

**The International Waldenstrom's
Macroglobulinemia Foundation, Inc.**

**Independent Auditor's Report,
Financial Statements
and
Supplementary Information**

December 31, 2011 and 2010

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Certified Public Accountant

Member: American Institute of Certified Public Accountants • Florida Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The International Waldenstrom's Macroglobulinemia Foundation, Inc.
Sarasota, Florida

We have audited the accompanying statements of financial position of The International Waldenstrom's Macroglobulinemia Foundation, Inc. (a nonprofit organization) as of December 31, 2011 and 2010, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. 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 audits provide 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 International Waldenstrom's Macroglobulinemia Foundation, Inc. as of December 31, 2011 and 2010, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Tyack CPA, LLC

Sarasota, Florida
August 15, 2012

The International Waldenstrom's Macroglobulinemia Foundation, Inc.
Sarasota, Florida

Statements of Financial Position
December 31, 2011 and 2010

ASSETS

| | 2011 | 2010 |
|-----------------------------|---------------------|---------------------|
| Assets | | |
| Cash and cash equivalents | \$ 873,192 | \$ 369,142 |
| Investments, at fair value | 228,461 | 1,048,112 |
| Pledges receivable, net | 136,070 | 229,008 |
| Prepaid expenses and other | 16,765 | 20,000 |
| Property and Equipment, net | 18,495 | 23,383 |
| Total Assets | \$ 1,272,983 | \$ 1,689,645 |

LIABILITIES AND NET ASSETS

| | | |
|---|---------------------|---------------------|
| Liabilities | | |
| Accounts payable | \$ 30,003 | \$ 34,088 |
| Payroll liabilities | 6,808 | - |
| Grant payable | 6,520 | 95,020 |
| Settlement accrual | - | 60,576 |
| Total Liabilities | 43,331 | 189,684 |
| Net Assets | | |
| Unrestricted | 213,890 | 159,728 |
| Temporarily restricted | 994,778 | 1,321,499 |
| Permanently restricted | 20,984 | 18,734 |
| Total Net Assets | 1,229,652 | 1,499,961 |
| Total Liabilities and Net Assets | \$ 1,272,983 | \$ 1,689,645 |

The accompanying notes are an integral part of these financial statements.

The International Waldenstrom's Macroglobulinemia Foundation, Inc.
Sarasota, Florida

Statements of Activities and Changes in Net Assets
Years Ended December 31, 2011 and 2010

| | 2011 | | | | 2010 | | | |
|--|-------------------|------------------------|------------------------|---------------------|-------------------|------------------------|------------------------|---------------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
| Revenues, Gain & Other Support | | | | | | | | |
| Contributions | \$ 632,104 | \$ 297,656 | \$ 2,250 | \$ 932,010 | \$ 416,843 | \$ 377,469 | \$ 7,694 | \$ 802,006 |
| Grant waived | - | 95,020 | - | 95,020 | - | - | - | - |
| Educational forum | 28,240 | - | - | 28,240 | 34,555 | 5,372 | - | 39,927 |
| Interest and dividend income | 217 | 4,652 | - | 4,869 | 360 | 1,290 | - | 1,650 |
| Realized / unrealized gain (loss) | - | (3,197) | - | (3,197) | - | 11,327 | - | 11,327 |
| Other | 8,312 | - | - | 8,312 | 13,440 | - | - | 13,440 |
| Net assets released from restrictions | <u>720,852</u> | <u>(720,852)</u> | <u>-</u> | <u>-</u> | <u>949,683</u> | <u>(949,683)</u> | <u>-</u> | <u>-</u> |
| Total Revenue, gains and other support | <u>1,389,725</u> | <u>(326,721)</u> | <u>2,250</u> | <u>1,065,254</u> | <u>1,414,881</u> | <u>(554,225)</u> | <u>7,694</u> | <u>868,350</u> |
| Expenses: | | | | | | | | |
| Program services | 971,509 | - | - | 971,509 | 1,209,918 | - | - | 1,209,918 |
| General and administration | 251,487 | - | - | 251,487 | 237,901 | - | - | 237,901 |
| Fund raising | <u>112,567</u> | <u>-</u> | <u>-</u> | <u>112,567</u> | <u>101,368</u> | <u>-</u> | <u>-</u> | <u>101,368</u> |
| Total expenses | <u>1,335,563</u> | <u>-</u> | <u>-</u> | <u>1,335,563</u> | <u>1,549,187</u> | <u>-</u> | <u>-</u> | <u>1,549,187</u> |
| Change in net assets | 54,162 | (326,721) | 2,250 | (270,309) | (134,306) | (554,225) | 7,694 | (680,837) |
| Net assets - beginning of year as previously stated | 131,778 | 1,292,499 | 18,734 | 1,443,011 | 294,034 | 1,875,724 | 11,040 | 2,180,798 |
| Prior period adjustment | <u>27,950</u> | <u>29,000</u> | <u>-</u> | <u>56,950</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net assets - beginning of year as restated | <u>159,728</u> | <u>1,321,499</u> | <u>18,734</u> | <u>1,499,961</u> | <u>294,034</u> | <u>1,875,724</u> | <u>11,040</u> | <u>2,180,798</u> |
| Net assets - end of year | <u>\$ 213,890</u> | <u>\$ 994,778</u> | <u>\$ 20,984</u> | <u>\$ 1,229,652</u> | <u>\$ 159,728</u> | <u>\$ 1,321,499</u> | <u>\$ 18,734</u> | <u>\$ 1,499,961</u> |

