

Hydrocephalus Association

Report on Financial Statements

For the year ended December 31, 2012

Hydrocephalus Association

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Independent Auditor's Report

To the Board of Directors
Hydrocephalus Association
Bethesda, Maryland

Report on the Financial Statements

We have audited the accompanying statement of financial position of Hydrocephalus Association (the "Association") as of December 31, 2012, and the related statement of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hydrocephalus Association as of December 31, 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.

Richmond, VA
August 9, 2013

A handwritten signature in cursive script that reads 'Elliott Davis, LLC'.

Hydrocephalus Association

Statement of Financial Position

As of December 31, 2012

Assets

Current assets

Cash and cash equivalents	\$ 1,132,500
Accounts receivable	38,834
Unconditional promises to give	76,500
Investments	312,216
Prepaid expenses	12,760
Inventory	16,525
Total current assets	<u>1,589,335</u>

Property and equipment, net

52,617

Deposits

10,108

Total assets

\$ 1,652,060

Liabilities and Net Assets

Current liabilities

Accounts payable and accrued expenses	\$ 160,782
Capital lease payable, current	4,734
Total current liabilities	<u>165,516</u>

Long term liabilities

Accrued rent expense	16,984
Capital lease payable, non-current	12,108
Total liabilities	<u>194,608</u>

Net assets

Unrestricted net assets	900,003
Temporarily restricted net assets	476,331
Permanently restricted net assets	81,118
Total net assets	<u>1,457,452</u>
Total net assets and liabilities	<u>\$ 1,652,060</u>

See Notes to Financial Statements

Hydrocephalus Association

Statement of Activities

For the year ended December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and revenue				
Grants and contributions	\$ 690,464	\$ 488,429	\$ 300	\$ 1,179,193
Special events (net of expenses of \$138,903)	883,035	32,974	-	916,009
Government contracts & grants	13,425	-	-	13,425
Sale of books, publications and other items	16,647	-	-	16,647
Conference fees	76,921	-	-	76,921
Interest and dividends	10,561	3,079	-	13,640
Net investment gain	5,171	1,652	-	6,823
Other income, net	5,867	-	-	5,867
Net assets released from restrictions:				
Purpose accomplished	277,454	(277,454)	-	-
Total support and revenue	<u>1,979,545</u>	<u>248,680</u>	<u>300</u>	<u>2,228,525</u>
Expenses				
Program expenses:				
Research	226,673	-	-	226,673
Public support and education	283,391	-	-	283,391
Advocacy	104,959	-	-	104,959
Conferences	377,666	-	-	377,666
Total program expenses	<u>992,689</u>	<u>-</u>	<u>-</u>	<u>992,689</u>
Fundraising:				
Walks	235,675	-	-	235,675
Fund development	290,983	-	-	290,983
	<u>526,658</u>	<u>-</u>	<u>-</u>	<u>526,658</u>
Administration	324,122	-	-	324,122
Total expenses	<u>1,843,469</u>	<u>-</u>	<u>-</u>	<u>1,843,469</u>
Change in net assets	136,076	248,680	300	385,056
Net assets at beginning of period	<u>763,927</u>	<u>227,651</u>	<u>80,818</u>	<u>1,072,396</u>
Net assets at end of period	<u>\$ 900,003</u>	<u>\$ 476,331</u>	<u>\$ 81,118</u>	<u>\$ 1,457,452</u>

See Notes to Financial Statements

Hydrocephalus Association
Statement of Functional Expenses
For the year ended December 31, 2012

