

**Financial Statements
Year Ended
December 31, 2011**

American Thyroid Association, Inc.

American Thyroid Association, Inc.

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Report of Independent Auditors

Board of Directors
American Thyroid Association, Inc.

We have audited the accompanying statement of financial position of the **American Thyroid Association, Inc.** (a nonprofit organization) as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the management of the **American Thyroid Association, Inc.** 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **American Thyroid Association, Inc.**, as of December 31, 2011, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedules of functional expenses and comparison to budget on pages 15 to 16 are presented for purposes of additional analysis and are 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 auditing 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.

Dalal & Company

Alexandria, Virginia
October 5, 2012

American Thyroid Association, Inc.

Statement of Financial Position

December 31, 2011

Assets

Current assets

Cash and cash equivalents	\$ 1,563,368
Receivables	45,884
Prepaid expenses	16,922

Total current assets 1,626,174

Property and equipment, net of accumulated depreciation \$113,890 36,638

Investments 3,100,006

Other assets

Deposits	7,593
Trademarks, net of accumulated amortization \$2,566	2,567

\$ 4,772,978

Liabilities and Net Assets

Current liabilities

Accounts payable and accrued expenses	\$ 47,900
Deferred revenue	230,254

Total current liabilities 278,154

Net assets

Unrestricted	1,360,196
Unrestricted, board designated	506,514

Total unrestricted net assets 1,866,710

Temporarily restricted	73,853
Permanently restricted	2,554,261

Total net assets 4,494,824

\$ 4,772,978

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

American Thyroid Association, Inc.

Statement of Activities

Year Ended December 31, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue				
CME grants	\$ 351,350	\$ -	\$ -	\$ 351,350
Meeting registration	530,983	-	-	530,983
Other meeting revenue	201,615	-	-	201,615
Research grants	-	172,500	-	172,500
Publications and communications	297,037	-	-	297,037
Member dues	314,494	-	-	314,494
Individual and corporate donations	177,625	71,688	166,069	415,382
Member donations	29,728	4,610	-	34,338
Interest, dividends and realized gains	4,742	77,472	-	82,214
Net asset released from restrictions	273,925	(272,216)	(1,709)	-
Total support and revenue	2,181,499	54,054	164,360	2,399,913
Expenses				
Program services				
Education				
Scientific meetings - venue to share knowledge and gather information on causes and cures of thyroid disease with professionals	727,575	-	-	727,575
Publications - provide information on research and treatments	208,226	-	-	208,226
Public, patient and professional awareness - provide the public and health professionals with information and education	486,009	-	-	486,009
Research				
Support to academic institutions and scientists to research thyroid disorders	298,519	-	-	298,519
Total program services	1,720,329	-	-	1,720,329
Management and general	56,051	-	-	56,051
Fundraising - secures charitable financial support and compliance	65,789	-	-	65,789
Total expenses	1,842,169	-	-	1,842,169
Operational support and revenue in excess of expenses	339,330	54,054	164,360	557,744
Net unrealized gain (loss) on investments	(435)	(178,621)	-	(179,056)
Change in net assets	338,895	(124,567)	164,360	378,688
Net assets, beginning of year	1,527,815	198,420	2,389,901	4,116,136
Net assets, end of year	\$ 1,866,710	\$ 73,853	\$ 2,554,261	\$ 4,494,824

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

American Thyroid Association, Inc.

Statement of Cash Flows

Year Ended December 31, 2011

Cash flows from operating activities	
Change in net assets	\$ 378,688
Adjustments to reconcile to net cash from operating activities:	
Depreciation and amortization	17,938
Net realized gains on investments	(10,589)
Net unrealized loss on investments	179,016
Change in:	
Receivables	(466)
Prepaid expenses	8,779
Deposits	7,686
Accounts payable and accrued expenses	8,325
Deferred revenue	18,238
Net cash flows from operating activities	<u>607,615</u>
Cash flows from investing activities	
Investment purchases, reinvestments and transfers	(1,635,842)
Proceeds from sale of investments	1,080,763
Purchase of property and equipment	(25,712)
Net cash flows from investing activities	<u>(580,791)</u>
Net change in cash and cash equivalents	26,824
Cash and cash equivalents, beginning of year	<u>1,536,504</u>
Cash and cash equivalents, end of year	<u>\$ 1,563,328</u>

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

American Thyroid Association, Inc.

