Consolidated Financial Statements and Supplementary Information Together with Report of Independent Certified Public Accountants

NATIONAL MULTIPLE SCLEROSIS SOCIETY AND AFFILIATE

September 30, 2018
with comparative summarized information
for the year ended September 30, 2017

NATIONAL MULTIPLE SCLEROSIS SOCIETY AND AFFILIATE

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
National Multiple Sclerosis Society:

We have audited the accompanying consolidated financial statements of National Multiple Sclerosis Society and Affiliate (collectively, the "Society"), which comprise the consolidated statement of financial position as of September 30, 2018, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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 our audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and fair presentation of the consolidated 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 Society's internal control. Accordingly, we 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of National Multiple Sclerosis Society and Affiliate as of September 30, 2018, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements of the Society as of and for the year ended September 30, 2018, taken as a whole. The supplementary information included on pages 25 and 26 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Report on 2017 summarized comparative information

We have previously audited the Society's 2017 consolidated financial statements (not presented herein), and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated April 6, 2018. In our opinion, the accompanying summarized comparative information as of and for the year ended September 30, 2017 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Grant Thornton LLP

New York, New York
February 13, 2019

NATIONAL MULTIPLE SCLEROSIS SOCIETY AND AFFILIATE
Consolidated Statement of Financial Position
As of September 30, 2018, with summarized comparative information as of September 30, 2017

	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	$ 54,320,268	$ 51,107,512
Contributions receivable, net	12,797,773	14,488,067
Investments	71,828,079	65,375,143
Prepaid expenses and other current assets	5,778,620	6,968,034
Total current assets	144,724,740	137,938,756
Contributions receivable, net	3,614,801	673,117
Property and equipment, at cost, net of accumulated depreciation	4,940,792	6,855,985
Investments related to endowment	16,700,888	6,283,046
Investments related to charitable gift annuities	2,468,307	2,445,648
Beneficial interests in trust	1,442,243	1,447,435
Other non-current assets	859,065	346,291
Total assets	$ 174,750,836	$ 155,990,278
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities		
Grants payable	$ 33,952,635	$ 37,500,928
Accounts payable and accrued expenses	12,749,900	14,264,728
Deferred revenue	8,453,878	8,594,230
Due to Progressive MS Alliance	9,599,002	7,684,478
Other current liabilities	830,433	661,211
Total current liabilities	65,585,848	68,705,575
Deferred rent, net of current portion	2,582,026	2,784,612
Obligations to annuitants, net of current portion	1,659,458	1,619,848
Other non-current liabilities	478,157	437,539
Total liabilities	70,305,489	73,547,574
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Unrestricted	63,827,269	56,040,027
Temporarily restricted	23,046,932	19,844,640
Permanently restricted	17,571,146	6,558,037
Total net assets	104,445,347	82,442,704
Total liabilities and net assets	$ 174,750,836	$ 155,990,278

The accompanying notes are an integral part of this consolidated financial statement.

NATIONAL MULTIPLE SCLEROSIS SOCIETY AND AFFILIATE
Consolidated Statement of Activities
For the year ended September 30, 2018, with summarized comparative information for the year ended September 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	2018 Total	2017 Total
OPERATING REVENUE					
Public support					
Special events	$ 132,575,048	$ -	$ -	$ 132,575,048	$ 137,332,453
Less: Cost of direct benefits to donors	(22,199,125)	-	-	(22,199,125)	(22,838,966)
Net special events	110,375,923	-	-	110,375,923	114,493,487
Contributions from individuals, corporations, and foundations	42,549,681	5,780,738	-	48,330,419	46,696,988
Endowment contributions	-	-	12,000,000	12,000,000	25,000
Bequests and trust income	15,371,988	1,528,645	-	16,900,633	14,408,515
Contributed public service announcements, services, and goods	11,123,668	-	-	11,123,668	15,392,483
Total public support	179,421,260	7,309,383	12,000,000	198,730,643	191,016,473
Advertising, program fees, and other	4,677,800	-	-	4,677,800	3,352,179
Investment income designated for operations	145,245	-	-	145,245	104,316
Net assets released from restrictions	5,598,419	(5,598,419)	-	-	-
Total operating revenue	189,842,724	1,710,964	12,000,000	203,553,688	194,472,968
OPERATING EXPENSES					
Program services					
Research	38,933,324	-	-	38,933,324	44,224,433
Client and community services	46,148,100	-	-	46,148,100	47,728,145
Public education	40,297,354	-	-	40,297,354	46,289,260
Professional education and training	5,742,797	-	-	5,742,797	5,906,834
Total program services	131,121,575	-	-	131,121,575	144,148,672
Support services					
Fundraising	39,743,970	-	-	39,743,970	40,118,238
Management and general	16,101,394	-	-	16,101,394	16,516,101
Total supporting services	55,845,364	-	-	55,845,364	56,634,339
Total operating expenses	186,966,939	-	-	186,966,939	200,783,011
Changes in net assets from operations	2,875,785	1,710,964	12,000,000	16,586,749	(6,310,043)
NONOPERATING ACTIVITIES					
Investment return, net	3,324,653	1,645,776	-	4,970,429	7,125,006
Redesignation of net assets by donor	1,586,804	(586,804)	(1,000,000)	-	-
Adjustment of research grant liability	-	-	-	-	6,309,326
Change in fair value of beneficial interest in trust	-	182,029	13,109	195,138	26,248
Change in value of split-interest agreements	-	250,327	-	250,327	181,041
Total nonoperating activities	4,911,457	1,491,328	(986,891)	5,415,894	13,641,621
Changes in net assets before realignment	7,787,242	3,202,292	11,013,109	22,002,643	7,331,578
Inherent contribution acquired through realignment	-	-	-	-	51,082,387
Changes in net assets	7,787,242	3,202,292	11,013,109	22,002,643	58,413,965
Net assets, beginning of year	56,040,027	19,844,640	6,558,037	82,442,704	24,028,739
Net assets, end of year	$ 63,827,269	$ 23,046,932	$ 17,571,146	$ 104,445,347	$ 82,442,704

The accompanying notes are an integral part of this consolidated financial statement.

