children's craniofacial association

2018 ANNUAL REPORT

"The most fatal thing a man can do is try to stand alone."

Carson McCullers

Message from the Executive Director

This past year was an opportunity for Children's Craniofacial Association to truly invest in the organization and position ourselves to celebrate 30 years of empowering and giving hope to children and families affected by facial differences. These efforts were built upon the incredible success of 2017, with the national debut of the blockbuster movie, *Wonder,* which laid the groundwork for an amazing third decade.

Having the nation's attention for a season allowed us to reach a larger audience than ever before with our message of hope and kindness. The exposure of the film and related press brought us many opportunities to expand our public awareness campaigns into new markets, with expertly developed school curriculum. These learning tools were developed through partnerships with other organizations and the tireless effort of our own board and volunteers. The result was that our CCA Kids spoke to thousands of students and people of all ages in classrooms, libraries, and assemblies about the realities of living life with a facial difference. As we continued to witness how powerful these interactions were, we saw the need to further invest in these volunteer speakers, and thus established the CCA Speakers' Bureau. This group of presenters received professional training and materials to help define and refine their speaking talents and solidify a common theme for all CCA speakers and events.

Perhaps the most compelling advancement of CCA in 2018 was to finally deploy a strategic outreach initiative. Before, we tried to move the needle of public awareness and acceptance, but we had to do so from a reactive stance. By establishing a Pre-K – High School curriculums and a speakers' bureau, we are now proactively seeking opportunities to educate the public about facial differences. CCA often receives requests from schools and organizations wanting to hear the stories and experiences of CCA kids and adults, directly from them. Additionally, CCA kids and adults request that they be given an opportunity to share their stories with others. The only way that CCA was able to accomplish this new initiative was with the addition of a new staff member, our Outreach Director, Khadija Moten. She has developed and coordinated our efforts to deepen the educational and social impact of storytelling – in this way, creating an opportunity for to understand facial differences on a much deeper, more personal level. Being able to equip our families as self-advocates, while educating the public at large about craniofacial conditions, is quite possibly our most important work to date.

We also onboarded our new Director of Development, Christine Andler, after our longtime Development Director, and founding family member, Jill Patterson, retired. Christine is focused on seeking new corporate partnerships for CCA Kids. Her skills will ultimately allow us to fund our growing programs, which continue to break records for number of participants at our Annual Family Retreat & Educational Symposium, our Craniofacial Acceptance Month picnics nationwide, and our regional networking events. Stewarding our donors' dollars and interests is her chief concern, but like all of us at CCA, she is also intimately involved with delivering our programs and services.

In closing, 2018 expanded CCA's ability to reach out to new audiences while also offering our services to underserved populations. Our staff and volunteers have continued to work with passion and purpose and the effects are seen from delivery rooms to classrooms, from playgrounds to movie screens. Through 2019, we pledge to cultivate understanding that no matter what our differences – whether they are facial, physical, socioeconomic, religious or cultural – we are truly more alike than different **and** together, we strive to accomplish more each day.

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 10,000 followers and our Instagram has over 5,000 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, 22 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.

Looking to the Future

We celebrate our milestone 30th anniversary all year long in 2019. To help us reach our aggressive revenue goals and expand on our culture of gratitude for our supporters, we will feature a campaign called ***30 Stories, 30 Faces, 30 Years*** which will be a series of articles, postcards, videos, and social media posts that will honor different families from the past 30 years and feature both veteran members and new faces who are shaping CCA. Through this unique campaign, we aim to raise an additional $30,000 to fund our critical programs and services during this milestone year.

CCA was the beneficiary of the most successful fundraising event in our 30 year history - **the Coto for the Cure Tennis Pro-Am** event held November 2-3, 2018. CCA was nominated by the incredible hosts of the event, **Peter and Shannon Wernemar** who were moved by *Wonder* and CCA's initiatives to bring the messages of acceptance, inclusion and anti-bullying to children in Orange County and across the country. The outpouring of generosity resulted in **$182,992** of funds raised to provide medical care for our kids, scholarships to the retreat, and to spread the message of kindness and inclusion throughout Southern California and the nation through CCA's Wonder Initiative. The Coto de Caza community has embraced CCA like no other community, and we are beyond humbled that this club decided to bless our families with their incredible annual pro-am tennis tournament. We could not have ended 2018 "in the

black" if it were not for this event, and so as we look ahead, we express our deepest appreciation for this community for allowing us to serve another year with confidence. Undoubtedly, we will find it hard to fill such a gap, but the Coto commitment to CCA remains strong, and for that we are so grateful.

CCA is committed to auditing and improving our psychosocial support programming in an era of increased difficulty experienced by members relating to: anxiety, depression, isolation, and loneliness. We have added mental healthcare as a priority to all programming and will be collecting data on more ways to strengthen our support offered to CCA kids and adults. In 2018, we hosted "Camp Care" at Retreat, a mental health resource room, and we plan to continue this service at all Retreats in the future, along with other innovative ideas to invest in the mental wellness of our families.

