

**MULTIDISCIPLINARY ASSOCIATION FOR  
PSYCHEDELIC STUDIES, INC. (MAPS)  
(A NOT-FOR-PROFIT CORPORATION)**

**REPORT ON AUDITED FINANCIAL STATEMENTS**

**MAY 31, 2011**

**Romeo C. Blanquera, CPA Inc.  
1115 Lincoln Avenue  
Napa, California 94558-4915  
(707) 253-1770 – Office  
(707) 253-2570 – Fax  
[www.romeo-cpa.com](http://www.romeo-cpa.com)**

MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.  
(A NOT-FOR-PROFIT CORPORATION)

|                                                                                                                                                                                                                  | <u>Page</u> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| INDEPENDENT AUDITOR’S REPORT                                                                                                                                                                                     | 1-2         |
| FINANCIAL STATEMENTS:                                                                                                                                                                                            |             |
| Statements of Financial Position                                                                                                                                                                                 | 3           |
| Statements of Activities                                                                                                                                                                                         | 4           |
| Statements of Cash Flows                                                                                                                                                                                         | 5           |
| Statements of Functional Expenses                                                                                                                                                                                | 6           |
| Notes to Financial Statements                                                                                                                                                                                    | 7-11        |
| REPORT ON INTERNAL CONTROL OVER FINANCIAL<br>REPORTING AND ON COMPLIANCE AND OTHER MATTERS<br>BASED ON AN AUDIT OF FINANCIAL STATEMENTS<br>PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING<br/>STANDARDS</i> | 12-13       |
| Status of Prior Year’s Audit Findings                                                                                                                                                                            | 14          |
| Board of Directors Roster                                                                                                                                                                                        | 15          |



*Romeo C. Blanquera, CPA Inc.*

"We Take Care of business like our own"

1115 Lincoln Avenue

Napa, CA 94558-4915

Tel: (707) 253-1770 Fax: (707) 253-2570

**www.romeo-cpa.com**

MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.  
(A NOT-FOR-PROFIT CORPORATION)

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Multidisciplinary Association for Psychedelic Studies, Inc.  
Santa Cruz, California

We have audited the accompanying statements of financial position of Multidisciplinary Association for Psychedelic Studies, Inc. (a not-for-profit corporation), as of May 31, 2011, and the related statements of activities, cash flows, and functional expenses for the twelve months period then ended. These financial statements are the responsibility of Multidisciplinary Association for Psychedelic Studies, Inc. management. Our responsibility is to express an opinion on these financial statements based on our audits. Prior year summarized comparative information has been derived from 2010 unaudited financial statements and as such, we are not expressing an opinion on them. This is the first year that Multidisciplinary Association for Psychedelic Studies, Inc. was audited.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respect, the financial position of Multidisciplinary Association for Psychedelic Studies, Inc. as of May 31, 2011 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.  
(A NOT-FOR-PROFIT CORPORATION)

INDEPENDENT AUDITOR'S REPORT

In accordance with *Auditing Standards*, we have also issued a report dated August 12, 2011 on our consideration of Multidisciplinary Association for Psychedelic Studies, Inc. internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were performed for the purpose of forming an opinion on the basis financial statements of Multidisciplinary Association for Psychedelic Studies, Inc. taken as a whole.

 CPA Inc.

Romeo C. Blanquera, CPA Inc.  
Napa, California  
August 12, 2011

MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.  
(A NOT-FOR-PROFIT CORPORATION)

