

THE MASSACHUSETTS SOCIETY FOR MEDICAL RESEARCH, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

THE MASSACHUSETTS SOCIETY FOR MEDICAL RESEARCH, INC.

JUNE 30, 2015 AND 2014

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CONTENTS

	<u>PAGE</u>
Independent Auditor's Report .....	1
Statements of Financial Position as of June 30, 2015 and 2014 .....	2
Statements of Activities and Changes in Net Assets for the Years Ended June 30, 2015 and 2014 .....	3
Statement of Functional Expenses for the Year Ended June 30, 2015 .....	4
Statement of Functional Expenses For the Year Ended June 30, 2014 .....	5
Statements of Cash Flows for the Years Ended June 30, 2015 and 2014 .....	6
Notes to Financial Statements - June 30, 2015 and 2014 .....	7-8

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Massachusetts Society for  
Medical Research, Inc.  
North Chelmsford, MA 01863

I have audited the accompanying financial statements of the Massachusetts Society for Medical Research, Inc. (a non-profit organization) which comprise the statement of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years 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**

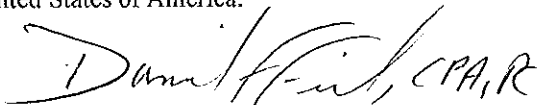
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 audit opinion.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Massachusetts Society for Medical Research, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



December 8, 2015

THE MASSACHUSETTS SOCIETY FOR MEDICAL RESEARCH, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2015 AND 2014

	ASSETS	
	<u>2015</u>	<u>2014</u>
Current assets:		
Cash	\$288,377	\$261,809
Accounts receivable	68,175	5,830
Prepaid expenses	<u>1,681</u>	<u>6,181</u>
Total current assets	<u>358,233</u>	<u>273,820</u>
Property and Equipment:		
Furniture and fixtures	10,048	10,048
Office equipment	<u>36,281</u>	<u>36,281</u>
Total	46,329	46,329
Less: Accumulated depreciation	<u>(46,329)</u>	<u>(46,329)</u>
Net property and equipment	<u>0</u>	<u>0</u>
<b>TOTAL ASSETS</b>	<b><u>\$358,233</u></b>	<b><u>\$273,820</u></b>
	LIABILITIES AND NET ASSETS	
Current liabilities:		
Accounts payable	\$ 26,498	\$ 17,502
Accrued salaries	<u>17,760</u>	<u>17,338</u>
Total current liabilities	<u>44,258</u>	<u>34,840</u>
Net assets:		
Unrestricted	307,975	234,980
Temporarily restricted	<u>6,000</u>	<u>4,000</u>
Total net assets	<u>313,975</u>	<u>238,980</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$358,233</u></b>	<b><u>\$273,820</u></b>

See accompanying notes and independent auditor's report.

THE MASSACHUSETTS SOCIETY FOR MEDICAL RESEARCH, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015 Total</u>	<u>2014 Total</u>
<b>Support and revenues:</b>				
<b>Contributions:</b>				
Founder	\$ 55,000	\$ 0	\$ 55,000	\$ 60,000
Great benefactor	129,900	0	129,900	109,900
Sponsor	57,000	0	57,000	57,000
Member	72,950	0	72,950	75,950
Other	<u>6,776</u>	<u>0</u>	<u>6,776</u>	<u>8,350</u>
Total	321,626	0	321,626	311,200
Grants	27,000	11,000	38,000	46,000
Workshops and conferences	172,226	0	172,226	82,588
Annual meeting, net of costs	9,186	0	9,186	4,650
60th Anniversary Gala, net of costs	0	0	0	10,228
Consulting fees	4,650	0	4,650	2,500
Interest income	<u>1,538</u>	<u>0</u>	<u>1,538</u>	<u>772</u>
	536,226	11,000	547,226	457,938
<i>Net assets released from restrictions: satisfaction of program restrictions</i>	<u>9,000</u>	<u>(9,000)</u>	<u>0</u>	<u>0</u>
Total revenues	<u>545,226</u>	<u>2,000</u>	<u>547,226</u>	<u>457,938</u>
<b>Expenses:</b>				
<b>Program services:</b>				
Member services	88,889	0	88,889	88,073
Legislative matters	24,523	0	24,523	27,967
Educational outreach and public relations	<u>284,159</u>	<u>0</u>	<u>284,159</u>	<u>240,638</u>
Total program services	397,571	0	397,571	356,678
Management and general	50,809	0	50,809	51,918
New member development	<u>23,851</u>	<u>0</u>	<u>23,851</u>	<u>2,801</u>
Total expenses	<u>472,231</u>	<u>0</u>	<u>472,231</u>	<u>411,397</u>
Increase (decrease) in net assets	72,995	2,000	74,995	46,541
Net assets, beginning of year	<u>234,980</u>	<u>4,000</u>	<u>238,980</u>	<u>192,439</u>
NET ASSETS, END OF YEAR	<u>\$307,975</u>	<u>\$ 6,000</u>	<u>\$313,975</u>	<u>\$238,980</u>

See accompanying notes and independent auditor's report.

