

**FOUNDATION FOR PSP | CBD
AND RELATED BRAIN DISEASES**

(CURRENTLY KNOWN AS CUREPSP, INC)

**REPORT ON AUDITS
OF FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED
JUNE 30, 2015 AND 2014**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Foundation for PSP | CBD and Related
Brain Diseases
(Currently Known as CurePSP, Inc.)
Timonium, Maryland

Report on the Financial Statements

We have audited the accompanying statements of financial position of Foundation for PSP | CBD and Related Brain Diseases (the "Foundation") (Currently Known as CurePSP, Inc.) as of June 30, 2015 and 2014 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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 financial statements.

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



Rivlin
Lichter &
Feldman, P.C.

300 Redland Court, Suite 212, Owings Mills, MD 21117

ph: 410.902.6120 fx: 410.902.6127

toll-free: 866.756.9833

website: www.rlf-cpa.com

Board of Directors
Foundation for PSP | CBD and Related
Brain Diseases
(Currently Known as CurePSP, Inc.)
Timonium, Maryland

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Opinion

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

Rivlin, Lichter & Feldman, P.C.

Owings Mills, Maryland

December 31, 2015

FOUNDATION FOR PSP | CBD
AND RELATED BRAIN DISEASES

(CURRENTLY KNOWN AS CUREPSP, INC.)

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014

ASSETS	2015	2014
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 2,545,846	\$ 1,875,613
Cash and Cash Equivalents - Temporarily Restricted	350,870	563,217
Investments - Unrestricted	2,442	-
Pledges Receivable - Unrestricted	-	1,500
Pledges Receivable - Temporarily Restricted	3,700	308,985
Other Receivables	12,850	83,432
Prepaid Expenses	83,266	38,557
Total Current Assets	<u>2,998,974</u>	<u>2,871,304</u>
PROPERTY AND EQUIPMENT - AT COST:		
Office Equipment	70,108	101,672
Furniture and Fixtures	81,248	47,406
Software - Database	54,033	54,033
Website	-	31,253
	<u>205,389</u>	<u>234,364</u>
Less Accumulated Depreciation	<u>173,373</u>	<u>210,911</u>
Net Value of Property and Equipment	<u>32,016</u>	<u>23,453</u>
LONG TERM ASSETS:		
Investments - Permanent Endowment	380,827	383,411
Deposits	7,058	3,983
Total Other Assets	<u>387,885</u>	<u>387,394</u>
TOTAL ASSETS	<u>\$ 3,418,875</u>	<u>\$ 3,282,151</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Expenses	\$ 296,387	\$ 91,862
Grants Payable - Due Within One Year	712,902	809,731
Total Current Liabilities	1,009,289	901,593
LONG TERM LIABILITIES:		
Grants Payable - Due After One Year	249,589	466,663
Total Liabilities	<u>1,258,878</u>	<u>1,368,256</u>
NET ASSETS:		
Unrestricted		
Undesignated	1,555,625	1,115,555
Board Designated - Research	-	100,000
Board Designated - Programs and Education	-	5,346
Total Unrestricted	<u>1,555,625</u>	<u>1,220,901</u>
Temporarily Restricted	223,545	309,583
Permanently Restricted	380,827	383,411
Total Restricted	<u>604,372</u>	<u>692,994</u>
Total Net Assets	<u>2,159,997</u>	<u>1,913,895</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,418,875</u>	<u>\$ 3,282,151</u>

**FOUNDATION FOR PSP | CBD
AND RELATED BRAIN DISEASES**

(CURRENTLY KNOWN AS CUREPSP, INC.)

