

ENDOMETRIOSIS ASSOCIATION, INC.
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

WASSERMAN & ASSOCIATES

Certified Public Accountants

Independent Auditors' Report

Board of Directors
Endometriosis Association, Inc.
Milwaukee, WI

We have audited the accompanying financial statements of Endometriosis Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statement of activities, change in net assets and cash flows for the fiscal 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 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 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 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.

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We believe that the audit evidence we 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 Endometriosis Association, Inc. as of June 30, 2015 and the related statement of activities, change in net assets and cash flows for the fiscal period then ended in accordance with accounting principles general accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the audit procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Wasserman & Associates, CPAs
8375 S. Howell Ave. #202
Oak Creek, WI 53154-8344

9/30/15

**Endometriosis Association, Inc.
Statements of Financial Position
For the Fiscal Year Ended June 30, 2015**

	<u>As of 6/30/2015</u>
<u>ASSETS</u>	
Current Assets:	
Cash and cash equivalents	\$ 110,951
Accounts receivable	2,879
Contributions receivable	25,725
Inventory	17,433
Prepaid expenses	<u>5,292</u>
Total Current Assets	162,280
Property and Equipment:	
Property and equipment	499,998
Accumulated depreciation	<u>(398,089)</u>
Net Property and Equipment	101,909
 Total Assets	 <u><u>\$ 264,189</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts payable	\$ 2,437
Accrued expenses	8,479
Security deposits	<u>1,110</u>
Total Current Liabilities	12,026
Net Assets:	
Unrestricted	<u>252,163</u>
Total Net Assets	<u>252,163</u>
 Total Liabilities and Net Assets	 <u><u>\$ 264,189</u></u>

See Independent Auditors' Report and Accompanying Notes.

Endometriosis Association, Inc.
Statement of Activities
For the Fiscal Year Ended June 30, 2015

	For the Fiscal Year Ended 6/30/2015
Revenue and Support	
Contributions	\$ 312,838
Memberships	21,033
Program service revenue	48,590
Literature, supplements, ProSirona	9,249
Rental income	10,620
Grants	54,591
Investment income	334
Miscellaneous income	578
Total Revenue and Support	<u>457,833</u>
Expenses:	
Program	453,321
Management and general	48,696
Fundraising	59,103
Rental	9,321
Total Expenses	<u>570,441</u>
Excess of Revenues Over (Under) Expenses and Losses	<u><u>\$ (112,608)</u></u>

See Independent Auditors' Report and Accompanying Notes.

Endometriosis Association, Inc.
Statement of Change in Net Assets
For the Fiscal Year Ended June 30, 2015

	<u>Unrestricted</u>	<u>Total</u>
Net Assets, Beginning of Year	\$ 364,771	\$ 364,771
Revenues over (under) expenses	<u>(112,608)</u>	<u>(112,608)</u>
Net Assets, End of Year	<u>\$ 252,163</u>	<u>\$ 252,163</u>

See Independent Auditors' Report and Accompanying Notes.

Endometriosis Association, Inc.
Statements of Cash Flows
For the Fiscal Year Ended June 30, 2015

	For the Fiscal Year Ended 6/30/2015
Cash flows from operating activities:	
Change in net assets	\$ (112,608)
Adjustments to reconcile change in net assets to cash provided by (used for) operating activities:	
Depreciation	25,705
Change in accounts receivable	(491)
Change in contributions receivable	149,275
Change in inventory	3,083
Change in prepaid expenses	(799)
Change in accounts payable	(3,504)
Change in accrued expenses	(13,149)
Net cash provided (used) by operating activities	<u>47,512</u>
Net increase (decrease) in cash and cash equivalents	47,512
Cash and cash equivalents, beginning of year	<u>63,439</u>
Cash and cash equivalents, end of year	<u><u>\$ 110,951</u></u>

See Independent Auditors' Report and Accompanying Notes.