THE MASSACHUSETTS SOCIETY FOR MEDICAL RESEARCH, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2015  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

	Program Services:				Management and General	New Member Development	2015 Total	2014 Total
	Member Services	Legislative Matters	Educational Outreach & Public Relations	Total Program Services				
Personnel costs:								
Salaries	\$ 60,536	\$ 4,443	\$ 95,707	\$160,686	\$ 21,289	\$ 3,147	\$185,122	\$180,928
Payroll taxes	4,942	363	7,814	13,119	1,738	257	15,114	15,733
Health Insurance	4,501	330	7,115	11,946	1,583	234	13,763	12,631
Retirement	967	70	1,529	2,566	340	51	2,957	1,800
Total personnel costs	70,946	5,206	112,165	188,317	24,950	3,689	216,956	211,092
Audit fee	0	0	0	0	4,800	0	4,800	6,000
Bookkeeping fees	0	0	0	0	2,547	0	2,547	2,694
Donations	0	0	770	770	0	0	770	2,524
Equipment leases	0	0	0	0	5,820	0	5,820	5,820
Insurance	0	0	0	0	6,383	0	6,383	5,674
Lobbying fees	0	18,000	0	18,000	0	0	18,000	18,438
Office rent	6,571	482	10,389	17,442	2,310	342	20,094	19,769
Office expenses	5,424	398	8,575	14,397	1,907	283	16,587	8,661
Postage and delivery	486	36	769	1,291	170	26	1,487	1,931
Printing costs	0	0	575	575	0	0	575	1,929
Repairs and maintenance	826	61	1,306	2,193	291	43	2,527	635
Science writing consultant	0	0	18,026	18,026	0	0	18,026	19,216
Strategic planning fees	0	0	0	0	0	19,229	19,229	0
Student awards	0	0	2,566	2,566	0	0	2,566	1,600
Telephone	1,504	110	2,378	3,992	529	78	4,599	5,727
Travel costs	2,305	169	3,644	6,118	811	119	7,048	7,883
Utilities	827	61	1,307	2,195	291	42	2,528	2,347
Web-site costs	0	0	800	800	0	0	800	1,261
Workshop costs	0	0	120,889	120,889	0	0	120,889	88,196
<b>TOTAL EXPENSES</b>	<u>\$ 88,889</u>	<u>\$ 24,523</u>	<u>\$284,159</u>	<u>\$397,571</u>	<u>\$ 50,809</u>	<u>\$ 23,851</u>	<u>\$472,231</u>	<u>\$411,397</u>

See accompanying notes and independent auditor's report.

THE MASSACHUSETTS SOCIETY FOR MEDICAL RESEARCH, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2014  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013)

	Program Services:				Management and General	New Member Development	2014 Total	2013 Total
	Member Services	Legislative Matters	Educational Outreach & Public Relations	Total Program Services				
Personnel costs:								
Salaries	\$ 61,371	\$ 6,640	\$ 88,854	\$ 156,865	\$ 22,109	\$ 1,954	\$ 180,928	\$ 174,624
Payroll taxes	5,337	577	7,726	13,640	1,923	170	15,733	15,247
Health Insurance	4,284	464	6,203	10,951	1,544	136	12,631	16,866
Retirement	611	66	884	1,561	220	19	1,800	0
Total personnel costs	71,603	7,747	103,667	183,017	25,796	2,279	211,092	206,737
Audit fee	0	0	0	0	6,000	0	6,000	4,500
Bookkeeping fees	0	0	0	0	2,694	0	2,694	1,963
Donations	0	0	2,524	2,524	0	0	2,524	0
Equipment leases	0	0	0	0	5,820	0	5,820	5,820
Insurance	0	0	0	0	5,674	0	5,674	3,669
Lobbying fees	0	18,438	0	18,438	0	0	18,438	19,969
Office rent	6,706	726	9,709	17,141	2,416	212	19,769	19,769
Office expenses	3,481	377	3,439	7,297	1,254	110	8,661	6,824
Postage and delivery	655	71	948	1,674	236	21	1,931	1,217
Printing costs	0	0	1,929	1,929	0	0	1,929	474
Repairs and maintenance	215	23	312	550	78	7	635	805
Science writing consultant	0	0	19,216	19,216	0	0	19,216	15,362
Student awards	0	0	1,600	1,600	0	0	1,600	0
Telephone	1,943	210	2,813	4,966	700	61	5,727	7,013
Travel costs	2,674	289	3,871	6,834	963	86	7,883	3,718
Utilities	796	86	1,153	2,035	287	25	2,347	2,119
Web-site costs	0	0	1,261	1,261	0	0	1,261	958
Workshop costs	0	0	88,196	88,196	0	0	88,196	69,268
<b>TOTAL EXPENSES</b>	<b>\$ 88,073</b>	<b>\$ 27,967</b>	<b>\$ 240,638</b>	<b>\$ 356,678</b>	<b>\$ 51,918</b>	<b>\$ 2,801</b>	<b>\$ 411,397</b>	<b>\$ 370,185</b>

See accompanying notes and independent auditor's report.