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
REVENUES AND OTHER SUPPORT:				
Contributions	\$ 2,184,730	\$ 103,799	\$ -	\$ 2,288,529
Special Events (Net of \$25,968 in Expenses)	277,300	6,353	-	283,653
Interest and Dividend Income	6,292	6,454	-	12,746
Realized and Unrealized Gains on Investments	-	-	529	529
Grant Adjustment	-	135,495	-	135,495
Net Assets Released from Restrictions	<u>341,252</u>	<u>(338,139)</u>	<u>(3,113)</u>	<u>-</u>
Total Revenues and Other Support	<u>2,809,574</u>	<u>(86,038)</u>	<u>(2,584)</u>	<u>2,720,952</u>
EXPENSES:				
Program Services:				
Research	1,095,450	-	-	1,095,450
Programs and Education	563,093	-	-	563,093
Communications and Public Awareness	225,443	-	-	225,443
Support Services:				
Management and General	185,566	-	-	185,566
Board	52,366	-	-	52,366
Fundraising	<u>352,932</u>	<u>-</u>	<u>-</u>	<u>352,932</u>
Total Program and Support Services	<u>2,474,850</u>	<u>-</u>	<u>-</u>	<u>2,474,850</u>
CHANGE IN NET ASSETS	334,724	(86,038)	(2,584)	246,102
NET ASSETS AT BEGINNING OF YEAR	<u>1,220,901</u>	<u>309,583</u>	<u>383,411</u>	<u>1,913,895</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,555,625</u>	<u>\$ 223,545</u>	<u>\$ 380,827</u>	<u>\$ 2,159,997</u>

FOUNDATION FOR PSP | CBD AND RELATED BRAIN DISEASES

(CURRENTLY KNOWN AS CUREPSP, INC.)

STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2015

	Program Services					Support Services				
	Research	Programs and Education	Communications and Public Awareness	Total Program Services	Management and General	Board	Fund-Raising	Total Support Services	Total Program and Support Services	
Annual Report and Public Relations	\$ 3,076	\$ -	\$ 3,047	\$ 6,123	\$ -	\$ -	\$ -	\$ -	\$ 6,123	
Bank and Payroll Fees	4,307	1,434	4,960	10,701	411	-	15,810	16,221	26,922	
Benefits	30,203	41,529	15,102	86,834	12,585	3,775	22,652	39,012	125,846	
Brain Bank	66,000	-	-	66,000	-	-	-	-	66,000	
Brain Bank - Tissue Harvesting	13,735	-	-	13,735	-	-	-	-	13,735	
Conferences/Webinars/Training	2,129	155,192	1,062	158,383	-	-	1,062	1,062	159,445	
Depreciation	1,532	1,838	1,532	4,902	306	-	919	1,225	6,127	
Dues, Subscriptions and Publications	63	75	852	990	13	-	4,872	4,885	5,875	
Equipment Rental/Small Purchases	3,254	3,853	3,144	10,251	628	-	1,887	2,515	12,766	
Insurance	-	-	-	-	8,115	-	-	8,115	8,115	
Legal, Accounting and Audit Fees	5,681	5,330	44,127	55,138	75,372	-	1,882	77,254	132,392	
Corporate, Major Donor & Planned Giving Supplies, Direct Mail	9,135	2,894	22,776	34,805	24	-	87,069	87,093	121,898	
Marketing	41	4,887	1,569	6,497	15	-	-	15	6,512	
Materials and Supplies	1,642	1,980	1,642	5,264	328	-	984	1,312	6,576	
Meeting and Board Expenses	2	2	2	6	2	25,878	-	25,880	25,886	
Miscellaneous	969	1,163	969	3,101	3,305	84	582	3,971	7,072	
Patient Advocacy	-	6,624	58	6,682	-	-	-	-	6,682	
Postage and Shipping	2,465	7,799	2,266	12,530	475	-	1,326	1,801	14,331	
Printing	1,908	2,289	1,908	6,105	1,132	-	44,377	45,509	51,614	
Rent - Office	17,279	20,735	17,279	55,293	3,456	-	10,368	13,824	69,117	
Research Grants	642,230	-	-	642,230	-	-	-	-	642,230	
Research Symposium	86,047	359	-	86,406	-	-	-	-	86,406	
Support Groups/Peer Orgs./Vol. Develop	749	32,624	-	33,373	-	-	-	-	33,373	
Salaries	182,094	248,919	90,515	521,528	75,430	22,629	135,774	233,833	755,361	
Staff Development	393	930	393	1,716	703	-	236	939	2,655	
State Registrations	2,159	2,590	2,967	7,716	432	-	2,538	2,970	10,686	
Technology Expenses	8,032	8,498	6,127	22,657	858	-	17,074	17,932	40,589	
Telephone	1,988	3,001	757	5,746	415	-	1,809	2,224	7,970	
Travel	7,511	7,053	1,876	16,440	1,553	-	1,215	2,768	19,208	
Website Updates and Maintenance	826	1,495	513	2,834	8	-	496	504	3,338	
Totals	\$ 1,095,450	\$ 563,093	\$ 225,443	\$ 1,883,986	\$ 185,566	\$ 52,366	\$ 352,932	\$ 590,864	\$ 2,474,850	

