



IRSF
INTERNATIONAL
RETT SYNDROME
FOUNDATION

2007
Annual Report

Letter from the Board

Dear Friends:

On behalf of the International Rett Syndrome Foundation, its Board of Directors, and our staff and many volunteers, I want to thank you for your tremendous generosity and support during our first year of operations as IRSF. Since the merger, we have made significant strides furthering our mission to support and encourage medical research to accelerate treatments and a cure for RTT, to increase public awareness, and to provide informational and emotional support for families of children with Rett syndrome. Your generosity has allowed us to fund record levels of critical research resulting in new breakthroughs that give us hope for a brighter future for the families affected by Rett syndrome. The landmark February, 2007 discovery by Dr. Adrian Bird established the principle of reversibility of Rett syndrome symptoms in mice and offers great hope that Rett syndrome and other neurological disorders are curable.

In our first year as IRSF, we funded over \$2.8 million dollars in research grants and post-doctoral fellowships. These grants include a wide spectrum of fields including gene therapy, physiology, neurobiology, genetics, biochemistry and pre-clinical trials. We also broadened and expanded our family support services by increasing the number of regional representatives throughout the country, launching a Family Advisory Board, adding Spanish-speaking family support coverage, growing the number of Rett Syndrome Clinics hosted throughout the United States, and increasing the distribution of *The Rett Syndrome Handbook* and IRSF's new informational website.

The Board of Directors remains unified in our commitment to support a three-part mission while raising awareness and searching feverishly for a cure and treatments: we must provide care today to improve the quality of life for families affected by Rett syndrome, while searching feverishly for a cure and potential treatments. Not long ago, children born with Rett syndrome had very little hope. Now, with promising discoveries, increased research, and early diagnosis and intervention, the children of today have a better chance for a brighter tomorrow.

We are approaching the time when the knowledge gathered through the research we have funded is becoming the basis for "translational" research: the development of drugs and/or gene therapy approaches, preclinical trials on mice and clinical trials on patients. As we move into the translational research phase, our funding needs will increase significantly. We need your help now more than ever to help support events that will lead to increased research and urgent support for families all across the nation and the globe. As we look to the future, we are positioning IRSF to continue to be the world's largest private source of Rett syndrome research. We are creating a focused strategic plan that will help guide our research portfolio decisions and enable more collaboration and breakthroughs.

Our goals for growth are aggressive. We will continue to proactively engage the brightest scientific minds to join with us in our mission. We will continue to annually host the world's leading scientific symposium on Rett syndrome research and broaden the applied, clinical and therapeutic aspects of our portfolio. We will advocate for increased federal funding of large-scale grants that will enable a deeper understanding of the pathway to treatments for RTT. Your support enables us to provide care today and a cure tomorrow. At IRSF, we pledge to work passionately, efficiently, and transparently to fulfill our mission. Together, we really are better.

Sincerely,



Kathryn Schanen Kissam

Chairman of the Board

International Rett Syndrome Foundation



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Family Support Program Manager

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*Administrative and Technology
Coordinator*

Jennifer Grammer
Administrative Coordinator

Mission Statement

Our mission.

To fund research for treatments and a cure for Rett syndrome while enhancing the overall quality of life for those living with Rett syndrome by providing information, programs and services.





BARNES DENNIG
Accounting • Tax • Business Insight

Report of Independent Certified Public Accountants

To the Board of Trustees
International Rett Syndrome Foundation
Cincinnati, Ohio

We have audited the accompanying statements of financial position of International Rett Syndrome Foundation (IRSF) (a nonprofit organization) as of December 31, 2007 and 2006, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of IRSF's management. Our responsibility is to express an opinion on these financial statements based upon 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 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 audits provide 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 International Rett Syndrome Foundation at December 31, 2007 and 2006, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Barnes, Dennig & Co., Ltd.

May 8, 2008

IRSF 2007 REVENUES

(all amounts shown in 000's)

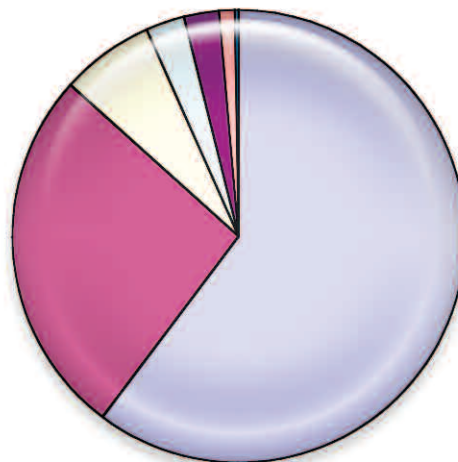
IRSA: July – December

RSRF: January - December

Revenues:

| | |
|--------------------------------|---------|
| Special Events - 60% | \$2,413 |
| Contributions - 27% | \$1,064 |
| In-Kind - 7% | \$264 |
| Investment - 3% | \$115 |
| Temporarily Restricted - 2% | \$95 |
| Released From Restriction - 1% | \$40 |
| Merchandise Sales - N/A | \$15 |
| Other - N/A | \$1 |

| | |
|----------------|---------|
| Total Revenues | \$4,007 |
|----------------|---------|



