

ACCELERATED CURE PROJECT, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2009



ACCELERATED CURE PROJECT, INC.

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Feeley & Driscoll, P.C.
Certified Public Accountants / Business Consultants

To the Board of Directors
Accelerated Cure Project, Inc.
Waltham, Massachusetts

Independent Auditors' Report

We have audited the accompanying statement of financial position of Accelerated Cure Project, Inc. (a nonprofit organization) as of December 31, 2009, and the related statement of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Accelerated Cure Project, Inc.'s 2008 financial statements and, in our report dated May 1, 2009, we expressed an unqualified opinion on those financial statements.

We conducted our audit 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 Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 Accelerated Cure Project, Inc. as of December 31, 2009, 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.

May 10, 2010

Feeley & Driscoll, P.C.

ACCELERATED CURE PROJECT, INC.

Statement of Financial Position

December 31, 2009

(with comparative totals as of December 31, 2008)

	<u>Assets</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals 2009</u>	<u>Totals 2008</u>
Current assets:				
Cash and cash equivalents	\$ 867,524	\$ 330,601	\$ 1,198,125	\$ 1,257,256
Pledges receivable, net	-	1,408,577	1,408,577	166,435
Prepaid expenses and other current assets	63,020	41,758	104,778	17,704
Total current assets	<u>930,544</u>	<u>1,780,936</u>	<u>2,711,480</u>	<u>1,441,395</u>
Computer equipment	27,656	-	27,656	27,656
Equipment	10,269	-	10,269	10,269
	<u>37,925</u>	<u>-</u>	<u>37,925</u>	<u>37,925</u>
Less accumulated depreciation	28,164	-	28,164	22,714
	<u>9,761</u>	<u>-</u>	<u>9,761</u>	<u>15,211</u>
Other assets:				
Long-term portion of pledges receivable, net	-	1,379,274	1,379,274	109,519
Deposits	10,000	-	10,000	10,300
Total other assets	<u>10,000</u>	<u>1,379,274</u>	<u>1,389,274</u>	<u>119,819</u>
	<u>\$ 950,305</u>	<u>\$ 3,160,210</u>	<u>\$ 4,110,515</u>	<u>\$ 1,576,425</u>
<u>Liabilities and Net Assets</u>				
Liabilities:				
Accounts payable	\$ 102,075	\$ -	\$ 102,075	\$ 91,804
Accrued expenses	90,122	-	90,122	12,304
Total current liabilities	<u>192,197</u>	<u>-</u>	<u>192,197</u>	<u>104,108</u>
Commitments				
Net assets:				
Unrestricted	758,108	-	758,108	144,022
Temporarily restricted	-	3,160,210	3,160,210	1,328,295
Total net assets	<u>758,108</u>	<u>3,160,210</u>	<u>3,918,318</u>	<u>1,472,317</u>
Total liabilities and net assets	<u>\$ 950,305</u>	<u>\$ 3,160,210</u>	<u>\$ 4,110,515</u>	<u>\$ 1,576,425</u>

See accompanying notes.

ACCELERATED CURE PROJECT, INC.

