

**FOUNDATION FOR ICHTHYOSIS
AND RELATED SKIN TYPES, INC.**

**FINANCIAL STATEMENTS
Year Ended September 30, 2014
(With Comparative Totals for 2013)**

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.

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BAUM, SMITH & CLEMENS, LLP

CERTIFIED PUBLIC ACCOUNTANTS and BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Foundation for Ichthyosis and Related Skin Types, Inc.

We have audited the accompanying financial statements of Foundation for Ichthyosis and Related Skin Types, Inc., a non-profit organization, which are comprised of the statement of financial position as of September 30, 2014, and the related statements of activities, functional expenses and cash flows for the year 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 U.S. generally accepted accounting principles; 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit 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 auditors' 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 Foundation for Ichthyosis and Related Skin Types, Inc., as of September 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Report on Summarized Comparative Information

We have previously audited the Foundation for Ichthyosis and Related Skin Types, Inc.'s 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 18, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Baum, Smith & Clemens, LLP

Lansdale, PA
February 16, 2015

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	2014	2013
ASSETS		
Current		
Cash and cash equivalents	\$ 120,578	\$ 187,791
Investments	1,747,780	1,571,672
Prepaid expenses and miscellaneous	3,115	3,115
Unconditional promise to give	50,000	-
Receivables	20,527	25,866
Total current assets	1,942,000	1,788,444
Cash, permanently restricted	110,013	110,013
Furniture and equipment, net	9,080	5,472
Other assets		
Unconditional promise to give	25,000	-
Deposits	3,000	3,000
	28,000	3,000
Total assets	\$ 2,089,093	\$ 1,906,929
LIABILITIES		
Current		
Accounts payable and accrued expenses	\$ 28,143	\$ 21,216
Total current liabilities	28,143	21,216
NET ASSETS		
Unrestricted		
Unrestricted	1,083,266	1,029,974
Board designated	294,649	218,373
Total unrestricted	1,377,915	1,248,347
Temporarily restricted	573,022	527,353
Permanently restricted	110,013	110,013
Total net assets	2,060,950	1,885,713
Total liabilities and net assets	\$ 2,089,093	\$ 1,906,929

See Accompanying Notes to Financial Statements

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	2014			Total	2013 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted		
Support and revenue					
Contributions	\$ 559,361	\$ 244,839	\$ -	\$ 804,200	\$ 764,183
In-kind contributions	15,757	-	-	15,757	43,056
National conference	100,089	-	-	100,089	165
Investment income	86,209	4,078	-	90,287	55,552
Other income	8,309	-	-	8,309	4,428
Net assets, released from restriction	203,248	(203,248)	-	-	-
Total support and revenue	<u>972,973</u>	<u>45,669</u>	<u>-</u>	<u>1,018,642</u>	<u>867,384</u>
Expenses					
Program services	677,748	-	-	677,748	499,383
Management and general	72,115	-	-	72,115	64,750
Fundraising expenses	93,542	-	-	93,542	81,456
Total expenses	<u>843,405</u>	<u>-</u>	<u>-</u>	<u>843,405</u>	<u>645,589</u>
Change in net assets	<u>129,568</u>	<u>45,669</u>	<u>-</u>	<u>175,237</u>	<u>221,795</u>
Net assets, beginning of year	<u>1,248,347</u>	<u>527,353</u>	<u>110,013</u>	<u>1,885,713</u>	<u>1,663,918</u>
Net assets, end of year	<u>\$ 1,377,915</u>	<u>\$ 573,022</u>	<u>\$ 110,013</u>	<u>\$ 2,060,950</u>	<u>\$ 1,885,713</u>

