



NATIONAL NIEMANN-PICK DISEASE FOUNDATION INC.

FINANCIAL STATEMENTS

December 31, 2016

CONTENTS

Independent Auditor's Report	1
Statement of Financial Position.....	3
Statement of Activities.....	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7



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, 2016, and the related statements of activities 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.

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, 2016, and the changes in its net assets and its cash flows for the year then ended in with accordance accounting principles generally accepted in the United States of America.

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Correction of an Error

As discussed in Note 6 to the financial statements, NNPDF identified and corrected an error in the amounts previously reported for cash, grants receivable, grants payable and temporarily restricted net assets in 2016. Our opinion is not modified with respect to that matter.

Wegner CPAs LLP

Wegner CPAs, LLP
Madison, Wisconsin
October 10, 2017

NATIONAL NIEMANN-PICK DISEASE FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2016

ASSETS	
Cash	\$ 255,825
Grants receivable	25,800
Prepaid expenses	1,011
Certificates of deposit	153,498
Equipment - net of accumulated depreciation of \$9,435	-
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Total assets	\$ 436,134
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LIABILITIES AND NET ASSETS	
Accrued payroll and related liabilities	\$ 4,393
Grants payable	325,000
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Total liabilities	329,393
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NET ASSETS	
Unrestricted deficit	(102,289)
Temporarily restricted	209,030
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Total net assets	106,741
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Total liabilities and net assets	\$ 436,134
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See accompanying notes.

NATIONAL NIEMANN-PICK DISEASE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2016

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Contributions	\$ 166,939	\$ 119,811	\$ 286,750
Conference Income	33,150	-	33,150
Other income	4,426	-	4,426
Interest	2,211	-	2,211
Net assets released from restrictions	116,000	(116,000)	-
Total support and revenue	322,726	3,811	326,537
EXPENSES			
Program services			
Family Support	182,521	-	182,521
Research	122,528	-	122,528
Total program services	305,049	-	305,049
Supporting activities			
Management and general	155,477	-	155,477
Fundraising	15,745	-	15,745
Total expenses	476,271	-	476,271
Change in net assets	(153,545)	3,811	(149,734)
Net assets - beginning of year (as restated)	51,256	205,219	256,475
Net assets (deficit) - end of year	\$ (102,289)	\$ 209,030	\$ 106,741

See accompanying notes.

NATIONAL NIEMANN-PICK DISEASE FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2016

	Program Services			Supporting Activities		
	Family Support	Research	Total	Management and General	Fundraising	Total
Personnel	\$ 93,438	\$ 18,032	111,470	\$ 49,178	\$ 3,279	\$ 163,927
Professional fees	-	-	-	74,519	-	74,519
Conferences and meetings	60,837	-	60,837	8,720	-	69,557
Research support	-	102,169	102,169	-	-	102,169
Office expenses	3,211	620	3,831	1,690	10,196	15,717
Postage and printing	10,668	31	10,699	1,995	32	12,726
Occupancy	-	-	-	3,600	-	3,600
Insurance	1,649	318	1,967	2,697	58	4,722
Computer and technology	7,034	1,358	8,392	3,702	247	12,341
Travel	4,193	-	4,193	7,136	-	11,329
Other expenses	1,491	-	1,491	2,240	1,933	5,664
Total expenses	\$ 182,521	\$ 122,528	\$ 305,049	\$ 155,477	\$ 15,745	\$ 476,271

See accompanying notes.

NATIONAL NIEMANN-PICK DISEASE FOUNDATION, INC.
STATEMENT OF CASH FLOWS
Year ended December 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (149,734)
Adjustments to reconcile change in net assets to net cash flows from operating activities	
(Increase) decrease in assets	
Grants receivable	20,000
Increase (decrease) in liabilities	
Accounts payable	(14,216)
Accrued payroll and related liabilities	(189)
Grants payable	<u>90,000</u>

Net cash flows from operating activities (54,139)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest retained in certificates of deposit	(1,648)
Redemption of certificate of deposit	<u>100,576</u>

Net cash flows from investing activities 98,928

Change in cash 44,789

Cash - beginning of year 211,036

Cash - end of year \$ 255,825

See accompanying notes.

NATIONAL NIEMANN-PICK DISEASE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

National Niemann-Pick Disease Foundation, Inc. (NNPDF) is a not-for-profit organization dedicated to 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. NNPDF is supported primarily by contributions from the public, organizations, and foundations.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

NNPDF reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted Net Assets—Net assets that are not restricted by donors. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments

Temporarily Restricted Net Assets—Net assets whose use has been limited by donor-imposed time restrictions or purpose restrictions.

Permanently Restricted Net Assets—Net assets that have been restricted by donors to be maintained by NNPDF in perpetuity.

Grants Receivable

NNPDF considers all grants receivable to be fully collectible. Accordingly, no allowance for doubtful accounts has been developed. If amounts become uncollectible, they will be charged to operations when that determination has been made.

Equipment

Equipment items are recorded at cost or, if donated, as support at their estimated fair value. Equipment is depreciated using the straight-line method over the estimated useful lives of the assets.

Contributions

Contributions are recorded as received. All contributions are available for unrestricted use unless specifically restricted by the donor. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

NATIONAL NIEMANN-PICK DISEASE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status

NNPDF is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Date of Management's Review

Management has evaluated subsequent events through October 10, 2017, the date which the financial statements were available to be issued.

NOTE 2—CERTIFICATES OF DEPOSIT

NNPDF at December 31, 2016 had the following certificates of deposit:

Fort Community Credit Union	1.20%, due January 31, 2018	\$ 51,204
Fort Community Credit Union	1.60%, due November 30, 2018	51,615
Bank of Lake Mills	0.90%, due February 28, 2017	<u>50,679</u>
		<u>\$ 153,498</u>

The certificate that matured in February 2017 was deposited to cash.

NOTE 3—GRANTS PAYABLE

Grants payable consist of amounts awarded, but not paid, to researchers and facilities for research related to Niemann-Pick Disease. Grants payable at December 31, 2016 are due to be paid in the following years:

2017	\$ 280,000
2018	30,000
2019	<u>15,000</u>
Total	<u>\$ 325,000</u>

NOTE 4—NET ASSETS

Temporarily restricted net assets at December 31, 2016 are available for the following:

Niemann-Pick Type B (ASMD) Research	\$ 112,104
Niemann-Pick Type C (NPC) Research	87,662
Other restrictions	<u>9,264</u>
Temporarily restricted net assets	<u>\$ 209,030</u>

NATIONAL NIEMANN-PICK DISEASE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 5—OPERATING LEASE

NNPDF has an operating lease for office space that operates on a month to month basis which requires monthly payments of \$300. NNPDF leases computer equipment for a term expiring on October 31, 2021 which requires monthly payments of \$501. Lease expense for 2016 was \$7,307.

Future minimum lease commitments are as follows for the years ending December 31:

	2017	\$	6,010
	2018		6,010
	2019		6,010
	2020		6,010
	2021		<u>5,008</u>
	Total	\$	<u><u>29,048</u></u>

NOTE 6—CORRECTION OF AN ERROR

In 2016 NNPDF identified three restricted funds that were previously included in grants payable instead of temporarily restricted net assets and a difference in grants receivable offset by the same difference in cash. This resulted the following changes to previously reported amounts:

	Previously Reported	Adjustment	As Restated
Cash	\$ 197,960	\$ 13,076	\$ 211,036
Grants receivable	58,876	(13,076)	45,800
Grants payable	269,059	(34,059)	235,000
Temporarily restricted net assets	171,160	34,059	205,219