

**THE DESMOID TUMOR  
RESEARCH FOUNDATION, INC.**

**FINANCIAL STATEMENT  
AS AT  
DECEMBER 31, 2013**

**ML Klein & Company, CPA's LLP**  
Certified Public Accountants

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MITCHELL L. KLEIN, CPA  
GERARD BLENKLE, CPA

## INDEPENDENT ACCOUNTANTS' AUDIT REPORT

Board of Directors  
The Desmoid Tumor Research Foundation Inc.  
New Canaan, CT 06040

We have audited the accompanying financial statements of The Desmoid Tumor Research Foundation Inc. as of December 31, 2013 and the related statement of activities 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 The Desmoid Tumor Research 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.

Respectfully submitted,

Handwritten signature in black ink that reads "ML Klein & Co CPA's". The signature is written in a cursive, flowing style.

ML KLEIN & COMPANY, CPA's LLP  
Nanuet, NY  
June 4, 2014

STATEMENT "A"

THE DESMOID TUMOR RESEARCH FOUNDATION, INC.  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2013

ASSETS

CURRENT ASSETS:-

Cash and Cash Equivalents	\$ 1,071,677	
Pledge's Receivable	18,349	
Prepaid Expenses	<u>4,157</u>	
TOTAL CURRENT ASSETS		<u>\$ 1,094,183</u>
TOTAL ASSETS		<u>\$ 1,094,183</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:-

Accounts and Accrued Payables	\$ 306,517	
TOTAL CURRENT LIABILITIES		<u>\$ 306,517</u>
TOTAL LIABILITIES		\$ 306,517
NET ASSETS:-		
Unrestricted Net Assets - Per Statement "B"		<u>787,666</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 1,094,183</u>

SEE ACCOUNTANTS' AUDIT REPORT AND NOTES TO THESE FINANCIAL STATEMENTS

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**ML Klein & Company, CPA's LLP**  
Certified Public Accountants

STATEMENT "B"

THE DESMOID TUMOR RESEARCH FOUNDATION, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
REVENUES:-			
Organizational Support	\$ 408,765	\$ -	\$ 408,765
Individual Support	445,127	0	445,127
TOTAL REVENUES	<u>\$ 853,892</u>	<u>\$ -</u>	<u>\$ 853,892</u>
EXPENSES:-			
Programming	\$ 550,405	\$ -	\$ 550,405
Fund Raising and Development	128,027	0	128,027
Management and General	38,252	0	38,252
TOTAL EXPENSES	<u>\$ 716,684</u>	<u>\$ -</u>	<u>\$ 716,684</u>
CHANGES IN NET ASSETS BEFORE OTHER INCOME	\$ 137,208	\$ -	\$ 137,208
OTHER INCOME:-			
Investment Income	\$ 1,634	\$ -	\$ 1,634
TOTAL OTHER INCOME	<u>1,634</u>	<u>0</u>	<u>1,634</u>
CHANGES IN NET ASSETS	\$ 138,842	\$ -	\$ 138,842
NET ASSETS - JANUARY 1, 2013 - Restated	<u>648,824</u>	<u>0</u>	<u>648,824</u>
NET ASSETS - DECEMBER 31, 2013	<u>\$ 787,666</u>	<u>\$ -</u>	<u>\$ 787,666</u>

SEE ACCOUNTANTS' AUDIT REPORT AND NOTES TO THESE FINANCIAL STATEMENTS

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ML Klein & Company, CPA's LLP  
Certified Public Accountants

STATEMENT "C"

THE DESMOID TUMOR RESEARCH FOUNDATION INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2013

	December 31, 2013			
		<u>Fundraising</u>	<u>Management</u>	
		<u>and</u>	<u>and</u>	
EXPENSES	<u>Programming</u>	<u>Development</u>	<u>General</u>	<u>Total</u>
Wages	\$ 11,161	\$ 18,028	\$ 23,879	\$ 53,068
Benefits and Other Personels	1,022	1,493	3,349	5,864
Payroll Expense	279	205	597	1,081
Professional Services	2,250	11,850	2,839	16,939
Event and Performance Expense	20,175	74,223	0	94,398
Travel and Meeting	2,019	8,165	104	10,288
Data Management	0	4,047	130	4,177
Business Meal and Entertainment	2,625	975	2,323	5,923
Grant and Contribution - Note D	505,442	2,265	5	507,712
Operations	2,012	5,063	2,701	9,776
Insurance	0	681	2,137	2,818
Miscellaneous expenses	3,420	1,032	188	4,640
<b>TOTAL EXPENSES</b>	<u>\$ 550,405</u>	<u>\$ 128,027</u>	<u>\$ 38,252</u>	<u>\$ 716,684</u>

