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Independent Auditor's Report

The Board of Trustees
National Multiple Sclerosis Society,
Central New England Chapter

I have audited the accompanying statements of financial position of National Multiple Sclerosis Society, Central New England Chapter (a not-for-profit organization) as of September 30, 2007 and 2006, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Chapter's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Multiple Sclerosis Society, Central New England Chapter (a not-for-profit organization) as of September 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

December 10, 2007

NATIONAL MULTIPLE SCLEROSIS SOCIETY
CENTRAL NEW ENGLAND CHAPTER

FINANCIAL STATEMENTS
September 30, 2007 and 2006

NATIONAL MULTIPLE SCLEROSIS SOCIETY
CENTRAL NEW ENGLAND CHAPTER

FINANCIAL STATEMENTS

September 30, 2007 and 2006

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NATIONAL MULTIPLE SCLEROSIS SOCIETY
CENTRAL NEW ENGLAND CHAPTER

STATEMENT OF FINANCIAL POSITION
September 30, 2007 and 2006

	2007	2006
ASSETS		
Current Assets:		
Cash	$ 637,448	$ 303,374
Cash equivalents - money market funds	1,085,237	1,371,368
Total cash and cash equivalents	1,722,685	1,674,742
Investments, at market, plus accrued interest	1,215,692	1,157,073
Contributions receivable	572,964	949,894
Prepaid expenses and other assets	44,520	149,117
Total Current Assets	3,555,861	3,930,826
Non-Current Assets:		
Contributions receivable, long-term	258,720	851,603
Furniture, equipment and improvements, at cost (net of accumulated depreciation and amortization)	134,263	129,812
Total Non-Current Assets	392,983	981,415
Total Assets	$ 3,948,844	$ 4,912,241
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Due to National Multiple Sclerosis Society	$ 828,185	$ 1,178,403
Accounts payable and accrued expenses	332,490	394,264
Deferred income	91,404	71,809
Total Current Liabilities	1,252,078	1,644,476
Long-Term Liabilities:		
Due to National Multiple Sclerosis Society	244,044	837,345
Total Liabilities	1,496,122	2,481,821
Net Assets:		
Unrestricted	2,126,512	2,059,593
Temporarily restricted	326,209	370,826
Total Net Assets	2,452,721	2,430,419
Total Liabilities and Net Assets	$ 3,948,844	$ 4,912,241

- - SEE NOTES TO FINANCIAL STATEMENTS - -

ROBERT I. BATES - Certified Public Accountant - **25 Myrtle Street, Medford, Massachusetts 02155-4119**

NATIONAL MULTIPLE SCLEROSIS SOCIETY
CENTRAL NEW ENGLAND CHAPTER

STATEMENT OF ACTIVITIES
Year Ended September 30, 2007 and 2006

	2007			2006		
	Unrestricted	Temporarily Restricted	Totals	Unrestricted	Temporarily Restricted	Totals
Public Revenue:						
Received Directly:						
Special events (includes in-kind donations: 2007 - $24,380; 2006 - $47,392)	$ 6,708,506	$ 674,156	$ 7,382,662	$ 6,157,350	$ 490,379	$ 6,647,729
Less benefit to donor costs	(1,036,465)	-	(1,036,465)	(987,322)	-	(987,322)
Net event revenue	5,672,041	674,156	6,346,197	5,170,028	490,379	5,660,407
Memberships and contributions (includes donated services: 2007 - $3,725; 2006 - $7,820)	512,427	322,514	834,941	505,476	492,673	998,149
Legacies received at Chapter	126,483	-	126,483	324,931	-	324,931
Received at National (non-legacies)	428,152	-	428,152	306,716	1,325,272	1,631,988
Total Received Directly	6,739,103	996,670	7,735,773	6,307,151	2,308,324	8,615,475
Received Indirectly:						
Federated fund raising organizations	9,764	-	9,764	11,678	-	11,678
Total Received Indirectly	9,764	-	9,764	11,678	-	11,678
Total Public Revenue	6,748,867	996,670	7,745,537	6,318,829	2,308,324	8,627,153
Grants from Governmental Agencies	-	350,034	350,034	-	255,986	255,986
Other Revenue:						
Investment income	203,623	-	203,623	128,597	-	128,597
Service program fees	-	27,893	27,893	-	15,451	15,451
Miscellaneous	4,401	-	4,401	3,039	-	3,039
Total Other Revenue	208,024	27,893	235,917	131,636	15,451	147,087
Net Assets Released from Restrictions	1,419,214	(1,419,214)	-	2,642,149	(2,642,149)	-
Total Revenue	8,376,105	(44,617)	8,331,488	9,092,615	(62,389)	9,030,226
Expenses:						
Programs:						
Research and National programs	1,799,693	-	1,799,693	3,136,295	-	3,136,295
Client programs	2,061,012	-	2,061,012	1,751,502	-	1,751,502
Community programs	768,237	-	768,237	558,809	-	558,809
Professional education and training	303,547	-	303,547	249,820	-	249,820
Public education	828,197	-	828,197	720,973	-	720,973
Total Programs	5,760,686	-	5,760,686	6,417,398	-	6,417,398
Support:						
Fund raising	1,006,421	-	1,006,421	874,332	-	874,332
Management and general	298,551	-	298,551	239,959	-	239,959
Total Support	1,304,972	-	1,304,972	1,114,291	-	1,114,291
Payments to Affiliates	39,970	-	39,970	37,043	-	37,043
National Program Expense	1,203,558	-	1,203,558	1,417,953	-	1,417,953
Total Expenses	8,309,186	-	8,309,186	8,986,685	-	8,986,685
Change in Net Assets	66,919	(44,617)	22,302	105,929	(62,389)	43,540
Net Assets, Beginning of Year	2,059,593	370,826	2,430,419	1,953,664	433,215	2,386,879
Net Assets, End of Year	$ 2,126,512	$ 326,209	$ 2,452,721	$ 2,059,593	$ 370,826	$ 2,430,419

