EisnerAmper
ACCOUNTANTS & ADVISORS

HUNTINGTON'S DISEASE SOCIETY OF AMERICA, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2014 and 2013

EisnerAmper LLP
750 Third Avenue
New York, NY 10017-2703
T 212.949.8700
F 212.891.4100
www.eisneramper.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Huntington's Disease Society of America, Inc.
New York, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the Huntington's Disease Society of America, Inc. (the "Society"), which comprise the statement of financial position as of December 31, 2014, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

We have also audited the accompanying financial statements of the Society as of and for the year ended December 31, 2013. Those financial statements of the Society were consolidated with those of HDSA Research Initiatives, Inc. ("HDSA Research") and HDSA Care Centers Initiatives, Inc. ("HDSA Care Centers"), both of which were dissolved in 2013.

Management's Responsibility for the Financial Statements

The Society's 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 from 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 organization'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.

Opinion

In our opinion, the financial statements and consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Huntington's Disease Society of America, Inc. as of December 31, 2014 and 2013, respectively, 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.

EisnerAmper LLP

New York, New York
April 29, 2015

HUNTINGTON'S DISEASE SOCIETY OF AMERICA, INC.

Statements of Financial Position

	December 31, 2014	Consolidated 2013
ASSETS		
Cash and cash equivalents	**$ 3,617,512**	$ 3,039,561
Investments	**264,773**	563,280
Pledges and contributions receivable, net	**1,145,369**	699,008
Other receivables	**214,806**	
Prepaid expenses and deposits	**113,203**	120,502
Cash surrender value of life insurance		129,271
Property and equipment, net	**36,595**	49,728
	$ 5,392,258	$ 4,601,350
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	**$ 89,542**	$ 180,566
Accrued compensation	**188,935**	175,379
Grants payable	**1,237,883**	1,547,370
Deferred rent obligation	**18,894**	53,270
Obligation under capital lease	**9,773**	15,942
Deferred revenue	**39,867**	10,945
Total liabilities	**1,584,894**	1,983,472
Commitments (Note I)		
Net assets:		
Unrestricted (deficit):		
Undesignated	**(548,687)**	(1,066,803)
Board-operating reserve	**511,664**	510,152
	(37,023)	(556,651)
Temporarily restricted	**3,594,387**	2,924,529
Permanently restricted	**250,000**	250,000
Total net assets	**3,807,364**	2,617,878
	$ 5,392,258	$ 4,601,350

HUNTINGTON'S DISEASE SOCIETY OF AMERICA, INC.

Statement of Activities
Year Ended December 31, 2014
(with summarized financial information for December 31, 2013)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2014	Total Consolidated 2013
Support and revenue:					
Public donations	$ 1,308,061	$ 1,796,758		$ 3,104,819	$ 2,653,792
Foundation grants and corporate contributions	861,462	392,500		1,253,962	1,472,230
Federal campaign	280,164			280,164	286,049
Investment income	1,684	3,489		5,173	12,022
Life insurance proceeds	85,535			85,535	
Donated services and materials	412,872			412,872	187,265
Other	28,756			28,756	24,485
Total support and revenue before net assets released from restrictions	2,978,534	2,192,747		5,171,281	4,635,843
Net assets released from restrictions	1,522,889	(1,522,889)		0	0
Total support and revenue	4,501,423	669,858		5,171,281	4,635,843
Expenses:					
Program services:					
Research	1,643,133			1,643,133	1,207,444
Family services	2,079,052			2,079,052	2,145,314
Education	1,239,835			1,239,835	1,532,395
Chapter development	936,040			936,040	1,056,693
	5,898,060			5,898,060	5,941,846
Supporting services:					
Management and general	929,721			929,721	817,947
Fund-raising	957,100			957,100	1,120,500
	1,886,821			1,886,821	1,938,447
Total expenses	7,784,881			7,784,881	7,880,293
Change in net assets before non-operating income	(3,283,458)	669,858		(2,613,600)	(3,244,450)
Non-operating income:					
Special events:					
Gross receipts	4,481,670			4,481,670	4,108,409
Less: direct costs	(678,584)			(678,584)	(705,474)
Net income from special events	3,803,086			3,803,086	3,402,935
Change in net assets	519,628	669,858		1,189,486	158,485
Net assets (deficit), beginning of year	(556,651)	2,924,529	$ 250,000	2,617,878	2,459,393
Net assets (deficit), end of year	$ (37,023)	$ 3,594,387	$ 250,000	$ 3,807,364	$ 2,617,878

HUNTINGTON'S DISEASE SOCIETY OF AMERICA, INC.

