

Turner Syndrome Society of the United States

Financial Statements

**For the Years Ended
December 31, 2016 and 2015**

Turner Syndrome Society of the United States

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Turner Syndrome Society of the United States
Houston, Texas

We have audited the accompanying financial statements of Turner Syndrome Society of the United States (the Society) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities 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 audit to obtain reasonable assurance about whether the financial statements are free of 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 Turner Syndrome Society of the United States 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.

Seefeld Lawson Moeller LLP

Seefeld Lawson Moeller LLP
Certified Public Accountants

The Woodlands, Texas
May 2, 2017

Turner Syndrome Society of the United States
Statements of Financial Position
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and Cash Equivalents	\$ 409,590	\$ 480,907
Accounts Receivable	415	175
Lease Deposit	1,000	1,000
Prepaid Expenses	6,947	1,436
Furniture and Equipment	4,394	4,394
Accumulated Depreciation	<u>(4,394)</u>	<u>(4,394)</u>
TOTAL ASSETS	<u>\$ 417,952</u>	<u>\$ 483,518</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 10,631	\$ 10,412
Due to Others	<u>768</u>	<u>-</u>
TOTAL LIABILITIES	11,399	10,412
NET ASSETS		
Unrestricted	394,503	452,271
Temporarily Restricted	<u>12,050</u>	<u>20,835</u>
TOTAL NET ASSETS	<u>406,553</u>	<u>473,106</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 417,952</u>	<u>\$ 483,518</u>

The accompanying notes are an integral part of these financial statements.

Turner Syndrome Society of the United States
Statement of Activities
For the Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Contributions	\$ 443,909	\$ 1,500	\$ 445,409
Membership Dues	37,230	-	37,230
Conference Income	161,355	-	161,355
Publication Sales and Other Revenue	15,842	-	15,842
Interest Income	167	-	167
TOTAL REVENUES	658,503	1,500	660,003
Net Assets Released from Restrictions	10,285	(10,285)	-
TOTAL SUPPORT AND REVENUE	668,788	(8,785)	660,003
EXPENSES			
Program Services	669,720	-	669,720
Supporting Services			
Management and General	47,261	-	47,261
Fundraising	9,575	-	9,575
TOTAL EXPENSES	726,556	-	726,556
CHANGE IN NET ASSETS	(57,768)	(8,785)	(66,553)
NET ASSETS, BEGINNING OF YEAR	452,271	20,835	473,106
NET ASSETS, END OF YEAR	\$ 394,503	\$ 12,050	\$ 406,553

The accompanying notes are an integral part of these financial statements.

Turner Syndrome Society of the United States
Statement of Activities
For the Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Contributions	\$ 332,180	\$ 32,505	\$ 364,685
Membership Dues	41,883	-	41,883
Conference Income	115,364	75,900	191,264
Publication Sales and Other Revenue	16,157	-	16,157
Interest Income	191	-	191
TOTAL REVENUES	505,775	108,405	614,180
Net Assets Released from Restrictions	101,128	(101,128)	-
TOTAL SUPPORT AND REVENUE	606,903	7,277	614,180
EXPENSES			
Program Services	448,647	-	448,647
Supporting Services			
Management and General	50,344	-	50,344
Fundraising	11,874	-	11,874
TOTAL EXPENSES	510,865	-	510,865
CHANGE IN NET ASSETS	96,038	7,277	103,315
NET ASSETS, BEGINNING OF YEAR	356,233	13,558	369,791
NET ASSETS, END OF YEAR	\$ 452,271	\$ 20,835	\$ 473,106

The accompanying notes are an integral part of these financial statements.

Turner Syndrome Society of the United States
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	\$ (66,553)	\$ 103,315
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
(Increase) Decrease in:		
Accounts Receivable	(240)	-
Prepaid Expenses	(5,511)	(1,380)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	219	3,199
Due to Others	768	(11,854)
Net Cash Provided (Used) by Operating Activities	<u>(71,317)</u>	<u>93,280</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>480,907</u>	<u>387,627</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 409,590</u></u>	<u><u>\$ 480,907</u></u>

There were no cash flows from financing and investing activities for the years ended December 31, 2016 and 2015.

Turner Syndrome Society of the United States
Notes to Financial Statements
December 31, 2016 and 2015

NOTE 1 – Organization and Nature of Activities

Turner Syndrome Society of the United States (the Society) is a non-profit, tax-exempt corporation that provides assistance and information to individuals affected by Turner Syndrome, a chromosomal condition. The Society's headquarters are located in Houston, Texas. Affiliated chapters are located throughout the United States. These financial statements do not reflect the financial position or results of affiliated chapters.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when they are earned. Expenses are recognized when they are incurred.

