

Annual Financial Report

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OUR YEAR-END FINANCIAL REPORT from the Multidisciplinary Association for Psychedelic Studies (MAPS) is a key element in our commitment to transparency. This report complements our year-long focus on strategically and efficiently leveraging the resources that our donors have so generously empowered us to use towards realizing our shared mission of transforming psychedelics and marijuana into FDA-approved prescription medications.

Our goal with this Financial Report is to enable MAPS supporters and the public to see our priorities in action through how we allocate our limited funds. Should you have any questions about any items in this financial report, you are invited to inquire at askmaps@maps.org.

As I write this report, we are in the midst of having our books reviewed for the second year in a row by a team of independent auditors. We're paying for these audits on our own initiative with the hope to eventually obtain financial support from major foundations or government research agencies, which require audited financials as a prerequisite for funding. We're anticipating needing to raise ever-larger amounts as we work to complete our Phase 2 pilot studies of MDMA-assisted psychotherapy for PTSD, then to initiate the pivotal Phase 3 multi-site studies required to prove safety and efficacy prior to FDA approval for prescription use. Similarly, though with an in-house team, we're monitoring the data in our Phase 2 studies to build organizational capacity for operating at the level of pro-

fessionalism and accountability needed for our pharmaceutical drug development research.

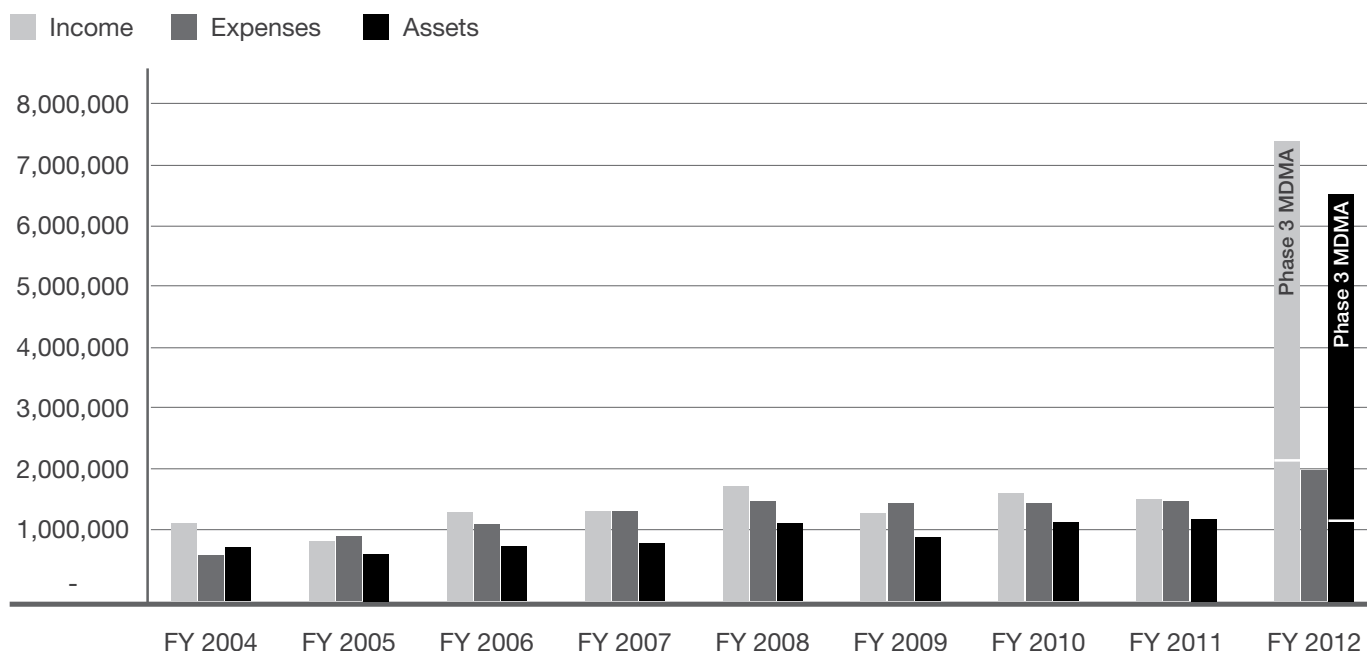
What follows is a comprehensive reporting and discussion of MAPS' income and expenses for FY 11-12 (June 1, 2011 to May 31, 2012).

