

**NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS  
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YEARS ENDED DECEMBER 31, 2015 AND 2014**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
National Foundation for Ectodermal Dysplasias  
Mascoutah, Illinois

We have audited the accompanying financial statements of National Foundation for Ectodermal Dysplasias (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses, 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.

### ***Auditors' 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 audits 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.

Board of Directors  
National Foundation for Ectodermal Dysplasias

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Foundation for Ectodermal Dysplasias as of December 31, 2015 and 2014, 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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

St. Louis, Missouri  
May 02, 2016

**NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2015 AND 2014**

	2015	2014
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 516,792	\$ 396,337
Investments	1,379,430	1,450,411
Pledges Receivable	4,388	6,381
Accounts Receivable	-	905
Prepaid Expenses and Other Assets	14,498	35,278
Total Current Assets	1,915,108	1,889,312
<b>UNCONDITIONAL PLEDGES RECEIVABLE</b> , net of current portion	4,023	8,418
Total Assets	\$ 1,919,131	\$ 1,897,730
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 4,871	\$ 9,905
Treatment Commitments	25,000	35,000
Research Commitments	9,137	-
Accrued Expenses	7,325	9,761
Total Current Liabilities	46,333	54,666
<b>RESEARCH COMMITMENTS</b> , net of current portion	-	25,000
<b>TREATMENT COMMITMENTS</b> , net of current portion	2,604	50,484
Total Liabilities	48,937	130,150
<b>NET ASSETS</b>		
Unrestricted	1,725,826	1,675,749
Temporarily Restricted	144,368	91,831
Total Net Assets	1,870,194	1,767,580
Total Liabilities and Net Assets	\$ 1,919,131	\$ 1,897,730

See accompanying Notes to Financial Statements.

**NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015		
	Unrestricted	Temporarily Restricted	Total
<b>PUBLIC SUPPORT AND REVENUE</b>			
Contributions	\$ 589,108	\$ 107,992	\$ 697,100
Fundraising Special Events	44,135	-	44,135
Conference Registration Fees	145,251	-	145,251
Sales of Publications/Promotional Items	4,487	-	4,487
In-Kind Donations - Board of Directors	9,447	-	9,447
In-Kind Donations - Other	11,283	-	11,283
In-Kind Donations - Revenue for Fundraising Special Events	14,058	-	14,058
Investment Income (Loss)	(21,399)	-	(21,399)
Net Assets Released from Restrictions	55,455	(55,455)	-
Total Public Support and Revenue	<u>851,825</u>	<u>52,537</u>	<u>904,362</u>
<b>EXPENSES</b>			
Program Services			
Support	404,906	-	404,906
Treatment	101,043	-	101,043
Research	166,814	-	166,814
Supporting Services			
Management and General	22,211	-	22,211
Fundraising	106,775	-	106,775
Total Expenses	<u>801,748</u>	<u>-</u>	<u>801,748</u>
<b>NET CHANGE IN NET ASSETS</b>	50,077	52,537	102,614
Net Assets - Beginning of Year	<u>1,675,749</u>	<u>91,831</u>	<u>1,767,580</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,725,826</u>	<u>\$ 144,368</u>	<u>\$ 1,870,194</u>

See accompanying Notes to Financial Statements.

2014		
Unrestricted	Temporarily Restricted	Total
\$ 798,013	\$ 69,882	\$ 867,895
63,301	-	63,301
49,531	-	49,531
4,208	-	4,208
9,698	-	9,698
120,138	-	120,138
25,968	-	25,968
84,226	-	84,226
48,477	(48,477)	-
<u>1,203,560</u>	<u>21,405</u>	<u>1,224,965</u>
329,511	-	329,511
142,852	-	142,852
232,553	-	232,553
17,229	-	17,229
110,198	-	110,198
<u>832,343</u>	<u>-</u>	<u>832,343</u>
371,217	21,405	392,622
<u>1,304,532</u>	<u>70,426</u>	<u>1,374,958</u>
<u>\$ 1,675,749</u>	<u>\$ 91,831</u>	<u>\$ 1,767,580</u>

**NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2015**

	2015					Total
	Program Services			Management and		
	Support	Treatment	Research	General	Fundraising	
Total Salaries and Related Expenses	\$ 120,048	\$ 69,149	\$ 67,053	\$ 12,280	\$ 34,210	\$ 302,740
Awareness	191	191	192	-	-	574
Board of Directors Expense	3,650	2,433	2,433	204	1,419	10,139
Client Assistance	-	(28,092)	-	-	-	(28,092)
Development	3,161	3,156	3,156	3,671	13,113	26,257
Family Conferences	198,320	-	-	-	-	198,320
Family Support Network	292	-	-	-	-	292
In-Kind - Professional & Other	5,770	3,847	3,847	321	2,244	16,029
In-Kind - Special Events	-	-	-	-	14,058	14,058
Insurance	1,637	1,091	1,091	91	636	4,546
Marketing/Communications	25,054	16,702	16,703	1,392	9,743	69,594
Memberships	1,086	802	802	47	332	3,069
Miscellaneous	723	513	466	163	466	2,331
Office - General	8,320	5,491	5,500	459	3,168	22,938
Publications	4,375	4,375	4,375	-	-	13,125
Professional Fees	20,096	13,397	13,397	2,940	7,815	57,645
Program	611	273	273	-	-	1,158
Rent - Building	8,688	5,792	5,792	483	3,379	24,134
Repairs and Maintenance	79	53	53	4	31	220
Research Funding	-	-	39,810	-	-	39,810
Special Events	-	-	-	-	15,070	15,070
Utilities	2,805	1,869	1,870	156	1,091	7,791
<b>Total Expenses</b>	<b>\$ 404,906</b>	<b>\$ 101,043</b>	<b>\$ 166,814</b>	<b>\$ 22,211</b>	<b>\$ 106,775</b>	<b>\$ 801,748</b>

See accompanying Notes to Financial Statements.



**NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2014**

	2014					Total
	Program Services			Management and		
	Support	Treatment	Research	General	Fundraising	
Total Salaries and Related Expenses	\$ 101,595	\$ 73,343	\$ 90,608	\$ 6,143	\$ 21,255	\$ 292,944
Awareness	1,651	1,651	1,652	-	-	4,954
Board of Directors Expense	3,656	2,437	2,437	203	1,422	10,156
Client Assistance	-	(6,218)	-	-	-	(6,218)
Depreciation	909	645	586	206	586	2,932
Development	3,187	3,187	3,187	3,728	13,280	26,569
Family Conferences	117,674					117,674
Family Support Network	125					125
In-Kind - Professional & Other	45,062	30,041	30,041	2,504	17,524	125,172
In-Kind - Special Events	-	-	-	-	25,968	25,968
Insurance	1,602	1,068	1,068	89	623	4,450
Marketing/Communications	3,434	2,289	2,289	192	1,335	9,539
Memberships	2,940	538	538	25	177	4,218
Miscellaneous	308	218	198	69	199	992
Office - General	6,568	4,303	4,328	419	2,593	18,211
Publications	6,655	6,655	6,654	-	-	19,964
Professional Fees	21,211	14,141	14,141	3,050	8,249	60,792
Program	2,107	1,335	1,335	-	-	4,777
Rent - Building	7,964	5,310	5,310	442	3,099	22,125
Repairs and Maintenance	23	16	16	-	9	64
Research Funding	-	-	66,272	-	-	66,272
Special Events	-	-	-	-	12,775	12,775
Utilities	2,840	1,893	1,893	158	1,104	7,888
<b>Total Expenses</b>	<b>\$ 329,511</b>	<b>\$ 142,852</b>	<b>\$ 232,553</b>	<b>\$ 17,228</b>	<b>\$ 110,198</b>	<b>\$ 832,343</b>

See accompanying Notes to Financial Statements.

**NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Change in Net Assets	\$ 102,614	\$ 392,622
Adjustments to Reconcile Net Change in Net Assets to Cash and Cash Equivalents Provided by Operating Activities -		
Depreciation	-	2,932
Donated Investments	(41,276)	(258,048)
Proceeds from Sale of Donated Investments	28,625	27,591
Investment (Gain) Loss	36,553	(65,513)
(Increase) Decrease In:		
Pledges Receivable	6,388	6,673
Accounts Receivable	905	(905)
Prepaid Expenses and Other Assets	20,780	(19,565)
Increase (Decrease) in:		
Accounts Payable	(5,034)	890
Commitments	(73,743)	(15,194)
Accrued Expenses	(2,436)	402
Net Cash and Cash Equivalents Provided by Operating Activities	73,376	71,885
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(72,898)	(81,346)
Proceeds from Sale of Investments	119,977	86,581
Net Cash and Cash Equivalents Provided by Investing Activities	47,079	5,235
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	120,455	77,120
Cash and Cash Equivalents - Beginning of Year	396,337	319,217
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 516,792	\$ 396,337

See accompanying Notes to Financial Statements.

**NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

National Foundation for Ectodermal Dysplasias (the Foundation) is a not-for-profit organization whose mission is to empower and connect people touched by Ectodermal Dysplasias through education, support, and research.

**Description of Programs and Support Activities**

The accompanying financial statements include the following program services and supporting activities:

Support – The Family Support Council, comprised of family members and affected individuals, oversees the NFED’s support programs that seek to empower and connect individuals affected by ectodermal dysplasias and their families. The Foundation publishes high quality information to provide families with knowledge that will increase their quality of life. Information is shared through the First Connect Program, a web site, medical/dental guide series, and conferences. The National Family Conference is the Foundation’s hallmark program bringing entire families together to learn, share, and network with one another and with expert care providers. Affected children and their siblings attend Kids Camp at the Conferences where they participate in educational and social activities with other children like them to develop self-esteem. The Foundation provides financial assistance to individuals to attend the Family Conference and academic scholarship for post-secondary education to recognize the achievements of our youth. The NFED’s Family-to-Family Network connects families with a caring liaison in their region who can provide moral support, information and practical advice, guidance, and resources.

Treatment – Medical and dental experts comprise the Patient Care Council which oversees the NFED’s initiatives to improve treatment of ectodermal dysplasias. The Foundation teaches care providers how to diagnose and treat the rare disorders through professional symposia and Grand Rounds at universities. The NFED advocates for improving access to care by collaborating with universities, government, professional, and other patient-based health organizations. Affected individuals can receive more affordable care from experienced teams of dentists in treatment of ectodermal dysplasias at NFED Dental Treatment Centers in the U.S. The Foundation also helps families pay for needed care through the Treatment Assistance Program and insurance coaching.

Research – The Scientific Advisory Council oversees the NFED’s research initiatives, aimed to improve the health and quality of life of affected individuals by finding management solutions and, eventually, finding cures for ectodermal dysplasias. The Foundation advances research through advocacy and partnerships with organizations such as the National Institutes of Health. The NFED provides seed funds to researchers, provides them with access to affected individuals, and shares information to launch larger projects. The web-based Ectodermal Dysplasias International Registry serves as a repository of clinical information and facilitates communication among affected individuals, clinicians involved in their treatment, and scientists who strive to advance research on ectodermal dysplasias. The Foundation also sponsors scientific meetings to increase understanding of the disorders.

**NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Description of Programs (Continued)**

Management and General – These activities include functions necessary to administer and manage office operations and all programs. It also includes legal, financial, and fiduciary requirements.

Fundraising – These activities include development and fundraising efforts necessary to promote and acquire financial support from individuals, organizations, and corporations in order to meet the mission of the Foundation.

**Basis of Presentation**

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and the changes therein are classified and reported as follows:

**Unrestricted** – Net assets not subject to donor-imposed stipulations.

**Temporarily Restricted** – Net assets subject to donor-imposed stipulations that may be met by actions of the Foundation and/or the passage of time.

**Permanently Restricted** – Net assets subject to donor-imposed stipulations requiring that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for specific purposes. The Foundation did not have permanently restricted net assets at December 31, 2015 and 2014.

**Basis of Accounting**

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles of the United States of America.

**Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues, and expenses during the reporting period including grant and contract revenues subject to review by applicable funding agencies. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of balance sheet presentation and reporting of cash flows, cash and cash equivalents include unrestricted demand deposits and money market funds. Short-term cash equivalents that are managed as part of long-term investment strategies are included with investments.

**NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Pledges**

The Foundation receives pledges in the form of grants and contributions. Pledges, including unconditional promises to give cash and other assets to the Foundation in the future, are recognized as revenue at fair value in the period received. The gifts are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Donor-imposed contributions whose restrictions are met in the same year as received are reported as unrestricted contributions in the accompanying financial statements. Unconditional promises to give in subsequent years are reflected as pledges receivable and are recorded at the face value of the expected future cash flows. Based on management's assessment of the pledge receivable, they have concluded an Allowance for Doubtful Accounts for Pledge Receivables would be immaterial.