NATIONAL MULTIPLE SCLEROSIS SOCIETY AND AFFILIATE
Consolidated Statement of Cash Flows
For the year ended September 30, 2018, with summarized comparative information for the year ended September 30, 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 22,002,643	$ 58,413,965
Adjustments to reconcile changes in net assets to net cash provided by operations		
Non-cash portion of inherent contribution acquired through realignment	-	(26,905,484)
Net realized and unrealized gains on investments	(2,558,361)	(7,229,322)
Adjustment of research grant liability	-	(6,309,326)
Depreciation and amortization	2,363,651	2,720,339
Change in value of beneficial interest in trusts	(195,138)	(26,248)
Change in value of split-interest agreements	(250,327)	(181,041)
Deferred rent	13,310	(876,102)
Changes in:		
Contributions receivable	(1,251,390)	2,715,802
Prepaid expenses and other assets	676,640	368,187
Accounts payable and accrued expenses	(1,730,724)	(1,960,057)
Grants payable	(3,548,293)	(1,445,525)
Deferred revenue	(140,352)	(1,032,631)
Other liabilities	256,513	111,637
Due to Progressive MS Alliance	1,914,524	5,008,008
Liability to annuitants	(7,063)	(474,148)
Net cash provided by operating activities	17,545,633	22,898,054
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	(448,458)	(2,083,169)
Purchase of investments	(42,348,348)	(35,424,186)
Proceeds from sales of investments	28,463,929	31,750,822
Net cash used in investing activities	(14,332,877)	(5,756,533)
Net increase in cash and cash equivalents	3,212,756	17,141,521
Cash and cash equivalents, beginning of years	51,107,512	33,965,991
Cash and cash equivalents, end of years	$ 54,320,268	$ 51,107,512

The accompanying notes are an integral part of this consolidated financial statement.

NATIONAL MULTIPLE SCLEROSIS SOCIETY AND AFFILIATE
Consolidated Statement of Functional Expenses
For the year ended September 30, 2018, with summarized comparative information for the year ended September 30, 2017

	Program Activities					Supporting Services				Grand Total	
	Research	Client and Community Services	Public Education	Professional Education and Training	Total	Fund-Raising	Management and General	Total	Direct Donor Benefits	2018	2017
Salaries, payroll taxes, and benefits	$ 2,852,507	$ 28,905,107	$ 21,861,548	$ 2,903,644	$ 56,522,806	$ 15,225,074	$ 10,216,674	$ 25,441,748	$ -	$ 81,964,554	$ 83,608,658
Grants, awards, and prizes	34,195,887	3,239,714	9,798	1,674,702	39,120,101	53,630	1,970	55,600	2,648,677	41,824,378	47,683,856
Contributed public service announcements, services, and goods	418,833	46,057	10,244,161	3,296	10,712,347	395,938	15,383	411,321	961,580	12,085,248	16,603,553
Professional fees	272,655	5,616,418	2,195,254	255,568	8,339,895	7,509,217	1,749,797	9,259,014	-	17,598,909	16,121,850
Occupancy	200,057	3,501,724	2,602,575	299,931	6,604,287	2,001,782	1,400,022	3,401,804	3,852,783	13,858,874	14,091,044
Conferences, meetings, and travel	842,198	2,159,638	882,924	450,059	4,334,819	1,746,333	274,519	2,020,852	8,395,171	14,750,842	13,661,776
Printing, publication, and postage	22,107	571,136	2,415,739	38,870	3,047,852	3,515,097	461,886	3,976,983	-	7,024,835	7,946,887
Credit card fees and bank fees	2,537	38,200	32,278	-	73,015	4,362,894	89,451	4,452,345	-	4,525,360	4,325,097
Depreciation and amortization	23,637	437,275	11,818	-	472,730	543,640	1,347,281	1,890,921	-	2,363,651	2,720,339
Other	102,906	1,632,831	41,259	116,727	1,893,723	4,390,365	544,411	4,934,776	6,340,914	13,169,413	16,858,947
Total expenses	38,933,324	46,148,100	40,297,354	5,742,797	131,121,575	39,743,970	16,101,394	55,845,364	22,199,125	209,166,064	223,622,007
Less: Cost of direct benefits to donors	-	-	-	-	-	-	-	-	(22,199,125)	(22,199,125)	(22,838,996)
Total expenses as reported on the consolidated statement of activities - 2018	$ 38,933,324	$ 46,148,100	$ 40,297,354	$ 5,742,797	$ 131,121,575	$ 39,743,970	$ 16,101,394	$ 55,845,364	$ -	$ 186,966,939	$ 200,783,011
Total expenses as reported on the consolidated statement of activities - 2017	$ 44,224,433	$ 47,728,145	$ 46,289,260	$ 5,906,834	$ 144,148,672	$ 40,118,238	$ 16,516,101	$ 56,634,339	$ -		$ 200,783,011

The accompanying notes are an integral part of this consolidated financial statement.

