

MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.

AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2015 and 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Multidisciplinary Association for Psychedelic Studies, Inc. and subsidiaries

We have audited the accompanying consolidated financial statements of Multidisciplinary Association for Psychedelic Studies, Inc. (a nonprofit organization) and subsidiaries, which comprise the consolidated statements of financial position as of May 31, 2015 and 2014, and the related consolidated statements of activities, functional expenses, and cash flows for the years 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

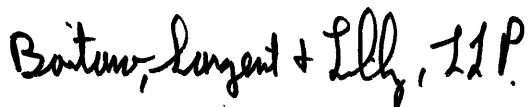
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable 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 auditors' 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 auditors consider internal control relevant to the entity'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 entity'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 financial position of Multidisciplinary Association for Psychedelic Studies, Inc. and subsidiaries as of May 31, 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.



BOITANO, SARGENT & LILLY, LLP
San Jose, California
March 31, 2016

**MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.
AND SUBSIDIARIES**

Consolidated Statements of Financial Position
May 31, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents	\$ 2,115,152	\$ 1,016,467
Investments	6,729,472	7,150,597
Promises to give	333,570	1,237,375
Inventory	76,605	37,962
Notes receivable	140,785	38,517
Property and equipment, net	12,228	-
Other assets	25,921	10,276
Total assets	\$ 9,433,733	\$ 9,491,194
 Liabilities and net assets		
Liabilities		
Accounts payable	\$ 182,936	\$ 58,123
Accrued expenses	87,943	69,896
Total liabilities	270,879	128,019
Net Assets		
Unrestricted net assets	8,763,633	8,451,907
Temporarily restricted net assets	399,221	911,268
Total net assets	9,162,854	9,363,175
Total liabilities and net assets	\$ 9,433,733	\$ 9,491,194

The accompanying notes are an integral part of these financial statements.

**MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.
AND SUBSIDIARIES**

Consolidated Statements of Activities
For the Years Ended May 31, 2015 and 2014

	2015	2014
Unrestricted net assets		
Revenue		
Contributions	\$ 557,851	\$ 481,298
Contributions - fiscal sponsors	119,564	186,808
Bequest	-	1,939,280
Events and activities	112,278	30,680
Merchandise sales, net	44,311	24,885
In-kind contributions	24,361	17,937
Investment income, net	466,826	628,925
Net assets released from restrictions	2,242,542	814,674
Total revenue	3,567,733	4,124,487
Expenses		
Program services	2,593,787	1,790,820
Management and general	360,722	306,154
Fund raising	301,498	228,092
Total expenses	3,256,007	2,325,066
Increase in unrestricted net assets	311,726	1,799,421
Temporarily restricted net assets		
Contributions	1,730,495	1,572,002
Net assets released from restrictions	(2,242,542)	(814,674)
Increase (decrease) in temporarily restricted net assets	(512,047)	757,328
Change in net assets	(200,321)	2,556,747
Net assets, beginning of year	9,363,175	6,806,428
Net assets, end of year	\$ 9,162,854	\$ 9,363,175

The accompanying notes are an integral part of these financial statements.

**MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.
AND SUBSIDIARIES**

Consolidated Statement of Functional Expenses
For the Year Ended May 31, 2015

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Salaries and related expenses				
Salaries and wages	\$ 722,083	\$ 92,225	\$ 161,797	\$ 976,105
Payroll taxes	47,006	9,899	14,538	71,443
Employee benefits	96,934	40,707	25,004	162,645
Total salaries and related expenses	<u>866,023</u>	<u>142,831</u>	<u>201,339</u>	<u>1,210,193</u>
Services and supplies				
Clinical research	1,115,851	-	-	1,115,851
Event expense	139,349	1,322	19,019	159,690
Education and outreach	16,271	-	-	16,271
IT expenses	78,175	27,381	5,944	111,500
Insurance	2,859	6,472	-	9,331
Office expenses	36,998	10,365	17,833	65,196
Occupancy	24,137	24,331	3,766	52,234
Postage and delivery	39,438	-	-	39,438
Fiscal sponsor - education	117,871	-	-	117,871
Staff development	-	12,012	2,769	14,781
Professional expenses	93,636	115,998	24,845	234,479
Marketing expenses	21,789	-	16,983	38,772
Conferences, conventions, and meetings	41,390	20,010	9,000	70,400
Total services and supplies	<u>1,727,764</u>	<u>217,891</u>	<u>100,159</u>	<u>2,045,814</u>
Total expenses	<u><u>\$ 2,593,787</u></u>	<u><u>\$ 360,722</u></u>	<u><u>\$ 301,498</u></u>	<u><u>\$ 3,256,007</u></u>

The accompanying notes are an integral part of these financial statements.

**MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.
AND SUBSIDIARIES**

Consolidated Statement of Functional Expenses
For the Year Ended May 31, 2014

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Salaries and related expenses				
Salaries and wages	\$ 493,244	\$ 87,673	\$ 143,789	\$ 724,706
Payroll taxes	38,474	7,829	11,087	57,390
Employee benefits	71,250	32,333	16,434	120,017
Total salaries and related expenses	<u>602,968</u>	<u>127,835</u>	<u>171,310</u>	<u>902,113</u>
Services and supplies				
Clinical research	732,389	-	-	732,389
Event expense	51,480	-	8,719	60,199
Education and outreach	21,931	-	-	21,931
IT expenses	28,030	19,118	7,609	54,757
Insurance	-	8,874	-	8,874
Office expenses	28,591	-	12,435	41,026
Occupancy	28,985	24,529	7,648	61,162
Postage and delivery	10,737	11,569	5,232	27,538
Fiscal sponsor - education	193,433	-	-	193,433
Staff development	99	10,864	75	11,038
Professional expenses	42,934	93,437	5,384	141,755
Marketing expenses	24,972	-	1,689	26,661
Conferences, conventions, and meetings	24,271	9,928	7,991	42,190
Total services and supplies	<u>1,187,852</u>	<u>178,319</u>	<u>56,782</u>	<u>1,422,953</u>
Total expenses	<u>\$ 1,790,820</u>	<u>\$ 306,154</u>	<u>\$ 228,092</u>	<u>\$ 2,325,066</u>

The accompanying notes are an integral part of these financial statements.

**MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.
AND SUBSIDIARIES**

Consolidated Statements of Cash Flows
For the Years Ended May 31, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Change in net assets	\$ (200,321)	\$ 2,556,747
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized gain on investments	(504,975)	(652,011)
(Increase) decrease in operating assets		
Promises to give	903,805	162,846
Inventory	(38,643)	6,698
Notes receivable	(102,268)	(27,938)
Other assets	(15,645)	3,885
Increase (decrease) in operating liabilities		
Accounts payable	124,813	9,896
Accrued expenses	18,047	28,523
Net cash provided by operating activities	184,813	2,088,646
 Cash flows from investing activities		
Purchases of property and equipment	(12,228)	-
Purchases of investments	(58,149)	(2,180,801)
Proceeds from sale of investments	984,249	63,552
Net cash provided (used) by investing activities	913,872	(2,117,249)
 Increase (decrease) in cash and cash equivalents	1,098,685	(28,603)
 Cash and cash equivalents, beginning of year	1,016,467	1,045,070
 Cash and cash equivalents, end of year	\$ 2,115,152	\$ 1,016,467

The accompanying notes are an integral part of these financial statements.

**MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements
May 31, 2015 and 2014

Note 1 – Nature of activities

The Multidisciplinary Association for Psychedelic Studies, Inc. (MAPS), a not-for-profit corporation, was incorporated in 1986 in response to the criminalization of MDMA (methylenedioxyamphetamine). MAPS was incorporated to conduct a wide range of research and educational activities with psychedelic substances, and to develop standards and practices for psychedelic psychotherapy. MAPS' vision is a world where psychedelics and marijuana are legally available to people for medical, therapeutic, psychospiritual, personal growth and exploration purposes. MAPS seeks to bring an end to the fear and irrationality that have surrounded psychedelics and marijuana for decades, committing instead to the systematic scientific evaluation of their risks and benefits as treatments for some of the world's most debilitating and hard-to-treat conditions.

