

Cornelia de Lange
Syndrome Foundation, Inc.

FINANCIAL STATEMENTS

For the years ended
December 31, 2011 and 2010

Cornelia de Lange
Syndrome Foundation, Inc.
Financial Statements
For the years ended December 31, 2011 and 2010

Table of Contents

Accountants' Audit Report	1
Statements of Financial Position - December 31, 2011 and 2010	2
Statements of Activities for the years ended December 31, 2011 and 2010	3
Statements of Cash Flows for the years ended December 31, 2011 and 2010	4
Notes to Financial Statements	5 - 8
Schedules of Functional Expenses - Program Services for the years ended December 31, 2011 and 2010	9
Schedules of Functional Expenses - Support Services for the years ended December 31, 2011 and 2010	10

BOTTARO, MORRILL & COMPANY, LLC

Certified Public Accountants

207 Pitkin Street
East Hartford, CT 06108
(860) 289-2766
(860) 289-2776 (FAX)

To the Board of Directors of
Cornelia de Lange Syndrome Foundation, Inc.

Independent Auditor's Report

We have audited the accompanying statements of financial position of Cornelia de Lange Syndrome Foundation, Inc. (a nonprofit organization) as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Cornelia de Lange Syndrome Foundation, Inc.'s management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the overall accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cornelia de Lange Syndrome Foundation, Inc. as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of functional expenses on pages 9 and 10 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material aspects in relation to the basic financial statements taken as a whole.



Bottaro, Morrill & Company, LLC

March 16, 2012

Cornelia de Lange Syndrome Foundation, Inc.

Statements of Financial Position

December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 382,635	\$ 354,800
Investments	530,576	555,101
Total current assets	<u>913,211</u>	<u>909,901</u>
Equipment	142,691	120,244
Less: accumulated depreciation	(110,456)	(98,345)
Total fixed assets, net	<u>32,235</u>	<u>21,899</u>
Other asset		
Security deposit	<u>1,230</u>	<u>1,230</u>
Total assets	<u>\$ 946,676</u>	<u>\$ 933,030</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	<u>\$ 26,046</u>	<u>\$ 19,098</u>
Net assets		
General funds	268,873	270,354
Board designated funds	621,437	635,463
Total unrestricted funds	<u>890,310</u>	<u>905,817</u>
Temporarily restricted net assets	<u>30,320</u>	<u>8,115</u>
Total net assets	<u>920,630</u>	<u>913,932</u>
Total liabilities and net assets	<u>\$ 946,676</u>	<u>\$ 933,030</u>

See independent accountant's audit report and notes to financial statements

Cornelia de Lange Syndrome Foundation, Inc.
 Statements of Activities
 For the years ended December 31, 2011 and 2010

	2011	2010
Unrestricted Net Assets		
Support		
Contributions and donations	378,699	410,567
Special events	479,490	407,754
Grants	77,804	263,932
National conference	320	69,931
Net assets released from restrictions	-	43,714
Total support revenue	936,313	1,195,898
Revenue		
Interest and dividend income, net of fees	13,808	13,529
Net realized and unrealized gains (losses)	(37,343)	30,809
Total revenue	(23,535)	44,338
Total support and revenue	912,778	1,240,236
Expenses		
Program Services (Schedule I)		
Family support	340,075	362,303
Public information and education	237,400	301,619
Professional development, outreach and awareness	212,708	255,492
Research	28,790	19,631
Total program services	818,973	939,045
Support Services (Schedule II)		
Management and general	49,085	45,509
Fundraising costs	60,227	65,319
Total support services	109,312	110,828
Total expenses	928,285	1,049,873
Change in unrestricted net assets	(15,507)	190,363
Temporarily Restricted Net Assets		
Contributions and grants	22,205	28,342
Net assets released from restrictions	-	(43,714)
Change in temporarily restricted net assets	22,205	(15,372)
Total change in net assets	6,698	174,991
Net assets, beginning of year	913,932	738,941
Net assets, end of year	920,630	913,932

See independent accountant's audit report and notes to financial statements

Cornelia de Lange Syndrome Foundation, Inc.
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2011 and 2010

	2011	2010
Cash flows from operating activities		
Change in net assets	\$ 6,698	\$ 174,991
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	12,210	8,385
Net realized and unrealized (gains) losses	37,343	(30,809)
Contributions of investments	-	(9,951)
Increase (decrease) in accounts payable	6,948	(2,199)
Net cash provided by operating activities	63,199	140,417
Cash flow from investing activities:		
Purchases of fixed assets	(22,546)	(7,397)
Net sales (purchases) of investments	(12,818)	(119,015)
Net cash used by investing activities	(35,364)	(126,412)
Net increase in cash and equivalents	27,835	14,005
Cash and equivalents, beginning of year	354,800	340,795
Cash and equivalents, end of year	\$ 382,635	\$ 354,800

