

**MULTIPLE SCLEROSIS FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

Years Ended December 31, 2013 and 2012



## **Mayer Hoffman McCann P.C.**

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### **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Multiple Sclerosis Foundation, Inc.

#### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Multiple Sclerosis Foundation, Inc., which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and change in net assets, 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.

#### ***Auditors' 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 auditors' 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 Multiple Sclerosis Foundation, Inc. as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Mayer Hoffman McCann P.C.*

Boca Raton, Florida  
April 2, 2014

**MULTIPLE SCLEROSIS FOUNDATION, INC.**

**STATEMENTS OF FINANCIAL POSITION**

December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 1,902,506	\$ 1,081,033
Unconditional promises to give and other receivables	371,292	196,474
Investments	836,970	806,157
Prepaid expenses	54,668	67,969
Property and equipment, net	207,182	267,390
Other assets	<u>15,000</u>	<u>19,160</u>
 TOTAL ASSETS	 <u>\$ 3,387,618</u>	 <u>\$ 2,438,183</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
LIABILITIES		
Accounts payable and accrued expenses	\$ 156,936	\$ 109,399
Deferred rent expense	<u>90,811</u>	<u>81,568</u>
 TOTAL LIABILITIES	 <u>247,747</u>	 <u>190,967</u>
NET ASSETS		
Unrestricted	2,951,498	2,170,839
Temporarily restricted	<u>188,373</u>	<u>76,377</u>
 TOTAL NET ASSETS	 <u>3,139,871</u>	 <u>2,247,216</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 3,387,618</u>	 <u>\$ 2,438,183</u>

See Notes to Financial Statements

**MULTIPLE SCLEROSIS FOUNDATION, INC.**

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**

Year Ended December 31, 2013

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>SUPPORT AND REVENUES</b>			
Contributions	\$ 6,265,215	\$ 181,996	\$ 6,447,211
Special events, net of direct benefits to donors of \$79,114	61,796	-	61,796
Other revenue	1,595,510	-	1,595,510
Investment returns	6,821	-	6,821
Net assets released from restrictions	70,000	(70,000)	-
	<b>7,999,342</b>	<b>111,996</b>	<b>8,111,338</b>
<b>EXPENSES</b>			
Program services	5,107,224	-	5,107,224
Fund-raising	1,515,443	-	1,515,443
Management and general	596,016	-	596,016
	<b>7,218,683</b>	<b>-</b>	<b>7,218,683</b>
<b>CHANGE IN NET ASSETS</b>	<b>780,659</b>	<b>111,996</b>	<b>892,655</b>
<b>NET ASSETS, January 1, 2013</b>	<b>2,170,839</b>	<b>76,377</b>	<b>2,247,216</b>
<b>NET ASSETS, December 31, 2013</b>	<b>\$ 2,951,498</b>	<b>\$ 188,373</b>	<b>\$ 3,139,871</b>

See Notes to Financial Statements

**MULTIPLE SCLEROSIS FOUNDATION, INC.**

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**

Year Ended December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>			
Contributions	\$ 6,161,439	\$ 70,000	\$ 6,231,439
Special events, net of direct benefits to donors of \$51,338	54,266	-	54,266
Other revenue	465,780	-	465,780
Investment returns	58,471	-	58,471
Net assets released from restrictions	50,000	(50,000)	-
<b>TOTAL SUPPORT AND REVENUES</b>	<u>6,789,956</u>	<u>20,000</u>	<u>6,809,956</u>
<b>EXPENSES</b>			
Program services	4,582,664	-	4,582,664
Fund-raising	1,539,109	-	1,539,109
Management and general	568,165	-	568,165
<b>TOTAL EXPENSES</b>	<u>6,689,938</u>	<u>-</u>	<u>6,689,938</u>
<b>CHANGE IN NET ASSETS</b>	100,018	20,000	120,018
<b>NET ASSETS, January 1, 2012</b>	<u>2,070,821</u>	<u>56,377</u>	<u>2,127,198</u>
<b>NET ASSETS, December 31, 2012</b>	<u><u>\$ 2,170,839</u></u>	<u><u>\$ 76,377</u></u>	<u><u>\$ 2,247,216</u></u>