- - SEE NOTES TO FINANCIAL STATEMENTS - -

ROBERT I. BATES - Certified Public Accountant - 25 Myrtle Street, Medford, Massachusetts 02155-4119

NATIONAL MULTIPLE SCLEROSIS SOCIETY
CENTRAL NEW ENGLAND CHAPTER

STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended September 30, 2006

	Programs						Support					
	Research & National Programs	Client Programs	Community Programs	Prof. Ed. and Training	Public Education	Total Programs	Fund Raising	Manage-ment & General	Total Support	Payments To Affiliates	Allocation To National	Totals 2006
Salaries	$ -	$ 630,483	$ 247,344	$ 110,577	$ 319,122	$ 1,307,526	$ 380,715	$ 106,212	$ 486,927	$ -	$ -	$ 1,794,453
Employee Benefits	-	76,518	30,019	13,420	38,730	158,687	46,205	12,890	59,096	-	-	217,783
Payroll Taxes	-	51,239	20,101	8,986	25,935	106,261	30,940	8,632	39,572	-	-	145,833
Total Salaries and Related Expenses	-	758,241	297,464	132,984	383,786	1,572,474	457,861	127,734	585,595	-	-	2,158,069
Printing and Artwork	-	79,711	31,271	13,980	40,346	165,308	48,133	13,428	61,561	-	-	226,869
Postage and Shipping	-	51,787	20,316	9,083	26,212	107,398	31,271	8,724	39,995	-	-	147,393
Telephone	-	17,555	6,887	3,079	8,885	36,406	10,600	2,957	13,558	-	-	49,964
Supplies	-	17,621	6,913	3,091	8,919	36,544	10,641	2,969	13,609	-	-	50,153
Dues and Memberships	-	2,940	1,153	516	1,488	6,097	1,775	495	2,271	-	-	8,368
Advertising	-	18,090	7,097	3,173	9,156	37,516	10,924	3,047	13,971	-	-	51,487
Professional Fees	-	215,174	84,415	37,738	108,911	446,239	129,932	36,249	166,181	-	-	612,420
Travel	-	25,885	10,155	4,540	13,102	53,681	15,630	4,361	19,991	-	-	73,672
Meetings	-	54,398	21,341	9,541	27,534	112,813	32,848	9,164	42,012	-	-	154,825
Occupancy	-	104,505	40,998	18,329	52,895	216,727	63,105	17,605	80,710	-	-	297,437
Furniture and Equipment	-	23,561	9,243	4,132	11,926	48,863	14,227	3,969	18,197	-	-	67,059
Insurance	-	20,680	8,113	3,627	10,467	42,888	12,488	3,484	15,971	-	-	58,859
Awards and Grants:												
To National	1,968,186	-	-	-	-	1,968,186	-	-	-	-	-	1,968,186
To Individuals & Other Organizations	-	83,835	-	-	-	83,835	14,205	-	14,205	-	-	98,040
Miscellaneous Disbursements for Individuals with MS	-	243,253	-	-	-	243,253	-	-	-	-	-	243,253
Miscellaneous	-	20,760	8,144	3,641	10,508	43,053	12,536	3,497	16,033	-	-	59,086
Depreciation and Amortization	-	13,506	5,298	2,369	6,836	28,009	8,156	2,275	10,431	-	-	38,440
Payments to Affiliates	-	-	-	-	-	-	-	-	-	37,043	-	37,043
National Program Expense	1,168,109	-	-	-	-	1,168,109	-	-	-	-	1,417,953	2,586,062
Total Expenses	$ 3,136,295	$ 1,751,502	$ 558,809	$ 249,820	$ 720,973	$ 6,417,398	$ 874,332	$ 239,959	$ 1,114,291	$ 37,043	$ 1,417,953	8,986,685
Benefit to Donor Costs												987,322
Total Expenses and Benefit to Donor Costs												$ 9,974,007

