

**THE FOUNDATION OF THE CONSORTIUM OF MULTIPLE SCLEROSIS CENTERS, INC.**

**FINANCIAL STATEMENTS**

**December 31, 2011**

**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.**  
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**Independent Auditors' Report**

To the Board of Directors of  
The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.  
Hackensack, New Jersey

I have audited the accompanying statement of financial position of The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc. (a nonprofit organization) as of December 31, 2011, and the related statements of activities and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc. as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules appearing on pages 7 to 9 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Eatontown, New Jersey  
May 22, 2012

**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.**  
**Statement of Financial Position**  
**December 31, 2011**

**ASSETS**

Current assets:	
Cash and cash equivalents	\$ 466,094
Prepaid expenses	<u>2,116</u>
Total current assets	<u>468,210</u>
Fixed assets:	
Furniture and equipment	12,625
Software	<u>46,645</u>
	59,270
Less: Accumulated depreciation	<u>(33,213)</u>
Net fixed assets	<u>26,057</u>
<b>Total assets</b>	<b><u>\$ 494,267</u></b>

**LIABILITIES AND NET ASSETS**

Current liabilities:	
Accounts payable	
Vendors	\$ 10,287
The Consortium of Multiple Sclerosis Centers, Inc.	3,435
Accrued expenses	<u>562</u>
Total current liabilities	14,284
Net assets:	
Unrestricted (deficit)	(104,709)
Temporarily restricted	<u>584,692</u>
Total net assets	<u>479,983</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 494,267</u></b>

See Accompanying Notes and Independent Auditors' Report.

**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.**  
**Statement of Activities**  
**For the Year Ended December 31, 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue:			
Contributions	\$ 243,595	\$ 2,500	\$ 246,095
Unrestricted grants	47,408	-	47,408
Temporarily restricted grants:			
Workforce of the Future	-	142,000	142,000
Professional Tools and Resources	-	165,534	165,534
Research, Resources and Patient Registry	-	257,500	257,500
Net assets released from restrictions:			
Satisfaction of purpose restrictions	624,239	(624,239)	-
Investment income	<u>5,094</u>	<u>-</u>	<u>5,094</u>
<b>Total revenue</b>	920,336	(56,705)	863,631
Expenses:			
Program services (Schedule 1)	592,470	-	592,470
Administrative and Fundraising (Schedule 1)	<u>257,225</u>	<u>-</u>	<u>257,225</u>
<b>Total expenses</b>	<u>849,695</u>	<u>-</u>	<u>849,695</u>
<b>Change in net assets</b>	70,641	(56,705)	13,936
<b>Unrealized loss on investment</b>	(4,647)	-	(4,647)
<b>Net assets beginning of the year</b>	<u>(170,703)</u>	<u>641,397</u>	<u>470,694</u>
<b>Net assets (deficit) end of the year</b>	<u>\$ (104,709)</u>	<u>\$ 584,692</u>	<u>\$ 479,983</u>

See Accompanying Notes and Independent Auditors' Report.

**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2011**

Cash flows from operating activities:	
Change in net assets	\$ 13,936
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	11,387
Changes in operating assets and liabilities:	
Decrease in pledges receivable	40,000
Decrease in prepaid expenses	4,742
Decrease in accounts payable	(68,660)
Increase in accrued expenses	<u>260</u>
<b>Net cash provided by operating activities</b>	<u>1,665</u>
Cash flows from investing activities:	
Purchase of fixed assets	(799)
Unrealized loss on investment	<u>(4,647)</u>
<b>Net cash used by investing activities</b>	<u>(5,446)</u>
<b>Net decrease in cash and cash equivalents</b>	(3,781)
<b>Cash and cash equivalents at beginning of the year</b>	<u>469,875</u>
<b>Cash and cash equivalents at end of the year</b>	<u>\$ 466,094</u>

See Accompanying Notes and Independent Auditor's Report.

**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 1 - Summary of Significant Accounting Policies**

Nature of activity

The mission of The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc. (the Foundation) is to stimulate the growth, development and provision of patient care services, education and research in the field of multiple sclerosis and to enhance the quality of life of those affected by multiple sclerosis through supporting the activities of The Consortium of Multiple Sclerosis Centers, Inc.

Net Asset Classes

The accompanying financial statements present information regarding the Foundation's financial position according to two classes of net assets: unrestricted and temporarily restricted. The two classes are differentiated by donor restrictions.