Consolidated Statement of Activities
Year Ended December 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:				
Public donations	$ 1,397,278	$ 1,256,514		$ 2,653,792
Foundation grants and corporate contributions	614,105	858,125		1,472,230
Federal campaign	286,049			286,049
Investment income	9,812	2,210		12,022
Donated services and materials	187,265			187,265
Other	24,485			24,485
Total support and revenue before net assets released from restrictions	2,518,994	2,116,849		4,635,843
Net assets released from restrictions	1,652,720	(1,652,720)		0
Total support and revenue	4,171,714	464,129		4,635,843
Expenses:				
Program services:				
Research	1,207,444			1,207,444
Family services	2,145,314			2,145,314
Education	1,532,395			1,532,395
Chapter development	1,056,693			1,056,693
	5,941,846			5,941,846
Supporting services:				
Management and general	817,947			817,947
Fund-raising	1,120,500			1,120,500
	1,938,447			1,938,447
Total expenses	7,880,293			7,880,293
Change in net assets before non-operating income	(3,708,579)	464,129		(3,244,450)
Non-operating income:				
Special events:				
Gross receipts	4,108,409			4,108,409
Less: direct costs	(705,474)			(705,474)
Net income from special events	3,402,935			3,402,935
Change in net assets	(305,644)	464,129		158,485
Net assets (deficit), beginning of year	(251,007)	2,460,400	$ 250,000	2,459,393
Net assets (deficit), end of year	$ (556,651)	$ 2,924,529	$ 250,000	$ 2,617,878

HUNTINGTON'S DISEASE SOCIETY OF AMERICA, INC.

Statement of Functional Expenses
Year Ended December 31, 2014
(with summarized financial information for December 31, 2013)

	Program Services					Supporting Services			Total	
	Research	Family Services	Education	Chapter Development	Total Program Services	Management and General	Fund-Raising	Total Supporting Services	2014	Consolidated 2013
Salaries and related expenses:										
Salaries	$ 308,850	$ 357,699	$ 366,984	$ 505,911	$ 1,539,444	$ 223,232	$ 312,088	$ 535,320	$ 2,074,764	$ 2,339,490
Payroll taxes and employee benefit	91,902	106,437	109,200	150,540	458,079	66,425	92,865	159,290	617,369	655,434
Total salaries and related expenses	400,752	464,136	476,184	656,451	1,997,523	289,657	404,953	694,610	2,692,133	2,994,924
Other expenses:										
Office supplies	30,058	4,454	15,968	27,607	78,087	44,944	20,780	65,724	143,811	87,121
Telephone	9,824	17,807	9,813	46,491	83,935	26,951	9,199	36,150	120,085	104,438
Postage and shipping	3,110	10,351	25,432	22,708	61,601	29,121	47,809	76,930	138,531	165,366
Rent and occupancy charges	29,693	29,693	27,721	56,091	143,198	33,266	29,882	63,148	206,346	226,378
Printing and publications	2,873	5,966	63,447	24,089	96,375	59,685	64,477	124,162	220,537	306,854
Conferences, meetings and travel	21,827	57,264	251,271	14,007	344,369	36,198	18,283	54,481	398,850	444,129
Insurance	7,365	8,569	8,751	12,666	37,351	5,323	8,342	13,665	51,016	59,466
Prizes and gifts		6,812	197,831	2,466	207,109	211	168,002	168,213	375,322	487,453
Professional services	47,559	463,965	139,113	38,302	688,939	193,420	29,540	222,960	911,899	935,391
Research grants and other awards	832,083	994,176		15,000	1,841,259				1,841,259	1,618,730
Equipment rental	3,219	3,674	5,528	6,139	18,560	5,089	3,219	8,308	26,868	31,651
Donated services and materials	240,427	1,920			242,347	170,525		170,525	412,872	187,265
Bad debts expense										7,500
Other	9,337	4,467	12,827	5,512	32,143	31,712	147,555	179,267	211,410	195,488
Total expenses before depreciation and amortization	1,638,127	2,073,254	1,233,886	927,529	5,872,796	926,102	952,041	1,878,143	7,750,939	7,852,154
Depreciation and amortization	5,006	5,798	5,949	8,511	25,264	3,619	5,059	8,678	33,942	28,139
	$ 1,643,133	$ 2,079,052	$ 1,239,835	$ 936,040	$ 5,898,060	$ 929,721	$ 957,100	$ 1,886,821	$ 7,784,881	$ 7,880,293

HUNTINGTON'S DISEASE SOCIETY OF AMERICA, INC.

