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**Audited Consolidated Financial Statements
and Other Financial Information**

**ASSOCIATION OF CLINICAL
RESEARCH PROFESSIONALS
& AFFILIATES**

December 31, 2008

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Association of Clinical Research Professionals & Affiliates

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T A T E



T R Y O N

A Professional Corporation

Certified Public

Accountants

and Consultants

Independent Auditor's Report on the Consolidated Financial Statements

To the Board of Trustees
Association of Clinical Research Professionals
& Affiliates

We have audited the accompanying consolidated statements of financial position of Association of Clinical Research Professionals & Affiliates (the Organization) as of December 31, 2008 and 2007, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Association of Clinical Research Professionals & Affiliates as of December 31, 2008 and 2007, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Washington, DC
April 24, 2009

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**Association of Clinical Research Professionals
& Affiliates**

Consolidated Statements of Financial Position

December 31,	2008	2007
Assets		
Cash and cash equivalents - Note B	\$ 1,101,653	\$ 966,488
Investments - Notes B & C	1,583,855	2,096,664
Accounts receivable	300,433	210,427
Prepaid expenses	725,262	703,240
Assets held for deferred compensation - Note D	116,850	230,724
Property and equipment, net - Note E	818,086	1,146,564
Deposits	77,930	90,268
Total assets	\$ 4,724,069	\$ 5,444,375
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 531,228	\$ 461,127
Deferred revenue		
Annual meeting	1,370,782	1,220,220
Institution and education	124,455	95,679
Membership dues	1,211,438	1,069,368
Other programs	35,042	50,105
Total deferred revenue	2,741,717	2,435,372
Deferred rent - Note H	164,865	174,489
Deferred compensation - Note D	116,850	230,724
Margin loan payable - Note F	352,168	464,844
Total liabilities	3,906,828	3,766,556
Net assets		
Unrestricted	794,065	1,654,643
Temporarily restricted	23,176	23,176
Total net assets	817,241	1,677,819
Commitments - Note H	-	-
Total liabilities and net assets	\$ 4,724,069	\$ 5,444,375

See notes to the consolidated financial statements

Association of Clinical Research Professionals & Affiliates

Consolidated Statements of Activities

<i>Year Ended December 31,</i>	2008	2007
Unrestricted activities		
Revenue and support		
Institution and education	\$ 3,637,085	\$ 2,900,809
Annual meeting	2,910,909	2,976,029
Membership dues	2,132,952	2,488,151
Publications	814,155	773,257
Career site	349,646	410,876
Other programs	325,323	578,503
Interest and dividends	27,436	87,948
Net assets released from restriction	-	8,967
Total unrestricted revenue and support	10,197,506	10,224,540
Expense		
Program services		
Institution and education	2,742,116	2,865,382
Annual meeting	2,682,640	2,134,978
Membership	1,659,723	1,389,367
Publications	1,084,630	1,080,518
Total program services	8,169,109	7,470,245
Supporting services		
Governance	1,344,925	1,691,905
General and administrative	881,124	826,156
Total supporting services	2,226,049	2,518,061
Total expense	10,395,158	9,988,306
Change in net assets before other item	(197,652)	236,234
Net (loss) gain on investments	(662,926)	62,851
Change in unrestricted net assets	(860,578)	299,085
Temporarily restricted activities		
Contributions	-	23,176
Net assets released from restriction	-	(8,967)
Changes in temporarily restricted activities	-	14,209
Change in net assets	(860,578)	313,294
Net assets, beginning of year	1,677,819	1,364,525
Net assets, end of year	\$ 817,241	\$ 1,677,819

*Certain 2007 amounts have been reclassified for comparative purposes
See notes to the consolidated financial statements*

**Association of Clinical Research Professionals
& Affiliates**

Consolidated Statements of Cash Flows

Year Ended December 31,	2008	2007
Cash flows from operating activities		
Change in net assets	\$ (860,578)	\$ 313,294
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	455,435	166,613
Net loss (gain) on investments	662,926	(62,851)
Changes in assets and liabilities		
Accounts receivable	(90,006)	(7,972)
Prepaid expenses	(22,022)	(112,856)
Deposits	12,338	-
Accounts payable and accrued expenses	70,101	36,225
Deferred revenue	306,345	343,129
Deferred rent	(9,624)	10,252
Total adjustments	1,385,493	372,540
Net cash provided by operating activities	524,915	685,834
Cash flows from investing activities		
Purchases of investments, net	(150,117)	(42,327)
Purchases of property and equipment	(126,957)	(913,432)
Net cash used in investing activities	(277,074)	(955,759)
Cash flows from financing activities		
Issuance of margin loan payable	-	500,000
Principal payments on margin loan payable	(112,676)	(35,156)
Net cash (used in) provided by financing activities	(112,676)	464,844
Net increase in cash and cash equivalents	135,165	194,919
Cash and cash equivalents, beginning of year	966,488	771,569
Cash and cash equivalents, end of year	\$ 1,101,653	\$ 966,488

