



International OCD Foundation, Inc.

Financial Statements
December 31, 2017 and 2016

International OCD Foundation, Inc.

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International OCD Foundation, Inc.

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Independent Auditor's Report

To the Board of Trustees
International OCD Foundation, Inc.
Boston, Massachusetts

We have audited the accompanying financial statements of International OCD Foundation, Inc., which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years 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 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 audit 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 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 International OCD Foundation, Inc. as of December 31, 2017 and 2016, 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.

BDO USA, L.L.P.

August 1, 2018

Financial Statements

International OCD Foundation, Inc.

Statements of Financial Position

<i>December 31,</i>	2017	2016
Assets		
Current Assets:		
Cash and cash equivalents	\$ 739,502	\$ 951,706
Contributions receivable	268,525	-
Prepaid expenses	25,718	5,352
Total Current Assets	1,033,745	957,058
Property and Equipment, net	9,512	4,049
Other Assets:		
Beneficial interest in charitable remainder trust	300,612	252,156
Total Assets	\$ 1,343,869	\$ 1,213,263
Liabilities and Net Assets		
Current Liabilities:		
Accrued expenses	\$ 60,449	\$ 65,453
Research grants payable	-	46,266
Deferred membership dues	128,853	119,829
Current portion of deferred rent	2,702	-
Total Current Liabilities	192,004	231,548
Long-Term Liabilities:		
Deferred rent, less current portion	49,082	29,942
Total Liabilities	241,086	261,490
Net Assets:		
Unrestricted	622,772	483,227
Temporarily restricted	480,011	468,546
Total Net Assets	1,102,783	951,773
Total Liabilities and Net Assets	\$ 1,343,869	\$ 1,213,263

See accompanying notes to financial statements.

International OCD Foundation, Inc.

Statements of Activities

<i>Years ended December 31,</i>	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and Support from Operations:						
Contributions and grants	\$ 1,080,923	\$ 167,623	\$1,248,546	\$ 992,694	\$ 212,599	\$ 1,205,293
Conferences	513,652	4,795	518,447	453,057	4,404	457,461
Membership dues	255,890	-	255,890	243,086	-	243,086
In-kind contributions	115,465	-	115,465	74,612	-	74,612
Behavior Therapy Institute fees	125,730	-	125,730	69,177	-	69,177
Special projects	279	-	279	51,065	-	51,065
Miscellaneous income	3,577	-	3,577	908	-	908
Net assets released from restrictions	209,840	(209,840)	-	187,575	(187,575)	-
Total Revenue and Support from Operations	2,305,356	(37,422)	2,267,934	2,072,174	29,428	2,101,602
Operating Expenses:						
Research and education	1,661,309	-	1,661,309	1,553,955	-	1,553,955
General and administrative	319,887	-	319,887	318,323	-	318,323
Fundraising	186,826	-	186,826	220,576	-	220,576
Total Operating Expenses	2,168,022	-	2,168,022	2,092,854	-	2,092,854
Increase (Decrease) in Net Assets from Operations	137,334	(37,422)	99,912	(20,680)	29,428	8,748
Non-Operating Activities:						
Change in value of charitable remainder trust	-	48,456	48,456	-	24,121	24,121
Interest and dividend income	2,211	431	2,642	283	17	300
Total Non-Operating Activities	2,211	48,887	51,098	283	24,138	24,421
Change in Net Assets	139,545	11,465	151,010	(20,397)	53,566	33,169
Net Assets, beginning of year	483,227	468,546	951,773	503,624	414,980	918,604
Net Assets, end of year	\$ 622,772	\$ 480,011	\$1,102,783	\$ 483,227	\$ 468,546	\$ 951,773

See accompanying notes to financial statements.

International OCD Foundation, Inc.