Consolidated Statement of Functional Expenses
Year Ended December 31, 2013

	Program Services					Supporting Services			Total
	Research	Family Services	Education	Chapter Development	Total Program Services	Management and General	Fund-Raising	Total Supporting Services	2013
Salaries and related expenses:									
Salaries	$ 308,582	$ 363,961	$ 412,139	$ 577,855	$ 1,662,537	$ 251,843	$ 425,110	$ 676,953	$ 2,339,490
Payroll taxes and employee benefit	86,453	101,968	115,465	161,893	465,779	70,556	119,099	189,655	655,434
Total salaries and related expenses	395,035	465,929	527,604	739,748	2,128,316	322,399	544,209	866,608	2,994,924
Other expenses:									
Office supplies	200	1,912	11,712	18,643	32,467	40,524	14,130	54,654	87,121
Telephone	4,183	11,932	6,271	47,206	69,592	30,558	4,288	34,846	104,438
Postage and shipping	24	5,208	38,953	25,632	69,817	51,072	44,477	95,549	165,366
Rent and occupancy charges	28,999	29,789	28,999	80,551	168,338	29,041	28,999	58,040	226,378
Printing and publications	2,550	4,856	160,170	25,074	192,650	33,284	80,920	114,204	306,854
Conferences, meetings and travel	20,249	61,847	268,541	20,159	370,796	45,516	27,817	73,333	444,129
Insurance	7,844	9,251	10,476	14,688	42,259	6,401	10,806	17,207	59,466
Prizes and gifts	1,000	12,994	260,745	2,755	277,494	18,076	191,883	209,959	487,453
Professional services	32,164	495,729	200,840	62,716	791,449	81,961	61,981	143,942	935,391
Research grants and other awards	583,810	1,034,920			1,618,730				1,618,730
Equipment rental	2,801	2,801	8,123	5,634	19,359	9,490	2,802	12,292	31,651
Donated services and materials	124,211	1,920		1,920	128,051	59,214		59,214	187,265
Bad debts expense						7,500		7,500	7,500
Other	733	1,931	5,097	4,615	12,376	79,940	103,172	183,112	195,488
Total expenses before depreciation and amortization	1,203,803	2,141,019	1,527,531	1,049,341	5,921,694	814,976	1,115,484	1,930,460	7,852,154
Depreciation and amortization	3,641	4,295	4,864	7,352	20,152	2,971	5,016	7,987	28,139
	$ 1,207,444	$ 2,145,314	$ 1,532,395	$ 1,056,693	$ 5,941,846	$ 817,947	$ 1,120,500	$ 1,938,447	$ 7,880,293

See notes to financial statements

HUNTINGTON'S DISEASE SOCIETY OF AMERICA, INC.

Statements of Cash Flows

	Year Ended December 31, 2014	Consolidated 2013
Cash flows from operating activities:		
Change in net assets	**$ 1,189,486**	$ 158,485
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	**33,942**	28,139
Net realized and unrealized gains on investments	**(2,579)**	(8,203)
Donated securities	**(27,099)**	(18,111)
Proceeds from sales of donated securities	**26,567**	15,877
Bad debts expense		7,500
Changes in:		
Pledges and contributions receivable	**(446,361)**	(143,557)
Other receivables	**(214,806)**	
Prepaid expenses and deposits	**7,299**	(34,173)
Cash surrender value of life insurance	**129,271**	(4,450)
Accounts payable and accrued expenses	**(91,024)**	(240,606)
Accrued compensation	**13,556**	(12,572)
Grants payable	**(309,487)**	748,522
Deferred rent obligation	**(34,376)**	(29,611)
Deferred revenue	**28,922**	3,622
Net cash provided by operating activities	**303,311**	470,862
Cash flows from investing activities:		
Purchases of property and equipment	**(20,809)**	
Purchases of investments	**(247,611)**	(145,010)
Proceeds from sales of investments	**549,229**	172,358
Net cash provided by investing activities	**280,809**	27,348
Cash flows from financing activities:		
Payments made on capital lease obligations	**(6,169)**	(5,325)
Net increase in cash and cash equivalents	**577,951**	492,885
Cash and cash equivalents, beginning of year	**3,039,561**	2,546,676
Cash and cash equivalents, end of year	**$ 3,617,512**	$ 3,039,561
Supplemental disclosure of cash flow information:		
Donated goods and services	**$ 412,872**	$ 187,265
Interest expense incurred under capital lease obligation	**$ 1,953**	$ 2,797