The accompanying notes are an integral part of these financial statements.

The International Waldenstrom's Macroglobulinemia Foundation, Inc.
Sarasota, Florida

Statements of Functional Expenses
Years Ended December 31, 2011 and 2010

| | 2011 | | | | 2010 | | | |
|-------------------------------|-------------------|----------------------------|-------------------|---------------------|---------------------|----------------------------|-------------------|---------------------|
| | Program Services | General and Administration | Fund Raising | Total | Program Services | General and Administration | Fund Raising | Total |
| Accounting | \$ - | \$ 18,513 | \$ - | \$ 18,513 | \$ - | \$ 725 | \$ - | \$ 725 |
| Advertising and promotion | - | - | - | - | 2,303 | - | - | 2,303 |
| Bad debt / bad debt provision | - | 32,749 | - | 32,749 | - | 31,109 | - | 31,109 |
| Bank charges | - | 14,037 | - | 14,037 | - | 13,279 | - | 13,279 |
| Board meetings and travel | - | 46,781 | - | 46,781 | - | 46,246 | - | 46,246 |
| Conferences | 12,768 | - | - | 12,768 | 19,079 | - | - | 19,079 |
| Contract labor | 56,933 | 66,834 | 13,958 | 137,725 | 47,253 | 79,776 | 15,668 | 142,697 |
| Payroll and related costs | 5,418 | 22,549 | 19,385 | 47,352 | - | - | - | - |
| Depreciation and amortization | - | 5,942 | - | 5,942 | - | 5,239 | - | 5,239 |
| Ed Forum | 93,348 | - | - | 93,348 | 121,570 | - | - | 121,570 |
| Research grants | 718,545 | - | - | 718,545 | 916,885 | - | - | 916,885 |
| Insurance | - | 3,791 | - | 3,791 | - | 3,062 | - | 3,062 |
| International outreach | 15,176 | - | - | 15,176 | 7,742 | - | - | 7,742 |
| Internet | - | 824 | - | 824 | - | 10,383 | - | 10,383 |
| Legal | - | 8,143 | - | 8,143 | - | 4,037 | - | 4,037 |
| Occupancy | - | 13,768 | - | 13,768 | - | 14,893 | - | 14,893 |
| Office | - | 12,020 | - | 12,020 | - | 15,158 | - | 15,158 |
| Other | 676 | 61 | 13,341 | 14,078 | 1,980 | 61 | 11,311 | 13,352 |
| Postage | 17,082 | 3,698 | 1,625 | 22,405 | 18,748 | 9,711 | 130 | 28,589 |
| Printing | 50,481 | 1,777 | 4,854 | 57,112 | 71,129 | 4,222 | 268 | 75,619 |
| Support group | 1,082 | - | - | 1,082 | 3,229 | - | - | 3,229 |
| Professional fundraising | - | - | 59,404 | 59,404 | - | - | 73,991 | 73,991 |
| Total | \$ 971,509 | \$ 251,487 | \$ 112,567 | \$ 1,335,563 | \$ 1,209,918 | \$ 237,901 | \$ 101,368 | \$ 1,549,187 |

The accompanying notes are an integral part of these financial statements.