See Independent Auditor's Report and Accompanying Notes

**FOUNDATION FOR PSP | CBD
AND RELATED BRAIN DISEASES**

(CURRENTLY KNOWN AS CUREPSP, INC.)

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	2014			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
REVENUES AND OTHER SUPPORT:				
Contributions	\$ 2,339,915	\$ 775,912	\$ -	\$ 3,115,827
Special Events (Net of \$34,319 in Expenses)	165,834	9,930	-	175,764
Interest and Dividend Income	3,275	7,670	-	10,945
Realized and Unrealized Gains on Investments	-	-	35,179	35,179
Net Assets Released from Restrictions	<u>1,082,143</u>	<u>(1,079,206)</u>	<u>(2,937)</u>	<u>-</u>
Total Revenues and Other Support	<u>3,591,167</u>	<u>(285,694)</u>	<u>32,242</u>	<u>3,337,715</u>
EXPENSES:				
Program Services:				
Research	2,246,935	-	-	2,246,935
Programs and Education	369,558	-	-	369,558
Communications and Public Awareness	143,050	-	-	143,050
Support Services:				
Management and General	108,120	-	-	108,120
Board	40,022	-	-	40,022
Fundraising	<u>257,593</u>	<u>-</u>	<u>-</u>	<u>257,593</u>
Total Program and Support Services	<u>3,165,278</u>	<u>-</u>	<u>-</u>	<u>3,165,278</u>
CHANGE IN NET ASSETS	425,889	(285,694)	32,242	172,437
NET ASSETS AT BEGINNING OF YEAR	<u>795,012</u>	<u>595,277</u>	<u>351,169</u>	<u>1,741,458</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,220,901</u>	<u>\$ 309,583</u>	<u>\$ 383,411</u>	<u>\$ 1,913,895</u>

FOUNDATION FOR PSP | CBD AND RELATED BRAIN DISEASES

(CURRENTLY KNOWN AS CUREPSP, INC.)

STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2014

Functional Expenses	Program Services				Support Services				
	Research	Programs and Education	Communications and Public Awareness	Total Program Services	Management and General	Board	Fund-Raising	Total Support Services	Total Preogram and Support Services
Annual Report and Public Relations	\$ 1,813	\$ 1,482	\$ -	\$ 3,295	\$ -	\$ -	\$ -	\$ -	\$ 3,295
Bad Debt	-	-	-	-	4,000	-	-	4,000	4,000
Bank and Payroll Fees	4,821	1,645	4,231	10,697	296	-	12,573	12,869	23,566
Benefits	22,648	32,596	11,853	67,097	9,821	3,020	17,780	30,621	97,718
Brain Bank	66,000	-	-	66,000	-	-	-	-	66,000
Brain Bank - Tissue Harvesting	13,511	-	-	13,511	-	-	-	-	13,511
Conferences/Webinars/Training	25	46,564	15	46,604	-	-	15	15	46,619
Depreciation	1,365	1,876	1,365	4,606	514	-	568	1,082	5,688
Dues, Subscriptions & Publications	321	385	400	1,106	64	-	509	573	1,679
Equipment Rental/Small Purchases	2,894	4,144	2,894	9,932	578	-	1,806	2,384	12,316
Insurance	-	-	-	-	7,444	-	-	7,444	7,444
International Leadership	-	11,116	-	11,116	-	-	-	-	11,116
Legal, Accounting and Audit Fees	722	866	722	2,310	22,117	-	433	22,550	24,860
Corporate, Major Donor & Planned Giving Supplies, Direct Mail	1,058	-	17,033	18,091	672	-	92,865	93,537	111,748
Marketing	8,998	3,453	258	12,709	-	-	-	-	12,709
Materials and Supplies	1,540	1,543	1,232	4,315	246	-	739	985	5,300
Meeting and Board Expenses	-	-	-	-	-	20,046	-	20,046	20,046
Miscellaneous	171	205	252	628	649	-	103	752	1,380
Newsletter/Magazine	965	13,182	643	14,790	-	-	-	-	14,790
Patient Advocacy	175	4,555	180	4,910	35	-	105	140	5,050
Postage and Shipping	1,793	16,970	1,510	20,273	302	-	907	1,209	21,482
Printing	915	1,098	915	2,928	183	-	549	732	3,660
Rent - Office	16,776	20,131	16,776	53,683	3,355	-	10,066	13,421	67,104
Research Grants	1,935,877	-	-	1,935,877	-	-	-	-	1,935,877
Research Symposium	16,177	474	3,893	20,544	-	-	-	-	20,544
Salaries	135,550	186,518	67,824	389,992	56,403	16,956	101,738	175,097	565,089
State Registrations	362	434	4,067	4,863	72	-	5,316	5,388	10,251
Support Groups/Peer Organizations	162	3,832	-	3,994	-	-	-	-	3,994
Technology Expenses	7,742	9,248	5,187	22,177	755	-	7,678	8,433	30,610
Telephone	3,071	4,735	970	8,776	614	-	2,893	3,507	12,283
Website Updates and Maintenance	1,383	2,506	830	4,719	-	-	830	830	5,549
Totals	\$ 2,246,935	\$ 3,669,558	\$ 143,050	\$ 2,759,543	\$ 108,120	\$ 40,022	\$ 257,593	\$ 405,735	\$ 3,165,278

See Independent Auditor's Report and Accompanying Notes

**FOUNDATION FOR PSP | CBD
AND RELATED BRAIN DISEASES**

(CURRENTLY KNOWN AS CUREPSP, INC.)

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 246,102	\$ 172,437
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,127	5,688
Realized and Unrealized Gain on Marketable Securities	(529)	(35,179)
Changes in:		
Pledges Receivable	1,500	(500)
Pledges Receivable - Temporarily Restricted	305,285	(295,135)
Other Receivables	70,582	(77,023)
Prepaid Expenses	(44,709)	(11,921)
Deposits	(3,075)	-
Accounts Payable and Accrued Expenses	204,525	15,459
Grants Payable	(313,903)	864,074
Net Cash Provided by (used in) Operating Activities	471,905	637,900
CASH FLOWS (USED IN) INVESTING ACTIVITIES:		
Acquisitions of Property and Equipment	(14,690)	(6,972)
Proceeds from Sale of Marketable Securities	671	3,012
Net Cash (used in) Investing Activities	(14,019)	(3,960)
NET CHANGE IN CASH AND CASH EQUIVALENTS	457,886	633,940
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	2,438,830	1,804,890
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,896,716	\$ 2,438,830

**FOUNDATION FOR PSP | CBD
AND RELATED BRAIN DISEASES**

(CURRENTLY KNOWN AS CUREPSP, INC.)

