

PMP RESEARCH FOUNDATION

REVIEWED FINANCIAL STATEMENTS
December 31, 2015 and 2014

PMP RESEARCH FOUNDATION

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Appendix Cancer/Pseudomyxoma Peritonei Research Foundation, Inc. (or ACPMP)
formerly, 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, 2015 and 2014, 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

February 22, 2016

PMP RESEARCH FOUNDATION

**Statements of Assets, Liabilities and Net Assets – Cash Basis
December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash	<u>\$ 247,724</u>	<u>\$ 236,602</u>
UNRESTRICTED NET ASSETS	<u>\$ 247,724</u>	<u>\$ 236,602</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, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
REVENUE AND SUPPORT		
Contributions		
Events	\$ 100,518	\$ 89,187
Other	54,976	45,031
Interest income	366	400
Merchandise sales	<u>63</u>	<u>59</u>
	155,923	134,677
EXPENSE:		
Program Services		
Grants and contributions	108,700	106,700
Education	13,623	8,773
Supporting Services		
Management and general	2,383	1,044
Fundraising	<u>20,095</u>	<u>15,967</u>
Total expense	<u>144,801</u>	<u>132,484</u>
INCREASE IN UNRESTRICTED NET ASSETS	11,122	2,193
UNRESTRICTED NET ASSETS – January 1,	<u>236,602</u>	<u>234,409</u>
UNRESTRICTED NET ASSETS – December 31,	<u>\$ 247,724</u>	<u>\$ 236,602</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, 2015**

	<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		9,981			\$ 9,981
Merchant fees				3,395	3,395
Bank service charges			208		208
Communication expense			218		218
Contributions	2,000				2,000
Dues and fees	200		720		920
Events				8,195	8,195
Insurance			1,221	1,222	2,443
IT and Website		3,642		7,283	10,925
Postage and delivery			16		16
Grants awarded	100,000				100,000
Grant administration	<u>6,500</u>				<u>6,500</u>
	<u>\$ 108,700</u>	<u>\$ 13,623</u>	<u>\$ 2,383</u>	<u>\$ 20,095</u>	<u>\$ 144,801</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

	<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	\$	\$ 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

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, 2015 and 2014 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 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, 2015 or 2014. The Foundation's Form 990s from 2012 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 both 2015 and 2014. 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 both 2015 and 2014 the Foundation paid NORD \$200 in dues and \$6,500 in grant administration fees.

PMP RESEARCH FOUNDATION

Notes to Financial Statements

NOTE 5 – SUBSEQUENT EVENTS

Evaluation

The Organization has evaluated subsequent events through February 22, 2016, the date which the financial statements were available to be issued.

Name Change

Effective February 8, 2016 the Board has adopted a resolution to change the name of the organization to:

Appendix Cancer/Pseudomyxoma Peritonei Research Foundation (or ACPMP)

2016 Grants

In February, the Board also approved two grants for \$50,000 to be awarded and funded in 2016.