1. ORGANIZATION

National Multiple Sclerosis Society and Affiliate (collectively, the "Society"), a national not-for-profit health agency, envisions a world free of Multiple Sclerosis ("MS"). Everything the Society does is focused so that people affected by MS can live their best lives as we stop MS in its tracks, restore what has been lost, and end MS forever. The Society is comprised of offices across the country and is governed by a national board of directors and supported by local boards of trustees. The Society's mission is fulfilled through funding cutting-edge research grants and training programs, driving change through advocacy, collaborating with MS organizations worldwide, and connecting people affected by MS to information, resources and people to live their best lives now. To move us ever closer to a world free of MS, the Society, in fiscal 2018 alone, invested over $39 million to support more than 400 new and ongoing research projects around the world. The Society also provides information and services to the estimated one million people diagnosed with MS in the US.

National Multiple Sclerosis Society qualifies as a charitable organization as defined by Internal Revenue Code ("IRC") Section 501(c)(3) and, accordingly, is exempt from federal income taxes under IRC section 501(a). Additionally, since National Multiple Sclerosis Society is publicly supported, contributions qualify for the maximum charitable contribution deduction under the IRC. Fast Forward LLC ("Fast Forward"), its consolidated not-for-profit affiliate, derives its tax exemption from National Multiple Sclerosis Society and is treated as a "disregarded entity" for tax purposes.

Effective October 1, 2016 the Society consolidated the 36 chapters and the national headquarters into a single entity under one federal employer's identification number. The unified entity issues one set of audited financial statements and files a single tax return. This aligns the Society's resources to maximize its impact so that each person affected by MS can live their best life while we relentlessly pursue a cure for everyone with MS. For accounting purposes, the transition was treated as an acquisition of 100% of the assets and liabilities of the 36 chapters by the Society. Total assets acquired from the 36 chapters approximated $73.7 million and net assets acquired approximated $51 million. No consideration was given in exchange for these interests.

2. SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements consist of the accounts of National Multiple Sclerosis Society and Fast Forward, a not-for-profit limited liability company of which National Multiple Sclerosis Society is the sole member.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and the amounts of revenues and expenses during the reporting period, the most significant of which include the fair values assigned to certain financial instruments; the collectability of contributions receivable; the fair value of contributed public service announcements; and the useful lives assigned to property and equipment. Actual results could differ from those estimates.

Basis of Accounting

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting in accordance with U.S. GAAP. Accordingly, all significant intercompany accounts and transactions have been eliminated in the accompanying consolidated financial statements. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

Accordingly, the net assets of the Society and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets available at the discretion of management and the Board of Directors (the "Board"). These net assets may be used by the Society in support of any of its program or supporting services.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that will be met either by actions of the Society and/or passage of time.

Permanently restricted net assets - Net assets which contain certain donor-imposed restrictions that stipulate that such resources be maintained permanently by the Society. Generally, the donors of these assets permit the Society to use all or part of the income earned on related investments for general or specific purposes.

Revenue Recognition

Contributions (including unconditional promises to give) are recorded at fair value when received. Contributions received with donor stipulations that limit the use of the donated assets are reported as either temporarily restricted or permanently restricted support. Unconditional promises to give, with payments due in future years, are reported as either temporarily restricted or permanently restricted support, discounted to present value using credit adjusted discount rates which articulate with the collection period of the respective pledge. Such discount rates are not subsequently revised. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported on the consolidated statement of activities as net assets released from restrictions.

Special event, contribution, and advertising revenues are recorded on an accrual basis as earned. Revenue from program-related fees are recorded at fair value when earned.

Unconditional bequests (donations received under terms of a will) are reported as revenues when notification of the bequest is received, the amount is reasonably determinable, and the probate court declares the will valid.

Fast Forward receives contributions under separate collaboration agreements with other not-for-profit organizations to fund certain Sponsored Research Agreements ("SRAs") entered with certain organizations for the purpose of conducting specified research and development and therapeutic strategies for multiple sclerosis ("R&D") activities. Amounts received, which are refundable to the related not-for-profit organizations if not spent for the specified activities, are recorded as support when the activities have been performed or expenditures have been incurred by the recipient organizations.

Allowance for Doubtful Accounts

The Society maintains an allowance for doubtful accounts for estimated losses that may result from the inability of donors or advertisers to make payments. Such allowances are based on several factors, including but not limited to, historical collection experience, and the financial condition of its markets, donors or advertisers. Accounts are written off when deemed to be uncollectible.

Functional Allocation of Expenses

The costs of providing Society programs and supporting services have been summarized on a functional basis on the consolidated statements of activities and functional expenses.

The following is a description of Society programs activities:

Research - The Society supports research projects around the world aimed at stopping multiple sclerosis in its tracks, restoring function, and ending the disease forever.

Client and Community Services - Programs, services and resources for people living with multiple sclerosis and affected by multiple sclerosis which facilitate education, recreation, physical and emotional wellness, provide financial resources and a connection for people living with multiple sclerosis. Also includes costs associated with collaborating with other community organizations, focusing on access to healthcare, rehabilitation, treatments and therapies; long-term care; disability rights issues; vocational training and rehabilitation, wellness and fitness; and, outreach and education to rural and underserved populations.

Public Education - Costs associated with educating the public about multiple sclerosis including the Society's annual multiple sclerosis awareness campaign, public service announcements, Momentum, which is the Society's flagship magazine distributed quarterly to people with multiple sclerosis, healthcare providers, supporters of the Society, and MS Connection newsletter, which includes information about programs and activities in local markets.

Professional Education and Training - Activities or programs designed to improve the knowledge, skills and critical judgment of physicians and other healthcare professionals engaged (directly or indirectly) in providing client services by keeping them abreast of new diagnostic techniques and therapies.

Supporting services represent costs for administrative and general support activities not directly related to program services. Fundraising includes salaries and related expenses of employees involved in fundraising activities.