- - SEE NOTES TO FINANCIAL STATEMENTS - -

NATIONAL MULTIPLE SCLEROSIS SOCIETY
CENTRAL NEW ENGLAND CHAPTER

STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended September 30, 2007

	Programs						Support						
	Research & National Programs	Client Programs	Community Programs	Prof. Ed. and Training	Public Education	Total	Fund Raising	Manage-ment & General	Total Support	Payments To Affiliates	National Activities	Benefit To Donor Costs	Totals
Salaries	$ -	$ 714,993	$ 328,150	129,659	$ 353,762	$ 1,526,564	$ 426,862	$ 127,525	$ 554,386	$ -	$ -	-	2,080,950
Employee Benefits	-	91,645	42,061	16,619	45,344	195,670	54,714	16,346	71,059	-	-	-	266,729
Payroll Taxes	-	55,590	25,513	10,081	27,505	118,689	33,188	9,915	43,103	-	-	-	161,792
Total Salaries and Related Expenses	-	862,228	395,724	156,359	426,610	1,840,922	514,763	153,786	668,549	-	-		2,509,471
Printing	-	83,486	38,316	15,140	41,307	178,248	49,842	14,890	64,733	-	-		242,981
Postage and Shipping	-	44,803	20,563	8,125	22,167	95,658	26,748	7,991	34,739	-	-		130,397
Telephone	-	18,952	8,698	3,437	9,377	40,464	11,315	3,380	14,695	-	-		55,159
Supplies	-	14,035	6,441	2,545	6,944	29,966	8,379	2,503	10,882	-	-	507,137	547,985
Dues and Memberships	-	3,709	1,702	673	1,835	7,918	2,214	661	2,876	-	-		10,794
Advertising	-	127,277	58,414	23,081	62,974	271,746	75,986	22,701	98,687	-	-		370,433
Professional and Other Contract Service Fees	-	243,287	111,658	44,119	120,373	519,437	145,246	43,392	188,638	-	-		708,075
Travel	-	31,274	14,353	5,671	15,473	66,771	18,671	5,578	24,249	-	-	111,347	202,367
Meetings	-	61,969	28,441	11,238	30,661	132,309	36,997	11,053	48,049	-	-		180,358
Occupancy	-	104,380	47,906	18,929	51,645	222,859	62,316	18,617	80,933	-	-	60,585	364,377
Furniture and Equipment	-	24,651	11,314	4,470	12,197	52,631	14,717	4,397	19,114	-	-		71,745
Insurance	-	20,173	9,258	3,658	9,981	43,071	12,043	3,598	15,641	-	-		58,712
Awards and Grants To Other MS-related Organizations	-	137,350	-	-	-	137,350	-	-	-	-	-	-	137,350
Disbursements for People with MS	-	249,780	-	-	-	249,780	-	-	-	-	-		249,780
Awards/Prizes and Promotional Items						-	7,089		7,089	-	-	217,697	224,786
Miscellaneous	-	19,714	9,048	3,575	9,754	42,092	11,770	3,516	15,286	-	-	139,699	197,077
Depreciation and Amortization	-	13,944	6,400	2,529	6,899	29,772	8,325	2,487	10,812	-	-		40,584
Payments to Affiliates	-	-	-	-	-	-	-	-	-	39,970	-	-	39,970
Restricted Contributions to National for reasearch and Other Activities	596,134	-	-	-	-	596,134	-	-	-	-	-		596,134
Functionalized National Program Expense	1,203,558	-	-	-	-	1,203,558	-	-	-	-	-	-	1,203,558
Total Expenses Before Public Support to National	1,799,693	2,061,012	768,237	303,547	828,197	5,760,686	1,006,421	298,551	1,304,972	39,970	-	1,036,465	$ 8,142,093
Public Support to National	-	-	-	-	-	-	-	-	-	-	1,203,558	-	$ 1,203,558
Total Expenses	$ 1,799,693	$ 2,061,012	$ 768,237	$ 303,547	$ 828,197	$ 5,760,686	$ 1,006,421	$ 298,551	$ 1,304,972	$ 39,970	$ 1,203,558	$ 1,036,465	$ 9,345,651
Less Direct Benefit to Donor Costs													(1,036,465)
Total Expenses Presented on Statement of Activities													8,309,186

