

Cornelia de Lange
Syndrome Foundation, Inc.

FINANCIAL STATEMENTS

For the years ended
December 31, 2016 and 2015

Cornelia de Lange Syndrome Foundation, Inc.
Financial Statements
For the years ended December 31, 2016 and 2015

Table of Contents

Independent Auditor's Report	1
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses - Program Services	4
Statements of Functional Expenses - Support Services	5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 10

BOTTARO, MORRILL & COMPANY, LLC

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

Independent Auditor's Report

We have audited the accompanying financial statements of Cornelia de Lange Syndrome Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Cornelia de Lange Syndrome Foundation, Inc. as of December 31, 2016 and 2015, 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.



Bottaro, Morrill & Company, LLC

October 30, 2017

Cornelia de Lange Syndrome Foundation, Inc.

Statements of Financial Position

December 31, 2016 and 2015

	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 427,461	\$ 610,553
Investments	792,065	658,873
Fundraising inventory	5,177	5,464
Total current assets	<u>1,224,703</u>	<u>1,274,890</u>
Fixed assets:		
Equipment	72,284	66,934
Less: accumulated depreciation	(64,282)	(60,379)
Total fixed assets, net	<u>8,002</u>	<u>6,555</u>
Other asset:		
Security deposit	<u>1,230</u>	<u>1,230</u>
Total assets	<u>\$ 1,233,935</u>	<u>\$ 1,282,675</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued expenses	<u>\$ 27,067</u>	<u>\$ 23,533</u>
Net assets:		
General funds	306,275	423,717
Board designated funds	809,837	747,669
Total unrestricted funds	<u>1,116,112</u>	<u>1,171,386</u>
Temporarily restricted net assets	<u>90,756</u>	<u>87,756</u>
Total net assets	<u>1,206,868</u>	<u>1,259,142</u>
Total liabilities and net assets	<u>\$ 1,233,935</u>	<u>\$ 1,282,675</u>

See independent auditor's report and notes to financial statements

Cornelia de Lange Syndrome Foundation, Inc.
 Statements of Activities
 For the years ended December 31, 2016 and 2015

	2016	2015
Unrestricted Net Assets:		
Support		
Contributions and donations	\$ 388,451	\$ 395,903
Special events	386,079	427,525
Grants	51,785	55,069
Fundraising merchandise sales, net of costs	(2,331)	1,431
National conference	140,903	-
Net assets released from restrictions	-	100,100
Total support revenue	<u>964,887</u>	<u>980,028</u>
Revenue		
Interest and dividend income, net of fees	7,302	11,572
Net realized and unrealized gains (losses)	45,252	(33,524)
Total revenue	<u>52,554</u>	<u>(21,952)</u>
Total support and revenue	<u>1,017,441</u>	<u>958,076</u>
Expenses:		
Program Services (Schedule I)		
Family support	457,217	276,828
Public information and education	212,443	196,053
Professional development, outreach and awareness	217,879	176,679
Research	54,012	44,057
Total program services	<u>941,551</u>	<u>693,617</u>
Support Services (Schedule II)		
Management and general	59,741	43,568
Fundraising costs	71,423	59,425
Total support services	<u>131,164</u>	<u>102,993</u>
Total expenses	<u>1,072,715</u>	<u>796,610</u>
Change in unrestricted net assets	<u>(55,274)</u>	<u>161,466</u>
Temporarily Restricted Net Assets:		
Contributions and grants	3,000	1,150
Net assets released from restrictions	-	(100,100)
Change in temporarily restricted net assets	<u>3,000</u>	<u>(98,950)</u>
Total change in net assets	\$ (52,274)	\$ 62,516
Net assets, beginning of year	1,259,142	1,196,626
Net assets, end of year	<u>\$ 1,206,868</u>	<u>\$ 1,259,142</u>

See independent auditor's report and notes to financial statements

CORNELIA DE LANGE SYNDROME FOUNDATION, INC.
Statements of Functional Expenses
For the years ended December 31, 2016 and 2015

Program Services

	Family Support Program		Public Information and Education		Professional Development, Outreach and Awareness		Research		Comparative Totals	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Salaries, Payroll Taxes	\$ 192,060	\$ 178,048	\$ 117,231	\$ 108,678	\$ 139,680	\$ 129,489	\$ 4,989	\$ 4,625	\$ 453,960	\$ 420,840
Employee Benefits	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Events and Public Relations	19,251	21,955	19,251	20,540	8,938	10,910	1,375	1,125	48,815	54,530
Insurance	2,320	1,690	1,416	1,268	1,687	1,054	60	1,364	5,483	5,376
Meetings and Seminars	171,888	17,047	10,430	9,529	19,823	2,387	1,736	1,416	203,877	30,379
Office Expense	2,522	1,458	1,527	2,293	1,605	1,320	57	320	5,711	5,391
Postage	3,583	5,272	9,159	9,778	2,606	804	93	48	15,441	15,902
Professional Fees	32,993	17,467	18,907	15,064	22,856	11,468	-	-	74,756	43,999
Rent	13,080	15,289	7,984	9,513	9,513	6,795	340	340	30,917	31,937
Printing	5,353	7,909	18,752	9,514	1,617	6,041	26	-	25,748	23,464
Telephone	2,329	2,019	1,022	1,250	409	520	41	54	3,801	3,843
Research Grants	-	-	-	-	-	-	45,158	34,765	45,158	34,765
Dues and Subscriptions	6,025	5,782	3,216	5,371	4,918	2,133	137	-	14,296	13,286
Equipment Rental and Maintenance	5,813	2,892	3,548	3,255	4,227	3,758	-	-	13,588	9,905
Total Expenses	\$ 457,217	\$ 276,828	\$ 212,443	\$ 196,053	\$ 217,879	\$ 176,679	\$ 54,012	\$ 44,057	\$ 941,551	\$ 693,617