**Investments**

Investments are recorded in accordance with *Accounting for Certain Investments Held by Not-for-Profit Organizations*. As such, investments in marketable securities with readily determinable fair values are reported at fair value in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

**Property and Equipment**

It is the Foundation's policy to capitalize property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

**Other Assets**

Other assets consist primarily of auction items donated for the Foundation's various fundraising events. These items are recorded at estimated fair value, as determined by management, at the time of receipt.

**Tax Status**

The Foundation is tax-exempt under Section 501(c)(3) of the Internal Revenue Code and, therefore, is exempt from both federal and state income taxes. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

**NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Donated Materials and Services**

Donated property and equipment, investments and other noncash donations are recorded as contributions at their fair value at the date of donation. The Foundation reports the donations as unrestricted support, unless explicit donor stipulations specify how the assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the assets are placed in service. The Foundation records donated property, equipment, and services related to fundraising special events as In-Kind Donations to Fundraising Special Events Revenue and In-Kind Special Events Expense.

The Foundation records the value of donated services when there is an objective basis available to measure the donation's value. In addition, many individuals volunteer time and skills to perform a variety of tasks that assist the Foundation, but these services do not meet the criteria for recognition as donated services.

In-kind donations in 2015 consisted primarily of special event donations, Board donations of travel expenses, and office rent donated by the Foundation's landlord. In 2014 this balance consisted primarily of Development costs donated by the Patient Experience Project for marketing and updating of the Database. This consisted of over 600 hours of time and travel. Edimer Pharmaceuticals also donated the salary of \$7,560 for a temporary employee to update the database in the Foundations' office. The remaining balance was from the Foundations board of directors, office rent donated by the Foundation's landlord, and items donated for the Foundation's fundraising events. The in-kind office rent donation, which is a discount of \$2 per square foot of office space, totaled \$21,940 and will be released from restriction over the term of the lease agreement, which began in December 2012 and will terminate in December 2017.

**Functional Expenses**

The Foundation allocates its expenses on a functional basis to its programs and supporting services. Expenses that can be identified with a specific program and supporting service are allocated directly according to their natural expenditure classification. Expenses that are common to several functions are primarily allocated based on management's estimate of job descriptions.

**Treatment and Research Commitments**

Unconditional grants to third parties are recorded as program expenses in the period in which the grants are authorized. Conditional grants or contributions are recorded as expense in the period in which the conditions have been substantially met by the grantee.

**NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Fair Value Measurements**

Financial assets have been disclosed at their respective fair values or measured at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date on a recurring basis. The financial assets are valued using the following fair value hierarchy in order to disclose the measurement of fair value based on three levels of observable or unobservable inputs.

Level 1: Quoted prices (unadjusted) in active markets for identical assets that the Foundation has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Foundation's own assumptions about the assumptions that market participants would use in pricing the asset, based on the best information available in the circumstances.

Following is a description of the valuation methodologies used for assets measured at fair value.

**Government Agency Securities** – Valued at the closing price reported on the active market on which the individual securities are traded.

**Mutual Funds** – Valued at the closing price reported on the active market on which the individual funds are traded.

**Equity Securities** – Valued at the closing price reported on the active market on which the individual funds are traded.

**Exchange Traded Funds** – Valued at the closing price reported on the active market on which the individual funds are traded.

**Subsequent Events**

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through May 2, 2016, the date the financial statements were available to be issued.

**NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**NOTE 2 CONCENTRATIONS OF CREDIT RISK, MARKET RISK AND REVENUES**

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

In 2015 and 2014 the Foundation received approximately \$120,000 and \$130,000, or 13% and 11% of its total support and revenue from the Halloween Bash fundraising event. A significant reduction of these funds would have a material effect on the Foundation's financial position.

**NOTE 3 PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at December 31:

	<u>2015</u>	<u>2014</u>
Furnishings, Fixtures and Equipment	\$ 41,323	\$ 41,323
Less: Accumulated Depreciation	<u>(41,323)</u>	<u>(41,323)</u>
Total Net of Depreciation	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense was \$-0- and \$2,932 for the years ended December 31, 2015 and 2014, respectively.



**NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**NOTE 4 INVESTMENTS**

Investments at fair value consist of the following at December 31:

	<u>2015</u>	<u>2014</u>
Level 1 Assets:		
Equity Securities:		
Industrial	\$ 12,439	\$ 13,368
Total Equity Securities	<u>12,439</u>	<u>13,368</u>
Mutual Funds:		
Large Value	216,817	246,288
Large Blend	376,095	377,512
Large Growth	16,985	6,182
Mid-cap Blend	212,258	220,007
Small-cap Value	-	16,036
Diversified Emerging Markets	-	11,963
World Stock	384,936	391,092
World Bond	27,420	28,619
Foreign Large Blend	49,946	54,430
Total Mutual Funds	<u>1,284,457</u>	<u>1,352,129</u>
Exchange Traded Fund		
Large Blend	<u>82,534</u>	<u>84,796</u>
Total Exchange Traded Fund	<u>82,534</u>	<u>84,796</u>
Government Agency Securities:		
Asset-Backed Securities	-	118
Total Government Agency Securities	<u>-</u>	<u>118</u>
Total Level 1 Assets	<u>\$ 1,379,430</u>	<u>\$ 1,450,411</u>

Investment return for the years ended December 31 is summarized as follows:

	<u>2015</u>	<u>2014</u>
Interest and Dividends	\$ 17,187	\$ 18,713
Realized Investment Gains (Losses)	47,250	61,602
Unrealized Investment Gains (Losses)	<u>(83,803)</u>	<u>3,911</u>
	<u>\$ (19,366)</u>	<u>\$ 84,226</u>

**NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**NOTE 5 PLEDGES RECEIVABLE**

Pledges receivable are due as follows:

	<u>2015</u>	<u>2014</u>
Due in Less Than One Year	\$ 4,388	\$ 6,381
Due in One to Five Years	4,023	8,418
Face Value of Pledges Receivable	<u>\$ 8,411</u>	<u>\$ 14,799</u>

**NOTE 6 NET ASSETS**

Temporarily restricted net assets are available for the following purposes or periods at December 31:

	<u>2015</u>	<u>2014</u>
Treatment Program	\$ 39,938	\$ 23,217
Support Program	11,121	20,955
In-kind Rent	8,411	12,799
Website	50,140	7,600
Research Program	<u>34,758</u>	<u>27,260</u>
Total Temporarily Restricted Net Assets	<u>\$ 144,368</u>	<u>\$ 91,831</u>

Net assets released from donor restrictions for the years ended December 31 are as follows:

	<u>2015</u>	<u>2014</u>
Support Program	\$ 17,944	\$ 18,921
Research Program	13,707	25,168
Treatment Program	19,416	-
In-kind Rent	<u>4,388</u>	<u>4,388</u>
	<u>\$ 55,455</u>	<u>\$ 48,477</u>

**NATIONAL FOUNDATION FOR ECTODERMAL DYSPLASIAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**NOTE 7 TREATMENT AND RESEARCH COMMITMENTS**

Commitments payable (at face value) for treatment and research are to be paid as follows:

	2015	
	Treatment	Research
Due in Less Than One Year	\$ 25,000	\$ 9,137
Due in One to Five Years	2,604	-
	\$ 27,604	\$ 9,137

  

	2014	
	Treatment	Research
Due in Less Than One Year	\$ 35,000	\$ -
Due in One to Five Years	50,484	25,000
	\$ 85,484	\$ 25,000

Family conference scholarships are generally committed and expensed in the same fiscal year and did not have any outstanding commitments at December 31, 2015.

**NOTE 8 OPERATING LEASES**

The Foundation rents office space and certain office equipment under operating lease arrangements that expire at various dates through November 2017. Rent expense totaled \$31,583 and \$33,314 for the years ended December 31, 2015 and 2014, respectively.

Future minimum lease payments at December 31, 2015 are as follows:

2016	\$	29,959
2017		26,559
2018		3,751
2019		3,751
2020		1,250
Total	\$	65,270

**NOTE 9 EMPLOYEE BENEFIT PLAN**

The Foundation provides a SIMPLE individual retirement plan to substantially all employees. At their discretion, the Foundation's Board of Directors may approve Foundation contributions to the Plan. In 2015 and 2014, contribution expenses totaled \$8,685 and \$5,476 respectively.