

NORTH AMERICAN THROMBOSIS FORUM, INC.

FINANCIAL STATEMENTS

DECEMBER 2013 AND 2012

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McCafferty & Company, P.C.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
North American Thrombosis Forum, Inc.

Report on the Financial Statements

We have audited the accompanying statements of North American Thrombosis Forum, Inc. (a non-profit organization) which comprise the assets, liabilities, and net assets-(modified cash basis) as of December 31, 2013 and 2012, and the related statements of support, revenues and expenses, functional expenses, and cash flows (all modified cash basis) for the years 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 the 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 accounting 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 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.

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INDEPENDENT AUDITORS' REPORT (Cont.)

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 Statements of assets, liabilities and net assets (modified cash basis) of North American Thrombosis Forum, Inc. As of December 31, 2013 and 2012, and its support revenues and expenses, functional expenses and cash flows (all modified cash basis) for the year then ended in accordance with accounting principles generally accepted in the United States of America, on the basis of accounting described in Note 1.

Basis of Accounting

As described in Note 1 of the financial statements, these financial statements were prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

McCafferty & Company, P.C.

MCCAFFERTY & COMPANY, P.C.

Certified Public Accountants

July 17, 2014

North American Thrombosis Forum, Inc.
 Statements of Assets, Liabilities, and Net assets-Modified Cash Basis
 December 31, 2013 and 2012

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Cash and Equivalents	\$ 56,574	\$ 109,732
Grants Receivable	-	275,000
Furniture and Equipment-net	36,782	50,925
Prepaid Expenses/Deposits	5,581	3,442
Investments	2,803,799	2,262,144
	<u>2,902,736</u>	<u>2,701,243</u>
TOTAL ASSETS	<u>\$ 2,902,736</u>	<u>\$ 2,701,243</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Deferred Income	\$ 100,000	\$ 50,000
	<u>100,000</u>	<u>50,000</u>
TOTAL LIABILITIES	100,000	50,000
<u>NET ASSETS</u>		
Unrestricted	2,727,736	2,376,243
Temporarily Restricted	75,000	275,000
	<u>2,802,736</u>	<u>2,651,243</u>
TOTAL NET ASSETS	<u>2,802,736</u>	<u>2,651,243</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,902,736</u>	<u>\$ 2,701,243</u>

See Accompanying notes and Independent Auditors' Report
 Which are an Integral Part of these Statements.

North American Thrombosis Forum, Inc.
 Statements of Support, Revenue, and Expenses-Modified Cash Basis
 For the Year Ended December 31, 2013
 (With Summarized Financial Information for the Year Ended December 31, 2012)

CHANGES IN UNRESTRICTED NET ASSETS

	Unrestricted	Temporarily Restricted	Total	2012
REVENUES & GAINS				
Donated Services	\$ 20,000	\$ -	\$ 20,000	\$ 19,900
Program Fees	79,226	-	79,226	66,477
Industrial Support	90,979	-	90,979	234,549
Grants	-	-	-	200,000
Contributions	67,101	-	67,101	63,616
Events	128,950	-	128,950	37,620
Interest and Dividends	87,594	-	87,594	75,140
Memberships	8,540	-	8,540	6,825
Unrealized Investment Gains/(Losses)	122,825	-	122,825	176,986
Realized Investment Gains/(Losses)	121,380	-	121,380	(7,539)
	<u>726,595</u>	<u>-</u>	<u>726,595</u>	<u>873,574</u>
Net Assets Released From Restrictions	200,000	(200,000)	-	-
TOTAL REVENUES & GAINS	<u>926,595</u>	<u>(200,000)</u>	<u>726,595</u>	<u>873,574</u>
EXPENSES				
Program Services	144,828	-	144,828	186,484
Management & General	282,857	-	282,857	294,008
Fund Raising	147,417	-	147,417	84,538
	<u>575,102</u>	<u>-</u>	<u>575,102</u>	<u>565,030</u>
TOTAL EXPENSES	<u>575,102</u>	<u>-</u>	<u>575,102</u>	<u>565,030</u>
CHANGE IN NET ASSETS	<u>\$ 351,493</u>	<u>\$ (200,000)</u>	<u>\$ 151,493</u>	<u>\$ 308,544</u>

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McCafferty & Company, P.C.
 Certified Public Accountants

North American Thrombosis Forum, Inc.
 Statements of Support Revenue, and Expenses-Modified Cash Basis
 For the Year Ended December 31, 2013
 (With Summarized Information for the Year Ended December 31, 2012)

(continued from previous page)

	Unrestricted	Temporarily Restricted	Total	2012
CHANGE IN NET ASSETS	351,493	(200,000)	151,493	308,544
NET ASSETS AT THE BEGINNING OF THE YEAR	<u>2,376,243</u>	<u>275,000</u>	<u>2,651,243</u>	<u>2,342,699</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,727,736</u>	<u>\$ 75,000</u>	<u>\$ 2,802,736</u>	<u>\$ 2,651,243</u>