See Accompanying Notes to Financial Statements

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	2014				2013 Total
	Program Services	Management & General	Fundraising	Total	
Salaries, payroll taxes and other related costs	\$ 246,785	\$ 32,459	\$ 44,161	\$ 323,405	\$ 245,956
Bank charges	-	8,545	-	8,545	4,154
Board meetings	4,803	374	160	5,337	183
Conference	8,071	461	197	8,729	5,810
Depreciation	3,305	257	110	3,672	3,057
Dues and subscriptions	2,332	-	-	2,332	1,527
Grants	140,000	-	-	140,000	75,000
Grassroots	30,688	-	30,687	61,375	55,307
Insurance	-	4,017	-	4,017	3,595
Investment fees	-	11,795	-	11,795	13,160
Licenses	-	953	2,225	3,178	3,415
Membership assistance Fund	3,400	-	-	3,400	2,800
National conference	138,771	-	-	138,771	565
Other	3,706	268	104	4,078	19,450
Postage and shipping	7,648	285	1,944	9,877	9,046
Printing and publications	13,219	187	5,638	19,044	20,775
Professional fees	-	9,350	-	9,350	9,249
Rent and utilities	20,235	1,574	674	22,483	21,769
Scholarship awards	16,219	-	-	16,219	11,250
Scientific meeting	1,000	-	-	1,000	32,000
Strategic initiatives	13,637	1,014	6,883	21,534	53,396
Telephone	2,818	219	94	3,131	2,790
Technology	4,586	357	153	5,096	4,334
Website management	16,525	-	512	17,037	47,001
	<u>\$ 677,748</u>	<u>\$ 72,115</u>	<u>\$ 93,542</u>	<u>\$ 843,405</u>	<u>\$ 645,589</u>

See Accompanying Notes to Financial Statements

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	2014	2013
Cash flows from operating activities		
Change in net assets	\$ 175,237	\$ 221,795
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized gain on marketable securities	(48,777)	(20,502)
Depreciation	3,672	3,057
Donated stock	(20,026)	-
Changes in assets and liabilities:		
Prepaid expenses and miscellaneous	-	(1,380)
Promise to give	(75,000)	-
Receivables	5,339	(25,866)
Accounts payable and accrued expenses	6,927	17,508
	47,372	194,612
Net cash provided by operating activities		
Cash flows from investing activities		
Proceeds from sale of investments/purchase of investments	(21,125)	(1,070,988)
Net transfer to investment accounts	(45,000)	(122,000)
Reinvestment of dividends and interest	(41,180)	(34,140)
Purchase of furniture and equipment	(7,280)	(3,695)
	(114,585)	(1,230,823)
Net cash used by investing activities		
Net change in cash	(67,213)	(1,036,211)
Beginning cash and cash equivalents	187,791	1,224,002
Ending cash and cash equivalents	\$ 120,578	\$ 187,791

Supplementary Disclosures of Cash Flows Information:

Cash paid during the year for:		
Income tax	\$ 26	\$ 180

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE A: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations

The Foundation for Ichthyosis and Related Skin Types (The Organization), a California nonprofit corporation, is a national voluntary organization dedicated to helping families with the genetic skin disease collectively called ichthyosis. Its mission is to educate, inspire and connect those touched by ichthyosis and related disorders through emotional support, information, advocacy and research funding for better treatments and eventual cures.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and cash equivalents

Cash in bank and deposits in money market funds are considered cash for financial reporting purposes.

Cash and cash equivalents include highly liquid investments with a maturity of three months or less when purchased.

The cash for cash flow purposes consists of the operating cash balances.

Investments

Investments in marketable securities are reported at their fair value in the statement of financial position. Realized gains or losses and the unrealized appreciation (depreciation) on investments are included in the statements of activities.

The Organization's investments in marketable securities are subject to market risk. The degree and concentration of risk varies by the type of investment.

Promises to Give and Receivables

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional promises to give are included in the statement of financial condition at their estimated value. The promises and receivables are considered fully collectible.

Furniture and Equipment

Furniture and equipment in excess of \$500 are recorded at acquisition cost, including costs necessary to get the asset ready for its intended use. Depreciation expense is provided on a straight-line basis over the estimated useful lives of the respective assets. When assets are retired or otherwise disposed of, the cost and related depreciation are removed from the books and any resulting gain or loss is reflected in income for the period. Asset useful lives range from five to ten years.

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE A: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Board Designated Assets

The Board has designated assets for research projects, strategic initiatives and conference scholarships.

Board designated unrestricted net assets are as follows:

Research projects - funds to be used to strengthen investigation into the causes, treatments and potential cures for Ichthyosis

Strategic Initiatives - funds are to be used for strategic initiatives to advance the mission of the Organization

Conference scholarships - funds will be used to help families who cannot afford various expenses to attend the national family conference

The income earned on these funds is retained in the board designated net assets and is not considered available for general operations.

Restricted and Unrestricted Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values on the date of donation. During the year ended September 30, 2014, the Organization received donated securities valued at \$20,026.

