

**PMP RESEARCH FOUNDATION**

**REVIEWED FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

# **PMP RESEARCH FOUNDATION**

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# Corbets & Associates, Inc.

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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 corporation) as of December 31, 2014 and 2013, and the related statements support, revenue – cash basis and expenses and statements of functional expense – cash basis for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company 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's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with cash basis of accounting; this includes determining that cash basis is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for 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.

### *Accountants' Responsibility*

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### *Accountants' Conclusion*

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the cash basis of accounting.

### *Basis of Accounting*

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

*Corbets & Associates*

April 16, 2015

**PMP RESEARCH FOUNDATION**

**Statements of Assets, Liabilities and Net Assets – Cash Basis  
December 31, 2014 and 2013**

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	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
<b>Cash</b>	<b><u>\$ 236,602</u></b>	<b><u>\$ 234,409</u></b>
 <b>UNRESTRICTED NET ASSETS</b>	 <b><u>\$ 236,602</u></b>	 <b><u>\$ 234,409</u></b>

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, 2014 and 2013**

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	<u>2014</u>	<u>2013</u>
<b>REVENUE AND SUPPORT</b>		
Contributions		
Events	\$ 89,187	\$ 112,937
Other	45,031	73,854
Interest income	400	293
Merchandise sales	<u>59</u>	<u>55</u>
	<u>134,677</u>	187,139
<b>EXPENSE:</b>		
Program Services		
Grants and contributions	106,700	106,500
Education	8,773	6,661
Supporting Services		
Management and general	1,044	1,446
Fundraising	<u>15,967</u>	<u>13,650</u>
Total expense	<u>132,484</u>	<u>128,257</u>
<b>INCREASE IN UNRESTRICTED NET ASSETS</b>	<b>2,193</b>	58,882
<b>UNRESTRICTED NET ASSETS – January 1,</b>	<u><b>234,409</b></u>	<u>175,527</u>
<b>UNRESTRICTED NET ASSETS – December 31,</b>	<u><b>\$ 236,602</b></u>	<u>\$ 234,409</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, 2014**

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	<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>
Symposiums	\$	\$ 6,828	\$	\$	\$ 6,828
Merchant fees				4,114	4,114
Bank service charges			180		180
Communication expense			98		98
Dues and fees	200		725		925
Events				7,963	7,963
IT and Website		1,945		3,890	5,835
Postage and delivery			41		41
Grants awarded	100,000				100,000
Grant administration	<u>6,500</u>				<u>6,500</u>
	<u>\$ 106,700</u>	<u>\$ 8,773</u>	<u>\$ 1,044</u>	<u>\$ 15,967</u>	<u>\$ 132,484</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, 2013

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	<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>	
Symposiums	\$	\$ 4,328	\$	\$	\$ 4,328
Brochure		290		290	580
Merchant fees				2,582	2,582
Bank service charges			180		180
Communication expense			128		128
Dues and fees	500		816		1,316
Events				6,691	6,691
IT and Website		2,043		4,087	6,130
Office			292		292
Postage and delivery			30		30
Grants awarded	100,000				100,000
Grant administration	<u>6,000</u>				<u>6,000</u>
	<u>\$ 106,500</u>	<u>\$ 6,661</u>	<u>\$ 1,446</u>	<u>\$ 13,650</u>	<u>\$ 128,257</u>

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

# **PMP RESEARCH FOUNDATION**

## **Notes to Financial Statements**

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### **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, 2014 and 2013 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**

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

#### *Allocation of Functional Expenses*

The costs of providing the Foundation's programs and other activities have 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, 2014 or 2013. The Foundation's tax returns from 2011 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 in 2014. During 2013 two grants for \$50,000 were awarded and funded. Grants are distributed and monitored by NORD over 2 years.

### **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.

The Foundation officially is a member of NORD. During 2014 and 2013 the Foundation paid NORD \$200 and \$500 in dues and \$6,500 and \$6,000 in grant administration fees, respectively.

### **NOTE 5 – EVALUATION OF SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through April 16, 2015, the date which the financial statements were available to be issued.

See independent accountants' review report.