EISNERAMPER
ACCOUNTANTS & ADVISORS

HUNTINGTON'S DISEASE SOCIETY OF AMERICA, INC.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013 and 2012

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INDEPENDENT AUDITORS' REPORT

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Huntington's Disease Society of America, Inc. (the "Society"), which comprise the consolidated statements of financial position as of December 31, 2013 and 2012, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Huntington's Disease Society of America, Inc. as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

EisnerAmper LLP

New York, New York
April 16, 2014

HUNTINGTON'S DISEASE SOCIETY OF AMERICA, INC.

Consolidated Statements of Financial Position

	December 31, 2013	December 31, 2012
ASSETS		
Cash and cash equivalents	**$ 3,039,561**	$ 2,546,676
Investments, at fair value	**563,280**	580,191
Pledges and contributions receivable, net	**699,008**	562,951
Prepaid expenses and deposits	**120,502**	86,329
Cash surrender value of life insurance	**129,271**	124,821
Property and equipment, net	**49,728**	77,867
	$ 4,601,350	$ 3,978,835
LIABILITIES		
Accounts payable and accrued expenses	**$ 180,566**	$ 421,172
Accrued compensation	**175,379**	187,951
Grants payable	**1,547,370**	798,848
Deferred rent	**53,270**	82,881
Obligation under capital lease	**15,942**	21,267
Deferred revenue	**10,945**	7,323
Total liabilities	**1,983,472**	1,519,442
Commitments (Note H)		
Net assets:		
Unrestricted (deficit):		
Undesignated	**(1,066,803)**	(761,203)
Board-operating reserve	**510,152**	510,196
	(556,651)	(251,007)
Temporarily restricted (Note F)	**2,924,529**	2,460,400
Permanently restricted	**250,000**	250,000
Total net assets	**2,617,878**	2,459,393
	$ 4,601,350	$ 3,978,835

HUNTINGTON'S DISEASE SOCIETY OF AMERICA, INC.

Consolidated Statement of Activities
Year Ended December 31, 2013
(with summarized financial information for December 31, 2012)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2013	Total 2012
Support and revenue:					
Public donations	$ 1,397,278	$ 1,256,514		$ 2,653,792	$ 1,967,876
Foundation grants and corporate contributions	614,105	858,125		1,472,230	1,363,462
Federal campaign	286,049			286,049	298,203
Investment income	9,812	2,210		12,022	5,311
Donated services and materials	187,265			187,265	340,735
Other	24,485			24,485	21,983
Total support and revenue before restrictions	2,518,994	2,116,849		4,635,843	3,997,570
Net assets released from restrictions	1,652,720	(1,652,720)		0	0
Total support and revenue	4,171,714	464,129		4,635,843	3,997,570
Expenses:					
Program services:					
Research	1,207,444			1,207,444	570,986
Family services	2,145,314			2,145,314	1,262,045
Education	1,532,395			1,532,395	1,544,895
Chapter development	1,056,693			1,056,693	1,071,126
	5,941,846			5,941,846	4,449,052
Supporting services:					
Management and general	817,947			817,947	832,279
Fund-raising	1,120,500			1,120,500	1,524,435
	1,938,447			1,938,447	2,356,714
Total expenses	7,880,293			7,880,293	6,805,766
Change in net assets before non-operating income	(3,708,579)	464,129		(3,244,450)	(2,808,196)
Non-operating income:					
Special events:					
Gross receipts	4,108,409			4,108,409	4,044,123
Less: direct costs	(705,474)			(705,474)	(618,928)
Net income from special events	3,402,935			3,402,935	3,425,195
Change in net assets	(305,644)	464,129		158,485	616,999
Net assets, beginning of year	(251,007)	2,460,400	$ 250,000	2,459,393	1,842,394
Net assets, end of year	$ (556,651)	$ 2,924,529	$ 250,000	$ 2,617,878	$ 2,459,393

HUNTINGTON'S DISEASE SOCIETY OF AMERICA, INC.