Basis of Presentation

Financial reporting standards for not-for-profit organizations require that resources be classified for reporting purposes into three net asset categories according to donor-imposed restrictions or by law. A description of the Society's three net asset categories is as follows:

- *Unrestricted net assets:* Assets are not restricted by donors, or the donor-imposed restrictions have expired or have been satisfied.
- *Temporarily restricted net assets:* Donor-imposed restrictions that permit the Society to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by actions of the Society.
- *Permanently restricted net assets:* Donor-imposed restrictions that stipulate the resources be maintained permanently, but permit the income derived from the donated assets to be expended for temporarily restricted or unrestricted purposes. (The Society has no permanently restricted net assets.)

In addition, the Society is required to present a statement of cash flows.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include demand deposits, and savings accounts. The Society considers all highly liquid financial instruments purchased with an original maturity of three months or less to be cash equivalents.

Turner Syndrome Society of the United States

Notes to Financial Statements

December 31, 2016 and 2015

Fair Value of Financial Instruments

The carrying amounts reported in the statement of financial position for cash and cash equivalents, and receivables approximate their fair value.

Furniture and Equipment

Furniture and equipment acquisitions greater than \$2,000 are recorded at cost if purchased or, if donated, at fair value at the date of the gift. Furniture and Equipment are depreciated using the straight-line method over the estimated useful lives of the assets. Routine repairs and maintenance are expensed as incurred.

Support and Revenue

Support and revenue are comprised primarily of contributions from donors, membership dues, conference income, and sales from Society publications. Contributions are recorded as unrestricted net assets unless they are received with donor stipulations that limit their use either through their purpose or time restrictions. If received with such stipulations, the support and revenue are recorded as temporarily restricted net assets. When donor time restrictions expire, or when contributed funds are expended for donor stipulated purposes, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Services and Goods

Contributed services are recognized as revenue if the services received created or enhanced non-financial assets, or require specialized skills provided by individuals possessing those skills, and typically need to be purchased if not provided by donation. Many individuals volunteer their time and perform a variety of tasks that assist in providing the Society's services. Contributed services for the years ending December 31, 2016 and 2015 were \$4,500 and \$-0-, respectively.

Contributed goods are recorded as unrestricted support at their estimated fair values unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire furniture and equipment are reported as restricted support. Absent of donor stipulations regarding how long those donated assets must be maintained, the Society reports expirations of donor restrictions by reclassifying temporarily restricted net assets to unrestricted net assets when the donated or acquired assets are placed in service as instructed by the donor. Contributed goods for the years ending December 31, 2016 and 2015 were \$33,964 and \$8,801, respectively.

Turner Syndrome Society of the United States

Notes to Financial Statements

December 31, 2016 and 2015

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Expense Allocation

The costs of providing program and support services have been summarized on a functional basis in the statements of activities. Some of the expenses can generally be directly identified with the program or supporting services to which they relate and are charged accordingly. Other expenses, by function, have been allocated among program and supporting services classifications on the basis of salaries.

Federal Income Taxes

The Society is a nonprofit, charitable corporation as described in Internal Revenue Code Section 501(c)(3) and is exempt from federal income taxes on related income. The Society is not a private foundation. Gifts to the Society are tax deductible to the extent allowed by law.

Management's Review

The Society has evaluated subsequent events through May 2, 2017, the date which the financial statements were available to be issued.

NOTE 3 – Temporarily Restricted Net Assets

Temporarily restricted net assets of \$12,050 and \$20,835 for the years ended December 31, 2016 and 2015, respectively are restricted for program activities.

NOTE 4 – Reclassification of Net Assets

Net assets totaling \$10,285 and \$101,128 for the years ended December 31, 2016 and 2015, respectively were released from donor restrictions by incurring expenses satisfying the restricted purposes.

Turner Syndrome Society of the United States
Notes to Financial Statements
December 31, 2016 and 2015

NOTE 5 – Lease Agreement

The Society has a long-term lease for office space from an unrelated party under an operating lease agreement. The following is a schedule of the future minimum lease payments under the operating lease as of December 31, 2016:

<u>Year Ending</u> <u>December 31</u>	<u>Amount</u>
2017	\$ 12,000
2018	-
2019	-
2020	-
2021	-
Total Minimum Lease Payments	<u>\$ 12,000</u>

Lease expenses were \$12,000 for both the years ended December 31, 2016 and 2015.

NOTE 6 – Concentration of Credit Risks

The Society places its cash and cash equivalents within the financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). At times such cash and cash equivalents may be in excess of the FDIC insurance limits. The Society has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

NOTE 7 – Commitments and Contingencies

During the year the Society entered into a contract with a conference center facility for arrangements associated with the annual conferences scheduled for July 2017. The contract has tiered cancellation liabilities. Per the contract, cancellation of the event would obligate the Society to a maximum liability in the amount of \$97,959 as of December 31, 2016.