Supplemental Disclosure of Cash Flow Information

Cash paid during the year for interest	\$ 19,935	\$ 10,760
Cash paid during the year for income taxes	\$ -	\$ 17,000

See notes to the consolidated financial statements

Association of Clinical Research Professionals & Affiliates

Notes to the Consolidated Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization Association of Clinical Research Professionals (the Association) exists to provide global leadership to promote integrity and excellence for the clinical research profession

Academy of Pharmaceutical Physicians and Investigators (APPI) was established June 30, 2005 and exists to promote the acquisition and dissemination of knowledge concerning the therapeutic action, investigation, and development of pharmaceuticals, biologics, medical devices and diagnostics

Academy of Clinical Research Professionals (the Academy) was established on January 3, 2006 and exists to provide oversight for the credentialing and certification maintenance of non-physician certificants and the conduct of government affairs activities in coordination with the Academy of Pharmaceutical Physicians and Investigators

Income tax status The Association is exempt from the payment of income taxes on its exempt purpose activities under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation by the Internal Revenue Service. APPI and the Academy are exempt from the payment of income taxes under Section 501(c)(6) of the Internal Revenue Code. Each of the entities above is subject to income tax on its unrelated business activities, such as advertising

FSP FIN 48-3 The Financial Accounting Standards Board Staff Position FIN 48-3 (FSP FIN 48-3), *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Entities*, grants nonpublic organizations the option to defer the effective date of FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes* until the year ended December 31, 2009. As permitted by FSP FIN 48-3, the Organization has elected to delay the implementation of FIN 48 until the year ended December 31, 2009.

Principles of consolidation As required by generally accepted accounting principles (Statement of Position 94-3, *Reporting of Related Entities by Not-for-Profit Organizations*), the accompanying financial statements include the accounts of the Association, APPI and Academy (collectively, the Organization). Significant inter-company accounts and transactions have been eliminated in consolidation.

Basis of accounting The accompanying consolidated financial statements have been prepared on the accrual basis of accounting. Consequently, revenue is recognized when earned and expense when the obligation is incurred.

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 and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents For financial statement purposes, the Organization considers money market accounts and certificates of deposit (exclusive of the investment portfolio) to be cash equivalents.

Association of Clinical Research Professionals & Affiliates

Notes to the Consolidated Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accounts receivable Accounts receivable consists primarily of amounts due from advertisers. Accounts receivable are presented at the gross amount due to the Organization. Balances deemed to be uncollectible are charged directly to bad debt expense. Management believes that the use of the direct write-off method approximates the results that would be presented if an allowance for bad debt were recorded.

Property and equipment Property and equipment acquisitions greater than or equal to \$500 are capitalized at cost and then depreciated on a straight-line basis over estimated useful lives of 3 to 7 years.

Deferred revenue Revenue received in advance of the period in which it is earned is deferred to subsequent years.

Temporarily restricted net assets Temporarily restricted net assets are composed of contributions relating to the Lou Sherwood Memorial Fund.

Contributions Contributions are recorded as unrestricted or temporarily restricted support depending upon the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period. All other donor-restricted support is reported as an increase in temporarily restricted net assets and then reclassified to unrestricted net assets when the restriction expires.

Functional allocation of expense The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

B. CONCENTRATION OF CREDIT RISK

Credit risk The Organization maintains demand deposits with commercial banks and money market funds with financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. federal government. The uninsured portion of cash and money market accounts are backed solely by the assets of the underlying institution. As such, the failure of an underlying institution could result in financial loss to the Organization.

Market value risk The Organization also invests funds in professionally managed mutual funds, marketable equity securities, government securities, and corporate bonds. Such investments are exposed to market and credit risks. Given the current turmoil in world financial markets, the Organization's investments may be subject to significant fluctuations in fair value. As a result, the investment balances reported in the accompanying consolidated financial statements may not be reflective of the portfolio's value during subsequent periods.

