

**NATIONAL NIEMANN-PICK  
DISEASE FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2008**

**National Niemann-Pick Disease Foundation, Inc.**

**December 31, 2008**

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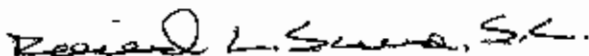
**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
National Niemann-Pick Disease Foundation, Inc.  
Fort Atkinson, Wisconsin

We have audited the accompanying statement of financial position of National Niemann-Pick Disease Foundation, Inc. as of December 31, 2008 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of National Niemann-Pick Disease Foundation, Inc. as of December 31, 2007 were audited by other auditors. Those auditors expressed an unqualified opinion on those financial statements in their report dated August 22, 2008.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Niemann-Pick Disease Foundation, Inc. as of December 31, 2008 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



David L. Scrima, S.C.  
Waukesha, Wisconsin  
June 17, 2009

**National Niemann-Pick Disease Foundation, Inc.**

**Statements of Financial Position**

**December 31, 2008**

(with comparable totals for 2007)

**ASSETS**

	<u>2008</u>	<u>2007</u>
Cash	\$ 411,595	\$ 349,247
Grants Receivable	67,600	87,709
Prepaid Expenses	1,517	1,504
Equipment	9,435	6,767
Accumulated Depreciation	(4,545)	(5,611)
Investments	3,009	3,504
Total Assets	<u>\$ 488,611</u>	<u>\$ 443,120</u>

**LIABILITIES AND NET ASSETS**

**Liabilities**

Accounts payable	\$ 222	\$ 665
Grants payable	80,548	45,045
Total Liabilities	<u>80,770</u>	<u>45,710</u>

**Net Assets**

Unrestricted Net Assets	<u>407,841</u>	<u>397,410</u>
Total Liabilities and Net Assets	<u>\$ 488,611</u>	<u>\$ 443,120</u>

The accompanying notes are an integral part of these statements.

**National Niemann-Pick Disease Foundation, Inc.**

**Statements of Activities**

**For the Year Ended December 31, 2008**

(with comparable totals for 2007)

	2008	2007
	<u>Unrestricted</u>	<u>Unrestricted</u>
<b><u>SUPPORT AND REVENUE</u></b>		
Contributions	\$ 125,916	\$ 131,828
In-Kind donations - Airfare	432	15,412
Grants	233,396	150,500
Fund-raising	225,377	311,429
Total Support	<u>585,121</u>	<u>609,169</u>
Family conference	24,805	4,375
Dividend and interest	8,016	14,403
Miscellaneous	3,323	846
Unrealized (loss) gain on investments	(495)	90
Total Revenue	<u>35,649</u>	<u>19,714</u>
TOTAL SUPPORT & REVENUE	<u>620,770</u>	<u>628,883</u>
<b><u>Expenses</u></b>		
Program services		
Research	377,476	246,237
Family support	110,779	140,050
Education and advocacy	60,908	63,173
Total program services	<u>549,163</u>	<u>449,460</u>
Supporting programs		
Management and general	49,066	95,430
Fund-raising	12,110	19,545
Total Supporting Programs	<u>61,176</u>	<u>114,975</u>
TOTAL EXPENSES	<u>610,339</u>	<u>564,435</u>
Change in Net Assets	10,431	64,448
Net Assets, beginning of year	<u>397,410</u>	<u>332,962</u>
Net Assets, end of year	<u>\$ 407,841</u>	<u>\$ 397,410</u>

The accompanying notes are an integral part of these statements.

**National Niemann-Pick Disease Foundation, Inc.**

**Statements of Functional Expenses**

**For the Year Ended December 31, 2008**

(with comparative totals for 2007)

	Program Services			Supporting Services			2007 Total
	Research	Family Support	Education & Advocacy	Total	Management and General	Fund Raising	
Bank charges	\$	\$	\$	\$	\$	\$	\$
Board meeting							
Conferences		44,600		44,600	7,737		7,737
Depreciation					1,382		1,382
Dues and memberships					397		397
Fund-raising						10,915	10,915
Insurance		501		501	1,761		2,262
National NPD center coordinator			55,141	55,141			55,141
Office		2,506		2,506	1,792		4,298
Payroll and taxes	5,786	44,778	5,767	56,331	21,419	865	78,615
Postage		5,774		5,774	1,136		6,910
Printing		9,904		9,904			9,904
Professional fees		175		175	6,100		6,275
Public relations and marketing		1,330		1,330			1,330
Rent					3,600		3,600
Research technicians	371,690			371,690			371,690
Supplies		1,211		1,211	290	330	1,831
Taxes, licenses and fees					90		90
Telephone					2,978		2,978
Travel							1,337
<b>Total Expenses</b>	<b>\$ 377,476</b>	<b>\$ 110,779</b>	<b>\$ 60,908</b>	<b>\$ 549,163</b>	<b>\$ 49,066</b>	<b>\$ 12,110</b>	<b>\$ 61,176</b>
							<b>\$ 610,339</b>
							<b>\$ 564,435</b>

The accompanying notes are an integral part of these statements.