	Program						Fundraising				Administration	Total
	Research	Public Support and Education	Advocacy	Conferences		Total Program	Fund Development	Walks	Total Fundraising			
				Hydrocephalus Conference	Research Conference							
Salaries	\$ 72,853	\$ 210,351	\$ 59,608	\$ 45,593	\$ 10,089	\$ 398,493	\$ 107,898	\$ 39,199	\$ 147,097	\$ 154,904	\$ 700,494	
Payroll taxes	5,631	16,016	4,633	3,689	766	30,734	7,530	2,937	10,467	12,609	53,810	
Employee benefits	3,218	27,346	7,181	4,820	148	42,713	10,343	3,185	13,528	29,757	85,998	
Severance	-	-	-	-	-	-	-	-	-	13,345	13,345	
Professional services - accounting	-	-	-	-	-	-	-	-	-	35,139	35,139	
Professional services - technology	18	279	7	-	143	447	6,944	1,218	8,162	15,823	24,432	
Professional services - other	6,242	2,325	22,227	50,025	-	80,818	105,340	1,426	106,766	10,154	197,738	
Advertising	348	-	-	-	-	348	-	-	-	-	348	
Rent	-	-	-	-	-	-	-	-	-	959	959	
Expendable equipment	63	-	-	-	-	63	-	1,077	1,077	1,368	2,508	
Supplies	145	359	98	2,554	92	3,249	72	19,390	19,462	411	23,121	
Cost of goods sold	-	-	-	-	-	-	-	4,053	4,053	-	4,053	
Equipment repairs	-	126	-	-	-	126	-	-	-	208	334	
Equipment rental	-	-	-	12,827	-	12,827	-	12,372	12,372	1,470	26,669	
Insurance	-	-	-	-	-	-	-	-	-	1,951	1,951	
Telephone	-	103	1,002	-	-	1,105	-	334	334	1,235	2,675	
Postage	4	738	20	356	-	1,118	21,954	6,569	28,523	798	30,440	
Printing	5,535	661	-	5,719	437	12,352	21,093	21,531	42,624	953	55,929	
Out of town travel	8,780	4,529	1,739	31,830	30,601	77,480	8,016	42,461	50,478	28,319	156,276	
Local travel	75	108	247	60	71	560	262	1,837	2,100	7,071	9,731	
Food, meals & catering	1,131	2,162	-	79,504	61,116	143,913	43	205	248	89	144,250	
Conference registration	-	3,597	-	-	-	3,597	-	-	-	-	3,597	
Site expenses	-	2,174	-	11,528	-	13,702	-	10,080	10,080	-	23,782	
Employee education	-	-	-	-	-	-	-	-	-	-	-	
Scholarships	-	10,727	5,845	-	-	16,572	-	-	-	-	16,572	
Grants to others	113,565	595	380	-	-	114,539	-	-	-	-	114,539	
Dues & subscriptions	2,359	-	1,590	-	-	3,949	-	-	-	2,521	6,470	
Taxes & other fees	-	664	-	22,369	-	23,032	531	-	531	707	24,270	
Bank charges	-	-	-	-	-	-	-	-	-	78	78	
Service charges	6,706	-	382	2,494	837	10,420	957	67,164	68,120	268	78,809	
Interest	-	-	-	-	-	-	-	-	-	1,068	1,068	
Depreciation expense	-	-	-	-	-	-	-	-	-	-	-	
Miscellaneous expense	-	530	-	-	-	530	-	637	637	2,919	4,086	
Total expenses	\$ 226,673	\$ 283,391	\$ 104,959	\$ 273,367	\$ 104,299	\$ 992,689	\$ 290,983	\$ 235,675	\$ 526,658	\$ 324,122	\$ 1,843,469	

See Notes to Financial Statements

Hydrocephalus Association

Statement of Cash Flows

For the year ended December 31, 2012

Operating activities:

Change in net assets	\$ 385,056
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	9,630
Net investment gain	(6,823)
Loss on disposal of property & equipment	82
Changes in accrual and deferred amounts:	
Grants receivable	200,000
Accounts receivable	(37,290)
Unconditional promises to give	(61,500)
Prepaid expenses	8,323
Inventories	(5,845)
Accounts payable and accrued expenses	55,993
Net cash provided by operating activities	<u>547,626</u>

Investing activities:

Proceeds from sale of investments	259,249
Purchases of investments	(135,805)
Purchase of property & equipment	(33,831)
Net cash provided by investing activities	<u>89,613</u>

Financing activities:

Principal payments on capital leases	(4,480)
Net cash used for financing activities	<u>(4,480)</u>

Net increase in cash and cash equivalents	632,759
Cash and cash equivalents at beginning of year	499,741
Cash and cash equivalents at end of year	<u><u>\$ 1,132,500</u></u>

