Gorfine Schiller Gardyn
Certified Public Accountants and Consultants

SUDC FOUNDATION
sudden unexplained death in childhood

THE SUDC FOUNDATION

FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

THE SUDC FOUNDATION
TABLE OF CONTENTS
December 31, 2015

GSG GorfineSchillerGardyn
Certified Public Accountants and Consultants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The SUDC Foundation

We have audited the accompanying financial statements of The SUDC Foundation, which comprise the statement of financial position as of December 31, 2015, 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 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 audit. We conducted our audit 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 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 The SUDC Foundation as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

10045 Red Run Boulevard, Suite 250 • Owings Mills, MD 21117 • T 410-356-5900 • 800-333-0272 • F 410-581-0368
19833 Leitersburg Pike, Suite 2 • Hagerstown, MD 21742 • T 301-739-9000 • F 301-739-8345
www.gsg-cpa.com

Other Matter

The 2014 financial statements were reviewed by us and our report thereon dated October 26, 2015, stated that we were not aware of any material modifications that should be made to those statements for them to be in accordance with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

Gorfine, Schiller + Gardyn, P.A.

September 22, 2016
Owings Mills, Maryland

FINANCIAL STATEMENTS

THE SUDC FOUNDATION
STATEMENTS OF FINANCIAL POSITION
December 31, 2015 and 2014

ASSETS

	2015 (AUDITED)	2014 (REVIEWED)
ASSETS		
Cash and cash equivalents	$ 659,307	$ 436,599
TOTAL ASSETS	$ 659,307	$ 436,599

LIABILITIES AND NET ASSETS

	2015 (AUDITED)	2014 (REVIEWED)
LIABILITIES		
Accrued expenses	$ 4,820	$ -
NET ASSETS		
Unrestricted net assets	654,487	436,599
TOTAL LIABILITIES AND NET ASSETS	$ 659,307	$ 436,599

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

THE SUDC FOUNDATION
STATEMENTS OF ACTIVITES
For the Periods Ended December 31, 2015 and 2014

	2015 (AUDITED)	2014 (REVIEWED)
REVENUES		
Public support received directly from individuals and corporations	$ 639,094	$ 488,064
EXPENSES		
Program services	210,438	32,840
Management and general	103,100	9,940
Fundraising	107,668	8,685
Total expenses	421,206	51,465
CHANGES IN NET ASSETS	217,888	436,599
NET ASSETS - Beginning of period	436,599	-
NET ASSETS - End of period	$ 654,487	$ 436,599

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

THE SUDC FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
For the Periods Ended December 31, 2015 and 2014

	2015 (AUDITED)			
	Program Service	Management And General	Fundraising	Total
Grants	$ 120,241	$ -	$ -	$ 120,241
Fundraising	-	-	107,668	107,668
Public awareness/advocacy	22,777	-	-	22,777
Office expense	-	72,163	-	72,163
Insurance	-	4,896	-	4,896
Support services	67,420	19,899	-	87,319
Bank fees	-	6,142	-	6,142
TOTAL EXPENSES	$ 210,438	$ 103,100	$ 107,668	$ 421,206

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

	2014 (REVIEWED)			
	Program Service	Management And General	Fundraising	Total
Grants	$ 28,660	$ -	$ -	$ 28,660
Fundraising	-	-	8,207	8,207
Public awareness/advocacy	2,860	2,811	478	6,149
Office expense	-	4,018	-	4,018
Insurance	-	2,046	-	2,046
Support services	1,320	-	-	1,320
Bank fees	-	1,065	-	1,065
TOTAL EXPENSES	$ 32,840	$ 9,940	$ 8,685	$ 51,465

THE SUDC FOUNDATION
STATEMENTS OF CASH FLOWS
For the Periods Ended December 31, 2015 and 2014

	2015 (AUDITED)	2014 (REVIEWED)
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 217,888	$ 436,599
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Accrued expenses	4,820	-
Net cash provided by operating activities	222,708	436,599
CHANGES IN CASH AND CASH EQUIVALENTS	222,708	436,599
CASH AND CASH EQUIVALENTS – Beginning of period	436,599	-
CASH AND CASH EQUIVALENTS – End of period	$ 659,307	$ 436,599

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

NOTE A – NATURE OF OPERATIONS

The SUDC Foundation (the "Foundation") is a Virginia non stock corporation formed as an Internal Revenue Code (IRC) Section 509(a)(1) and 170(b)(1)(a)(vi) organization on February 21, 2014. The Foundation's mission is to eliminate the tragedy of sudden unexpected death in childhood ("SUDC"). The Foundation is dedicated to supporting grieving families by developing support and advocacy programs specific to their needs. It will work collaboratively with families, professionals and the general public to share accurate information, advance medical research and advocate for issues relative to SUDC. It will raise charitable donations to support these goals and address the many needs of the Foundation. The 2014 statements of activities, cash flows and functional expenses are for the period of February 21, 2014 through December 31, 2014.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, income is recognized when earned and expenses are recognized when incurred.

2. Cash and Cash Equivalents

The Foundation considers all deposits held in interest and non-interest bearing accounts to be cash equivalents.

3. Contributions Receivable

Contributions due in less than one year are recorded at their net realizable value upon receipt. Contributions due in more than one year are recorded at fair value on the date received.

4. Contributions and Revenue

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restrictions expire in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Basis of Presentation

The Foundation reports 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. Classification of net assets is based on the existence or absence of donor-imposed restrictions. The Foundation does not have any permanently or temporarily restricted net assets as of December 31, 2015. The Foundation reports information regarding the cost of providing various programs and activities summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

6. 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenue and expenses during the reporting period. Actual results could differ from those estimates.

7. Income Taxes

The Foundation is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (Code), and contributions to it are tax deductible within the limitations prescribed by the Code. The Foundation has been classified as a publicly supported organization which is not a private foundation under Section 509(a)(1) and 170(b)(1)(a)(vi) of the Code.

The Foundation follows the provisions of the Financial Accounting Standards Codification, *Accounting for Income Taxes*. This topic requires the Foundation to recognize or disclose any tax positions that would result in unrecognized tax benefits. The Foundation has no positions that would require disclosure or recognition under the topic. The Foundation's income tax return for periods ended December 31, 2014 and thereafter are subject to examination by the IRS and state taxing authorities.

8. Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

9. Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-14 *Not-for-Profit Entities*, which contains significant changes to the financial statements requirements under the *Not-for-Profit Entities* topic of the Accounting Standards Codification. The new standard is effective for the year ending December 31, 2018. The Organization will evaluate the effect that implementation of the new standard will have on its financial position, results of operations and cash flows.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

10. Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through September 22, 2016, the date the financial statements were available to be issued. During this period, the Foundation did not have any material recognizable subsequent events.

NOTE C – CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS

Accounts are insured by the Federal Deposit Insurance Corporation up to $250,000. At December 31, 2015, the Foundation's uninsured cash balance was approximately $480,000. The Foundation does not anticipate any loss on such uninsured deposits.