See notes to financial statements

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] The Society:

The Huntington's Disease Society of America, Inc. (the "Society") was incorporated in New York in 1986. The Society is a national, voluntary health organization dedicated to improving the lives of people with Huntington's disease ("HD") and their families. Currently, the Society has 33 chapters throughout the United States. Each chapter, staffed entirely by volunteers, (i) holds educational events, coordinates social workers, and runs support groups for local families with HD; (ii) raises funds through events (walk-a-thons, dinners, golf tournaments, and other activities) that are used to support the Society's programs of research, care and education; and (iii) strives to build greater awareness of HD in the general public through outreach to local press and civic groups.

The Society had two wholly controlled supporting organizations, HDSA Research Initiatives, Inc. ("HDSA Research") and HDSA Care Centers Initiatives, Inc. ("HDSA Care Centers"), both incorporated in New York in 2004. During 2013, HDSA Care Centers and HDSA Research were dissolved. Accordingly, the accompanying 2013 financial statements include the consolidated financial position, results of operations and cash flows of the Society, HDSA Research, and HDSA Care Centers. All inter-entity transactions and balances were eliminated in the consolidation process.

The Society's organizations are exempt from federal income taxes pursuant to Section 501(c)(3) of the U.S. Internal Revenue Code and from state and local taxes under comparable laws.

[2] Basis of accounting:

The accompanying financial statements of the Society have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations.

[3] 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, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

[4] Cash and cash equivalents:

For financial-reporting purposes, the Society considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Cash equivalents considered to be part of the Society's investment portfolio are reported as investments in the accompanying financial statements.

[5] Investments:

Investments in equity securities with readily determinable fair values are reported at their fair values in the accompanying statements of financial position, with realized and unrealized gains and losses included in the accompanying statements of activities. The Society's mutual funds, consisting of bond and equity funds, are also reported at their fair values, as determined by management with the assistance of the related investment manager or advisor. Donated securities are recorded at their fair estimated values at the date of donation. The Society's policy is to sell donated securities immediately, and, accordingly, for purposes of the statement of cash flows, donated securities and the proceeds generated from their sales are included as operating activities.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[5] Investments: (continued)

Investment transactions are recorded on a trade-date basis. Realized gains or losses on investments are determined by comparison of the average cost of acquisition to proceeds at the time of disposition. The earnings from dividends and interest are recognized when earned.

[6] Property and equipment:

Property and equipment are recorded at their original costs at the dates of acquisition, or if contributed, at their fair values at the dates of donation. The Society capitalizes items of property and equipment that have a cost of $1,000 or more and a useful life greater than one year. Depreciation is provided using the straight-line method over five to ten years, the estimated useful lives of the related assets. Likewise, leasehold improvements are amortized over the remaining lease term, or the useful lives of the improvements, whoever is shorter.

Management evaluates the recoverability of the investment in long-lived assets on an on-going basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of December 31, 2014 and 2013, respectively, and, in the opinion of management, there were no impairments. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

[7] Accrued vacation:

Accrued vacation is a liability that represents the Society's obligation for the cost of unused employee vacation time payable in the event of employee departures; the obligation is recalculated every year. At December 31, 2014 and 2013, this accrued vacation obligation was approximately $111,000 and was reported as part of accrued compensation in the accompanying statements of financial position.

[8] Grants payable:

Grants are recognized as an obligation to the Society at the time they are approved. Grants approved, but unpaid, were approximately $1,238,000 and $1,547,000 at December 31, 2014 and 2013, respectively, and are reported as liabilities in the accompanying statements of financial position. Grants are generally paid within one year of approval.

[9] Deferred rent obligation:

Total rent expense under the lease agreement is amortized, using the straight-line method, over the term of the lease. The difference between rent expense incurred and the rental amounts paid, which is attributed to scheduled rent increases, is reported as a "deferred rent" obligation in the accompanying statement of financial position.