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES**

Organization and Nature of Activities: The Foundation for PSP | CBD and Related Brain Diseases (the “Foundation”) is a not-for-profit organization formed to promote and fund research into finding the cause and cure as well as treatment and prevention for progressive supranuclear palsy (PSP), corticobasal degeneration (CBD) and other atypical Parkinsonian disorders. The Foundation provides information, education, support and advocacy to persons with these disorders, their families, caregivers and the general public. The Foundation awards research grants to scientists and educates physicians and other health professionals on PSP, CBD, and other atypical Parkinsonian disorders and how to improve patient care. A majority of the revenue and support the Foundation receives is from individual, corporate and foundation donors as well as special events held during the year.

Financial Statement Presentation: The financial statement presentation follows financial accounting standards for not-for-profit organizations. Under these standards, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted Net Assets – net assets that are not subject to donor imposed stipulations or are designated by the Board of Directors. As of June 30, 2015 and 2014, the Board of Directors has designated \$ -0- and \$105,346, respectively for research and programs and education.

Temporarily Restricted Net Assets – net assets subject to donor imposed stipulations that may or will be met, either by actions of the Foundation and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

Permanently Restricted Net Assets – net assets subject to donor imposed stipulations that the principal amount be maintained permanently by the Foundation and any income earned on the principal amount will be used for student research.

Contributions: The Foundation accounts for contributions in accordance with the generally accepted accounting standard, *Accounting for Contributions Received and Contributions Made for Not-for-Profit Organizations*. In accordance with generally accepted accounting standards, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

**FOUNDATION FOR PSP | CBD
AND RELATED BRAIN DISEASES**

(CURRENTLY KNOWN AS CUREPSP, INC.)

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Revenue Recognition: The Foundation raises monies through various special events in addition to accepting contributions. These special events help to involve the general public in various geographical areas raising awareness for those affected by PSP and CBD. These events include dinner parties, runner sponsorships, wine tastings and walkathons.

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. Certain estimates, such as the fair value of investments, could be subject to material change in the near term.

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Cash and Cash Equivalents: For purposes of the Statements of Cash Flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Donated Goods and Services: The Foundation receives non-cash donations from the public for its programs and activities. Donations of marketable securities are immediately converted to cash. Stocks donated and converted to cash totaled \$40,578 and \$16,588 for the years ended June 30, 2015 and 2014, respectively. Other non-cash donations consist of volunteers donating time for various administrative tasks. Donations of time have not been reported in these financial statements as there is no objective basis to measure the value of such donations.

Concentration of Credit Risk: Financial instruments that potentially expose the Foundation to concentrations of credit risk consist primarily of pledges receivable. Pledges receivable at June 30, 2015 and 2014 are all believed to be collectible. Therefore, the Foundation does not consider pledges receivable to be a significant credit risk and has not recorded a reserve allowance for uncollectible pledges.

Property and Equipment: Acquisitions of property and equipment over \$500 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over a period of 3 – 7 years.

**FOUNDATION FOR PSP | CBD
AND RELATED BRAIN DISEASES**

(CURRENTLY KNOWN AS CUREPSP, INC.)

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued).**

Income Taxes: The Foundation is exempt from federal income taxes (except taxes on unrelated business income) under Section 501 (C) (3) of the Internal Revenue Code and is classified by the Internal Revenue Service as a publicly supported organization. No provision for income taxes is required for the year ended June 30, 2015 and 2014, since the Foundation had no taxable income from unrelated business activities. The Foundation is also exempt from state income taxes.

Investments: Investments are recorded at fair value based on quoted market prices. Changes in fair value are recorded as unrealized gains or losses in the Statement of Activities.

Accounts and Pledges Receivable: Accounts and Pledges Receivable are reported at the amounts management expects to collect from outstanding balances. The difference between the amount due and the amount management expects to collect are reported in the statement of activities with an offsetting entry to a valuation allowance. Management did not record a reserve allowance as of June 30, 2015 and 2014 because no receivables were considered uncollectible.

Subsequent Events: Management has evaluated subsequent events and transactions through December 31, 2015, the date these financial statements were available to be issued and have determined that no material subsequent events, unless otherwise noted, have occurred that should be recorded in the accompanying financial statements as of June 30, 2015.