Research Grants

Research grants, which are generally awarded for three to five years, are recognized in accordance with defined payment schedules, and as the related conditions on which they depend are met. Research grants are subject to revocation rights by the Society and the continued qualification of grantees, among other criteria. Accordingly, grants are evaluated annually and expensed as approved. Society policy regarding the recognition of grants payable is to include only those amounts for which a specific grantee is identified, and the respective grant has been approved by the Society's President and CEO.

Payments made under Sponsored Research Agreements are recognized as an expense, as services or R&D activities are performed by the funded entities in accordance with the terms of the respective SRA. Funding commitments by Fast Forward, for which future payments are conditioned upon achieving certain stipulated milestones, as set forth in the respective SRA, are not recognized in the financial statements.

Joint Costs

The Society accounts for costs of activities that include both a fundraising appeal and informational content (joint costs) in accordance with standards incorporated in the Accounting Standards Codification ("ASC") of the Financial Accounting Standards Board. In fiscal year 2018, the Society incurred joint costs of $3,693,906 for information materials and activities that included fundraising appeals.

These costs have been allocated as follows as of September 30, 2018:

Fundraising	$ 2,437,758
Management and general	325,389
Public education	930,759
Total	$ 3,693,906

Concentration of Credit Risk

Cash, cash equivalents and investments are exposed to various risks, such as interest rate, market and credit risks. To manage such risks, the Society has a diversified investment portfolio in a variety of asset classes managed by an independent investment manager. The Society's cash, cash equivalents and investments are placed with high credit quality financial institutions. The Society regularly evaluates its investments, including performance thereof. Due to inherent risks and potential volatility in investment valuations, the amounts reported on the accompanying consolidated financial statements can vary substantially from year to year. The Society maintains its cash in various bank deposit accounts that, at times, may exceed federally insured limits; however, the Society does not anticipate nonperformance by these financial institutions.

Cash and Cash Equivalents

The Society considers highly liquid investments with original maturities of three months or less from the date purchased, other than those held in the investment portfolio, to be cash equivalents. At September 30, 2018, substantially all the Society's cash and cash equivalents were on deposit with one financial institution.

Contributions Receivable

At September 30, 2018, the Society's contributions receivable, net, consist of the following:

Amounts expected to be collected:	
In less than one year	$ 13,001,140
Less: Allowance for doubtful accounts	(203,367)
Net contributions receivable - current	12,797,773
One to three years	3,775,750
Less: Discount to present value	(160,949)
Net contributions receivable - long-term	3,614,801
Total	$ 16,412,574

Long-term contributions receivable are discounted using rates ranging from 0.85% to 4.62%.

Investments and Investment Return

Investments in mutual funds and equity securities are reported at fair value, based on published unit values or quoted market prices in active markets as of the reporting date. Investments in debt securities are carried at fair value, based on measurement inputs derived directly from quoted market prices or observable inputs, such as quoted market prices for similar securities, interest rates, credit risks, and other factors. Investments in certificates of deposit are carried at cost, which approximates fair value. Donated securities are recorded at their quoted fair values on the date received. Warrants received in connection with the funding of SRAs are stated at their estimated fair value. Income earned from investments, including realized and unrealized gains and losses and interest and dividends, is recorded in the net asset class owning the assets, except for permanently restricted net assets where the income is recorded as temporarily restricted and then reclassified to unrestricted upon appropriation for expenditure by the Board in accordance with the Society's spending rate policy.

Split-Interest Agreements and Beneficial Interest in Trust

Under the Society's annuity program, the Society is the beneficiary of a number of split-interest agreements established with donors, whereby the Society controls and invests the donated assets and shares with the donors or the donor's designee(s) income generated from these assets until such time as stated in the agreement (usually upon death of the donor or the donor's designee(s)). At that time, the residual assets are available for use by the Society subject to any restrictions stipulated by the donor.

The Society records a liability for amounts payable to annuitants, using an actuarial calculation performed at the time of gift. The obligation to the annuitant is accreted to the amount payable to annuitants over their life expectancies and adjustments are made annually for changes in mortality, if any, and results from the investment of donated assets. The Society's liability to annuitants at September 30, 2018 is based on a discount rate of 6% per annum and totaled $1,846,435, of which $1,659,458 is reflected within the consolidated statement of finance position as due to annuitants for the non-current portion and $186,977 is included within other current liabilities for the current portion. State-mandated reserves related to these arrangements are maintained at required levels.

In situations where the assets are controlled and invested by an independent third-party, the Society records a beneficial interest in trust and contribution revenue for its share of the assets at fair value based on the present value of the estimated future distributions to be received by the Society over the expected term of the respective agreements. The Society's beneficial interest in trusts at September 30, 2018 total $1,442,243.

Property and Equipment

Property and equipment are carried at cost, if purchased or if donated, at fair value at the date of gift, less accumulated depreciation and amortization. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, generally three to seven years. Amortization of leasehold improvements is provided on the straight-line method over the lesser of their estimated useful lives or the terms of the related lease.

Due to Progressive MS Alliance

The Society is a managing member, along with Associanzione Italiana Sclerosi Multipla (Italy), MS Research Australia, Multiple Sclerosis International Federation, MS Society (United Kingdom), and the Multiple Sclerosis Society of Canada, of the Progressive MS Alliance (the "Alliance"). The Alliance is open to MS organizations from around the world and is continually seeking new member organizations from the global MS community. The Alliance made a joint commitment to accelerate the development of treatment for progressive MS by removing scientific and technological barriers. The Alliance has four strategic objectives which include: raise profile and accelerate progress, secure resources and globalize research funding, inspire, galvanize and engage among priority stakeholders and deliver operational excellence by aligning resources.