Support that is restricted by the donor is reported as unrestricted if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Management's Use of Estimates and Assumptions

Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Donated Services

The Organization recognizes donated services which create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization has recognized in-kind contributions of \$15,757 in the accompanying statement of activities for donated services received during the year.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE A: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is exempt from federal income tax under Sec. 501(c)(3) of the Internal Revenue Service (IRS) code. The Organization is also recognized by the Bureau of Charitable Organization of the Commonwealth of Pennsylvania as a charitable organization. Income which is not related to exempt purposes, less applicable deductions is subject to federal and state corporate income taxes. FIRST paid \$26 for unrelated business income taxes in 2014.

The Organization is required to recognize, measure, classify, and disclose in the financial statements uncertain tax positions taken or expected to be taken in the Organization's tax returns. Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Generally the Organization is no longer subject to income tax examinations by tax authorities for fiscal years prior to 2011.

Subsequent Events

Management has evaluated subsequent events through the date the financial statements were available to be issued which was February 16, 2015.

NOTE B: SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash in bank deposit accounts which at times exceed federally insured limits. No loss has been experienced in such accounts and the Organization does not believe it has significant credit risk on its cash balances.

The Organization also maintains cash funds with an investment company. Shares of the fund are not deposits or obligations of, or guaranteed by the investment company or any other bank or depository institution and the shares are not insured by the Federal Depository Insurance Corporation (FDIC) or any other federal, state or government agency. The balance of the cash funds at September 30, 2014 was approximately \$100,000.

NOTE C: INVESTMENTS

Investments held by the Organization at September 30, 2014 consist of the following:

Mutual funds - fixed income	\$ 384,157
Exchange traded funds - fixed income	272,117
Mutual funds - equity	327,231
Exchange traded funds - equity	581,239
Mutual funds - non-traditional	183,036
	<u>\$ 1,747,780</u>

Investment income, which includes money market earnings, is summarized as follows:

Dividends	\$ 41,180
Realized gains	8,881
Unrealized losses	39,896
Interest	330
	<u>\$ 90,287</u>

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE C: INVESTMENTS (Continued)

The Organization's investments have been approved by the Board of Directors and are in accordance with its investment policy. The primary investment objective of the Organization is to provide increased yield and long-term growth of capital to meet the future obligations of the Organization, with a secondary objective of providing the necessary income to meet the current operational needs. Thus, the long-term objective of the Organization's investments of funds is to maximize the real return, or the nominal return less inflation, of the assets over a complete market cycle with emphasis on preserving capital and reducing volatility through prudent diversification. Realized and unrealized gains and losses are computed using the average cost method, shown net and included in the Statements of Activities.

NOTE D: FAIR VALUE MEASUREMENT

The fair value measurement accounting literature, establishes a fair value hierarchy framework for measuring fair value. That hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Organization has the ability to access.
Level 2	Inputs to the valuation methodology include: <ul style="list-style-type: none">▪ Quoted prices for similar assets in active markets;▪ Quoted prices for identical or similar assets or liabilities in inactive markets;▪ Inputs other than quoted prices that are observable for the asset or liability;▪ Inputs that are derived principally from or corroborated by observable market data by correlation or other means. <p>If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.</p>
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Exchange traded funds (ETF): Valued based on an underlying index, reported on the active market on which the individual securities are traded. The ETF's held by the Organization are deemed to be actively traded.

Promises to give: Valued at the expected amount to be received less a calculated discount for contributions greater than one year. There is no observable active market for these assets. The discount is not significant and has not been recorded.

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE D: FAIR VALUE MEASUREMENT (Continued)

Assets measured at fair value on a recurring basis are as follows at September 30, 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds and ETFs	\$ 1,747,780	\$ -	\$ -	\$ 1,747,780
Promise to Give	\$ -	\$ -	\$ 75,000	\$ 75,000

A reconciliation of activity for the contributions receivable measured at fair value based on significant unobservable (non-market) information discounted cash flows is presented at its discounted value as follows:

Balance beginning of year	\$ -
New contributions receivable	<u>75,000</u>
Balance, end of year	<u>\$ 75,000</u>

NOTE E: UNCONDITIONAL PROMISES TO GIVE

The Organization recorded a contribution for a 3-year commitment made by a corporate donor. The future benefit receivable as of September 30, 2014 is \$75,000. The amount due during the fiscal year ending September 30, 2015 is included in current assets and the remaining amounts due are included in Other Assets on the Statement of Financial Position.