The International Waldenstrom's Macroglobulinemia Foundation, Inc.
Sarasota, Florida

Statements of Cash Flows
Years Ended December 31, 2011 and 2010

| | <u>2011</u> | <u>2010</u> |
|---|-------------------|-------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ (270,309) | \$ (680,837) |
| Adjustments to reconcile change in net assets to net cash used by operating activities: | | |
| Contributed stock | (114,108) | (13,075) |
| Depreciation and amortization | 5,942 | 5,239 |
| Provision for doubtful accounts | 7,274 | 11,109 |
| (Increase) decrease in operating assets: | | |
| Pledges receivable | 85,664 | (91,950) |
| Prepaid expenses and other | 3,235 | (19,100) |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable | (4,085) | 25,461 |
| Payroll liabilities | 6,808 | - |
| Grant payable | (88,500) | - |
| Settlement Accrual | <u>(60,576)</u> | <u>-</u> |
| Total adjustments | <u>(158,346)</u> | <u>(82,316)</u> |
| Net cash used by operating activities | <u>(428,655)</u> | <u>(763,153)</u> |
| Cash flows from investing activities: | | |
| Proceeds from sale of investments | 1,162,220 | 416,967 |
| Purchase of investments | (228,461) | (40,390) |
| Purchase of property and equipment | <u>(1,054)</u> | <u>(17,872)</u> |
| Net cash provided by investing activities | <u>932,705</u> | <u>358,705</u> |
| Net increase (decrease) in cash and cash equivalents | 504,050 | (404,448) |
| Cash and cash equivalents - beginning of year | <u>369,142</u> | <u>773,590</u> |
| Cash and cash equivalents - end of year | <u>\$ 873,192</u> | <u>\$ 369,142</u> |
| Non-cash investing activities: | | |
| Contributed stock | <u>\$ 114,108</u> | <u>\$ 152,633</u> |

The accompanying notes are an integral part of these financial statements.

The International Waldenstrom's Macroglobulinemia Foundation, Inc.
Sarasota, Florida

Notes to the Financial Statements
December 31, 2011 and 2010

Note 1 – Nature of Organization

Nature of Organization

The International Waldenstrom's Macroglobulinemia Foundation, Inc. ("the Foundation") was organized on July 21, 1998 to i) offer mutual support and encouragement to the Waldenstrom's macroglobulinemia community and others with an interest in the disease, ii) to provide information and educational programs that address patients' concerns, and iii) promote and support research leading to better treatments, and ultimately, a cure.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America. Net assets, revenues, expenses, gains, and losses are classified based on existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets that are available for use, but expendable only for the specific purposes specified by the grantor.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation.

Cash and Cash Equivalents

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

Investments

Investments are presented in the financial statements at fair market value. Realized and unrealized gains and losses are reported in the Statement of Activities. Investment income is recognized as revenue in the period it is earned and gains and losses are recognized as changes in net assets in the accounting period they occur.

Pledges Receivable

Contributions are recognized when a donor makes a promise to give to the Foundation that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Foundation uses the allowance method to determine uncollectible pledges receivable. The allowance is based on prior years' experience and management's analysis of specific pledges made.

The International Waldenstrom's Macroglobulinemia Foundation, Inc.
Sarasota, Florida

Notes to the Financial Statements
December 31, 2011 and 2010

Note 2 – Summary of Significant Accounting Policies - Continued

Pledges Receivable - continued

The Foundation has received communications from various individuals of their intent to include the Foundation as a beneficiary in their wills. The Foundation has also been named beneficiary in revocable trusts. Since the individual's intentions to give can be rescinded during the donor's lifetime, the Foundation has not recorded contribution revenue in the accompanying financial statements. The total values of these intended gifts as of December 31, 2011 and 2010 was approximately \$787,000 and \$736,000 respectively.

Property and Equipment

The Foundation capitalizes at cost, all property and equipment purchases greater than \$1,000. Expenditures that significantly add to the productivity, functionality or extend the useful lives of property and equipment are capitalized. Other expenditures for maintenance and repairs are charged to operations in the year the costs are incurred. Depreciation and amortization are provided using the straight line method over the estimated useful lives of five (5) years.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

Research Grants

Research grants expense is recognized in the period when the conditions of the grant are substantially met.

Income Taxes

The Foundation is considered a not-for-profit corporation by the Internal Revenue Service and is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code. Therefore no provision for income tax has been recorded.

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 certain 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. Accordingly, actual results could differ from those estimates.

Allocation of Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly certain costs have been allocated among programs and support services benefited.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Foundation generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Foundation, but these services do not meet the criteria for recognition as contributed services.