See independent accountant's report and notes to financial statements

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Description of Foundation - Cornelia de Lange Syndrome Foundation, Inc. (the Foundation) was incorporated in December 1981 as a family support organization, which exists to ensure early and accurate diagnosis of Cornelia de Lange Syndrome (CdLS), promote research into the causes and manifestations of the syndrome, and assist with a diagnosis of CdLS. From its sole office in Avon, Connecticut, Foundation Family Service Coordinators (FSCs) respond to the needs of families and health professionals by providing information about the syndrome, facilitating access to the Foundation's Clinical Advisory Board, and maintaining a national network of volunteer coordinators who extend the support services available. In addition, the Foundation operates numerous programs and produces publications to promote awareness of the syndrome and its impact on families.

The Foundation has the following programs for the years ended December 31, 2011 and 2010:

Family Support - Family Service Coordinators (FSCs) address needs of family members and health professionals in both the short and long term. FSCs answer phone calls from parents whose children have been recently diagnosed, parents needing guidance for a medical or educational decision, or families whose child has recently become ill or passed away. FSCs focus the resources of the Foundation on families by coordinating regional gatherings, supporting volunteer regional coordinators and serving as the direct point-of-contact for all family calls to the office.

Public Information and Education - The Foundation produces numerous educational publications, including a quarterly newsletter, Reaching Out, to communicate valuable information to families, friends, and health professionals nationwide.

Professional Development, Outreach and Awareness - In-house public affairs staff work to promote awareness of CdLS and the services available to professionals through the Foundation. Awareness efforts are achieved with the assistance of a nationwide network of volunteer awareness coordinators who host events, encourage media coverage of families caring for children with CdLS, and distribute Foundation-related promotional items to their local health professional community as well as to their community at-large.

Research - The Foundation supports basic science and clinical research projects to ensure that the information it provides remains the most current and accurate available.

Basis of Accounting - The financial statements of the Foundation have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Financial Statement Presentation - Net assets, support and revenues, and expenses, are classified as unrestricted and temporarily restricted based upon the following criteria:

- Unrestricted net assets represent expendable funds available for operations, which are not otherwise limited by donor restrictions. Included in unrestricted net assets are Board-designated funds which are not donor restricted and do not meet the definition of restricted net assets.
- Temporarily restricted net assets represent contributions and grants that are restricted by the donor either as to purpose or as to time expenditure.

Cash and Cash Equivalents - For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Furniture and equipment - Furniture and equipment are capitalized at cost. Furniture and equipment are being depreciated over estimated useful lives of five to seven years using the straight-line method. Depreciation expense for the years ending December 31, 2011 and 2010 was \$12,210 and \$8,385, respectively.

Contributions - Contributions received as well as collectible unconditional promises to give are recognized in the period received. Grants which are transferred on a reimbursement basis are recognized as income in the period in which the application for reimbursement is submitted for payment.

Functional Allocation of Expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been assigned to the programs and supporting services benefited.

Credit Risk - The Foundation's financial instruments that are exposed to concentrations of credit risk are cash and cash equivalents. The Foundation places its cash deposits with high credit quality institutions and such deposits at times have exceeded Federal depository insurance limits. However, the Foundation has not experienced any losses in this area and management believes its cash deposits are not subject to significant credit risk.

Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results may differ from those estimates.

Cornelia de Lange Syndrome Foundation, Inc.
Notes to the Financial Statements

2. NET ASSETS

The net assets of the Foundation are considered unrestricted and temporarily restricted as defined by generally accepted accounting principles (See Note 1). At December 31, 2011 and 2010 the net assets of the Foundation totaled \$920,630 and \$913,932, respectively. In the event that the Foundation shall terminate, it shall dispose of its net assets in a manner consistent with its status as a tax-exempt entity under the Internal Revenue Code.

Temporarily restricted net assets are available for the following purposes:

	2011	2010
2012 National Conference	\$ 5,230	\$ -
21st Century Future Conferences Fund	25,090	8,115

3. CONTRIBUTED SERVICES AND ASSETS

During the years ended December 31, 2011 and 2010, the Foundation received donated services from many individual volunteers to perform a variety of tasks that assist the Foundation in running programs and fundraising. No amounts have been recognized in the accompanying statement of activities because the criterion for recognition as contributed services under generally accepted accounting principles has not been satisfied.

Donated assets are recognized at their fair value. Contributions of stock are valued at fair market value at the time it was received. The Foundation received donations of stock valued at \$-0- and \$34,892 during the years ended December 31, 2011 and 2010 respectively.

