International OCD Foundation, Inc.

Financial Statements
December 31, 2016 and 2015

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Contents

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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 statement of financial position as of December 31, 2016, and the related statements 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 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, 2016 and 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.

Other Matter – 2015 Financial Statements

The 2015 financial statements were audited by Feeley & Driscoll, P.C., whose partners and professional staff joined BDO USA, LLP, and whose report dated May 11, 2016, expressed an unmodified opinion on those statements.

BDO USA, LLP

June 27, 2017

Financial Statements

International OCD Foundation, Inc.

Statements of Financial Position

December 31,	**2016**	2015
Assets		
Current Assets:		
Cash and cash equivalents	**$ 951,706**	$ 869,293
Prepaid expenses	**5,352**	10,564
Total Current Assets	**957,058**	879,857
Property and Equipment, net	**4,049**	414
Other Assets:		
Deposits	**-**	8,106
Beneficial interest in charitable remainder trust	**252,156**	228,035
Total Other Assets	**252,156**	236,141
Total Assets	**$ 1,213,263**	$ 1,116,412
Liabilities and Net Assets		
Current Liabilities:		
Accrued expenses	**$ 65,453**	$ 52,347
Research grants payable	**46,266**	12,263
Deferred membership dues	**119,829**	116,047
Current portion of deferred rent	**-**	6,236
Total Current Liabilities	**231,548**	186,893
Long-Term Liabilities:		
Deferred rent, less current portion	**29,942**	10,915
Total Liabilities	**261,490**	197,808
Net Assets:		
Unrestricted	**483,227**	503,624
Temporarily restricted	**468,546**	414,980
Total Net Assets	**951,773**	918,604
Total Liabilities and Net Assets	**$ 1,213,263**	$ 1,116,412

See accompanying notes to financial statements.

International OCD Foundation, Inc.

Statements of Activities

For the years ended December 31,	**2016** Unrestricted	**2016** Temporarily Restricted	**2016** Total	2015 Unrestricted	2015 Temporarily Restricted	2015 Total
Revenue and support from operations:						
Contributions and grants	**$ 992,694**	**$ 212,599**	**$1,205,293**	$ 967,798	$ 114,968	$ 1,082,766
Conferences	**453,057**	**4,404**	**457,461**	473,957	800	474,757
Membership dues	**243,086**	**-**	**243,086**	235,439	-	235,439
In-kind contributions	**74,612**	**-**	**74,612**	115,535	-	115,535
Behavior Therapy Institute fees	**69,177**	**-**	**69,177**	57,527	-	57,527
Special projects	**51,065**	**-**	**51,065**	-	-	-
Miscellaneous income	**908**	**-**	**908**	15,977	-	15,977
Net assets released from restrictions	**187,575**	**(187,575)**	**-**	303,136	(303,136)	-
Total revenue and support from operations	**2,072,174**	**29,428**	**2,101,602**	2,169,369	(187,368)	1,982,001
Operating expenses:						
Research and education	**1,553,955**	**-**	**1,553,955**	1,433,819	-	1,433,819
General and administrative	**318,323**	**-**	**318,323**	281,644	-	281,644
Fundraising	**220,576**	**-**	**220,576**	203,479	-	203,479
Total operating expenses	**2,092,854**	**-**	**2,092,854**	1,918,942	-	1,918,942
Increase (decrease) in net assets from operations	**(20,680)**	**29,428**	**8,748**	250,427	(187,368)	63,059
Non-operating activities:						
Change in value of charitable remainder trust	**-**	**24,121**	**24,121**	-	(4,511)	(4,511)
Interest and dividend income	**283**	**17**	**300**	211	5	216
Total non-operating activities	**283**	**24,138**	**24,421**	211	(4,506)	(4,295)
Change in net assets	**(20,397)**	**53,566**	**33,169**	250,638	(191,874)	58,764
Net assets, beginning of year	**503,624**	**414,980**	**918,604**	252,986	606,854	859,840
Net assets, end of year	**$ 483,227**	**$ 468,546**	**$ 951,773**	$ 503,624	$ 414,980	$ 918,604

See accompanying notes to financial statements.

International OCD Foundation, Inc.

Statement of Functional Expenses

For the year ended December 31, 2016

	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.

Statement of Functional Expenses

For the year ended December 31, 2015

	Research and Education	General and Administrative	Fundraising	Total
Salaries and wages	$ 494,060	$ 111,317	$ 124,773	$ 730,150
Employee benefits	40,769	9,694	10,296	60,759
Payroll taxes	36,613	8,249	9,246	54,108
Payroll expenses	571,442	129,260	144,315	845,017
Annual conference	296,711	13,949	-	310,660
Special projects	127,241	2,980	(925)	129,296
Research awards	135,646	-	-	135,646
Occupancy	47,138	10,620	11,904	69,662
Website and database	135,215	-	-	135,215
Professional fees	-	21,232	-	21,232
Bank and merchant fees	-	34,466	-	34,466
Newsletters	50,434	1,987	-	52,421
Board meetings	9,310	20,951	-	30,261
Office supplies and other expense	7,393	931	29,953	38,277
Payments to affiliates	17,438	5,875	-	23,313
Equipment lease and maintenance	6,598	1,971	1,667	10,236
Conferences	13,269	7,967	-	21,236
Insurance	-	7,846	-	7,846
Public relations	5,509	1,204	-	6,713
Utilities	4,399	1,898	1,110	7,407
Postage and shipping	15	8,886	-	8,901
State registration expense	-	-	15,308	15,308
Travel	3,636	3,637	-	7,273
Brochures, letterhead, and supplies	1,844	2,764	-	4,608
Dues and subscriptions	-	2,440	-	2,440
Depreciation and amortization	581	131	147	859
Miscellaneous	-	649	-	649
	$ 1,433,819	$ 281,644	$ 203,479	$ 1,918,942
Percentage of total	75%	15%	10%	100%

See accompanying notes to financial statements.