Notes to Financial Statements

December 31, 2011

1. Organization and Nature of Activities

The **American Thyroid Association, Inc.** (“the Association” or “the ATA”) is a nonprofit organization incorporated under the laws of the State of New York and is exempt from federal taxes under Internal Revenue Code Section 501(c)(3). The Association is organized and operated exclusively for charitable, scientific, and educational purposes, including the study and dissemination of knowledge regarding the basic and clinical aspects of thyroid physiopathology. Sources of revenue include grants for research and education, member dues, donations, publications and meetings.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial records are maintained on the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when they are incurred. The Association records contributions when they are unconditionally promised or received. When the criteria for donor-imposed restrictions are met in the same period as the related contributions are received, the contributions are presented as changes in unrestricted net assets.

Basis of Presentation

In accordance with U.S. generally accepted accounting principles, the Association classifies resources for accounting and reporting purposes into three net asset categories according to the externally (donor) imposed restrictions. A description of the three net asset categories follows:

Unrestricted net assets include undesignated and board-designated net assets that are associated with the principal mission of the Association and that are not subject to donor restrictions.

Temporarily restricted net assets include funds for which donor-imposed restrictions have not been met. When the criteria for such restrictions have been met, the net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets include gifts that require, by donor restriction, that the principal be invested in perpetuity.

To ensure compliance with limitations and restrictions placed on the use of resources available to the Association, the accounts are maintained in accordance with the principles of fund accounting. Accordingly, the assets, liabilities and fund balances of the Association are reported in fund groups as follows:

Unrestricted Funds

Operating Fund

The Operating Fund supports programs of the Association including education, research, public and professional awareness, program support, and the administrative and infrastructure operations necessary to support these programs for the benefit of the public.

Board Designated Funds

The Board has designated \$506,514 of unrestricted funds at December 31, 2011 as follows: \$320,000 to serve as an operational reserve; \$147,688 from a 2007 bequest to be spent for clinical initiatives; and \$38,826 from contributions received from a foundation which ceased operations, to be spent on patient education. These funds are invested in money funds and are included in cash and cash equivalents.

Temporarily Restricted Funds

ITC Travel Fund

The International Thyroid Congress (ITC), which first met in 1927, is a collaborative meeting held every fifth year of the four world thyroid societies – the Latin American Thyroid Association (LATS), the European Thyroid Association (ETA), the Asia & Oceania Thyroid Association (AOTA), and the ATA. Each society hosts the ITC on a rotating basis. The ITC Travel Fund represents the Association's share of the net revenue of the previous ITC. The funds are held for young investigator travel to the 2015 ITC which will be hosted by the ATA in Orlando, Florida. The balance in this fund at December 31, 2011 was \$16,321.

Research Fund

The Research Fund supports thyroid research and includes contributions from the Combined Federal Campaign, United Way and Independent Charities of America. The ATA is a Health and Medical Research charity under the Combined Federal Campaign. There were no temporarily restricted research funds at December 31, 2011.

Endowment Appreciation

Absent donor-imposed restrictions, unspent investment returns from permanently restricted endowments are accumulated and presented as temporarily restricted funds which are subject to the Association's investment spending policy as described in Footnote 7. The balance in this fund was \$57,532 at December 31, 2011.

Permanently Restricted Funds

Sidney H. Ingbar Fund

The Sidney H. Ingbar Fund supports an annual award recognizing outstanding academic achievements in the field of thyroidology consistent with the innovation and vision that epitomized Dr. Ingbar's brilliant investigative career. It is conferred upon an established investigator who has made major contributions in thyroid-related research over many years.

Endowment Fund

The Endowment Fund was established to ensure the future of the American Thyroid Association's scientific and educational programs for its members.

Campaign Fund

The Campaign Fund supports peer-reviewed clinical and basic science investigations of exceptional merit.

Stanbury Pathophysiology Award Fund

The Stanbury Pathophysiology Award Fund was established to perpetually fund the annual award of the Stanbury medal for contributions to thyroid pathophysiology.

University of Southern California Thyroid Research Group Fellows Fund

The University of Southern California Thyroid Research Group Fellows Fund (USC Fellows Fund) was established to support fellows' attendance at ticketed program events of the annual meeting of the Association.

