statements were available to be issued on May 11, 2020 with subsequent events being evaluated through this date.

The following summarizes the significant accounting policies and practices reflected in the accompanying financial statements:

Accounting Method -

AFHK records its financial transactions and maintains its books and records on the accrual basis of accounting, which recognizes revenues as they are earned and expenses as they are incurred.

Basis of Presentation -

AFHK is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

*Without donor restrictions* - Net assets that are not subject to donor-imposed stipulations and may be expensed for any purpose in performing the primary objectives of AFHK. These net assets may be used at the discretion of management and the board of directors.

*With donor restrictions* - Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of AFHK and/or the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents -

For purposes of the statement of cash flows, AFHK considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Financial Instruments -

The carrying values of cash and cash equivalents, accounts and contributions receivable, prepaid expenses and other assets, noncurrent contributions receivable, and accounts payable and accrued liabilities are reasonable estimates of fair value due to the short-term nature of these financial instruments.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES: (Continued)

Concentrations of Credit Risk -

Financial instruments which potentially subject AFHK to concentrations of credit risk consist principally of cash. AFHK places its cash and deposits with high credit quality financial institutions; however, deposits may exceed the federally insured limits in various banks from time to time.

Investments -

AFHK invests cash in certificates of deposit (CDs) and U.S. Treasury notes. The CDs are guaranteed by the FDIC and are recorded at cost due to low market volatility and tradability of the securities. The U.S. Treasury notes are reported as fair market value for financial statement purposes.

Receivables -

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 fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the contributions are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. All contributions receivable are considered fully collectible based on past experience and management's judgment; therefore, no allowance for doubtful contribution accounts receivable is needed.

Property and Equipment -

AFHK follows the practice of capitalizing all expenditures for property and equipment having a useful life in excess of one year. Property and equipment are recorded at cost or, if donated, at the estimated fair market value at the date of donation and are depreciated over their estimated useful lives, which range from three to seven years, using the straight-line method. Any purchases over \$1,000 are capitalized.

In-Kind Contributions -

Donated services are recognized as contributions in accordance with the Accounting Standards Codification for *Contributions Received and Contributions Made*, 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 AFHK. The value of donated assets, supplies, and services is included as in-kind contribution revenue and a corresponding program expense in the financial statements. Many individuals volunteer time and perform a variety of tasks that assist AFHK. There were more than 100,000 volunteers in 2019 and 2018. Although valuable, volunteer time is not recognized in the financial statements.

Estimates -

AFHK prepares its financial statements according to generally accepted accounting principles which require the use of estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES: (Continued)

Revenue Recognition for Contributions and Grants -

AFHK recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

Restricted Resources -

AFHK 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

AFHK reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used 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, AFHK reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Income Taxes -

AFHK has been determined by the Internal Revenue Service to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, except for taxes on unrelated business income. Accordingly, no provision for income tax has been established.

AFHK files income tax returns in the U.S. federal jurisdiction and Illinois. With few exceptions, AFHK is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for fiscal years before 2016. AFHK does not expect a material net change in unrecognized tax benefits in the next twelve months.

Allocation of Expenses -

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, occupancy, depreciation and other, which are allocated on the basis of estimates of time and effort.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES: (Continued)

New Accounting Pronouncement -

Effective January 1, 2019, AFHK adopted ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improve guidance to better distinguish between conditional and unconditional contributions.

The adoption of this new standard did not result in a material impact to AFHK's financial statements. There was no significant effect on the financial statements related to the adoption of this new standard which would require a cumulative adjustment to net assets at the date of adoption under the modified retrospective method.

Recently Issued Accounting Pronouncement -

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*, which provides guidance for accounting for leases. The new guidance requires organizations to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. This ASU is effective for fiscal periods beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021, with early adoption permitted. It is to be adopted using the modified retrospective approach. AFHK is currently evaluating this guidance to determine the impact it may have on its financial statements.

(2) ACCOUNTS AND CONTRIBUTIONS RECEIVABLE:

At December 31, 2019 and 2018, the timing of payments of accounts and contributions receivable as determined by the underlying agreements are expected to be as follows:

	<u>2019</u>	<u>2018</u>
Receivable in less than one year	\$ 775,240	\$ 558,071
Receivable in greater than one year and less than five years	<u>-</u>	<u>-</u>
Total accounts and contributions receivable	775,240	558,071
Less unamortized discounts	<u>-</u>	<u>-</u>
Net accounts and contributions receivable	<u>\$ 775,240</u>	<u>\$ 558,071</u>

(3) INVESTMENTS:

The following is a summary of investments at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Certificates of deposit – at cost	\$ 1,988,000	\$ 2,250,000
U.S. treasury notes – at fair market value	<u>-</u>	<u>597,621</u>
	<u>\$ 1,988,000</u>	<u>\$ 2,847,621</u>

(4) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification for Fair Value Measurements establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure 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). The three levels of the fair value hierarchy are described as follows:

Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that AFHK has the ability to access.

Level 2:

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3:

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement 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 need to maximize the use of observable inputs and minimize the use of unobservable inputs.

(4) FAIR VALUE MEASUREMENTS: (Continued)

Following is a description of the valuation methodology used for assets measured at fair value.