- - SEE NOTES TO FINANCIAL STATEMENTS - -

NATIONAL MULTIPLE SCLEROSIS SOCIETY
CENTRAL NEW ENGLAND CHAPTER

STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended September 30, 2007

	Programs						Support						
	Research & National Programs	Client Programs	Community Programs	Prof. Ed. and Training	Public Education	Total Programs	Fund Raising	Manage-ment & General	Total Support	Payments To Affiliates	National Activities	Benefit To Donor Costs	Totals
Salaries	$ -	$ 714,993	$ 328,150	$ 129,659	$ 353,762	$ 1,526,564	$ 426,862	$ 127,525	$ 554,386	$ -	$ -	$ -	$ 2,080,950
Employee Benefits	-	91,645	42,061	16,619	45,344	195,670	54,714	16,346	71,059	-	-	-	266,729
Payroll Taxes	-	55,590	25,513	10,081	27,505	118,689	33,188	9,915	43,103	-	-	-	161,792
Total Salaries and Related Expenses	-	862,228	395,724	156,359	426,610	1,840,922	514,763	153,786	668,549	-	-	-	2,509,471
Printing	-	83,486	38,316	15,140	41,307	178,248	49,842	14,890	64,733	-	-	-	242,981
Postage and Shipping	-	44,803	20,563	8,125	22,167	95,658	26,748	7,991	34,739	-	-	-	130,397
Telephone	-	18,952	8,698	3,437	9,377	40,464	11,315	3,380	14,695	-	-	-	55,159
Supplies	-	14,035	6,441	2,545	6,944	29,966	8,379	2,503	10,882	-	-	507,137	547,985
Dues and Memberships	-	3,709	1,702	673	1,835	7,918	2,214	661	2,876	-	-	-	10,794
Advertising	-	127,277	58,414	23,081	62,974	271,746	75,986	22,701	98,687	-	-	-	370,433
Professional and Other Contract Service Fees	-	243,287	111,658	44,119	120,373	519,437	145,246	43,392	188,638	-	-	-	708,075
Travel	-	31,274	14,353	5,671	15,473	66,771	18,671	5,578	24,249	-	-	111,347	202,367
Meetings	-	61,969	28,441	11,238	30,661	132,309	36,997	11,053	48,049	-	-	-	180,358
Occupancy	-	104,380	47,906	18,929	51,645	222,859	62,316	18,617	80,933	-	-	60,585	364,377
Furniture and Equipment	-	24,651	11,314	4,470	12,197	52,631	14,717	4,397	19,114	-	-	-	71,745
Insurance	-	20,173	9,258	3,658	9,981	43,071	12,043	3,598	15,641	-	-	-	58,712
Awards and Grants To Other MS-related Organizations	-	137,350	-	-	-	137,350	-	-	-	-	-	-	137,350
Disbursements for People with MS	-	249,780	-	-	-	249,780	-	-	-	-	-	-	249,780
Awards/Prizes and Promotional Items	-	-	-	-	-	-	7,089	-	7,089	-	-	217,697	224,786
Miscellaneous	-	19,714	9,048	3,575	9,754	42,092	11,770	3,516	15,286	-	-	139,699	197,077
Depreciation and Amortization	-	13,944	6,400	2,529	6,899	29,772	8,325	2,487	10,812	-	-	-	40,584
Payments to Affiliates	-	-	-	-	-	-	-	-	-	39,970	-	-	39,970
Restricted Contributions to National for reasearch and Other Activities	596,134	-	-	-	-	596,134	-	-	-	-	-	-	596,134
Functionalized National Program Expense	1,203,558	-	-	-	-	1,203,558	-	-	-	-	-	-	1,203,558
Total Expenses Before Public Support to National	1,799,693	2,061,012	768,237	303,547	828,197	5,760,686	1,006,421	298,551	1,304,972	39,970	-	1,036,465	8,142,093
Public Support to National	-	-	-	-	-	-	-	-	-	-	1,203,558	-	1,203,558
Total Expenses	$ 1,799,693	$ 2,061,012	$ 768,237	$ 303,547	$ 828,197	$ 5,760,686	$ 1,006,421	$ 298,551	$ 1,304,972	$ 39,970	$ 1,203,558	$ 1,036,465	9,345,651
Less Direct Benefit to Donor Costs													(1,036,465)
Total Expenses Presented on Statement of Activities													$ 8,309,186