Supplemental Disclosures

Interest paid during the year	<u><u>\$ 1,007</u></u>
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Noncash investing & financing activities

Donated securities	<u><u>\$ 149,831</u></u>
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See Notes to Financial Statements

Hydrocephalus Association

Notes to Financial Statements

December 31, 2012

Note 1. Nature of Activities and Summary of Significant Accounting Policies

Nature of activities:

The Hydrocephalus Association (the "Association") was incorporated in 1986, as a nonprofit corporation under the laws of the State of California. Hydrocephalus is an abnormal accumulation of cerebrospinal fluid (CSF) within cavities of the brain called ventricles. The mission of the Association is to eliminate the challenges of hydrocephalus through research and by providing support, education and advocacy for families and professionals. During 2012, the Association moved their operations from San Francisco, California to Bethesda, Maryland.

Basis of accounting:

The financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and, accordingly, reflect all significant receivables, payables and recognized revenues and support when earned and expenditures when they are incurred.

Basis of presentation:

The Association prepares its financial statements in accordance with the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). The Association is required to report information regarding its financial position and activities according to three classes of net assets. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. Generally, earnings from endowed contributions and investments are restricted for specific purposes.

Cash and cash equivalents:

For the purpose of the statement of cash flows, cash and cash equivalents include demand deposit accounts and short term and highly liquid investments with an initial maturity of three months or less.

Accounts receivable and allowance for doubtful accounts:

Accounts receivable are carried at their estimated collectible amounts and are periodically evaluated for collectability based on management's assessment of the collectability of each account. An allowance for doubtful accounts is established as estimated by management through recognition of bad debt expense. When management confirms the uncollectability of an accounts receivable, such amount is charged off against the allowance for doubtful accounts. Based on management's evaluations of accounts receivable, there was no allowance for doubtful accounts at December 31, 2012.

Hydrocephalus Association

Notes to Financial Statements

December 31, 2012

Note 1. Nature of Activities and Summary of Significant Accounting Policies, Continued

Unconditional promises to give:

Unconditional promises to give are recognized as revenue when the donor commits to such a gift. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. There were no conditional promises to give for the year ended December 31, 2012.

The Association uses the allowance method to account for uncollectible promises to give. The allowance is based on the current status of individual accounts and management's estimate of the collectability of the promises outstanding and historical experience. Based on management's evaluations of unconditional promises to give, there was no allowance for doubtful accounts at December 31, 2012.

Fair value of investments:

Investments are stated at fair value based on quoted prices in active markets for identical investments at year end. The Association uses a three-tier hierarchy established by the FASB ASC to prioritize the assumptions, referred to as inputs, used in valuation techniques to measure fair value. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

- Level 1: Quoted prices in active markets for identical investments.
- Level 2: Other significant observable inputs (including quoted prices for similar investments in active markets, interest rates and yield curves, prepayment speeds, credit risks, etc.)
- Level 3: Significant unobservable inputs (including the Association's own assumptions in determining the fair value of investments).

The types of investments in which the Association invests are reported at the net asset value made publicly available daily, at which redemptions and investments take place for the following day. The investments held are required by the Securities and Exchange Commission to be measured daily at fair value. The resulting net asset value is a Level 1 measure.

Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments, is shown in the statement of activities under net investment gain.

Donated assets:

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Hydrocephalus Association

Notes to Financial Statements

December 31, 2012

Note 1. Nature of Activities and Summary of Significant Accounting Policies, Continued

Inventory:

Inventory is stated at lower of cost or market and consists of books and resources.

Property and depreciation:

The Association capitalizes all expenditures in excess of \$1,000 for property and equipment with an extended useful life. Property is recorded at cost, or if donated, at fair market value on the date received. Major improvements are capitalized and depreciated; maintenance and repairs which do not significantly improve or extend the life of respective assets are expensed. Upon sale or retirement, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is reflected in other income in the statement of activities. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, generally 4 years.

Compensated absences:

It is the Association's policy to permit eligible employees to accumulate earned but unused vacation subject to certain limitations. All unused vacation pay is accrued when incurred and is recorded in accrued expenses in the statement of financial position.