As a managing member, the Society committed to providing funds of approximately $21,900,000 over the following seven years conditional on various factors. In addition, the Society maintains custody of the pooled funds contributed from other Alliance members. The disbursement of funds for various progressive MS research initiatives are approved by voting Alliance members. The Society received a total of $6,026,594 during the year ending September 30, 2018 from Alliance members, which will be held until such time the funds are approved for expenditure. As of September 30, 2018, the Society recorded unspent donated funds, consisting of both Society and other Alliance members' monies, totaling $9,599,002, as a liability.

Donated Goods and Services

Donated goods and services, including public service announcements and donated advertising, used by the Society in programs, special events, and supporting services, are reflected as in-kind contributions and expensed on the accompanying consolidated financial statements at their estimated fair value at the date of receipt.

The Society received donated print, radio and television public service announcements of approximately $10.7 million for the year ended September 30, 2018. Such amounts, which are based upon information provided by third-party media services, are recorded at their estimated fair value determined on the date of contribution and are reported as contributed public service announcements revenue, public education program expense and fundraising expense on the accompanying consolidated statements of activities and functional expenses.

Highly qualified volunteers serving on peer review research committees have donated their time and efforts to the Society. These contributed services, which meet the recognition criteria under U.S. GAAP, totaled $416,635 for the year ended September 30, 2018. Such amounts are recorded at their estimated fair value at the date of contribution and are reported as contributions from individuals, corporations and foundations revenue and research expenses on the accompanying consolidated statements of activities and functional expenses.

A number of volunteers, including members of the Board of Directors, have made significant contributions of their time in furtherance of Society' program and support functions. The value of this contributed time does not meet the criteria for recognition as contributed services in accordance with U.S. GAAP and, accordingly, is not reflected in the accompanying consolidated financial statements.

Deferred Rent

Rent expense/income is recorded on a straight-line basis over the term of the respective lease. The difference between rental payments made/received under the lease and rent expense/income calculated on a straight-line basis is recorded as deferred rent receivable or deferred rent liability on the consolidated statement of financial position.

Accounting for Uncertainty in Income Taxes

Guidance in "Accounting for Uncertainty in Income Taxes" under the Financial Accounting Standards Board (the "FASB") Accounting Standards Codification, clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This standard provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if the position is "more-likely-than-not" to be sustained, if the position were to be challenged by a taxing authority. The standard also provides guidance on measurement, classification, interest and penalties, and disclosure. The Society has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and, to identify and evaluate other matters that may be considered tax positions. The Society has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements. In addition, the Society has not recorded a provision for income taxes as it has no material tax liability from unrelated business income activities.

Subsequent Events

The Society has evaluated subsequent events through February 13, 2019, the date the consolidated financial statements were available for issuance. The Society is not aware of any subsequent events which would require recognition or disclosure in the accompanying consolidated financial statements.

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers", to clarify the principles for recognizing revenue and to improve financial reporting by creating common revenue recognition guidance for U.S. GAAP and International Financial Reporting Standards. The core principle of the new guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for these goods and services. Subsequently, the FASB issued ASU 2015-14, "Revenue from Contracts with Customers, Deferral of the Effective Date," which deferred the effective date of ASU 2014-09 for one year. As such, ASU 2014-09 will be effective for the Society for annual reporting periods beginning after December 15, 2018. The Society is currently evaluating the impact of ASU 2014-09 at this time.

In February 2016, the FASB issued ASU 2016-02, "Leases", which requires that most leased assets be recognized on the balance sheet as assets and liabilities for the rights and obligations created by these leases. An entity is required to apply the amendments in ASU 2016-02 under the modified retrospective transition approach. This approach includes a number of optional practice expedients. Under these practical expedients, an organization will continue to account for leases that commence before the effective date in accordance with current U.S. GAAP, unless the lease is modified. However, lessees are required to recognize on the balance sheet leased assets and liabilities for operating leases at each reporting date. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019. The Society is currently evaluating the impact of ASU 2016-02 at this time.

In August 2016, the FASB issued ASU 2016-14, "Presentation of Financial Statements for Not-For-Profit Entities," which makes targeted changes to the not-for-profit financial reporting model. The new ASU marks the completion of the first phase of a larger project aimed at improving not-for-profit financial reporting. Under the new standard, net asset reporting will be streamlined and clarified. The existing three-category classification of net assets will be replaced with a simplified model that combines temporarily restricted and permanently restricted into a single category called "net assets with donor restrictions." The guidance for classifying deficiencies in endowment funds and on accounting for the lapsing of restrictions on gifts to acquire property, plant, and equipment have also been simplified and clarified. New disclosures will highlight restrictions on the use of resources that make otherwise liquid assets unavailable for meeting near-term financial requirements. Not-for-profits will continue to have flexibility to decide whether to report an operating subtotal and if so, to self-define what is included or excluded. However, if the operating subtotal includes internal transfers made by the governing board, transparent disclosures must be provided. The standard also imposes several new requirements related to reporting expenses, including providing information about expenses by their natural classification. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017. While the Society does not expect the ASU to have a material accounting effect, we do anticipate moderate changes to our financial reporting model under which the financial statements will be presented under ASU 2016-14.

3. SPECIAL EVENTS REVENUE

A summary of the Society's special events revenue for the year ended September 30, 2018 is as follows:

Event	
Bike MS	$ 66,069,968
Walk MS	43,289,909
Dinners, luncheons, and leadership events	17,290,232
Other special events	3,046,601
Muckfest MS	2,878,338
Total special events revenue, gross	132,575,048
Less: Cost of direct benefits to donors	(22,199,125)
Total special events revenue, net	$ 110,375,923

4. FAIR VALUE MEASUREMENTS

The Society follows guidance for fair value measurements that defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. As required by U.S. GAAP for fair value measurements, the Society uses a fair value hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the measurement date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 - Pricing inputs other than quoted prices in an active market, which are either directly or indirectly observable as of the measurement date. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.