MAPS Public Benefit Corporation (MPBC), a for profit Delaware corporation, was established in 2015 for the purpose of balancing the potential income from the legal sale of MDMA with the social benefits of MAPS' mission by serving as a vehicle for conducting MAPS' psychedelic and marijuana research initiatives. MPBC is a wholly owned subsidiary of MAPS.

MAPS, Inc., a Canadian not-for-profit, was incorporated in 2014 according to the Society Act of British Columbia, Canada for the purpose of carrying out fundraising and research activities in Canada. MAPS has controlling financial interest in MAPS, Inc.

Principles of Consolidation

The consolidated financial statements include the accounts of MAPS, MPBC and MAPS, Inc. All material inter-company accounts and transactions have been eliminated in the consolidation. The entities are collectively referred to as "the Organization".

Key Accomplishments:

- Current sponsorships of four multi-year clinical studies of MDMA-assisted psychotherapy for the treatment of PTSD. MAPS-sponsored investigators enrolled the final subject in the study for veterans and first responders in Charleston, SC; enrolled the 22nd subject with PTSD from any cause in Boulder, CO; enrolled the 4th subject in Israel; enrolled the 5th subject in Vancouver, Canada.
- MAPS-sponsored investigators have enrolled the 8th subject in our study into the safety and effectiveness of MDMA-assisted therapy examining effective treatments for adults on the autism spectrum with social anxiety, who often face social adaptability challenges and greater anxiety, and depression than typically developing adults.
- MAPS-sponsored investigators enrolled the first 3 subjects in our study examining the safety and effectiveness of MDMA-assisted psychotherapy in adults with anxiety associated with life-threatening illness.

Note 2 – Summary of significant accounting policies

(a) Basis of Net Assets Presentation

The Organization is required to report information regarding its financial position and activities according to the following three classes of net assets:

Unrestricted Net Assets - Net assets not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time.

**MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements
May 31, 2015 and 2014

Note 2 – Summary of significant accounting policies (continued)

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations which are required to be held in perpetuity. As of May 31, 2015 and 2014, the Organization had no permanently restricted net assets.

- (b) Contributions
Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.
- (c) Cash and Cash Equivalents
Cash and cash equivalents include investments in highly liquid debt instruments with original maturities of 90 days or less, excluding cash received with a donor-imposed restriction that limits its use for long-term purposes.
- (d) Investments
Investments in marketable securities with readily determinable fair values are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.
- (e) Property and Equipment
Property and equipment are capitalized at cost or fair value at the date of donation. It is the Organization's policy to capitalize expenditures in excess of \$1,000. Lesser amounts are generally expensed. Depreciation is provided over the estimated useful life of the asset ranging from five to thirty-nine years and is computed on the straight-line method.
- (f) Taxes
MAPS is a non-profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. MPBC is a for profit corporation that is subject to federal and California corporate taxes as well as Delaware franchise tax fees. MAPS, Inc. is a Canadian not for profit subject to the Society Act of British Columbia, Canada.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax position and believes that all of the positions taken on its unrelated business taxable income relating to MPBC and in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Organization's returns are subject to examination by federal and state taxing authorities, generally three years and four years respectively, after they are filed.

- (g) Long-lived Assets
Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset and long-lived assets to be disposed of by sale are reported at the lower of carrying amount or fair value less costs to sell.

**MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.
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Notes to Consolidated Financial Statements
May 31, 2015 and 2014

Note 2 – Summary of significant accounting policies (continued)

(h) 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. Significant estimates include fair value of investments and the determination of functional expense allocations.

Note 3 – Promises to give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the same year. All other restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Management has determined outstanding promises to give are fully collectible and no allowance has been provided. Promises to give at May 31, 2015 and 2014 consist of:

	2015	2014
Due within 1 year	\$ 333,570	\$ 671,652
Due within 2 to 5 years	-	600,000
Gross promises to give	333,570	1,271,652
Present value discount	-	(34,277)
Net promises to give	\$ 333,570	\$ 1,237,375

The present value of estimated future cash flows on promises to give was determined using a discount rate of 3% for the year ended May 31, 2014.

Note 4 – Inventory

Inventory is stated at the lower of cost (determined on the first-in, first-out basis) or market. Inventory consists of books, DVD's, clothing, and other promotional items available for sale.

