

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

**FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2019
(With Comparative Totals for 2018)**

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 nonprofit organization), which are comprised of the statement of financial position as of September 30, 2019, 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, 2019, 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 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 23, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Baum, Smith & Clemens, LLP

Harleysville, PA
August 16, 2020

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	2019	2018
ASSETS		
Current		
Cash and cash equivalents	\$ 206,512	\$ 136,876
Investments	1,901,946	1,853,881
Prepaid expenses and miscellaneous	1,969	-
Deposit - website	29,699	-
Total current assets	2,140,126	1,990,757
Investments, with donor restrictions	110,013	110,013
Fixed assets, net	17,292	18,450
Other assets		
Deposits	8,000	3,000
Total assets	\$ 2,275,431	\$ 2,122,220
LIABILITIES		
Current		
Deferred income	\$ 520	\$ -
Accounts payable and accrued expenses	95,185	29,668
Total current liabilities	95,705	29,668
NET ASSETS		
Without donor restrictions		
Undesignated	1,073,227	1,009,558
Board designated	180,682	180,682
Total without donor restrictions	1,253,909	1,190,240
With donor restrictions		
Temporarily	815,804	792,299
Permanently	110,013	110,013
	925,817	902,312
Total net assets	2,179,726	2,092,552
Total liabilities and net assets	\$ 2,275,431	\$ 2,122,220

See Accompanying Notes to Financial Statements

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	2019			Total	2018 Total
	Without Donor Restrictions	Temporarily Restricted	Permanently Restricted		
Support and revenue					
Contributions	\$ 393,361	\$ 133,850	\$ -	\$ 527,211	\$ 595,765
Other income	(1,605)	1,605	-	-	168
Net assets released from restriction	111,950	(111,950)	-	-	-
Total support and revenue	503,706	23,505	-	527,211	724,792
Expenses					
Program services	400,512	-	-	400,512	546,581
Management and general	77,279	-	-	77,279	69,315
Fundraising	45,268	-	-	45,268	47,912
Total expenses	523,059	-	-	523,059	663,808
Change in operating net assets	(19,353)	23,505	-	4,152	60,984
Nonoperating activities					
Investment income	83,022	-	-	83,022	105,790
Change in net assets	63,669	23,505	-	87,174	166,774
Net assets, beginning of year	1,190,240	792,299	110,013	1,986,762	1,925,778
Net assets, end of year	<u>\$ 1,253,909</u>	<u>\$ 815,804</u>	<u>\$ 110,013</u>	<u>\$ 2,073,936</u>	<u>\$ 1,986,762</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, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	2019				2018 Total
	Program Services	Management & General	Fundraising	Total	
Salaries, payroll taxes and other related costs	\$ 163,552	\$ 45,238	\$ 24,929	\$ 233,719	\$ 194,680
Bank charges	5,187	649	649	6,485	9,450
Conferences	31,361	3,782	2,671	37,814	6,203
Depreciation	5,139	643	643	6,425	6,593
Dues and subscriptions	6,056	757	757	7,570	5,145
Grassroots	23,165	2,905	2,827	28,897	34,254
Insurance	2,161	270	270	2,701	4,481
Investment fees	-	11,019	-	11,019	13,333
Licenses	4,788	598	598	5,984	3,485
Membership assistance fund	-	-	-	-	1,400
National conference	-	-	-	-	167,976
Other	6,721	841	841	8,403	9,989
Postage and shipping	8,098	1,012	1,012	10,122	5,163
Printing and publications	8,406	1,052	1,052	10,510	12,019
Professional fees	33,250	4,156	4,156	41,562	13,795
Rent and utilities	18,723	2,341	2,341	23,405	25,930
Regional support network	-	-	-	-	200
Scientific meeting	-	-	-	-	60,500
Scholarship awards	16,475	-	-	16,475	20,013
Strategic initiatives	51,806	-	-	51,806	53,409
Telephone	2,339	293	292	2,924	3,097
Technology	9,740	1,217	1,217	12,174	8,702
Website management	3,545	506	1,013	5,064	3,991
	\$ 400,512	\$ 77,279	\$ 45,268	\$ 523,059	
2018 Totals	\$ 546,581	\$ 69,315	\$ 47,912		\$ 663,808