[10] Deferred revenue:

Special event revenues, other than contributions, applicable to a current year are recognized as revenue in the year a special event takes place. Special event revenue received for a future year's event is deferred and recognized when the special event takes place.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[11] Net assets:

(i) Unrestricted:

Unrestricted net assets represent those resources that are not subject to donor restrictions and are available for current operations. The Board of Trustees has designated a portion of unrestricted net assets to be spent at the discretion of the Board.

(ii) Temporarily restricted:

Temporarily restricted net assets represent those resources that are subject to the requirements of the New York Prudent Management of Institutional Funds Act ("NYPMIFA") and the use of which has been restricted by donors or state law for specific purposes and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, or funds are appropriated through an action of the Board of Trustees, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the accompanying statement of activities as "net assets released from restrictions".

(iii) Permanently restricted:

Permanently restricted net assets represent those resources the principal of which is originally restricted into perpetuity by donors. The purposes for which the income and net capital appreciation arising from the underlying assets may be used depend on the wishes of those donors. Under the terms of NYPMIFA, those earnings will be classified as temporarily restricted in the accompanying statements of activities, pending appropriation by the Board of Trustees.

[12] Contributions and grants:

Contributions to the Society are recognized as revenue upon the receipt of cash or other assets, or of unconditional pledges. Contributions are recorded as either temporarily or permanently restricted if they are received with donor stipulations or time considerations as to their use. Conditional contributions are recorded when the conditions have been met. The Society records bequest income at the time it has an established right to a bequest and the proceeds are measurable. Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved.

Grant revenue is recognized based on the terms of each individual grant, and it is available for unrestricted use unless the donor or grantor restricts the use thereof, either on a temporary or permanent basis.

[13] Donated goods and services:

For recognition of donated goods and services in the financial statements, such goods and services must (i) require specialized skills, (ii) be provided by individuals possessing these skills, and (iii) would typically need to be purchased if not provided by donation. Donated goods and services are recorded as support at their estimated fair values at the dates of donation and are reported as unrestricted support.

For the years 2014 and 2013, the donated goods and services were as follows:

	Year Ended December 31,	
	2014	**2013**
Legal services	**$ 170,525**	$ 59,214
Donated space	**39,840**	6,840
Donated goods	**202,507**	121,211
	$ 412,872	$ 187,265

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[14] Functional allocation of expenses:

The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated by management, among the program, management and general, and fund-raising areas, using appropriate measurement methodologies.

[15] Measure of operations:

The Society includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities. Special event revenue and expenses are recognized as a part of non-operating activities.

[16] Endowment funds:

The Society reports all applicable disclosures to its funds treated as endowment, both donor-restricted and board-designated.

[17] Income tax uncertainties:

The Society is subject to the provisions of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 740, Income Taxes, as it relates to accounting and reporting for uncertainty in income taxes. Because of the Society's general tax-exempt status, ASC Topic 740 has not had, and is not anticipated to have, a material impact on the Society's financial statements.

The annual compliance and tax filings of the Society for years 2012, 2013, and 2014 are subject to examination by the Internal Revenue Service, as well as by other various state and local authorities, generally for three years after they are submitted.

[18] Fair-value measurements:

The Society reports a fair-value measurement of all applicable financial assets and liabilities, including investments, receivables, and short-term payables which approximate fair value.

[19] Subsequent events:

The Society considers the accounting treatments and the related disclosures in the current year's financial statements that may be required as the result of all events or transactions that occur after year-end through April 29, 2015, the date the financial statements were available to be issued.

NOTE B - INVESTMENTS

At each year-end, investments consisted of the following:

	December 31,			
	2014		2013	
	Fair Value	Cost	Fair Value	Cost
Certificates of deposit	**$ 250,274**	**$ 250,274**	$ 547,066	$ 547,066
Mutual funds	**14,499**	**7,971**	10,542	6,190
Equity securities			5,672	6,607
	$ 264,773	**$ 258,245**	$ 563,280	$ 559,863

NOTE B - INVESTMENTS (CONTINUED)

For each year-end, net investment income consisted of the following:

	Year Ended December 31, 2014	Year Ended December 31, 2013
Interest and dividends	**$ 2,594**	$ 3,819
Realized (losses) gains	**(532)**	1,910
Unrealized gains	**3,111**	6,293
	$ 5,173	$ 12,022

The FASB's ASC Topic 820, *Fair Value Measurements and Disclosures,* establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

Level 1: Valuations are based on observable inputs that reflect quoted market prices in active markets for those investments, or similar investments, at the reporting date.

