

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

**FINANCIAL STATEMENTS**

**December 31, 2012**

**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.**  
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**December 31, 2012**

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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 financial statements of The Foundation of the Consortium of Multiple Sclerosis Centers, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2012 and the related statements of activities and changes in net assets, and cash flows 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.

**Auditor's Responsibility**

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 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 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**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, 2012, 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.



Eatontown, New Jersey  
April 30, 2013

**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.**  
**Statement of Financial Position**  
**December 31, 2012**

**ASSETS**

Current assets:	
Cash and cash equivalents	\$ 673,480
Prepaid expenses	<u>7,255</u>
Total current assets	<u>680,735</u>
Fixed assets:	
Furniture and equipment	12,625
Software	<u>46,645</u>
	59,270
Less: Accumulated depreciation	<u>(44,600)</u>
Net fixed assets	<u>14,670</u>
<b>Total assets</b>	<b><u>\$ 695,405</u></b>

**LIABILITIES AND NET ASSETS**

Current liabilities:	
Accounts payable	\$ 9,085
Accrued expenses	<u>636</u>
Total current liabilities	9,721
Net assets:	
Unrestricted (deficit)	9,847
Temporarily restricted	<u>675,837</u>
Total net assets	<u>685,684</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 695,405</u></b>

See Accompanying Notes and Independent Auditors' Report.

**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended December 31, 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue:			
Contributions	\$ 309,936	\$ -	\$ 309,936
Unrestricted grants	97,380	-	97,380
Temporarily restricted grants:			
Workforce of the Future	-	235,860	235,860
Professional Tools and Resources	-	255,930	255,930
Research, Resources and Patient Registry	-	32,046	32,046
Net assets released from restrictions:			
Satisfaction of purpose restrictions	432,691	(432,691)	-
Miscellaneous income	158	-	158
Investment income	<u>5,331</u>	<u>-</u>	<u>5,331</u>
<b>Total revenue</b>	<b>845,496</b>	<b>91,145</b>	<b>936,641</b>
Expenses:			
Program services (Schedule 1)	492,751	-	492,751
Administrative (Schedule 1)	174,393	-	174,393
Fundraising (Schedule 1)	<u>59,542</u>	<u>-</u>	<u>59,542</u>
<b>Total expenses</b>	<b><u>726,686</u></b>	<b><u>-</u></b>	<b><u>726,686</u></b>
<b>Change in net assets</b>	<b>118,810</b>	<b>91,145</b>	<b>209,955</b>
<b>Unrealized loss on investment</b>	<b>(4,254)</b>	<b>-</b>	<b>(4,254)</b>
<b>Net assets beginning of the year</b>	<b><u>(104,709)</u></b>	<b><u>584,692</u></b>	<b><u>479,983</u></b>
<b>Net assets (deficit) end of the year</b>	<b><u>\$ 9,847</u></b>	<b><u>\$ 675,837</u></b>	<b><u>\$ 685,684</u></b>

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, 2012**

Cash flows from operating activities:	
Change in net assets	\$ 209,955
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:	
Increase in prepaid expenses	(5,139)
Decrease in accounts payable	(4,637)
Increase in accrued expenses	<u>74</u>
<b>Net cash provided by operating activities</b>	<u>211,640</u>
Cash flows from investing activities:	
Unrealized loss on investment	<u>(4,254)</u>
<b>Net cash used by investing activities</b>	<u>(4,254)</u>
<b>Net increase in cash and cash equivalents</b>	207,386
<b>Cash and cash equivalents at beginning of the year</b>	<u>466,094</u>
<b>Cash and cash equivalents at end of the year</b>	<u>\$ 673,480</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, 2012**

**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 501(c)(3) tax-exempt organization. The revenue earned by the Foundation is used to carry out its objectives and is not subject to income taxes. The Foundation's tax returns for 2012, 2011, 2010 and 2009 are subject to examination by the IRS generally for three years after they were filed.

