children's craniofacial association

2019

"What you focus on expands. So focus on what you want, not what you do not want."

Esther Jno-Charles

Message from the Executive Director

I begin this report with this quotation "what you focus on expands…" I believe that is an appropriate description of our 2019. Due to the overwhelming support we received in 2017 and 2018 from the popularity of the movie *Wonder*, our organization agreed to use the surplus from those years to serve as many families as possible in 2019, and to truly make a significant investment in our programming, specifically our public outreach.

The year was successful, in that we attended more than 6 conferences, including the American Cleft Palate-Craniofacial Association's (ACPA) Annual Meeting in Tucson, AZ, and the Texas Book Festival (TBF), in Austin, TX. At both of these events, we reached out to providers who interact with our children – medical professionals at ACPA and educators at TBF. We distributed free curriculum packets and educated these providers on the role of CCA in our kids' lives – all while encouraging them to utilize our resources for their patients and students.

Beyond encouraging our stakeholders to use and share our resources, which all received updates or expansion in 2019, we also distributed these resources directly to the public who requested them via our website. Over 20,000 students participated in our educational outreach program, the #ChooseKind Initiative. We were the recipients of the Dallas Foundation's Program, the Dallas Mayor's Intern Fellows Program; and with this intern support, we targeted school districts to reach out to and offer our programming, including our Speakers' Bureau opportunities, to further our mission of educating the public about craniofacial differences. Our Outreach Director, Khadija Moten, facilitates these innovative and enjoyable experiences. She is also responsible for developing and curating new and meaningful content for our curriculum, promoting exciting contests that increase engagement, and cultivating relationships with our incredible array of volunteers.

We also invested in our family networking events, spearheaded by our veteran Program Director, Annie Reeves, who celebrated 16 years of service with CCA in 2019. She led the expansion of our event attendance to record numbers in 2019! In June, we hosted our largest Annual Family Retreat & Educational Symposium ever. This was no small feat, as over 650 attendees joined us in Scottsdale, AZ, and required CCA to invest the quality and safety of this program. In 2019, we added more sessions to "Camp Care" – which is our onsite mental health room with sessions available by appointment and walk-in, for individuals, groups, and families. We also trained our staff, board, and volunteers on abuse prevention and provided life jackets to attendees, since the resort featured many enormous, beautiful pools. In addition to safety, we focused on facilitating meaningful interactions between targeted groups, from the Parents Happy Hour (with childcare provided) to expanding our Group Meet-ups (by syndrome and age), and also hiring American Sign Language interpreters to be present for our hearing impaired attendees.

Not only did our Annual Family Retreat break records, but so did our Craniofacial Acceptance Month Picnic in Dallas! We had over 150 participants, and we helped 10 families around the country host amazing awareness picnics of their own. We also were able to secure Governors' Proclamations of this month in 18 states!

To fund all of this expansion, we relied heavily on our Director of Development, Christine Andler, who has successfully worked to expand revenue generation across categories of donations: individual giving, grants, special events, and corporate sponsorship. Our work here focused on rebuilding from unique, but non-repeating, opportunities, and trying to encourage recurring donations from the new donors who found us in 2017 and 2018. We admit this is a steep climb for our organization, and in 2019 we spent more money than we raised. We stand by this choice of using our reserves to fund our operations, because in so many ways we are reimagining how we carryout our fundraising activities. We have plans to continue nurturing our corporate sponsors in 2020 and beyond, who sponsored our Annual Family Retreat at a record level in 2019! This is a metric that should be

highlighted, as we are confident in our ability to inspire donors and sponsors with our work and will continue to seek meaningful partnerships that invest in the programs we offer.

This report is truly a glance back at last year, but I would be remiss to ignore our currently reality, of living during the global COVID-19 pandemic. CCA has suffered along with so many firms and organizations. To date, revenue is down 30% from this time last year and much to our dismay, all of our fundraising events for the rest of the year have already been cancelled or pushed into 2021. This is truly devastating for CCA, but we have pivoted. We applied for and received a Paycheck Protection Program loan and have slashed expenses. We have suspended all outreach travel, cancelled all printing/mailing projects, and have cut all discretionary spending. We have faced hard challenges before, and we plan to scale our programming to meet our current reality with focus and deliberative action. Our expansion to serve families has gone virtual, and it is opening up a new world of possibility for our operations. While we are uncertain of what the future holds, we intend to serve during this pandemic and incorporate our new programming into our future service, as well.