Statement of Activities

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Unrestricted	Temporarily Restricted	Totals 2009	Totals 2008
Revenues and other support:				
Contribution revenue	\$ 1,630,789	\$ 2,876,223	\$ 4,507,012	\$ 2,389,303
Special events revenue, net	525,845	-	525,845	-
Total revenues and other support	<u>2,156,634</u>	<u>2,876,223</u>	<u>5,032,857</u>	<u>2,389,303</u>
Net assets released from restrictions -				
Satisfaction of donor restrictions, operations	1,044,308	(1,044,308)	-	-
Total revenue and contributed support	<u>3,200,942</u>	<u>1,831,915</u>	<u>5,032,857</u>	<u>2,389,303</u>
Expenses:				
Repository Program	1,660,354	-	1,660,354	1,533,266
Education and Community Building	199,203	-	199,203	167,614
Cure Map	34,246	-	34,246	68,190
Fundraising	456,552	-	456,552	360,572
General and Administrative	247,338	-	247,338	206,646
Total expenses	<u>2,597,693</u>	<u>-</u>	<u>2,597,693</u>	<u>2,336,288</u>
Excess of revenues over expenses	<u>603,249</u>	<u>1,831,915</u>	<u>2,435,164</u>	<u>53,015</u>
Other income -				
Interest income	10,837	-	10,837	31,992
Total other income	<u>10,837</u>	<u>-</u>	<u>10,837</u>	<u>31,992</u>
Change in net assets	614,086	1,831,915	2,446,001	85,007
Net assets as of beginning of year	<u>144,022</u>	<u>1,328,295</u>	<u>1,472,317</u>	<u>1,387,310</u>
Net assets as of end of year	<u>\$ 758,108</u>	<u>\$ 3,160,210</u>	<u>\$ 3,918,318</u>	<u>\$ 1,472,317</u>

See accompanying notes.

ACCELERATED CURE PROJECT, INC.

Statement of Functional Expenses

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Program Services				General and Administrative	Totals 2009	Totals 2008
	Repository Program	Education & Community Building	Cure Map	Fundraising			
Research and data collection	\$ 1,407,029	\$ -	\$ -	\$ -	\$ -	\$ 1,407,029	\$ 1,286,610
Payroll	183,916	100,357	26,466	154,251	90,909	555,899	504,428
Consultants	1,073	2,036	-	196,033	42,121	241,263	60,133
Benefits	26,044	11,905	3,250	23,727	14,370	79,296	80,742
Printing	437	32,332	-	35,801	6,718	75,288	87,902
Facilities	18,171	10,127	2,018	19,508	17,599	67,423	89,715
Professional fees	1,856	11,167	-	738	45,170	58,931	42,425
Office	7,110	6,861	1,548	14,990	17,700	48,209	43,519
Travel, meals and entertainment	13,251	19,851	964	6,860	818	41,744	24,948
Miscellaneous	-	-	-	4,604	7,950	12,554	7,962
Depreciation	1,467	-	-	-	3,983	5,450	8,565
Public relations	-	4,000	-	-	-	4,000	6,430
Events	-	567	-	40	-	607	37,476
Prizes	-	-	-	-	-	-	55,433
	<u>\$ 1,660,354</u>	<u>\$ 199,203</u>	<u>\$ 34,246</u>	<u>\$ 456,552</u>	<u>\$ 247,338</u>	<u>\$ 2,597,693</u>	<u>\$ 2,336,288</u>

See accompanying notes.

ACCELERATED CURE PROJECT, INC.

Statement of Cash Flows

For the year ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Change in net assets	\$ 2,446,001	\$ 85,007
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	5,450	8,565
Increase (decrease) in cash resulting from a change in:		
Pledges receivable, net	(2,511,897)	45,475
Prepaid expenses and other current assets	(87,074)	41,646
Accounts payable	10,271	31,644
Accrued expenses	77,818	1,699
Net cash (used in) provided by operating activities	<u>(59,431)</u>	<u>214,036</u>
Cash flows from investing activities:		
Purchases of property and equipment	-	(14,535)
Receipt of deposits	300	-
Net cash provided by (used in) investing activities	<u>300</u>	<u>(14,535)</u>
Net (decrease) increase in cash and cash equivalents	(59,131)	199,501
Cash and cash equivalents, beginning of year	<u>1,257,256</u>	<u>1,057,755</u>
Cash and cash equivalents, end of year	<u>\$ 1,198,125</u>	<u>\$ 1,257,256</u>

See accompanying notes.

ACCELERATED CURE PROJECT, INC.