See Independent Auditors' Report.

**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.**  
**Notes to Financial Statements**  
**December 31, 2012**

**Note 2 – Concentrations**

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.

For the year ended December 31, 2012, approximately 81% of the Organizations contributions and grants were provided by three organizations or companies with the balance provided from various other individuals and organizations.

**Note 3 – Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes:

Workforce of the Future	\$ 220,884
Professional Tools and Resources	204,177
Research, Resources and Patient Registry	<u>250,776</u>
	<u>\$ 675,837</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:	
Workforce of the Future	\$ 148,537
Professional Tools and Resources	189,342
Research, Resources and Patient Registry	<u>94,812</u>
Total restrictions released	<u>\$ 432,691</u>

**Note 4 – Subsequent Events**

The Foundation has evaluated subsequent events through April 30, 2013, which is the date the financial statements were available to be issued.

See Independent Auditors' Report.



**SUPPLEMENTARY INFORMATION**

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**Independent Auditors' Report on Supplementary Information**

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

My audit of the financial statements included in the preceding section of this report was conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Eatontown, New Jersey  
April 30, 2013

**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.**  
**Schedule 1**  
**Schedule of Expenses**  
**For the Year Ended December 31, 2012**

	<u>Administrative</u>	<u>Fundraising</u>	<u>Program Services</u>	<u>Total</u>
Expenses:				
Salaries	\$ 19,438	\$ 44,423	\$ -	\$ 63,861
Payroll taxes and employee benefits	1,321	4,571	-	5,892
Executive Director fee	59,865	-	-	59,865
Accounting fees	30,277	-	-	30,277
Administrative support	1,897	-	-	1,897
Advertising	60	-	-	60
Audio visual	-	-	14,182	14,182
Audit fee	6,400	-	-	6,400
Awards and plaques	-	-	5,500	5,500
CMSC project management	-	-	56,996	56,996
Database maintenance	6,681	-	-	6,681
Depreciation	11,387	-	-	11,387
Equipment lease	793	-	-	793
Fellowships	-	-	52,500	52,500
Fundraising consultant	-	2,077	-	2,077
Graphic design	1,583	-	-	1,583
Honoraria	-	-	32,000	32,000
Insurance	8,277	-	-	8,277
Legal fees	2,170	-	-	2,170
Meals	686	41	7,403	8,130
Office supplies and expense	1,223	-	-	1,223
Onsite meeting and project management	9,013	750	8,634	18,397
Postage and shipping	2,271	93	53	2,417
Printing	1,124	2,580	-	3,704
Professional fees	-	-	27,090	27,090
Public relations	1,568	-	-	1,568
Rent and utilities	100	-	-	100
Research grants	-	-	93,889	93,889
Scholarships	-	-	132,000	132,000
Service charges	1,445	2,957	-	4,402
Subscription and license fees	229	395	-	624
Telephone	543	-	-	543
Training	-	45	-	45
Travel: Staff	6,042	1,610	-	7,652
: Program participants	-	-	35,166	35,166
Website development	-	-	27,338	27,338
<b>Total expenses</b>	<b><u>\$ 174,393</u></b>	<b><u>\$ 59,542</u></b>	<b><u>\$ 492,751</u></b>	<b><u>\$ 726,686</u></b>

See Independent Auditors' Report on Supplementary Information.

**The Foundation Of The Consortium Of Multiple Sclerosis Centers, Inc.**  
**Schedule 2**  
**Schedule of Cash and Cash Equivalents**  
**December 31, 2012**

<u>Bank Account</u>	<u>Description</u>	<u>Amount</u>
Bank of New Jersey	Operating Checking	\$ 395,950
Bank of New Jersey	Payroll Checking	2,044
Bank of New Jersey	Credit Card Checking	1,572
Wells Fargo	Mutual Funds	<u>273,914</u>
Total cash and cash equivalents as of December 31, 2012		<u>\$ 673,480</u>

See Independent Auditors' Report on Supplementary Information.