Arthur Bauman Fund

The Arthur Bauman Fund supports the presentation of advances of clinical investigation in thyroidology and promotes participation by younger members of the scientific community in the annual meeting. The Arthur Bauman Clinical Symposium is conducted at each annual meeting.

Clark T. Sawin Endowment Fund

The Clark T. Sawin Endowment Fund supports *The Clark T. Sawin History Resource Center*, an online thyroid history and archive resource, and the history lectureship at the annual meeting.

Braverman Fund

This fund was established to support a Lewis E. Braverman Distinguished Lectureship Award to be presented at each annual meeting of the ATA. The award is given to an individual who has demonstrated a passion for mentoring and a dedication to advancing the understanding of thyroid disease. The fund allows for the release of an administrative fee of 10% of donations received during the year. The fund became a permanent endowment in 2011 when donations reached \$100,000.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of demand deposits at banks and cash, money funds, and deposits insured by the Federal Deposit Insurance Corporation (FDIC) held at financial institutions. The Association considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all principal and income cash balances in the investment accounts, to be cash equivalents.

Investments

The Association's investments are reported at fair value, which is based on quoted market prices or dealer quotes. Unrealized and realized gains and losses are included in the statement of activities as changes in net assets. Investments are exposed to certain risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities and the volatility in the capital markets, changes in the value of investment securities could occur in the near term and those values could materially differ from the amounts reported in the accompanying financial statements.

Fair Value of Financial Instruments

As of December 31, 2011, the carrying value of cash and cash equivalents, receivables, accounts payable and accrued expenses approximated their fair value, based on the short-term maturities of these instruments.

Support, Revenues and Expenses

The Association records support, revenues and expenses on the accrual basis. Contributions are recorded in the funds in accordance with donor restrictions. The donor-restricted contributions whose restriction criteria are met in the same reporting period are shown as temporarily restricted net assets released from restrictions and are transferred to unrestricted net assets. Unrestricted donations are recorded in the operating fund. Temporarily restricted and permanently restricted donations are recorded in the respective restricted funds.

Receivables

The Association classifies all receivables as current assets, and provides an allowance for doubtful accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions. Receivables deemed uncollectible are expensed based on credit evaluation and the specific circumstances of the parties involved.

Receivables as of December 31, 2011 include \$29,494 for meeting support, \$7,836 for donations, \$6,002 for 2011 journal royalties, and \$2,592 for vendor overpayments. There is no allowance for doubtful accounts at December 31, 2011.

Property and Equipment

Property and equipment are stated at cost and are depreciated on a straight-line basis over their useful lives which currently range from 3 to 7 years. It is the Association's policy to capitalize assets purchased at a cost greater than \$1,000.

Intellectual Property

The Association capitalizes the costs associated with Trademark applications with the United States Patent and Trademark Office as Trademarks on the statement of financial position, and amortizes the costs on a straight line basis over a five year period.

Deferred Revenue

All member dues received prior to December 31 but relating to the subsequent year, are recorded as deferred revenue in the accompanying statement of financial position. Exhibitor fees collected in advance of the next year's annual meeting and grants in support of future projects are also included in deferred revenue.

At December 31, 2011, deferred revenue consisted of membership dues of \$218,267, exhibitor fees of \$10,485 and support for future guidelines of \$1,502.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Concentration of Credit Risk

The Association maintains cash in bank deposit accounts that may at times exceed FDIC insurance limits. As of December 31, 2011, bank deposits were fully insured by the FDIC.

The Association maintains a concentration of cash and investment accounts with a brokerage institution which is a member of the Securities Investor Protection Corporation (SIPC). The financial institution carries excess insurance above the SIPC limit.

Income Taxes

Under applicable provisions of the Internal Revenue Code Section 501(c)(3) and the Codes of the Commonwealth of Virginia, and the State of New York, the Association is exempt from taxes on income, other than unrelated business income, and property. There was no taxable unrelated business income for the year ended December 31, 2011. The Association believes that it has appropriate support for any tax positions taken, and therefore, does not have any uncertain tax positions that are material to the financial statements. At a minimum, the December 31, 2008 through 2011 tax years are open for examination by taxing authorities.

Subsequent Events

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through October 5, 2012, the date the financial statements were available to be issued.

3. Cash and Cash Equivalents

A summary of cash and cash equivalents as of December 31, 2011 is as follows:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Checking accounts	\$ 905,568	\$ -	\$ -	\$ 905,568
Money funds	657,800	-	-	657,800
Total	\$ 1,563,368	\$ -	\$ -	\$ 1,563,368

Fair value approximates cost.

