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**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**



## **Independent Accountant's Review Report**

The Board of Directors  
Smith-Kingsmore Syndrome Foundation  
Liberty, OH

I have reviewed the accompanying financial statements of Smith-Kingsmore Syndrome Foundation (SKSF), which comprise the related statements of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

### ***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.

### ***Accountant's Responsibility***

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of SKSF and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

### ***Accountant's Conclusion***

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Certified Public Accountants

Bethesda, Maryland  
October 31, 2022

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**7625 Wisconsin Avenue, Suite 317 | Bethesda, Maryland 20814**

**202.770.6371**

**| www.mullinspc.com**

**| john@mullinspc.com**

**Smith-Kingsmore Syndrome Foundation**

**Statement of Financial Position  
June 30, 2022**

**Assets**

Cash	\$ 195,926
Grants and Contributions Receivable	<u>400,196</u>
Total Assets	<u>\$ 596,122</u>

**Liabilities and Net Assets**

<b>Liabilities</b>	\$ -
<b>Net Assets</b>	
Without Donor Restrictions	19,308
With Donor Restrictions	<u>576,814</u>
Total Net Assets	<u>596,122</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 596,122</u>

***See Accompanying Notes to Financial Statements***

***See Independent Accountant's Review Report***

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**Smith-Kingsmore Syndrome Foundation**

**Statement of Activities  
For the Year Ended June 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	<b>Total</b>
<b>Support and Revenues</b>			
Grants and Contributions	\$ 55,233	\$ 600,000	\$ <b>655,233</b>
Other	481	-	<b>481</b>
Net Assets Released From Restrictions	24,186	(24,186)	<b>-</b>
Total Support and Revenues	<u>79,900</u>	<u>575,814</u>	<u><b>655,714</b></u>
<b>Expenses</b>			
Program Services	66,703	-	<b>66,703</b>
Supporting Services			
General and Administrative	892	-	<b>892</b>
Fundraising	16,598	-	<b>16,598</b>
Total Supporting Services	<u>17,490</u>	<u>-</u>	<u><b>17,490</b></u>
Total Expenses	<u>84,193</u>	<u>-</u>	<u><b>84,193</b></u>
Changes in Net Assets	(4,293)	575,814	<b>571,521</b>
Net Assets, Beginning of Period	23,601	1,000	<b>24,601</b>
<b>Net Assets, End of Period</b>	<u>\$ 19,308</u>	<u>\$ 576,814</u>	<u>\$ <b>596,122</b></u>

*See Accompanying Notes to Financial Statements*

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**Smith-Kingsmore Syndrome Foundation**

**Statement of Functional Expenses  
For the Year Ended June 30, 2022**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Professional Services	\$ 7,500	\$ -	\$ 15,623	\$ <b>23,123</b>
Grants and Awards	58,853	-	-	<b>58,853</b>
Information Technology	-	213	99	<b>312</b>
Office	350	185	876	<b>1,411</b>
Insurance	-	494	-	<b>494</b>
<b>Total Expenses</b>	<u>\$ 66,703</u>	<u>\$ 892</u>	<u>\$ 16,598</u>	<u>\$ <b>84,193</b></u>

***See Accompanying Notes to Financial Statements***

***See Independent Accountant's Review Report***

**Smith-Kingsmore Syndrome Foundation**

**Statement of Cash Flows  
For the Year Ended June 30, 2022**

	<u>2022</u>
<b>Cash Flows from Operating Activities</b>	
Change in Net Assets	\$ 571,521
(Increase) Decrease in Assets	
Grants and Contributions Receivable	(399,370)
Increase (Decrease) in Liabilities	
Accounts Payable and Accrued Expenses	<u>(214)</u>
Net Cash Provided by (Used in) Operating Activities	<u>171,937</u>
Net Increase (Decrease) in Cash	171,937
Cash, Beginning of Period	<u>23,989</u>
<b>Cash, End of Period</b>	<u>\$ 195,926</u>

***See Accompanying Notes to Financial Statements***

***See Independent Accountant's Review Report***

# Smith-Kingsmore Syndrome Foundation

## Notes to Financial Statements June 30, 2022

### 1. ORGANIZATION AND PURPOSE

Smith-Kingsmore Syndrome Foundation (SKSF) is a 501(c)(3) nonprofit organization founded to improve the quality of life for children and families impacted by Smith-Kingsmore Syndrome by supporting cutting-edge research and collaboration among medical professionals and strengthening community through worldwide awareness.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

The financial statements of SKSF have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which requires SKSF to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of SKSF. These net assets may be used at the discretion of management and the Board of Directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of SKSF or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

#### Use of Estimates

The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Accordingly, actual results could differ from those estimates.