McCaffery & Company, P.C.
 Certified Public Accountants

North American Thrombosis Forum, Inc.
Statement of Functional Expenses-Modified Cash Basis
For the Year Ended December 31, 2013

	<u>Program Services</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Salaries and Related Expenses				
Payroll Taxes	\$ -	\$ 9,495	\$ -	\$ 9,495
Salaries	-	107,614	-	107,614
Total Salaries & Related Expenses	<u>-</u>	<u>117,109</u>	<u>-</u>	<u>117,109</u>
Accreditation	5,000	-	-	5,000
Bank Fees	136	1,445	-	1,581
Business Expenses	-	265	-	265
Computer Support	-	1,421	-	1,421
Conferences/Meetings/Events	100,051	332	-	100,383
Depreciation	-	14,143	-	14,143
Development	-	-	147,417	147,417
Honorarium	5,065	-	-	5,065
Insurance	-	18,137	-	18,137
Investment Fees	-	22,800	-	22,800
Marketing	21,160	5,704	-	26,864
Miscellaneous	1,078	818	-	1,896
Office Supplies	-	5,540	-	5,540
Payroll Expense	-	3,508	-	3,508
Postage	8,539	1,687	-	10,226
Printing/Publications	3,799	-	-	3,799
Professional Fees	-	53,188	-	53,188
Rent and Related Costs	-	28,603	-	28,603
Telephone	-	5,250	-	5,250
Travel/Entertainment/Lodging	-	2,907	-	2,907
Totals	<u>\$ 144,828</u>	<u>\$ 282,857</u>	<u>\$ 147,417</u>	<u>\$ 575,102</u>

See Accompanying Notes and Independent Auditors' Report
Which are an Integral Part of these Statements.

North American Thrombosis Forum, Inc.
Statement of Functional Expenses-Modified Cash Basis
For the Year Ended December 31, 2012

	<u>Program Services</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Salaries and Related Expenses				
Payroll Taxes	\$ -	\$ 10,106	\$ -	\$ 10,106
Salaries	-	110,205	-	110,205
Total Salaries & Related Expenses	<u>-</u>	<u>120,311</u>	<u>-</u>	<u>120,311</u>
Accreditation	18,912	-	-	18,912
Bank Fees	589	590	-	1,179
Business Expenses	-	765	-	765
Computer Support	-	151	-	151
Conferences/Meetings/Events	122,669	1,289	-	123,958
Depreciation	-	7,125	-	7,125
Development	-	-	84,538	84,538
Honorarium	2,093	-	-	2,093
Insurance	-	18,119	-	18,119
Investment Fees	-	19,390	-	19,390
Marketing	13,998	1,017	-	15,015
Miscellaneous	262	524	-	786
Office Supplies	-	4,771	-	4,771
Payroll Expense	-	3,443	-	3,443
Postage	8,637	725	-	9,362
Printing/Publications	8,280	-	-	8,280
Professional Fees	-	78,656	-	78,656
Rent and Related Costs	-	29,856	-	29,856
Telephone	-	4,808	-	4,808
Travel/Entertainment/Lodging	11,044	2,468	-	13,512
Totals	<u>\$ 186,484</u>	<u>\$ 294,008</u>	<u>\$ 84,538</u>	<u>\$ 565,030</u>

North American Thrombosis Forum, Inc.
 Statements of Cash Flow-Modified Cash Basis
 For the Years Ended December 31, 2013 and 2012

CASH FLOWS FROM OPERATING ACTIVITIES	2013	2012
Change in Net Assets	\$ 151,493	\$ 308,544
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	14,143	7,125
Unrealized Gain/Loss on securities	(122,825)	(176,986)
Assets & Liabilities		
Deferred Revenue	50,000	50,000
Grants Receivable	275,000	(125,000)
Prepaid Expenses/Deposits	(2,139)	2,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	365,672	65,683
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Equipment Purchases	-	(31,325)
Purchase of Investments	(2,305,144)	(473,137)
Sale of Investments	1,886,314	420,654
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	(418,830)	(83,808)
NET CHANGE IN CASH	(53,158)	(18,125)
CASH AT BEGINNING OF YEAR	109,732	127,857
CASH AT END OF YEAR	\$ 56,574	\$ 109,732

See Accompanying Notes and Independent Auditors' Report
 Which are an Integral Part of these Statements.

North American Thrombosis Forum, Inc.
Notes to Financial Statements
December 31, 2013 and 2012

NOTE A - ORGANIZATION

The North American Thrombosis Forum, Inc. (Forum) was formed as a tax-exempt organization under Section 501 (c)(3) of the Internal Revenue Code and is a volunteer organization formed to provide a framework within which to complement existing organizations related to thrombosis and cardiovascular diseases. Funds and support are received from various sources including corporate and individual contributions, grants, fundraising events. The Forum was organized under the laws of the Commonwealth of Massachusetts on May 11, 2006 and began operations in Massachusetts in 2006 and received it's nonprofit status June 27, 2007.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Forum maintains its accounts in accordance with the principles and practices of fund accounting in accordance with the provisions of Accounting Standards generally accepted in the United States of America. In accordance with these standards, the procedures by which net assets, revenues, expenses, gains and losses are classified in accordance with activities or objectives specified by donors or by management as permanently restricted, temporarily restricted or unrestricted.