Statement of Functional Expenses

<i>Year ended December 31, 2017</i>	Research and Education	General and Administrative	Fundraising	Total
Salaries and wages	\$ 507,220	\$ 129,235	\$ 88,699	\$ 725,154
Employee benefits	73,594	18,749	12,868	105,211
Payroll taxes	40,557	10,333	7,092	57,982
Payroll expenses	621,371	158,317	108,659	888,347
Annual conference	436,024	-	-	436,024
Special projects	174,060	2,094	534	176,688
Research awards	133,265	-	-	133,265
Occupancy	86,397	22,012	15,109	123,518
Website and database	93,601	2,017	12,932	108,550
Office supplies and other expense	18,111	5,301	23,903	47,315
Bank and merchant fees	22	40,832	120	40,974
Newsletters	33,919	4,749	-	38,668
Board meetings	-	36,263	-	36,263
Payments to affiliates	24,750	3,272	-	28,022
Professional fees	12,727	9,787	2,225	24,739
Public relations	-	6,751	7,496	14,247
Travel	7,696	1,960	1,346	11,002
Equipment lease and maintenance	7,439	1,896	1,300	10,635
Utilities	6,986	1,780	1,221	9,987
Conferences	542	8,131	-	8,673
State registration expense	-	-	7,936	7,936
Postage and shipping	62	7,262	-	7,324
Brochures, letterhead, and supplies	-	3,189	2,956	6,145
Insurance	3,177	809	556	4,542
Dues and subscriptions	-	3,123	330	3,453
Depreciation and amortization	1,160	295	203	1,658
Miscellaneous	-	47	-	47
	\$ 1,661,309	\$ 319,887	\$ 186,826	\$ 2,168,022
Percentage of Total	76%	15%	9%	100%

See accompanying notes to financial statements.

International OCD Foundation, Inc.

Statement of Functional Expenses

<i>Year ended December 31, 2016</i>	Research and Education	General and Administrative	Fundraising	Total
Salaries and wages	\$ 532,468	\$ 113,129	\$ 138,606	\$ 784,203
Employee benefits	36,512	33,260	9,504	79,276
Payroll taxes	41,701	8,860	10,855	61,416
Payroll expenses	610,681	155,249	158,965	924,895
Annual conference	350,110	-	-	350,110
Special projects	173,574	-	-	173,574
Research awards	144,545	-	-	144,545
Occupancy	55,762	32,743	14,515	103,020
Website and database	87,192	-	-	87,192
Professional fees	23,229	22,659	6,047	51,935
Bank and merchant fees	-	43,624	-	43,624
Newsletters	40,210	1,289	-	41,499
Board meetings	-	36,434	-	36,434
Office supplies and other expense	2,706	487	30,322	33,515
Payments to affiliates	25,154	2,782	-	27,936
Equipment lease and maintenance	9,233	1,962	2,403	13,598
Conferences	6,652	3,628	-	10,280
Insurance	6,394	1,359	1,665	9,418
Public relations	6,856	2,414	-	9,270
Utilities	5,464	1,160	1,423	8,047
Postage and shipping	1,848	6,102	-	7,950
State registration expense	-	-	5,095	5,095
Travel	2,363	2,363	-	4,726
Brochures, letterhead, and supplies	1,442	1,641	-	3,083
Dues and subscriptions	-	2,312	-	2,312
Depreciation and amortization	540	115	141	796
Miscellaneous	-	-	-	-
	\$ 1,553,955	\$ 318,323	\$ 220,576	\$ 2,092,854
Percentage of Total	75%	15%	10%	100%

See accompanying notes to financial statements.

International OCD Foundation, Inc.

Statements of Cash Flows

<i>Years ended December 31,</i>	2017	2016
Cash Flows from Operating Activities:		
Change in net assets	\$ 151,010	\$ 33,169
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	1,658	796
Gain in beneficial interest in charitable remainder trust	(48,456)	(24,121)
Increase (decrease) in cash resulting from changes in:		
Contributions receivable	(268,525)	-
Prepaid expenses	(20,366)	5,212
Deposits	-	8,106
Accrued expenses	(5,004)	13,106
Research grants payable	(46,266)	34,003
Deferred revenue	9,024	3,782
Deferred rent	21,842	12,791
Net Cash (Used in) Provided by Operating Activities	(205,083)	86,844
Cash Flows from Investing Activities:		
Purchases of property and equipment	(7,121)	(4,431)
Net Cash Used in Investing Activities	(7,121)	(4,431)
Net (Decrease) Increase in Cash and Cash Equivalents	(212,204)	82,413
Cash and Cash Equivalents - beginning of year	951,706	869,293
Cash and Cash Equivalents - end of year	\$ 739,502	\$ 951,706

See accompanying notes to financial statements.