Note 5 – Notes receivable

The Organization has two unsecured notes receivable from unrelated organizations. As of May 31, 2015 and 2014, the unpaid balance was \$140,785 and \$38,517, respectively. These notes do not have specific repayment terms and carry a 5% annual interest rate. Management believes that these notes are fully collectible; therefore, no allowance has been provided.

Note 6 – Other assets

Other assets primarily consist of security deposits and miscellaneous receivables.

**MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.
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Notes to Consolidated Financial Statements
May 31, 2015 and 2014

Note 7 – Investment income

During 2013, the Organization established the Curing PTSD Fund (the Fund), a donor-advised fund managed by The San Francisco Foundation. MAPS is the sole designated beneficiary of the Fund. As of May 31, 2015 and 2014, investments stated at fair value were \$6,729,472 and \$7,150,597, respectively. Investment income was summarized as follows:

	<u>2015</u>	<u>2014</u>
Interest and dividend	\$ 46,100	\$ 40,466
Unrealized gain	504,975	652,011
Management fees	(84,249)	(63,552)
Investment income, net	<u>\$ 466,826</u>	<u>\$ 628,925</u>

Note 8 – Fair value measurements

The Organization's financial assets and liabilities are carried at fair value and have been classified into a three-tier hierarchy based on Financial Accounting Standards for Fair Value Measurements. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

Level 1 – Quoted prices in active markets for identical investments.

Level 2 – Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and the fair value is determined through the use of models or other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include privately held investments and partnership interests.

The following table presents the fair value hierarchy for financial assets measured at fair value on a recurring basis:

	<u>Fair value measurement at reporting date using:</u>		
	<u>Fair value</u>	<u>Level 1</u>	<u>Level 3</u>
May 31, 2015			
US equities	\$ 15,211	\$ 15,211	\$ -
US equity funds	2,282,849	2,282,849	-
International equity funds	1,409,995	1,409,995	-
Alternative investments	1,678,565	-	1,678,565
Fixed income funds	<u>1,342,852</u>	<u>1,342,852</u>	-
Total Investments	<u>\$ 6,729,472</u>	<u>\$ 5,050,907</u>	<u>\$ 1,678,565</u>
May 31, 2014			
US equity funds	\$ 2,552,763	\$ 2,552,763	\$ -
International equity funds	1,651,788	1,651,788	-
Alternative investments	1,723,294	-	1,723,294
Fixed income funds	<u>1,222,752</u>	<u>1,222,752</u>	-
Total Investments	<u>\$ 7,150,597</u>	<u>\$ 5,427,303</u>	<u>\$ 1,723,294</u>

**MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.
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Notes to Consolidated Financial Statements
May 31, 2015 and 2014

Note 8 – Fair value measurements (continued)

The table below summarizes the activities for investments classified as Level 3 measured at fair value on a recurring basis for the years ended May 31:

	<u>2015</u>	<u>2014</u>
Balance, beginning of the year	\$ 1,723,294	\$ 1,296,876
Investments purchased (sold)	(216,900)	516,316
Investment income (loss)	172,171	(89,898)
Balance, end of the year	<u>\$ 1,678,565</u>	<u>\$ 1,723,294</u>

Note 9 – Property and equipment

Property and equipment consists of the following at May 31:

	<u>Life</u>	<u>2015</u>	<u>2014</u>
Equipment	5 to 7 years	\$ 66,275	\$ 66,275
Leasehold improvement	5 years	12,228	-
Accumulated depreciation		(66,275)	(66,275)
Property and equipment, net		<u>\$ 12,228</u>	<u>\$ -</u>

Note 10 – Accrued expenses

Accrued expenses primarily include accrued payroll expenses, education benefits and retirement plan contributions.

Note 11 – In-kind contributions

In-kind contributions primarily consist of donated services related to clinical research activities.

