

**UNITED MITOCHONDRIAL  
DISEASE FOUNDATION, INC.**

**FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010  
AND  
INDEPENDENT AUDITOR'S REPORT**

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**UNITED MITOCHONDRIAL  
DISEASE FOUNDATION, INC.**

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### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of the  
United Mitochondrial Disease Foundation, Inc.

We have audited the accompanying statements of financial position of the United Mitochondrial Disease Foundation, Inc. ("the Foundation") as of June 30, 2011 and 2010, and the related statements of activities, 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 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 United Mitochondrial Disease Foundation, Inc. as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Stelmack Dobransky & Eannace, LLC*

**STELMACK DOBRANSKY & EANNACE, LLC**  
McMurray, Pennsylvania

January 6, 2012

**UNITED MITOCHONDRIAL  
DISEASE FOUNDATION, INC.**

**STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2011 AND 2010**

	<b>2011</b>	<b>2010</b>
<b><u>ASSETS</u></b>		
Cash and cash equivalents .....	\$ 564,165	\$ 368,726
Accounts receivable .....	16,900	22,987
Inventories .....	25,811	33,894
Investments (Note 3) .....	1,386,772	1,144,449
Prepaid expenses .....	15,773	28,597
Fixed assets - net (Note 4) .....	<u>40,132</u>	<u>63,171</u>
<b>TOTAL ASSETS</b> .....	<b><u>\$2,049,553</u></b>	<b><u>\$1,661,824</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>LIABILITIES</b>		
Accounts payable .....	\$ 207,854	\$ 213,936
Accrued liabilities .....	37,539	53,088
Grants payable (Note 5) .....	849,469	774,169
Deferred revenue .....	<u>38,765</u>	<u>148,846</u>
Total liabilities .....	<u>1,133,627</u>	<u>1,190,039</u>
<b>NET ASSETS</b>		
Unrestricted .....	593,399	204,176
Temporarily restricted (Note 7) .....	<u>322,527</u>	<u>267,609</u>
Total net assets .....	<u>915,926</u>	<u>471,785</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b> .....	<b><u>\$2,049,553</u></b>	<b><u>\$1,661,824</u></b>

See Independent Auditor's Report and  
Notes to the Financial Statements

**UNITED MITOCHONDRIAL  
DISEASE FOUNDATION, INC.**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

	-----2011-----			-----2010-----		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>PUBLIC SUPPORT AND REVENUE</b>						
Support:						
Fundraising .....	\$1,469,512	\$ 144,870	\$ 1,614,382	\$ 1,215,264	\$ 63,619	\$1,278,883
Contributions .....	199,680	172,057	371,737	149,496	66,771	216,267
In honor of .....	127,879	0	127,879	82,501	0	82,501
In memory of .....	83,623	0	83,623	131,385	0	131,385
In kind .....	33,605	0	33,605	38,822	400	39,222
Grants .....	57,214	178,167	235,381	58,370	83,235	141,605
Cancellation of grants payable .....	43,501	0	43,501	27,734	0	27,734
Total support .....	2,015,014	495,094	2,510,108	1,703,572	214,025	1,917,597
Revenue:						
Symposium and seminars .....	219,625	2,000	221,625	219,158	0	219,158
Membership .....	21,161	0	21,161	30,538	0	30,538
Sales .....	11,214	0	11,214	7,787	0	7,787
Miscellaneous .....	0	0	0	901	0	901
Total revenue .....	252,000	2,000	254,000	258,384	0	258,384
Investment income .....	38,760	0	38,760	26,479	0	26,479
Net unrealized gain on investments .....	204,017	0	204,017	94,550	0	94,550
Net realized gain (loss) on investments .....	(120)	0	(120)	924	0	924
Net assets released from program restrictions .....	442,176	(442,176)	0	155,227	(155,227)	0
Total support and revenue .....	2,951,847	54,918	3,006,765	2,239,136	58,798	2,297,934
<b>FUNCTIONAL EXPENSES</b>						
Program services:						
Research .....	748,459	0	748,459	420,005	0	420,005
Public awareness .....	242,315	0	242,315	301,434	0	301,434
Education/member support .....	830,930	0	830,930	755,041	0	755,041
Total program services .....	1,821,704	0	1,821,704	1,476,480	0	1,476,480
Supporting services:						
Administrative and general .....	130,923	0	130,923	149,268	0	149,268
Fundraising .....	609,997	0	609,997	695,297	0	695,297
Total supporting services .....	740,920	0	740,920	844,565	0	844,565
Total expenses .....	2,562,624	0	2,562,624	2,321,045	0	2,321,045
<b>CHANGES IN NET ASSETS</b> .....	389,223	54,918	444,141	(81,909)	58,798	(23,111)
<b>NET ASSETS</b> - Beginning of year .....	204,176	267,609	471,785	286,085	208,811	494,896
<b>NET ASSETS</b> - End of year .....	\$ 593,399	\$ 322,527	\$ 915,926	\$ 204,176	\$ 267,609	\$ 471,785

