

**NATIONAL FOUNDATION FOR
ECTODERMAL DYSPLASIAS**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020



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**NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS
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YEARS ENDED DECEMBER 31, 2021 AND 2020**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
National Foundation for Ectodermal Dysplasias
Fairview Heights, Illinois

Opinion

We have audited the accompanying financial statements of National Foundation for Ectodermal Dysplasias (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 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 National Foundation for Ectodermal Dysplasias as of December 31, 2021 and 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 the National Foundation for Ectodermal Dysplasias 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 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.

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 National Foundation for Ectodermal Dysplasias's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

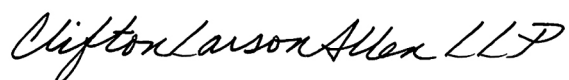
Auditors' Responsibility for the Audit of the Financial Statements

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 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 National Foundation for Ectodermal Dysplasias 's 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 [Name of Organization] 's 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.



CliftonLarsonAllen LLP

St. Louis, Missouri
March 3, 2022

NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 734,683	\$ 742,439
Investments	3,525,150	2,390,866
Pledges Receivable	4,389	4,388
Accounts Receivable	45,724	-
Prepaid Expenses and Other Assets	8,123	10,986
Total Current Assets	4,318,069	3,148,679
UNCONDITIONAL PLEDGES RECEIVABLE, Net of Current Portion	21,574	25,963
Total Assets	\$ 4,339,643	\$ 3,174,642
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 2,711	\$ 794
Treatment Commitments	9,177	14,200
Accrued Expenses	46,878	31,094
Total Current Liabilities	58,766	46,088
Total Liabilities	58,766	46,088
NET ASSETS		
Without Donor Restriction	4,158,034	3,048,264
With Donor Restriction	122,843	80,290
Total Net Assets	4,280,877	3,128,554
Total Liabilities and Net Assets	\$ 4,339,643	\$ 3,174,642

See accompanying Notes to Financial Statements.

NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restriction	With Donor Restriction	Total
PUBLIC SUPPORT AND REVENUE			
Contributions	\$ 1,252,152	\$ 65,523	\$ 1,317,675
Fundraising Special Events	42,265	-	42,265
Conference Registration Fees	4,580	-	4,580
Sales of Publications/Promotional Items	803	-	803
In-Kind Donations - Board of Directors	4,288	-	4,288
In-Kind Donations - Other	8,164	-	8,164
Investment Income	486,159	-	486,159
Gain on Extinguishment of PPP Loan	94,772	-	94,772
Employee Retention Credits	88,501	-	88,501
Net Assets Released from Restrictions	22,970	(22,970)	-
Total Public Support and Revenue	2,004,654	42,553	2,047,207
EXPENSES			
Program Services:			
Support	308,948	-	308,948
Treatment	198,376	-	198,376
Research	216,433	-	216,433
Supporting Services:			
Management and General	13,069	-	13,069
Fundraising	158,059	-	158,059
Total Expenses	894,884	-	894,884
NET CHANGE IN NET ASSETS	1,109,770	42,553	1,152,323
Net Assets - Beginning of Year	3,048,264	80,290	3,128,554
NET ASSETS - END OF YEAR	\$ 4,158,034	\$ 122,843	\$ 4,280,877

See accompanying Notes to Financial Statements.

NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restriction	With Donor Restriction	Total
PUBLIC SUPPORT AND REVENUE			
Contributions	\$ 793,549	\$ -	\$ 793,549
Fundraising Special Events	33,475	-	33,475
Sales of Publications/Promotional Items	207	-	207
In-Kind Donations - Board of Directors	3,981	-	3,981
In-Kind Donations - Other	36,782	-	36,782
Investment Income	303,019	-	303,019
Gain on Extinguishment of PPP Loan	77,200	-	77,200
Net Assets Released from Restrictions	27,367	(27,367)	-
Total Public Support and Revenue	1,275,580	(27,367)	1,248,213
EXPENSES			
Program Services:			
Support	300,233	-	300,233
Treatment	175,739	-	175,739
Research	164,967	-	164,967
Supporting Services:			
Management and General	12,240	-	12,240
Fundraising	131,782	-	131,782
Total Expenses	784,961	-	784,961
NET CHANGE IN NET ASSETS	490,619	(27,367)	463,252
Net Assets - Beginning of Year	2,557,645	107,657	2,665,302
NET ASSETS - END OF YEAR	\$ 3,048,264	\$ 80,290	\$ 3,128,554

See accompanying Notes to Financial Statements.

NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services			Management and	Fundraising	Total
	Support	Treatment	Research	General		
Total Salaries and Related Expenses	\$ 185,113	\$ 135,831	\$ 100,460	\$ 6,447	\$ 104,739	\$ 532,590
Awareness	-	-	-	-	-	-
Board of Directors Expense	2,101	858	600	43	686	4,288
Client Assistance	-	9,500	-	-	-	9,500
Development	4,374	4,063	4,063	3,125	15,627	31,248
Family Conferences	9,391	-	-	-	-	9,391
Family Support Network and Other	630	-	-	-	-	630
Insurance	6,319	2,510	1,926	294	1,503	12,552
Marketing/Communications	3,912	1,597	1,038	80	1,357	7,984
Memberships	15,611	6,244	4,683	624	4,059	31,221
Miscellaneous	6,237	2,546	1,655	127	2,164	12,729
Office - General	1,627	664	432	33	565	3,325
Professional Fees	10,521	4,294	2,791	215	3,650	21,471
Rent - Building	38,146	15,552	10,120	778	13,234	77,830
Repairs and Maintenance	11,826	4,827	3,379	241	3,861	24,134
Research Funding	465	190	123	9	161	949
Special Events	-	-	76,156	-	-	76,156
Utilities	1,334	1,239	1,239	953	4,765	9,530
	6,477	6,477	6,478	-	-	19,432
	4,863	1,985	1,290	99	1,687	9,924
Total Expenses	\$ 308,948	\$ 198,376	\$ 216,433	\$ 13,069	\$ 158,059	\$ 894,884

See accompanying Notes to Financial Statements.

NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services			Management and	Fundraising	Total
	Support	Treatment	Research	General		
Total Salaries and Related Expenses	\$ 181,856	\$ 122,497	\$ 100,805	\$ 5,834	\$ 86,069	\$ 497,061
Bank and Credit Card Fees						-
Awareness	2,621	2,621	2,621	-	-	7,863
Board of Directors Expense	2,062	842	589	42	673	4,208
Client Assistance	-	(2,951)	-	-	-	(2,951)
Development	3,028	2,813	2,813	2,164	10,819	21,637
Family Conferences	6,755	-	-	-	-	6,755
Family Support Network	2,795	-	-	-	-	2,795
In-Kind - Professional and Other	14,821	9,881	9,881	823	5,764	41,170
Insurance	2,572	1,050	735	767	840	5,964
Marketing/Communications	13,868	5,548	4,161	555	3,606	27,738
Memberships	7,533	3,074	2,152	154	2,460	15,373
Miscellaneous	1,178	481	337	24	385	2,405
Office - General	4,905	1,960	1,372	99	1,568	9,904
Professional Fees	31,004	12,655	8,858	633	10,124	63,274
Program	20	20	21	-	-	61
Rent - Building	11,826	4,827	3,379	241	3,861	24,134
Repairs and Maintenance	425	174	121	9	139	868
Research Funding	-	-	17,420	-	-	17,420
Special Events	1,125	1,045	1,045	804	4,019	8,038
Advocacy	7,384	7,384	7,384	-	-	22,152
Utilities	4,455	1,818	1,273	91	1,455	9,092
Total Expenses	<u>\$ 300,233</u>	<u>\$ 175,739</u>	<u>\$ 164,967</u>	<u>\$ 12,240</u>	<u>\$ 131,782</u>	<u>\$ 784,961</u>

See accompanying Notes to Financial Statements.

NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Change in Net Assets	\$ 1,152,323	\$ 463,252
Adjustments to Reconcile Net Change in Net Assets to Cash and Cash Equivalents Provided by Operating Activities:		
Donated Investments	(449,149)	(121,512)
Proceeds from Sale of Donated Investments	333,020	-
Investment (Gain) Loss	(460,378)	(278,693)
(Increase) Decrease in:		
Pledges Receivable	4,388	4,388
Accounts Receivable	(45,724)	-
Prepaid Expenses and Other Assets	2,863	(3,157)
Increase (Decrease) in:		
Accounts Payable	1,917	(11,167)
Commitments	(5,023)	(5,800)
Accrued Expenses	15,784	10,699
Net Cash and Cash Equivalents Provided by Operating Activities	550,021	58,010
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(1,578,116)	(319,363)
Proceeds from Sale of Investments	1,020,339	200,609
Net Cash and Cash Equivalents Used by Investing Activities	(557,777)	(118,754)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(7,756)	(60,744)
Cash and Cash Equivalents - Beginning of Year	742,439	803,183
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 734,683	\$ 742,439

See accompanying Notes to Financial Statements.

NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

National Foundation for Ectodermal Dysplasias (the Foundation) is a nonprofit organization whose mission is to empower and connect people touched by Ectodermal Dysplasias through education, support, and research.

Description of Programs and Support Activities

The accompanying financial statements include the following program services and supporting activities:

Support – The Family Support Council, comprised of family members and affected individuals, oversees the Foundation’s support programs that seek to empower and connect individuals affected by ectodermal dysplasias and their families. The Foundation publishes high quality information to provide families with knowledge that will increase their quality of life. Information is shared through the First Connect Program, a web site, medical/dental guide series, and conferences. The National Family Conference is the Foundation’s hallmark program bringing entire families together to learn, share, and network with one another and with expert care providers. Affected children and their siblings attend Kids Camp at the conferences where they participate in educational and social activities with other children like them to develop self-esteem. The Foundation provides financial assistance to individuals to attend the Family Conference and academic scholarship for post-secondary education to recognize the achievements of our youth. The Foundation’s Family-to-Family Network connects families with a caring liaison in their region who can provide moral support, information and practical advice, guidance, and resources.

Treatment – Medical and dental experts comprise the Patient Care Council which oversees the Foundation’s initiatives to improve treatment of ectodermal dysplasias. The Foundation teaches care providers how to diagnose and treat the rare disorders through professional symposia and Grand Rounds at universities. The Foundation advocates for improving access to care with sponsoring legislation to cover congenital anomalies, and collaborating with universities, government, patient health organizations. Affected individuals can receive more affordable care from experienced teams of dentists in treatment of ectodermal dysplasias at Foundation Dental Treatment Centers in the U.S. The Foundation also helps families pay for needed care through the Treatment Assistance Program and insurance coaching.

Research – The Scientific Advisory Council oversees the Foundation’s research initiatives, aimed to improve the health and quality of life of affected individuals by finding management solutions and, eventually, finding cures for ectodermal dysplasias. The Foundation advances research through advocacy and partnerships with organizations such as the National Institutes of Health. The Foundation provides seed funds to researchers, provides them with access to affected individuals, and shares information to launch larger projects. The web-based Ectodermal Dysplasias International Registry serves as a repository of clinical information and facilitates communication among affected individuals, clinicians involved in their treatment, and scientists who strive to advance research on ectodermal dysplasias. The Foundation also sponsors scientific meetings to increase understanding of the disorders.

NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Description of Programs and Support Activities (Continued)

Management and General – These activities include functions necessary to administer and manage office operations and all programs. It also includes legal, financial, and fiduciary requirements.

Fundraising – These activities include development and fundraising efforts necessary to promote and acquire financial support from individuals, organizations, and corporations in order to meet the mission of the Foundation.

Basis of Presentation

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and the changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed stipulations that may be met by actions of the Foundation and/or the passage of time. Other net assets require that they be maintained in perpetuity by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for specific purposes. The Foundation did not have net assets to be maintained in perpetuity at December 31, 2021 and 2020.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues, and expenses during the reporting period including grant and contract revenues subject to review by applicable funding agencies. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of balance sheet presentation and reporting of cash flows, cash and cash equivalents include unrestricted demand deposits and money market funds. Short-term cash equivalents that are managed as part of long-term investment strategies are included with investments.

NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Pledges

The Foundation receives pledges in the form of grants and contributions. Pledges, including unconditional promises to give cash and other assets to the Foundation in the future, are recognized as revenue at fair value in the period received. The gifts are reported as with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of operations as net assets released from restrictions. Donor-imposed contributions whose restrictions are met in the same year as received are reported as unrestricted contributions in the accompanying financial statements. Unconditional promises to give in subsequent years are reflected as pledges receivable and are recorded at the face value of the expected future cash flows. Based on management's assessment of the pledge receivable, they have concluded an allowance for doubtful accounts for pledge receivables would be immaterial.