4. Investments and Fair Value Measurements

The investments at December 31, 2011 were as follows:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Equity securities	\$ -	\$ -	\$ 1,488,062	\$ 1,488,062
Debt securities	471,892	73,853	1,066,199	1,611,944
Total	\$ 471,892	\$ 73,853	\$ 2,554,261	\$ 3,100,006

The cost basis of these investments is \$2,917,237.

U.S. generally accepted accounting principles define fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. U.S. generally accepted accounting principles also establish a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels:

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Association has access to on the measurement date. The quoted prices provide the most reliable evidence, except when a significant event occurs that may affect the fair value measurement.

Level 2: Inputs are quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Observable inputs other than Level 1 quoted prices such as quoted prices for similar assets or liabilities or interest rate and yield curves.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liabilities.

The table below summarizes investments, by level, for items measured at fair value on a recurring basis at December 31, 2011:

	Level 1	Level 2	Level 3	Total
Equity securities				
Common stocks	\$ 5,865	\$ -	\$ -	\$ 5,865
Preferred stocks	30,692	-	-	30,692
Mutual funds	1,451,505	-	-	1,451,505
Debt securities				
Government bonds	326,055	-	-	326,055
Government-backed securities	872	-	-	872
Corporate bonds	834,387	-	-	834,387
Mutual funds	250,903	-	-	250,903
Certificates of deposit	199,727	-	-	199,727
	\$ 3,100,006	\$ -	\$ -	\$ 3,100,006

Shares held in mutual funds that trade on national securities exchanges, are valued at the net asset value and are classified within Level 1 of the valuation hierarchy.

Net investment return (loss) for 2011 consisted of the following:

	Unrestricted	Temporarily Restricted	Total
Interest and dividend income:			
Wachovia	\$ 512	\$ -	\$ 512
Provident	50	40	90
Burke & Herbert - money market	2,196	344	2,540
BB&T	862	-	862
Deutsche Bank - Operating	9	-	9
Deutsche Bank - Operations reserve	1,113	-	1,113
Deutsche Bank - Growth	-	25,071	25,071
Deutsche Bank - Income	-	32,047	32,047
Deutsche Bank - Calamos	-	9,381	9,381
Total Interest and dividends	4,742	66,883	71,625
Net realized gains	-	10,589	10,589
Net unrealized losses	(435)	(178,621)	(179,056)
Investment advisory fees	-	(16,416)	(16,416)
Net investment return (loss)	\$ 4,307	\$ (117,565)	\$ (113,258)

5. Property and equipment

Property and equipment consisted of the following at December 31, 2011.

	Cost	Accumulated Depreciation	Depreciation Expense	Life (years)
Furniture, fixtures, and equipment	\$ 42,411	\$ (34,962)	\$ 5,684	5-7
Computer hardware	17,274	(11,987)	2,678	5
Computer software	3,217	(2,564)	1,072	3
Website and database	87,626	(64,377)	7,478	3
Total	\$ 150,528	\$ (113,890)	\$ 16,912	

Intellectual Property

The Association registered its logo (a white thyroid shape within a blue circle), its name (American Thyroid Association), and one of its online publication names (Clinical Thyroidology) with the United States Patent and Trademark Office. The costs associated with the applications are capitalized on the statement of financial position as Trademarks at December 31, 2011.

The estimated aggregated amortization expense for the succeeding fiscal years as of December 31, 2011 is as follows:

2012	\$ 1,027
2013	1,027
2014	513
	<u>\$ 2,567</u>

Depreciation and amortization for the year ended December 31, 2011 were \$16,912 and \$1,026, respectively, totaling \$17,938.

6. Publications and Communications

On January 1, 2011, the Association's agreement with a publishing company to publish and sell *Thyroid*, the official journal of the American Thyroid Association, automatically renewed for an additional seven years beginning January 1, 2012. The publisher is considered the sole owner of *Thyroid* and is responsible for subscription solicitation, sale of advertising space, reprints, back volumes and electronic products. The Association entered into an agreement with the Editor in Chief of *Thyroid* effective January 1, 2008 through January 1, 2013. The Association earns royalty income from the publication of *Thyroid* for the use of the ATA trademark, logo and other materials.