THE MASSACHUSETTS SOCIETY FOR MEDICAL RESEARCH, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash provided by (used for) operating activities:		
Increase (decrease) in net assets	\$ 74,995	\$ 46,541
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Accounts receivable	(62,345)	19,170
Prepaid expense	4,500	12,323
Accounts payable and accrued expenses	<u>9,418</u>	<u>6,322</u>
Net cash provided by (used for) operating activities	26,568	84,356
Cash, beginning of period	<u>261,809</u>	<u>177,453</u>
CASH, END OF PERIOD	<u>\$288,377</u>	<u>\$261,809</u>

See accompanying notes and independent auditor's report.



THE MASSACHUSETTS SOCIETY FOR MEDICAL RESEARCH, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

**NOTE 1 - OPERATIONS:**

Operations - The Massachusetts Society for Medical Research, Inc. (the "Organization"), is a non-profit corporation which promotes research in the biosciences and fosters the health and well-being of humans, animals, and the environment by improving science literacy, and nurturing workforce preparedness in the biosciences.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The following is a summary of significant accounting policies.

Net Assets - Net assets of the Organization are classified as follows:

- *Unrestricted net assets* are the funds available to the organization to fund operations and are not subject to donor imposed stipulations.
- *Temporarily restricted net assets* are the funds received from donors where the donor has imposed restrictions on how the funds will be utilized by the Organization.

Contributions - Contributions (also referenced internally as dues assessments) are recognized at the time a donor makes an unconditional promise to pay a stated amount to the Organization. Contributions are classified as unrestricted or temporarily restricted based upon the following criteria:

- Unrestricted Contributions - These amounts are reported as unrestricted revenues and are received from donors with the understanding that funds contributed will be utilized to fund the general operating activities of the Organization.
- Temporarily Restricted Contributions - Contributions are recognized as temporarily restricted when a donor contributes a certain amount strictly for costs attributable to a specific undertaking of the organization over and above general operating activities. When the restriction imposed by the donor has been satisfied, the funded amounts are then reported as a reduction in temporarily restricted net assets and an offsetting increase in unrestricted revenues in the accompanying statements of activities. This "transfer" has the effect of reducing the Organization's temporarily restricted net assets and increasing its unrestricted net assets.

Property and Equipment - Property and equipment are recorded at cost and are depreciated using the straight-line method over five years.

Functional Expenses and Allocation of Joint Costs - The Organization allocates expenses on a functional basis among the various programs, new member development, and general and administrative costs. The allocation of personnel costs is based upon management estimates of staff time invested in each of the functional categories. Costs that are jointly allocable to more than one activity are allocated proportionately based on the proportion of personnel costs attributable to that category.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

See Independent Auditor's Report

THE MASSACHUSETTS SOCIETY FOR MEDICAL RESEARCH, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

Tax Status - The Massachusetts Society for Medical Research, Inc. is recognized as an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal and state income taxes has been provided for in the accompanying financial statements.

**NOTE 3 - CONTRIBUTION SUPPORT:**

A substantial portion of the Organization's costs are funded through member contributions from medical institutions, corporations, and interested individuals.

During the year ended June 30, 2015, the Organization received contribution support of \$55,000 from (2) members; in 2014 the Organization received \$60,000 from (2) members.

**NOTE 4 - LEASE COMMITMENT:**

Office Lease - The Organization operates from an office located at 73 Princeton Street in North Chelmsford, Massachusetts through June 30, 2018. Minimum required payments due on this lease are as follows:

<u>Year Ending June 30:</u>	<u>Amount</u>
2016	\$21,071
2017	\$21,071
2018	\$21,071

**NOTE 5 - SUBSEQUENT EVENTS:**

Transactions subsequent to the year ended June 30, 2015 have been evaluated through December 8, 2015; the date the financial statements were available to be issued. No events were noted that could have a material impact on the financial statements.

**NOTE 6 - OPEN TAX YEARS:**

The Organization files Form 990 as a non-profit corporation with the Internal Revenue Service. The filings for tax years ended June 30, 2012 through 2014 remain open to audit by the Internal Revenue Service. No audit proceedings have been initiated.

See Independent Auditor's Report