Investments

Investments are recorded in accordance with *Accounting for Certain Investments Held by Not-for-Profit Organizations*. As such, investments in marketable securities with readily determinable fair values are reported at fair value in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Property and Equipment

It is the Foundation's policy to capitalize property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Other Assets

Other assets consist primarily of auction items donated for the Foundation's various fundraising events. These items are recorded at estimated fair value, as determined by management, at the time of receipt.

Tax Status

The Foundation is tax-exempt under Section 501(c)(3) of the Internal Revenue Code and, therefore, is exempt from both federal and state income taxes. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Donated Materials and Services

Donated property and equipment, investments and other noncash donations are recorded as contributions at their fair value at the date of donation. The Foundation reports the donations as support without donor restrictions, unless explicit donor stipulations specify how the assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as support with donor restrictions. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the assets are placed in service. The Foundation records donated property, equipment, and services related to fundraising special events as In-Kind Donations to Fundraising Special Events Revenue and In-Kind Special Events Expense.

The Foundation records the value of donated services when there is an objective basis available to measure the donation's value. In addition, many individuals' volunteer time and skills to perform a variety of tasks that assist the Foundation, but these services do not meet the criteria for recognition as donated services.

In-kind donations in 2021 balance consisted primarily of special events donations and board of directors' travel expenses, and office rent donated by the Foundation's landlord. In 2020, balance consisted primarily of special event donations, legal expenses, and office rent donated by the Foundation's landlord. The in-kind office rent donation, which is a discount of \$2 per square foot of office space, totaled \$65,820, and will be released from restriction over the term of the lease agreement, which began in December 2012 and was extended in 2017 through December 2027.

Functional Expenses

The Foundation allocates its expenses on a functional basis to its programs and supporting services. Expenses that can be identified with a specific program and supporting service are allocated directly according to their natural expenditure classification. Expenses that are common to several functions are primarily allocated based on management's estimate of job descriptions.

Treatment and Research Commitments

Unconditional grants to third parties are recorded as program expenses in the period in which the grants are authorized. Conditional grants or contributions are recorded as expense in the period in which the conditions have been substantially met by the grantee.

Fair Value Measurements

Financial assets have been disclosed at their respective fair values or measured at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date on a recurring basis. The financial assets are valued using the following fair value hierarchy in order to disclose the measurement of fair value based on three levels of observable or unobservable inputs:

NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Fair Value Measurements (Continued)

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that the Foundation has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect the Foundation's own assumptions about the assumptions that market participants would use in pricing the asset, based on the best information available in the circumstances.

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual Funds: Valued at the closing price reported on the active market on which the individual funds are traded.

Equity Securities: Valued at the closing price reported on the active market on which the individual funds are traded.

Exchange Traded Funds: Valued at the closing price reported on the active market on which the individual funds are traded.

Concentration of Credit Risk

The Foundation maintains a portion of its cash and investments in deposit and fund accounts that at times may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. The Foundation believes it is not exposed to any significant credit risk on its cash and investments.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through March 3, 2022, the date the financial statements were available to be issued.

NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	2021	2020
Furnishings, Fixtures, and Equipment	\$ 41,323	\$ 41,323
Less: Accumulated Depreciation	(41,323)	(41,323)
Total Net of Depreciation	\$ -	\$ -

There was no depreciation expense for the years ended December 31, 2021 and 2020, respectively.

NOTE 3 INVESTMENTS

Investments at fair value consist of the following at December 31:

	2021	2020
Level 1 Assets:		
Equity Securities:		
Financial Services	\$ 55,949	\$ 35,244
Technology	33,236	111,020
Communication Services	26,688	28,655
Total Equity Securities	115,873	174,919
Mutual Funds:		
Large Value	498,647	388,059
Large Blend	2,271,881	815,064
Mid-Cap Blend	-	266,088
World Stock	159,458	517,161
Total Mutual Funds	2,929,986	1,986,372
Exchange Traded Fund:		
Large Blend	479,291	229,575
Total Exchange Traded Fund	479,291	229,575
Total Level 1 Assets	\$ 3,525,150	\$ 2,390,866