Level 2: Valuations are based on (i) quoted prices for those investments, or similar investments, in active markets, or (ii) quoted prices for those investments, or similar investments, in markets that are not active, or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date. Level 2 assets include those investments, or similar investments that are redeemable at or near the statement of financial position date and for which a model was derived for valuation.

Level 3: Valuations are based on pricing inputs that are unobservable and include situations where (i) there is little, if any, market activity for the investments, or (ii) the investments cannot be independently valued, or (iii) the investments cannot be immediately redeemed at or near the year-end.

The availability of market data is monitored to assess the appropriate classification of financial instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period. For 2014 and 2013, there were no transfers among the fair-value hierarchy levels.

The following table summarizes the fair values of the Society's assets at each year-end:

	December 31, 2014			December 31, 2013		
	Level 1	**Level 2**	**Total**	**Level 1**	**Level 2**	**Total**
Certificates of deposit		**$ 250,274**	**$ 250,274**		$ 547,066	$ 547,066
Mutual funds	**$ 14,499**		**14,499**	$ 10,542		10,542
Equity securities				5,672		5,672
	$ 14,499	**$ 250,274**	**$ 264,773**	$ 16,214	$ 547,066	$ 563,280

NOTE C - RECEIVABLES

[1] Pledges and contributions receivable:

At each year-end, pledges and contributions receivable were estimated to be due as follows:

	December 31, 2014	December 31, 2013
Less than one year	**$ 877,421**	$ 429,458
One to five years	**301,157**	308,970
	1,178,578	738,428
Less discount to present value, at a rate of 4%	**(33,209)**	(39,420)
	$ 1,145,369	$ 699,008

Based on its prior experience with donors, management expects all receivables to be fully collected, and accordingly, no provision for allowance for doubtful accounts has been established.

[2] Other receivables:

At year-end, other receivables consisted of amounts due to the Society for exchange-type transactions. All amounts are due within one year. Based on management's past experience, all receivables in their category are expected to be fully collected.

NOTE D - PROPERTY AND EQUIPMENT

At each year-end, property and equipment consisted of the following:

	December 31, 2014	December 31, 2013
Computers and equipment	**$ 264,267**	$ 243,458
Furniture and fixtures	**17,085**	17,085
Chapter property and equipment	**52,667**	52,667
Leasehold improvements	**30,489**	30,489
	364,508	343,699
Less accumulated depreciation and amortization	**(327,913)**	(293,971)
	$ 36,595	$ 49,728

Depreciation and amortization expense was $33,942 and $28,139 for 2014 and 2013, respectively.

NOTE E - EMPLOYEE-BENEFIT PLAN

The Society maintains a defined-contribution employee-benefit plan, established under Section 403(b) of the Internal Revenue Code. The plan covers all eligible employees. The Society contributes a portion of an eligible employee's salary to the plan. The Society's contributions for 2014 and 2013 were approximately $81,000 and $94,000, respectively.

In previous years, the Society did not remit the required contribution for certain otherwise eligible employees. Accordingly, as of December 31, 2014, the Society owes $4,807 to former participants in the plan. Management has repeatedly notified these participants and is dependent upon the participant's response for distribution of the funds.

NOTE F - TEMPORARILY RESTRICTED NET ASSETS

At each year-end, temporarily restricted net assets consisted of the following:

	December 31,	
	2014	**2013**
Research	**$ 2,275,585**	$ 1,653,688
Family services	**166,695**	257,503
Education	**471,211**	468,602
Chapter development	**178,629**	191,984
Time-restricted	**471,801**	324,380
	3,563,921	2,896,157
Accumulated endowment income reserved for appropriation	**30,466**	28,372
	$ 3,594,387	$ 2,924,529

Temporarily restricted net assets that are time-restricted represent multi-year, unrestricted gifts that are subject to designation as temporarily restricted in accordance with the Society's accounting policy as previously discussed in Note A[11].