Consolidated Statement of Activities
Year Ended December 31, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:				
Public donations	$ 1,214,485	$ 753,391		$ 1,967,876
Foundation grants and corporate contributions	586,082	777,380		1,363,462
Federal campaign	298,203			298,203
Investment income	2,238	3,073		5,311
Donated services and materials	340,735			340,735
Other	21,983			21,983
Total support and revenue before restrictions	2,463,726	1,533,844		3,997,570
Net assets released from restrictions	729,775	(729,775)		0
Total support and revenue	3,193,501	804,069		3,997,570
Expenses:				
Program services:				
Research	570,986			570,986
Family services	1,262,045			1,262,045
Education	1,544,895			1,544,895
Chapter development	1,071,126			1,071,126
	4,449,052			4,449,052
Supporting services:				
Management and general	832,279			832,279
Fund-raising	1,524,435			1,524,435
	2,356,714			2,356,714
Total expenses	6,805,766			6,805,766
Change in net assets before non-operating income	(3,612,265)	804,069		(2,808,196)
Non-operating income:				
Special events:				
Gross receipts	4,044,123			4,044,123
Less: direct costs	(618,928)			(618,928)
Net income from special events	3,425,195			3,425,195
Change in net assets	(187,070)	804,069		616,999
Net assets, beginning of year	(63,937)	1,656,331	$ 250,000	1,842,394
Net assets, end of year	$ (251,007)	$ 2,460,400	$ 250,000	$ 2,459,393

HUNTINGTON'S DISEASE SOCIETY OF AMERICA, INC.

Consolidated Statement of Functional Expenses
Year Ended December 31, 2013
(with summarized financial information for December 31, 2012)

	Program Services					Supporting Services			Total	
	Research	Family Services	Education	Chapter Development	Total Program Services	Management and General	Fund-Raising	Total Supporting Services	2013	2012
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	$ 2,155,211
Payroll taxes and employee benefit	86,453	101,968	115,465	161,893	465,779	70,556	119,099	189,655	655,434	617,360
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	2,772,571
Other expenses:										
Office supplies	200	1,912	11,712	18,643	32,467	40,524	14,130	54,654	87,121	85,555
Telephone	4,183	11,932	6,271	47,206	69,592	30,558	4,288	34,846	104,438	112,894
Postage and shipping	24	5,208	38,953	25,632	69,817	51,072	44,477	95,549	165,366	177,136
Rent and occupancy charges	28,999	29,789	28,999	80,551	168,338	29,041	28,999	58,040	226,378	238,834
Printing and publications	2,550	4,856	160,170	25,074	192,650	33,284	80,920	114,204	306,854	321,855
Conferences, meetings and travel	20,249	61,847	268,541	20,159	370,796	45,516	27,817	73,333	444,129	513,268
Insurance	7,844	9,251	10,476	14,688	42,259	6,401	10,806	17,207	59,466	41,216
Prizes, gifts and products sold	1,000	12,994	260,745	2,755	277,494	18,076	191,883	209,959	487,453	849,729
Professional services	32,164	495,729	200,840	62,716	791,449	81,961	61,981	143,942	935,391	826,921
Research grants and other awards	583,810	1,034,920			1,618,730				1,618,730	223,848
Equipment rental	2,801	2,801	8,123	5,634	19,359	9,490	2,802	12,292	31,651	34,858
Donated services and materials	124,211	1,920		1,920	128,051	59,214		59,214	187,265	340,735
Bad debt expense						7,500		7,500	7,500	20,000
Other	733	1,931	5,097	4,615	12,376	79,940	103,172	183,112	195,488	222,267
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	6,781,687
Depreciation and amortization	3,641	4,295	4,864	7,352	20,152	2,971	5,016	7,987	28,139	24,079
	$ 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	$ 6,805,766

HUNTINGTON'S DISEASE SOCIETY OF AMERICA, INC.