See Notes to Financial Statements

**MULTIPLE SCLEROSIS FOUNDATION, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended December 31, 2013

	<b>Program Services</b>	<b>Support Services</b>		<b>Total</b>
		<b>Fund-raising</b>	<b>Management</b>	
Salaries and related costs	\$ 2,176,504	\$ 768,952	\$ 187,647	\$ 3,133,103
Professional services	433,099	233,207	-	666,306
Grants and donations	820,509	-	-	820,509
Printing and postage	473,939	126,384	31,595	631,918
Awareness and education	572,926	-	-	572,926
Rent	83,413	83,413	83,413	250,239
Executives salaries and related costs	156,579	34,038	81,693	272,310
Utilities	121,378	52,601	27,592	201,571
Depreciation	23,045	23,045	23,045	69,135
Miscellaneous	9,375	65,468	37,545	112,388
Professional fees	123,350	46,436	43,297	213,083
Equipment and furniture	43,293	15,279	5,094	63,666
Supplies	22,302	20,901	20,994	64,197
Building repairs and maintenance	11,616	11,616	11,616	34,848
Advertising	16,103	27,601	113	43,817
Insurance	18,423	6,502	2,167	27,092
Bank charges	-	-	29,567	29,567
Federal and state fees	-	-	9,585	9,585
Transportation	1,370	-	1,053	2,423
<b>TOTAL EXPENSES</b>	<b>\$ 5,107,224</b>	<b>\$ 1,515,443</b>	<b>\$ 596,016</b>	<b>\$ 7,218,683</b>

See Notes to Financial Statements

**MULTIPLE SCLEROSIS FOUNDATION, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended December 31, 2012

	<b>Program Services</b>	<b>Support Services</b>		<b>Total</b>
		<b>Fund-raising</b>	<b>Management</b>	
Salaries and related costs	\$ 2,257,512	\$ 816,706	\$ 182,234	\$ 3,256,452
Professional services	439,485	236,647	-	676,132
Grants and donations	724,255	-	-	724,255
Printing and postage	390,371	104,098	26,025	520,494
Awareness and education	208,241	-	-	208,241
Rent	83,156	83,156	83,156	249,468
Executives salaries and related costs	161,040	35,009	84,021	280,070
Utilities	170,744	69,859	32,161	272,764
Depreciation	19,430	19,430	19,430	58,290
Miscellaneous	7,891	78,158	32,868	118,917
Professional fees	34,316	474	34,100	68,890
Equipment and furniture	47,618	16,770	5,242	69,630
Supplies	19,292	18,005	18,276	55,573
Building repairs and maintenance	11,505	11,505	11,505	34,515
Advertising	170	46,742	-	46,912
Insurance	6,361	2,240	701	9,302
Bank charges	-	-	26,689	26,689
Federal and state fees	-	-	10,728	10,728
Transportation	1,277	310	1,029	2,616
<b>TOTAL EXPENSES</b>	<b>\$ 4,582,664</b>	<b>\$ 1,539,109</b>	<b>\$ 568,165</b>	<b>\$ 6,689,938</b>

See Notes to Financial Statements



**MULTIPLE SCLEROSIS FOUNDATION, INC.**

**STATEMENTS OF CASH FLOWS**

Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 892,655	\$ 120,018
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	69,135	58,290
Realized and unrealized (gains) losses on investments	14,686	(47,124)
Change in operating assets and liabilities:		
Unconditional promises to give and other receivables	(174,818)	(46,807)
Prepaid expenses	13,301	(52,899)
Other assets	4,160	-
Accounts payable and accrued expenses	47,537	2,538
Deferred rent expense	9,243	9,244
	<u>875,899</u>	<u>43,260</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	<u>875,899</u>	<u>43,260</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(8,927)	(142,894)
Purchase of investments	(186,436)	(201,858)
Proceeds from sales of investments	140,937	227,375
	<u>(54,426)</u>	<u>(117,377)</u>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		
	<u>(54,426)</u>	<u>(117,377)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	821,473	(74,117)
<b>CASH AND CASH EQUIVALENTS, January 1</b>	<u>1,081,033</u>	<u>1,155,150</u>
<b>CASH AND CASH EQUIVALENTS, December 31</b>	<u>\$ 1,902,506</u>	<u>\$ 1,081,033</u>