International OCD Foundation, Inc.

Notes to Financial Statements

1. Nature of the Organization

International OCD Foundation, Inc. (the “Foundation”) is an international nonprofit organization with headquarters in Boston, Massachusetts, and has various affiliates throughout the United States. The Foundation is comprised of people with Obsessive Compulsive Disorder (“OCD”) and related disorders, their families, friends, treatment providers, researchers, and other concerned individuals. The mission of the Foundation is to help everyone affected by OCD and related disorders to live full and productive lives by increasing access to effective treatment, ending the stigma associated with mental health issues, and fostering a community for those affected by OCD and the professionals who treat them. Major sources of revenue are derived from contributions and grants, membership dues, and conferences.

2. Summary of Significant Accounting Policies

A summary of the significant accounting policies followed by the Foundation in the preparation of the accompanying financial statements is set forth below:

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis and conform to accounting principles generally accepted in the United States of America, as applicable to not-for-profit organizations. In the statements of financial position, assets and liabilities are presented in the order of liquidity or conversion to cash and their maturity resulting in the use of cash.

Net assets are classified into permanently restricted, temporarily restricted, and unrestricted net assets, when appropriate, to properly disclose the nature and amount of significant resources that have been restricted in accordance with specified objectives.

The assets, liabilities, and net assets of the Foundation are reported as follows:

- *Unrestricted net assets:* Net assets that are not subject to donor-imposed stipulations and are available for support of operations.
- *Temporarily restricted:* Net assets whose use is limited by law or donor-imposed stipulations that will either expire with the passage of time or be fulfilled by the actions of the Foundation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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 vary from the estimates that were used.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers cash and cash equivalents to include all highly liquid investments with an initial maturity of three months or less.

International OCD Foundation, Inc.

Notes to Financial Statements

Contributions Receivable

Contributions receivable that are to be collected within one year are recorded at net realizable value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment of potential defaults. The determination includes such factors as prior collection history, type of contribution, and the nature of fund raising activity.

Property and Equipment

All property and equipment are stated at cost and depreciated over the estimated useful life of the asset. Major renewals, additions, and betterments are charged to the property accounts, while replacements, maintenance, and repairs, which do not improve or extend the lives of the respective assets, are expensed in the year incurred. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the related assets as follows:

<u>Assets</u>	<u>Life in Years</u>
Program equipment	5-20
Furniture and equipment	5

Impairment of Long-Lived Assets

Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") 360-10-35, *Accounting for the Impairment or Disposal of Long-Lived Assets*, requires the Organization to review long-lived assets, such as property and equipment or intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. As of December 31, 2017 and 2016, the Organization did not recognize any impairment.

Statement of Activities

For purposes of presentation, transactions deemed by management to be ongoing, major, or central to the mission of the Foundation are reported as revenue and expenses. Peripheral or incidental transactions are reported as non-operating activities.

Contributions and Grants

Contributions and grants, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate

International OCD Foundation, Inc.

Notes to Financial Statements

commensurate with the risks involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Membership Dues

All memberships run for a period of 12 months, and membership dues are recorded as unrestricted revenue during the period for which the membership applies.

Deferred member dues consist of membership dues received which have not been earned by the Foundation. The Foundation recognizes membership dues revenue over the course of 12 months as the related membership period elapses. Accordingly, membership fees received that have yet to be earned are deferred until the membership term elapses and the revenue is earned.

Conference Revenue

The Foundation generates revenue from attendance fees, advertising, sponsorships, and booth rental from the Foundation's annual conference. Conference revenue is recognized as revenue in the period in which the conference takes place.

In-kind Contributions

Donated materials are reflected as contributions at the estimated fair value at the date of receipt, if there is an objective basis for recording and assigning value to such donations. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. Volunteers also provided event support and fundraising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Advertising

Advertising costs are expensed in the year incurred. Advertising expense was \$14,246 and \$9,270 for the years ended December 31, 2017 and 2016, respectively.

