



FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023



Independent Accountant's Review Report

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

I have reviewed the accompanying financial statements of Smith-Kingsmore Syndrome Foundation (SKSF), which comprise the related statement of financial position as of June 30, 2023, 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
September 8, 2023

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Smith-Kingsmore Syndrome Foundation

**Statement of Financial Position
June 30, 2023**

Assets

Cash	\$ 309,150
Grants and Contributions Receivable	200,000
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Total Assets	\$ 509,150

Liabilities and Net Assets

Liabilities

Accounts Payable and Accrued Expenses	\$ 62,984
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Total Liabilities	62,984

Net Assets

Without Donor Restrictions	294
With Donor Restrictions	445,872
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Total Net Assets	446,166
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Total Liabilities and Net Assets	\$ 509,150

See Accompanying Notes to Financial Statements

See Independent Accountant's Review Report

Smith-Kingsmore Syndrome Foundation

**Statement of Activities
For the Year Ended June 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Grants and Contributions	\$ 74,563	\$ -	\$ 74,563
Other	187	-	187
Net Assets Released From Restrictions	130,942	(130,942)	-
Total Support and Revenues	<u>205,692</u>	<u>(130,942)</u>	<u>74,750</u>
Expenses			
Program Services	138,352	-	138,352
Supporting Services			
General and Administrative	25,947	-	25,947
Fundraising	60,407	-	60,407
Total Supporting Services	<u>86,354</u>	<u>-</u>	<u>86,354</u>
Total Expenses	<u>224,706</u>	<u>-</u>	<u>224,706</u>
Changes in Net Assets	(19,014)	(130,942)	(149,956)
Net Assets, Beginning of Period	19,308	576,814	596,122
Net Assets, End of Period	<u>\$ 294</u>	<u>\$ 445,872</u>	<u>\$ 446,166</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, 2023

	Program Services	General and Administrative	Fundraising	Total
Personnel Costs	\$ 30,736	\$ 16,149	\$ 42,803	\$ 89,688
Professional Services	5,498	7,053	10,425	22,976
Grants and Awards	93,764	-	-	93,764
Travel	3,670	-	-	3,670
Conferences and Meetings	4,088	-	-	4,088
Information Technology	270	1,504	5,800	7,574
Office	326	533	1,379	2,238
Insurance	-	708	-	708
Total Expenses	\$ 138,352	\$ 25,947	\$ 60,407	\$ 224,706

See Accompanying Notes to Financial Statements

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Smith-Kingsmore Syndrome Foundation

**Statement of Cash Flows
For the Year Ended June 30, 2023**

Cash Flows from Operating Activities	
Change in Net Assets	\$ (149,956)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities	
Grants and Contributions Receivable	200,196
<u>Increase (Decrease) in Liabilities</u>	
Accounts Payable and Accrued Expenses	62,984
Net Cash Provided by (Used in) Operating Activities	113,224
Net Increase (Decrease) in Cash	113,224
Cash, Beginning of Period	195,926
Cash, End of Period	\$ 309,150

See Accompanying Notes to Financial Statements

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Smith-Kingsmore Syndrome Foundation

Notes to Financial Statements June 30, 2023

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 statement 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, 2023

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 the following fiscal 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, 2023, 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 statement of activities. The statement of functional expenses presents 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, if a direct allocation is not practical.

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, 2023, 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, 2023

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, 2023, there have been no matters that would have resulted in an accrual for interest and/or penalties.

Generally, the tax years before 2020 are no longer subject to examination by federal, state, or local taxing authorities.

New Accounting Pronouncements

In 2016, FASB issued ASU 2016-02, Leases (Topic 842). Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than twelve months. The new standard applies to finance and operating leases entered into after the standard was issued. SKSF does not have any leases requiring recognition on the statement of financial position.

In September 2020, the FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The standard requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. This standard was adopted in the current fiscal year and did not have a significant impact on the financial statements.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326). This guidance requires Organizations to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The guidance is effective beginning in 2023.

Subsequent Events

Management has evaluated subsequent events through September 8, 2023 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.

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Smith-Kingsmore Syndrome Foundation

Notes to Financial Statements June 30, 2023

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, 2023, SKSF's bank balances exceeded the FDIC limit by approximately \$60,000.

4. NET ASSETS

Net assets with donor restrictions as of June 30, 2023 were as follows:

Purpose:	<u>2022</u>	<u>Contributions</u>	<u>Releases</u>	<u>2023</u>
Capacity Building	\$ 575,814	\$ -	\$ (130,942)	\$ 444,872
Patient Families	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
Total	<u>\$ 576,814</u>	<u>\$ -</u>	<u>\$ (130,942)</u>	<u>\$ 445,872</u>

Net assets without donor restrictions as of June 30, 2023 were undesignated.

5. LIQUIDITY AND AVAILABILITY

The following represents SKSF's financial assets at June 30, 2023:

Financial Assets at Year End:

Cash	\$ 309,150
Grants and Contributions Receivable	<u>200,000</u>
Total Financial Assets	509,150

Less: Restricted Amounts Not Available To Be Used Within One Year:

Donor-Restricted	(444,872)
Donor-Restricted To Be Used in Next Twelve Months	444,872
Board-Designated	<u>-</u>
	<u>-</u>

Financial Assets Available to Meet General Expenditures
Over the Next Twelve Months

\$ 509,150

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

See Independent Accountant's Review Report