

**NATIONAL NIEMANN-PICK  
DISEASE FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

**National Niemann-Pick Disease Foundation, Inc.**

**December 31, 2013**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
National Niemann-Pick Disease Foundation, Inc.  
Fort Atkinson, Wisconsin

We have audited the accompanying financial statements of National Niemann-Pick Disease Foundation, Inc., which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, cash flows, and functional expenses for the year then ended, and 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 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 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.

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 National Niemann-Pick Disease Foundation, Inc. as of December 31, 2013, 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.

## Report on Summarized Comparative Information

We have previously audited the National Niemann-Pick Disease Foundation, Inc.'s 2012 financial statements, and our report dated June 20, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Scrima, Kabitzke + Co., S.C.*

Scrima, Kabitzke & Co., S.C.  
Waukesha, Wisconsin  
August 27, 2014

**National Niemann-Pick Disease Foundation, Inc.**

**Statements of Financial Position**

**December 31, 2013**

(with comparable totals for 2012)

**ASSETS**

	<u>2013</u>	<u>2012</u>
Cash & Equivalents	\$ 610,530	\$ 632,118
Investments		982
Accounts Receivable	22,159	64,160
Prepaid Expenses	525	1,032
Equipment	9,435	9,435
Accumulated Depreciation	(9,435)	(9,392)
Total Assets	<u>\$ 633,214</u>	<u>\$ 698,335</u>

**LIABILITIES AND NET ASSETS**

Liabilities

Accounts payable	\$ 8,677	\$ 5,537
Payroll Taxes payable	2,890	7,911
Grants payable	167,933	322,500
Total Liabilities	<u>179,500</u>	<u>335,948</u>

Net Assets

Unrestricted	321,103	362,387
Restricted	132,611	
Total Net Assets	<u>453,714</u>	<u>362,387</u>
Total Liabilities and Net Assets	<u>\$ 633,214</u>	<u>\$ 698,335</u>

The accompanying notes are an integral part of these statements.

**National Niemann-Pick Disease Foundation, Inc.**

**Statements of Activities**

**For the Year Ended December 31, 2013**

(with comparable totals for 2012)

	2013	2012
	<u>Unrestricted</u>	<u>Unrestricted</u>
<b><u>SUPPORT AND REVENUE</u></b>		
Contributions	\$ 138,560	\$ 116,329
Grants	67,833	36,950
Fund-raising	258,019	242,791
Total Support	<u>464,412</u>	<u>396,070</u>
Family conference	34,152	22,979
Investment income	2,669	2,041
Miscellaneous	2,953	1,801
Total Revenue	<u>39,774</u>	<u>26,821</u>
<b>TOTAL SUPPORT &amp; REVENUE</b>	<b><u>504,186</u></b>	<b><u>422,891</u></b>
<b><u>Expenses</u></b>		
Program services		
Research	136,806	281,139
Family support	184,532	143,764
Education and advocacy	9,783	9,016
Total program services	<u>331,121</u>	<u>433,919</u>
Supporting programs		
Management and general	67,288	62,273
Fund-raising	14,450	9,116
Total Supporting Programs	<u>81,738</u>	<u>71,389</u>
<b>TOTAL EXPENSES</b>	<b><u>412,859</u></b>	<b><u>505,308</u></b>
Change in Net Assets	91,327	(82,417)
Net Assets, beginning of year	<u>362,387</u>	<u>444,804</u>
Net Assets, end of year	<b><u>\$ 453,714</u></b>	<b><u>\$ 362,387</u></b>

The accompanying notes are an integral part of these statements.

**National Niemann-Pick Disease Foundation, Inc.**

**Statements of Cash Flows**

**For the Year Ended December 31, 2013**

(with comparable totals for 2012)

Cash Flows From Operating Activities	<u>2013</u>	<u>2012</u>
Net change in net assets	\$ 91,327	\$ (82,417)
Adjustments to reconcile net increase in net assets to net cash provided by operating activities:		
Depreciation	43	130
Changes in assets and liabilities		
(Increase) decrease in assets		
Accounts receivable	42,001	57,030
Prepaid expenses	507	29
Increase (decrease) in liabilities		
Accounts payable	3,140	5,043
Accrued payroll taxes	(5,021)	7,911
Grants payable	(154,567)	22,500
Net cash (used) provided by operating activities	<u>(22,570)</u>	<u>10,226</u>
Cash Flows From Investing Activities		
Decrease (Increase) in investments	<u>982</u>	<u>(982)</u>
Net increase (decrease) in cash	(21,588)	9,244
Cash, beginning of year	<u>632,118</u>	<u>622,874</u>
Cash, end of year	<u>\$ 610,530</u>	<u>\$ 632,118</u>

Supplemental information:

No interest or taxes paid.

The accompanying notes are an integral part of these statements.