STATEMENTS OF FINANCIAL POSITION  
MAY 31, 2011 AND 2010

|                                       | <u>ASSETS</u> | <u>2011</u>      | <u>2010 *</u>       |
|---------------------------------------|---------------|------------------|---------------------|
| CURRENT ASSETS:                       |               |                  |                     |
| Cash and cash equivalents (note 2)    | \$            | 947,044          | \$ 957,831          |
| Prepaid expenses                      |               | 844              |                     |
| Receivable & Advances (note 4)        |               | 130,033          | 7,254               |
| Security Deposit                      |               | 3,355            | 2,000               |
| Inventory                             |               | <u>20,268</u>    | <u>25,318</u>       |
| TOTAL CURRENT ASSETS                  | \$            | <u>1,101,544</u> | \$ <u>992,403</u>   |
| TOTAL OTHER ASSETS:                   |               |                  |                     |
| Mortgage Asset                        |               |                  | 33,200              |
| PROPERTY AND EQUIPMENT: (Note 3)      |               |                  |                     |
| Land                                  |               | 50,000           | 50,000              |
| Furniture and equipment               |               | <u>66,275</u>    | <u>-</u>            |
|                                       |               | 116,275          | 50,000              |
| Less: Accumulated depreciation        |               | <u>( 65,476)</u> | <u>-</u>            |
| TOTAL FIXED ASSETS                    | \$            | <u>50,799</u>    | \$ <u>50,000</u>    |
| TOTAL ASSETS                          | \$            | <u>1,152,343</u> | \$ <u>1,075,603</u> |
| <br><u>LIABILITIES AND NET ASSETS</u> |               |                  |                     |
| CURRENT LIABILITIES:                  |               |                  |                     |
| Accounts Payable                      | \$            | 6,862            | \$ 1,188            |
| Credit Cards                          |               | 2,016            | 7,458               |
| Deferred Employee Benefits            |               | 3,145            | 7,471               |
| Sales Tax Payable                     |               | 899              | 298                 |
| Payroll Liabilities                   |               | <u>-</u>         | <u>7,247</u>        |
| TOTAL CURRENT LIABILITIES             | \$            | 12,922           | \$ 23,662           |
| NET ASSETS                            |               |                  |                     |
| Restricted                            |               | 437,286          | 245,232             |
| Unrestricted                          |               | <u>702,135</u>   | <u>806,709</u>      |
| TOTAL NET ASSETS                      | \$            | <u>1,139,421</u> | \$ <u>1,051,941</u> |
| TOTAL LIABILITIES & NET ASSETS        | \$            | <u>1,152,343</u> | \$ <u>1,075,603</u> |

\*For comparative purposes only

The accompanying notes are integral parts of these financial statements.

MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.  
(A NOT-FOR-PROFIT CORPORATION)

STATEMENTS OF ACTIVITIES  
FOR THE TWELVE MONTHS PERIOD ENDED MAY 31, 2011 AND 2010

|                                            | <u>2011</u>         | <u>2010*</u>        |
|--------------------------------------------|---------------------|---------------------|
| REVENUES AND SUPPORT:                      |                     |                     |
| Major Donors                               | \$ 996,814          | \$ 799,575          |
| Foundation and Trusts                      | 108,000             | 70,000              |
| Investments Donation                       | 67,183              | 12,876              |
| Individuals and Businesses                 | 138,698             | 176,366             |
| Clothing                                   | 5,309               | 2,854               |
| Events                                     | 94,397              | 326,424             |
| Book Sales                                 | 23,620              | 15,905              |
| DVD & Bulletins                            | 6,504               | 3,607               |
| Arts                                       | 17,744              | 35,570              |
| Interest and Dividend Income               | 4,232               | 562                 |
| Miscellaneous                              | <u>12,217</u>       | <u>98,670</u>       |
| TOTAL REVENUES AND SUPPORT                 | \$ <u>1,474,718</u> | \$ <u>1,542,409</u> |
| Expenses:                                  |                     |                     |
| Program Service Expenses                   | \$ 1,154,711        | \$ 1,272,488        |
| Management and general                     | <u>229,832</u>      | <u>124,469</u>      |
| TOTAL EXPENSES                             | \$ <u>1,384,543</u> | \$ <u>1,396,957</u> |
| CHANGE IN NET ASSETS                       | \$ 90,175           | \$ 145,452          |
| NET ASSETS, BEGINNING OF YEAR, AS ADJUSTED | <u>1,049,246</u>    | <u>906,489</u>      |
| NET ASSETS, END OF YEAR                    | \$ <u>1,139,421</u> | \$ <u>1,051,941</u> |

\*For comparative purposes only

The accompanying notes are integral parts of these financial statements.

MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.  
(A NOT-FOR-PROFIT CORPORATION)

STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED MAY 31, 2011 AND 2010

|                                                                                                 | <u>2011</u>       | <u>2010*</u>      |
|-------------------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                                    |                   |                   |
| Change in net assets                                                                            | \$ 90,175         | \$ 145,452        |
| Adjustments to reconcile changes in net assets<br>to net cash provided by operating activities: |                   |                   |
| Depreciation                                                                                    | 1,744             | 2,328             |
| Decrease (Increase) in Operating Assets                                                         |                   |                   |
| Accounts Receivable & Advances                                                                  | (5,307)           | 10,427            |
| MAPS Loan                                                                                       | (117,472)         | (7,528)           |
| Inventory Asset                                                                                 | 5,050             | (25,318)          |
| Prepaid Expenses                                                                                | (844)             | -                 |
| Increase (Decrease) in operating liabilities:                                                   | 5,675             | 1,188             |
| Payroll Liabilities                                                                             | (7,247)           | 5,208             |
| Sales Tax Payable                                                                               | 600               | 298               |
| Deferred Employee Benefits & Bonuses                                                            | (4,326)           | 7,471             |
| Credit Cards                                                                                    | <u>(5,442)</u>    | <u>1,172</u>      |
| NET CASH PROVIDED (USED) BY<br>OPERATING ACTIVITIES                                             | \$ (37,394)       | \$ 140,698        |
| <br><b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>                                         |                   |                   |
| Adjustment of Accumulated Depreciation                                                          | \$ (2,543)        | \$ (2,328)        |
| Marketable Securities                                                                           | -                 | 25,544            |
| Mortgage Assets                                                                                 | 33,200            | 1,973             |
| Security Deposits                                                                               | <u>(1,355)</u>    | <u>3,800</u>      |
| NET CASH PROVIDED (USED) BY<br>INVESTING ACTIVITIES                                             | \$ 29,302         | \$ 28,989         |
| <br><b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>                                         |                   |                   |
| Adjustment in Opening Balance Equity                                                            | \$ (2,695)        | \$ 18,365         |
| NET CASH PROVIDED (USED) BY<br>FINANCING ACTIVITIES                                             | \$ (2,695)        | \$ 18,365         |
| NET DECREASE IN CASH AND CASH EQUIVALENTS                                                       | (10,787)          | 188,052           |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR                                                    | <u>957,831</u>    | <u>769,779</u>    |
| CASH AND CASH EQUIVALENTS, END OF YEAR                                                          | \$ <u>947,044</u> | \$ <u>957,831</u> |

\*For comparative purposes only

The accompanying notes are integral parts of these financial statements.

MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.  
(A NOT-FOR-PROFIT CORPORATION)

STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE TWELVE MONTHS PERIOD ENDED MAY 31, 2011 AND 2010

|                              | <u>PROGRAMS</u>         | <u>MANAGEMENT<br/>AND GENERAL</u> | <u>TOTALS</u>           |                         |
|------------------------------|-------------------------|-----------------------------------|-------------------------|-------------------------|
|                              |                         |                                   | <u>2011</u>             | <u>2010*</u>            |
| Compensation of Officers and |                         |                                   |                         |                         |
| Key Employees                | \$ 97,879               | \$ 32,626                         | \$ 130,505              | \$ 60,000               |
| Other Salaries and Wages     | 206,684                 | 68,895                            | 275,579                 | 109,415                 |
| Employee Benefits            | 44,975                  | 14,992                            | 59,967                  | 23,723                  |
| Payroll Taxes                | 27,066                  | 9,022                             | 36,088                  | 27,656                  |
| Accounting                   | 3,975                   | 1,325                             | 5,300                   | 5,852                   |
| Office Expenses              | 35,369                  | 26,682                            | 62,051                  | 21,906                  |
| Facility Rent                | 29,354                  | 9,784                             | 39,138                  | 24,485                  |
| Travel                       | 34,376                  | 11,459                            | 45,835                  | 6,738                   |
| Conferences, Conventions &   |                         |                                   |                         |                         |
| Meetings                     | 6,839                   | 2,280                             | 9,119                   | 6,390                   |
| Depreciation                 |                         | 1,744                             | 1,744                   | 2,327                   |
| Research and Education       | 345,762                 | -                                 | 345,762                 | 858,443                 |
| Printing & Publications      | 37,039                  | -                                 | 37,039                  | 125,224                 |
| Fundraising                  | 77,939                  | -                                 | 77,939                  | 37,058                  |
| Books and Tapes              | 31,180                  | -                                 | 31,180                  | 25,206                  |
| Licenses, Fees and Permits   | 5,460                   | -                                 | 5,460                   | 20,543                  |
| Other Expenses               | <u>170,814</u>          | <u>51,023</u>                     | <u>221,837</u>          | <u>41,991</u>           |
| <br>TOTALS                   | <br>\$ <u>1,154,711</u> | <br>\$ <u>229,832</u>             | <br>\$ <u>1,384,543</u> | <br>\$ <u>1,396,957</u> |

\*For comparative purpose only

The accompanying notes are integral parts of these financial statements.

MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.  
(A NOT-FOR-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2011

Page 1 of 5

NOTE 1 – NATURE OF ACTIVITIES

The Multidisciplinary Association for Psychedelic Studies, Inc. a not-for-profit Corporation was incorporated in 1986 in response to the criminalization of MDMA. MAPS was incorporated to promote the use of psychedelic medicines, to conduct research with psychedelic medicines, and to develop standards and practice for psychedelic psychotherapy. MAPS' vision is of a world where psychedelic medicines are available to people for medical, therapeutic and psychospiritual 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 most debilitating and hard-to-treat conditions. Since 1986, MAPS has distributed over \$10 million to research and educational projects.