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# Smith-Kingsmore Syndrome Foundation

## Notes to Financial Statements June 30, 2022

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Grants and Contributions Receivable

Grants and contributions receivable represent unconditional promises to give that are recognized at fair value as contributions with donor restrictions in the period such promises are made by donors. Contributions are discounted at a risk-adjusted rate commensurate with the donor's payment plan. Amortization of the discount is recorded as contribution revenue. Allowance is made for uncollectible contributions based upon expectations regarding the collection of outstanding promises to give and past collection experience. A pledge discount was not recorded because it was not material.

Grants and contributions receivable are expected to be collected in fiscal years 2023 and 2024 at \$200,000 per year.

The methodology for calculating the allowance for uncollectible contributions is based on a review of individually significant outstanding pledges, analysis of the aging of payment schedules for all outstanding pledges, as well as, other factors including current economic conditions. As of June 30, 2022, there was no allowance for uncollectible grants and contributions.

#### Revenue Recognition

Grants and contributions, including unconditional promises to give, are recognized as revenues in the period received or pledged. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets, other than cash, are recorded at their estimated fair value at the date of gift. Contributed services and materials are recorded at their estimated fair value if they would otherwise be purchased if not provided by donation and provided by professionals in their field.

#### Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, occupancy and office expenses, depreciation, information technology costs, and insurance have been allocated among the programs and supporting services benefits allocated on the basis of employee time and effort.

#### Income Tax Status

SKSF is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code.

SKSF follows the Financial Accounting Standards Board Accounting Standards Codification, which provides guidance on accounting for uncertainty in income taxes recognized in SKSF's financial statements, if any. As of June 30, 2022, SKSF had no unrecognized tax benefits related to uncertain tax positions in its information return that would qualify for either recognition or disclosure in its financial statements.

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# Smith-Kingsmore Syndrome Foundation

## Notes to Financial Statements June 30, 2022

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Income Tax Status (Continued)

SKSF's policy would be to recognize interest and penalties on tax positions related to its unrecognized tax benefits in income tax expense in the financial statements. Through June 30, 2022, there have been no matters that would have resulted in an accrual for interest and/or penalties.

Generally, the tax years before 2019 are no longer subject to examination by federal, state, or local taxing authorities.

#### Recently Issued Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, *Leases*. The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in 2023.

#### Subsequent Events

Management has evaluated subsequent events through October 31, 2022 the date which the financial statements were available to be issued. The accompanying financial statements recognize the effects of subsequent events that provided evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. The accompanying financial statements do not recognize the effect of subsequent events with conditions that did not exist at the statement of financial position date, but disclosures of such events, if any, are included in the accompanying notes.

### 3. CONCENTRATION OF CREDIT RISK

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. As of June 30, 2022, SKSF's bank balances did not exceed the FDIC limit.

### 4. NET ASSETS

Net assets with donor restrictions as of June 30, 2022 were as follows:

<b>Purpose:</b>	<u>2021</u>	<u>Contributions</u>	<u>Releases</u>	<u>2022</u>
Capacity Building	\$ -	\$ 600,000	\$ (24,186)	\$ 575,814
Patient Families	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
Total	<u>\$ 1,000</u>	<u>\$ 600,000</u>	<u>\$ (24,186)</u>	<u>\$ 576,814</u>

Net assets without donor restrictions as of June 30, 2022 were undesignated.

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# Smith-Kingsmore Syndrome Foundation

## Notes to Financial Statements June 30, 2022

### 5. LIQUIDITY AND AVAILABILITY

The following represents SKSF's financial assets at June 30, 2022:

Financial Assets at Year End:

Cash	\$	195,926
Grants and Contributions Receivable		400,196
		<hr/>
Total Financial Assets		596,122
Less: Restricted Amounts Not Available To Be Used Within One Year:		
Donor-Restricted		(575,814)
Donor-Restricted To Be Used in Next Twelve Months		375,814
Board-Designated		-
		<hr/>
		(200,000)
		<hr/>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$	396,122

As part of SKSF's liquidity management plan, cash in excess of daily requirements is transferred to income-generating accounts, when practical.

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