



**THE FIBROLAMELLAR CANCER
FOUNDATION, INC.**

FINANCIAL STATEMENTS

DECEMBER 31, 2013

THE FIBROLAMELLAR CANCER FOUNDATION, INC.

Contents

Financial Statements

	Page
Independent Auditors' Report	1
Statement of Financial Position as of December 31, 2013	2
Statement of Activities for the Year Ended December 31, 2013	3
Statement of Cash Flows for the Year Ended December 31, 2013	4
Statement of Functional Expenses for the Year Ended December 31, 2013	5
Notes to Financial Statements	6 - 8

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Fibrolamellar Cancer Foundation, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of The Fibrolamellar Cancer Foundation, Inc. (the "Foundation"), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, cash flows and functional expenses for the year then ended, 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.

Auditors' 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 Foundation'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 Foundation'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 The Fibrolamellar Cancer Foundation, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Iselin, New Jersey
November 12, 2014

THE FIBROLAMELLAR CANCER FOUNDATION, INC.

Statement of Financial Position

December 31, 2013

ASSETS

Cash and cash equivalents	\$ 1,697,760
Due from Stone Point Capital Foundation, Inc.	361,596
Prepaid expenses	3,915
Other receivables	<u>1,000</u>

Total assets \$ 2,064,271

LIABILITIES

Accounts payable and accrued expenses	\$ 25,020
Grants payable	<u>424,677</u>

Total liabilities 449,697

NET ASSETS

Unrestricted	<u>1,614,574</u>
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\$ 2,064,271

See notes to financial statements

THE FIBROLAMELLAR CANCER FOUNDATION, INC.

Statement of Activities
Year Ended December 31, 2013

Revenues

Contributions	\$ 868,397
Investment income	130
In-kind contributions	<u>22,860</u>
Total revenues	<u>891,387</u>

Expenses

Grants for research	874,877
Compensation	43,798
Accounting and administrative services	22,860
Outside services	12,000
Miscellaneous	<u>32,318</u>
Total expenses	<u>985,853</u>

Change in net assets

(94,466)

Unrestricted net assets, beginning of year

1,709,040

Unrestricted net assets, end of year

\$ 1,614,574

See notes to financial statements

THE FIBROLAMELLAR CANCER FOUNDATION, INC.

Statement of Cash Flows Year Ended December 31, 2013

Cash flows from operating activities

Change in net assets \$ (94,466)

Adjustments to reconcile change in net assets to net cash
provided by operating activities:

Changes in:

Due from Stone Point Capital Foundation, Inc. 12,324

Prepaid expenses (3,915)

Other receivable (1,000)

Accounts payable and accrued expenses 12,861

Grants payable 424,677

Net cash provided by operating activities 350,481

Net change in cash and cash equivalents 350,481

Cash and cash equivalents, beginning of year 1,347,279

Cash and cash equivalents, end of year \$ 1,697,760

See notes to financial statements

THE FIBROLAMELLAR CANCER FOUNDATION, INC.

**Statement of Functional Expenses
Year Ended December 31, 2013**

	Program Services	Fundraising	Management and General	Total
Grants for research	\$ 874,877	\$ -	\$ -	\$ 874,877
Compensation	-	-	43,798	43,798
Accounting and administrative services	-	-	22,860	22,860
Outside services	-	-	12,000	12,000
Miscellaneous	11,690	8,984	11,644	32,318
	<u>\$ 886,567</u>	<u>\$ 8,984</u>	<u>\$ 90,302</u>	<u>\$ 985,853</u>

See notes to financial statements

THE FIBROLAMELLAR CANCER FOUNDATION, INC.

Notes to Financial Statements December 31, 2013

Note A – Organization and Summary of Significant Accounting Policies

[1] Organization:

The Fibrolamellar Cancer Foundation, Inc. (the “Foundation”), is a not-for-profit organization, organized under the laws of the State of Delaware. The Foundation was established to raise awareness and research funds for fibrolamellar hepatocellular carcinoma, a rare form of liver cancer that is primarily seen in teens and young adults. Currently, there are no viable treatment options other than liver resection surgery. The Foundation’s mission is to find a cure and reliable treatment options for those diagnosed with this rare disease as well as enhance communication among healthcare professionals and patients.

The Foundation devotes all of its time to fundraising and grant-making to support these causes. The activities of the Foundation began in June 2009, and are conducted by the Board of Directors and officers of the Foundation.