CORNELIA DE LANGE SYNDROME FOUNDATION, INC.
Statements of Functional Expenses
For the years ended December 31, 2016 and 2015

Support Services						
	Management and General		Fund Raising		Comparative Totals	
	2016	2015	2016	2015	2016	2015
Salaries, Payroll Taxes						
Employee Benefits	\$ 17,460	\$ 16,186	\$ 27,437	\$ 25,435	\$ 44,897	\$ 41,621
Depreciation	3,903	4,829	-	-	3,903	4,829
Events and Public Relations	688	954	19,251	10,978	19,939	11,932
Insurance	2,172	179	331	237	2,503	416
Meetings and Seminars	23,035	1,727	5,438	5,092	28,473	6,819
Office Expense	638	2,502	3,128	960	3,766	3,462
Postage	2,223	1,204	1,981	2,504	4,204	3,708
Professional Fees	5,602	8,639	6,365	1,211	11,967	9,850
Rent	1,189	1,019	1,869	1,019	3,058	2,038
Printing	179	1,162	3,917	5,348	4,096	6,510
Telephone	163	110	123	85	286	195
Research Grants	-	-	-	-	-	-
Dues and Subscriptions	1,090	1,756	753	1,788	1,843	3,544
Equipment Rental and Maintenance	1,399	3,301	830	4,768	2,229	8,069
Total Expenses	\$ 59,741	\$ 43,568	\$ 71,423	\$ 59,425	\$ 131,164	\$ 102,993

Cornelia de Lange Syndrome Foundation, Inc.
 Statements of Cash Flows
 For the years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Change in net assets	\$ (52,274)	\$ 62,516
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,903	4,829
Net realized and unrealized (gains) losses	(45,252)	33,524
Contributions of investments	(10,100)	(10,130)
(Increase) decrease in:		
Promises to give	-	100,100
Inventories	287	(5,464)
Increase (decrease) in:		
Accrued liabilities	3,534	(17,071)
Net cash provided (used) by operating activities	<u>(99,902)</u>	<u>168,304</u>
Cash flow from investing activities:		
Purchases of fixed assets	(5,350)	-
Net purchases of investments	<u>(77,840)</u>	<u>(15,234)</u>
Net cash used by investing activities	<u>(83,190)</u>	<u>(15,234)</u>
Net increase (decrease) in cash and equivalents	(183,092)	153,070
Cash and equivalents, beginning of year	610,553	457,483
Cash and equivalents, end of year	<u>\$ 427,461</u>	<u>\$ 610,553</u>

See independent auditor'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, 2016 and 2015:

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, 2016 and 2015 was \$3,903 and \$4,829, respectively.

Inventories - Inventories consist of fundraising items for sale through the Organization's website. They are stated at the lower of cost (first-in, first-out basis) or market.

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, 2016 and 2015 the net assets of the Foundation totaled \$1,206,868 and \$1,259,142, 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:

	<u>2016</u>	<u>2015</u>
21st Century Future Conferences Fund	90,756	87,756

3. CONTRIBUTED SERVICES AND ASSETS

During the years ended December 31, 2016 and 2015, 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 and fixed assets are valued at fair market value at the time it was received. The Foundation received donations of stock valued at \$10,099 and \$10,130 during the years ended December 31, 2016 and 2015, respectively.

4. INVESTMENTS

The Foundation investments are carried at fair value based on quoted prices in active markets (all Level 1 measurements). 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.

	<u>2016</u>		<u>2015</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Mutual Funds	\$675,076	\$792,065	\$590,730	\$658,873

Investment income for the years ended December 31, 2016 and 2015 is as follows:

	<u>2016</u>	<u>2015</u>
Interest and Dividend Income	\$ 14,957	\$ 18,820
Net realized gains (losses)	(3,594)	(5,067)
Net unrealized gains (losses)	48,846	(28,457)
Investment expenses	<u>(7,655)</u>	<u>(7,248)</u>
Total return	\$ 52,554	\$ (21,952)

See independent auditor's report

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

4. INVESTMENTS (continued)

The following summarizes the relationship between carrying values and fair values of investment assets.

	Carrying <u>Value</u>	Fair <u>Value</u>	Excess of Fair Value <u>Over Cost</u>
Balance at beginning of year	\$590,730	\$658,873	\$ 68,143
Balance at end of year	<u>675,076</u>	<u>792,065</u>	<u>116,989</u>
Unrealized gains (losses) for the year			\$ <u>48,846</u>

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. Beginning January 1, 2016, the Foundation will match employee contributions up to 2% of compensation. Pension expense was \$6,239 for the year ended December 31, 2016.

6. FACILITY LEASE

On April 1, 2014, the Foundation extended the terms of the current lease agreement through February 2018 at an annual rent of \$33,975. Rent expense amounted to \$33,975 for the years ended December 31, 2016 and 2015.

The following is a schedule of future minimum rental payments required under the above operating lease as of December 31, 2016.

<u>Year Ending December 31,</u>	<u>Amount</u>
2017	\$ 33,975
2018	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).

The Organization files form 990 in the U.S. federal jurisdiction. The Organization is generally no longer subject to examination by the Internal Revenue Service for the years before 2013.

8. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 30, 2017, the date which the financial statements were available to be issued.

See independent auditor's report