These financial statements, which are presented on the modified cash basis of accounting, have been prepared to present operations of the Forum as a whole, and to present balances and transactions according to the existence or absence of donor-imposed restrictions. When imposed by donors, restricted funds are reflected in changes to the appropriate fund balances.

Under the modified cash basis of accounting, revenues and expenses are recognized when cash is received and disbursed rather than when the obligation is earned or incurred. This policy is modified to reflect certain significant items representing income or expenses prepaid or due at the end of its year. Items of this nature are reflected in the statement of financial position until they are applied to activities in the appropriate year.

Classifications of transactions are reported as follows:

Unrestricted Funds

Net assets which represent funds received with no donor imposed restrictions.

Temporarily Restricted Funds

Net assets received subject to Donor imposed restrictions, that will or may be met with either the passage of time or satisfaction of required action by the Forum.

Permanently Restricted Funds

Net assets which are subject to Donor imposed restrictions that they be maintained permanently by the Forum.

North American Thrombosis Forum, Inc.
Notes to Financial Statements
December 31, 2013 and 2012

NOTE B - CONTINUED

CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, the Forum considers all investments with a maturity of three months or less to be cash equivalents.

FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing program services and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated between programs and supporting services benefited.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

FURNITURE, FIXTURES AND IMPROVEMENTS

Furniture, fixtures and improvements are stated primarily at cost less accumulated depreciation. Depreciation is calculated using the straight line method over the estimated useful life of each asset, ranging from five to seven years. Assets no longer in use by the Forum are disposed of periodically.

Detail of asset balances are as follows:

	<u>2013</u>	<u>2012</u>
Furniture and Equipment	\$ 63,913	\$ 63,913
Less: Accumulated Depreciation	<u>(27,131)</u>	<u>(12,988)</u>
	<u>\$ 36,782</u>	<u>\$ 50,925</u>

DEFERRED INCOME

Deferred income represents amounts received in the current year designated by the donor to be used in a subsequent year. In 2012 the Forum received a grant of \$200,000 from Boehringer Ingelheim Pharmaceuticals, Inc., \$100,000 was designated for use in programs during 2014. The amount designated for 2014 is shown as deferred income at December 31, 2013.

North American Thrombosis Forum, Inc.
Notes to Financial Statements
December 31, 2013 and 2012

NOTE B - CONTINUED

DONATED SERVICES AND FACILITIES

Donated services and materials are not recorded as contributions at their estimated fair market value and recorded as expenses as required by the provisions of generally accepted accounting principles. Management has determined that the value of services donated consist of the following:

	<u>2013</u>	<u>2012</u>
Program Speakers	<u>\$ 20,000</u>	<u>\$ 19,900</u>

CONTRIBUTIONS

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

INVESTMENTS

Investments totaling \$2,803,799 and \$2,262,144 are reported at current market values as of December 31, 2013 and 2012, representing fair values as defined by GAAP. The framework that provides for developing fair values under GAAP specifies three separate levels to be used in the measure of value. The investments owned by the Forum are all publicly traded securities, and as such meet the criteria of Level 1 reporting under GAAP since value inputs are derived from unadjusted quoted prices in active markets that the Forum has the ability to access. Unrealized gains/losses are reflected in the changes in net assets based on current market values. Realized gains/losses are also reflected based upon actual disposition of investments.

At December 31, 2013 investments were composed of approximately 45% in common stock and 43% in mutual funds and other fixed income instruments.

INCOME TAXES

The Forum is a not-for-profit organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code and is not subject to income taxes.

Tax returns for the years 2010 - 2012 are subject to review by federal and state taxing authorities.

North American Thrombosis Forum, Inc.
Notes To Financial Statements
December 31, 2013 and 2012

NOTE C - FACILITY RENT

The Forum relocated its offices in 2011 and has entered into a two year lease ending on January 31, 2013 with an option to extend an additional five years. Minimum annual rental payments during the lease period total \$20,700 per year on a triple net basis. On January 1, 2013 the Forum did not renew its lease and is continuing to rent its facility on a month-to-month basis.

NOTE D - CONCENTRATION OF RISK

Support Revenue

Concentration of support from contributions and grants varies from year to year depending on sources and individual contributors. With significant concentrations in support, significant reductions in levels of revenue can potentially occur, producing a negative effect on the Forum's programs on an annual basis.

NOTE E - TEMPORARILY RESTRICTED GRANTS

Grants Received

The Forum was awarded a \$225,000 grant from Tyco Health Care Group, LP on March 7, 2011 covering a three year period beginning in 2011. These funds have been directed towards pre-determined initiatives to be determined annually. Funds received in the each year are reflected in unrestricted revenues, as received, and the balance to be received in subsequent years is reflected as temporarily restricted funds until received and available for use.

NOTE F - DATE OF MANAGEMENT REVIEW

Management has evaluated subsequent events through July 17, 2014, the date on which the financial statements were available to be issued.

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