Level 3 - Securities that have little to no pricing observability as of the measurement date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by an entity. The Society considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Society's perceived risk of that instrument.

The fair values assigned to investments and split-interest arrangements are based on the quoted fair values of the underlying securities as of the measurement date.

The following table provides the fair value hierarchy of the Society's financial instruments as of September 30, 2018:

	Level 1	Level 2	Level 3	Total
Investments, investments related to endowment, and investments related to charitable gift annuities				
Equities	$ 44,392,008	$ -	$ -	$ 44,392,008
Mutual funds	44,395,440	-	-	44,395,440
Other investments	-	-	267,173	267,173
Total investments reported on the fair value hierarchy	88,787,448	-	267,173	89,054,621
Cash and cash equivalents				1,942,653
Total investments				90,997,274
Beneficial interest in trust	-	-	1,442,243	1,442,243
Total	$ 88,787,448	$ -	$ 1,709,416	$ 92,439,517

Beneficial interest in trust is stated at fair value based on the trust's reporting of the underlying assets as of the reporting date.

Stock warrants, which are included in other investments in the table above, are valued using Level 3 inputs, based primarily on the estimation and allocation of enterprise value among the equity classes of each of the companies that issued the warrants using acceptable valuation approaches for privately held, early-stage companies, which the Society considers to be reasonable.

Changes in fair value of investments measured with Level 3 inputs are as follows:

	Other Investments	Beneficial Interest in Trust	Total
Balance September 30, 2017	$ 136,934	$ 1,447,435	$ 1,584,369
Distributions and releases	-	(301,538)	(301,538)
Contributions	-	20,947	20,947
Change in fair values	130,239	275,399	405,638
Balance September 30, 2018	$ 267,173	$ 1,442,243	$ 1,709,416

5. INVESTMENT RETURN

The components of the Society's net investment gains, including the change in fair value of split-interest agreements ($250,327), in the accompanying consolidated statement of activities are as follows for the year ended September 30, 2018:

Interest and dividends	$ 2,040,272
Net realized and unrealized gains on investments	3,581,071
	5,621,343
Less: Investment advisory fees	(255,342)
Total	$ 5,366,001

6. PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consist of the following at September 30, 2018:

Furniture and fixtures	$ 390,182
Equipment	4,411,180
Leasehold improvements	4,600,032
Software	5,494,603
	14,895,997
Less: Accumulated depreciation and amortization	(9,955,205)
Total	$ 4,940,792

7. EMPLOYEE RETIREMENT PLAN

The Society participates in a 401(k) Plan for all eligible employees of the Society. The Society will match 100% of the first 3% of employee contributions to the plan plus 50% on the next 2% for a maximum Safe Harbor Match contribution of 4% of pay each payroll period. For the fiscal year ended September 30, 2018, pension expense totaled $2,009,784, after application of forfeitures.

8. LEASES

The Society leases space for 98 offices throughout the United States through leases with terms expiring between fiscal 2019 and fiscal 2026 and containing provisions for future rent increases that are included in the future minimum lease payments below and are amortized using the straight-line method over the lease terms.

The Society sublets a portion of its premises in New York, NY and Chicago, IL under non-cancellable sublease agreements. The subleases are co-terminus with the respective leases.

Rent expense computed on the straight-line basis, totaled approximately $7.2 million for the year ended September 30, 2018. The Society recorded a deferred rent liability at September 30, 2018 of $3,225,483, the current portion of which $643,457 is reflected within other current liabilities on the consolidated statement of financial position, and a deferred rent receivable at September 30, 2018 of $341,291, which is reflected in the consolidated statement of financial position as part of prepaid expenses and other current assets.

Approximate future minimum lease commitments due under property and equipment operating leases and related minimum sublease income are as follows:

Year Ending September 30,	Lease Payments	Sublease Income
2019	$ 6,832,794	$ 828,577
2020	6,299,753	841,145
2021	5,490,885	848,996
2022	3,105,236	559,612
2023	972,502	38,923
Thereafter	888,116	-
Total	$ 23,589,286	$ 3,117,253

9. RESEARCH AND DEVELOPMENT ACTIVITIES

Research and Fellowship Grants

The Society's program services include funding for research and fellowship projects to be conducted in the future, generally over three to five-year periods. These projects are funded by unrestricted net assets and revenue to be generated by the Society. Commitments for research and fellowship projects are subject to, among other things, revocation rights by the Society, the continued qualifications of grantees, and the grantees satisfying prior conditions before payment.

Outstanding future commitments for research and fellowship projects, which are not recorded within grants payable on the accompanying consolidated statement of financial position, due to their conditional nature, are as follows:

Year Ending September 30,	Research and Fellowships
2019	$ 16,524,040
2020	7,811,991
2021	1,930,941
2022	539,764
Total	$ 26,806,736

Commercial Research Grant Funding

Fast Forward enters into SRAs with selected biotechnology companies and academic institutions engaged in research and development projects aimed at identifying and developing therapies and or diagnostics to improve the treatment of multiple sclerosis. Fast Forward also funds programs to facilitate the translation of academic multiple sclerosis research discoveries into commercial development. Under the SRAs, Fast Forward agrees to provide funding for specified R&D activities, payable as defined milestones are achieved. Fast Forward funds SRAs from the public support it receives from donors or through the Society, and from other funding entities under collaboration agreements. Under certain SRAs, Fast Forward received warrants or options to purchase ordinary shares, preferred stock, or common stock, of the respective R&D companies. In addition, certain SRAs entitle Fast Forward to royalties upon the achievement of specified developmental milestones for funded projects.

