

PMP RESEARCH FOUNDATION

REVIEWED FINANCIAL STATEMENTS
December 31, 2012 and 2011

PMP RESEARCH FOUNDATION

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
PMP Research Foundation
Cleveland, Ohio

We have reviewed the accompanying statements of assets, liabilities, and net assets - cash basis of PMP Research Foundation (a non-profit organization) as of December 31, 2012 and 2011, and the related statements of support, revenue, and expenses - cash basis and statements of functional expense - cash basis for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Foundation management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the cash basis of accounting, as described in Note 2.

Corbets & Associates

April 22, 2013

PMP RESEARCH FOUNDATION

**Statements of Assets, Liabilities and Net Assets – Cash Basis
December 31, 2012 and 2011**

ASSETS	<u>2012</u>	<u>2011</u>
Cash	<u>\$ 175,527</u>	<u>\$ 171,948</u>
UNRESTRICTED NET ASSETS	<u>\$ 175,527</u>	<u>\$ 171,948</u>

See accompanying notes to financial statements and independent accountants' review report.

PMP RESEARCH FOUNDATION

**Statements of Support, Revenue and Expenses – Cash Basis
Years Ended December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
REVENUE AND SUPPORT		
Contributions		
Events	\$ 77,900	\$ 159,870
Other	54,834	53,519
Interest income	257	288
Merchandise sales	<u>274</u>	<u>116</u>
	133,265	213,793
EXPENSE:		
Program Services		
Grants and contributions	108,500	212,000
Education	6,068	8,068
Supporting Services		
Management and general	1,631	1,977
Fundraising	<u>13,487</u>	<u>9,396</u>
Total expense	<u>129,686</u>	<u>231,441</u>
DECREASE IN UNRESTRICTED NET ASSETS	3,579	(17,648)
UNRESTRICTED NET ASSETS – January 1,	<u>171,948</u>	<u>189,596</u>
UNRESTRICTED NET ASSETS – December 31,	<u>\$ 175,527</u>	<u>\$ 171,948</u>

See accompanying notes to financial statements and independent accountants' review report

PMP RESEARCH FOUNDATION

Statement of Functional Expense – Cash Basis Year Ended December 31, 2012

	<u>Program Services</u>		<u>Supporting Services</u>		
	<u>Grants and Contributions</u>	<u>Education</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Symposium	\$	\$ 3,325	\$	\$	\$ 3,325
Brochure		1,250		1,250	2,500
Merchant fees				2,601	2,601
Bank service charges			180		180
Communication expense			252		252
Contributions	2,000				2,000
Dues and fees	500		1,125	700	2,325
Events				5,951	5,951
IT and Website		1,493		2,985	4,478
Postage and delivery			74		74
Grants awarded	100,000				100,000
Grant administration	<u>6,000</u>				<u>6,000</u>
	<u>\$ 108,500</u>	<u>\$ 6,068</u>	<u>\$ 1,631</u>	<u>\$ 13,487</u>	<u>\$ 129,686</u>

See accompanying notes to financial statements and independent accountants' review report

PMP RESEARCH FOUNDATION

Statement of Functional Expense – Cash Basis Year Ended December 31, 2011

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total</u>
	<u>Grants</u>	<u>Education</u>	<u>Management and General</u>	<u>Fundraising</u>	
Symposium	\$	\$ 6,687	\$	\$	\$ 6,687
Merchant fees				2,798	2,798
Bank service charges			200		200
Communication expense			480		480
Dues and fees			1,100		1,100
Events				3,836	3,836
IT and Website		1,381		2,762	4,143
Postage and delivery			197		197
Grants awarded	200,000				200,000
Grant administration	<u>12,000</u>				<u>12,000</u>
	<u>\$ 212,000</u>	<u>\$ 8,068</u>	<u>\$ 1,977</u>	<u>\$ 9,396</u>	<u>\$ 231,441</u>

See accompanying notes to financial statements and independent accountants' review report.

PMP RESEARCH FOUNDATION

Notes to Financial Statements

NOTE 1 – NATURE OF ACTIVITIES

The Foundation was established in 2008 to support and fund research for Pseudomyxoma Peritonei (PMP) and related Peritoneal Surface Malignancies (PSM). The organization also supports the PMP and PSM community as a resource for information about managing the disease. The Foundation is supported through donations and proceeds of fundraising events, such as walks.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the cash basis of accounting which differs from generally accepted accounting principles in that revenue and support are recognized when received and expenditures when paid. Certain contributed goods and services which may require recognition under generally accepted accounting principles are not recorded in these cash basis statements. Under generally accepted accounting principles, the contribution of services is recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Use of Estimates

The preparation of financial statements on the cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

The Foundation receives services from a number of volunteers who give significant amounts of their time to the Foundation's programs, fundraising, and management. No amounts have been reflected for these types of donated services.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. At December 31, 2012 and 2011 cash is comprised of demand deposits, including a money market account, all held at the same financial institution.

See independent accountants' review report.

PMP RESEARCH FOUNDATION

Notes to Financial Statements

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Allocation of Functional Expenses

The costs of providing the Foundation's programs and other activities has been summarized on a functional basis. Accordingly certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation, and as such, contributions to the Foundation qualify for deduction as charitable contributions. However, income generated from activities unrelated to the Foundation's exempt purpose is subject to tax under Section 511 of the Code.

There were no uncertain tax positions recorded in the financial statements at December 31, 2012 or 2011. The Foundation's tax returns from inception in 2008 through this year end are subject to examination by the IRS, generally for three years after they were filed.

NOTE 3 – GRANTS

The Foundation awards research grants through the National Organization for Rare Disorders (NORD), and subsequent administration/distribution is also monitored by NORD. The Board approved and funded two grants of \$50,000 for 2012. During 2011 \$200,000 in four grants of \$50,000 each were funded and forwarded to NORD. Three of those grants were approved during 2011; one was approved in 2010, but funds were not forwarded until 2011.

NOTE 4 – RELATED PARTY TRANSACTIONS

The Foundation is an all volunteer organization. The members of the Board of Directors perform administration and management for the organization. In addition, an affiliate of one of the directors provides use of an administrative assistant from their staff as well as other supporting administrative accounting services as needed. Other Board members have directly paid expenses on behalf of the organization. Board members do not seek reimbursement in these circumstances.

During 2011 the Foundation officially became a member of NORD. During 2012 and 2011 the Foundation paid NORD \$500 in dues and a \$3,000 grant administration fee for each grant funded.

See independent accountants' review report.

PMP RESEARCH FOUNDATION

Notes to Financial Statements

NOTE 5 – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 22, 2013, the date which the financial statements were available to be issued.

See independent accountants' review report.