OVERVIEW FY 11-12

MAPS' income in FY 11-12 was \$7.37 million, expenses were \$1.99 million, changes in net assets were \$5.38 million, and total assets at the end of FY 11-12 were \$6.54 million. This compares to income in FY 10-11 of \$1.47 million, expenses of \$1.38 million, changes in net assets of \$90,000, and total assets at the end of FY 10-11 of \$1.16 million.

The most significant financial development in FY 11-12, and also the saddest, was the bequest that MAPS received from the estate of Board of Directors member Ashawna Hailey, amounting to an estimated \$5.5 million. This is an estimated number because, according to auditing procedures that we are adopting this year, the full estimated amount of the bequest needs to be allocated in the year the bequest was received. This is the case even when not all the funds are actually disbursed in that fiscal year, as with Ashawna's bequest since it will take some time to sell all of the assets. MAPS actually received \$3.2 million of the bequest in FY 11-12, and has received another \$800,000 so far in FY 12-13. In addition, some of Ashawna's assets are not liquid and may eventually be sold for less than book value.

Chart 1. MAPS Fiscal Year 2004 - 2012 Income, Expenses & Assets



MAPS' change in net assets in FY 11-12 was \$5.38 million, about \$170,000 less than the \$5.5 million booked from Ashawna's bequest. Without Ashawna's bequest, MAPS had a net loss of about \$170,000. However, MAPS would otherwise have received \$200,000 from Ashawna for unrestricted operational expenses. In the absence of the bequest but with that \$200,000, MAPS would have brought in about \$30,000 more than we spent in FY 11-12.

The amount Ashawna bequeathed to MAPS represents half (4/8) of his charitable bequests, with another 1/8 given to the Marijuana Policy Project (which they used to help legalize marijuana in Colorado), another 1/8 to the Drug Policy Alliance (for drug policy reform), another 1/8 for the American Civil Liberties Union (for drug policy reform), and the remaining 1/8 to the San Jose Second Harvest food bank. The

recipients of Ashawna's bequest illustrate the direct link he saw between scientific research with psychedelics and marijuana and drug policy reform.

Ashawna cared most about MAPS' work developing the therapeutic use of MDMA. As a result, MAPS' Board of Directors has chosen to restrict \$200,000 of his donation to start a new study of MDMA in adults on the Autism Spectrum and the remaining \$5.3 million to our Phase 3 studies of MDMA-assisted psychotherapy for PTSD, which will start within the next three years at a cost we currently estimated to be \$10-\$15 million. There's a wide range of estimated Phase 3 expenses since the costs will depend on the design of the Phase 3 studies, which will be determined at an End-of-Phase 2 meeting with the FDA in two to three years. By restricting Ashawna's bequest in this manner, our goal is to leverage his donation in

Chart 2. Statement of Activities

Statement of Activities

Revenue and Support	FY11-12
Support from Individuals	6,434,201
Support from Foundations	257,500
Event Income	257,297
Sales	71,101
Investment and Other Income	353,687
Total Revenue and Support	\$ 7,373,786
Cost of Goods Sold	(32,043)
Gross Profit	\$ 7,341,743
Expenses	
Research	718,258
Education	595,986
Total Programs	1,314,244
Fundraising	186,661
Operations	455,905
Total Expenses	\$ 1,956,810
Other Income (Expense)	(2,692)
Change in Net Assets	\$ 5,382,240

**These funds are restricted to Phase 3 drug development of MDMA-assisted psychotherapy for the treatment of posttraumatic stress disorder.*

Chart 3. Statement of Financial Position

Statement of Financial Position

Assets	FY11-12
Cash and Equivalents	4,274,610
Pledges Receivable	2,328,630
Other Current Assets	43,553
Total Assets	\$ 6,646,793
Liabilities	FY11-12
Accounts Payable and Accrued Expenses	103,588
Total Liabilities	\$ 103,588
Net Assets	FY11-12
Unrestricted	652,286
Board Restricted	5,531,613
Temporarily Restricted	359,306
Total Net Assets	\$ 6,543,205
Total Liabilities and Net Assets	\$ 6,646,793