These include:

- Sponsoring the first study in the U.S. to evaluate MDMA's therapeutic applications for subjects with chronic, treatment-resistant posttraumatic stress disorder (PTSD). The results were published in July 2010 in the *Journal of Psychopharmacology*. MAPS are also preparing or conducting MDMA/PTSD pilot studies in Switzerland, Israel, Jordan, and Canada.
- Hosting "Psychedelic Science in the 21<sup>st</sup> Century," the largest conference on psychedelic science in nearly 40 years. The astonishingly positive attention it received from international news media-including *The New York Times*, *CNN*, *USA Today*, *BBC*, and *Scientific American*-generated an incalculable amount of public support for MAPS' mission, and represents a turning point in the return of psychedelics to mainstream science and culture.
- Sponsoring a Phase 2 pilot study of MDMA-assisted psychotherapy for veterans of war with PTSD.
- Completing the first LSD-assisted psychotherapy study since 1972. The study explored the effectiveness of this form of therapy for patients suffering from anxiety associated with terminal illness. At the time of this report, this study is being prepared for data analysis and publication.
- Designing a study of smoked or vaporized marijuana as a treatment for symptoms of PTSD in U.S. veterans of war. The study will evaluate the safety and efficacy of several different strains of herbal marijuana. At the time of this publication, MAPS is attempting to purchase the appropriate strains from the federal government.

MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.  
(A NOT-FOR-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2011

Page 2 of 5

- Waging a successful lawsuit against the U.S. Drug Enforcement Administration in support of Professor Lyle Craker's proposed MAPS-sponsored medical marijuana production facility at the University of Massachusetts-Amherst. The lawsuit argues that by refusing to follow its own Administrative Law Judge's ruling that Craker's license be granted and that the U.S. government should not have a monopoly on the supply of marijuana for research, the agency is obstructing legitimate research.
- Supporting long-term follow-up studies of early research on LSD and psilocybin from the 1950s and 1960s.
- Sponsoring Dr. Evgeny Krupitsky's pioneering research into the use of ketamine-assisted psychotherapy in the treatment of alcoholism and heroin addiction.
- Assisting Dr. Charles Grob to obtain permission for the first human studies in the U.S. with MDMA after it was criminalized in 1985.
- Sponsoring the first study analyzing the purity and potency of street samples of "Ecstasy" and marijuana.
- Funding Dr. Donald Abrams' successful efforts to obtain permission for the first study of the therapeutic use of marijuana in humans in 15 years, and to secure a \$1 million grant from the U.S National Institute on Drug Abuse.
- Obtaining orphan-drug designation from the U.S. Food and Drug Administration for smoked marijuana in the treatment of AIDS wasting syndrome.
- Funding the synthesis of psilocybin for the first U.S. FDA-approved clinical trial of psilocybin in 25 years.
- Sponsoring psychedelic harm reduction programs and services at community events, festivals, schools, and churches.

MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.  
(A NOT-FOR-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2011

Page 3 of 5

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- Basis of Presentation

The Organization's financial statements are prepared on the accrual basis of accounting.

Consequently, contributions and donations are recorded as income when the right of collection or receipt has occurred. Expenses are recorded when services have been rendered or an obligation to pay has incurred.

- Public Support and Revenue

Investment earnings available for distribution are recorded in unrestricted net assets. Investment earnings with donor restrictions are recorded in temporarily or Permanently restricted net assets based on the nature of the restrictions.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

- Functional Expenses

The Organization allocates its expenses on a functional basis among its program and support services. Expenses that can be identified with a specific program and support service are allocated directly according to expenditure classification.

- Cash and Cash Equivalents

For the purpose of the statement of Cash Flows, the organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

- Income Tax Status

The Organization is a tax-exempt charitable organization under Section 501 (c) (3) of the Internal Revenue Code.

MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.  
(A NOT-FOR-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2011

Page 4 of 5

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CON'TD)

- Financial Statement Presentation

The Organization presents its financial statements in accordance with statement of Financial Accounting Standards (SFAS) No. 117, "*Financial Statements of Not-For-Profit Organizations*". Under SFAS No. 117, the organization reports information regarding its financial position and activities to three classes of net assets:

- Unrestricted Net Assets

Unrestricted funds represent resources over which the Board of Directors has discretionary control and are not subject to donor-imposed stipulations.

