



children's craniofacial association

2020



“Hope is not canceled!”

CCA's First Ever Virtual Retreat Theme

Message from the Executive Director



We all might scream if we hear the phrase, “these unprecedented times,” one more time, so I will spare you those words. However, last year was certainly one of the most challenging we’ve ever faced as an organization, and as individuals. We have coined another phrase around our office, that helped us pivot in the face of adversity and piloted us through the past year and a half, “COVID Silver Linings.” We tried to identify these positive developments as a staff and organization when our normal operations were upended. I’ve outlined some of those silver linings below.

The pandemic presented us an opportunity to tackle a longstanding goal for our organization: figure out how to deliver virtual and video content to a multinational audience, from all socioeconomic statuses and demographic backgrounds. Since we already serve a population that is geographically diverse, we have long questioned “How do we deliver this support beyond our annual gatherings?” Working as a remote team, like so many other organizations, we started using our already-active Zoom account as a new opportunity to gather families together. We were thankful we had a bit of a head start, in the form of our monthly Adults’ support group, which has been running and growing for over four years. We already knew we could deliver meaningful support via a video chat forum, but what we did not yet understand were the ins and outs of managing group sizes, accommodating age dynamics, finding professionals who would be available to facilitate discussion, creating fun and joy virtually, making the content accessible for vision and hearing impaired participants, and even recognizing the toll it would take on the video hosts trying to listen, moderate, engage, maintain order, and support individuals all at once. We learned a lot of lessons quickly and as a team, we were able to designate hosts versus discussion leaders; moderators and closed captioners; and even recorders and editors, who were able to take parts of the recorded discussion, anonymize it, and then make it available long-term on our website, YouTube, and social media.

When we consider this amount of productivity, we can count even this difficult year as successful. Another silver lining was recognizing the value in this community we have created to support and protect our families’ mental health. Much more time was spent texting after hours, on phone calls during the day, and on video chats over the weekends, being that “shoulder to lean on” when our community needed it most.

We also endeavored to be leaders and proponents of public health, while keeping our eye on awareness, as we went through the collective struggle to mask as people with different facial anatomies and processed the stress and trauma seeing masks everywhere in our lives, a familiar scene from many of our childhood stays in hospitals. We also questioned the newfound anonymity the masks offered and strategized how to handle the unmasking when that time came as well, and previously unseen facial features were freshly exposed. These types of experiences are unique to our community and we were able to provide guidance and support for people and parents of all ages, the impact of which can truly not be overstated.

The numbers for the year reflect an obvious consequence of the pandemic: we had a low revenue year, the lowest in my tenure, but we fortunately were able to access a government Paycheck Protection Program loan and we cut all spending to a minimum. Since we had to cancel our Annual Family Retreat, our largest single budget item, and added to the fact that nearly all our families’ surgeries were canceled or postponed, we were able to drastically reduce our annual expenses. However, you will see this affected our program expenses ratio this year, which we have always maintained the standard of 80%/20% programs/overhead. We hope our donors can understand this year we truly focused all our energy on serving our families right where they were, and the numbers this year just cannot tell the full story. Our programs were more robust and active than ever, the cost of which translated to Zoom accounts and website help, rather than in-person gatherings and medical travel expenses.

We were proud to be able to maintain our staff in full, and our staff led the charge by 100% participation in fundraising and donating back to the organization. Our motto for the Virtual Retreat was, “Hope is not canceled.”

When so many of our events, classes, graduations, weddings (including my own), our Retreat, picnics, retirements, and more were canceled, we wanted to put forth positivity and hope in our community – as we do every year – but louder than ever. Our COVID Silver Lining is that we did prevail; while we have lost so much as a nation and a world, as an organization we survived. Now the work remains and has increased: we must comfort those who are still grieving, we must continue to prioritize the new families we started serving who are not able to travel in non-pandemic years, and we must bolster our staff and volunteers who are providing support and mental health programs with training and time to recover from such intensive work. We have grown as a community, we have grown as content and support providers, and we have grown as thought leaders in the craniofacial community.

We must use these lessons to continue working through 2021, as we plan to add back some in person gatherings and fundraisers, while being cautious and prudent as public health guardians. Furthermore, we must recognize the pains of 2020 and 2021 show us the areas where we all need the most attention to be paid: inclusivity, justice, and safety have become top priorities in our programming. While these priorities were always there, the silver lining is these cracks have exposed all the more where CCA can let the light in and move towards better outcomes and better service for our craniofacial patients and families.