**National Niemann-Pick Disease Foundation, Inc.**

**Statements of Cash Flows**

**For the Year Ended December 31, 2008**

(with comparable totals for 2007)

<u>Cash Flows From Operating Activities</u>	<u>2008</u>	<u>2007</u>
Net change in net assets	\$ 10,431	\$ 64,448
Adjustments to reconcile net increase in net assets to net cash provided by operating activities:		
Depreciation	1,382	819
Unrealized (gain) loss on investments	495	(90)
Changes in assets and liabilities		
(Increase) decrease in assets		
Grants receivable	20,109	(32,213)
Prepaid expenses	(13)	437
Increase (decrease) in liabilities		
Accounts payable	(443)	28
Grants payable	35,503	(5,852)
Net cash provided by operating activities	<u>67,464</u>	<u>27,577</u>
 <u>Cash Flows From Investing Activities</u>		
Capital expenditures	<u>(5,116)</u>	<u>(714)</u>
Net cash (used) by investing activities	<u>(5,116)</u>	<u>(714)</u>
 Net increase in cash	62,348	26,863
 Cash, beginning of year	<u>349,247</u>	<u>322,384</u>
 Cash, end of year	<u>\$ 411,595</u>	<u>\$ 349,247</u>

Supplemental information:

No interest or taxes paid.

The accompanying notes are an integral part of these statements.

# National Niemann-Pick Disease Foundation, Inc.

## Notes to Financial Statements

December 31, 2008

### Note 1 - Nature of Activities and Summary of Significant Accounting Policies

#### Nature of Activities

The Niemann-Pick Type C Foundation, Inc. was incorporated on June 19, 1992 under the general laws of the State of Virginia as a non-profit corporation for the purpose of promoting medical research into the causes of Niemann-Pick disease; providing support to families of children with Niemann-Pick disease, and increasing public awareness concerning this disease. In 1993, the Board voted to change the Foundation's name to National Niemann-Pick Disease Foundation, Inc. The change was officially adopted in February 1994.

#### Contributions

In accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made", contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Under SFAS No. 116, such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon the expiration of the purpose or time restriction.

#### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment is depreciated using the straight-line method. Depreciation for 2008 and 2007 was \$1,382 and \$819, respectively.

#### Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**National Niemann-Pick Disease Foundation, Inc.**

**Notes to Financial Statements**

**December 31, 2008**

**Note 1 - Nature of Activities and Summary of Significant Accounting Policies - (continued)**

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117 Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Income Taxes**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Agency is also exempt from Wisconsin income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the guidelines of 509(a) of the Code.

**Cash Equivalents**

For the purposes of the statements of cash flows, the Agency considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Functional Expenses**

Payroll related expenses are allocated to various functional activities based on the time spent in each area by employees. Expenses specifically identifiable with a function are charged to that function. Other expenses not specifically identifiable with a function are allocated to functional activities based upon estimates.

**Donated Services**

Donated Services are recognized as contributions in accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made," if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under SFAS No. 116 were not met.

**Investments**

The Organization reports investments under SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under SFAS No. 124, the Organization is required to report investments in equity securities with readily determinable fair values and all investments in debt securities at fair value and report gains and losses in the Statement of Activities.

National Niemann-Pick Disease Foundation, Inc.

Notes to Financial Statements

December 31, 2008

Note 1 - Nature of Activities and Summary of Significant Accounting Policies - (continued)

Grants Receivable

Grants receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of December 31, 2008 and 2007, no allowance has been provided for, as all grants receivable are deemed collectible.

Note 2 - Concentrations

The Organization maintains cash balances with financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. From time to time, the Organization's deposits may exceed the insured limit. As of December 31, 2008, the Organization was \$5,828 over this limit.

Note 3 - Investments

In accordance with SFAS No. 124, investments are stated at fair value using quoted market prices. Investments were comprised of the following at December 31:

	<u>2008</u>	<u>2007</u>
Corporate Bonds	<u>\$ 3,009</u>	<u>\$ 3,504</u>

Note 4 - Grants Payable

Grants payable consists of amounts awarded, but not paid, to research facilities for research related to National Niemann-Pick disease. All amounts are to be paid in 2009.

Note 5 - Summarized Financial Information for 2007

The financial information for the year ended December 31, 2007, presented for comparative purposes, is not intended to be a complete financial statement presentation.