See Notes to Financial Statements

# MULTIPLE SCLEROSIS FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

### (1) Summary of significant accounting policies

**Nature of operations** - The Multiple Sclerosis Foundation, Inc. ("MSF") is a national nonprofit organization headquartered in Fort Lauderdale, Florida which benefits all individuals whose lives are touched by this chronic neurological disorder. Since 1986, MSF's mission has been to provide programs and support services to those persons affected by MS that help them maintain their health, safety, self-sufficiency, and personal well being and to heighten public awareness of MS in order to elicit financial support for MSF's programs and services and promote understanding for those diagnosed with the illness. MSF's programs are supported nationally, primarily by contributions from individuals and corporations.

**Financial statement presentation** - MSF reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

**Income tax status** - MSF is currently exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3).

MSF believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Organization files tax returns in the U.S. federal jurisdiction, and various state jurisdictions. The Organization is no longer subject to U.S. federal, state and local tax examinations by tax authorities for years before 2010.

**Use of estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") 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 financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and cash equivalents** - MSF considers all highly liquid investments, except for those held for long-term investment, with maturities of three months or less when purchased to be cash equivalents.

**Property and equipment** - Property and equipment are recorded at cost if purchased and at their estimated fair value if donated. Property and equipment donations are reported as unrestricted support unless the donor has restricted the use of the asset for a specific purpose. Contributions of cash, other assets and unconditional promises to give that are restricted for the purpose of acquiring property and equipment are reported as restricted support. When there are no explicit donor stipulations about how long those long-lived assets must be maintained, MSF reports expirations of donor restrictions when the acquired long-lived assets are placed in service. These expirations of donor restrictions are reported as reclassifications to unrestricted net assets.

MSF's policy is to capitalize all assets with a cost greater than \$300.

MULTIPLE SCLEROSIS FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

(1) **Summary of significant accounting policies (continued)**

**Depreciation** - Depreciation is computed using accelerated methods over the following estimated useful lives:

<u>Assets</u>	<u>Useful Lives</u>
Leasehold improvements	Shorter of lease term or 39 years
Furniture and equipment	7 years
Signs	7 years
Computer hardware	5 years
Software	3 years

**Fair value measurements** - Assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that MSF has the ability to access.
- Level 2 - Valuations based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Valuations derived from inputs that are unobservable.

There are three general valuation techniques that may be used to measure fair value

- Market Approach - Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sales transactions, market trades or other sources.
- Cost Approach - Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).
- Income Approach - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized as Level 3.

# MULTIPLE SCLEROSIS FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

### (1) Summary of significant accounting policies (continued)

**Investments** - Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2013 and 2012.

*Common stocks:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Preferred stocks:* Valued at the closing price reported on the active market on which the individual securities are traded or, in cases where the market may be inactive or illiquid, preferred stocks may be valued using outside pricing services and/or computerized pricing models based on the most recent transactions or bids available.

*Fixed-rate capital securities:* Valued at the closing price reported on the active market on which the individual securities are traded or, in cases where the market may be inactive or illiquid, fixed-rate capital securities may be valued using outside pricing services and/or computerized pricing models based on the most recent transactions or bids available.

*Corporate bonds:* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by MSF are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by MSF are deemed to be actively traded.

*Municipal bond funds:* Valued using pricing models maximizing the use of observable inputs for similar securities.

*Market linked deposits:* Valued using pricing models maximizing the use of observable inputs which includes the principal value of the deposit, closing prices on underlying indices reported in active markets and discounts associated with the lack of marketability of the deposit.

*Donated securities:* Valued at the closing price reported on the active market on which the individual securities are traded on the date of the gift. Donated securities are generally immediately sold.

*Real estate:* Valued at the fair value as of the dates the real estate is donated. Thereafter, such real estate investments are carried at current appraised values.

Realized and unrealized gains and losses are included in investment income in the accompanying statements of activities and change in net assets, net of expenses.