See Independent Auditor's Report and  
Notes to the Financial Statements

**UNITED MITOCHONDRIAL  
DISEASE FOUNDATION, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

	-----2011-----						-----2010-----					
	-----Program Services-----			---Supporting Services---			-----Program Services-----			---Supporting Services---		
	Research	Public Awareness	Education Member Support	Admin. & General	Fundraising	2011 Total	Research	Public Awareness	Education Member Support	Admin. & General	Fundraising	2010 Total
Bad debt expense .....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 583	\$ 583
Bank fees .....	0	0	2,443	6,796	8,361	17,600	0	0	3,549	6,178	8,738	18,465
Chapter support .....	0	503	49,082	0	1,666	51,251	0	769	14,668	359	2,059	17,855
Depreciation .....	2,312	4,661	16,036	4,159	7,018	34,186	4,382	8,217	24,652	9,220	12,600	59,071
Fundraising .....	0	68	5,378	0	230,877	236,323	0	6,477	4,604	100	284,390	295,571
Research grants awarded .....	640,000	0	0	0	0	640,000	315,348	0	0	0	0	315,348
Insurance .....	659	1,357	3,124	916	2,789	8,845	651	1,402	2,987	990	2,621	8,651
Licenses and fees .....	550	1,011	2,755	781	3,090	8,187	342	641	1,971	384	6,622	9,960
Meetings .....	1,510	199	247,214	11,512	21,627	282,062	7,108	211	212,391	20,034	31,904	271,648
Merchandise costs .....	0	0	0	0	12,913	12,913	0	4,041	315	0	6,245	10,601
Miscellaneous .....	0	799	5,363	1,112	1,079	8,353	168	459	5,164	187	12,852	18,830
Payroll taxes .....	6,248	8,672	30,204	4,658	18,480	68,262	5,756	8,922	29,821	6,538	21,238	72,275
Physician's education program .....	0	0	3,300	0	0	3,300	0	11,077	0	0	0	11,077
Postage and shipping .....	159	1,006	2,805	713	8,788	13,471	56	200	5,542	1,286	8,590	15,674
Printing .....	4,455	1,955	5,647	730	14,849	27,636	30	56	8,105	1,538	6,370	16,099
Professional fees .....	600	1,125	3,637	3,683	3,028	12,073	765	1,434	6,197	5,754	2,199	16,349
Promotion and marketing .....	0	79,193	455	787	836	81,271	0	116,821	330	0	40	117,191
Rent .....	5,607	11,137	33,407	9,068	17,072	76,291	5,813	11,608	30,939	8,227	10,626	67,213
Recruiting and relocation .....	0	419	0	0	1,097	1,516	0	0	0	569	1,686	2,255
Salaries and benefits .....	80,530	124,081	384,571	78,011	245,402	912,595	72,970	121,437	370,752	72,550	260,284	897,993
Repairs and maintenance .....	3,209	3,781	13,432	2,243	3,575	26,240	2,798	4,951	16,116	4,985	7,591	36,441
Staff development .....	0	0	0	0	0	0	0	0	593	0	0	593
Supplies .....	49	118	5,514	4,325	1,449	11,455	128	233	3,179	7,599	772	11,911
Telephone .....	1,170	2,230	12,976	1,429	3,389	21,194	1,305	2,478	8,882	2,218	3,778	18,661
Travel .....	1,401	0	3,587	0	2,612	7,600	2,385	0	4,284	552	3,509	10,730
Total functional expenses .....	\$ 748,459	\$ 242,315	\$ 830,930	\$ 130,923	\$ 609,997	\$ 2,562,624	\$ 420,005	\$ 301,434	\$ 755,041	\$ 149,268	\$ 695,297	\$ 2,321,045