Unrestricted net assets may be designated for specific purposes by the Foundation.

Temporarily restricted net assets are subject to donor stipulations that expire by the passage of time or can be fulfilled or removed by actions pursuant to the stipulations. Temporarily restricted net assets consist primarily of grants for projects which have yet to be completed.

Cash and cash equivalents

For purposes of the statement of cash flows, the Foundation considers all instruments with an original maturity of three months or less to be cash equivalents.

Pledges receivable

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Furniture and equipment

Furniture and equipment are recorded at cost and depreciated over the estimated useful lives of the related assets using the straight line method.

Depreciation expense for the year was \$11,387.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the period reported. Actual results could differ from those estimates. Estimates are used when accounting for uncollectible accounts receivable, inventory obsolescence, depreciation and amortization, employee benefit plans, taxes and other contingencies, among others.

Income taxes

The Foundation has received approval from the Internal Revenue Service to be treated as a 501c(3) tax-exempt organization. The revenue earned by the Foundation is used to carry out its objectives and is not subject to income taxes.

See Independent Auditors' Report.

**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 2 – Concentration of Credit Risk**

The Foundation maintains cash in demand deposit accounts with federally insured banks. At times, the balances in these accounts may be in excess of federally insured limits.

The Foundation does not believe it is exposed to any significant credit risk in connection with cash and cash equivalents.

**Note 3 – Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes:

Workforce of the Future	\$ 133,561
Professional Tools and Resources	137,589
Research, Resources and Patient Registry	<u>313,542</u>
	<u>\$ 584,692</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

Purpose restrictions accomplished:	
Administrative costs	\$ 1,520
Workforce of the Future	146,597
Professional Tools and Resources	347,641
Research, Resources and Patient Registry	<u>128,481</u>
Total restrictions released	<u>\$ 624,239</u>

**Note 4 – Subsequent Events**

The Foundation has evaluated subsequent events through May 22, 2012, the date which the financial statements were available to be issued.

See Independent Auditors' Report.



**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.**  
**Schedule 1**  
**Schedule of Expenses**  
**For the Year Ended December 31, 2011**

	<u>Administrative</u>	<u>Program Services</u>	<u>Total</u>
Expenses:			
Salaries	\$ 42,370	\$ -	\$ 42,370
Payroll taxes and employee benefits	4,449	-	4,449
Executive Director fee	61,896	-	61,896
Accounting fees	44,261	-	44,261
Administrative support	2,372	-	2,372
Advertising	260	-	260
Audio visual	-	9,697	9,697
Audit fee	12,600	-	12,600
Awards and plaques	-	6,070	6,070
Database maintenance	5,111	-	5,111
Deprecation	11,387	-	11,387
Equipment lease	903	-	903
Fellowships	-	52,500	52,500
Fundraising consultant	20,078	-	20,078
Honoraria	-	79,052	79,052
Insurance	7,574	-	7,574
Legal fees	1,610	-	1,610
Meals	1,189	15,252	16,441
Office supplies and expense	2,553	-	2,553
Onsite meeting and project management	2,778	53,222	56,000
Photography	4,437	-	4,437
Postage and shipping	3,061	10,720	13,781
Printing	6,284	42,395	48,679
Professional fees	225	83,301	83,526
Rent and utilities	1,399	-	1,399
Research grants	-	55,936	55,936
Scholarships	-	150,000	150,000
Service charges	4,459	-	4,459
Subscription and license fees	1,655	-	1,655
Training	1,706	-	1,706
Travel	12,608	22,672	35,280
Website development	-	11,653	11,653
<b>Total expenses</b>	<b><u>\$ 257,225</u></b>	<b><u>\$ 592,470</u></b>	<b><u>\$ 849,695</u></b>

See Accompanying Notes and Independent Auditors' Report.

**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.**  
**Schedule 2**  
**Schedule of Cash and Cash Equivalents**  
**December 31, 2011**

<u>Bank Account</u>	<u>Description</u>	<u>Amount</u>
Bank of New Jersey	Operating Checking	\$ 76,608
Bank of New Jersey	Payroll Checking	1,907
Bank of New Jersey	Credit Card Checking	2,242
Wells Fargo	Mutual Funds	<u>385,337</u>
Total cash and cash equivalents as of December 31, 2011		<u>\$ 466,094</u>

See Accompanying Notes and Independent Auditors' Report.