Chart 4. Temporarily Restricted, Board Restricted & Other Restricted Funds

	Temporarily Restricted May 31, 2012	Board Restricted May 31, 2012
MDMA Studies		
US MDMA/PTSD Veterans	196,238	
US MDMA/PTSD Interns	57,284	
US MDMA/PTSD Phase 3		5,331,613
US MDMA Adult Autism		200,000
US MDMA Training		
Canada MDMA/PTSD		
Israel MDMA/PTSD		
Jordan MDMA/PTSD	26,398	
Total MDMA	\$ 279,920	\$ 5,531,613
Ibogaine Studies		
New Zealand Ibogaine	9,141	
Mexico Ibogaine	4,620	
Total Ibogaine	\$ 13,761	
Marijuana Studies		
Vaporizer Study	10,364	
Start Up Fund (UMass Amherst)	4,900	
MJP1-1	2,748	
Total Marijuana	\$ 18,012	
LSD/Psilocybin Studies		
LSD/Psilocybin General	32,408	
LSD Swiss Study	13,205	
Total LSD/Psilocybin	\$ 45,613	
Other Studies		
Ketamine Research	1,000	
Creativity Study	1,000	
Total Other Studies	\$ 2,000	
Total Temporarily Restricted and Board Restricted Funds	\$ 359,306	\$ 5,531,613
Other Non MAPS Funds Available for Projects		
Swiss LSD Study	4,822	
Total Other Funds	\$ 4,822	

the most efficient way possible. Raising the remaining funds for Phase 3 will be easier since we will already have a significant fraction of the funds we need, so we hope donors will see that it is not such an insurmountable sum to raise. In addition, we reason that reserving funds for Phase 3 will make it easier to raise the roughly \$3 million we estimate we still need to complete Phase 2, since the chances we'll be able to conduct and complete our Phase 3 studies is now more realistic.

In addition to Ashawna's bequest, MAPS received \$350,000 in one-time net income in FY 11-12 from the sale of a remainder interest in a home in La Jolla, Calif., which MAPS received in a bequest from Eric Bass in FY 94-95. MAPS also received \$75,000 in FY 11-12 from a bequest from Larry Thomas. MAPS also received \$350,000 from Larry Thomas's bequest in FY 10-11 and will receive a final payment of about \$25,000 in FY 12-13, making the total value of Larry Thomas's bequest about \$450,000. The three largest donations in MAPS' 26-year history have all come from bequests. For those reading this report, please consider adding MAPS to your wills.

In addition to the bequests from Ashawna and Larry Thomas, MAPS received most of our other income from our top 18 donors, who collectively donated \$869,127. Peter Lewis donated \$225,000; David Bronner, Adam Wiggins, and the Keeler Foundation each donated \$100,000; the Mental Insight Foundation and the Riverstyx Foundation each donated \$60,000; Robert Barnhart donated \$51,850; the Libra Foundation donated \$35,000; Matt Bowden donated \$25,000; John Gilmore donated \$20,000; Vanya Palmers donated \$16,152; Bill Linton donated \$12,500, as did an anonymous donor; Larry Haggman donated \$11,100; Ian Brown donated \$10,025; Gerald Gaines donated \$10,000, as did Wendy Grace and Rene Ruiz/Sue Mosher. MAPS received an additional \$176,487 from 38 other donors of amounts between \$1000 and \$10,000.