See Independent Auditor's Report and  
Notes to the Financial Statements

**UNITED MITOCHONDRIAL  
DISEASE FOUNDATION, INC.**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

	<b>2011</b>	<b>2010</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets .....	\$ 444,141	\$ (23,111)
Adjustments to reconcile change in net assets provided by (used in) operating activities:		
Depreciation .....	34,186	59,071
Realized (gain) loss on sale of investments .....	120	(924)
Unrealized (gain) on investment .....	(204,017)	(94,550)
Changes in assets (increase)/decrease:		
Contribution receivable .....	0	10,000
Accounts receivable .....	6,087	(9,055)
Inventories .....	8,083	(6,952)
Prepaid expenses .....	12,824	747
Changes in liabilities (decrease)/increase:		
Accounts payable .....	(6,082)	(9,259)
Accrued expenses .....	(15,549)	20,177
Grants payable .....	75,300	(248,908)
Deferred revenue .....	(110,081)	23,517
Net cash provided by (used in) operating activities .....	<u>245,012</u>	<u>(279,247)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment .....	(11,147)	(21,345)
Purchase of investments .....	(43,330)	(58,351)
Proceeds on sale of investments .....	<u>4,904</u>	<u>32,980</u>
Net cash provided by (used in) investing activities .....	<u>(49,573)</u>	<u>(46,716)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b> ..	195,439	(325,963)
<b>CASH AND CASH EQUIVALENTS</b> – Beginning of year .....	<u>368,726</u>	<u>694,689</u>
<b>CASH AND CASH EQUIVALENTS</b> – End of year .....	<u>\$ 564,165</u>	<u>\$ 368,726</u>
<b>SUPPLEMENTAL INFORMATION</b>		
Interest paid .....	\$ 0	\$ 0
Income taxes paid on unrelated business income .....	\$ 0	\$ 0

See Independent Auditor's Report and  
Notes to the Financial Statements

**UNITED MITOCHONDRIAL  
DISEASE FOUNDATION, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization and Nature of Activities

The United Mitochondrial Disease Foundation, Inc. (“the Foundation”) was organized on April 28, 1995, and is the result of a merger between a number of specific Mitochondrial disease organizations to form a larger, more cohesive united foundation representing all mitochondrial diseases and all sufferers, adult and children alike. The Foundation’s mission is to promote research for cures and treatments of mitochondrial disorders and to provide support to affected families.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

The Foundation’s financial statements are prepared in accordance with FASB ASC 958-210 (formerly Statement of Financial Accounting Standards (SFAS) No. 117, “*Financial Statements of Not-for-Profit Organizations*”). Under FASB ASC 958-210, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Contributions

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

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid investments with an initial maturity of one year or less to be cash equivalents. For the years ended June 30, 2011 and 2010, the Foundation had no noncash investing or financing activities for cash flow purposes.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

Inventories

Inventories consist of merchandise and are stated at the lower of cost (first-in-first-out) or market.