**National Niemann-Pick Disease Foundation, Inc.**

**Statements of Functional Expenses**

**For the Year Ended December 31, 2013**

(with comparative totals for 2012)

	Program Services				Supporting Services			2013 Total	2012 Total
	Research	Family Support	Education & Advocacy	Total	Management and General	Fund Raising	Total		
Bank charges	\$	\$	\$	\$	\$ 594	\$	\$ 594	\$ 594	\$ 594
Board meeting					10,621		10,621	10,621	7,170
Committee expense	1,134			1,134				1,134	1,044
Computer expense	374	2,876	370	3,620	402		402	4,022	
Conferences	750	83,276		84,026				84,026	62,110
Depreciation					43		43	43	130
Dues and memberships					287		287	287	549
Fellowship expenses	1,798			1,798				1,798	1,338
Fund-raising						13,099	13,099	13,099	5,909
Insurance		510		510	3,518		3,518	4,028	3,975
Office expenses					1,083		1,083	1,083	4,056
Payroll, taxes, and benefits	9,465	73,325	9,413	92,203	35,042	1,351	36,393	128,596	123,181
Postage		3,654		3,654	622		622	4,276	7,289
Printing		18,177		18,177				18,177	6,059
Professional fees					8,265		8,265	8,265	6,588
Rent					3,600		3,600	3,600	3,600
Research technicians	122,933			122,933				122,933	267,670
Taxes, licenses and fees					199		199	199	335
Telephone	352	906		1,258	2,335		2,335	3,593	3,711
Travel		1,808		1,808	677		677	2,485	
<b>Total Expenses</b>	<b>\$ 136,806</b>	<b>\$ 184,532</b>	<b>\$ 9,783</b>	<b>\$ 331,121</b>	<b>\$ 67,288</b>	<b>\$ 14,450</b>	<b>\$ 81,738</b>	<b>\$ 412,859</b>	<b>\$ 505,308</b>

The accompanying notes are an integral part of these statements.



# **National Niemann-Pick Disease Foundation, Inc.**

## **Notes to Financial Statements**

**December 31, 2013**

### **Note 1 - Nature of Activities and Summary of Significant Accounting Policies**

#### **Nature of Activities**

The Niemann-Pick Type C Foundation, Inc. was incorporated on June 19, 1992 under the general laws of the State of Virginia as a non-profit corporation for the purpose of promoting medical research into the causes of Niemann-Pick disease; providing support to families of children with Niemann-Pick disease, and increasing public awareness concerning this disease. In 1993, the Board voted to change the Foundation's name to National Niemann-Pick Disease Foundation, Inc. The change was officially adopted in February 1994.

#### **Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon the expiration of the purpose or time restriction.

#### **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.

#### **Property and Equipment**

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment is depreciated using the straight-line method. Depreciation for 2013 and 2012 was \$43 and \$130, respectively.

#### **Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

#### **Basis of Presentation**

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.

# National Niemann-Pick Disease Foundation, Inc.

## Notes to Financial Statements

December 31, 2013

### Note 1 - Nature of Activities and Summary of Significant Accounting Policies - (continued)

#### Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code. The Agency is also exempt from Wisconsin income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a “private foundation” within the guidelines of 509(a) of the Code.

#### Cash Equivalents

For the purposes of the statements of cash flows, the Agency considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

#### Functional Expenses

Payroll related expenses are allocated to various functional activities based on the time spent in each area by employees. Expenses specifically identifiable with a function are charged to that function. Other expenses not specifically identifiable with a function are allocated to functional activities based upon estimates.

#### Donated Services

Donated Services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

#### Grants Receivable

Grants receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of December 31, 2013 and 2012, no allowance has been provided for, as all grants receivable are deemed collectible.

### Note 2 - Concentrations

The Organization maintains cash balances with financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. From time to time, the Organization’s deposits may exceed the insured limit. As of December 31, 2013, the Organization was \$173,323 over this limit.

**National Niemann-Pick Disease Foundation, Inc.**

**Notes to Financial Statements**

**December 31, 2013**

Note 3 – Grants Payable

Grants payable consists of amounts awarded, but not paid, to research facilities for research related to National Niemann-Pick disease. All amounts are to be paid in 2014.

Note 4 – Summarized Financial Information for 2012

The financial information for the year ended December 31, 2012, presented for comparative purposes, is not intended to be a complete financial statement presentation.

Note 5 - Accounting for Uncertainty in Income Taxes

In June 2006, the Financial Accounting Standards Board issued ASC 740-10 (formerly known as FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes), which prescribed a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return. The Association adopted ASC 740-10 as of January 1, 2009. There was no impact to the Association's consolidated financial statements as a result of the implementation of ASC 740-10.

Note 6 - Subsequent Events

Management of National Niemann-Pick Disease Foundation, Inc. has evaluated all subsequent events through August 27, 2014, for possible inclusion as a disclosure in the notes to the financial statements. The Organization has no subsequent events that require disclosure in the notes to the financial statements.

Note 7 - Investments

The Foundation received Stock as a contribution during 2012. The ending value is recorded at fair market value as of December 31, 2012.

Note 8 - Lease Payable

The Foundation entered into a lease agreement for computer equipment on April 8, 2013. The lease is for 36 months at \$246.84 per month. The remaining balance is as follows:

2014	\$ 2,962
2015	2,962
2016	<u>741</u>
Total	<u>\$ 6,665</u>