Reclassifications

Certain 2010 balances have been reclassified to conform to 2011 presentation.

The International Waldenstrom's Macroglobulinemia Foundation, Inc.
Sarasota, Florida

Notes to the Financial Statements
December 31, 2011 and 2010

Note 3 – Investments

The Foundation uses the market approach to value the investments. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets.

To increase consistency and comparability in fair value measurements and related disclosures, the fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset. The fair values of the assets within the Foundation's investment portfolio are measured using level 1 inputs.

The components of investments at December 31, 2011 are summarized as follows:

| | <u>Cost</u> | <u>Fair Value</u> | <u>Accumulated Unrealized Gain (loss)</u> |
|-------------------------|------------------|-------------------|---|
| Certificates of deposit | <u>\$228,461</u> | <u>\$228,461</u> | \$ _____ - |

The components of investments at December 31, 2010 are summarized as follows:

| | <u>Cost</u> | <u>Fair Value</u> | <u>Accumulated Unrealized Gain (loss)</u> |
|-------------------------|--------------------|--------------------|---|
| Certificates of deposit | \$1,031,289 | \$1,031,289 | \$ - |
| U.S Corporate Stocks | <u>16,825</u> | <u>16,823</u> | <u>(2)</u> |
| Total | <u>\$1,048,114</u> | <u>\$1,048,112</u> | <u>\$ (2)</u> |

Bank charges in the statement of functional expenses include investments fees of \$0 and \$8,592 for the years ended December 31, 2011 and 2010, respectively.

Note 4 – Income Taxes

The Foundation adopted the provisions of Financial Accounting Standards Board ("FASB") *Accounting Standards Codification* ("ASC") 740 related to accounting for uncertainty in income taxes. In accordance with FASB ASC 740, *Income Taxes*, the Association has evaluated its tax positions and determined that the Association has no uncertain income tax positions that could have a material effect on the financial statements.

As of the date of the financial statements, the Foundation's federal income tax returns for 2009, 2010 and 2011 are subject to examination by the Internal Revenue Service. These returns are open to examination generally for three years after they are filed.

The International Waldenstrom's Macroglobulinemia Foundation, Inc.
Sarasota, Florida

Notes to the Financial Statements
December 31, 2011 and 2010

Note 5 – Pledges Receivable

Pledges receivable include unconditional promises to give and are reported net of unamortized discount and an allowance for doubtful accounts.

Pledges receivable at December 31 are due as follows:

| | <u>2011</u> | <u>2010</u> |
|-----------------|------------------|-------------------|
| 2011 | \$ - | \$ 190,585 |
| 2012 | 73,854 | 51,550 |
| 2013 | 42,100 | 34,000 |
| 2014 | 17,900 | 3,000 |
| 2015 | 11,225 | - |
| 2016 | <u>400</u> | <u>-</u> |
| Gross | 145,479 | 279,135 |
| Less: discount | (2,135) | (19,018) |
| Less: allowance | <u>(7,274)</u> | <u>(31,109)</u> |
| Total | <u>\$136,070</u> | <u>\$ 229,008</u> |

Note 6 – Property and Equipment

Property and equipment consists of the following as of December 31:

| | <u>2011</u> | <u>2010</u> |
|--|------------------|------------------|
| Office equipment | \$ 10,559 | \$ 9,505 |
| Website | <u>23,771</u> | <u>23,771</u> |
| Total Cost | 34,330 | 33,276 |
| Less: accumulated depreciation and amortization | <u>15,835</u> | <u>9,893</u> |
| Total | <u>\$ 18,495</u> | <u>\$ 23,383</u> |

Note 7 – Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk are primarily cash and cash equivalents, marketable securities and other investment vehicles. Investments are subject to risk of market fluctuations.

The Foundation invests its excess cash and cash equivalents in both deposits and high quality short-term liquid money market instruments and the carrying value approximates fair value. At times, cash balances may be in excess of Federal Deposit Insurance Corporation ("FDIC") insurance limits. The Foundation has not experienced losses related to these investments. As of December 31, 2011, the Foundation had \$518,288 in excess of FDIC insured limits.