- Temporarily Restricted Net Assets

Represents net assets currently available for use, but expendable only for operating purposes specified by the donor. Resources of this fund generally originate from gifts, grants, and special events, whose use by the organization is limited to by donor-imposed stipulations that either expire by passage of time or can be fulfilled or otherwise removed by action of the organization.

- Permanently Restricted Assets

Assets in this category are permanently restricted as to their use by the donor and cannot be used for any other purpose.

- Property and Equipment

Property and equipment are stated at cost. All assets with a cost of \$1,000 or more are capitalized. Depreciation is computed using the straight-line method over estimated useful lives ranging from five to twenty years.

- Donated Services, Materials and Facilities

No amount of donated goods and services has been recorded for the twelve months period ended May 31, 2011. While the organization receives non-cash donations as well as individual volunteer hours, management does not report the value of these equipment and services.

MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.  
(A NOT-FOR-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2011

Page 5 of 5

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CON'TD)

• Donated Services, Materials and Facilities

While not a critical component to the organization's operations, donated equipment revenue and related expenses are not reported because management is unable to estimate the value of these contributions.

• Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and Equipment balances at May 31, 2011 were:

|                            | Balance<br>6/1/10 | Additions<br>for<br>Period | Depreciation<br>for<br>Period | Accumulated<br>Depreciation | Balance<br>5/31/11 |
|----------------------------|-------------------|----------------------------|-------------------------------|-----------------------------|--------------------|
| Land                       | \$ 50,000         | -                          | -                             | -                           | \$ 50,000          |
| Furniture and<br>Equipment | <u>66,275</u>     | <u>-</u>                   | <u>\$ 1,744</u>               | <u>65,476</u>               | <u>799</u>         |
|                            | \$ <u>116,275</u> | -                          | \$ <u>1,744</u>               | \$ <u>65,476</u>            | \$ <u>50,799</u>   |

NOTE 4 - RECEIVABLE & ADVANCE CONSIST OF:

|                   |              |
|-------------------|--------------|
| MAPS Loans        | \$ 125,000 * |
| Employee Advances | 5,000        |
| Other Receivables | <u>33</u>    |
|                   | \$ 130,033   |

- \*1. This is a MAPS loan to MPP Foundation for \$100,000 payable in full by September 4, 2011 with interest 3%.  
2. Americans for Safe Access owes MAPS \$20,000 payable on March 31, 2011 at a rate of 1% and was paid in July 2011.  
3. David Bronner a donor owes MAPS \$5,000.



*Romeo C. Blanquera, CPA Inc.*

"We Take Care of business like our own"

1115 Lincoln Avenue

Napa, CA 94558-4915

Tel: (707) 253-1770 Fax: (707) 253-2570

**www.romeo-cpa.com**

MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC.  
(A NOT-FOR-PROFIT CORPORATION)

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

Page 1 of 2

To the Board of Directors  
Multidisciplinary Association for Psychedelic Studies, Inc.  
Santa Cruz, California

We have audited the financial statements of Multidisciplinary Association for Psychedelic Studies, Inc. as of and for the year ended May 31, 2011, and have issued our report thereon dated August 12, 2011. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audits, we considered Multidisciplinary Association for Psychedelic Studies, Inc. internal Control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters, which we reported to management in a separate letter dated August 12, 2011.

MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC  
(A NOT-FOR-PROFIT CORPORATION)

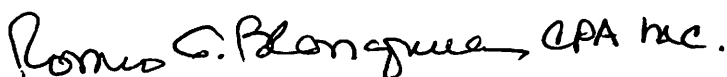
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

Page 2 of 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Multidisciplinary Association for Psychedelic Studies, Inc. financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

 CPA Inc.

Romeo C. Blanquera, CPA Inc.  
Napa, California  
August 12, 2011

MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC  
(A NOT-FOR-PROFIT CORPORATION)

STATUS OF PRIOR YEAR'S AUDIT FINDINGS

Since this is the organization's first audit, there are no findings or material recommendations from the prior year's financial statements.

MULTIDISCIPLINARY ASSOCIATION FOR PSYCHEDELIC STUDIES, INC  
(A NOT-FOR-PROFIT CORPORATION)

BOARD OF DIRECTORS

AT

MAY 31, 2011

Rick Doblin, President

John Gilmore, Member

Ashauna Hailey, Member

Robert Barnhart, Member

KEY OFFICERS

Executive Director

Rick Doblin

Deputy Executive Director

Valerie Mojeiko

Director of Finance & Information Technology

Josh Mojeiko