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**UNITED MITOCHONDRIAL DISEASE FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Investments

The Foundation records investments in accordance with FASB ASC 958-320 (formerly SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations"). Under FASB ASC 958-320, investments are presented at their fair value, which is established using the fair value hierarchy (See Note 3).

Fixed Assets

Fixed assets are recorded at cost and depreciated using the straight-line method over estimated useful lives of 5 to 7 years. Depreciation expense, totaling \$34,186 and \$59,071 for the years ended June 30, 2011 and 2010, respectively, is allocated to the various activities based on usage.

Revenue and Expense Recognition

Income from membership dues and program service fees are deferred and recognized over the periods to which the specific types of income relate. Costs and expenses related to such activities are also deferred as prepaid expenses and recognized in the period when the programs are held.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Tax Status

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. For the years ended June 30, 2011 and 2010, the Foundation had no such income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

The Foundation adopted the accounting standard for uncertain tax positions as of July 1, 2009. The standard requires a two-step approach to recognizing and measuring uncertain tax positions accounted for in accordance with the asset and liability method. The first step is to evaluate the tax position for recognition by determining whether evidence indicates that it is more likely than not that a position will be sustained if examined by a taxing authority. The second step is to measure the tax benefit as the largest amount that is 50% likely of being realized upon settlement with a taxing authority. The adoption of this standard did not have a material impact on the Foundation's financial statements.

The Forms 990, *Return of Organization Exempt from Income Tax*, of the Foundation are subject to examination by the IRS, generally for three years after they were filed.

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**UNITED MITOCHONDRIAL DISEASE FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Concentration of Credit Risk

Financial instruments which potentially subject the organization to a concentration of credit risk consist principally of cash, temporary cash investments and marketable securities. The cash, temporary cash investments and marketable security accounts of the organization are maintained at high quality financial institutions. At times such accounts may be in excess of FDIC insurance limits, but pose no significant concentration of credit risk.

Changes in Presentation of Comparative Statements

Certain prior year amounts have been reclassified to conform to the current year presentation.

Subsequent Events

Management has evaluated subsequent events through January 6, 2012, the date on which the financial statements were available to be issued.

**2. DESCRIPTION OF MAJOR PROGRAMS**

Research

The Foundation is committed to finding treatments and cures for mitochondrial disease and believes research is the path to success. Since 1996 the Foundation has been providing research grants in order to advance the cause of research into mitochondrial disease.

Public Awareness

The Foundation is raising awareness among clinicians, pediatricians, general practitioners, and other allied health professionals through exhibition at annual medical meetings and its "Grand Rounds" lecture series at hospitals around the country. The Foundation has also produced "Mito 101" an interactive CD to educate primary care physicals and pediatricians about mitochondrial diseases and "MitoFirst" a handbook for newly diagnosed patient and their physicians.

Education/Member Support

The Foundation creates caring, supportive communities across the nation for adults, children and families suffering from mitochondrial disease through their local chapters and affiliated groups and ambassadors. This allows foundation members to network with other families and individuals to talk about mitochondrial disorders. The Foundation also keeps members updated with the latest treatment advances and information through a quarterly newsletter.

**3. INVESTMENTS**

Investments at June 30, 2011 are summarized as follows:

	Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Mutual funds .....	\$1,214,653	\$172,119	\$ 0	\$1,386,772

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**UNITED MITOCHONDRIAL DISEASE FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

**3. INVESTMENTS, Continued**

Investments at June 30, 2010 are summarized as follows:

	Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Mutual funds .....	\$1,176,348	\$ 0	\$ (31,899)	\$1,144,449

Fair Value Measurements

Generally accepted accounting principles (GAAP) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Company uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Company measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. The fair values of the mutual funds are Level 1 inputs. No Level 2 or Level 3 inputs were available to the Company.

