



**CMT  
Research  
Foundation**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE PERIOD APRIL 4, 2018 (DATE OF  
EXEMPTION) TO DECEMBER 31, 2018**

**CMT RESEARCH FOUNDATION, INC.**  
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**DECEMBER 31, 2018**

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**Jones and Kolb**  
Certified Public Accountants  
Atlanta, Georgia

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
CMT Research Foundation, Inc.  
Atlanta, Georgia

We have audited the accompanying financial statements of CMT Research Foundation, Inc. a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the period April 4, 2018 (date of exemption) to December 31, 2018 and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

**Auditor's Responsibility**

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CMT Research Foundation, Inc. as of December 31, 2018, and the changes in its net assets and its cash flows for the period April 4, 2018 (date of exemption) to December 31, 2018 in accordance with accounting principles generally accepted in the United States of America.

*Jones and Kolb*

February 13, 2019

**CMT RESEARCH FOUNDATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2018**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 619,673
Contributions receivable	<u>278,199</u>
Total current assets	897,872

**LONG-TERM ASSETS**

Contributions receivable	<u>500,000</u>
Total assets	<u><u>\$ 1,397,872</u></u>

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	<u>\$ 4,519</u>
Total current liabilities	<u>4,519</u>

**NET ASSETS**

Without donor restrictions	543,353
With donor restrictions	<u>850,000</u>
Total net assets	<u>1,393,353</u>
Total liabilities and net assets	<u><u>\$ 1,397,872</u></u>

The accompanying notes to financial statements  
are an integral part of this statement.

**CMT RESEARCH FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE PERIOD APRIL 4, 2018 (DATE OF EXEMPTION)**  
**TO DECEMBER 31, 2018**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES AND SUPPORT</b>			
Contributions	\$ 645,226	\$ 850,000	\$ 1,495,226
Interest income	200	-	200
	645,426	850,000	1,495,426
Total revenues and support	645,426	850,000	1,495,426
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
	-	-	-
<b>EXPENSES</b>			
Program services	78,118	-	78,118
Management and general	7,361	-	7,361
Fundraising	16,594	-	16,594
	102,073	-	102,073
Total expenses	102,073	-	102,073
<b>CHANGE IN NET ASSETS</b>	543,353	850,000	1,393,353
<b>NET ASSETS</b>			
Beginning of year	-	-	-
End of year	\$ 543,353	\$ 850,000	\$ 1,393,353

The accompanying notes to financial statements  
are an integral part of this statement.

**CMT RESEARCH FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE PERIOD APRIL 4, 2018 (DATE OF EXEMPTION)**  
**TO DECEMBER 31, 2018**

	<b><u>Program</u></b>	<b><u>Management and General</u></b>	<b><u>Fundraising</u></b>	<b><u>Total</u></b>
Project expenses	\$ 51,300	\$ -	\$ -	\$ 51,300
Compensation	10,092	2,018	8,074	20,184
Marketing	4,377	-	6,695	11,072
Professional fees	6,805	1,139	-	7,944
Travel	5,209	-	1,825	7,034
Office	309	3,034	-	3,343
Insurance	-	1,170	-	1,170
Meetings	26	-	-	26
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<b><u>\$ 78,118</u></b>	<b><u>\$ 7,361</u></b>	<b><u>\$ 16,594</u></b>	<b><u>\$ 102,073</u></b>

The accompanying notes to financial statements  
are an integral part of this statement.

**CMT RESEARCH FOUNDATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD APRIL 4, 2018 (DATE OF EXEMPTION)**  
**TO DECEMBER 31, 2018**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Contributions received	\$ 717,027
Interest income received	200
Project expenses	(50,500)
Compensation expenses	(18,292)
Marketing expenses	(9,866)
Other operating expenses	<u>(18,896)</u>
 Total adjustments	 <u>619,673</u>
 Net cash used in operating activities	 <u>619,673</u>
 <b>NET INCREASE IN CASH</b>	 <b>619,673</b>
 <b>CASH, Beginning of period</b>	 <u>-</u>
 <b>CASH, End of period</b>	 <u><u>\$ 619,673</u></u>

The accompanying notes to financial statements  
are an integral part of this statement.