The Association continued to publish *Clinical Thyroidology* on the Internet and in a printed version to ATA members who cannot access the Internet. The Association entered into an agreement with the Editor in Chief of *Clinical Thyroidology* effective January 1, 2011 through January 1, 2014. The Association also publishes *Clinical Thyroidology for Patients*, an online version of *Clinical Thyroidology* for patients and the public who joined Friends of the ATA.

The Association has an annually renewable contract with a service provider of weekly thyroid related online news briefs. The Association earns royalty income for the use of the ATA trademark, logo and other materials. The contract renewed on March 31, 2011.

An Indian-based company sought the ATA's expertise in reviewing and approving a print based educational program on thyroid for local physicians.

Publications and communications support and revenue of \$297,037 includes subscription revenue of \$146,924 from *Thyroid*, editorial support of \$50,000, manuscript fees of \$44,030, grant support of \$35,000 for publications, \$8,550 related to the Indian-based project, net royalty income of \$10,533 and other support of \$2,000.

7. Restricted Net Assets and Endowments

The Association's endowments consist of individual donor-restricted endowment funds established for a variety of purposes as described in Footnote 2. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Association has interpreted the Uniform Prudent Management of Institutional Funds Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of the interpretation, the Association classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization. The Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purposes of the Association and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Association; and
7. The investment policies of the Association.

Donor-Restricted Net Asset Composition by Type and Fund at December 31, 2011

Temporarily Restricted	
ITC Travel Fund	\$ 16,321
Endowment appreciation	<u>57,532</u>
	<u>\$ 73,853</u>
Permanently Restricted	
Campaign Fund	\$ 1,803,121
Endowment Fund	307,797
Ingbar Fund	82,245
Arthur Bauman Fund	77,025
Sawin Fund	50,000
USC Fellows Fund	40,000
Stanbury Fund	31,713
Braverman Fund	<u>162,360</u>
Total Funds	<u>\$ 2,554,261</u>

Changes in Endowment Net Assets for the Year Ended December 31, 2011

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	<u>\$ 198,420</u>	<u>\$ 2,389,901</u>	<u>\$ 2,588,321</u>
Investment return:			
Interest, dividends and realized gains	77,472	-	77,472
Net unrealized loss	(178,621)	-	(178,621)
Total investment return	<u>(101,149)</u>	<u>-</u>	<u>(101,149)</u>
Contributions	<u>248,798</u>	<u>166,069</u>	<u>414,867</u>
Appropriation of endowment assets for expenditure	(16,416)	(25,032)	(41,448)
Other changes:			
Transfer to permanent	(23,323)	23,323	-
Transfer to unrestricted	(232,477)	-	(232,477)
Total transfer from unrestricted	<u>(272,216)</u>	<u>(1,709)</u>	<u>(273,925)</u>
Endowment net assets, end of year	<u>\$ 73,853</u>	<u>\$ 2,554,261</u>	<u>\$ 2,628,114</u>

All investment returns on permanently restricted funds are accumulated as temporarily restricted until appropriated for expenditure. Investment advisory fees were \$16,416.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Association to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in unrestricted net assets. There were funds with deficiencies as of December 31, 2011.

Return Objectives and Risk Parameters

The Association has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Association must hold in perpetuity or for a donor-specified period.

Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to maximize the return on investments while taking an appropriate (conservative/moderate) amount of investment risk and to increase the principal at least at a minimum annual return of the current rate of inflation of the long term while maintaining a prudent diversification of the investment assets.

Strategies Employed for Achieving Objective

To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Association targets a diversified asset allocation that utilizes fixed-income and equity-based investments to achieve its long-term objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Association's investment policy includes an endowment spending rate of up to 4% calculated as a percentage of the moving average of the market value of the three preceding year-end market values of the endowment funds. In establishing this policy, the Association considered the long-term expected return on its endowment. This is consistent with the Association's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional growth through new gift and investment return.

8. Retirement Plan

The Association has a 401(k) discretionary contribution plan that covers all eligible employees. The Association contributes 3% of the participant's compensation and matches up to 3% of the participant's contribution, vesting immediately. The Association contributed \$25,161 for 2011.

The Association has a Tax-Exempt Organization Eligible 457 Plan which restricts participation to "top hat" employees as understood in Title 1 of the Employee Retirement Income Security Act (ERISA). The Association contributed \$6,994 for 2011.