Chart 5. MAPS FY12 Actuals & FY13 Projected Detail Expenditures

Research	FY11-12 Actuals	FY12-13 Projected
Ayahuasca		
Ayahuasca-Assisted Treatment for Addiction (Canada)	14,880	
Total Ayahuasca	\$ 14,880	
Ibogaine		
Ibogaine-Assisted Therapy for Addiction (Mexico)	8,603	13,306
Ibogaine-Assisted Therapy for Additction (New Zealand)	5,859	9,137
Total Ibogaine	\$ 14,462	22,443
LSD/Psilocybin		
LSD-Assisted Psychotherapy for Anxiety (Switzerland)	42,233	18,812
Total LSD/Psilocybin	\$ 42,233	18,812
Marijuana		
Medical Marijuana Production Facility (Massachusetts)	4,978	1,000
Marijuana for Symptoms of PTSD in Veterans of War (Arizona)	1,443	6,203
Marijuana for Symptoms of PTSD	4,449	2,000
Total Marijuana	\$ 10,870	9,203
MDMA		
MDMA Literature Review	3,764	9,076
MDMA-Assisted Psychotherapy for PTSD (Australia)	11,759	237
MDMA-Assisted Psychotherapy for PTSD (Canada)	2,433	75,644
MDMA-Assisted Psychotherapy for PTSD (UK)	372	500
MDMA-Assisted Psychotherapy for PTSD (Israel)	44,062	164,495
MDMA-Assisted Psychotherapy for PTSD (Jordan)	1,866	500
MDMA-Assisted Psychotherapy for PTSD: Caps Comparison	71	
MDMA-Assisted Psychotherapy for PTSD (Switzerland)	25,794	2,653
MDMA-Assisted Psychotherapy for PTSD (US-Colorado)	27,468	138,675
MDMA-Assisted Psychotherapy for PTSD: Long-Term Followup (US-South Carolina)	8,656	
MDMA-Assisted Psychotherapy for PTSD: Pilot Study (US-South Carolina)	8,092	10,017
MDMA-Assisted Psychotherapy for PTSD: Relapse Treatment (US-South Carolina)	19,571	10,000
MDMA-Assisted Psychotherapy for PTSD: Veterants (US-South Carolina)	233,060	422,867
MDMA-Assisted Psychotherapy for PTSD: US Department of Defense		10,000
MDMA Research Support	55,298	43,969
MDMA Supply, Transportation, and Storage	3,941	8,750
MDMA-Assisted Psychotherapy: Therapist Adherence Criteria	449	15,377
MDMA-Assisted Psychotherapy Training Protocol (US-South Carolina)	13,041	25,629
MDMA-Assisted Psychotherapy for PTSD: Treatment Manual	1,001	7,020
MDMA-Assisted Therapy for Adults on the Autism Spectrum (US)	7,852	82,818
MDMA NIMH		5,379
MDMA-Assisted Psychotherapy for PTSD: Researcher Supervisory/Public Education Time	52,854	20,000
MDMA-Assisted Psychotherapy for PTSD: Therapist Training Program	4,656	5,000
Total MDMA	\$ 526,060	1,058,607
Other		
Statistical Software and Hardware	6,001	28,965
Clinical Research (General)	103,752	63,971
Total Other	\$ 109,753	92,936
Total Research	\$ 718,258	1,202,001

Donations less than \$1,000 came from about 2,000 additional donors and amounted to \$117,576. These unrestricted donations of less than \$1,000 are a crucial part of MAPS' success. These donations help us to cover some of our operational expenses, are part of building the MAPS community, lead to word-of-mouth contacts with new donors, and are the way some major donors began to get to know MAPS by enabling them to evaluate our work from the perspective of a member.

MAPS also brought in \$71,101 from sales of books, art, clothes and other items. Event income was \$257,297.

MAPS' expenses in FY 11-12 amounted to \$1.95 million. Of that amount, \$718,000 (37%) was for research; \$595,000 (30%) was for education; \$455,000 (23%) was for management and general operations, cost of products sold, employee benefits and office equipment; and \$186,000 (10%) was for the cost of fundraising.

A more detailed description of MAPS' expenses is provided here. From this list, the breadth of MAPS' activities can be seen more clearly, as can our strategic priorities.