**4. FIXED ASSETS**

Fixed assets are summarized as follows at June 30:

	<u>2011</u>	<u>2010</u>
Furniture and fixtures .....	\$ 57,675	\$ 57,675
Computer equipment .....	273,035	277,932
Leasehold improvements .....	5,225	5,225
Total fixed assets .....	335,935	340,832
Less accumulated depreciation .....	295,803	277,661
Fixed assets – net .....	\$ 40,132	\$ 63,171

**5. GRANTS PAYABLE**

Grants authorized but unpaid at year end are reported as liabilities in accordance with FASB ASC 958-605 (formerly SFAS No. 116, "Accounting for Contributions Received and Contributions Made").

In May 2005, the Board of Trustees approved future research grants totaling \$1,018,489 to be paid to qualified recipients from the years 2005 through 2007. During the year ended June 30, 2011, \$519 of these grants were cancelled. As of June 30, 2011, there were no amounts unpaid.

In May 2006, the Board of Trustees approved future research grants totaling \$1,025,021 to be paid to qualified recipients from the years 2006 through 2008. During the year ended June 30, 2011 \$36,315 of these grants were cancelled. As of June 30, 2011, \$11,400 was unpaid.

(Continued)

**UNITED MITOCHONDRIAL DISEASE FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

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**5. GRANTS PAYABLE, Continued**

In May 2007, the Board of Trustees approved future research grants totaling \$1,150,637 to be paid to qualified recipients from the years 2007 through 2009. During the year ended June 30, 2011 \$683 of these grants were cancelled. As of June 30, 2011, there were no amounts unpaid.

In May 2008, the Board of Trustees approved future research grants totaling \$1,025,080 to be paid to qualified recipients from the years 2008 through 2010. During the year ended June 30, 2011, \$5,983 of these grants were cancelled. As of June 30, 2011, there were no amounts unpaid.

In May 2009, the Board of Trustees approved future research grants totaling \$412,661 to be paid to qualified recipients from the years 2009 through 2011. As of June 30, 2011, \$70,395 was unpaid.

In May 2010, the Board of Trustees approved future research grants totaling \$315,348 to be paid to qualified recipients from the years 2010 through 2012. As of June 30, 2011 \$127,674 was unpaid.

In May 2011, the Board of Trustees approved future research grants totaling \$640,000 to be paid to qualified recipients from the years 2011 through 2013. As of June 30, 2011, all grants awarded in the current fiscal year were unpaid.

**6. RETIREMENT PLANS**

403(b) Tax Deferred Annuity Plan

The Company has a 403(b) Tax Deferred Annuity Plan covering substantially all of its employees. Employees may make voluntary pre-tax contributions to the plan subject to maximums allowed by the Internal Revenue Code. The Company does not match any of the contributions.

SEP-IRA Plan

The Company also has established a SEP-IRA retirement plan for substantially all employees. Contributions are determined by management and are totally discretionary. Contributions amounted to approximately \$28,000 and \$21,000 for the years ended June 30, 2011 and 2010, respectively.

**7. NET ASSETS**

Temporarily restricted net assets at June 30, 2011 and 2010 are available for the following purposes:

	<u>2011</u>	<u>2010</u>
Research .....	<u>\$322,527</u>	<u>\$267,609</u>

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(Continued)

**UNITED MITOCHONDRIAL DISEASE FOUNDATION, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

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**8. OPERATING LEASE**

The Foundation leases office space under an operating lease agreement that expires October 2012. The Foundation leases a copier under an operating lease agreement that expires November 2011. The Foundation also leases a postage machines under an operating lease agreement that expires June 2014. The future minimum rental payments required under these lease agreements are:

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2012 .....	\$ 65,980
2013 .....	18,462
2014 .....	2,280
Thereafter .....	<u>0</u>
Total .....	<u>\$ 86,722</u>

Rental expense amounted to \$67,033 and \$60,634 for the years ended June 30, 2011 and 2010, respectively.

**9. CONTRIBUTED SERVICES**

FASB ASC 958-605 requires contributed services to be recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by volunteers. The Foundation receives such services from community members who volunteer to provide video production, website development and accounting services. The value of these services was calculated as \$33,605 and \$39,222 for the years ended June 30, 2011 and 2010, respectively, and is included in the accompanying Statements of Activities as revenue and expense.