- - SEE NOTES TO FINANCIAL STATEMENTS - -

ROBERT I. BATES - Certified Public Accountant- 25 Myrtle Street, Medford, Massachusetts 02155-4119

NATIONAL MULTIPLE SCLEROSIS SOCIETY
CENTRAL NEW ENGLAND CHAPTER

STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended September 30, 2006

	Programs						Support						
	Research & National Programs	Client Programs	Community Programs	Prof. Ed. and Training	Public Education	Total Programs	Fund Raising	Manage-ment & General	Total Support	Payments To Affiliates	National Activities	Benefit To Donor Costs	Totals
Salaries	$ -	$ 630,483	$ 247,344	$ 110,577	$ 319,122	$ 1,307,526	$ 380,715	$ 106,212	$ 486,927	$ -	$ -	$ -	$ 1,794,453
Employee Benefits	-	76,518	30,019	13,420	38,730	158,687	46,205	12,890	59,096	-	-	-	217,783
Payroll Taxes	-	51,239	20,101	8,986	25,935	106,261	30,940	8,632	39,572	-	-	-	145,833
Total Salaries and Related Expenses	-	758,241	297,464	132,984	383,786	1,572,474	457,861	127,734	585,595	-	-	-	2,158,069
Printing	-	79,711	31,271	13,980	40,346	165,308	48,133	13,428	61,561	-	-	-	226,869
Postage and Shipping	-	51,787	20,316	9,083	26,212	107,398	31,271	8,724	39,995	-	-	-	147,393
Telephone	-	17,555	6,887	3,079	8,885	36,406	10,600	2,957	13,558	-	-	-	49,964
Supplies	-	17,621	6,913	3,091	8,919	36,544	10,641	2,969	13,609	-	-	472,265	522,418
Dues and Memberships	-	2,940	1,153	516	1,488	6,097	1,775	495	2,271	-	-	-	8,368
Advertising	-	18,090	7,097	3,173	9,156	37,516	10,924	3,047	13,971	-	-	-	51,487
Professional and Other Contract Service Fees	-	215,174	84,415	37,738	108,911	446,239	129,932	36,249	166,181	-	-	-	612,420
Travel	-	25,885	10,155	4,540	13,102	53,681	15,630	4,361	19,991	-	-	60,910	134,582
Meetings	-	54,398	21,341	9,541	27,534	112,813	32,848	9,164	42,012	-	-	-	154,825
Occupancy	-	104,505	40,998	18,329	52,895	216,727	63,105	17,605	80,710	-	-	59,364	356,801
Furniture and Equipment	-	23,561	9,243	4,132	11,926	48,863	14,227	3,969	18,197	-	-	-	67,059
Insurance	-	20,680	8,113	3,627	10,467	42,888	12,488	3,484	15,971	-	-	-	58,859
Awards and Grants to Other MS-related Organizations	-	83,835	-	-	-	83,835	-	-	-	-	-	-	83,835
Disbursements for People with MS	-	243,253	-	-	-	243,253	-	-	-	-	-	-	243,253
Awards/Prizes and Promotional Items	-	-	-	-	-	-	14,205	-	14,205	-	-	272,486	286,691
Miscellaneous	-	20,760	8,144	3,641	10,508	43,053	12,536	3,497	16,033	-	-	122,297	181,383
Depreciation and Amortization	-	13,506	5,298	2,369	6,836	28,009	8,156	2,275	10,431	-	-	-	38,440
Payments to Affiliates	-	-	-	-	-	-	-	-	-	37,043	-	-	37,043
Restricted Contributions to National for reasearch and Other Activities	1,968,186	-	-	-	-	1,968,186	-	-	-	-	-	-	1,968,186
Functionalized National Program Expense	1,168,109	-	-	-	-	1,168,109	-	-	-	-	-	-	1,168,109
Total Expenses Before Public Support to National	3,136,295	1,751,502	558,809	249,820	720,973	6,417,398	874,332	239,959	1,114,291	37,043	-	987,322	8,556,054
Public Support to National	-	-	-	-	-	-	-	-	-	-	1,417,953	-	1,417,953
Total Expenses	$ 3,136,295	$ 1,751,502	$ 558,809	$ 249,820	$ 720,973	$ 6,417,398	$ 874,332	$ 239,959	$ 1,114,291	$ 37,043	$ 1,417,953	$ 987,322	9,974,007
Less Direct Benefit to Donor Costs													(987,322)
Total Expenses Presented on Statement of Activities													$ 8,986,685