Notes to Financial Statements

December 31, 2009

Note 1 - Organization

Accelerated Cure Project, Inc. (the "Organization"), also conducting business under the name Accelerated Cure Project for Multiple Sclerosis, is located in Waltham, Massachusetts. The Organization, founded in March 2001, is a nonprofit organization dedicated to creating and executing a plan to cure multiple sclerosis (MS). Contributions are received from individuals and organizations for the purposes of being used in the Organization's Repository, Cure Map, and Community Building programs.

Descriptions of the Organization's major programs are as follows; Cure Map: a program designed to help find the cause of Multiple Sclerosis, leading to the cure for Multiple Sclerosis; Education and Community Building: a program to enhance community knowledge of the Cure Map program and other Multiple Sclerosis issues; Repository Program: a recruiting program created to collect subjects with and without Multiple Sclerosis and other related diseases to help determine the cause of these diseases.

Note 2 - Summary of Significant Accounting Policies

A summary of the significant accounting policies followed by the Organization in the preparation of the accompanying financial statements is set forth below:

Basis of Presentation - Net assets are classified into permanently restricted, temporarily restricted and unrestricted, when appropriate, to properly disclose the nature and amount of significant resources that have been restricted in accordance with specified objectives of donors and grantors. The Organization has both unrestricted net assets and temporarily restricted net assets. The unrestricted net assets are available to be used for the general purposes of the Organization. Temporarily restricted net assets are those whose use has been limited by donors to a specific period or purpose.

In addition, the financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2008, from which the summarized information was derived.

Use of 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 the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three (3) months or less to be cash equivalents.

ACCELERATED CURE PROJECT, INC.

Notes to Financial Statements - Continued

December 31, 2009

Note 2 - Summary of Significant Accounting Policies - Continued

Contributions - Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same operating period are presented as unrestricted contributions.

Property and Equipment - Property and equipment are stated at cost. Major additions are capitalized, while repairs and maintenance are charged to expense as incurred.

Depreciation - Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

<u>Assets</u>	<u>Life in Years</u>
Computer Equipment	3
Equipment	7

Contributed Goods - Contributions of tangible assets are recognized at fair market value when received.

Contributed Services - Contributed services are recognized if the services received (a) create or enhance a non-financial asset or (b) require specialized skills, which are provided by individuals possessing those skills and which would typically need to be purchased, if not provided by donation. Contributions of services are recognized at fair market value when received.

The Organization receives a significant amount of contributed time, which does not meet either of the two recognition criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements. For the year ended December 31, 2009, the Organization received approximately 5,500 hours of donated time.

Pledges Receivable - Unconditional promises to give that are expected to be collected or paid within one (1) year are recorded at net realizable value. Unconditional promises to give that are expected to be collected or paid in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received or paid. Amortization of the discounts is included in contribution revenue or expense. Conditional promises to give are not included in support or expenses until the conditions are substantially met. The Organization provides an allowance for doubtful accounts equal to estimated pledge defaults. The estimated defaults are based on historical collection experience together with a review of the current status of the existing receivables. No allowance was considered necessary at December 31, 2009.

ACCELERATED CURE PROJECT, INC.

Notes to Financial Statements - Continued

December 31, 2009

Note 2 - Summary of Significant Accounting Policies - Continued

Income Tax Exempt Status - The Organization is a nonprofit corporation as described in Section 501(c)(3) of the United States Internal Revenue Code and is determined to be an Organization, which is not a private foundation and, accordingly, does not provide for state and federal income taxes.

Subsequent Events - The Company has adopted standards of accounting for and disclosure of events that occur after the balance sheet date but before the financial statements are issued or are available to be issued. The Company has evaluated subsequent events through May 10, 2010, which is the date the financial statements were available for issuance.

