

845.507.0707  
FAX 845.507.0709  
[www.mlkcpa@aol.com](mailto:www.mlkcpa@aol.com)

MITCHELL L. KLEIN, CPA  
GERARD BLENKLE, CPA

**Independent Auditor's Report**

To the Directors,  
The Desmoid Tumor Research Foundation, Inc.

We have audited the accompanying balance sheet of The Desmoid Tumor Research Foundation, Inc. (the Corporation) as of December 31, 2012 and the related statement of income, fund balance and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. 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 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.

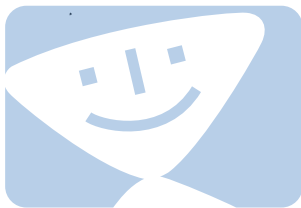
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Desmoid Tumor Research Foundation, Inc. as of December 31, 2012 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



ML KLEIN & COMPANY, CPA's LLP  
New City, New York  
May 14, 2013



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STATEMENT "A"

THE DESMOID TUMOR RESEARCH FOUNDATION, INC.  
BALANCE SHEET  
AS AT DECEMBER 31, 2012

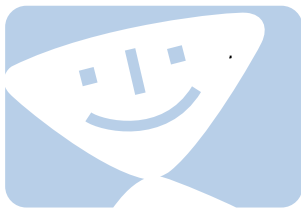
ASSETS

CURRENT ASSETS:-

Cash in Bank	<u>\$ 651,647</u>	
TOTAL CURRENT ASSETS		<u>\$ 651,647</u>
TOTAL ASSETS		<u><u>\$ 651,647</u></u>

LIABILITIES AND FUND BALANCE

TOTAL LIABILITIES		\$ -
FUND BALANCE - PER STATEMENT "B"		<u>651,647</u>
TOTAL LIABILITIES AND FUND BALANCE		<u><u>\$ 651,647</u></u>



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SEE ACCOUNTANTS' AUDIT REPORT AND NOTES TO THESE FINANCIAL STATEMENTS

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Certified Public Accountants

STATEMENT "B"

THE DESMOID TUMOR RESEARCH FOUNDATION, INC.  
INCOME AND FUND BALANCE STATEMENT  
AS AT DECEMBER 31, 2012

INCOME:-

Contribution from Direct Public Support	\$ 163,316	
Fund Raising Income	541,756	
<b>TOTAL INCOME</b>		<b>\$ 705,072</b>

EXPENSES:-

Research Grants - Note D	\$ 207,500	
Travel	2,699	
Bank and Credit Card Charges	5,031	
Fund Raising Costs	61,369	
Professional Fees	396	
Office Expense	504	
Director Fees	45,501	
Patient Support Meeting	13,861	
Graphic Design	2,236	
Website Fees	6,488	
Miscellaneous and General	5,654	
<b>TOTAL EXPENSES</b>		<b>351,239</b>

NET INCOME BEFORE OTHE INCOME \$ 353,833

OTHER INCOME:-

Interest Income	\$ 493	
<b>TOTAL OTHER INCOME</b>		<b>493</b>

NET INCOME FOR THE YEAR ENDED DECEMBER 31, 2012 \$ 354,326

FUND BALANCE - JANUARY 1, 2012 297,321

FUND BALANCE - DECEMBER 31, 2012 \$ 651,647



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SEE ACCOUNTANTS' AUDIT REPORT AND NOTES TO THESE FINANCIAL STATEMENTS

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STATEMENT "C"

THE DESMOID TUMOR RESEARCH FOUNDATION, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2012

CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:-

NET INCOME FOR THE YEAR ENDED DECEMBER 31, 2012	<u>\$ 354,326</u>	
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>\$ 354,326</u>
NET INCREASE IN CASH		\$ 354,326
CASH - JANUARY 1, 2012		<u>297,321</u>
CASH - DECEMBER 31, 2012		<u><u>\$ 651,647</u></u>

SUPPLEMENTAL INFORMATION

INTEREST PAID	\$	-
TAXES PAID	\$	-



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SEE ACCOUNTANTS' AUDIT REPORT AND NOTES TO THESE FINANCIAL STATEMENTS

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Certified Public Accountants

THE DESMOID TUMOR RESEARCH FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENT  
December 31, 2012

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Basis of Accounting

The basis of accounting is the cash 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.

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, 2011 the Corporation received \$430 in interest income that was related to the organization's purpose and not subject to Corporate tax.

NOTE B - 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, 2012 the balance in each account is fully insured.

**THE DESMOID TUMOR RESEARCH FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENT**  
**December 31, 2012**

**NOTE C - CONTRIBUTIONS**

The Corporation received direct public support of \$705,072 in 2012 of which the following entities donated more than \$15,000.

<u>Name</u>	<u>Amount</u>
James R. Ryan Family Foundation	\$ 50,000
First Giving	\$ 153,796
Roseann O'Donnell Revocable Living Trust	\$ 52,465
Susan and James Zechmann	\$ 26,375
Lap 4 Life	\$ 26,000
Austin Fibromatosis Research Fund	\$ 16,890
Kidro Productions	\$ 15,749
Geri and Darwin Reedy	\$ 15,000

**NOTE D - GRANTS**

The Corporation has donated several grants for research in 2012. The organization below received grants in 2012

<u>Name</u>	<u>Amount</u>
Hospital for Sick Children Toronto, Ontario	\$ 85,000
MD Anderson Cancer Center Houston, Texas	\$ 90,000
Memorial Sloan Kettering New York, New York	\$ 32,500
<b>Total Grants Paid in 2012</b>	<b><u>\$ 207,500</u></b>



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