- - SEE NOTES TO FINANCIAL STATEMENTS - -

ROBERT I. BATES - Certified Public Accountant - 25 Myrtle Street, Medford, Massachusetts 02155-4119

NATIONAL MULTIPLE SCLEROSIS SOCIETY
CENTRAL NEW ENGLAND CHAPTER

STATEMENT OF CASH FLOWS
For The Year Ended September 30, 2007 and 2006

	2007	2006
Cash Flows from Operating Activities:		
Change in net assets	$ 22,302	$ 43,540
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	40,584	38,440
Realized and unrealized gain on investments	(136,745)	(52,113)
(Increase)/decrease in assets:		
Contributions receivables	969,813	(733,612)
Prepaid expenses and other assets	104,597	(113,264)
Accrued interest receivable	2,038	(3,075)
Increase/(decrease) in liabilities:		
Due to National Multiple Sclerosis Society	(943,519)	566,874
Accounts payable and accrued expenses	(61,774)	68,927
Deferred income	19,595	47,616
Net Cash Provided/(Used) by Operating Activities	16,890	(136,666)
Cash Flows from Investing Activities:		
Purchase of furniture, equipment and improvements	(45,035)	(62,489)
Proceeds from sale of investments	76,088	112,904
Purchase of investments	-	(229,503)
Net Cash Used by Investing Activities	31,053	(179,088)
Net Increase/(Decrease) in Cash and Cash Equivalents	47,943	(315,754)
Cash and Cash Equivalents, Beginning of Year	1,674,742	1,990,496
Cash and Cash Equivalents, End of Year	$ 1,722,685	$ 1,674,742

- - SEE NOTES TO FINANCIAL STATEMENTS - -

ROBERT I. BATES - Certified Public Accountant - **25 Myrtle Street, Medford, Massachusetts 02155-4119**

Note 1 - Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States and with standards adopted by the National Health Council and the National Assembly for Social Policy and Development.

Investments are stated at market.

Contributions are recorded as revenue when pledges are made. All contributions are available for unrestricted use unless specifically restricted by donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support that increases that net asset class. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Investment income represents realized and unrealized gains, losses and earned interest and dividends.

Office equipment and leasehold improvements are stated at cost. Depreciation and amortization are provided using the straight-line method over the estimated useful lives (5-10 years) of the assets.

Organization

The National Multiple Sclerosis Society (the Society) is a not-for-profit voluntary health agency that is dedicated to advancing the cure, prevention and treatment of Multiple Sclerosis (MS) and to improving the lives of those affected by the disease. The Society, established in 1946, provides education, services, advocacies and supports an international program of scientific research aimed at finding effective means of preventing and arresting the disease. The Society supports more MS research and serves more people with MS than any other national voluntary health organization. In addition to funding the world's most promising basic clinical research and supplying vital services to people living with MS, the Society provides high-quality community programs to educate and to advocate on critical issues related to MS.

The Society has more than 54 chapters plus branches across the United States. The Central New England Chapter (the Chapter) is one of the five largest revenue chapters in the country. The Chapter currently operates from its office in Waltham, Massachusetts, in addition to its four regional offices located in Manchester, New Hampshire, Millers Falls, Massachusetts, Wareham, Massachusetts and Worcester, Massachusetts.

The National Multiple Sclerosis Society, Central New England Chapter is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under section 509(a) of the Internal Revenue Code. The Chapter is also exempt from State income tax. Accordingly, the Chapter is not required to pay income taxes.

Contributions to the Chapter qualify for the charitable contributions deduction to the extent provided by section 170 of the Internal Revenue Code.

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Note 1 - Summary of Significant Accounting Policies (Continued)

In-Kind Donations

The organization records various types of in-kind support, including services, advertising, and materials. Contributed in-kind support is recognized in accordance with the Statement of Financial Accounting Standards No. 116, "Accounting for Contributions Received and Contributions Made" of the American Institute of Certified Public Accountants. This pronouncement requires recognition of professional services received if those services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in expenses.

