

**FIBROUS DYSPLASIA FOUNDATION, INC.
DBA FD/MAS ALLIANCE**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

FIBROUS DYSPLASIA FOUNDATION, INC.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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TAYLORROTH

Certified Public Accountants

WORKING EXCLUSIVELY WITH NONPROFITS

October 21, 2022

INDEPENDENT AUDITORS' REPORT

Board of Directors
The Fibrous Dysplasia Foundation
Bethesda, Maryland

Opinion

We have audited the accompanying financial statements of the **Fibrous Dysplasia Foundation, Inc. dba FD/MAS Alliance** (a Florida nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fibrous Dysplasia Foundation, Inc. dba FD/MAS Alliance as of June 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fibrous Dysplasia Foundation, Inc. dba FD/MAS Alliance and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fibrous Dysplasia Foundation, Inc. dba FD/MAS Alliance's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Fibrous Dysplasia Foundation, Inc. dba FD/MAS Alliance's policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fibrous Dysplasia Foundation, Inc. dba FD/MAS Alliance's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Fibrous Dysplasia Foundation's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 29, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
DENVER COLORADO

FIBROUS DYSPLASIA FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2022

(WITH COMPARATIVE TOTALS FOR 2021)

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 411,734	\$ 413,355
Contributions receivable	<u>15,764</u>	<u>8,325</u>
Total assets	<u>\$ 427,498</u>	<u>\$ 421,680</u>
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ -	\$ 102,148
Payroll liabilities	18,747	16,906
Interest payable	8,560	3,918
Economic Injury Development Loan (EIDL) (Note 3)	<u>209,700</u>	<u>129,700</u>
Total liabilities	<u>237,007</u>	<u>252,672</u>
<u>Net assets</u>		
Without donor restrictions	186,783	162,808
With donor restrictions (Note 4)	<u>3,708</u>	<u>6,200</u>
Total net assets	<u>190,491</u>	<u>169,008</u>
Total liabilities and net assets	<u>\$ 427,498</u>	<u>\$ 421,680</u>

The accompanying notes are an integral part of these financial statements

FIBROUS DYSPLASIA FOUNDATION, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>Revenue and other support</u>				
Contributions	\$ 238,555	\$ 122,825	\$ 361,380	\$ 269,960
Grants	10,000	8,936	18,936	35,000
Government	12,000	-	12,000	-
Bequests	4,800	-	4,800	90,000
Interest income	141	-	141	117
In-kind contributions (Note 5)	25,008	-	25,008	57,671
Net assets released from restrictions (Note 6)	134,253	(134,253)	-	-
Total revenue and other support	424,757	(2,492)	422,265	452,748
<u>Expense</u>				
Program services	256,003	-	256,003	296,168
Supporting services				
Management and general	74,367	-	74,367	41,433
Fundraising	70,412	-	70,412	71,041
Total expense	400,782	-	400,782	408,642
Change in net assets	23,975	(2,492)	21,483	44,106
Net assets, beginning of year	162,808	6,200	169,008	124,902
Net assets, end of year	\$ 186,783	\$ 3,708	\$ 190,491	\$ 169,008

The accompanying notes are an integral part of these financial statements

FIBROUS DYSPLASIA FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022			2021	
	Supporting Services				
		Management and General	Fund- raising	Total	Total
	Program				
Salaries	\$ 73,499	\$ 45,243	\$ 37,080	\$ 155,822	\$ 146,004
Payroll taxes and benefits	4,202	4,261	3,710	12,173	11,550
Research grant support	122,825	-	-	122,825	100,353
Website privacy and terms of service	31,185	-	6,075	37,260	81,186
Accounting	-	13,175	-	13,175	6,295
Professional services	-	1,187	11,375	12,562	31,396
Dues and subscriptions	10,921	-	-	10,921	5,970
Insurance	2,354	2,356	1,190	5,900	6,075
Professional development	5,500	258	-	5,758	105
Interest	-	4,642	-	4,642	3,647
Database system	-	-	3,934	3,934	504
Fees	1,030	158	2,141	3,329	4,745
Mailings and postage	10	10	3,289	3,309	4,039
Marketing	1,356	1,181	698	3,235	1,620
Supplies	143	1,871	661	2,675	2,835
Equipment and software	1,354	-	108	1,462	150
Travel	1,028	25	67	1,120	-
Conferences	345	-	-	345	345
Telephone and internet	251	-	-	251	1,021
Fundraising indirect	-	-	84	84	682
All other	-	-	-	-	120
Total expenses	<u>\$ 256,003</u>	<u>\$ 74,367</u>	<u>\$ 70,412</u>	<u>\$ 400,782</u>	<u>\$ 408,642</u>