Endometriosis Association, Inc.
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

Endometriosis Association, Inc. (The Organization) is a not-for-profit public benefit international organization that was started in Milwaukee, Wisconsin in 1980. The Organization is dedicated to providing support to those affected by endometriosis, educating the public and medical community about the disease, and promoting and conducting research related to endometriosis.

Nature of Programs

Support – The Organization provides support to those suffering from endometriosis. Volunteers assist with crisis call help and correspondence networks. Association members have access to a discount prescription medication program, discounted nutritional supplements and topical pain relievers, as well as access to the Organization’s invitation-only Healthcare Provider List.

Education – The Organization implements educational programs and produces informative materials for those affected with endometriosis, for the public, and for medical professionals. The Organization provides literature in over thirty languages, newsletters, videos, books, assistance to the media, and other educational services.

Research – The Organization promotes and conducts research in collaboration with leading medical research facilities worldwide in order to find better treatments and an eventual cure for endometriosis. The Organization also assists with clinical trial recruitment, peer review, and prepares scientific papers and chapters for journals and medical textbooks.

Method of Accounting

The Organization’s financial statements have been prepared on the accrual basis of accounting. As such, revenues are recognized when earned, and expenses and related liabilities are recorded in the period incurred.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board FASB ASC 958-205-05, Not-for-Profit Entities Presentation of Financial Statements. Under FASB ASC 958-205-05, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and / or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations requiring that the principal be maintained in perpetuity and that only income be expended.

The Organization’s total net assets of \$252,163 were unrestricted as of June 30, 2015.

See Independent Auditors’ Report.

Endometriosis Association, Inc.
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of financial position and statement of cash flows, the Organization considers cash and highly liquid investments with original maturities of three months or less to be cash equivalents.

Fair Value Measurements

FASB ASC 820-10-50, Disclosure about Fair Value of Financial Instruments, requires disclosures of fair value information about financial instruments.

The carrying amounts reported in the statement of financial position for cash and cash equivalents and accounts receivable approximate the assets' fair value.

Income Tax Exemption

The Organization has received a favorable determination with respect to tax-exempt status from the Internal Revenue Service under provisions of Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for charitable contribution deductions under Section 170(b)(1)(A) and has been classified as a public charity under Section 509(a)(1).

The Organization does not consider any of its support and revenues to be unrelated business income and, accordingly, no provision for income taxes has been provided in the accompanying financial statements.

Accounts & Contributions Receivable and Bad Debts

Accounts & contributions receivable are stated at the amount management expects to collect from outstanding balances. Management individually reviews all past due balances and utilizes the direct write-off method to record bad debt expense. Management believes all receivables to be fully collectible, as such; no allowance for bad debts has been recognized.

Advertisement

The Organization expenses advertising costs when they are incurred. Advertising expense for the fiscal year ended June 30, 2015 amounted to \$0.

Inventory

Inventory consists of books, literature, and other items listed for resale, which are recorded at original cost.

Endometriosis Association, Inc.
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

The Organizations policy is to capitalize all tangible assets which separately or in the aggregate have an acquisition cost of \$5,000 or greater. Property and equipment is stated at cost if purchased or fair market value at the date of the gift, if donated. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. Depreciable lives range from five to forty years. Maintenance and repair costs are charged to expense as incurred.

B. CASH AND CASH EQUIVALENTS

Cash as of June 30, 2014 consisted of the following:

Checking accounts with interest rates ranging from 0.00% to 0.05%	\$ 10,693
Savings account with interest rate of 0.75%	<u>100,258</u>
Total	<u>\$ 110,951</u>

C. CONCENTRATIONS

The Organization receives a substantial portion of its revenue and support from one donor. For the fiscal year ended June 30, 2015, this donor accounted for 22% of total revenue and support.

D. FOREIGN CURRENCY TRANSLATIONS

Canadian currency transactions are translated into United States dollars using an average annual exchange rate. Deposits in Canadian bank accounts as of June 30, 2015 were translated at the currency rate in effect on this date. The net effect of the currency translation at June 30, 2015 was immaterial to the financial statements.