There were no warrants received during fiscal 2018; however an investment that was funded from 2013 to 2015 resulted in payments totaling $1,050,000 made to the Society, which is reflected within advertising, program fees, and other on the accompanying consolidated statement of activities.

In fiscal 2018, the Society deployed a total of $710,061 through Fast Forward to funded entities under SRAs.

Collaboration Agreement with Other Not-for-Profit Organizations

During fiscal 2018, there were two projects co-funded through a collaboration agreement with a non-for-profit organization, which were still active as of September 30, 2018. Total funds deployed by the Society in fiscal 2018 to projects co-funded by the not-for-profit organization totaled $273,671. Of these disbursements during fiscal 2018, $87,082 is reflected within research expense on the consolidated statement of activities and $186,589 is reflected within prepaid expenses and other current assets on the consolidated statement of financial position. The prepaid expense balance associated with the collaboration agreements totaled $393,446 as of September 30, 2018. Outstanding conditional funding commitments under the collaboration agreements totaled $1.1 million, of which $998,563 is expected to be satisfied in fiscal 2019.

SRAs Fully Funded from Public Support and Collaboration Agreement with Other Not-for-Profit Organizations

As of September 30, 2018, Fast Forward had four active projects funded by public support and collaboration agreements with other not-for-profit organizations. Total funds deployed by the Society to the entities funded under these SRAs totaled approximately $436,390 in fiscal 2018. Of these disbursements, $61,954 is reflected within research expense on the consolidated statement of activities, and $374,436 is reflected within prepaid expenses and other current assets on the consolidated statement of financial position. The prepaid expense balance associated with the collaboration agreements totaled $353,804 as of September 30, 2018. Outstanding conditional funding commitments under these SRAs at September 30, 2018 totaled $560,032, of which $498,092 is expected to be satisfied in fiscal 2019.

10. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets for research, educational, and other purposes at September 30, 2018 are as follows:

Purpose	
Research	$ 6,211,896
Client and community services	
General programs and services	4,635,782
Wellness initiatives	1,281,595
Care management services	1,049,491
Direct financial assistance	526,589
Pediatric and family services	640,823
Professional education	1,051,525
Other services and operational support	2,175,560
Unappropriated endowment investment income	3,025,457
	20,598,718
Time restriction	1,826,342
Charitable gift annuities	621,872
Total	$ 23,046,932

During fiscal year 2018, net assets were released following satisfaction of donor restrictions as follows:

Research	$ 2,146,691
Client and community services	
Wellness	884,883
Direct financial assistance	440,082
Care management services	339,806
Other programs and services	1,786,957
Total	$ 5,598,419

11. PERMANENTLY RESTRICTED NET ASSETS

The Society's permanently restricted net assets consist of endowment funds established for a variety of purposes. Net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions, if any.

Interpretation of Relevant Law

The State of New York passed the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), its version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). All not-for-profit organizations formed in New York must apply this law.

The Society classifies as permanently restricted net assets: (a) the original value of gifts donated to its permanent endowment; (b) the original value of subsequent gifts to its permanent endowment; and (c) accumulations to its permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until such amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA. In the event prudent Board appropriations or investment losses on the endowment fund reduce the assets of the endowment funds below the permanently restricted net asset amount required to be maintained by law or donor stipulation, such declines are charged to the unrestricted fund and subsequent future investment income or gains that restore the fair value of the assets of the endowment fund to the required level are classified as increases in unrestricted net assets.

In accordance with NYPMIFA, the Society considers the following factors in making a determination to appropriate for expenditure or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the endowment fund
(2) General purposes of the organization and its donor-restricted endowment fund
(3) General economic conditions
(4) Possible effect of inflation and deflation
(5) Expected total return from income and appreciation of endowment investments
(6) Other resources of the organization
(7) The investment policy of the organization, and
(8) Where appropriate, alternatives to spending from donor-restricted endowment funds and the possible effects on the Society

The Society's endowment consists of donor-restricted endowment funds, restricted to the following purposes as of September 30, 2018:

Marilyn Hilton MS Achievement Center	$ 12,000,000
Research	762,604
Client and community services	
Direct financial assistance	897,444
Pediatric and family services	449,137
Other services and programs	1,555,282
Unrestricted operating purposes	1,906,679
Total	$ 17,571,146

Return Objectives and Risk Parameters

The Society's endowment fund consists of assets that must be held in perpetuity or for specified time periods stipulated by the donors. The Society maintains investment and spending policies for its endowment assets aimed at providing predictable and steady support for the Society's research, programmatic and administrative activities. Under this policy, the endowment assets are invested in a manner intended to preserve their value consistent with such donor stipulations, minimize the effect of high economic volatility and/or low investment return and provide funding for the programs specified by the donors.

Endowment Investment Spending Policy

For all endowment funds that have a value greater than their original gift, the spending rate (stated as a percentage) will be reviewed by the Investment Committee of the Society's Board of Directors and established on an annual basis. The annual spending rate on Endowed Funds held by the Society may range from a minimum of 0% to a maximum of 7%. The Investment Committee will recommend the annual spending rate which will be incorporated into the budget review and approval process by the Finance Committee of the Board of Directors.

In establishing the spending rate, the Investment Committee shall rely on the five-year rolling average market value (20 quarters) of the Endowment Fund assets calculated as of six-months prior to the fiscal year commencement date. For the fiscal year ended September 30, 2018, a 7% spending rate on endowments was approved.