Investment return for the years ended December 31 is summarized as follows:

	2021	2020
Interest and Dividends	\$ 25,781	\$ 24,326
Realized Investment Gains	403,695	74,899
Unrealized Investment Gains	56,683	203,794
Total	\$ 486,159	\$ 303,019

NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 4 PLEDGES RECEIVABLE

Pledges receivable are due as follows:

	<u>2021</u>	<u>2020</u>
Due in Less Than One Year	\$ 4,389	\$ 4,388
Due in One to Five Years	21,574	25,963
Face Value of Pledges Receivable	<u>\$ 25,963</u>	<u>\$ 30,351</u>

NOTE 5 LIQUIDITY AND AVAILABILITY

Financial assets available for grants, treatment, research, support, and other expenses within one year of the statements of financial position date comprise the following at December 31:

	<u>2021</u>	<u>2020</u>
Cash and Equivalents	\$ 734,683	\$ 742,439
Investments	3,525,150	2,390,866
Financial Assets Available for Expenses	4,259,833	3,133,305
Purpose Restricted Expenses	(96,882)	(49,940)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 4,162,951</u>	<u>\$ 3,083,365</u>

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or periods at December 31:

	<u>2021</u>	<u>2020</u>
In-Kind Rent	\$ 25,961	\$ 30,350
Research Program	96,882	49,940
Total Net Assets with Donor Restrictions	<u>\$ 122,843</u>	<u>\$ 80,290</u>

Net assets released from donor restrictions for the years ended December 31 are as follows:

	<u>2021</u>	<u>2020</u>
Research Program	\$ 18,581	\$ 15,794
Treatment Program	-	3,621
Advocacy	-	3,563
In-Kind Rent	4,389	4,389
Total	<u>\$ 22,970</u>	<u>\$ 27,367</u>

NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 7 TREATMENT AND RESEARCH COMMITMENTS

Commitments payable (at face value) for treatment and research are to be paid as follows:

	2021	
	Treatment	Research
Due in Less Than One Year	\$ 9,177	\$ -
Due in One to Five Years	-	-
Total	\$ 9,177	\$ -
	2020	
	Treatment	Research
Due in Less Than One Year	\$ 14,200	\$ -
Due in One to Five Years	-	-
Total	\$ 14,200	\$ -

Family conference scholarships are generally committed and expensed in the same fiscal year and did not have any outstanding commitments at December 31, 2021 or 2020.

NOTE 8 OPERATING LEASES

The Foundation rents office space and certain office equipment under operating lease arrangements that expire at various dates through November 2027. Rent expense totaled \$28,296 and \$29,897 for the years ended December 31, 2021 and 2020, respectively.

Future minimum lease payments at December 31, 2021 are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 29,032
2023	29,032
2024	29,032
2025	29,032
2026	27,133
Thereafter	22,634
Total	\$ 165,895

NOTE 9 EMPLOYEE BENEFIT PLAN

The Foundation provides a SIMPLE individual retirement plan to substantially all employees. At their discretion, the Foundation's board of directors may approve Foundation contributions to the Plan. In 2021 and 2020, contribution expenses totaled \$11,680 and \$9,024, respectively.

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NOTE 10 RISKS AND UNCERTAINTIES

In March of 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Foundation for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

April 15, 2020, the Foundation received a loan from Regions Bank in the amount of \$77,200 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). On December 1, 2020 the Foundation received notification from Regions bank that the first PPP loan was forgiven. February 4, 2021 the Foundation received a second PPP Loan (2/4/21 – 4/14/21) from Regions Bank in the amount of \$94,772 and this was forgiven on June 14, 2021. These amounts are forgiven subject to compliance and approval by the Small Business Association based on the timing and use of these funds in accordance with the program.

The Foundation received employee retention credit (ERC) for the 2nd quarter (4/15/21 – 6/30/21) of 2021 of \$42,777. The ERC is a fully refundable payroll tax credit for qualified wages (including allocable qualified health plan expenses) that eligible employers pay their employees. For 2021, the credit amount is 70 percent of qualified wages (including allocable qualified health plan expenses), up to 10,000 per quarter for each eligible employee. There is a receivable at year-end for the 3rd quarter (7/1/21 – 9/30/21) ERC totaling \$45,724. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program.

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