As of September 30, 2014, unconditional promises are as follows:

Receivable within 1 year	\$ 50,000
Receivable within 1 year but within 5 years	<u>25,000</u>
	<u>\$ 75,000</u>

NOTE F: FURNITURE AND EQUIPMENT

Furniture and equipment consists of the following:

	<u>Amounts</u>	<u>Estimated useful lives in years</u>
Furniture and equipment	\$ 28,584	5 - 10
Less: accumulated depreciation	<u>19,504</u>	
	<u>\$ 9,080</u>	

Depreciation expense for the year ended September 30, 2014 was \$3,672.

NOTE G: GRANTS PAYABLE

The Organization awards research grants to universities and research institutions to support ichthyosis related research projects. The liability and related expenses are recorded when approved by the Organization's Board of Directors and there is a signed contract between the Organization and the grantee. There were no grants payable at September 30, 2014, however the Board did approve a grant of \$50,000 in September 2014 which is pending and is anticipated to start in January 2015.

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE H: RESTRICTED NET ASSETS

Temporarily restricted net assets held as of September 30 are available for specific purposes as follows:

Membership assistance program	\$ 2,389
Diya and Aliya's Friends (DAF)	16,132
UFIRST scholars program	15,615
Strategic initiatives	86,043
Research	<u>452,843</u>
	<u>\$ 573,022</u>

Temporarily Restricted Net Assets released for the year ended September 30, 2014 were as follows:

Purpose restrictions	<u>\$ 203,248</u>
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Permanently restricted net assets are maintained in perpetuity. The donors of these assets permit the organization to use all or part of the income earned for general or specific purposes. Permanently restricted net assets held as of September 30 are as follows:

Membership assistance program	\$ 10,000
Research	<u>100,013</u>
	<u>\$ 110,013</u>

NOTE I: ENDOWMENTS

The Organization's endowment consists of three donor-restricted funds (Edna and Myron Curl Endowment, Milstone General Research Endowment and the Jane Bukaty Membership Assistance Fund) that were established for research and member assistance. Net assets associated with endowment funds are classified and are reported based on the existence of donor-imposed restrictions.

Interpretation of Relevant Law: The Organization's governing board has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted in the State of California as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the endowment fund
2. The purposes of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and appreciation of investments
6. Other resource of the Organization
7. The investment policies of the Organization

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE I: ENDOWMENTS (Continued)

Spending Policy, Return Objectives and Risk Parameters: The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the program supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Corpus of the endowment asset is held in perpetuity for Edna and Myron Curl Endowment, Milstone General Research Endowment and the Jane Bukaty Membership Assistance Fund based on donor-restriction. The endowment asset is invested in a savings account at a FDIC insured financial institution. Interest earned on the Edna and Myron Curl and Milstone General Research Endowments is appropriated to research and will be spent when the Organization's board of directors determine enough interest has accumulated to provide research grants. Interest earned on the Jane Bukaty Membership Assistance Fund is used to provide financial assistance to families with one or more affected individuals whose financial and reimbursement circumstances make obtaining adequate care and treatment difficult or impossible.

Endowment funds as of September 30, 2014 are composed as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment fund	\$ -	\$ 11,993	\$ 110,013	\$ 122,006

Changes in endowment funds for the year ended September 30, 2014 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowments net assets, beginning of the year	\$ -	\$ 14,352	\$ 110,013	\$ 124,365
Interest income	-	491	-	491
Additions	-	550	-	550
Appropriation of endowment assets for expenditure	-	(3,400)	-	(3,400)
Endowments net assets, end of year	\$ -	\$ 11,993	\$ 110,013	\$ 122,006

NOTE J: OPERATING LEASES

The Organization leases office space under an operating lease obligation. The lease expires September 30, 2015. The lease can be terminated with six months written notice.

Future minimum lease payments at September 30, 2014 are as follows:

2015	\$ 19,100
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Rent expense was \$19,102 for the year ended September 30, 2014.

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE K: SIGNIFICANT CONTRIBUTIONS

During 2014, FIRST recognized significant contributions totaling approximately \$200,000 from two Organizations. These contributions represent approximately 20% of the total support and revenues.

NOTE L: COMPARATIVE TOTALS

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or function. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2013, from which the summarized information was derived.