CCA will focus on building excellence in the programs and services we provide. We intended to continue to increase opportunities for volunteer participation and collaboration with other organizations. And of course, we will use our donor, staff, and volunteer resources to empower and give hope to children and families whose lives are affected by facial differences.

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

2018 testimonials

Kaleb was born March 13, 2010. I had just turned 19 a couple months earlier. He was born with bilateral microtia and atresia. Being so young, I had no idea what that meant, or how to handle it. Eight years later, we have found a way to finally get him started with his reconstruction surgery. It has not been easy. We have gone to many doctor appointments and have weighed out all our options.

Kaleb now has insurance, and we are thankful his doctor is in network, as these surgeries are extremely expensive. Although Kaleb has insurance and I have a job, the expenses are still a lot.

I had the great pleasure to get introduced to CCA. The process was so easy and quick. They have helped us with multiple expenses. They helped us find a place to stay, put food in our bellies, and have gas to get around while Kaleb had surgery. There are no words to express how thankful and blessed we are to have gotten this help. The surgery was approved with such short notice, and CCA was able to help us get there.

Thank you so much to everyone at CCA. Kaleb and his family really appreciate it!

– Elisa Flores

Words could never explain the blessing that CCA has been to our family. Our 26-week ultrasound revealed that our son, **John Reece Thomas**, would be born with a bilateral cleft lip and palate. Although we were full of joy awaiting the arrival of our third child, we were anxious about the treatment he would need, where we would have the procedures performed, and how we would be able to afford the best care possible.

After hours of research and prayer, we knew that **Children's Hospital of Boston** was where we would be going, and it's just over 1,000 miles from our home in Northeast Georgia. The cleft team in Boston referred us to CCA, and the assistance they have provided has been nothing short of a miracle. The financial assistance provided for airfare, lodging, and meals, and has made our journey much less stressful than it could have been. We have been able to focus more on the medical procedures and care for our child as a result of the help from this great organization.

Our hope and prayer is that one day we will be able to give back to CCA to help give other families the option of receiving the best treatment possible, regardless of location. Thank you from the bottom of our hearts to such a fine organization and group of people to deal with.

– Lyndsey Thomas

Just nine short months ago, our son **Moshe** was born. He is our seventh child, and much to our dismay, only after he was born did we discover that he has a rare syndrome called Apert syndrome.

We quickly became experts in many areas—although we were very non-medical before this!—with "trachs" and "syndactyly" becoming part of our regular vocabulary. We've traveled all over to try and get the best care for our son. Obviously, with six other children, traveling expenses were not easy to come by. That was when CCA came to the rescue!

Always with a friendly email from **Annie**, CCA has truly empowered us and given us hope. With the financial assistance and resources they provided, we truly feel we were able to give Moshe the best we possibly could. Several of his many surgeries are behind us, and they were all made possible because of CCA.

Thank you for all you have done!

– Sol and Rebecca Fishman

CHILDREN'S CRANIOFACIAL ASSOCIATION

Financial Statements

December 31, 2018 and 2017

CHILDREN'S CRANIOFACIAL ASSOCIATION
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EVANS & KNAUTH, PLLC
CPA'S & CONSULTANTS

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, 2018 and 2017, 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, 2018 and 2017, 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
April 29, 2019

CHILDREN'S CRANIOFACIAL ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
December 31, 2018 and 2017

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 809,428	$ 639,708
Contributions receivable	29,369	60,925
Inventory	42,052	33,351
Prepaid expenses	26,965	1,965
Total current assets	907,814	735,949
PROPERTY AND EQUIPMENT, NET	748	988
OTHER ASSET		
Deposit	1,727	1,727
TOTAL ASSETS	$ 910,289	$ 738,664
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 11,198	$ 8,292
Accrued liabilities	4,556	4,636
Deferred rent - short term	603	-
Total current liabilities	16,357	12,928
OTHER LIABILITIES		
Deferred rent - long term	2,995	239
TOTAL LIABILITIES	19,352	13,167
NET ASSETS		
Without Donor Restrictions:		
Unrestricted and undesignated	854,937	709,497
With Donor Restrictions:		
Purpose restricted	36,000	16,000
TOTAL NET ASSETS	890,937	725,497
TOTAL LIABILITIES AND NET ASSETS	$ 910,289	$ 738,664