Note 3 - Pledges Receivable

Pledges receivable are composed of unconditional promises to give that are expected to be collected in future periods. The following is the breakdown of such unconditional promises to give as of December 31, 2009:

Unconditional promises to give	\$ 2,919,142
Less unamortized discount (at 3.25%)	<u>131,291</u>
Net unconditional promises to give	<u>\$ 2,787,851</u>

Future maturities on pledge receivables are as follows for years ending December 31:

2010	\$ 1,408,577
2011	1,216,488
2012	89,318
2013	57,797
2014	<u>15,671</u>
	<u>\$ 2,787,851</u>

ACCELERATED CURE PROJECT, INC.

Notes to Financial Statements - Continued

December 31, 2009

Note 4 - Concentration of Credit Risk

The Organization has a potential concentration of credit risk in that it maintains deposits with a financial institution in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC"). On October 3, 2008, the FDIC increased the insurance limit on interest bearing accounts from \$100,000 to \$250,000 and removed all insurance limitations for non-interest bearing accounts. These changes were effective through December 31, 2009. Subsequently, on May 20, 2009, the FDIC extended the increased insurance limit for interest bearing accounts through December 31, 2013 and imposed the \$250,000 limit on non-interest bearing accounts, which will be effective January 1, 2010 through December 31, 2013. The Organization had balances in excess of FDIC limits of \$543,631 as of December 31, 2009.

Note 5 - Operating Leases

The Organization conducts its operations in a facility located in Waltham, Massachusetts, under a lease agreement which was renewed through May 2012. The lease commenced on May 1, 2006 and requires monthly payments beginning at \$5,000 and increasing to \$5,400. The rental expense related to this lease was \$64,800 for the year ended December 31, 2009.

The Organization also leases office equipment under various leases expiring in June 2010. Under these agreements, the Company is required to pay monthly installments ranging from \$238 to \$684. The total expense related to these equipment leases was \$1,521 for the year ended December 31, 2009.

Minimum annual future rental payments are as follows for the years ending December 31:

2010	\$	66,399
2011		66,228
2012		28,190
		<hr/>
	\$	160,817
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Note 6 - Temporarily Restricted Net Assets

Temporarily restricted net assets were available for use as follows:

Repository program	\$	3,028,271
Research program		125,000
Scholarship program		6,939
		<hr/>
	\$	3,160,210
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ACCELERATED CURE PROJECT, INC.

Notes to Financial Statements - Continued

December 31, 2009

Note 7 - Contributed Goods and Services

The Organization receives printing, internet development and other professional services without charge. The estimated fair market value of the services has been reported as contribution revenue and printing expenses, professional fees and other miscellaneous expenses. Both contribution revenue and expenses for the year ended December 31, 2009 were recorded at \$93,682, which directly pertained to the Cure Map program, the Education and Community Building program, as well as general fundraising.

Contributed goods and the associated expenses for the year ended December 31, 2009 was recorded at \$74,900.

Note 8 - Special Events

Special event income is presented in the statement of activities at the net amount realized from the particular events. The revenue and expenses from the special events during the year ended December 31, 2009 were as follows:

	<u>Revenue</u>	<u>Expenses</u>	<u>Net Income</u>
Signature Recognition Dinner	\$ 237,690	\$ 41,433	\$ 196,257
Volunteer Events	99,541	26,473	73,068
MS Global	100,369	33,553	66,816
Boston Marathon	58,129	-	58,129
Volunteer letter campaign	48,657	-	48,657
GCCP Canine Happy Hour	22,841	-	22,841
Scavenger Hunt Boston	18,486	3,441	15,045
Shoe Ball Chicago	56,992	46,511	10,481
Shoe Ball Boston	40,590	34,149	6,441
Other	29,589	1,479	28,110
	<u>\$ 712,884</u>	<u>\$ 187,039</u>	<u>\$ 525,845</u>
Total special events	<u>\$ 712,884</u>	<u>\$ 187,039</u>	<u>\$ 525,845</u>

Note 9 - Concentrations

One (1) donor accounted for approximately seventy-two percent (72%) of pledges receivable at December 31, 2009.

One (1) donor accounted for approximately fifty-nine percent (59%) of total revenue for the year ended December 31, 2009.