The International Waldenstrom's Macroglobulinemia Foundation, Inc.
Sarasota, Florida

Notes to the Financial Statements
December 31, 2011 and 2010

Note 8 – Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted for the following as of December 31:

| | <u>2011</u> | <u>2010</u> |
|--------------------|------------------|--------------------|
| General research | \$890,778 | \$1,121,499 |
| Patient database | 4,000 | - |
| Cell line research | <u>100,000</u> | <u>200,000</u> |
| Total | <u>\$994,778</u> | <u>\$1,321,499</u> |

The Foundation has entered into research grant award agreements with various recipients that are to be paid once conditions of the grant have been substantially met. Future payments under these grant award agreements if conditions are substantially met are as follows:

| | |
|--------------|--------------------|
| December 31, | |
| 2012 | \$515,850 |
| 2013 | 172,100 |
| 2014 | 147,100 |
| 2015 | 163,100 |
| 2016 | 163,100 |
| Thereafter | <u>-</u> |
| Total | <u>\$1,161,250</u> |

Note 9 – Permanently Restricted Net Assets

Permanently Restricted net assets consist of the Dr. Robert A. Kyle and Mrs. Charlene M. Kyle Endowment Research Fund established to provide financial assistance on an annual basis for activities, strategies, people and programs associated with the Foundation as determined by the board of directors. Contributions to the endowment fund are subject to donor restrictions that stipulate the original principal of the gift to be held and invested by the Foundation indefinitely and income from the fund is to be expended on initiatives for the research fund. As of December 31, 2011 and 2010, the balance in the endowment fund was \$20,895 and \$18,734, respectively.

The Foundation has interpreted the State Prudent Management of Institutional Funds Act ("SPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (1) the original value of the gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standards of prudence prescribed by SPMIFA.

The International Waldenstrom's Macroglobulinemia Foundation, Inc.
Sarasota, Florida

Notes to the Financial Statements
December 31, 2011 and 2010

Note 9 – Permanently Restricted Net Assets – continued

The Foundation has adopted investment and spending policies for endowment assets that attempt to subject the fund to low investment risk. Endowment assets have been invested in a savings account with a local bank. The Foundation seeks to build endowment assets through additional contributions. The Foundation has a policy of appropriating for distribution on an annual basis the endowment funds investment income to cover initiatives of the research fund. The current spending policy is not expected to allow the endowment fund to grow as a result of investment returns. This is consistent with the Foundations objectives to provide income for its research fund initiatives, preserve endowments assets without subjecting them to substantial risk, and provide real growth through new gifts.

The composition of endowment net assets for this fund and the changes in endowment net assets as of December 31, 2011 and 2010 are as follows:

| | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|--------------------------------------|-----------------------------------|-----------------------------------|------------------|
| Endowment net assets – 1/1/10 | \$ - | \$ 11,040 | \$ 11,040 |
| Contributions | - | 7,694 | 7,694 |
| Investment income | 13 | - | 13 |
| Amounts appropriated for expenditure | <u>(13)</u> | <u>-</u> | <u>(13)</u> |
| Endowment net assets – 12/31/10 | - | 18,734 | 18,734 |
| Contributions | - | 2,250 | 2,250 |
| Investment income | 9 | - | 9 |
| Amounts appropriated for expenditure | <u>(9)</u> | <u>-</u> | <u>(9)</u> |
| Endowment net assets – 12/31/11 | <u>\$ -</u> | <u>\$ 20,984</u> | <u>\$ 20,984</u> |

Note 10 – Settlement Accrual

During 2009, the Foundation cancelled a hotel reservation in Las Vegas. As a result, the hotel filed a lawsuit for damages which was settled in August 2011. The settlement of \$60,576 was accrued and expensed in 2009.

Note 11 - Related Party Transaction

The Foundation entered into a research award agreement with a clinic where a member of the board of trustees is employed. The total research grant was for \$238,000 of which the balance outstanding of \$96,990 was paid in 2011. The same clinic waived a prior grant of \$95,020 which is recorded as revenue in the accompanying statement of activities.

Note 12 – Evaluation of Subsequent Events

The Foundation has evaluated events and transaction for potential recognition or disclosure through August 15, 2012, the date the financial statements were available to be issued.

The International Waldenstrom's Macroglobulinemia Foundation, Inc.
Sarasota, Florida

Notes to the Financial Statements
December 31, 2011 and 2010

Note 13 – Prior Period Adjustment

The Foundation erroneously excluded two pledge receivables made in 2010 for \$56,950. This error has resulted in an increase in pledge receivables of \$56,950 as of December 31, 2010 and an increase in 2010 unrestricted and temporarily restricted contribution income and net assets of \$27,950 and \$29,000 respectively.