The following summarizes the activity of the endowment fund assets for the fiscal year ended September 30, 2018:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Year ended September 30, 2017	$ -	$ 2,585,437	$ 6,558,037	$ 9,143,474
Contributions	-	-	12,000,000	12,000,000
Investment gain	-	1,494,673	13,109	1,507,782
Redesignation of net assets by donor	-	(586,804)	(1,000,000)	(1,586,804)
Appropriation of endowment earnings	-	(145,245)	-	(145,245)
Reclassifications	-	(322,604)	-	(322,604)
Year ended September 30, 2018	$ -	$ 3,025,457	$ 17,571,146	$ 20,596,603

SUPPLEMENTARY INFORMATION

NATIONAL MULTIPLE SCLEROSIS SOCIETY AND AFFILIATE
Consolidating Schedule of Financial Position
As of September 30, 2018

	Society	Fast Forward LLC	Eliminations	Consolidated
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 54,320,268	$ -	$ -	$ 54,320,268
Contributions receivable, net	12,797,773	-	-	12,797,773
Contributions receivable due from Fast Forward	2,870,203	-	(2,870,203)	-
Investments	71,564,907	263,172	-	71,828,079
Prepaid expenses and other current assets	5,031,370	747,250	-	5,778,620
Total current assets	146,584,521	1,010,422	(2,870,203)	144,724,740
Contributions receivable, net	3,614,801	-	-	3,614,801
Property and equipment, at cost, net of accumulated depreciation	4,940,792	-	-	4,940,792
Investments related to endowment	16,700,888	-	-	16,700,888
Investments related to charitable gift annuities	2,468,307	-	-	2,468,307
Beneficial interests in trusts	1,442,243	-	-	1,442,243
Other non-current assets	859,065	-	-	859,065
Total assets	$ 176,610,617	$ 1,010,422	$ (2,870,203)	$ 174,750,836
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current Liabilities				
Grants payable	$ 33,952,635	$ -	$ -	$ 33,952,635
Accounts payable and accrued liabilities	12,749,900	-	-	12,749,900
Deferred revenue	8,453,878	-	-	8,453,878
Due to Progressive MS Alliance	9,599,002	-	-	9,599,002
Due to National MS Society	-	2,870,203	(2,870,203)	-
Other current liabilities	830,433	-	-	830,433
Total current liabilities	65,585,848	2,870,203	(2,870,203)	65,585,848
Deferred rent, net of current portion	2,582,026	-	-	2,582,026
Obligation to annuitants, net of current portion	1,659,458	-	-	1,659,458
Other non-current liabilities	478,157	-	-	478,157
Total liabilities	70,305,489	2,870,203	(2,870,203)	70,305,489
NET ASSETS (DEFICIT)				
Unrestricted	66,504,229	(2,676,960)		63,827,269
Temporarily restricted	22,229,753	817,179	-	23,046,932
Permanently restricted	17,571,146	-	-	17,571,146
Total net assets (deficit)	106,305,128	(1,859,781)	-	104,445,347
Total liabilities and net assets (deficit)	$ 176,610,617	$ 1,010,422	$ (2,870,203)	$ 174,750,836

This schedule should be read in conjunction with the accompanying report of independent certified public accountants and the consolidated financial statements and notes thereto.

NATIONAL MULTIPLE SCLEROSIS SOCIETY AND AFFILIATE
Consolidating Schedule of Activities
For the year ended September 30, 2018

	Society	Fast Forward LLC	Eliminations	Consolidated
OPERATING REVENUE				
Public support				
Special events	$ 132,575,048	$ -	$ -	$ 132,575,048
Less: Cost of direct benefits to donors	(22,199,125)	-	-	(22,199,125)
Net special events	110,375,923	-	-	110,375,923
Contributions from individuals, corporations, and foundations	48,317,188	13,231	-	48,330,419
Endowment contributions	12,000,000	-	-	12,000,000
Bequests and trust income	16,900,633	-	-	16,900,633
Contributed public service announcements, services, and goods	11,123,668	-	-	11,123,668
Total public support	198,717,412	13,231	-	198,730,643
Advertising, program fees, and other	3,627,800	1,050,000	-	4,677,800
Investment income designated for operations	145,245	-	-	145,245
Total operating revenue	202,490,457	1,063,231	-	203,553,688
OPERATING EXPENSES				
Program services				
Research	38,059,033	874,291	-	38,933,324
Client and community services	46,148,100	-	-	46,148,100
Public education	40,297,354	-	-	40,297,354
Professional education and training	5,742,797	-	-	5,742,797
Total program services	130,247,284	874,291	-	131,121,575
Support services				
Fundraising	39,743,970	-	-	39,743,970
Management and general	16,101,394	-	-	16,101,394
Total supporting services	55,845,364	-	-	55,845,364
Total operating expenses	186,092,648	-	-	186,966,939
Changes in net assets from operations	16,397,809	188,940	-	16,586,749
NONOPERATING ACTIVITIES				
Investment returns, net	4,968,893	1,536	-	4,970,429
Change in fair value of beneficial interest in trusts	195,138	-	-	195,138
Change in value of split-interest agreements	250,327	-	-	250,327
Total nonoperating activities	5,414,358	1,536	-	5,415,894
Changes in net assets	21,812,167	190,476	-	22,002,643
Net assets (deficit), beginning of year	84,492,961	(2,050,257)	-	82,442,704
Net assets (deficit), end of year	$ 106,305,128	$ (1,859,781)	$ -	$ 104,445,347

This schedule should be read in conjunction with the accompanying report of independent certified public accountants and the consolidated financial statements and notes thereto.