Association of Clinical Research Professionals & Affiliates

Notes to the Consolidated Financial Statements

C. INVESTMENTS

The Organization has implemented Statement of Financial Accounting Standards No. 157 (FAS 157), *Fair Value Measurements*. FAS 157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principals, and expands disclosures about fair value measurements. FAS 157 uses the following prioritized input levels to measure fair value. The input levels used for valuing investments are not necessarily an indication of risk.

Level 1 – observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes,

Level 2 – includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data,

Level 3 – unobservable inputs which reflect the reporting entity's assessments of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

Investments, recorded at fair value using level inputs, consist of the following at December 31,

2008	Total	Level 1	Level 2	Level 3
Marketable equity securities	\$ 761,402	\$ 761,402	\$ -	\$ -
Corporate bonds	307,124		307,124	
Cash equivalents	238,722	238,722		
Mutual funds - equity	220,846	220,846		
U.S. Government securities	55,761		55,761	
	<u>\$ 1,583,855</u>	<u>\$ 1,220,970</u>	<u>\$ 362,885</u>	<u>\$ -</u>

2007	Total	Level 1	Level 2	Level 3
Marketable equity securities	\$ 1,123,428	\$ 1,123,428	\$ -	\$ -
Mutual funds - equity	374,940	374,940		
Corporate bonds	313,156		313,156	
Cash equivalents	181,016	181,016		
U.S. Government securities	104,124		104,124	
	<u>\$ 2,096,664</u>	<u>\$ 1,679,384</u>	<u>\$ 417,280</u>	<u>\$ -</u>

Association of Clinical Research Professionals & Affiliates

Notes to the Consolidated Financial Statements

D. DEFERRED COMPENSATION

The Organization has a non-qualified deferred compensation plan covering certain employees. Under this plan, eligible participants can elect to defer a portion of their salary in accordance with limits specified by the plan. Investments held under deferred compensation agreements consist of mutual funds valued at quoted market prices (level 1) (see definition in Note C). These investments are assets of the Organization and are payable to participants in accordance with the terms of the plan.

E. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31,

	2008	2007
Furniture and equipment	\$ 1,131,062	\$ 1,084,558
Software	967,264	797,405
Leasehold improvements	102,815	102,815
Works in process – AMS implementation	9,401	98,808
	<u>2,210,542</u>	<u>2,083,586</u>
Less accumulated depreciation and amortization	<u>(1,392,456)</u>	<u>(937,022)</u>
	<u>\$ 818,086</u>	<u>\$ 1,146,564</u>

F. MARGIN LOAN PAYABLE

During August 2007, the Organization borrowed \$500,000 from Wachovia Securities to purchase and implement association management software. The loan is due upon demand and accrues interest on the daily balance at the lender's floating base rate (no more than the higher of the prime rate or the broker call rate). This rate is adjusted based on the daily outstanding balance. As of December 31, 2008 and 2007, the rates were 3.213% and 6.862%, respectively. The loan is secured by the Organization's investments which are also maintained with Wachovia Securities.

G. PENSION PLAN

The Organization makes retirement contributions for eligible employees to a defined contribution plan. Under this plan, the Organization matches employee contributions up to five percent of the employee's annual salary, which vests immediately. The Organization's retirement plan contributions for the year ended December 31, 2008 and 2007 totaled \$121,698 and \$131,214, respectively.

Association of Clinical Research Professionals & Affiliates

Notes to the Consolidated Financial Statements

H. COMMITMENTS

Office Leases

The Organization has office space lease agreements for its United States (U S) and United Kingdom (U K) operations, which expire in November 2012 and September 2016, respectively. Total rent expense for both leases for the years ended December 31, 2008 and 2007 was \$497,327 and \$472,538, respectively. Aggregate future minimum rental payments, in U S dollars, are as follows:

Year	U S Office	U K Office	Total
2009	\$ 442,370	\$ 29,209	\$ 471,579
2010	455,641	29,209	484,850
2011	469,310	29,209	498,519
2012	442,001	29,209	471,210
2013	-	29,209	29,209
Thereafter	-	87,627	87,627
	<u>\$ 1,809,322</u>	<u>\$ 233,672</u>	<u>\$ 2,042,994</u>

Hotel Commitments

The Organization has entered into several agreements with hotels providing for room accommodations for future meetings and conventions. Many of these agreements contain clauses whereby the Organization may be obligated for liquidated damages in the event of cancellation.