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

CHILDREN'S CRANIOFACIAL ASSOCIATION

STATEMENTS OF ACTIVITIES

For the years ended December 31, 2018 and 2017

	2018	2017
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support and Revenues:		
Contributions and grants	$ 740,674	$ 661,140
Program service fees	23,942	115,913
Special events income, net of direct donor benefits of $4,353 and $43,992, respectively	6,672	53,204
Other income	27,029	103,545
Interest income	230	100
In-kind donations	-	8,995
Net assets released from restrictions:		
Satisfaction of program restrictions	16,000	-
Total unrestricted support and revenues	814,547	942,897
Expenses:		
Programs:		
Education and assistance	534,332	580,555
Support Services:		
Management and general	88,995	80,571
Fundraising	45,780	69,294
	669,107	730,420
Change in net assets without donor restrictions	145,440	212,477
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions and grants	36,000	16,000
Net assets released from restrictions	(16,000)	-
Change in net assets with donor restrictions	20,000	16,000
Change in net assets	165,440	228,477
Net assets, beginning	725,497	497,020
Net assets, ending	$ 890,937	$ 725,497

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, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 165,440	$ 228,477
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	240	425
(Increase) decrease in operating assets:		
Accounts receivable	31,556	13,430
Inventory	(8,701)	(6,187)
Prepaid expenses	(25,000)	3,587
Increase (decrease) in operating liabilities:		
Accounts payable	2,906	(4,673)
Accrued liabilities	(80)	360
Deferred liabilities	3,359	(2,806)
Net cash provided by (used in) operating activities	169,720	232,613
Net increase (decrease) in cash and cash equivalents	169,720	232,613
Cash and cash equivalents, beginning	639,708	407,095
Cash and cash equivalents, ending	$ 809,428	$ 639,708

There were no income taxes or interest paid during the years ended December 31, 2018 or 2017.

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	-	13,208	-	13,208
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	2,156	-	-	2,156
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
	$ 534,332	$ 88,995	$ 45,780	$ 669,107

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, 2017

	Programs	Supporting Services		
	Education and Assistance	Management and General	Fundraising	Total
Salaries and related expenses	$ 143,096	$ 27,836	$ 22,137	$ 193,069
Bank charges	-	177	1,503	1,680
Depreciation	315	61	49	425
Dues and subscriptions	75	29	4	108
Equipment rental	-	3,498	-	3,498
Event expenses	228,621	7,113	99	235,833
Fundraising expenses	-	40	1,768	1,808
Individual assistance	45,394	524	-	45,918
Insurance expense	-	1,900	-	1,900
Office expenses	10,052	11,429	8,931	30,412
Postage	33,263	163	2,965	36,391
Printing	21,985	15	7,341	29,341
Professional fees	14,134	21,993	8,194	44,321
Public awareness	58,080	275	13,705	72,060
Rent expense	14,200	3,762	2,197	20,159
Telephone	2,282	954	-	3,236
Travel and entertainment	9,058	802	401	10,261
	$ 580,555	$ 80,571	$ 69,294	$ 730,420

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, 2018 and 2017, 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, 2018 and 2017. 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:

	2018	2017	Estimated Useful Life
Office furniture and equipment	$ 22,059	$28,274	5-7 years
Accumulated depreciation	(21,311)	(27,286)	
	$ 748	$ 988	

Depreciation expense was $240 and $425 for the years ended December 31, 2018 and 2017, respectively.

NOTE 3 —RESTRICTED NET ASSETS

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

	2018	2017
Choose Kind project	$ 16,000	$ 16,000
Family retreat	10,000	-
Medical assistance	10,000	-
	$ 36,000	$ 16,000

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:

	2018	2017
Choose Kind project	$ 16,000	$ -
	$ 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 2020. 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:

NOTE 4 — LEASE COMMITMENTS (CONTINUED)

2019	$ 24,017
2020	$ 23,749
2021	$ 23,960
2022	$ 20,513
2023	10,343
	$ 102,582

Rent expense was $24,366 and $20,159 for the years ended December 31, 2018 and 2017, respectively.

NOTE 5— IN KIND DONATION

The Association received an in kind donation for a full page of advertisement in a magazine in the amount of $8,995 during the year ended December 31, 2017 which was recognized in the financial statements.

NOTE 6— ECONOMIC DEPENDENCY

One donor made up 17% and 26% of accounts receivable as of December 31, 2018 and 2017, respectively. One donor made up 10% of revenues for the year ended December 31, 2017.

NOTE 7— 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, 2018, there were approximately $223,253 of funds deposited in excess of insured amounts.

NOTE 8— LIQUIDITY AND AVAILABILITY OF RESOURCES

The Association has $838,797 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of $809,428 in cash and cash equivalents and contributions receivable of $29,369. The Association owed $15,754 of accounts payable and accrued expenses and has $36,000 of net assets with donor restrictions at December 31, 2018.

NOTE 9— RECLASSIFICATION

Certain amounts in the prior period financial statements have been reclassified to conform to the presentation of the current period financial statements due to the implementation of Accounting Standards Update 2016-14 Presentation of Financial Statements of Not-for-Profit Entities. These reclassifications had no effect on the previously reported net loss.

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 29, 2019, which is the date that the financial statements were available to be issued.