Consolidated Statement of Functional Expenses
Year Ended December 31, 2012

	Program Services					Supporting Services			Total
	Research	Family Services	Education	Chapter Development	Total Program Services	Management and General	Fund-Raising	Total Supporting Services	2012
Salaries and related expenses:									
Salaries	$ 180,192	$ 354,910	$ 401,612	$ 564,279	$ 1,500,993	$ 240,629	$ 413,589	$ 654,218	$ 2,155,211
Payroll taxes and employee benefit	51,614	101,664	115,042	161,638	429,958	68,929	118,473	187,402	617,360
Total salaries and related expenses	231,806	456,574	516,654	725,917	1,930,951	309,558	532,062	841,620	2,772,571
Other expenses:									
Office supplies	1,588	2,923	13,336	19,589	37,436	41,430	6,689	48,119	85,555
Telephone	12,341	12,073	9,841	42,902	77,157	26,975	8,762	35,737	112,894
Postage and shipping		14,475	43,355	25,280	83,110	44,759	49,267	94,026	177,136
Rent and occupancy charges	28,819	29,426	28,515	92,357	179,117	31,210	28,507	59,717	238,834
Printing and publications		8,066	139,474	36,998	184,538	33,034	104,283	137,317	321,855
Conferences, meetings and travel	7,662	90,279	290,525	17,656	406,122	55,807	51,339	107,146	513,268
Insurance	3,243	6,579	7,228	10,658	27,708	4,331	9,177	13,508	41,216
Prizes, gifts and products sold		5,147	273,153	6,375	284,675	7,836	557,218	565,054	849,729
Professional services	21,325	440,619	207,707	71,745	741,396	20,075	65,450	85,525	826,921
Research grants and other awards	55,000	168,848			223,848				223,848
Equipment rental	1,070	5,934	5,901	7,597	20,502	9,520	4,836	14,356	34,858
Donated services and materials	181,110	1,920	873	1,760	185,663	155,072		155,072	340,735
Bad debt						20,000		20,000	20,000
Other	19,721	16,266	5,034	7,104	48,125	70,695	103,447	174,142	222,267
Total expenses before depreciation and amortization	563,685	1,259,129	1,541,596	1,065,938	4,430,348	830,302	1,521,037	2,351,339	6,781,687
Depreciation and amortization	7,301	2,916	3,299	5,188	18,704	1,977	3,398	5,375	24,079
	$ 570,986	$ 1,262,045	$ 1,544,895	$ 1,071,126	$ 4,449,052	$ 832,279	$ 1,524,435	$ 2,356,714	$ 6,805,766

See notes to consolidated financial statements

HUNTINGTON'S DISEASE SOCIETY OF AMERICA, INC.

Consolidated Statements of Cash Flows

	Year Ended December 31, 2013	2012
Cash flows from operating activities:		
Change in net assets	**$ 158,485**	$ 616,999
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	**28,139**	24,079
Realized (gains) losses on investments	**(1,910)**	722
Unrealized (gains) losses on investments	**(6,293)**	2,814
Donated securities	**(18,111)**	(58,092)
Proceeds from sales of donated securities	**15,877**	49,788
Bad debt expense	**7,500**	20,000
Changes in:		
Pledges and contributions receivable, net	**(143,557)**	(56,759)
Prepaid expenses and deposits	**(34,173)**	16,521
Cash surrender value of life insurance	**(4,450)**	(4,600)
Accounts payable and accrued expenses	**(240,606)**	111,774
Accrued compensation	**(12,572)**	34,954
Grants payable	**748,522**	(751,152)
Deferred rent	**(29,611)**	(22,882)
Deferred revenue	**3,622**	(35,399)
Net cash provided by (used in) operating activities	**470,862**	(51,233)
Cash flows from investing activities:		
Purchases of property and equipment		(39,753)
Purchases of investments	**(145,010)**	(61,992)
Proceeds from sales of investments	**172,358**	99,346
Net cash provided by (used in) investing activities	**27,348**	(2,399)
Cash flows from financing activities:		
Payments made on capital lease obligations	**(5,325)**	(4,596)
Net change in cash and cash equivalents	**492,885**	(58,228)
Cash and cash equivalents, beginning of year	**2,546,676**	2,604,904
Cash and cash equivalents, end of year	**$ 3,039,561**	$ 2,546,676
Supplemental disclosure of cash flow information:		
Donated goods and services	**$ 187,265**	$ 340,735
Interest expense incurred under obligation of capital lease	**$ 3,384**	$ 3,526

See notes to consolidated financial statements

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] The Society:

The Huntington's Disease Society of America, Inc. ("HDSA") was incorporated in New York in 1986. HDSA is a national, voluntary health organization dedicated to improving the lives of people with Huntington's disease ("HD") and their families. Currently, HDSA 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 HDSA'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.

HDSA has 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. Accordingly, the accompanying consolidated financial statements include the consolidated financial position, results of operations and cash flows of HDSA, HDSA Research, and HDSA Care Centers (collectively, the "Society"). All inter-entity transactions and balances have been 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 consolidated 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 consolidated 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 statement 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 reflected as investments in the accompanying consolidated financial statements.

[5] Investments:

Investments in equity securities with readily determinable fair values are reported at their fair values in the accompanying consolidated statement of financial position, with realized and unrealized gains and losses included in the accompanying consolidated statement of activities. The Society's mutual funds, consisting of bond and equity funds, are also reported at their fair values, as determined by the related investment manager or advisor. Donated securities are recorded at their fair values at the date of donation. The Society's policy is to sell donated securities upon receipt.

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.

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

[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 over the estimated useful lives ranging from five to ten years. Likewise, leasehold improvements are amortized over the terms of the underlying leases. Depreciation and amortization are calculated using the straight-line method.

