

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

25 Smith Street
Suite 313
Nanuet, NY 10954

845.507.0707
FAX 845.507.0709
www.mlkcpa@aol.com

MITCHELL L. KLEIN, CPA
GERARD BLENKLE, CPA

May 31, 2015

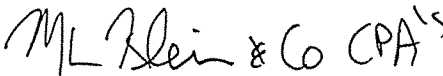
The Desmoid Tumor Research Foundation, Inc.
176 Gerdes Road
New Canaan, CT 06840

Gentlemen:

We are pleased to enclose herewith the Financial Statement and Independent Auditor's Report of The Desmoid Tumor Research Foundation, Inc. as at December 31, 2014.

If there are any questions relevant to the foregoing statements, please do not hesitate to contact this office.

Very truly yours,



ML KLEIN & COMPANY CPA's LLP

MLK/lk

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

**FINANCIAL STATEMENT
AS AT
DECEMBER 31, 2014**

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

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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, 2014 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

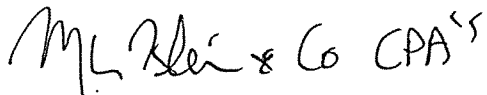
and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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, 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.

Respectfully submitted,

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

ML KLEIN & COMPANY, CPA's LLP
Nanuet, NY
May 31, 2015

STATEMENT "A"

THE DESMOID TUMOR RESEARCH FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

ASSETS

CURRENT ASSETS:-

Cash and Cash Equivalents	\$ 879,231	
Pledge's Receivable	10,849	
Prepaid Expenses	8,593	
TOTAL CURRENT ASSETS		<u>\$ 898,673</u>
TOTAL ASSETS		<u>\$ 898,673</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:-

Accounts and Accrued Payables	\$ 1,838	
TOTAL CURRENT LIABILITIES		<u>\$ 1,838</u>

TOTAL LIABILITIES \$ 1,838

NET ASSETS:-

Unrestricted Net Assets - Per Statement "B"		<u>896,835</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 898,673</u>

STATEMENT "B"

THE DESMOID TUMOR RESEARCH FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
REVENUES:-			
Organizational Support	\$ 328,174	\$ -	\$ 328,174
Individual Support	379,109	0	379,109
TOTAL REVENUES	<u>\$ 707,283</u>	<u>\$ -</u>	<u>\$ 707,283</u>
EXPENSES:-			
Programming	\$ 443,295	\$ -	\$ 443,295
Fund Raising and Development	97,183	0	97,183
Management and General	61,162	0	61,162
TOTAL EXPENSES	<u>\$ 601,640</u>	<u>\$ -</u>	<u>\$ 601,640</u>
CHANGES IN NET ASSETS BEFORE OTHER INCOME	\$ 105,643	\$ -	\$ 105,643
OTHER INCOME:-			
Investment Income	\$ 3,526	\$ -	\$ 3,526
TOTAL OTHER INCOME	<u>3,526</u>	<u>0</u>	<u>3,526</u>
CHANGES IN NET ASSETS	\$ 109,169	\$ -	\$ 109,169
NET ASSETS - JANUARY 1, 2014	<u>787,666</u>	<u>0</u>	<u>787,666</u>
NET ASSETS - DECEMBER 31, 2014	<u>\$ 896,835</u>	<u>\$ -</u>	<u>\$ 896,835</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, 2014

	December 31, 2014			
	<u>Programming</u>	<u>Fundraising and Development</u>	<u>Management and General</u>	<u>Total</u>
EXPENSES				
Wages	\$ 28,908	\$ 27,962	\$ 46,530	\$ 103,400
Benefits and Other Personels	2,664	2,586	5,926	11,176
Payroll Expense	196	343	440	979
Professional Services	0	1,897	0	1,897
Event and Performance Expense	28,199	47,908	253	76,360
Travel and Meeting	1,440	7,220	1,867	10,527
Data Management	0	245	575	820
Business Meal and Entertainment	613	1,944	1,945	4,502
Grants - Note D	375,000	0	0	375,000
Contribution	835	165	0	1,000
Operations	211	4,312	728	5,251
Insurance	3,071	1,013	2,434	6,518
Miscellaneous expenses	2,158	1,588	464	4,210
TOTAL EXPENSES	<u>\$ 443,295</u>	<u>\$ 97,183</u>	<u>\$ 61,162</u>	<u>\$ 601,640</u>

THE DESMOID TUMOR RESEARCH FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:-

Change in Net Assets for Year Ended December 31, 2014	\$ 109,169
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:-	
Decrease in Pledge's Receivable	\$ 7,500
Increase in Prepaid Expenses	(4,436)
Decrease in Accounts Payable and Accrued Expenses	<u>(304,679)</u>
TOTAL ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS	<u>(301,615)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (192,446)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (192,446)
CASH - JANUARY 1, 2014	<u>1,071,677</u>
CASH - DECEMBER 31, 2014	<u><u>\$ 879,231</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, 2014

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, 2014

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, 2014 the Corporation received \$1,754 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, 2014 the balance in each account exceeded the limit by \$3,284.

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, 2014 the Corporation determined that no allowance for uncollectible contributions was necessary.

THE DESMOID TUMOR RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENT
December 31, 2014

NOTE D - GRANTS

The Corporation has donated several grants for research in 2014. The organizations below received grants in 2014.

<u>Name</u>	<u>Amount</u>
Duke University	\$ 190,000
Ohio State University	50,000
B.I.R.D. Foundation	60,000
Vanderbilt University Medical Center	30,000
Brigham and Womens Hospital	<u>45,000</u>
Total Grants Pledged in 2014	<u><u>\$ 375,000</u></u>

NOTE E - INVESTMENTS

Investments are carried at fair value based on quoted market prices. Changes in the fair value of investments are recognized in income.

The Foundation adopted the provisions of Statement of Financial Accounting Standards No. 157, Fair Value Measurements, SFAS 157 establishes a fair value hierarchy for the inputs used to measure fair value based on the nature of the data input, which generally range from quoted prices for identical instruments in a principal trading market (Level 1), to estimates determined using related market data (Level 3).

Multiple inputs may be used to measure fair value; however, the level of fair value of each financial asset or liability presented below on the lower significant input level within this fair hierarchy.

THE DESMOID TUMOR RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENT
December 31, 2014

NOTE E - INVESTMENTS
(continued)

The following table provides the fair value hierarchy of the Foundation's financial assets as of December 31, 2014:

Financial Assets	Level 1	Level 2	Level 3	Total
Investment Equities	\$12,076			\$12,076
Investment Deposit Accounts	196			196
Total Investments	<u>\$12,272</u>			<u>\$12,272</u>

Details on the methods and assumptions used to determine the fair values of the financial assets and liabilities are as follows:

Fair value measurements based on Level 1 inputs:

Measurements that are most observable as based on quoted prices of identical instruments obtained from the principal markets in which they are traded. Closing prices are both readily available and representative of fair value. Market transactions occur with sufficient frequency and volume to ensure liquidity.

Fair value measurements based on Level 2 inputs:

Measurements derived indirectly from observable inputs or from quoted prices from markets that are less liquid are considered Level 2. Measurements may consider inputs that other market participants would use in valuing a portfolio, such as quoted market prices for similar securities, interest rates, credit risks, and others.

Fair value measurements based on Level 3 inputs:

Measurements that are least observable are estimated from related market data, determined from sources with little or no market activity for comparable contracts, or are positions with longer durations.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.