In closing, the end of the quotation says to "focus on what you want, not what you do not want." This is again fitting for the current moment. In 2019, we focused on what we do best and delivering those services as widely as possible. Our staff and volunteers work with passion and purpose and the effects are seen in the numbers of families engaging with us. Through 2020, we stand firm in our focus that having people around you who understand your unique, lived experience validates us and strengthens us. Therefore, we will focus on the fact that we are social creatures and we need a community to thrive. We will expand that community in an innovative, safe, responsive, and inclusive manner.

Sincerely,

Erica Mossholder

Erica C. Mossholder
Executive Director

Mission & Vision

The mission of Children's Craniofacial Association is to empower and give hope to individuals and families affected by facial differences.

We envision a world where people are accepted for who they are, not how they look.

Programs & Services

Information and Support – CCA disseminates information to educate craniofacial patients and their families, health care providers, and the general public regarding craniofacial conditions. CCA also promotes public awareness of craniofacial conditions and social acceptance of individuals with facial differences. Craniofacial patient families often call CCA to seek emotional support, discuss problems, and identify resources. Through our database we are able to network families with support groups and/or others who have similar conditions and experiences. We also keep a list of helpful resources and are always willing to listen and offer emotional support to family members who need a shoulder to lean on.

Physician Listing – Children's Craniofacial Association refers to the full members of the American Cleft Palate-Craniofacial Association Approved Teams listing. These surgeons head teams of specialists specifically trained in the surgical management of problems involving the face and head. Centers with craniofacial teams working together have the advantage of a greater experience to provide comprehensive, quality care, which leads to better results and fewer complications. In addition, ongoing research at these centers offers patients the latest breakthroughs in treatment. As there are relatively few experienced teams, it is quite common for families to travel long distance to get the best care.

Financial Assistance – Since there are relatively few quality craniofacial centers, many families must travel to receive this quality care. The treatment of craniofacial patients may require from one to as many as twenty or more surgeries. Even families with insurance are often unable to meet the financial requirements to travel to receive quality care for their children. CCA offers funds for food, travel, and lodging through its financial assistance program. CCA also helps families find discounted hotel rates and donated airfare.

Website and Social Networks – www.ccakids.org offers another entry point for both parents and the public to learn about craniofacial challenges. More than 1,000,000 families, healthcare professional, and others have visited this site this year from 176 countries. The website offers up-to-date information about craniofacial conditions, issues related to having a craniofacial condition, esteem-building articles and interactions and information aimed to educate the public and families with a new diagnosis. Our social media presence is often the first way families find one another. Our Facebook page has reached 11,000 followers and our Instagram has over 6,000 followers. We distribute content on these channels that ranges from personal stories to educational information about specific syndromes, from event announcements to uplifting quotes and graphics. This daily feed from CCA bonds our community and gives them encouragement and connection to one another. We also maintain a YouTube channel where we post videos related to our programming, including Retreat and the #ChooseKind educational outreach initiative.

Choose Kind Educational Initiative – Our Choose Kind Initiative started in 2012 when the book *Wonder* was published by R.J. Palacio. The novel, now a national bestseller, features the story of 10-year-old August "Auggie" Pullman, a boy with a craniofacial condition. This book follows Auggie as he attends his first year attending school, after previously being home schooled. He experiences the trials and triumphs of most kids going to a new school, and also unique challenges based on his appearance. This book is changing lives in classrooms across the country and teachers send reports of its impact on their students on a consistent basis. The book encourages kids to Choose Kind, meaning choose to be kind, rather than popular or right. While the story is about a student with a craniofacial condition, the message applies to everyone. When this book came out, CCA knew it was an incredible tool for our families, students, and community. We ordered a special edition book with our logo, recommended resources, a special foreword from CCA members, and a letter from the author, Palacio, to CCA Kids. To date, we have ordered 27,500 books and we have been distributing them for the past two years to schools in Dallas, throughout Texas, and in other states

Education Booklets – CCA has the most comprehensive library of publications that focus on educating families about craniofacial conditions and associated issues. To date a series of 14 syndrome booklets have been published (and reviewed annually) that explain various craniofacial conditions and their treatment. The booklets are in question/answer format, and are written in easy-to-understand text. In addition, 24 information papers have been published covering issues families dealing with craniofacial conditions experience.

