



NATIONAL NIEMANN-PICK DISEASE FOUNDATION INC.

FINANCIAL STATEMENTS

December 31, 2017 and 2016

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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 statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years 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, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in with accordance accounting principles generally accepted in the United States of America.

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NATIONAL NIEMANN-PICK DISEASE FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2017 and 2016

	2017	2016
ASSETS		
Cash	\$ 305,471	\$ 255,825
Grants receivable	-	25,800
Prepaid expenses	9,829	1,011
Certificates of deposit	104,256	153,498
Equipment - net of accumulated depreciation of \$9,435	-	-
Total assets	\$ 419,556	\$ 436,134
LIABILITIES AND NET ASSETS		
Accrued payroll and related liabilities	\$ 5,369	4,393
Grants payable	170,000	325,000
Total liabilities	175,369	329,393
NET ASSETS		
Unrestricted deficit	(44,177)	(102,289)
Temporarily restricted	288,364	209,030
Total net assets	244,187	106,741
Total liabilities and net assets	\$ 419,556	\$ 436,134

See accompanying notes.

NATIONAL NIEMANN-PICK DISEASE FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
Years ended December 31, 2017 and 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE						
Contributions	\$ 480,015	\$ 61,622	\$ 541,637	\$ 166,939	\$ 119,811	\$ 286,750
Rescinded grant payable	-	25,000	25,000	-	-	-
Conference income	11,700	-	11,700	33,150	-	33,150
Other income	7,048	-	7,048	4,426	-	4,426
Interest	2,011	-	2,011	2,211	-	2,211
Net assets released from restrictions	11,240	(11,240)	-	116,000	(116,000)	-
Total support and revenue	512,014	75,382	587,396	322,726	3,811	326,537
EXPENSES						
Program services						
Family Support	189,303	-	189,303	182,521	-	182,521
Research	37,992	-	37,992	122,528	-	122,528
Total program services	227,295	-	227,295	305,049	-	305,049
Supporting activities						
Management and general	210,554	-	210,554	155,477	-	155,477
Fundraising	12,101	-	12,101	15,745	-	15,745
Total expenses	449,950	-	449,950	476,271	-	476,271
Change in net assets	62,064	75,382	137,446	(153,545)	3,811	(149,734)
Net assets - beginning of year	(102,289)	209,030	106,741	51,256	205,219	256,475
Net assets (deficit) - end of year	\$ (40,225)	\$ 284,412	\$ 244,187	\$ (102,289)	\$ 209,030	\$ 106,741

See accompanying notes.

NATIONAL NIEMANN-PICK DISEASE FOUNDATION, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Years ended December 31, 2017 and 2016

	Program Services			Supporting Activities		2017 Total
	Family Support	Research	Total	Management and General	Fundraising	
Personnel	\$ 50,753	\$ 9,795	\$ 60,548	\$ 26,712	\$ 1,781	\$ 89,041
Professional fees	26,489	22,957	49,446	134,495	3,532	187,473
Conferences and meetings	74,841	-	74,841	2,411	-	77,252
Research support	9	1,967	1,976	-	-	1,976
Office expenses	3,850	743	4,593	2,026	4,540	11,159
Postage and printing	5,243	-	5,243	3,032	-	8,275
Occupancy	2,992	578	3,570	1,575	105	5,250
Insurance	1,676	323	1,999	2,857	59	4,915
Computer and technology	8,443	1,629	10,072	4,444	296	14,812
Travel	9,584	-	9,584	3,157	-	12,741
Other expenses	5,423	-	5,423	4,045	1,788	11,256
Bad debt	-	-	-	25,800	-	25,800
Total expenses	\$ 189,303	\$ 37,992	\$ 227,295	\$ 210,554	\$ 12,101	\$ 449,950

	Program Services			Supporting Activities		2016 Total
	Family Support	Research	Total	Management and General	Fundraising	
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.
STATEMENTS OF CASH FLOWS
Years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 137,446	(149,734)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
(Increase) decrease in assets		
Grants receivable	25,800	20,000
Prepaid expenses	(8,818)	-
Increase (decrease) in liabilities		
Accounts payable	-	(14,216)
Accrued payroll and related liabilities	976	(189)
Grants payable	(155,000)	90,000
Net cash flows from operating activities	404	(54,139)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest retained in certificates of deposit	(2,011)	(1,648)
Redemption of certificate of deposit	51,253	100,576
Net cash flows from investing activities	49,242	98,928
Change in cash	49,646	44,789
Cash - beginning of year	255,825	211,036
Cash - end of year	<u>\$ 305,471</u>	<u>\$ 255,825</u>

See accompanying notes.

NATIONAL NIEMANN-PICK DISEASE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 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, 2017 and 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 July 30, 2018, the date which the financial statements were available to be issued.

NOTE 2—CERTIFICATES OF DEPOSIT

NNPDF at December 31, 2017 and 2016 had the following certificates of deposit:

		2017
Fort Community Credit Union	1.20%, due January 31, 2018	\$ 51,816
Fort Community Credit Union	1.60%, due November 30, 2018	52,440
Certificates of deposit		\$ 104,256

The certificate that matured in January 2018 was redeemed to cash.

NOTE 3—OPERATING LEASE

NNPDF has an operating lease for office space that operates on a month to month basis which requires monthly payments of \$600. NNPDF leases computer equipment for a term expiring on October 31, 2021 which requires monthly payments of \$501. Lease expense for 2017 and 2016 was \$11,110 and \$7,307.

Future minimum lease commitments are as follows:

		\$ 6,010
		6,010
		6,010
		5,008
Total		\$ 23,038

NATIONAL NIEMANN-PICK DISEASE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 4—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, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Payable in less than one year	\$ 155,000	\$ 280,000
Payable in one to five years	<u>15,000</u>	<u>45,000</u>
Grants payable	<u>\$ 170,000</u>	<u>\$ 325,000</u>

NOTE 5—NET ASSETS

Temporarily restricted net assets at December 31, 2017 and 2016 were available for the following purposes:

	<u>2017</u>	<u>2016</u>
Niemann-Pick Type B (ASMD) Research	\$ 137,230	\$ 112,104
Niemann-Pick Type C (NPC) Research	147,183	87,662
Other restrictions	<u>3,951</u>	<u>9,264</u>
Temporarily restricted net assets	<u>\$ 288,364</u>	<u>\$ 209,030</u>