See Accompanying Notes to Financial Statements

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	2019	2018
Cash flows from operating activities		
Change in net assets	\$ 87,174	\$ 166,774
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized gain on investments	(14,242)	(41,139)
Depreciation	6,425	6,593
Donated stock	-	(1,802)
Changes in assets and liabilities:		
Prepaid expenses and miscellaneous	(1,969)	738
Deposit - website	(29,699)	-
Deposits	(5,000)	-
Deferred revenue	520	-
Accounts payable and accrued expenses	65,517	(11,008)
Net cash provided by operating activities	108,726	120,156
Cash flows from investing activities		
Net proceeds from sale (purchase) of investments	-	(8,052)
Net transfer (to) from investment accounts	34,957	(50,000)
Reinvestment of dividends	(68,780)	(64,413)
Purchase of fixed assets	(5,267)	-
Net cash used by investing activities	(39,090)	(122,465)
Net change in cash	69,636	(2,309)
Beginning cash and cash equivalents	136,876	139,185
Ending cash and cash equivalents	\$ 206,512	\$ 136,876
 <u>Supplementary Disclosures of Cash Flows Information:</u>		
Cash paid during the year for:		
Income tax	\$ -	\$ 1,030

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 improve lives and seek cures for those affected by ichthyosis and related skin types. The Organization holds a conference every other year to bring members together to attend lectures by leading physicians about ichthyosis as well as open discussion groups.

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements for Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented if required by the pronouncement.

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 two classes of net assets: without donor restrictions and with donor restrictions.

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing services and mission. Nonoperating activities are limited to resources that generate return from investments.

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 cash balances available for operations.

Investments

Investments in marketable securities are reported at fair value. Fair value is determined from quoted market prices. Unrealized gains and losses are included in the change in net assets. Investment income is reported as increase in unrestricted net assets.

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

Fixed Assets

Fixed assets 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 three to ten years.

Compensated Absences

Employees of the Organization are entitled to paid vacation and paid sick days depending on length of service and other factors. The liability for compensated absences is included in accrued expenses.

Deferred Income

Deferred income represents funds received in advance of the revenue recognition process. The income will be recognized when the event takes place in a future fiscal year.

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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

Net Assets

Net assets consist of the following:

- 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 the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.
- 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 the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity

Board Designated Assets

Board designated net assets included in net assets without donor restrictions 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

Contributions

Contributions received are recorded as net assets without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as without donor restrictions 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 net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions 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 and Other In-kind Contributions

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. There were no donated services in the current year.

Functional Allocation of Expenses

The costs of providing the 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. Expenses that can be identified with specific programs and support services are allocated directly to their natural expense classification. Expenses relating to more than one function are allocated to program and support services based on estimates made by management, including estimates of time spent by personnel between functions and related expenses incurred for the program and supporting services benefited. Therefore, certain employee salaries, payroll taxes, payroll service are allocated on the time spent by classification by the employee. Management and general expenses include those expenses that are not directly identifiable with any other specified function but provide for the overall support and direction of the Organization.

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 Organizations of the Commonwealth of Pennsylvania as a charitable organization. Income which is not related to exempt purposes, less applicable deductions is subject to federal corporate income taxes.

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.

Subsequent Events

Management has evaluated subsequent events through the date the financial statements were available to be issued which was August 16, 2020.

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. These funds are not deposits or obligations of, or guaranteed by the investment company or any other bank or depository institution and the amount is not insured by the Federal Depository Insurance Corporation (FDIC) or any other federal, state or government agency. The balance of these cash funds at September 30, 2019 was approximately \$69,000.

NOTE C: INVESTMENTS

Investments held by the Organization at September 30, 2019 consist of the following:

Mutual funds - fixed income	\$ 660,946
Exchange traded funds - fixed income	203,948
Mutual funds - equity	827,866
Exchange traded funds - equity	231,621
Mutual funds - non-traditional	<u>87,578</u>
	<u>\$ 2,011,959</u>

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

Dividends	\$ 68,780
Realized gain	2,023
Unrealized loss	<u>12,219</u>
Investment income	<u>\$ 83,022</u>

The Organization's investments have been approved by the Board of Directors 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 investment 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 gains and losses are computed using the average cost method, they are netted with the unrealized gains and losses on the Statement of Activities. Investment earnings for year ending September 30, 2019 are included in net assets without donor restrictions.

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE D: FAIR VALUE MEASUREMENT

The framework for measuring fair value provides a fair value hierarchy that 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) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

Level 1	Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that the Organization has the ability to access.
Level 2	<p>Inputs to the valuation methodology include:</p> <ul style="list-style-type: none"> ▪ Quoted prices for similar assets or liabilities 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; and ▪ 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 or liability'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 relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes to the methodologies used at September 30, 2019.