Sincerely,



Erica (Mossholder) Klauber
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. *For the families who did not have their surgeries postponed or canceled, they often required a two-week quarantine before surgery, so their stays were longer and more difficult, being away from home for such extended periods. We helped families by providing not only additional funding for longer stays, but also by delivering needed staple items to their hotel, like snacks and toys, when they were local to our DFW office.*

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 over 12,000 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.

ChooseKind Educational Initiative – This program also took on a virtual aspect in 2020! Our speakers were able to video chat with virtual classrooms and home-schooled students. While our numbers went down this year, we still reached over 7,600 students with our programming. We also continued to add speakers to our Speakers Bureau, and added video content to our online library of ChooseKind programs.

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. Many have been translated into Spanish. The booklets are in question/answer format, and are written in easy-to-understand text. In addition, 28 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 8,000 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. *To reduce costs, we took the newsletter online and did not mail a printed version. That is why the number of readers went down this year, but we sent a letter to our entire subscriber base letting them know they could find the newsletters online and encouraging them to sign up for the emailed version.*

Annual Family Retreat & Educational Symposium & Virtual Programs – Normally, the Annual Family Retreat & Educational Symposium is held each June and is what the CCA families describe as a life changing experience. *However, we went virtual this year. We moved to a virtual model, which allowed our speakers and presenters to still hold educational and inspirational sessions virtually, and our networking and support groups met via virtual breakout rooms. Pulled together quickly, we were amazed that we had the largest registration to date – 220 families! We found the four-day event to be especially moving and emotional to our members, and after such a positive response, we continued holding virtual meetings and sessions throughout the rest of the year.*

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 & Support – CCA has a list of qualified families who are willing to communicate with families new to CCA. *We have added some training for these families and are planning to train them further as “peer mentors.” 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, which was exasperated by the pandemic.* 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. *Since we were all feeling the sting of isolation even more this year, we selected families to host virtual happy hours and game nights. We also added a surgery support request link on our website, so families could reach out in advance of surgeries, and the added bonus of receiving mail during the pandemic was often the highlight of our patients’ days.*

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

**CHILDREN'S CRANIOFACIAL
ASSOCIATION**

Financial Statements

December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Children's Craniofacial Association

Opinion

We have audited the accompanying financial statements of Children's Craniofacial Association (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Children's Craniofacial Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Children's Craniofacial Association ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

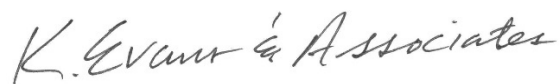
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there

is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Children's Craniofacial Association internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Children's Craniofacial Association ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



K. Evans & Associates, PLLC
Frisco, Texas
May 25, 2021

CHILDREN'S CRANIOFACIAL ASSOCIATION

Statement of Financial Position

December 31, 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	754,977
Contributions receivable		8,715
Inventory		48,498
Prepaid expenses		<u>33,742</u>
Total current assets		845,932

PROPERTY AND EQUIPMENT, NET 268

OTHER ASSET

Deposit		<u>1,727</u>
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TOTAL ASSETS \$ 847,927

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	8,674
Accrued liabilities		2,809
Deferred event revenue		7,400
Deferred rent - short term		1,702
Paycheck protection program loan		<u>44,177</u>
TOTAL CURRENT LIABILITIES		64,762

NET ASSETS

Without Donor Restrictions:		
TOTAL UNRESTRICTED AND UNDESIGNATED NET ASSETS		<u>783,165</u>

TOTAL LIABILITIES AND NET ASSETS \$ 847,927

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

CHILDREN'S CRANIOFACIAL ASSOCIATION

Statement of Activities

For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE & OTHER SUPPORT			
Contributions and Grants	\$ 478,448	\$ -	\$ 478,448
Program Service Fees	4,164	-	4,164
Other Income	7,054	-	7,054
Interest Income	157	-	157
Total Support	<u>489,823</u>	<u>-</u>	<u>489,823</u>
Net assets released from restrictions:	<u>12,500</u>	<u>(12,500)</u>	<u>-</u>
Total Revenue & Other Support	<u>502,323</u>	<u>(12,500)</u>	<u>489,823</u>
EXPENSES			
Program Services	326,950	-	326,950
Management & General	79,751	-	79,751
Fundraising	48,549	-	48,549
	<u>455,250</u>	<u>-</u>	<u>455,250</u>
Changes in Net Assets	<u>47,073</u>	<u>(12,500)</u>	<u>34,573</u>
Net Assets at Beginning of Year	<u>736,092</u>	<u>12,500</u>	<u>748,592</u>
Net Assets at End of Year	<u>\$ 783,165</u>	<u>\$ -</u>	<u>\$ 783,165</u>