[7] Accrued vacation:

Based on their tenure, the Society's employees are entitled to be paid for unused vacation time if they leave the Society. Accordingly, at each fiscal year-end, the Society must report a liability for the amount that would be incurred if employees with such unused vacation were to leave. At December 31, 2013 and 2012, this accrued vacation obligation was approximately $111,000 and $115,000, respectively, and was reported as part of accounts payable and accrued expenses in the accompanying consolidated 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 $1,547,000 and $799,000 at December 31, 2013 and 2012, respectively, and are reported as liabilities in the accompanying consolidated statements of financial position. Grants are generally paid within one year of approval.

[9] Deferred rent:

Rent expense is recognized using the straight-line method over the terms 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 consolidated statement of financial position.

[10] Deferred revenue:

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

[11] Net assets:

The Society's net assets and its revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Society and changes therein are reported as follows:

(a) Unrestricted:

Unrestricted net assets represent those resources 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.

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

[11] Net assets (continued):

(b) 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 consolidated statement of activities as a net assets released from restrictions.

(c) Permanently restricted:

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

[12] 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.

[13] Contributions and grants:

Contributions to the Society are recognized as revenue upon the receipt of cash, securities or unconditional pledges. Contributions are considered available for unrestricted use, unless specifically restricted by the donor. Conditional contributions are recorded when the specified conditions have been met.

The Society reports contributions in the temporarily or permanently restricted net asset category if they are received with donor stipulations or time considerations as to their use. When a donor's restriction is met, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying consolidated statements of activities and changes in net assets as net assets released from restrictions.

[14] Donated goods and services:

For recognition of donated services in the Society's consolidated financial statements, such services must (a) create or enhance non-financial assets or (b) require specialized skills and be performed by individuals possessing those skills and which would otherwise be purchased by the Society. Donated goods and services are recorded as support at their estimated fair value at the dates of donation and are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Donated goods and services are reported as both contributions and offsetting expenses in the accompanying consolidated statement of activities.

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

[15] Functional allocation of expenses:

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

[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 ASC 740-10-05 relating to accounting and reporting for uncertainty in income taxes. Because of the Society's general tax-exempt status, ASC Topic 740-10-05 has not had, and is not expected to have, a material impact on the Society's consolidated financial statements.

[18] Fair-value measurements:

As further described in Note B, the Society reports a fair-value measurement of all applicable financial assets and liabilities, including investments, receivables, and short-term payables.

[19] Subsequent events:

The Society considers the accounting treatments and the related disclosures in the current year's consolidated financial statements that may be required as the result of all events or transactions that occur after year-end through the date of the independent auditors' report.

NOTE B - INVESTMENTS

At each year-end, the fair values and costs of investments were as follows:

	December 31,			
	2013		2012	
	Fair Value	Cost	Fair Value	Cost
Certificates of deposit	**$ 547,066**	**$ 547,066**	$ 572,418	$ 577,276
Mutual funds	**10,542**	**6,190**	7,773	5,791
Equity securities	**5,672**	**6,607**		
	$ 563,280	**$ 559,863**	$ 580,191	$ 583,067

NOTE B - INVESTMENTS (CONTINUED)

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

	Year Ended December 31, 2013	Year Ended December 31, 2012
Interest and dividends	**$ 3,819**	$ 8,847
Realized gains (losses)	**1,910**	(722)
Unrealized gains (losses)	**6,293**	(2,814)
	$ 12,022	$ 5,311

The FASB's ASC Topic 820-10-05 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 the same or identical assets and liabilities 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 that are redeemable at or near the balance sheet 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 year-end.

The following table summarizes the fair values of the Society's assets at each year end, in accordance with the FASB's ASC Topic 820-10-05 valuation levels:

	December 31, 2013			December 31, 2012		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Certificates of deposit		**$ 547,066**	**$ 547,066**		$ 572,418	$ 572,418
Mutual funds	**$ 10,542**		**10,542**	$ 7,773		7,773
Equity securities	**5,672**		**5,672**			
	$ 16,214	**$ 547,066**	**$ 563,280**	$ 7,773	$ 572,418	$ 580,191

NOTE C - PLEDGES AND CONTRIBUTIONS RECEIVABLE

At each year-end, pledges and contributions receivable consisted of the following:

	December 31, 2013	December 31, 2012
Less than one year	**$ 429,458**	$ 562,951
One to five years	**308,970**	
	738,428	562,951
Less discount to present value, at a rate of 4%	**(39,420)**	
	$ 699,008	$ 562,951

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.