Note 12 – Operating lease commitments

On March 12, 2015, the Organization entered into a five-year lease for the premises located at 1215 Mission St., Santa Cruz, California at a lease rate of \$4,266 per month. The yearly minimum future lease payments are as follows:

<u>Year Ending May 31,</u>	<u>Lease Payments</u>
2016	\$ 51,192
2017	51,192
2018	51,192
2019	51,192
2020	<u>51,192</u>
Total due	<u>\$ 255,960</u>

**MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.
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Notes to Consolidated Financial Statements
May 31, 2015 and 2014

Note 13 – Retirement plan

The Organization has a SEP-IRA plan covering all eligible employees. Depending on the years of employment, the Organization can contribute up to 10% of an eligible employee's annual compensation to the plan. Employee contributions are not required under this plan. For the years ended May 31, 2015 and 2014, the Organization contributed \$44,775 and \$34,923 to the plan, respectively. The amount was included in the accrued expenses on the statements of financial position.

Note 14 – Temporarily restricted net assets

As of May 31, 2015 and 2014, temporarily restricted net assets designated for special research projects and events were \$399,221 and \$911,268, respectively.

Note 15 – Concentration

For the years ended May 31, 2015 and 2014, the Organization maintains cash balances in several banks. Accounts at each institution are insured by the FDIC up to a current maximum of \$250,000. During the year, the Organization may maintain cash balances in excess of FDIC limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk in these accounts.

The Organization has concentrations of risk as a result of contributions from major donors. Contributions received from the top three donors, as a percentage of total contributions for the years ended May 31, 2015 and 2014, were 55% and 52%, respectively. Promises to give from the top two donors account for 84% and 93% of total promises to give at May 31, 2015 and 2014, respectively.

Note 16 – MAPS Public Benefit Corporation

On February 3, 2015, the Board approved the purchase of 905 shares of MPBC's common stock at \$2,000 per share for the total of \$1,810,000 for the purposes of funding MPBC's operations. Management anticipates purchasing additional shares as research activities expand. As described in note 1, all accounts and transactions related to MPBC were consolidated into these financial statements. If stated separately, the income statement of MPBC would be as follows:

	<u>2015</u>
Interest Income	<u>\$ 24</u>
Expenses	
Payroll and related	230,316
Clinical research	426,257
Travel	6,862
IT expenses	25,464
Professional services	36,446
Office expenses	<u>29,997</u>
Total expenses	<u>755,342</u>
Net loss	<u>\$ (755,318)</u>

**MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.
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Notes to Consolidated Financial Statements
May 31, 2015 and 2014

Note 16 – MAPS Public Benefit Corporation (continued)

If stated separately, the balance sheet of MPBC would be as follows:

	2015
Assets	
Cash and cash equivalents	\$ 222,662
Due from MAPS	931,378
Prepaid expenses	10,500
Total assets	\$ 1,164,540
 Liabilities and Equity	
Accounts payable	\$ 109,858
Common stocks	1,810,000
Retained earnings	(755,318)
Total liabilities and equity	\$ 1,164,540

Note 17 – MAPS, Inc.

Activities related to MAPS, Inc. were converted to U.S. Dollar at year end. Management believes fluctuation in currency is not material to the consolidated financial statements. As described in note 1, all accounts and transactions related to MAPS, Inc. were consolidated into these financial statements. If stated separately, the income statement of MAPS, Inc. would be as follows:

	2015
Contribution income	\$ 140,418
Expenses	
Personnel	11,249
Clinical research	109,691
Total expenses	120,940
Net income	\$ 19,478

If stated separately, the balance sheet of MAPS, Inc would be as follows:

	2015
Assets	
Cash and cash equivalents	\$ 36,468
 Liabilities and Equity	
Accounts payable	\$ 16,990
Retained earnings	19,478
Total liabilities and equity	\$ 36,468

**MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.
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Notes to Consolidated Financial Statements
May 31, 2015 and 2014

Note 18 – Evaluation of subsequent events

The Organization has evaluated events subsequent to May 31, 2015, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through March 31, 2016, the date the financial statements were available to be issued.

On July 23, 2015, the Board of Directors approved the purchase of additional 660 shares of MPBC's common stocks at \$2,000 per share for the total of \$1,320,000.

The Organization obtained a \$2.15 million grant from the State of Colorado Department of Public Health and Environment for the study of four different varieties of marijuana in 76 US veterans with PTSD, contingent on obtaining all the final approvals from Institutional Review Boards and Drug Enforcement Administration.