The Foundation’s major source of funding is provided by the Stone Point Capital Foundation, Inc. (“SPCF”), a fund-raising organization that supports the Foundation.

[2] Basis of presentation:

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

The Foundation accounts for and reports on its net assets based upon the existence or absence of donor-imposed restrictions. Temporarily restricted net assets are those whose donor-imposed restrictions as to a specific purpose or time have not been met. Permanently restricted net assets are those with donor-imposed restrictions on the corpus of the gifts specifying they be maintained in perpetuity. Unrestricted net assets include all resources that are not subject to donor-imposed restrictions. At December 31, 2013, there are no temporarily restricted or permanently restricted net assets.

[3] Use of estimates:

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 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 income and expenses during the reporting period. Actual results could differ from those estimates.

[4] Cash and cash equivalents:

Cash and cash equivalents include highly liquid investments with initial maturity dates of three months or less.

THE FIBROLAMELLAR CANCER FOUNDATION, INC.

Notes to Financial Statements December 31, 2013

Note A – Organization and Summary of Significant Accounting Policies (Continued)

[5] Contributions:

Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions of assets other than cash are recorded at estimated fair value at the date of the donation.

[6] Income taxes:

The Internal Revenue Service (“IRS”) has determined that the Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and is exempt from tax on related income pursuant to Section 501(a) of the IRC. The Foundation is classified as a public charity. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

Accounting for Uncertainty in Income Taxes clarifies the accounting for uncertainty in income taxes in an enterprise’s financial statements. Management has analyzed the tax positions taken or expected to be taken that would require the recognition of a liability or disclosure in the financial statements. The Foundation recognizes accrued interest and penalties associated with uncertain tax provisions, if any. There were no income tax-related interest and penalties recorded for the year ended December 31, 2013. The income tax returns of the Foundation for the years ended December 31, 2012, 2011 and 2010 are subject to examination by the IRS and other various taxing authorities, generally for three years after they were filed.

[7] Donated services:

Donated services are recognized as revenues and expenses 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. See Note C.

[8] Subsequent events:

The Foundation evaluated events through November 12, 2014, which was the date the financial statements were available to be issued.

[9] New accounting pronouncement:

In April, 2013, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update (“ASU”) 2013-06, Services Received from Personnel of an Affiliate. This ASU is effective for annual and interim periods beginning after June 15, 2014, however, early adoption is permitted. This ASU requires a recipient not-for-profit entity to recognize all services received from personnel of an affiliate that directly benefit the recipient not-for-profit entity. Those services should be measured at the cost recognized by the affiliate for the personnel providing those services. However, if measuring such service at cost will significantly overstate or understate the value of the service received, the recipient not-for-profit entity may elect to recognize that service at either (a) the cost recognized by the affiliate for the personnel providing the service, or (b) the fair value of that service. The adoption is not expected to have a material effect on the financial statements.

THE FIBROLAMELLAR CANCER FOUNDATION, INC.

Notes to Financial Statements December 31, 2013

Note B – Economic Dependency

Certain of SPCF's fund-raising is for the specific purpose of raising funds for the Foundation. For these donations, in which SPCF's Board of Directors do not have variance power to donate to other not-for-profit entities, SPCF is considered an agent on behalf of the Foundation and the related donations are recorded as contribution revenue in the accompanying statement of activities. During the year ended December 31, 2013, contributions, net of related expenses, raised by SPCF for the benefit of the Foundation amount to \$361,596, which comprised 41% of the Foundation's 2013 revenues. This contribution is included in contributions in the statement of activities and due from Stone Point Capital Foundation, Inc. in the statement of financial position.

Note C – Transaction with Related Parties

Certain directors and officers of the Foundation are officers and employees of Stone Point Capital LLC ("SPC"). Additionally, SPC provides several services at no cost to the Foundation, which includes accounting and communications. The estimated value of these services amounted to \$22,860 which was recorded as both an in-kind contribution and accounting and administrative services expense in the statement of activities.

In 2013, donations from the Charles A. and Marna Davis Foundation and from Stone Point Capital LLC covered all administrative costs of the Foundation so that 100% of donations received from others are available to fund research.

Note D – Grants Payable

Grants payable are recognized in the accompanying financial statements at the time of Foundation approval. The Foundation's grants payable at December 31, 2013 are payable as follows:

	<u>2013</u>
Less than one year	\$ 299,677
One to five years	<u>125,000</u>
Total grants payable	<u>\$ 424,677</u>

For the year ended December 31, 2013 grants paid totaled \$450,200.