IRSF 2007 EXPENSES

(all amounts shown in 000's)

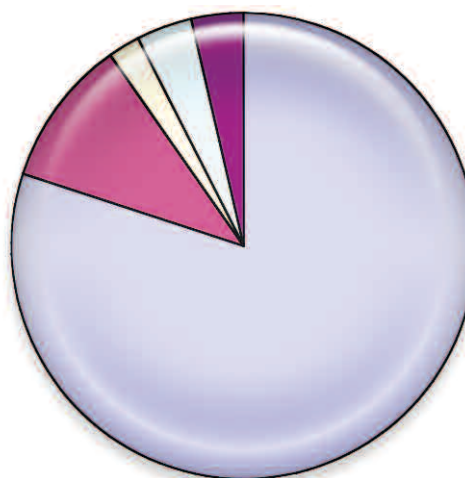
IRSA: July – December

RSRF: January - December

Expenses:

| | |
|----------------------------|---------|
| Research - 80% | \$2,667 |
| Family Support - 10% | \$348 |
| Education & Awareness - 2% | \$68 |
| Administrative - 4% | \$129 |
| Appeals - 4% | \$123 |

| | |
|----------------|---------|
| Total Expenses | \$3,335 |
|----------------|---------|



Goals for 2008

- Hire a Chief Scientific Officer to lead IRSF's research portfolio
- Broaden our scientific and medical relationships and formal partnerships
- Launch the IRSF Scientific Advisory Board and fund every grant and post-doc fellowship that our SAB deems meritorious
- Host the 9th Annual Scientific Symposium and Clinical Outcomes Conference
- Sponsor and Participate in the Rett Syndrome World Congress in Paris, France
- Host the 24th Annual Family Support Conference
- Continue to support and broaden enrollment into the Natural History Study and Rare Disease Clinical Research Network
- Broaden our family support services, materials, publications and distribution
- Advocate for Rett syndrome research and physician education before Congress while launching a grassroots advocacy campaign. Support state and local initiatives
- Share the latest research developments and Rett-related happenings to our families, supporters and donors
- Working with the Family Advisory Board, develop and complete a survey of our families
- Increase awareness of Rett syndrome



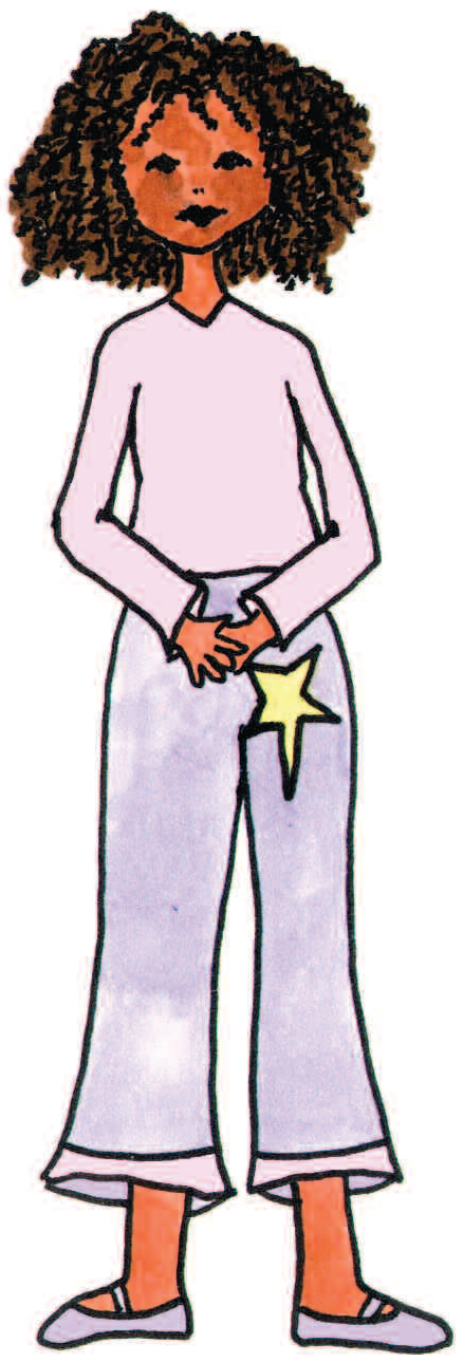
Fundraising Goals

- Raise over \$6 million in contributions
- Nationalize our key events like Strollathons, Runs/Rides for Rett, Food and Wine Festivals, Galas, Golf Tournaments
- Expand grassroots special events
- Host the annual Phantom Tea fundraiser in conjunction with the 16th annual Rett Syndrome Awareness Month in October
- Launch a major gift campaign



THANK YOU!

IRSF would like to thank the individuals, corporations, organizations and foundations who have made a financial contribution to IRSF. We would also like to thank the hundreds of volunteers and in-kind contributors who enable our mission. It is with great appreciation that we acknowledge your trust and generosity. Your help is our hope to a brighter future!





IRSF

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Together We Are Better.