Newsletter – A newsletter is published three times a year to inform more than 20,000 readers of CCA activities, as well as educate families, donors, and interested parties of the latest in craniofacial treatment. The newsletter also addresses issues affecting not only the craniofacial patients but their siblings and parents as well. Subjects such as teasing, grieving, and other psychosocial issues are addressed.

Annual Family Retreat & Educational Symposium – The Annual Family Retreat & Educational Symposium is held each June and is what the CCA families describe as a life changing experience. It provides craniofacial patients, their siblings, and parents an opportunity to interact with others who have endured similar experiences. Children with craniofacial differences, their siblings and parents often feel isolated and alone. The unique weekend retreat allows them to share ideas, problems, and solutions, and make long-lasting friendships. The informal format of this weekend allows time to build new relationships and bonds of understanding and caring, which will lend support through both difficult and good times in the future. An educational symposium is held on Thursday before the weekend activities begin. Regional craniofacial specialists conduct the symposium. These professionals and health and wellness experts in the field donate their time and expertise to conduct educational sessions for adults, teens, and children who are affected by craniofacial condition parents, and siblings. The weekend includes other informational sessions, visiting local attractions, and plenty of time for adults to interact and kids to play. In our research survey a couple of years ago, the families told us this retreat is the most important program we provide. About 175 affected children will attend this year, plus an additional 425 family members.

Public Awareness – One of the most important goals of CCA is to promote social acceptance of children and adults with facial differences. We believe that in order for the general public to accept these and any differences, they must see and understand them. With the support of the filmmakers of the movie "Wonder," based off of this bestselling book, and many of our families, CCA established a curriculum pack that we distribute free to teachers, along with a classroom set of books, for free, by request. We also train our children and young adults to present their own stories in classrooms across the country. We maintain these speakers in our Speakers Bureau and match them with classrooms in their region, or facilitate Skype sessions, to allow classrooms to hear directly from our children, who have become powerful self-advocates.

The demand for information about craniofacial conditions has only grown since 2017, when the film starring Julia Roberts, Owen Wilson, and Jacob Tremblay debuted. We are working diligently to facilitate the demand of literally hundreds of schools and dozens of new families with craniofacial conditions. In 2018, we expanded our educational outreach program (via collaboration with the organization Born A Hero) to include a Pre-K – 2nd grade curriculum called "ABC Kind," with interactive lesson plans, and also added a high school readers' guide for a memoir written by an adult woman with Treacher Collins syndrome, Kristin Bartzokis, in collaboration with the publisher, Ki-Cam. Her book helps students discuss decision-making, school violence, self-acceptance, and empathy. All of these resources are available to schools by request, free of charge.

Family Networking – CCA has a list of more than 700 families who are willing to communicate with families new to CCA. They are eager to connect with these family members to share emotional support, discuss problems, and identify resources. Many families that have a member with a craniofacial condition feel alone and secluded. Being able to communicate with other parents, siblings, or patients can help family members feel part of a larger community with others who are ready to help them through rough times, work through decisions and just "be there" for one another.

Please read on to see testimonials of program participants and CCA's financial statements.

financial assistance testimonial

by Donise Cinnamon

William and his twin brother, **Scott** were born in Oklahoma City, OK on a very icy day in January of 2001.

I knew from the beginning that William was born differently, but it took me awhile to convince the doctors. Once a genetic study was performed, we learned that William has **Jackson-Weiss syndrome** and later developed hydrocephalus.