Income Taxes

The Foundation is a nonprofit organization and is exempt from incomes taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the accompanying statements of activities.

Under ASC Topic 740, *Income Taxes*, an organization must recognize the financial statement effects of a tax position taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. The Foundation does not believe it has taken any material uncertain tax positions, and accordingly, it has not recorded any liability for unrecognized tax benefits. The Foundation has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Foundation has filed Internal Revenue Service (IRS) Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required. For the years ended December 31, 2017 and 2016, there were no interest or penalties recorded or included in the statements of activities.

International OCD Foundation, Inc.

Notes to Financial Statements

Functional Allocation of Expenses

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

Accounting Pronouncements Issued but Not Yet Adopted

Revenue from Contracts With Customers (Topic 606)

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)," which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU is effective for the organization's annual periods beginning after December 15, 2018. Earlier adoption is permitted subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. Management is currently evaluating the impact of this ASU on its financial statements.

Leases (Topic 842)

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)," to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use ("ROU") model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The ASU is effective for the organization's fiscal years beginning after December 15, 2019, with early adoption permitted. Management is currently evaluating the impact of this ASU on its financial statements.

Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) - Presentation of Financial Statements of Not-for-Profit Entities

In August 2016, the FASB issued ASU 2016-14, "Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) - Presentation of Financial Statements of Not-for-Profit Entities." The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions," (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other

International OCD Foundation, Inc.

Notes to Financial Statements

financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The ASU is effective for the organization's financial statements for fiscal years beginning after December 15, 2017. Early adoption is permitted. The provisions of the ASU must be applied on a retrospective basis for all years presented, although certain optional practical expedients are available for periods prior to adoption. Management is currently evaluating the impact of this ASU on the financial statements.

Statement of Cash Flows (Topic 230)

In August 2016, the FASB issued ASU No. 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (a consensus of the Emerging Issues Task Force)." The guidance clarifies how entities should classify certain cash receipts and cash payments on the statement of cash flows. The guidance also clarifies how the predominance principle should be applied when cash receipts and cash payments have aspects of more than one class of cash flows. The guidance is effective for private companies for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. Entities will have to apply the guidance retrospectively, but if it is impracticable to do so for an issue, the amendments related to that issue would be applied prospectively. Management is currently evaluating the impact of this ASU on the financial statements.

Subsequent Events

The Foundation has evaluated subsequent events through August 1, 2018, which is the date the financial statements were available to be issued.

3. Beneficial Interest in Remainder Trust

The Foundation has a beneficial interest in a charitable remainder trust. A charitable remainder trust provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term, which is the designated beneficiary's lifetime. At the end of the trust's term, the remaining assets will be transferred by a third-party trustee to the Foundation. The Foundation initially recorded the present value of the estimated future benefit to be received as an asset and as a temporarily time-restricted contribution based on a discount rate of 3.53% and certain internal assumptions, such as the anticipated rate of investment return and the mortality of the beneficiary. The value of the asset is adjusted in subsequent years based on factors such as changes in life expectancy, market conditions, and normal amortization. The Foundation recorded an increase in the value of its interest in the charitable remainder trust in the statements of activities of \$48,456 and \$24,121 for the years ended December 31, 2017 and 2016, respectively. The fair value of the interest in the charitable remainder trust at December 31, 2017 and 2016, was \$300,612 and \$252,156, respectively.

4. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under Financial Accounting Standards Board *Accounting Standards Codification* are described as follows:

International OCD Foundation, Inc.

Notes to Financial Statements

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Valuations using unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. Level 3 includes assets and liabilities whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques reflecting the reporting entity's assumptions about the assumptions market participants would use as well as those requiring significant management judgment.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Beneficial Interest in Remainder Trust

The asset is recorded at the present value of the anticipated residual interest in the trust with a discount rate adjusted for any market conditions to arrive at fair value. The asset is classified as level 3 due to the assumptions used as a component of calculating the residual interest, which are not observable.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31:

	Assets at Fair Value as of December 31, 2017			
	Level 1	Level 2	Level 3	Total
Beneficial interest in remainder trust	\$ -	\$ -	\$ 300,612	\$ 300,612

International OCD Foundation, Inc.