# MULTIPLE SCLEROSIS FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

### (1) Summary of significant accounting policies (continued)

**Contributions and promises to give** - Contributions of cash, other assets, and unconditional promises to give are recognized when received from the donor. Classification of these contributions as unrestricted, temporarily restricted or permanently restricted is based upon any donor imposed stipulations that limit the use of the donated assets. When a donor imposed restriction expires, that is, when a stipulated time restriction ends or a 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. Restricted contributions whose donor imposed stipulations are met in the same reporting period as the contribution is received are classified as unrestricted.

Unconditional promises to give are recognized at their fair value based on the present value of estimated future cash flows using a discount rate commensurate with the risks involved.

Conditional promises to give are recognized as support when the donor imposed conditions have been met. Conditional promises to give depend on the occurrence of a specified and uncertain event.

Cash received with donor imposed restrictions limiting its use to long-term purposes is not considered cash for purposes of the statement of cash flows.

MSF uses the allowance method to estimate uncollectible unconditional promises to give. The allowance is based on prior experience and management's analysis of specific promises made.

**Contributed services** - Contributed services are recognized if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. MSF regularly utilizes the services of volunteers to support its programs and administrative functions. Volunteer services are not recognized in MSF's financial statements.

**Other revenue** - MSF provides certain services to unrelated organizations which promote awareness of Multiple Sclerosis and provide education services to individuals touched by the disease. Revenues from these services totaled approximately \$1,600,000 and \$466,000 for the years ended December 31, 2013 and 2012, respectively.

**Advertising** - MSF uses advertising to promote its programs and services. Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2013 and 2012 were \$43,817 and \$46,912, respectively.

**Joint cost allocation** - During 2013 and 2012, MSF incurred joint costs of \$2,467,602 and \$2,651,943, respectively, for informational materials and activities that included fund-raising appeals. MSF allocated \$863,661 and \$928,180 of these costs to fund-raising expense in 2013 and 2012, respectively, and \$1,603,941 and \$1,723,763 of these costs to program services in 2013 and 2012, respectively.

**MULTIPLE SCLEROSIS FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**(1) Summary of significant accounting policies (continued)**

**Expense allocations** - Functional expenses that are not specifically attributable to program services or supporting services are allocated by management based on various allocation factors.

**(2) Unconditional promises to give and other receivables**

Unconditional promises to give and other receivables consist primarily of amounts due from bequests, pledges and automobile donation programs. Management believes all receivables to be fully collectible and, accordingly, no allowance for doubtful accounts has been provided. All unconditional promises to give and other receivables are expected to be realized in one year or less.

**(3) Bequests**

MSF has received indications of gifts in the form of bequests, which are revocable during the donors' lifetime, as well as bequest from deceased donors. Due to the uncertain nature of these intentions from active donors, MSF has not recognized an asset or contribution revenue for these gifts. For several bequests from deceased donors, information is not reasonably available to estimate the amount to be received from the estates. The estimated total intentions to give aggregated approximately \$1,633,000 and \$1,784,000 at December 31, 2013 and 2012, respectively.

**(4) Investments and fair value measurements**

Fair values of assets measured on a recurring basis at December 31, 2013 and 2012 are as follows:

		<u>Fair Value Measurements Using:</u>		
<u>December 31, 2013:</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Financial institution preferred stock	\$ 33,934	\$ 33,934	\$ -	\$ -
Real estate preferred stock	20,269	20,269	-	-
Corporate bonds	121,554	-	121,554	-
Fixed-rate capital securities	19,301	19,301	-	-
Municipal bond funds	17,987	17,987	-	-
Market linked deposits	619,120	-	619,120	-
Donated land and property	4,805	-	4,805	-
	<u>\$ 836,970</u>	<u>\$ 91,491</u>	<u>\$ 745,479</u>	<u>\$ -</u>
 <u>December 31, 2012:</u>				
Pharmaceutical common stock	\$ 4,727	\$ 4,727	\$ -	\$ -
Global equity mutual fund	4,682	4,682	-	-
Financial institution preferred stock	42,124	42,124	-	-
Real estate preferred stock	18,739	18,739	-	-
Corporate bonds	93,575	-	93,575	-
Fixed-rate capital securities	21,024	21,024	-	-
Market linked deposits	616,481	-	616,481	-
Donated land and timeshare	4,805	-	4,805	-
	<u>\$ 806,157</u>	<u>\$ 91,296</u>	<u>\$ 714,861</u>	<u>\$ -</u>