The accompanying notes are an integral part of these financial statements

FIBROUS DYSPLASIA FOUNDATION, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	<u>2022</u>	<u>2021</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 21,483	\$ 44,106
Adjustments to reconcile change in net assets to net cash provided by operating activities		
<u>Changes in operating assets and liabilities</u>		
Decrease(increase) in contributions receivable	(7,439)	(5,926)
Increase(decrease) in accounts payable	(102,148)	87,631
Increase(decrease) in payroll accruals	1,841	16,906
Increase(decrease) in interest payable	4,642	3,918
Net cash provided(used) by operating activities	<u>(81,621)</u>	<u>146,635</u>
<u>Cash flows from financing activities</u>		
Proceeds from Economic Injury Development Loan	<u>80,000</u>	<u>-</u>
Net increase(decrease) in cash and cash equivalents	(1,621)	146,635
Cash and cash equivalents, beginning of year	<u>413,355</u>	<u>266,720</u>
Cash and cash equivalents, end of year	<u><u>\$ 411,734</u></u>	<u><u>\$ 413,355</u></u>
<u>Supplemental disclosure of information</u>		
Cash paid during the period for interest	<u><u>\$ 4,642</u></u>	<u><u>\$ 3,647</u></u>

The accompanying notes are an integral part of these financial statements

FIBROUS DYSPLASIA FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 - NATURE OF ACTIVITIES

The Fibrous Dysplasia Foundation, Inc. dba FD/MAS Alliance is a community-led 501c3 nonprofit corporation fighting back against fibrous dysplasia and McCune-Albright syndrome (FD/MAS). FD/MAS is a debilitating rare mosaic disease that affects bones, skin, hormone-producing (endocrine) tissues, and non-endocrine tissues. Since 2004, the FD/MAS Alliance has improved patients' well-being through education, support, and research. We serve as an accessible, collaborative, and supportive hub for information and action. We nurture close collaborative efforts between patients and the Scientific and Medical Advisory Councils. The organization exists primarily as an online community, distributing newsletters to 3,000+ patients and families and sharing news on social media. Web-based educational programming helps patients navigate complex medical challenges and find experienced clinicians. The organization is supported primarily by contributions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. Basis of Presentation

The financial statements of the Organization, Inc. have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of 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.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Continued)

3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

4. Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received; conditional promises to give with a measurable performance barrier and a right of return are not recognized until the conditions on which they depend have been met.

5. Capitalization and Depreciation

The Organization follows a practice of capitalizing all expenditures for furniture and equipment in excess of \$500. The fair value of donated assets is similarly capitalized. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. The Organization currently has no fixed assets.

6. 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.

7. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

8. Functional Reporting of Expenses

For the year ended June 30, 2022, 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. The allocations are determined by management on a rational and systematic basis. Salaries, payroll taxes and benefits are allocated where employees spend their time. Other expenses are assigned directly to the program or functional area benefited.

9. Summarized Prior-Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

10. Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Concluded)

11. Subsequent Events

Management has evaluated subsequent events through October 21, 2022, the date the financial statements were available to be issued.

NOTE 3 - ECONOMIC INJURY DEVELOPMENT LOAN

In May 2020, the Foundation received \$129,700 pursuant to the Economic Injury Disaster Loan (EIDL) established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act. EIDL provides loans to qualifying businesses for amounts up to \$150,000. The EIDL is payable over thirty years at an interest rate of 2.75%. The minimum monthly payment is \$554. The Organization amended the original loan with the SBA on January 26, 2022 for total loan payable of \$209,700. The modification carries the original interest rate of 2.75% and the agreement calls for monthly payments of \$926, beginning November, 2022. The remaining balance of principal and interest will be payable on May 6, 2050.

Future scheduled principal payments on the loan are as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 3,596
2024	5,519
2025	5,673
2026	5,831
2027	5,593
2028 and thereafter	<u>183,488</u>
Total	<u>\$ 209,700</u>

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

At year end, net assets with donor restrictions are available for the following purposes:

<u>Description</u>	<u>Amount</u>
Global Genes research support	<u>\$ 3,708</u>

NOTE 5 - IN-KIND DONATIONS

In-kind contributions are reflected in the accompanying statements at their estimated values at date of receipt and consist of the following:

<u>Description</u>	<u>Amount</u>
Google ads	\$ 15,048
Web site privacy and terms of service (\$955 per hour)	8,886
Donated computer	729
Scholarship to attend virtual conference	<u>345</u>
Total	<u>\$ 25,008</u>

NOTE 6 - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

During the year, net assets were released from donor restrictions by satisfying the restricted program purposes:

<u>Description</u>	<u>Amount</u>
Million Dollar Bike Ride (MDBR) research grants	\$ 123,767
Summer Series	5,000
Join the Conversation	5,000
Global Genes program web design	<u>486</u>
Total	<u>\$ 134,253</u>

NOTE 7 - CONCENTRATION OF FUNDING SOURCE

For the year ended June 30, 2022, 29% of total revenues and other support were received from contributions from one program event. The Organization participates in the Million Dollar Bike Ride event annually to support research for the treatment and cure for fibrous dysplasia. Continuance of this event may be subject to uncertainty and may result in a substantial adverse impact on the Organization.

NOTE 8 - CONCENTRATION OF CREDIT RISK

Cash and cash equivalents of \$411,734 have been placed in a single financial institution. Amounts in excess of \$250,000 are not insured by the FDIC or related entity. Management and the Board have evaluated their banking needs and have determined that the banking relationship is in the best interest of the Organization.

NOTE 9 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30, 2022:

<u>Description</u>	<u>Amount</u>
Cash and cash equivalents	\$ 411,734
Contributions receivable	<u>15,764</u>
Total financial assets available to meet general expenditures over the next twelve months	<u>\$ 427,498</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. Net assets with donor restrictions are expected to be available for general expenditure in the next twelve months.