NOTE D - PROPERTY AND EQUIPMENT

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

	December 31, 2013	December 31, 2012
Computers and equipment	**$ 243,458**	$ 243,458
Furniture and fixtures	**17,085**	17,085
Chapter property and equipment	**52,667**	52,667
Leasehold improvements	**30,489**	30,489
	343,699	343,699
Less accumulated depreciation and amortization	**(293,971)**	(265,832)
	$ 49,728	$ 77,867

Depreciation and amortization expense was $28,139 and $24,079 for 2013 and 2012, respectively.

NOTE E - EMPLOYEE-BENEFIT PLAN

The Society maintains a 403(b) defined-contribution employee-benefit plan for all eligible employees. The Society contributes a portion of an eligible employee's salary to the plan. The Society's contribution for 2013 and 2012 were approximately $94,000 and $98,000, respectively.

In previous years, the Society did not remit the required contribution to certain otherwise eligible employees. Accordingly, as of December 31, 2013, 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, 2013	December 31, 2012
Research	**$ 1,653,688**	$ 1,323,613
Family services	**257,503**	275,659
Education	**468,602**	730,800
Chapter development	**191,984**	103,538
Time-restricted	**324,380**	
	2,896,157	2,433,610
Accumulated endowment income reserved for appropriation	**28,372**	26,790
	$ 2,924,529	$ 2,460,400

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, 2013	Year Ended December 31, 2012
Research	**$ 589,656**	$ 61,533
Family services	**39,742**	33,100
Education	**1,011,768**	616,271
Chapter development	**11,554**	18,871
	$ 1,652,720	$ 729,775

NOTE G - ENDOWMENT

[1] The endowment:

The Society's endowment assets consist of one donor-restricted fund, established by the donor for the purpose of funding medical research in the field of Huntington's disease, in the amount of $278,372 and $276,790 for 2013 and 2012, respectively, which includes $28,372 and $26,790, respectively, of amounts classified as accumulated endowment income as part of temporarily restricted net assets.

[2] Interpretation of relevant law:

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

NOTE G - ENDOWMENT (CONTINUED)

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

	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

	December 31, 2012		
	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 24,737	$ 250,000	$ 274,737
Investment income	2,053		2,053
Endowment net assets, end of year	$ 26,790	$ 250,000	$ 276,790

[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. Under the terms of NYPMIFA, the Society has no responsibility to restore such a decrease in value. There were no such deficiencies as of December 31, 2013 and 2012.

[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.

[6] Strategies employed for achieving objectives:

The Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- the duration and preservation of the funds;
- the purposes of the Society and the donor-restricted endowment funds;
- general economic conditions;
- the possible effect of inflation and deflation;
- the expected total return from income and the appreciation/depreciation of investments;
- other resources of the Society; and
- the investment policy of the Society.

NOTE G - ENDOWMENT (CONTINUED)

[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 H - COMMITMENTS

[1] Leases

The Society leases a portion of its equipment under a capital lease expiring 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 depreciation expense in the accompanying consolidated statements of functional expenses. Capitalized leased equipment amounted to $28,925 for 2013 and 2012, with accumulated depreciation of $16,115 and $10,950, respectively. Depreciation expense related to the capitalized leased equipment amounted to $5,165 and $5,785 for 2013 and 2012, respectively.

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	Operating
2014	$ 8,122	$ 200,504
2015	8,122	99,377
2016	2,707	
	18,951	$ 299,881
Less amount representing interest on lease payments	3,010	
Present value of minimum lease payments	$ 15,941	

Rent expense for 2013 and 2012 was approximately $226,000 and $239,000, respectively. There are no lease commitments for chapter offices, since these leases are on a month-to-month basis.

[2] Line of credit

During 2013 the Society obtained a bank line of credit in the amount of $500,000. The interest rate is based on LIBOR plus 4.510%. As of December 31, 2013, no drawdown had been made.

NOTE I - DONATED SERVICES AND MATERIALS

The fair value of contributed goods and services, which included legal services, rent expense and donated merchandise was $187,265 and $340,735 for 2013 and 2012, respectively.

NOTE J - LIFE INSURANCE

The Society is the beneficiary of a life insurance policy on a donor. At December 31, 2013 and 2012, the cash surrender value of the life insurance policy was $129,271 and $124,821, respectively.

NOTE K - CONCENTRATIONS OF CREDIT RISK

The Society places its cash investments with high-credit-quality financial institutions. At times, the balances in such accounts may exceed federally insured limits. The Society's management believes that there is no substantial risk of loss associated with the failure of these financial institutions.