During each year, net assets released from restrictions consisted of the following:

	Year Ended December 31,	
	2014	**2013**
Research	**$ 955,386**	$ 589,656
Family services	**92,541**	39,742
Education	**461,607**	1,011,768
Chapter development	**13,355**	11,554
	$ 1,522,889	$ 1,652,720

NOTE G - PERMANENTLY RESTRICTED NET ASSETS

At December 31, 2014 and 2013, net assets of $250,000 were permanently restricted, with investments earnings to be used to support medical research in the field of Huntington's disease.

NOTE H - ACCOUNTING AND REPORTING FOR ENDOWMENTS

[1] The endowment:

The Society's endowment consists of one donor-restricted fund, established by the donor for the purpose of funding medical research in the field of Huntington's disease.

[2] Interpretation of relevant law:

NYPMIFA is applicable to all of the Society's institutional funds, including its donor-restricted fund. The Board of Trustees adheres to NYPMIFA's requirements.

[3] Changes in endowment net assets for each year were as follows:

	December 31, 2014		
	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	**$ 28,372**	**$ 250,000**	**$ 278,372**
Investment income	**2,094**		**2,094**
Endowment net assets, end of year	**$ 30,466**	**$ 250,000**	**$ 280,466**

	December 31, 2013		
	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 26,790	$ 250,000	$ 276,790
Investment income	1,582		1,582
Endowment net assets, end of year	$ 28,372	$ 250,000	$ 278,372

Temporarily restricted endowment represents that portion of allocated investment income, derived from permanently restricted endowment assets, that has not been appropriated by the Board of Trustees for expenditure.

[4] Funds with deficiencies:

Due to unfavorable market fluctuations, from time to time, the fair value of assets associated with individual donor-restricted endowment funds may decline below the historical dollar value of the donor's original, permanently restricted contribution. At December 31, 2014 and 2013 there were no deficiencies of this nature. Under the terms of NYPMIFA, the Society has no responsibility to restore such a decrease in value.

[5] Return objectives and risk parameters:

The Society has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets and assuming a moderate level of investment risk.

NOTE H - ACCOUNTING AND REPORTING FOR ENDOWMENTS (CONTINUED)

[6] Strategies employed for achieving objectives:

To satisfy its long-term, rate-of-return objectives, the Society relies on a total-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Society will target a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

[7] Spending policy and relation to the spending policy:

The Society evaluates its funding requirements on an annual basis and, accordingly, draws from its endowment appreciation on an as-needed basis. This is consistent with the Society's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

NOTE I - COMMITMENTS

[1] Leases:

The Society leases a portion of its equipment under a capital lease expiring in April 2016. The equipment was recorded at its fair value and is being depreciated over its estimated useful life. Depreciation expense associated with the assets is included in the accompanying statements of functional expenses. Capitalized leased equipment amounted to $28,925 for 2014 and 2013, with accumulated depreciation of $21,280 and $16,115, respectively. Depreciation expense related to the capitalized leased equipment amounted to $5,165 in each of the years 2014 and 2013.

In addition, the Society leases office space for its various offices under operating lease agreements expiring through June 30, 2015.

The future minimum annual rental on the leases is as follows:

Year Ending December 31,	Leases: Capitalized	Leases: Operating
2015	$ 8,122	99,377
2016	2,707	
	10,829	$ 99,377
Less amount representing interest on lease payments	1,056	
Present value of minimum lease payments	$ 9,773	

Rent expense for 2014 and 2013 was $206,346 and $226,378, respectively. There are no lease commitments for chapter offices, since these leases are on a month-to-month basis.

NOTE I - COMMITMENTS (CONTINUED)

[2] Line of credit:

During 2013, the Society obtained a bank line of credit in the amount of $500,000, which is collateralized by the general assets of the Society. The interest rate is based on LIBOR plus 4.51%, and the line terminates in November 2015. There were no drawdowns during either 2014 or 2013.

NOTE J - LIFE INSURANCE

The Society was the beneficiary of a life insurance policy on a donor. During 2014, the donor passed away, and the policy's proceeds of approximately $215,000 were received by the Society subsequent to year end.

NOTE K - CREDIT RISK

Financial instruments that potentially subject the Society to concentrations of credit risk consist principally of cash and cash-equivalent accounts deposited in high-credit-quality financial institutions, the balances of which, from time to time, may exceed federal insurance limits. However, management believes that the Society does not face a significant risk of loss on these accounts that would arise due to the failure of these institutions.