Notes to Financial Statements

The following table represents the change in assets classified as level 3 on a recurring basis for the year ended December 31, 2017:

Balance, beginning of year	\$	252,156
Unrealized gain included in changes in net assets		48,456
Balance, end of year	\$	300,612

The unrealized gain of \$48,456 associated with the Foundation's beneficial interest in a charitable remainder trust is included in the change in temporarily restricted net assets for the year ended December 31, 2017.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2016:

	Level 1	Level 2	Level 3	Total
Beneficial interest in remainder trust	\$ -	\$ -	\$ 252,156	\$ 252,156

The following table represents the change in assets classified as level 3 on a recurring basis for the year ended December 31, 2016:

Balance, beginning of year	\$	228,035
Unrealized gain included in changes in net assets		24,121
Balance, end of year	\$	252,156

The unrealized gain of \$24,121 associated with the Foundation's beneficial interest in a charitable remainder trust is included in the change in temporarily restricted net assets for the year ended December 31, 2016.

5. In-kind Contributions

The Foundation benefited from in-kind contributions in the form of the following types of goods and services during the years ended December 31:

	2017	2016
Advertising	\$ 93,601	\$ 53,973
Event speakers and expenses	14,121	7,255
Auction items	2,743	6,728
Meals	2,000	3,656
Meeting space	3,000	3,000
	\$ 115,465	\$ 74,612

These amounts have been reported as both in-kind revenue and as expenses on the statements of activities.

International OCD Foundation, Inc.

Notes to Financial Statements

6. Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following projects and initiatives at December 31:

	2017	2016
Purpose Restricted:		
Research	\$ 179,399	\$ 216,390
Time Restricted:		
Beneficial interest in remainder trust	300,612	252,156
Total Temporarily Restricted Net Assets	\$ 480,011	\$ 468,546

Temporarily restricted net assets were released from restrictions for the following projects and initiatives during the years ended December 31:

	2017	2016
Research	\$ 199,097	\$ 110,368
Development consultant	-	42,803
Scholarships	4,795	4,404
Interest and dividends	448	-
Pediatric Green Project	5,500	30,000
Total Temporarily Restricted Net Assets Released	\$ 209,840	\$ 187,575

7. Operating Leases

The Foundation leases office space in Massachusetts for use in operations. The Foundation entered into an office lease agreement in March 2016 that calls for monthly payments of \$7,580 that escalates on an annual basis to \$12,680 during the remaining term of the lease, which expires in March 2021. The Foundation is also responsible for its share of certain operating expenses and real estate taxes, as outlined in the lease agreement.

The Foundation records rent expense on the straight-line basis. Rent expense and the Foundation's share of operating expenses and real estate taxes was \$101,676 and \$103,020 for the years ended December 31, 2017 and 2016, respectively.

The Foundation also leases a copier with monthly payments of \$537 through March 2020.

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International OCD Foundation, Inc.

Notes to Financial Statements

Future minimum lease payments under the above agreements are as follows:

Years ending December 31,

2018	\$	136,036
2019		153,371
2020		153,332
2021		25,360
<hr/>		
Total	\$	468,099

8. Retirement Plan

The Foundation maintains a qualified 401(k) plan under Section 401(k) of the Internal Revenue Code that covers substantially all full-time employees. The Foundation makes an annual safe-harbor contribution based on 3% of each eligible employee's compensation. Additional matching contributions are made at the discretion of the board of trustees. Contribution expense for the defined contribution retirement plan were \$25,503 and \$22,351 for the years ended December 31, 2017 and 2016, respectively, and is included in employee benefits expense.

9. Concentrations

The Foundation has a potential concentration of credit risk in that it maintains deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). The maximum deposit insurance amount was \$250,000 for interest and non-interest bearing accounts, which was applied per depositor, per insured bank for each account ownership category. As of December 31, 2017 and 2016, the Foundation had approximately \$294,568 and \$426,953 in excess of FDIC limits, respectively.