His first two craniofacial surgeries were performed in Oklahoma City, but unfortunately, both the neurosurgeon and plastic surgeon went into private practice and no longer performed the type of surgeries William would need. His plastic surgeon then referred us to **Dr. David Genecov** in Dallas and our long journeys began. It takes us anywhere from 6 to 8 hours to travel from our small northwest Oklahoma town to northeast Dallas. When we first began these journeys, we were introduced to **World Craniofacial Foundation at Medical City.**

Two years ago, after being reorganized I was informed that WCF was actually set up to help people outside the USA to gain medical assistance and it was then that I was introduced to CCA. I had received newsletters from CCA in the past, but had never contacted them to help us. I looked up their website and out the contact information. It wasn't long before **Annie Reeves** contacted me and told me what she would need to take before the financial assistance committee to ask for assistance. It turned out that this first time was going to have to be rushed a little as the meeting was only a few days off, however she soon notified me that they would help us with a certain amount which would go towards a hotel room and fuel expenses.

I was so relieved that they were willing to help as these trips are not cheap and we are on fixed incomes. CCA has helped us a couple of times since then and each time is greatly appreciated. It is so nice to know that there are organizations like CCA out there who are dedicated and able to help children like William obtain the medical help that they need. I pray that God continues to bless CCA with the ability to continue to help all those that they can. Thank you, CCA and Annie for all that you do, you are truly a blessing.

financial assistance testimonial

by Ashley Wall

My son, **Colt**, was diagnosed with Saggital Craniosynostosis two weeks after birth. He underwent an endoscopic strip craniectomy in Houston with 6 months of helmet therapy. This was unsuccessful and his head became elongated and developed a vertex bulge soon after finishing his helmet. I knew that something wasn't right and kept pushing to find answers. We had an eye exam that revealed he had fluid build-up in both eyes which was also an indication of intracranial pressure. During this time, my husband was laid off due to the oilfield crashing and Covid-19. We lost our health insurance and benefits. The stress seemed to pile on top of us especially finding out our cranio baby needed another operation. Some other parents in the groups on Facebook recommended that I reach out to the Children's Craniofacial Association to see if they could help with lodging fees, gas or some expenses that come along with the travel such as food. Annie was very responsive & very sweet to talk to throughout the whole process. They take so much stress off of your shoulders trying to book a hotel for you as well as reimburse you for some gas and food. Anything helps during this absolutely crazy time. I am so thankful for this association and all of their help. They are truly a blessing from up above. Thank you!

CHILDREN'S CRANIOFACIAL ASSOCIATION

Financial Statements

December 31, 2019 and 2018

CHILDREN'S CRANIOFACIAL ASSOCIATION
TABLE OF CONTENTS

	Page
Independent auditor's report	1-2
Financial Statements	
Statements of financial position	3
Statements of activities	4
Statements of cash flows	5
Statement of functional expenses	6-7
Notes to financial statements	8-12

Knauth & Company, P.C.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Children's Craniofacial Association

We have audited the accompanying financial statements of Children's Craniofacial Association (a nonprofit organization) which comprise the statements 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 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 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Children's Craniofacial Association as of December 31, 2019 and 2018, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Frisco, Texas
June 8, 2020

CHILDREN'S CRANIOFACIAL ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 688,194	$ 809,428
Contributions receivable	16,189	29,369
Inventory	42,430	31,752
Prepaid expenses	12,000	37,965
Total current assets	758,813	908,514
PROPERTY AND EQUIPMENT, NET	508	748
OTHER ASSET		
Deposit	1,727	1,727
TOTAL ASSETS	$ 761,048	$ 910,989
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 3,870	$ 11,198
Accrued liabilities	5,591	4,556
Deferred rent - short term	1,293	603
Total current liabilities	10,754	16,357
OTHER LIABILITIES		
Deferred rent - long term	1,702	2,995
TOTAL LIABILITIES	12,456	19,352
NET ASSETS		
Without Donor Restrictions:		
Unrestricted and undesignated	736,092	855,637
With Donor Restrictions:		
Purpose restricted	12,500	36,000
TOTAL NET ASSETS	748,592	891,637
TOTAL LIABILITIES AND NET ASSETS	$ 761,048	$ 910,989

The accompanying notes are an integral part of these financial statements.