Functional Allocation of Expenses: The cost of providing programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among programs and supporting services benefited.

Endowment Policy: The investments in the Endowment Fund have a growth objective defined as low income generation with an emphasis on growth over the long term. The principal amount is permanently restricted to provide future earnings. The earnings of the endowment fund are used to support student related research. The investment policy is in accordance with the Board of Directors and designated to BB&T as the investment advisor through June 30, 2013. Effective July 1, 2013, the Endowment Fund has been managed by Passive Capital Management. The Endowment Fund consists primarily of restricted cash and the investments as described in the subsequent Note B – Investments. There were no additional contributions to the Endowment Fund during the year ended June 30, 2015 and 2014. A total of \$3,113 and \$2,937 for the years ended June 30, 2015 and 2014, respectively in earnings from the Endowment Fund was released from permanently restricted funds to be used for student research. The Endowment Fund is classified in accordance with laws and regulations that impact donor-restricted endowment funds.

**FOUNDATION FOR PSP | CBD
AND RELATED BRAIN DISEASES**

(CURRENTLY KNOWN AS CUREPSP, INC.)

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

NOTE B – INVESTMENTS

The costs, estimated fair values and unrealized appreciation of marketable securities are as follows as of June 30, 2015 and 2014:

	2015		
	Cost	Estimated Fair Value	Unrealized Gain
Mutual Funds	<u>\$ 324,711</u>	<u>\$ 383,269</u>	<u>\$ 58,558</u>
	2014		
	Cost	Estimated Fair Value	Unrealized Gain
Mutual Funds	<u>\$ 324,711</u>	<u>\$ 383,411</u>	<u>\$ 49,301</u>

The above investments are all traded on public markets and therefore are considered Level I investments in accordance with generally accepted accounting principles. Estimated fair value was determined by quoted market price at June 30, 2015 and 2014. These investments earned \$6,930 and \$35,179 in 2015 and 2014 in dividend income; realized and unrealized gains.

NOTE C – LEASE AGREEMENT

The Foundation entered into operating lease agreements for office space and equipment that commenced on October 1, 2010. The initial lease term was 87 months for the office space and 60 months for office equipment and there is a one five year renewal option under the office lease. The New York office is leased on a month to month basis.

Future minimum lease payments under these lease agreements are as follows:

2016	81,634
2017	84,587
2018	47,734

Rent expense for the year ended June 30, 2015 and 2014 was \$69,117 and \$67,104 respectively for the above leases.

**FOUNDATION FOR PSP | CBD
AND RELATED BRAIN DISEASES**

(CURRENTLY KNOWN AS CUREPSP, INC.)

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

NOTE D – PLEDGED CONTRIBUTIONS

Contributions are recognized when the donor makes a promise to give to the Foundation, 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 fiscal year in which the contributions are recognized. All other donor-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.

NOTE E – RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets consist of cash and pledges restricted by donors less grants payable associated with those assets. Included in cash and cash equivalents – permanently restricted on the accompanying statements of financial position is \$ - 0 - and \$4,060 that is not expected to be used within the next year. Permanently restricted net assets represent funds stipulated by the donor, the earnings of which are to be used for student research.

Restricted net assets are available for the following purposes:

	<u>2015</u>	<u>2014</u>
Temporarily restricted:		
- Research	<u>\$ 223,545</u>	<u>\$ 309,583</u>
Permanently restricted – research	<u>\$ 380,827</u>	<u>\$ 383,411</u>

NOTE F – CONCENTRATIONS

Concentrations of Revenue: For the years ended June 30, 2015 and 2014, donations from one donor for each year accounted for approximately 22% and 37% of total revenue. Additionally, five research grants and two research grants accounted for 88% and 44% of all grant expenses for June 30, 2015 and 2014, respectively

Deposits in Excess of Insured Limit: The Foundation maintains its cash balances in primarily two financial institutions. As of the date of this audit report, the cash is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for each financial institution in which the foundation maintains cash balances.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

NOTE G – GRANTS PAYABLE

Major expenses of the Foundation are grants awarded to scientific and medical professionals to conduct research. As of June 30, 2015 and 2014, \$ 962,491 and \$1,276,394 in grants were payable to such professionals. The Grant Adjustments of \$ 135,495 and \$ - 0 - included in the Statements of Activities and Changes in Net Assets for the years ended June 30, 2015 and 2014, respectively represents grants previously awarded the research of which will not be completed or amounts spent were less than grants originally allocated.