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 U.S. Securities and Exchange Commission (SEC). 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.

Assets measured at fair value on a recurring basis are as follows at September 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds and ETFs	\$ 2,011,959	\$ -	\$ -	\$ 2,011,959
	<u>\$ 2,011,959</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,011,959</u>

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE E: FIXED ASSETS

Furniture and equipment consists of the following:

	Amounts	Estimated useful lives in years
Furniture and equipment	\$ 63,847	3 - 10
Less: accumulated depreciation	(46,555)	
	\$ 17,292	

Depreciation expense for the year ended September 30, 2019 was \$6,425.

NOTE F: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions held as of September 30, 2019 are available for specific purposes as follows:

Diya and Aliya's Friends (DAF)	\$ 10,636
Strategic initiatives	126,141
Research	679,027
	\$ 815,804

Temporarily Restricted Net Assets released for the year ended September 30, 2019 were as follows:

Purpose restrictions	\$ 111,950
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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, 2019 are as follows:

Membership assistance program	\$ 10,000
Research	100,013
	\$ 110,013

NOTE G: 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 a 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.

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE G: ENDOWMENTS (continued)

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 resources of the Organization
7. The investment policies of the Organization

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 mix of equity and fixed income securities. Investment earnings 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 a level that will enable them to provide research grants. Earnings on the Jane Bukaty Membership Assistance Fund are 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, 2019 are composed as follows:

Changes in endowment funds for the year ended September 30, 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions		Total
		Temporarily	Permanently	
Endowments net assets, beginning of the year	\$ -	\$ 9,604	\$ 110,013	\$ 119,617
Investment	-	-	-	-
Additions	-	-	-	-
Appropriation of endowment assets for expenditure	-	-	-	-
Endowments net assets, end of year	<u>\$ -</u>	<u>\$ 9,604</u>	<u>\$ 110,013</u>	<u>\$ 119,617</u>

NOTE H: OPERATING LEASES

The Organization leases office space under an operating lease obligation. The lease expired June 30, 2020. The Organization will rent its office space on a month to month basis through October 31, 2020, unless a new tenant is found by the landlord prior to October 31. The monthly rent will be \$1,850.

Rent expense was \$19,950 for the year ended September 30, 2019.

FOUNDATION FOR ICHTHYOSIS AND RELATED SKIN TYPES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE I: MAJOR CONTRIBUTORS AND GRANTORS

During 2019, the Organization recognized a significant contribution, defined as greater than 10% of total support and revenue, of approximately \$70,000 from one organization. This contribution represents approximately 11% of the total support and revenues.

NOTE J: LIQUIDITY

The Organization's goal is generally to maintain financial assets to meet operating expenses (approximately \$450,000). As a part of its liquidity plan, the Organization has the ability to scale-back and reduce non-essential support services.

The following table reflects the Organization's financial assets as of June 30, 2019 that are available to meet cash needs for operating expenditures within one year.

	<u>Amount</u>
Cash	\$ 206,512
Investments	<u>2,011,959</u>
Total	<u>2,218,471</u>
Less: Board designated net assets	(180,632)
Net assets with donor restrictions	<u>(924,212)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,113,627</u>

NOTE K: 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, 2018, from which the summarized information was derived. Certain reclassifications have been made to the 2018 financial statement totals to confirm to the 2019 presentation.

NOTE L: OTHER INFORMATION

	<u>Amount</u>
Accrued vacation	\$2,936

NOTE M: COMMITMENTS

The Organization has committed to paying incentive bonuses to two employees for the year ending September 30, 2020. The bonuses totaling \$10,000 per employee will be paid quarterly over the next fiscal year, with the last quarter being forty percent of the total.

NOTE N: SUBSEQUENT EVENTS

In October 2019, the Organization signed a separation agreement with its executive director which included compensation through January of 2020.

The COVID 19 pandemic that has occurred since September 30, 2019 has caused business disruption throughout the United States. The impact of the COVID-19 outbreak on the Organization cannot be reasonably determined at this time. However, the National Conference scheduled for June, 2020 has been postponed to 2021 in Providence, Rhode Island due to the pandemic.

The Organization obtained a loans of approximately \$45,951 through the Paycheck Protection Program. The interest rate is 1%, is due in monthly installments for a period of two years. The loan does contain a forgiveness provision that may impact the repayment requirement.