**10. CHAPTERS**

In addition to the national office of the United Mitochondrial Disease Foundation, Inc., local chapters have also been formed throughout the United States. These chapters include:

- Ohio Chapter
- Delaware Valley Chapter
- Southern California Chapter
- Kansas City Chapter
- New England Chapter
- Arizona Chapter
- New York Metro Chapter
- Indiana Chapter
- Atlanta Chapter
- Chicago Chapter
- Houston Chapter
- Central Ohio Chapter
- Carolina Foothills Chapter
- Minneapolis-St. Paul Chapter
- Middle Tennessee Chapter
- D/C/Baltimore/Northern Virginia Chapter

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(Continued)

**UNITED MITOCHONDRIAL DISEASE FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

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**10. CHAPTERS, Continued**

Each chapter is required to file an application for their own employer identification number, abide by their signed chapter affiliation agreement and by-laws and to provide the national office their monthly chapter finance report. The Foundation has received a group exemption under 501(c)(3) of the Internal Revenue Code, and accordingly, will file a group tax return for the chapters. The primary purpose of the chapters is to provide a support network and conduct charitable fundraising activities for the Foundation. The chapters meet the requirements for consolidation and accordingly, their balances are included in the accompanying financial statements.

The Statements of Financial Condition include the cash balances of each chapter as of June 30 as follows:

	<u>2011</u>	<u>2010</u>
Ohio Chapter .....	\$ 4,496	\$32,449
Delaware Valley Chapter .....	209	1,080
Kansas City Chapter .....	5,663	1,963
New England Chapter .....	1,000	1,000
Indiana Chapter .....	6,619	6,616
Atlanta Chapter .....	1,078	1,994
Chicago Chapter .....	1,397	1,399
Houston Chapter .....	13,772	17,122
Carolina Foothills Chapter .....	5,362	3,536
Minneapolis-St. Paul Chapter .....	6,606	4,296
Central Ohio Chapter .....	0	1,326
Middle Tennessee Chapter .....	1,654	693
D/C/Baltimore/Northern Virginia Chapter .....	7,728	7,339

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(Continued)

**UNITED MITOCHONDRIAL DISEASE FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

10. **CHAPTERS, Continued**

The Statements of Activities and Changes in Net Assets for the years ended June 30, 2011 and 2010 includes the activity for each chapter as follows:

	-----2011-----		-----2010-----	
	Revenue	Expenses	Revenue	Expenses
Ohio Chapter .....	\$ 132,575	\$ 15,146	\$ 135,838	\$ 24,824
New England Chapter .....	10,583	3,655	65,182	9,001
Southern California Chapter .....	6,483	2,393	22,045	5,970
Delaware Valley Chapter .....	46,855	8,202	120,647	30,841
Arizona Chapter .....	61,189	5,351	980	43
New York Metro Chapter .....	10,055	4,724	21,493	5,317
Kansas City Chapter .....	30,741	3,555	14,354	1,051
Indiana Chapter .....	54,587	8,624	30,984	5,530
Atlanta Chapter .....	153,392	37,449	188,955	65,978
Chicago Chapter .....	71,880	15,464	51,994	8,237
Houston Chapter .....	197,507	45,820	117,517	25,380
Central Ohio Chapter .....	4,715	7	39,481	18,571
Carolina Foothills Chapter .....	95,033	10,874	24,642	690
Minneapolis-St. Paul Chapter .....	70,482	7,554	51,017	6,962
Middle Tennessee Chapter .....	83,703	12,660	32,940	5,372
D/C/Baltimore/Northern Virginia Chapter .....	40,983	21,810	39,460	13,394
Total .....	<u>\$ 1,070,763</u>	<u>\$ 203,288</u>	<u>\$ 957,529</u>	<u>\$ 227,161</u>

(Concluded)