NOTE H – CBD SOLUTIONS

CBD Solutions, a Swedish Company, was to provide funds to the Foundation for a project to be conducted by the Rutgers Robert Wood Johnson Medical School in New Jersey and the Department of Neurosciences, at the University of California in San Diego, California. The Foundation was to monitor the project and perform all parts of the assignment and CBD was to donate the money. Results of the project were to be acknowledged by both organizations in any public information. The project was not completed and as a result money to be received and grants expended were not finalized. As a result, a grant in the amount previously expended for \$135,495 was reversed and is reflected in the Statements of Activities and Changes in Net Assets for the year ended June 30, 2015. Similarly, a contribution that will not be received in the amount of \$150,035 is reflected as part of Research Grant Expense.

NOTE I – SPECIAL INITIATIVE GRANT PROGRAM

CurePSP has initiated a Special Initiative Grant Program (SIG) for the purpose of funding major components and projects established in the Foundation's multi-year, comprehensive research effort entitled the *Research Road Map*. Funding for these grants may or may not be available at the time the grant is awarded. A SIG award may be terminated by CurePSP before the agreed term of the project in the event that ongoing fundraising efforts are not sufficient or other reasons determined by the Board of Directors.

NOTE J – CONSULTING AGREEMENTS

CurePSP entered into a consulting agreement with Finsbury LLC for communications consulting for the period May 1, 2015 through April 30, 2016. CurePSP agreed to pay a monthly retainer of \$20,000 per month less a 15% reduction, or \$17,000 payable on the first of each month. Additional services desired will be billed at standard hourly rates less a 15% reduction. The agreement may be terminated by either party upon 30 day written notice. CurePSP is contracting with the consultant to enhance its branding and marketing platform regarding brain diseases to position CurePSP as a leader in research and advocacy and develop media friendly materials for target audiences as well as sending a wider message through digital and social media. Consulting expense for this agreement for the years ended June 30, 2015 and 2014 totaled \$34,000 and \$-0-, respectively.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

NOTE J – CONSULTING AGREEMENTS (CONTINUED)

CurePSP entered into another consulting agreement with Koszyn & Company LLC for a term June 1, 2015 through May 30, 2016. The goals of the consultant are to expand Board of Director goals for short-term and long-term development activities; maximize institutional and community funding and expand funding and development areas of the institution. This will be accomplished by preparing a Fundraising Case Statement and cultivating large-scale, high level leadership gift prospects and build the Board of Directors around a strategy and plan for seizing maximum opportunity. CurePSP agrees to compensate Koszyn & Company with a fee of \$105,000 at varying times during the year. Either party may terminate the agreement anytime with a 30 day written notice. Consulting expense for the years ended June 30, 2015 and 2014 totaled \$26,250 and \$-0-, respectively.

NOTE K – PATIENT ENGAGEMENT PROGRAM, LLC

CurePSP formed Patient Engagement Program, LLC (the “LLC”) subsequent to June 30, 2015 as a Maryland limited liability company. The purpose of the LLC is to partner with pharmaceuticals to develop communication content for marketing and advertisement placement. Additionally, patients with the disease and their primary care providers will be screened to take place in interviews.

NOTE L – SEPERATION AGREEMENTS

CurePSP entered into several separation agreements with employees between January 2015 and July 2015. These agreements totaled \$137,630 and were in varying degrees of terms. As of June 30, 2015 a liability of \$67,258 was still accrued to be paid.