CHILDREN'S CRANIOFACIAL ASSOCIATION

STATEMENTS OF ACTIVITIES

For the years ended December 31, 2019 and 2018

	2019	2018
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support and Revenues:		
Contributions and grants	$ 598,574	$ 740,674
Program service fees	18,072	23,942
Special events income, net of direct donor benefits of $976 and $4,353, respectively	17,873	6,672
Other income	15,002	27,029
Interest income	410	230
Net assets released from restrictions:		
Satisfaction of program restrictions	36,000	16,000
Total unrestricted support and revenues	685,931	814,547
Expenses:		
Programs:		
Education and assistance	646,337	544,632
Support Services:		
Management and general	81,608	77,995
Fundraising	77,531	45,780
	805,476	668,407
Change in net assets without donor restrictions	(119,545)	146,140
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions and grants	12,500	36,000
Net assets released from restrictions	(36,000)	(16,000)
Change in net assets with donor restrictions	(23,500)	20,000
Change in net assets	(143,045)	166,140
Net assets, beginning	891,637	725,497
Net assets, ending	$ 748,592	$ 891,637

The accompanying notes are an integral part of these financial statements.

CHILDREN'S CRANIOFACIAL ASSOCIATION

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (143,045)	$ 165,440
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	240	240
(Increase) decrease in operating assets:		
Accounts receivable	13,180	31,556
Inventory	(10,678)	(8,701)
Prepaid expenses	25,965	(25,000)
Increase (decrease) in operating liabilities:		
Accounts payable	(7,328)	2,906
Accrued liabilities	1,035	(80)
Deferred liabilities	(603)	3,359
Net cash provided by (used in) operating activities	(121,234)	169,720
Net increase (decrease) in cash and cash equivalents	(121,234)	169,720
Cash and cash equivalents, beginning	809,428	639,708
Cash and cash equivalents, ending	$ 688,194	$ 809,428

There were no income taxes or interest paid during the years ended December 31, 2019 or 2018.

The accompanying notes are an integral part of these financial statements.

CHILDREN'S CRANIOFACIAL ASSOCIATION

STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended December 31, 2019

	Programs	Supporting Services		
	Education and Assistance	Management and General	Fundraising	Total
Salaries and related expenses	$ 195,447	$ 39,119	$ 32,196	$ 266,762
Bank charges	54	(55)	4,248	4,247
Depreciation	-	240	-	240
Dues and subscriptions	1,000	-	3,880	4,880
Equipment rental	3,956	(168)	-	3,788
Event expenses	256,802	4,509	1,050	262,361
Individual assistance	54,854	3,731	-	58,585
Insurance expense	-	900	-	900
Office expenses	9,984	2,051	1,975	14,010
Postage	18,152	71	7,125	25,348
Printing	31,224	-	10,710	41,934
Professional fees	21,987	18,200	9,247	49,434
Public awareness	17,122	-	1,800	18,922
Rent expense	18,201	3,593	2,726	24,520
Telephone	2,155	199	-	2,354
Travel and entertainment	15,399	9,218	2,574	27,191
	$ 646,337	$ 81,608	$ 77,531	$ 805,476

The accompanying notes are an integral part of these financial statements.

CHILDREN'S CRANIOFACIAL ASSOCIATION

STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended December 31, 2018

	Programs	Supporting Services		
	Education and Assistance	Management and General	Fundraising	Total
Salaries and related expenses	$ 168,247	$ 31,582	$ 20,051	$ 219,880
Bank charges	40	42	958	1,040
Depreciation	184	34	22	240
Dues and subscriptions	400	1,285	2,471	4,156
Equipment rental	1,379	2,656	-	4,035
Event expenses	194,275	8,296	-	202,571
Individual assistance	46,294	1,070	-	47,364
Insurance expense	-	2,208	-	2,208
Office expenses	9,639	2,430	674	12,743
Postage	23,176	-	6,674	29,850
Printing	38,534	-	5,042	43,576
Professional fees	21,220	20,454	7,325	48,999
Public awareness	12,456	-	-	12,456
Rent expense	18,434	3,735	2,197	24,366
Telephone	817	2,340	-	3,157
Travel and entertainment	9,537	1,863	366	11,766
	$ 544,632	$ 77,995	$ 45,780	$ 668,407

The accompanying notes are an integral part of these financial statements.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Children's Craniofacial Association ("Association") is organized exclusively to assist facially disfigured individuals and their families live positive, enriched lives. The Association addresses medical, financial, psychosocial, emotional, and educational concerns on a national and international basis. The Association promotes education, treatment, and emotional support on behalf of persons with craniofacial deformities. The Association is supported primarily through donor contributions, grants and fundraising activities.