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

CHILDREN'S CRANIOFACIAL ASSOCIATION

Statement of Cash Flows For the Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 34,573
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	240
(Increase) decrease in operating assets:	
Accounts receivable	7,474
Inventory	(6,068)
Prepaid expenses	(21,742)
Increase (decrease) in operating liabilities:	
Accounts payable	4,804
Accrued liabilities	(2,782)
Deferred event revenue	7,400
Deferred rent	(1,293)
Net cash provided by (used in) operating activities	<u>22,606</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from the payroll protection program loan	<u>44,177</u>
Net cash provided by (used in) financing activities	<u>44,177</u>
Net increase (decrease) in cash and cash equivalents	66,783
Cash and cash equivalents, beginning	<u>688,194</u>
Cash and cash equivalents, ending	<u>\$ 754,977</u>

There were no income taxes or interest paid during the year ended December 31, 2020.

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

CHILDREN'S CRANIOFACIAL ASSOCIATIONStatement of Functional Expenses
For the Year Ended December 31, 2020

	<u>Programs</u>	<u>Support Services</u>		
	<u>Education</u>	<u>Mgmt</u>		
	<u>and</u>	<u>and</u>		
	<u>Assistance</u>	<u>General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and related expenses	\$ 203,076	\$ 52,338	\$ 29,857	\$ 285,271
Bank charges	-	-	4,607	4,607
Depreciation	-	240	-	240
Dues and subscriptions	500	-	1,547	2,047
Equipment rental	3,340	226	-	3,566
Event expenses	19,737	677	-	20,414
Individual assistance	38,538	-	-	38,538
Insurance expense	-	1,471	-	1,471
Office expenses	5,174	2,643	3,197	11,014
Postage	10,373	284	1,160	11,817
Printing	12,552	260	773	13,585
Professional fees	10,130	16,319	4,975	31,424
Rent expense	18,264	4,628	2,433	25,325
Telephone	2,026	184	-	2,210
Travel and entertainment	3,240	481	-	3,721
	<u>\$ 326,950</u>	<u>\$ 79,751</u>	<u>\$ 48,549</u>	<u>\$ 455,250</u>

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

CHILDREN'S CRANIOFACIAL ASSOCIATION

Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

CHILDREN'S CRANIOFACIAL ASSOCIATION

Notes to the Financial Statements
For the Year Ended December 31, 2020

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. All 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 year ended December 31, 2020.

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.

CHILDREN'S CRANIOFACIAL ASSOCIATION

Notes to the Financial Statements
For the Year Ended December 31, 2020

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, 2020. 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.

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:

		<u>Estimated</u> <u>Useful Life</u>
Office furniture and equipment	\$ 22,059	5-7 years
Accumulated depreciation	(21,791)	
	<u>\$ 268</u>	

Depreciation expense was \$240 for the year ended December 31, 2020.

CHILDREN'S CRANIOFACIAL ASSOCIATION

Notes to the Financial Statements
For the Year Ended December 31, 2020

NOTE 3 — PAYROLL PROTECTION PROGRAM LOAN

On May 1, 2020, the Organization received loan proceeds in the amount of \$44,177 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period.

The Company intends to use the proceeds for purposes consistent with the PPP and that the loan proceeds did meet the conditions for forgiveness of the loan and was forgiven in January 2021.

NOTE 4 — NET ASSETS WITH DONOR RESTRICTIONS

Net assets were released from donor restrictions with donor’s permission to be reclassified as unrestricted for the year ended December 31, 2020:

Choose Kind project	\$ 7,500
Family retreat	5,000
	<u>\$ 12,500</u>

NOTE 5 — LEASE COMMITMENTS

The Association leases office space and equipment under non-cancelable 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:

2021	\$ 25,522
2022	22,075
2023	10,733
	<u>\$ 58,330</u>

Rent expense was \$25,326 for the year ended December 31, 2020.

CHILDREN'S CRANIOFACIAL ASSOCIATION

Notes to the Financial Statements
For the Year Ended December 31, 2020

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, 2020, there were approximately \$67,591 of funds deposited in excess of insured amounts.

NOTE 7— LIQUIDITY AND AVAILABILITY OF RESOURCES

The Association has \$763,692 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of \$754,977 in cash and cash equivalents and contributions receivable of \$8,715. The Association owed \$11,483 of accounts payable and accrued expenses and has \$5,000 of net assets with donor restrictions at December 31, 2020.

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 25, 2021, which is the date that the financial statements were available to be issued.