	FY11-12 Actuals	FY12-13 Projected
Education		
Conferences and Events		
Psychedelic Science 2013	3,816	340,902
MAPS 25th Anniversary: Cartographie Psychedelica	352,426	
Psychedelic Harm Reduction Services	5,503	8,500
Outreach Events	45,207	27,601
Total Conferences & Events	\$ 406,952	377,003
Publishing		
MAPS Bulletin, Book Publishing and Brochures	39,527	34,000
Web and Internet Hosting	7,861	8,000
Web Administration	6,010	3,500
Social Media	2,424	19,500
Email Newsletter	7,279	7,500
Web Content Development	10,334	2,500
Advertising	20,713	7,165
Education Staff and General Expense	94,886	77,031
Total Publishing	\$ 189,034	159,196
Total Education	\$ 595,986	536,199
Total Programs (Research & Education)	\$ 1,314,244	1,738,200
Administration		
Fundraising		
Events	29,194	2,204
MAPS International (Canada and Hungary)	32,141	5,000
Fundraising Staff and General Expense	125,326	143,315
Total Fundraising	\$ 186,661	150,519
Operational		
Business Expenses	21,364	23,250
Audit	25,714	12,500
Information Technology	17,754	35,696
Facilities and Equipment	14,618	10,301
Occupancy	42,166	38,050
Office Expenses	44,180	36,154
Staff	260,736	251,995
Staff Development	16,935	8,000
Travel	12,438	6,000
Total Operations	\$ 455,905	421,946
Total Administrative Expenses	\$ 642,566	572,466
Total Expenses	\$ 1,956,810	2,310,666

CONCLUDING COMMENTS

MAPS faces a major fundraising challenge in FY 12-13. In FY 11-12, we benefited from a one-time net gain of \$350,000 from the sale of our remainder interest in a home in La Jolla, Calif. We also received a donation of \$100,000 from the Keeler Foundation that will not be repeated this year. In addition, we received \$75,000 from the bequest of Larry Thomas and will receive the final payment of about \$25,000 this year (\$50,000 less than last year). This means that we received income of half a million dollars in FY 11-12 that will not be repeated in FY 12-13. In

addition, we're expanding our research agenda in FY 12-13 by about half a million dollars. In order to balance income and expenses in FY 12-13, we will need to bring in about \$1 million in new donations, while sustaining our other donations at the same level. This is a daunting challenge, especially after a U.S. presidential election year that consumed an estimated \$6 billion in non-taxable donations for all local, state, and federal races.

Nevertheless, MAPS' fundraising goals for FY12-13 are attainable. The need for research into the healing potential of psychedelics is profound, we are building a track record of

Chart 6. MDMA Research Projects

Key MDMA/PTSD Research Projects	Actuals 2009-10	Actuals 2010-11	Actuals 2011-12	Projected 2012-13	Projected 2013-14	Projected 2014-15	Projected 2015-16	Projected 2012-16
US MDMA/PTSD Pilot	110,000	19,241	7,239	10,017	0	0	0	10,017
US MDMA/PTSD Relapse	0	5,845	19,567	19,252	5,335	0	0	24,587
US MDMA/PTSD Veterans	35,806	147,600	202,867	463,124	276,890	55,212	13,600	808,826
US MDMA/PTSD Intern	0	0	19,172	138,675	140,288	140,820	26,394	446,177
Swiss MDMA/PTSD	33,500	30,666	25,544	2,653	0	0	0	2,653
Israel MDMA/PTSD	27,308	33,696	43,861	164,495	129,402	6,490	0	300,387
Canadian MDMA/PTSD	9,814	8,615	2,433	75,644	134,114	158,637	99,579	467,975
Jordanian MDMA/PTSD	31,456	21,458	1,831	0	0	0	0	0
UK MDMA/PTSD	0	1,347	372	500	0	0	0	500
Total Key MDMA Research Projects	\$ 247,884	268,468	322,887	874,360	686,029	361,159	139,573	2,061,122
Associated Projects								
End-of-Phase-2 Meeting with FDA	0	0	0	0	0	25,000		25,000
MDMA Literature Review	3,256	6,063	3,764	9,076	3,500	3,500		16,076
MDMA Therapist Adherence Criteria	0	0	0	15,377	5,000	5,000		25,377
MDMA Treatment Manual	8,752	5,219	1,001	7,020	1,000	1,000		9,020
MDMA Therapist Training Protocol	15,038	17,652	12,592	25,629	60,210	100,120		185,959
MDMA Researchers Retreats	27,067	2,092	0	0	25,000	0		25,000
Mithoefer Supervisory & PR	27,951	33,975	49,701	25,000	25,000	25,000		75,000
Site Differences in CAPS Scores	0	400	71	0	2,000	2,000		4,000
MDMA Research General	11,404	54,911	32,294	43,969	45,000	40,000		128,969
Clinical Research General	38,036	38,885	40,583	63,971	55,000	50,000		168,971
Total Associated Projects	\$ 131,504	159,197	140,006	190,042	221,710	251,620	0	663,372
Total MDMA Key and Associated Costs	\$ 379,388	427,665	462,893	1,064,402	907,739	612,779	139,573	2,724,494
Multi-Year Projected Costs	\$ 1,269,946 <i>over past three years</i>							
Multi-Year Projected Costs	\$ 2,724,494 <i>over next four years</i>							