The organization receives a significant amount of contributed time (some of which is skilled) which does not meet either of the two recognition criteria described above. Accordingly, the value of this contributed time has not been reflected in the accompanying financial statements.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Temporarily Restricted Net Assets

	2007	2006
Temporarily restricted net assets consist of the following:		
Restricted to Chapter purchase of fixed assets and improvements	$ 240,628	$ 285,663
Restricted to Chapter programs	76,205	76,205
Future contributions at present value	9,376	8,958
Total restricted net assets	$ 326,209	$ 370,826

Note 3 - Investments

Investments are carried at market value. Donated investments are recorded at the market value on the date of donation; thereafter, the investments are carried at the current market value. The following is the composition of investments (exclusive of money market accounts which are included in cash equivalents).

	2007		2006	
	Cost	Market Value	Cost	Market Value
U.S. Government & Agency	$ 395,181	$ 396,262	$ 440,515	$ 434,348
Mutual Funds	687,824	812,339	687,824	713,596
	$ 1,083,005	$ 1,208,601	$ 1,128,339	$ 1,147,944

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Note 4 - Net Investment Income

	2007	2006
Interest and dividends	$ 64,997	$ 74,880
Net realized gains	30,753	7,961
Net unrealized gains	105,992	44,152
Net investment income before Investment activity fees	201,742	126,993
Investment activity fees	(4,254)	(3,972)
Net investment income	$ 197,488	$ 123,021

Note 5 - Equipment, Furniture and Improvements

	2007	2006
Furniture and equipment	$ 504,174	$ 459,139
Leasehold improvements	108,133	108,133
Total	612,307	567,272
Less accumulated depreciation and amortization	478,044	437,460
Net equipment, furniture and improvements	$ 134,263	$ 129,812

Note 6 – Contributions

Public support includes the following contributions, legacies and bequests received at National from the Central New England Chapter area sources for the fiscal:

	2007	2006
General contributions	$ 25,742	$ 25,617
Research contributions	6,204	345,440
Totals	$ 31,946	$ 370,057

Note 7 - Contributions Receivable (Promises to Give)

Based on prior experience, management has computed the estimated collectible pledge receivables from fundraising events. In addition, there are promises to give in future years. These promises have been discounted to disclose the present value of those future gifts in the statement of financial position. The discounts range from 2.65% to 5.09% in 2007 and 2.65% to 5.15% in 2006. Included in "Contributions Receivable" are the following unconditional promises to give:

	2007	2006
Pledges, at estimated collectible	$ 314,579	$ 273,309
Restricted to future periods	540,876	1,600,958
Gross unconditional promises to give	855,455	1,874,267
Less: Unamortized discount	23,771	72,770
Net unconditional promises to give	$ 831,684	$ 1,801,497
Gross amounts due in:		
Less than one year	$ 580,078	$ 956,309
One to four years	275,377	909,000
More than four years	-	8,958
Total gross promises to give	$ 855,455	$ 1,874,267

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Note 8 - Contributions Restricted for Local Use

During 2007 and 2006, the Chapter received contributions that were restricted by donors for local use. Accordingly, such revenue was not shared with the National headquarters. As part of the independent audit procedures, our auditor tested and verified documentation of contributions received by the Chapter that were restricted for local use. Tested restricted contributions were in compliance with the restricted gift policy of the National Multiple Sclerosis Society.

Note 9 – Joint Costs

During the 2007 and 2006 year, the Chapter incurred joint costs of $53,264 and $69,443, respectively, for informational materials and activities that included fund raising appeals. These costs were allocated in accordance with the requirements of the American Institute of Certified Public Accountants' Statement of Position 98-2, *Accounting for Costs of Activities of Not-for-Profit Organizations and State and Local Government Entities That Include Fund-Raising*. Of these costs, the Chapter allocated $39,074 and $50,600 to programs, $10,926 and $14,733 to fund raising expense and $3,264 and $4,110 to management and general, respectively.

Note 10 - Retirement Plan

Eligible participating employees are covered under the Chapter's retirement plan, which is funded by the purchase of individual annuity contracts through the Teachers Insurance and Annuity Association and College Retirement Equities Fund. The pension plan contributions were $112,854, for the year 2007, and $98,693, for the year 2006.