Endowment funds:

The Association's endowment consists of approximately 7 individual funds established for the purposes described in Note 6.

The Association follows California State Uniform Prudent Management of Institutional Funds Act (UPMIFA). In accordance with UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the purpose, duration, and preservation of the endowment fund; expected total return of investments; general economic conditions and the possible effect of inflation or deflation; other resources of the organization.

While UPMIFA does not require it unless the donor instrument contains an express provision, the Association generally requires the preservation of the fair value of the original gift, as of the gift date, donor-restricted endowment funds. Following this approach, the Association classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and the (c) accumulations to the permanent endowment made in accordance with the directions of the applicable donor gift instrument, at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

Hydrocephalus Association

Notes to Financial Statements

December 31, 2012

Note 1. Nature of Activities and Summary of Significant Accounting Policies, Continued

Endowment funds, continued:

In accordance with UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

1. the duration and preservation of the fund
2. the purposes of the Association and the donor-restricted endowment fund
3. general economic conditions
4. the possible effect of inflation and deflation
5. the expected total return from income and the appreciation of investments
6. other resources of the Association
7. the investment policies of the Association

Return objectives and risk parameters:

The Association has investment and spending policies for endowment assets that attempt to conservatively yield returns within reasonable levels of risk. Endowment assets include those assets of donor-restricted funds that the Association must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to be conservative through low duration bond funds. The Association's expected rate of return is 1-2%.

Strategies employed for achieving objectives:

To satisfy its rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through capital appreciation (realized and unrealized) and current yield (interest and dividends). The Association targets a conservative low duration bond fund to achieve its return objectives.

Spending policy and how the investment objectives relate to spending policy:

The Association has a policy of appropriating for distribution each year the earnings on the endowment funds. In establishing the policy and the annual appropriation, the Association considered the expected return on its endowment. Accordingly, the Association expects the current spending policy to show no growth in the endowment as the total growth is appropriated annually for scholarships.

Revenue recognition:

Revenue from grants is normally received on a reimbursement of expenditures basis and is recognized when expenses have been paid and a reimbursement request is sent to the granting agency. Advances received from granting agencies before a project starts are included in deferred revenue or as an offset to accounts receivable, as applicable.

Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions and grants received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Hydrocephalus Association

Notes to Financial Statements

December 31, 2012

Note 1. Nature of Activities and Summary of Significant Accounting Policies, Continued

Income tax status:

The Association is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code as a charitable organization whereby only unrelated business income, if any, as defined by the Code, is subject to federal income tax. The Association is classified by the Internal Revenue Service as a Public Charity.

Generally accepted accounting principles (GAAP) prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be in a tax return. GAAP also provides guidance on derecognition of tax benefits, classification on the balance sheet, interest and penalties, accounting in interim periods, and disclosure.

Management has evaluated the Association's tax positions and concluded that the Association has taken no uncertain tax positions that require adjustment to the financial statements for the year ended December 31, 2012. The Association's policy is to report accrued interest related to unrecognized tax benefits, when applicable, as interest expense and to report penalties as other expense. With few exceptions, the Association is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for the tax years prior to 2009.

Expense allocation:

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

Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Joint costs of activities that included fundraising:

The Association publishes newsletters each year that include fundraising appeals and marketing. Accordingly, printing, postage and related costs of such activities were allocated as shown in the statement of functional expenses.

Subsequent events:

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through August 9, 2013, the date the financial statements were available to be issued.

Hydrocephalus Association

Notes to Financial Statements

December 31, 2012

Note 2. Unconditional Promises to Give

Unconditional promises to give due within one year are recorded at their net realizable value. Unconditional promises to give due in more than one year are discounted. Unconditional promises to give at December 31, 2012 totaled \$76,500 and are classified as temporarily restricted. All unconditional promises to give were due during 2013, and accordingly, no discount to net present value was calculated.