Chart 7. MAPS 2012-2013 Projected Financials

Statement of Activities

Revenue and Support	FY12-13
Support from Individuals	1,169,215
Support from Foundations	202,500
Event Income	297,025
Sales	90,000
Investment and Other Income	61,200
Total Revenue and Support	\$ 1,819,940
Cost of Goods Sold	(36,000)
Gross Profit	\$ 1,783,940
Expenses	
Research	1,202,001
Education	536,199
Total Programs	1,738,200
Fundraising	150,519
Operations	421,946
Total Expenses	\$ 2,310,666
Change in Net Assets	\$ (526,726)
Temporarily Restricted Assets	(310,634)
Board Restricted Assets	(82,818)
Unrestricted Assets	(129,318)

success, and interest in our work is growing. As this year-end Financial Report is being written, we are looking forward soon to the publication in the *Journal of Psychopharmacology* of our scientific paper about the results of MAPS' long-term follow-up study to our initial U.S. study of MDMA-assisted psychotherapy for PTSD. In the initial study, we reported results at the follow-up two months after the last MDMA-assisted psychotherapy session. In our long-term follow-up, we've gathered data at a mean of 45 months (more than 3½ years) after the last MDMA-assisted psychotherapy session. We've found that, on average, the decline in PTSD symptoms was sustained over time, demonstrating that there are lasting benefits from our experimental treatment. We can now demonstrate that the therapeutic benefits are more than just a psychedelic afterglow, and instead represent profound and lasting changes.

The publication of our scientific paper will be covered by *The New York Times*, CNN, NPR, and other media. We're anticipating this will increase interest in MAPS' MDMA/PTSD research from PTSD researchers, military officials, the public, and both current and new donors.

In February 2013, the results of our successful Swiss MDMA/PTSD pilot study will be published in the *Journal of Psychopharmacology*. This study further demonstrates that MDMA-assisted psychotherapy can be safely and effectively administered to people suffering from chronic, treatment-resistant PTSD. The publication of these two papers should help with fundraising for the expansion of our Phase 2 MDMA/PTSD studies, with our Israeli, Canadian, and second U.S. study location in Boulder, Colo., all likely to enroll and treat their first patients in FY 12-13.

We're also working in FY 12-13 to write a scientific paper about the results of our completed Swiss study of LSD-assisted psychotherapy for end-of-life anxiety, which demonstrated safety and trends toward efficacy. This paper, when published, will also raise MAPS' profile and is likely to generate additional support for MAPS' research agenda.

Additional attention will be drawn to MAPS' research as a result of our Psychedelic Science 2013 conference, cosponsored by MAPS, the Beckley Foundation, the Council on Spiritual Practices, and the Heffter Research Institute. This will be the largest number of psychedelic researchers at the same conference ever to occur in the U.S. CNN has already contacted us about attending, so it will be well-reported. We invite you to join us for this historic event, with large-scale conferences like this switching back to Europe, perhaps in 2015 and 2017.

MAPS' mission has always been ambitious. Our fundraising challenges for FY 12-13 are the most challenging in the entire 26-year history of MAPS. As you contemplate your charitable donations, we offer this detailed report on our income and expenses from FY 11-12 for your review. Please consider making a generous donation to MAPS and mentioning MAPS in your wills. What was once forbidden, even for research, is now being studied and will, with your help, become an accepted and mainstream option for healing, inspiration, and spirituality. 🌍