**CMT RESEARCH FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE PERIOD APRIL 4, 2018 (DATE OF EXEMPTION)**  
**TO DECEMBER 31, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Created in 2018, CMT Research Foundation, Inc. (the "Organization") is an organization focused on delivering treatments and cures for Charcot-Marie-Tooth ("CMT") disease. Effective April 4, 2018, the Internal Revenue Service determined the Organization was exempt from federal income tax under Internal Revenue Code Section 501(c)(3). The Organization fulfills its mission by fostering strategic partnerships with academia and industry stakeholders to deliver results.

B. The accompanying financial statements have been prepared on the accrual basis in conformity with accounting principles generally accepted in the United States of America.

C. The Organization classifies net assets and revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. The Organization records contributions of cash and other assets as net assets without donor restrictions unless specifically restricted by the donor. All other restricted contributions are recorded as an increase in net assets with donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Net Assets as "net assets released from restrictions." Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations and are, therefore, available for the general operation of the Organization.

Net assets with donor restrictions - Net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions may be temporary in nature; for example, restrictions that may or will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions may be perpetual in nature; for example, stipulating that resources be maintained in perpetuity. The donors of these assets generally permit the Organization to use all of the income earned on related investments for general or specific purposes. More specifically, items included in net assets with donor restrictions are contributions for which restrictions have not been met.

D. At times, the Organization's cash balances may be in excess of the federally insured limits. However, given the strength of the financial institution, management believes such excess deposits do not create significant loss exposure.

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



**CMT RESEARCH FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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F. Contributions receivable are recorded at their net realizable value if due within one year, and at fair value at date of donation if due in more than one year. An allowance for uncollectible contributions receivable is provided based upon management's judgment, considering such factors as prior collection history, type of contribution, relationship with donor and other relevant factors. At December 31, 2018, management believes all contributions receivable are fully collectible. Therefore, no allowance for uncollectible accounts is recorded in the accompanying financial statements.

G. The accompanying financial statements report certain categories of expenses that are attributable to one or more functions of the Organization, which are defined as program services, management and general and fundraising. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries and benefits are allocated on the basis of estimates of time and effort. The remainder of the expenses are primarily allocated through a specific identification to the functional expense category due to the nature of the expense.

H. Subsequent events have been evaluated by management through February 13, 2019, the date these financial statements were available to be issued.

**2. RESTRICTIONS ON NET ASSETS**

Net assets with donor restrictions for the period April 4, 2018 (date of exemption) to December 31, 2018 are summarized as follows:

<u>Restriction</u>	<u>April 4, 2018</u>	<u>Contributions</u>	<u>Releases</u>	<u>December 31, 2018</u>
Subject to specified purpose:				
CMT1A	\$ -	\$ 100,000	\$ -	\$ 100,000
Subject to specified time:				
Years 2019 - 2021	\$ -	\$ 750,000	\$ -	\$ 750,000
Total	<u>\$ -</u>	<u>\$ 850,000</u>	<u>\$ -</u>	<u>\$ 850,000</u>

**3. CONCENTRATIONS**

One donor accounted for approximately 67% revenues and support during the period April 4, 2018 (date of exemption) to December 31, 2018 and approximately 96% of contributions receivable at December 31, 2018.

**CMT RESEARCH FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE PERIOD APRIL 4, 2018 (DATE OF EXEMPTION)**  
**TO DECEMBER 31, 2018**

**4. LIQUIDITY**

The following reflects the Organization's financial assets as of December 31, 2018, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Financial assets, at year end	\$ 1,397,872
Less those unavailable for general expenditures within one year due to:	
Restrictions by donor with time restrictions for years ended December 31, 2020 and 2021	<u>(500,000)</u>
Total financial assets available to meet cash needs for general expenditure within one year	<u><u>\$ 897,872</u></u>