9. Leases

The Association leases office space under a month to month basis. Rent expense for the year ended December 31, 2011 was \$28,641. Expected rent for 2012 is \$29,612.

10. Meetings, Workshops and Symposia Commitments

The Association has entered into contracts for meetings, workshops and symposia to be held in the future in various cities. Commitments as of December 31, 2011 are as follows:

Date	Conference	Location		
2012 September	Annual Meeting	Quebec, QC	\$	574,318
2013 October	Annual Meeting	San Juan, PR	\$	163,784
2014 October	Annual Meeting	Coronado, CA	\$	417,871
2015 October	International Thyroid Congress	Orlando, FL	\$	465,711
2016 September	Annual Meeting	Denver, CO	\$	92,950

11. Subsequent Events

In July 2012, the ATA received a restricted contribution of \$406,015 to support research related to the effects of hypothyroidism on pregnancy.

The Association signed a contract in August 2012 for meeting space for a symposium to be held in Washington, DC in April 2013.

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American Thyroid Association, Inc.

Schedule of Functional Expenses

Year Ended December 31, 2011

Expenses	Program Services				Total Program Services	Supporting Services		Total
	Education		Public, Patient and Professional Awareness	Research		Management	Fundraising	
	Scientific Meetings	Publications						
Salaries	\$ 142,837	\$ 27,522	\$ 214,535	\$ 5,287	\$ 390,181	\$ 38,398	\$ 16,596	\$ 445,175
Employee benefits	17,358	3,345	26,071	643	47,417	4,666	2,017	54,100
Payroll taxes	9,432	1,817	14,167	349	25,765	2,536	1,096	29,397
Professional and contracted services	12,567	1,596	57,355	1,807	73,325	2,526	11,412	87,263
Editorial management	-	41,300	3,000	-	44,300	-	-	44,300
Travel	38,286	1,396	19,491	-	59,173	16	-	59,189
Convention and facility	428,972	2,800	51,124	-	482,896	-	8,445	491,341
Research grants	-	-	-	287,500	287,500	-	-	287,500
Printing and design	15,592	112,941	9,451	-	137,984	-	875	138,859
Information technology	27,761	5,354	43,174	2,051	78,340	1,855	1,339	81,534
Supplies	4,411	5,404	4,076	77	13,968	559	1,247	15,774
Telephone	4,418	1,303	8,719	136	14,576	518	743	15,837
Postage and shipping	5,386	82	1,902	23	7,393	42	1,370	8,805
Occupancy	9,190	1,771	13,803	340	25,104	2,470	1,067	28,641
Depreciation and amortization	5,759	1,109	8,642	213	15,723	1,547	668	17,938
Investment advisory fees	-	-	-	-	-	-	16,416	16,416
Insurance	5,447	486	3,787	93	9,813	678	293	10,784
Dues and subscriptions	159	-	6,712	-	6,871	240	2,205	9,316
	<u>\$ 727,575</u>	<u>\$ 208,226</u>	<u>\$ 486,009</u>	<u>\$ 298,519</u>	<u>\$ 1,720,329</u>	<u>\$ 56,051</u>	<u>\$ 65,789</u>	<u>\$ 1,842,169</u>

See report of independent auditors.

American Thyroid Association, Inc.

Comparison to Budget

Year Ended December 31, 2011

	Actual	Budget
Support and Revenue		
CME grants	\$ 351,350	\$ 435,000
Meeting registration	530,983	537,390
Other meeting revenue	201,615	77,110
Research grants	172,500	115,000
Publications and communications	297,037	237,380
Member dues	314,494	292,355
Individual and corporate donations	415,382	85,000
Member donations	34,338	20,000
Interest, dividends and realized gains	82,214	50,000
Total support and revenue	2,399,913	1,849,235
Expenses		
Program expenses		
Education		
Scientific meetings	727,575	727,640
Publications	208,226	206,170
Public, patient and professional awareness	486,009	481,200
Research	298,519	240,000
Total program expenses	1,720,329	1,655,010
Management and general	56,051	55,320
Fundraising	65,789	50,980
Total expenses	1,842,169	1,761,310
Operational support and revenue in excess of expenses	557,744	87,925
Net unrealized gain (loss) on investments	(179,056)	-
Support and revenue in excess of expenses	\$ 378,688	\$ 87,925

See report of independent auditors.