E. PROPERTY AND EQUIPMENT

The major categories of property and equipment as of June 30, 2015 are summarized as follows:

Land	\$ 65,000
Building and improvements	238,960
Furniture and equipment	<u>196,038</u>
	499,998
Less: accumulated depreciation	<u>398,089</u>
Total	\$ <u>101,909</u>

See Independent Auditors' Report.

Endometriosis Association, Inc.
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

G. OTHER CASH FLOW DISCLOSURES

Interest paid the fiscal year ended June 30, 2015 amounted to \$0.

H. RENTAL INCOME

The Organization leases portions of its facility on separate three year and one year leases. One lease term calls for monthly rent payments of \$535 through June 2015. The second lease term calls for monthly rent payments of \$350 through October 2015. Rental income for the year ended June 30, 2015 was \$10,620. The Organization obtains security deposits from its tenants to ensure full and faithful performance of the terms, covenants, and conditions of the lease agreements.

I. ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES

The Organization's policy is to evaluate uncertain tax positions, at least annually, for the potential for income tax exposure from unrelated business income or from loss of nonprofit status. Federal returns from 2012 onward and Wisconsin returns from 2011 onward are still open for review.

J. RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Organization carries commercial insurance. There were no claims or settlements for the fiscal year ended June 30, 2015.

K. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 30, 2015, the date on which the financial statements were available to be issued. There were no subsequent events that required recognition or disclosure.

SUPPLEMENTARY INFORMATION

Endometriosis Association, Inc.
Statement of Functional Expenses
For the Fiscal Year Ended June 30, 2015

	<u>Program Expense</u>				<u>Management and General</u>	<u>Fundraising</u>	<u>Rental</u>	<u>Total</u>
	<u>Support</u>	<u>Education</u>	<u>Research</u>	<u>Total Program</u>				
Salaries and wages	\$ 19,636	\$ 104,684	\$ 57,465	\$ 181,785	\$ 26,648	\$ 31,501	\$ -	\$ 239,934
Health insurance	1,184	8,529	5,069	14,782	2,722	2,553	-	20,057
Payroll taxes	3,628	10,253	5,227	19,108	2,713	2,803	-	24,624
Legal and accounting	4,390	3,797	1,898	10,085	5,687	593	-	16,365
Contracted services	554	3,033	546	4,133	161	1,688	-	5,982
Office supplies and expenses	976	3,073	472	4,521	301	193	-	5,015
Mailing supplies	-	-	-	-	-	-	-	-
Books and tapes for resale	3,386	2,363	143	5,892	-	-	-	5,892
Vitamins and supplements	3,880	(146)	-	3,734	-	-	-	3,734
Bank charges	1,566	1,359	771	3,696	424	212	-	4,332
Telephone	1,745	1,509	755	4,009	472	236	-	4,717
Postage and shipping	6,642	5,446	22,909	34,997	1,704	4,979	-	41,680
Property taxes	9	8	4	21	3	1	1,068	1,093
Insurance	3,302	2,854	1,428	7,584	893	446	-	8,923
Utilities	941	813	407	2,161	254	127	1,775	4,317
Repairs and maintenance	5,013	4,337	2,168	11,518	1,356	614	6,478	19,966
Printing and copying	1,049	6,185	1,018	8,252	238	2,017	-	10,507
Subscriptions & Publications	-	-	-	-	80	1,018	-	1,098
Travel and auto expense	141	1,231	6,481	7,853	281	1,143	-	9,277
Conferences and training	185	1,656	2,944	4,785	50	25	-	4,860
Dues and fees	628	583	1,260	2,471	2,128	7,662	-	12,261
Research expense	-	-	100,000	100,000	-	-	-	100,000
Depreciation	9,511	8,225	4,113	21,849	2,571	1,285	-	25,705
Miscellaneous	37	32	16	85	10	7	-	102
Interest expense	-	-	-	-	-	-	-	-
Total expenses	\$ 68,403	\$ 169,824	\$ 215,094	\$ 453,321	\$ 48,696	\$ 59,103	\$ 9,321	\$ 570,441

See Accompanying Notes to Financial Statements.