U.S. Treasury Notes: Valued at closing price reported on the active market on which the individual securities are traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although AFHK believes its valuation method is 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 fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, AFHK's assets at fair value as of December 31, 2019 and 2018, respectively:

<u>Description</u>	<u>Assets at Fair Value as of December 31, 2019</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. treasury notes	\$ -	\$ -	\$ -	\$ -

<u>Description</u>	<u>Assets at Fair Value as of December 31, 2018</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. treasury notes	\$ 597,621	\$ -	\$ -	\$ 597,621

(5) PROPERTY AND EQUIPMENT:

Property and equipment consist of the following:

	<u>2019</u>	<u>2018</u>
Computer equipment	\$ 123,389	\$ 113,744
Furniture and equipment	67,626	67,626
Leasehold improvements	<u>61,187</u>	<u>59,567</u>
	252,202	240,937
Less - accumulated depreciation	<u>193,107</u>	<u>159,078</u>
	<u>\$ 59,095</u>	<u>\$ 81,859</u>

(6) LIQUIDITY AND AVAILABILITY:

The following represents AFHK's financial assets at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Financial assets -		
Cash and cash equivalents	\$ 762,020	\$ 1,465,832
Investments	1,988,000	2,847,621
Accounts and contributions receivable	<u>775,240</u>	<u>558,071</u>
Total financial assets	3,525,260	4,871,524
Donor imposed restrictions	<u>2,458,448</u>	<u>3,878,302</u>
Net financial assets after donor-imposed restrictions	1,066,812	993,222
Internal designations -		
Board advised funds	<u>727,757</u>	<u>903,372</u>
Financial assets available to meet cash needs for general expenditures that is without donor or other restrictions limiting their use within one year	<u>\$ 339,055</u>	<u>\$ 89,850</u>

AFHK receives significant contributions, some of which are restricted by donors to fund specific programs or projects. Such restricted funds are tracked for use for the identified program or project. restricted contributions of \$3,779,000 and \$6,309,084 were received and included in financial assets for the years ended December 31, 2019 and 2018, respectively.

AFHK manages its liquidity and reserves following three guiding principles:

- operating within a prudent range of financial soundness and stability
- maintaining adequate liquid assets to fund near-term operating needs
- maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

(7) COMMITMENTS:

AFHK leases its offices under the terms of a noncancelable lease agreement expiring in June, 2021, which requires AFHK to make minimum lease payments and pay a pro rata share of certain operating costs. Rent expense under the office lease was \$103,729 and \$103,577 for 2019 and 2018, respectively. Additionally, AFHK leases office equipment under the terms of a noncancelable lease agreement expiring in March, 2022. Lease expense under the equipment leases was \$6,229 and \$6,558 for 2019 and 2018, respectively.

(7) COMMITMENTS: (Continued)

Future minimum lease payments under the office and equipment leases as of December 31, 2019 are as follows:

2020	\$ 108,563
2021	58,393
2022	1,410

(8) NET ASSETS:

Board designated net assets are as follows:

	<u>2019</u>	<u>2018</u>
Operating reserve	\$ 425,000	\$ 425,000
State teams	<u>302,757</u>	<u>478,372</u>
	<u>\$ 727,757</u>	<u>\$ 903,372</u>

Net assets with donor restrictions are as follows:

	<u>2019</u>	<u>2018</u>
Universal Breakfast for Healthy Kids	\$ 273,988	\$ 1,243,614
School Breakfast for Healthy Kids	-	25,255
Game On! The Ultimate Wellness Challenge	487,978	246,705
Active Kids Campaign	285,175	158,923
Active Schools	571,129	781,605
Colorado Parents for Healthy Kids	104,047	298,150
Parents for Healthy Kids	736,131	1,123,050
Urban School Wellness Coalition	<u>-</u>	<u>1,000</u>
	<u>\$ 2,458,448</u>	<u>\$ 3,878,302</u>

(9) DONATED ASSETS, SUPPLIES AND SERVICES:

The value of donated assets, supplies and services included as in-kind contribution revenue and the corresponding program expenses in the financial statements are as follows:

	<u>2019</u>	<u>2018</u>
Office expenses -		
Travel	\$ -	\$ 96
Accounting services	655	626
Donated software licenses	<u>-</u>	<u>449,200</u>
	<u>\$ 655</u>	<u>\$ 449,922</u>



(10) RETIREMENT PLAN:

AFHK has a retirement accumulation 403(b) plan for all employees working more than 1,000 hours in the plan year. Employee contributions are voluntary and are made on a pre-tax basis. AFHK did not make any matching contributions for the years ended December 31, 2019 and 2018.

(11) ACQUISITION OF ACTIVE SCHOOLS:

On June 30, 2018, AFHK acquired all assets related to Active Schools, a national initiative to ensure physical activity among children, from The Partnership for a Healthier America, Inc. As a result of the acquisition, AFHK is expected to help advance the Active Schools program by coordinated fundraising and activities promoting physical activity by children. AFHK assumes all duties, responsibilities, and obligations in connection with the transferred assets. AFHK gave no consideration and received cash of \$479,224 in the acquisition.

(12) SUBSEQUENT EVENT:

As a result of the spread of the COVID-19 outbreak in the United States subsequent to year end, economic uncertainties have arisen which could potentially impact operations. However, the financial impact and duration cannot be reasonably estimated at this time.