Note 11 - Commitments

The Chapter leases the premises it occupies at four locations with minimum annual payments for 2007 and 2006 of $210,663 and $259,596, respectively, (plus certain allocable direct costs) required under commitment agreements for office space. Rental agreements having an original term of more than one year expire on various dates through August 2012 and December 2009 for the years 2007 and 2006, respectively; capital asset lease agreements having an original term of more than one year expire on various dates through December 2011 for both years. The rental agreements include escalation clauses based on increased operating costs. Rental expense of the Chapter office space and capital asset leases was $335,530 and $297,093 for the year ended September 30, 2007 and 2006, respectively.

Minimum office space and capital asset leases rental commitments under leasing agreements for the years ended September 30 are as follows:

	2007	2006
2007	$ -	$ 242,810
2008	251,053	237,208
2009	197,741	180,913
2010	29,807	13,463
2011 (and subsequent in 2006)	30,347	255
2012 (and subsequent in 2007)	27,639	-
	$ 691,593	$ 674,649

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Note 12 - Research and National Activities Expense

The Chapter is required to remit 40% of all unrestricted contributions, net of allowances, 50% of all unrestricted legacies and 100% of research restricted contributions to the National Multiple Sclerosis Society ("National Headquarters").

The Chapter participates in National Headquarters' direct marketing program. Unrestricted public support received under the program by National Headquarters that is attributable to Chapter sources is credited to and recorded by the Chapter at 40% of such unrestricted public support, net of 60% retained by National Headquarters. These amounts are recorded as contributions received indirectly from National Headquarters in the accompanying statement of activities.

Multi-year contributions that are restricted for research and other National initiatives are remitted to National when received and reflected as expense when the income is recorded at the present value and amortized over the respective periods.

The total amount of contributions and legacies due to National Headquarters amounted to $3,003,251 and $4,554,248 in the 2007 and 2006 fiscal years, respectively. Included in the total contributions remitted to National is the Chapter's participation in the funding of National's research campaign, certain specific research grants approved by National and other National activities. These contributions to National consisted of the following:

	2007	2006
Annual funding of National's research campaign	$ 76,467	$ 527,350
Funding of Promise 2010 campaign	327,082	331,405
Scholarship Program	44,985	44,039
Clinical Fellowship Program	65,000	40,000
Stepping Stone Program	31,345	975,392
Estriol Research Program	50,000	-
Nationwide Programs	-	50,000
MS Challenge Partnership	-	249,845
	$ 596,134	$ 2,218,031

In fiscal year 2005, the Chapter indicated its intent to contribute to National's Promise 2010 Campaign in the amount of $2,002,010, payable each year through 2010 in annual amounts to be determined by the Chapter. This is an intent and, as such, is reflected in our Contributions to National. Contributions dedicated to this campaign in the amount of $1,102,424 were expensed and paid through fiscal year 2007 and have been recorded as expense under "Research and National Activities – Chapter contributions to National for research and other activities".

In fiscal year 2005, the Chapter indicated its intent to contribute to National's Scholarship Program in the amount of $100,000 payable each year through 2009 in annual amounts to be determined by the Chapter. This is an intent and, as such, is reflected in our Contributions to National. Contributions dedicated to this campaign in the amount of $60,000 were expensed and paid through fiscal year 2007 and have been recorded as expense under "Research and National Activities – Chapter contributions to National for research and other activities".

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Note 12 - Research and National Activities Expense (Continued)

In fiscal year 2007, the Chapter indicated its intent to contribute to National's Estriol Project in the amount of $150,000 payable each year through 2009 in annual amounts to be determined by the Chapter. This is an intent and, as such, is reflected in our Contributions to National. Contributions, from Chapter reserves, dedicated to this campaign in the amount of $50,000 were expensed and paid through fiscal year 2007 have been recorded as expense under "Research and National Activities – Chapter contributions to National for research and other activities.

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Note 12 - Research and National Activities Expense (Continued)

In fiscal year 2007, the Chapter indicated its intent to contribute to National's Estriol Project in the amount of $150,000 payable each year through 2009 in annual amounts to be determined by the Chapter. This is an intent and, as such, is reflected in our Contributions to National. Contributions, from Chapter reserves, dedicated to this campaign in the amount of $50,000 were expensed and paid through fiscal year 2007 have been recorded as expense under "Research and National Activities – Chapter contributions to National for research and other activities.

Note 13 – Subsequent Events

Subsequent to the fiscal year end, the Chapter was notified of a pending bequest, approximating $600,000, which is expected to be distributed to the Chapter in fiscal year 2008.

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