**THE DESMOID TUMOR RESEARCH FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

## CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:-

Change in Net Assets for Year Ended December 31, 2013		\$ 138,842
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:-		
Increase in Pledge's Receivable	\$ (18,349)	
Increase in Prepaid Expenses	(4,157)	
Increase in Accounts Payable and Accrued Expenses	306,517	
Prior Year Adjustment	<u>(2,823)</u>	
TOTAL ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS		<u>281,188</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>\$ 420,030</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		\$ 420,030
CASH - JANUARY 1, 2013		<u>651,647</u>
CASH - DECEMBER 31, 2013		<u><u>\$ 1,071,677</u></u>

## SUPPLEMENTAL INFORMATION

INTEREST PAID	\$ -
TAXES PAID	\$ -

SEE ACCOUNTANTS' AUDIT REPORT AND NOTES TO THESE FINANCIAL STATEMENTS

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**THE DESMOID TUMOR RESEARCH FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENT**  
**December 31, 2013**

**NOTE A - ORGANIZATION AND NATURE OF ACTIVITIES**

The Desmoid Tumor Research Foundation, Inc. (The Corporation) was organized under the laws of the State of Connecticut on September 15, 2005. The Corporation's purpose is to raise funds to support medical research for desmoid tumors. The Corporation is fully funded by public donations from individuals, partnership and corporations. The Corporation operates as a tax exempt organization under Section 501 © (3) of the Internal Revenue Code. Amounts received by the Corporation by their contributors are tax deductible under Section 2055, 2106 and 2522 of the code.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES**

**Basis of Accounting**

The basis of accounting is the accrual basis. This basis of accounting is acceptable for tax purposes for a tax exempt organization.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and cash equivalents**

Cash and cash equivalents consist primarily of cash on deposit and money market accounts that are readily convertible into cash and purchased with original maturities of three months or less.

**Contributions**

The Corporation distinguishes between contributions that increase permanently, temporarily and unrestricted net assets depending on the existence and/or nature of the donor restrictions. The Corporation reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions." The Corporation permanently restricted net assets remain intact in perpetuity, and the income (from interest, etc.) thereon is recorded as specified by the donor. In cases where there is no specification from the donor, the income is recorded as unrestricted.

THE DESMOID TUMOR RESEARCH FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENT  
December 31, 2013

Income Taxes

The Corporation is exempt from Federal Corporate Tax for all income received under Section 501 © (3) of the Internal Revenue Code. The Corporation is subject to Federal tax for all income earned for unrelated to the organizations purpose. For the year ended December 31, 2013 the Corporation received \$1,634 in interest income that was related to the organization's purpose and not subject to Corporate tax.

Concentration of Credit Risk

The Corporation maintains its cash balances in several financial institutions located in New York. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2013 the balance in each account exceeded the limit by \$149,624.

Investments

Investments are accounted for in accordance with the Investments-Debt and Equity Securities for Not-for-Profit Entities topic of the FASB (Financial Accounting Standards Board) Accounting Standards Codification. This guidance was formerly referred to as SFAS No. 124. Under this guidance investments in marketable securities with readily determinable fair values, and all investments in debt securities, are reported at their fair values and unrealized and realized gains and losses are reflected in the Statement of Activities.

Investments Income

The Corporation considers investment income as non-operating revenue.

NOTE C - PLEDGES RECEIVABLE

Pledges receivable are recorded at their net realized value, which approximates fair value. As of December 31, 2013 the Corporation determined that no allowance for uncollectible contributions was necessary.

**THE DESMOID TUMOR RESEARCH FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENT**  
**December 31, 2013**

**NOTE D - GRANTS**

The Corporation has donated several grants for research in 2013.  
The organizations below received grants in 2013.

<u>Name</u>	<u>Amount</u>
Duke University	\$ 300,000
Fondazione IRCCS	55,020
Ohio State University	74,000
MD Anderson Center (unused Grant Refun	(74,578)
Stanford University	45,000
Vanderbilt University Medical Center	30,000
Brigham and Womens Hospital	45,000
Maine Medical Center	<u>31,000</u>
Total Grants Pledged in 2013	<u>\$ 505,442</u>