**MULTIPLE SCLEROSIS FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**( 4 ) Investments and fair value measurements (continued)**

The following schedule summarizes the investment returns in the statements of activities and change in net assets for the years ended December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Gains (losses)	\$ (14,686)	\$ 47,124
Interest and dividend income	24,238	17,795
Investment fees	<u>(2,731)</u>	<u>(6,448)</u>
	<u>\$ 6,821</u>	<u>\$ 58,471</u>

**( 5 ) Property and equipment**

As of December 31, 2013 and 2012, property and equipment consisted of the following:

	<u>2013</u>	<u>2012</u>
Software	\$ 451,244	\$ 451,244
Computer hardware	170,132	161,205
Leasehold improvements	102,486	102,486
Equipment	48,574	48,574
Furniture	25,715	25,715
Signs	<u>2,515</u>	<u>2,515</u>
Total cost	800,666	791,739
Accumulated depreciation	<u>593,484</u>	<u>524,349</u>
	<u>\$ 207,182</u>	<u>\$ 267,390</u>

Depreciation expense was \$69,135 and \$58,290 for the years ended December 31, 2013 and 2012, respectively.

**( 6 ) Commitments**

On April 22, 2010, MSF entered into a non-cancelable operating lease agreement for office facilities in Fort Lauderdale, Florida to provide additional space and to replace the existing leases. The lease commenced in September 2010, expires December 31, 2022, and provides for two five year renewal options at increased monthly rents. Under the terms of the lease, MSF received a four month abatement of base rents which increase beginning January 2014 through the end of the lease term. Rent expense includes base rent, which is recognized monthly on the straight-line basis over the initial term of the new lease, plus maintenance, taxes and other allocable costs. Deferred rent expense related to the new lease totaled \$90,811 and \$81,568 at December 31, 2013 and 2012, respectively.

**MULTIPLE SCLEROSIS FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**( 6 ) Commitments (continued)**

MSF also leases office equipment under non-cancelable operating leases that expire in various years through 2017.

Future minimum rentals, considering rental abatement periods, under leases with remaining non-cancelable terms in excess of one year are approximately as follows:

<u>Years Ending December 31,</u>	<u>Minimum Reportable Rental Expense</u>	<u>Required Rental Payments</u>
2014	\$ 238,800	\$ 242,049
2015	238,500	235,740
2016	236,800	233,994
2017	207,600	198,819
2018	198,000	189,234
Thereafter	828,000	756,973
	<u>\$ 1,947,700</u>	<u>\$ 1,856,809</u>

Rental expense under operating leases was \$301,981 and \$307,242, respectively, for the years ended December 31, 2013 and 2012 and is included in equipment and furniture expense and rent expense in the accompanying statements of functional expenses.

**( 7 ) Temporarily restricted net assets**

Temporarily restricted net assets as of December 31, 2013 and 2012 are available for the following purposes:

	<u>2013</u>	<u>2012</u>
Program services in Monroe County, Florida	\$ 6,377	\$ 6,377
Cruise for a cause	-	20,000
March Awareness Program	50,000	50,000
Homecare Grant	95,000	-
Support Groups News Letter	21,996	-
Balance Vest Program	10,000	-
Health and wellness program	5,000	-
	<u>\$ 188,373</u>	<u>\$ 76,377</u>



MULTIPLE SCLEROSIS FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

( 7 ) **Temporarily restricted net assets (continued)**

Temporarily restricted net assets as of December 31, 2013 and 2012 were released from restrictions for the following purposes:

	<u>2013</u>	<u>2012</u>
Cruise for a cause	\$ 20,000	\$ -
March Awareness Program	50,000	-
Support Group Program	-	50,000
	<u>\$ 70,000</u>	<u>\$ 50,000</u>

( 8 ) **Subsequent events**

MSF has evaluated subsequent events through April 2, 2014, which is the date the financial statements were available to be issued. Management is not aware of any events that have occurred subsequent to the statement of financial position date that would require adjustment to, or disclosure in, the financial statements.