Basis of Accounting

The Association's financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Association 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.

Contributions and grants received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence or nature of any donor or grantor restrictions.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers all currency on hand, demand deposits with banks or financial institutions, and highly liquid short-term investments available for current use with an initial maturity of three months or less to be cash and cash equivalents.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Association uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. No allowance for doubtful accounts was deemed necessary for the years ended December 31, 2019 and 2018, respectively.

Income Taxes

The Association is exempt from Federal income tax as an organization described in Section 501(c) (3) of the Internal Revenue Code.

Donated Assets

Donated assets are recorded as contributions at their estimated fair market values at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Association reports expiration of donor restrictions when the donated assets are placed in service as instructed by the donor.

Donated Services

No amounts have been reflected in the financial statements for donated services. The Association pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that help the Association provide its services.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

The Association did not hold assets subject to fair value reporting on December 31, 2019 and 2018. The statement did not have an impact on the Association's nonfinancial assets and nonfinancial liabilities that are not permitted or required to be measured at fair value on a recurring basis.

Inventory

Inventory consists of souvenir items and books and is stated at the lower of cost or market. Cost is determined by the first-in, first-out method.

Property and Equipment

Property and equipment are carried at cost or estimated fair market value at the date of donation. It is the Association's policy to capitalize property and equipment expenditures over $1,000. Lesser amounts are expensed. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Maintenance charges are expensed as incurred. Repairs that materially extend the life of an asset are capitalized.

Recent Accounting Pronouncements

The Association adopted Accounting Standards Update 2016-14 Presentation of Financial Statements of Not-for-Profit Entities during the year ended December 31, 2018. These standards were updated to improve the current net asset classification requirements and information presented in financial statements and notes about a not-for-profit entity's (NFP's) liquidity, financial performance, and cash flows.

Functional Expenses

Expenses are summarized and categorized based upon their functional classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and rent which are allocated based on estimates of time and effort.

NOTE 2 — PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2019	2018	Estimated Useful Life
Office furniture and equipment	$ 22,059	$22,059	5-7 years
Accumulated depreciation	(21,551)	(21,311)	
	$ 508	$ 748	

Depreciation expense was $240 and $240 for the years ended December 31, 2019 and 2018, respectively.

NOTE 3 —RESTRICTED NET ASSETS

Restricted net assets consist of contributions restricted by the donor for the following purposes as of December 31:

	2019	2018
Choose Kind project	$ 7,500	$ 16,000
Family retreat	5,000	10,000
Medical assistance	-	10,000
	$ 12,500	$ 36,000

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose specified by donors during the year ended December 31 are as follows:

	2019	2018
Choose Kind project	$ 16,000	$ 16,000
Family retreat	10,000	-
Medical assistance	10,000	-
	$ 36,000	$ 16,000

The Association intends to satisfy all donor restrictions related to the restricted net assets during the following year.

NOTE 4 — LEASE COMMITMENTS

The Association leases office space and equipment under non-cancellable operating agreements through 2023. Rent expense is recognized on a straight-line basis over the life of the lease. Deferred lease costs represent rent expense recognized in excess of rental payments made. Future minimum lease payments under these agreements are as follows:

2020	$ 23,749
2021	23,960
2022	20,513
2023	10,343
	$ 78,565

Rent expense was $24,520 and $24,366 for the years ended December 31, 2019 and 2018, respectively.

NOTE 5— ECONOMIC DEPENDENCY

One donor made up 25% and 17% of accounts receivable as of December 31, 2019 and 2018, respectively.

NOTE 6— CONCENTRATION OF CASH

Funds deposited in banks are federally insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). Insured deposits are backed by the full faith and credit of the United States. At December 31, 2019, there were approximately $9,379 of funds deposited in excess of insured amounts.

NOTE 7— LIQUIDITY AND AVAILABILITY OF RESOURCES

The Association has $704,383 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of $688,194 in cash and cash equivalents and contributions receivable of $16,189. The Association owed $9,461 of accounts payable and accrued expenses and has $12,500 of net assets with donor restrictions at December 31, 2019.

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 8, 2020, which is the date that the financial statements were available to be issued.