T A T E



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Independent Auditor's Report on the Other Financial Information

To the Board of Trustees
Association of Clinical Research Professionals
& Affiliates

Our report on our audit of the consolidated financial statements of Association of Clinical Research Professionals & Affiliates (the Organization) for 2008 and 2007 appears on page one. The audit was performed for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information on pages eleven and twelve is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Tate & Tryon

Washington, DC
April 24, 2009

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Association of Clinical Research Professionals & Affiliates

Consolidating Statement of Financial Position

December 31, 2008

	ACRP	APPI	Academy	Eliminations	Consolidated Total
Assets					
Cash and cash equivalents	\$ 834,259	\$ 116,160	\$ 151,234	\$ -	\$ 1,101,653
Investments	1,583,855				1,583,855
Accounts receivable	279,666	1,745	19,022		300,433
Due from related entity		40,580	189,464	(230,044)	-
Prepaid expenses	632,895	55,640	36,727		725,262
Assets held for deferred compensation	116,850				116,850
Property and equipment	818,086				818,086
Deposits	77,930				77,930
Total assets	\$ 4,343,541	\$ 214,125	\$ 396,447	\$ (230,044)	\$ 4,724,069
Liabilities and Net Assets					
Liabilities					
Accounts payable and accrued expenses	\$ 446,728	\$ 1,309	\$ 83,191	\$ -	\$ 531,228
Due to related entity	230,044			(230,044)	-
Deferred revenue					
Annual meeting	1,370,782				1,370,782
Institution and education	21,085	9,780	93,590		124,455
Membership dues	1,061,871	149,567			1,211,438
Other programs	35,042				35,042
Total deferred revenue	2,488,780	159,347	93,590	-	2,741,717
Deferred rent	164,865				164,865
Deferred compensation	116,850				116,850
Margin loan payable	352,168				352,168
Total liabilities	3,799,435	160,656	176,781	(230,044)	3,906,828
Net assets					
Unrestricted	520,930	53,469	219,666		794,065
Temporarily restricted	23,176				23,176
Total net assets	544,106	53,469	219,666		817,241
Total liabilities and net assets	\$ 4,343,541	\$ 214,125	\$ 396,447	\$ (230,044)	\$ 4,724,069

Association of Clinical Research Professionals & Affiliates

Consolidating Statement of Activities Year Ended December 31, 2008

	ACRP	APPI	Academy	Eliminations	Consolidated Total
Unrestricted activities					
Revenue and support					
Institution and education	\$ 1,753,303	\$ 120,811	\$ 1,762,971	\$ -	\$ 3,637,085
Annual meeting	2,758,906	152,003			2,910,909
Membership dues	1,882,079	250,873			2,132,952
Publications	814,155				814,155
Career site	318,678	30,968			349,646
Other programs	1,740,851	9,488		(1,425,016)	325,323
Interest and dividends	27,436				27,436
Net assets released from restriction					-
Total unrestricted revenue and support	9,295,408	564,143	1,762,971	(1,425,016)	10,197,506
Expense					
Program services					
Institution and education	2,229,297	113,126	399,693		2,742,116
Annual meeting	2,561,053	121,587			2,682,640
Membership	1,534,517	125,206			1,659,723
Publications	1,084,630				1,084,630
Total program services	7,409,497	359,919	399,693	-	8,169,109
Supporting services					
Governance	1,268,365	27,435	49,125		1,344,925
General and administrative	857,165	149,178	1,299,797	(1,425,016)	881,124
Total supporting services	2,125,530	176,613	1,348,922	(1,425,016)	2,226,049
Total expense	9,535,027	536,532	1,748,615	(1,425,016)	10,395,158
Change in net assets before other item	(239,619)	27,611	14,356	-	(197,652)
Net loss on investments	(662,926)				(662,926)
Change in unrestricted net assets	(902,545)	27,611	14,356	-	(860,578)
Temporarily restricted activities					
Contributions	-	-		-	-
Net assets released from restriction					-
Changes in temporarily restricted activities	-	-	-	-	-
Change in net assets	(902,545)	27,611	14,356	-	(860,578)
Net assets, beginning of year	1,446,651	25,858	205,310	-	1,677,819
Net assets, end of year	\$ 544,106	\$ 53,469	\$ 219,666	\$ -	\$ 817,241