International OCD Foundation, Inc.

Statements of Cash Flows

For the years ended December 31,	**2016**	2015
Cash Flows from Operating Activities:		
Change in net assets	**$ 33,169**	$ 58,764
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	**796**	859
(Gain) loss in beneficial interest in charitable remainder trust	**(24,121)**	4,511
Increase (decrease) in cash resulting from changes in:		
Prepaid expenses	**5,212**	(5,212)
Deposits	**8,106**	3,077
Accounts payable	**-**	(9,460)
Accrued expenses	**13,106**	(902)
Research grants payable	**34,003**	1,380
Deferred revenue	**3,782**	(3,196)
Deferred rent	**12,791**	(3,862)
Net Cash Provided by Operating Activities	**86,844**	45,959
Cash Flows from Investing Activities:		
Purchases of property and equipment	**(4,431)**	-
Net increase in cash and cash equivalents	**82,413**	45,959
Cash and Cash Equivalents - beginning of year	**869,293**	823,334
Cash and Cash Equivalents - end of year	**$ 951,706**	$ 869,293

See accompanying 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 obsessive compulsive disorder (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.

Financial Statement Presentation

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 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.

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.

Property and Equipment

All property and equipment greater than $1,000 are stated at cost and depreciated over the estimated useful live 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:

Assets	Life in Years
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, 2016 and 2015, 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 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.

Membership Dues

All memberships run for a period of twelve 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 twelve 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 $9,270 and $6,713 for the years ended December 31, 2016 and 2015, respectively.

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.

Income Taxes

The Foundation is a nonprofit organization and has been recognized as a tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code (the "Code"), and is exempt from federal income taxes on related income pursuant to 501(a) of the Code. Accordingly, no provision for income taxes is reflected in the accompanying statements of activities.

Under ASC 740, 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 IRS Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required. For the years ended December 31, 2016 and 2015, there were no interest or penalties recorded or included in the statements of activities.

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.

Accounting Pronouncements Issued but Not Yet Adopted

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 statements 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 financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The ASU is effective for the Foundation'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 its financial statements.

In February 2016, the FASB issued ASU 2016-02, "Accounting for Leases," which applies a right-of-use ("ROU") model that requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset and a liability to make lease payments. For leases with a term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize an ROU asset or lease liability. At inception, lessees must classify all leases as either finance or operating based on five criteria. Balance sheet recognition of finance and operating leases is similar, but the pattern of expense recognition in the income statements, as well as the effect on the statements of cash flows, differs depending on the lease classification. In addition, lessees and lessors are required to provide certain qualitative and quantitative disclosures to enable users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The amendments are effective for fiscal years beginning after December 15, 2019. Management is currently evaluating the impact of the pending adoption of ASU 2016-02.

In August 2014, the FASB issued ASU 2014-15, "Presentation of Financial Statements – Going Concern: Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern." This ASU provides guidance about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. Specifically, this ASU provides a definition of the term substantial doubt and requires an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). It also requires certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans and requires an express statement and other disclosures when substantial doubt is not alleviated. The new standard will be effective for reporting periods beginning after December 15, 2016, with early adoption permitted. The Foundation will apply the provisions of this standard upon adoption

Subsequent Events

The Foundation has evaluated subsequent events through June 27, 2017, 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 (decrease) in the value of its split-interest agreement in the statements of activities of $24,121 and ($4,511) for the years ended December 31, 2016 and 2015, respectively. The fair value of the split-interest agreement at December 31, 2016 and 2015, was $252,156 and $228,035, 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:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
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	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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, 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 at beginning of year	$ 228,035
Unrealized gain included in changes in net assets	24,121
Balance at 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.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2015:

	Level 1	Level 2	Level 3	Total
Beneficial interest in remainder trust	$ -	$ -	$ 228,035	$ 228,035

The following table represents the change in assets classified as level 3 on a recurring basis for the year ended December 31, 2015:

Balance at beginning of year	$ 232,546
Unrealized loss included in changes in net assets	(4,511)
Balance at end of year	$ 228,035

The unrealized loss of $4,511 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, 2015.

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:

	2016	2015
Advertising	**$ 53,973**	$ 97,562
Event speakers & expenses	**7,255**	10,173
Auction items	**6,728**	1,800
Meals	**3,656**	3,000
Meeting space	**3,000**	3,000
	$ 74,612	$ 115,535

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

6. Temporarily Restricted Net Assets

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

	2016	2015
Purpose restricted:		
Research	**$ 216,390**	$ 144,142
Development consultant	**-**	42,803
Total purpose restricted	**216,390**	186,945
Time restricted:		
Beneficial interest in remainder trust	**252,156**	228,035
	$ 468,546	$ 414,980

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

	2016	2015
Research	**$ 110,368**	$ 134,732
Development consultant	**42,803**	137,604
Scholarships	**4,404**	800
Pediatric Green Project	**30,000**	30,000
	$ 187,575	$ 303,136

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 $103,020 and $69,662 for the years ended December 31, 2016 and 2015, respectively.

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

Future minimum lease payments under the above agreements are as follows for the years ending December 31:

2017	$ 111,493
2018	136,036
2019	153,371
2020	153,332
2021	25,360
Total	$ 579,592

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 $22,351 and $22,500 for the years ended December 31, 2016 and 2015, 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, 2016 and 2015, the Foundation had approximately $426,953 and $360,613 in excess of FDIC limits, respectively.