Note 3. Investments

At December 31, 2012, investments are stated at fair value and consist of corporate stocks and a low duration bond fund as follows:

	<u>December 31, 2012</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Cost</u>	<u>Unrealized Gain</u>
Corporate Stocks	\$ 10,066	\$ 10,066	\$ 9,554	\$ 512
Low duration bond fund	<u>302,150</u>	<u>302,150</u>	<u>292,973</u>	<u>9,177</u>
Total Investments	<u>\$ 312,216</u>	<u>\$ 312,216</u>	<u>\$ 302,527</u>	<u>\$ 9,689</u>

Note 4. Property and Equipment

Property and equipment at December 31, 2012 consisted of:

Office furniture and equipment	\$ 67,936
Computer software	10,586
Accumulated depreciation	<u>(25,905)</u>
	<u>\$ 52,617</u>

Note 5. Capital Lease Obligation

In April 2011, the Association purchased a copier under a capital lease agreement expiring April 2016. The liability represents the present value of future minimum lease payments. The leased asset is amortized over its estimated productive life. Amortization of this asset under the capital lease is included in depreciation expense. The cost and accumulated depreciation of assets purchased under the capital lease amounts to \$19,750 and \$4,937, respectively at December 31, 2012.

Aggregate future minimum lease payments under capital lease obligation as of December 31, 2012 are approximated as follows:

2013	\$ 5,541
2014	5,541
2015	5,541
2016	<u>1,847</u>
Total future minimum lease payments	18,470
Less amount representing interest	<u>(1,628)</u>
Present value of future minimum lease payments	<u>\$ 16,842</u>

Hydrocephalus Association

Notes to Financial Statements

December 31, 2012

Note 6. Restrictions of Net Assets

Temporarily restricted net assets were available for the following purposes at December 31, 2012:

Research projects	\$	386,607
Teens take charge program		50,724
Time restricted pledges receivable		<u>39,000</u>
	\$	<u>476,331</u>

Permanently restricted net assets are endowments that must be invested in perpetuity, the investment return of which is restricted for scholarships. Permanently restricted net assets totaled \$81,118 at December 31, 2012.

Note 7. Concentration of Credit Risk

The Association maintains its cash accounts with three financial organizations which are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. The Association had approximately \$478,000 in excess of federally insured or other insured limits at December 31, 2012.

Note 8. Endowment Funds

Endowment net assets consisted of donor-restricted endowment funds totaling \$81,118, classified as permanently restricted net assets.

Changes in endowment net assets for the fiscal year ended December 31, 2012 are as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 80,818	\$ 80,818
Contributions	-	300	300
Net investment income	88	-	88
Net appreciation (depreciation)	4,643	-	4,643
Amounts appropriated for expenditure	<u>(4,731)</u>	<u>-</u>	<u>(4,731)</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 81,118</u>	<u>\$ 81,118</u>

Earnings on the perpetual endowment funds are temporarily restricted to be used for academic scholarships as stipulated by donors.

Permanently restricted net assets consist of the portion of perpetual endowment funds that are required to be retained permanently either by explicit or donor stipulation or by UPMIFA.

Note 9. Retirement Plan

The Association has a contributory 403 (b) plan which is funded by voluntary participant salary deferrals and a 3% employer match. For the year ended December 31, 2012, matching contributions totaled \$11,242.

Hydrocephalus Association

Notes to Financial Statements

December 31, 2012

Note 10. Operating Leases

The Association recognizes rent expense on a straight-line basis over the term of the lease and, accordingly, records the difference between cash rent payments and the recognition of rent expense as an accrued rent liability.

The Association rented offices in San Francisco under a month-to-month lease agreement through July 31, 2012 for \$2,519 per month. During the second half of 2012, the Association moved to Bethesda, Maryland and entered into a non-cancelable lease agreement for the period October 1, 2012 through September 30, 2017. The base rent for each of the first five lease years is \$100,130 and is adjusted annually for inflation thereafter at a rate of 3%. Additionally, real estate taxes are to be paid by the association as additional rent. For the fiscal year ended December 31, 2012, rent expense was \$44,694.

A schedule of future lease commitments under the lease obligation is as follows:

2013	\$	100,881
2014		103,907
2015		107,025
2016		110,235
2017		<u>84,523</u>
Total future minimum lease commitment	\$	<u>506,571</u>