4. INVESTMENTS

The Foundation maintains its investments at fair value. Accordingly, the gains or losses that result from changes in fair value are reported in the statement of activities for the period in which they occur.

Investments at December 31, 2011 and 2010 are summarized as follows:

	2011	2010
Stocks	\$ -	\$ -
Mutual Funds	\$ 530,576	555,101
Total	\$ 530,576	\$ 555,101

Investment return for the years ended December 31, 2011 and 2010 is as follows:

	2011	2010
Interest and Dividend Income	\$ 19,546	\$ 18,803
Net realized & unrealized gains	(37,343)	30,809
Investment expenses	(5,738)	(5,274)
Total return	\$ (23,535)	\$ 44,338

See independent accountant's report

4. INVESTMENTS (continued)

During the years ended December 31, 2011 and 2010, available-for-sale securities were sold for total proceeds of \$127,852 and \$351,300, respectively. The gross realized gains (losses) on these sales totaled \$9,213 and \$15,879 in 2011 and 2010 respectively. For the purpose of determining gross realized gains (losses), the cost of securities sold is based on specific identification. Net unrealized holdings gains (losses) on available-for-sale securities in the amount of \$(46,556) and \$14,930 for the years ended December 31, 2011 and 2010 respectively, have been included in revenues.

5. PENSION

The Foundation has a 403(b) Plan to provide retirement benefits for its employees. Employees may contribute up to the annual maximum as set periodically by the Internal Revenue Service. The Foundation does not match employee contributions.

6. FACILITY LEASE

In 2010 the Foundation renewed a five-year office lease expiring on February 2015, at an annual rent of \$33,975. Rent expense amounted to \$33,575 and \$33,598 for the years ended December 31, 2011 and 2010, respectively.

The following is a schedule of future minimum rental payments required under the above operating lease as of December 31, 2011.

<u>Year Ending December 31,</u>	<u>Amount</u>
2012	\$ 33,975
2013	33,975
2014	33,975
2015	5,663

7. TAX STATUS

The Corporation is a nonprofit organization exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and contributions to the corporation are therefore deductible by the donor under I.R.C. Section 170(b)(1)(A)(vi).

8. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through March 16, 2012, the date which the financial statements were available to be issued.

CORNELIA DE LANGE SYNDROME FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the years ended December 31, 2011 and 2010

Schedule I

Program Services

	Family Support Program	Public Information and Education	Professional Development, Outreach and Awareness	Research	Total Program Services	Comparative Totals 2010
Salaries, Payroll Taxes	\$ 200,243	\$ 122,226	\$ 145,631	\$ 5,201	\$ 473,301	\$ 459,409
Employee Benefits	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Events & Public Relations	32,133	21,140	19,449	4,228	76,950	45,792
Insurance	1,280	903	779	1,008	3,970	4,549
Meetings & Seminars	29,265	25,997	10,358	-	65,620	206,008
Office Expense	5,435	4,954	1,125	300	11,814	18,650
Postage	4,159	8,430	7,874	-	20,463	33,871
Professional Fees	18,755	19,655	8,754	-	47,164	76,454
Rent	15,289	9,513	6,795	340	31,937	31,582
Printing	9,634	10,978	3,476	-	24,088	26,009
Telephone	5,172	1,492	980	326	7,970	5,155
Research Grants	3,925	6,500	-	15,000	25,425	2,570
Dues and Subscriptions	-	-	1,600	-	1,600	20,296
Equipment Rental & Maintenance	14,785	5,612	5,887	2,387	28,671	8,700
Total Expenses	\$ 340,075	\$ 237,400	\$ 212,708	\$ 28,790	\$ 818,973	\$ 939,045

CORNELIA DE LANGE SYNDROME FOUNDATION, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES
 For the years ended December 31, 2011 and 2010

Schedule II

	<u>Support Services</u>			
	Management & General	Fund Raising	Total Support Services	Comparative Totals 2010
Salaries, Payroll Taxes				
Employee Benefits	\$ 18,204	\$ 28,606	\$ 46,810	\$ 45,436
Depreciation	12,210	-	12,210	8,385
Events & Public Relations	2,537	5,074	7,611	5,088
Insurance	133	176	309	353
Meetings & Seminars	2,130	5,889	8,019	10,781
Office Expense	2,243	1,755	3,998	5,649
Postage	1,482	6,199	7,681	9,699
Professional Fees	2,125	1,125	3,250	4,882
Rent	1,019	1,019	2,038	2,016
Printing	1,460	2,875	4,335	10,923
Telephone	143	165	308	228
Research Grants	827	775	1,602	-
Dues and Subscriptions	-	-	-	2,150
Equipment Rental & Maintenance	4,572	6,569	11,141	5,238
Total Expenses	\$ 49,085	\$ 60,227	\$ 109,312	\$ 110,828