

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

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

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

**December 31, 2014**

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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, 2014, 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, 2014, 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 2013 financial statements, and our report dated August 27, 2014, 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, 2013, 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  
May 28, 2015

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

**Statements of Financial Position**

**December 31, 2014**

(with comparable totals for 2013)

**ASSETS**

	<u>2014</u>	<u>2013</u>
Cash & Equivalents	\$ 190,687	\$ 610,530
Investments - Certificate of Deposit	350,000	
Accounts Receivable	21,000	22,159
Prepaid Expenses	1,066	525
Equipment	9,435	9,435
Accumulated Depreciation	(9,435)	(9,435)
Total Assets	<u>\$ 562,753</u>	<u>\$ 633,214</u>

**LIABILITIES AND NET ASSETS**

Liabilities

Accounts payable	\$ 303	\$ 8,677
Accrued payroll	333	
Payroll Taxes payable	3,248	2,890
Grants payable	270,004	167,933
Total Liabilities	<u>273,888</u>	<u>179,500</u>

Net Assets

Unrestricted	112,626	321,103
Temporary Restricted	176,239	132,611
Total Net Assets	<u>288,865</u>	<u>453,714</u>
Total Liabilities and Net Assets	<u>\$ 562,753</u>	<u>\$ 633,214</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, 2014**

(with comparable totals for 2013)

	2014	2013
	<u>Unrestricted</u>	<u>Unrestricted</u>
<b><u>SUPPORT AND REVENUE</u></b>		
Contributions	\$ 135,261	\$ 138,560
Grants	44,321	67,833
Fund-raising	172,559	258,019
Total Support	<u>352,141</u>	<u>464,412</u>
Loss on sale of stock	(364)	
Family conference	29,125	34,152
Investment income	968	2,669
Miscellaneous	2,227	2,953
Total Revenue	<u>31,956</u>	<u>39,774</u>
<b>TOTAL SUPPORT &amp; REVENUE</b>	<u>384,097</u>	<u>504,186</u>
<b><u>Expenses</u></b>		
Program services		
Research	309,432	136,806
Family support	146,916	184,532
Education and advocacy	9,191	9,783
Total program services	<u>465,539</u>	<u>331,121</u>
Supporting programs		
Management and general	74,695	67,288
Fund-raising	8,712	14,450
Total Supporting Programs	<u>83,407</u>	<u>81,738</u>
<b>TOTAL EXPENSES</b>	<u>548,946</u>	<u>412,859</u>
Change in Net Assets	(164,849)	91,327
Net Assets, beginning of year	<u>453,714</u>	<u>362,387</u>
Net Assets, end of year	<u>\$ 288,865</u>	<u>\$ 453,714</u>

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, 2014**

(with comparable totals for 2013)

Cash Flows From Operating Activities	<u>2014</u>	<u>2013</u>
Net change in net assets	\$ (164,849)	\$ 91,327
Adjustments to reconcile net increase in net assets to net cash provided by operating activities:		
Depreciation		43
Changes in assets and liabilities		
(Increase) decrease in assets		
Accounts receivable	1,159	42,001
Prepaid expenses	(541)	507
Increase (decrease) in liabilities		
Accounts payable	(8,374)	3,140
Accrued payroll	333	
Accrued payroll taxes	358	(5,021)
Grants payable	102,071	(154,567)
Net cash (used) by operating activities	<u>(69,843)</u>	<u>(22,570)</u>
Cash Flows From Investing Activities		
Decrease (Increase) in investments	<u>(350,000)</u>	<u>982</u>
Net (decrease) in cash	(419,843)	(21,588)
Cash, beginning of year	<u>610,530</u>	<u>632,118</u>
Cash, end of year	<u>\$ 190,687</u>	<u>\$ 610,530</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, 2014**

(with comparative totals for 2013)

	Program Services				Supporting Services			2014 Total	2013 Total
	Research	Family Support	Education & Advocacy	Total	Management and General	Fund Raising	Total		
Advisory board	\$ 1,829	\$	\$	\$ 1,829	\$	\$	\$ -	\$ 1,829	\$
Bank charges					677		677	677	594
Board meeting					13,050		13,050	13,050	10,621
Committee expense	499			499				499	1,134
Computer expense	396	3,049	391	3,836	426		426	4,262	4,022
Conferences		60,972	677	61,649				61,649	84,026
Depreciation									43
Dues and memberships					479		479	479	287
Fellowship expenses	1,212			1,212				1,212	1,798
Fund-raising						7,547	7,547	7,547	13,099
Insurance		498		498	3,439		3,439	3,937	4,028
Office expenses					1,396		1,396	1,396	1,083
Payroll, taxes, and benefits	8,168	63,279	8,123	79,570	30,241	1,165	31,406	110,976	128,596
Postage		6,194		6,194	439		439	6,633	4,276
Printing		10,249		10,249				10,249	18,177
Professional fees					18,411		18,411	18,411	8,265
Rent					3,600		3,600	3,600	3,600
Research technicians	297,071			297,071				297,071	122,933
Taxes, licenses and fees					75		75	75	199
Telephone	257	662		919	1,708		1,708	2,627	3,593
Travel		2,013		2,013	754		754	2,767	2,485
<b>Total Expenses</b>	<b>\$ 309,432</b>	<b>\$ 146,916</b>	<b>\$ 9,191</b>	<b>\$ 465,539</b>	<b>\$ 74,695</b>	<b>\$ 8,712</b>	<b>\$ 83,407</b>	<b>\$ 548,946</b>	<b>\$ 412,859</b>

The accompanying notes are an integral part of these statements.



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

## **Notes to Financial Statements**

**December 31, 2014**

### **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 2014 and 2013 was \$0 and \$43, 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, 2014**

### 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. The Organization's federal exempt organization returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed. With few exemptions, the Organization is no longer subject to such examinations for tax years before 2011.

#### 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, 2014 and 2013, 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, 2014, the Organization was \$0 over this limit.

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

**Notes to Financial Statements**

**December 31, 2014**

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 2015.

Note 4 – Summarized Financial Information for 2013

The financial information for the year ended December 31, 2013, presented for comparative purposes, is not intended to be a complete financial statement presentation.

Note 5 - Subsequent Events

Management of National Niemann-Pick Disease Foundation, Inc. has evaluated all subsequent events through May 28, 2015, 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 6 - 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:

2015	\$ 2,962
2016	<u>741</u>
Total	<u>\$ 3,703</u>

Note 7 - Investments - Certificate of Deposit

As of December 31, 2014 the Organization had the following certificates of deposits:

Bank of Lake Mills	\$50,000, 0.2%, due 04/01/2015
Fort Community Credit Union	\$50,000, 0.66%, due 07/31/2016
Fort Community Credit Union	\$50,000, 1.19%, due 01/31/2018
Fort Community Credit Union	\$50,000, 1.59%, due 11/30/2018
Greenwoods State Bank	\$50,000, 0.30%, due 07/01/2015
Badger Bank	\$50,000, 0.90%, due 02/28/2017
Badger Bank	\$50,000, 0.65%, due 07/31/2016