MACULAR DEGENERATION ASSOCIATION, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2019

MACULAR DEGENERATION ASSOCIATION, INC.
TABLE OF CONTENTS
DECEMBER 31, 2019

JAKUSOVAS & COMPANY, P.L.
A CERTIFIED PUBLIC ACCOUNTING FIRM

2801 Fruitville Road, Suite 145 – Sarasota, Florida 34237
Phone (941) 366-0710 – Facsimile (941) 954-1120 – Email: michael@jcompanycpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
MACULAR DEGENERATION ASSOCIATION, INC.
BRADENTON, FL

We have audited the accompanying financial statements of Macular Degeneration Association, Inc., which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and changes in net assets, 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 Macular Degeneration Association, Inc. as of December 31, 2019, 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.

Report on Summarized Comparative Information

We have previously audited the Macular Degeneration Association, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 22, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Jakusovas & Company, P.L.

Jakusovas & Company, P.L.

Sarasota, Florida
February 22, 2020

MACULAR DEGENERATION ASSOCIATION, INC
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019

ASSETS

	2019	2018 Total (For comparative purposes only)
Current Assets		
Cash & equivalents	$ 2,550,181	$ 765,331
Due from related party	-	17,353
Prepaid expenses	760	843
Total Current Assets	2,550,941	783,527
Property & equipment, net	2,469	3,223
Total Non-Current Assets	2,469	3,223
Total Assets	$ 2,553,410	$ 786,750

LIABILITIES AND NET ASSETS

	2019	2018 Total (For comparative purposes only)
Current Liabilities		
Accounts payables	$ 81,871	$ 109,110
Accrued expenses	-	4,585
Deferred revenue	-	100,000
Due to related party	1,244	-
Total Current Liabilities	83,115	213,695
Total Liabilitites	83,115	213,695
Net Assets		
Unrestricted net assets	2,470,295	573,055
Total Net Assets	2,470,295	573,055
Total Liabilities and Net Assets	$ 2,553,410	$ 786,750

The accompanying notes are an integral part of these financial statements.

MACULAR DEGENERATION ASSOCIATION, INC
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018 Total (For comparative purposes only)
Support and Revenue		
Contributions	$ 1,212,062	$ 1,126,326
Bequest	1,750,423	190,640
Grants	378,530	150,000
Total Support and Revenue	3,341,015	1,466,966
Expenses:		
Program services	914,296	647,567
General and administrative	237,664	155,170
Fundraising and development	291,815	271,850
Total Expenses	1,443,775	1,074,587
Change in unrestricted net assets	1,897,240	392,379
Net Assets - beginning of year	573,055	180,676
Net Assets - end of year	$ 2,470,295	$ 573,055

The accompanying notes are an integral part of these financial statements.

MACULAR DEGENERATION ASSOCIATION, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services	General & Administrative	Fundraising & Development	Total Expenses	2018 Total (For comparative purposes only)
Advertising	$ 70,975	$ -	$ -	$ 70,975	$ 31,006
Automobile	24,490	5,510	612	30,612	9,784
Bank fees	4,632	1,042	116	5,790	7,470
Conference and education	127,169	-	-	127,169	55,229
Depreciation	641	98	14	753	575
Direct mailings	318,826	75,547	288,207	682,580	548,143
Office expenses	14,013	3,153	350	17,516	11,231
Payroll and taxes	247,525	118,942	-	366,467	298,463
Postage	4,071	916	102	5,089	3,695
Professional fees	-	15,850	-	15,850	14,612
Rent	33,155	5,071	780	39,006	37,656
Supplies	12,951	2,914	324	16,189	5,156
Telephone	1,750	394	44	2,187	2,110
Travel	53,791	8,227	1,266	63,284	45,532
Website	308	-	-	308	3,925
Total Functional Expenses	$ 914,296	$ 237,664	$ 291,815	$ 1,443,775	$ 1,074,587

The accompanying notes are an integral part of these financial statements.

MACULAR DEGENERATION ASSOCIATION, INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018 Total (For comparative purposes only)
Cash flow from operating activities:		
Change in net assets	$ 1,897,240	$ 392,379
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	754	575
Changes in operating assets and liabilities:		
Prepaid expenses	83	82
Accounts payable	(27,239)	35,984
Accrued expenses	(4,585)	4,585
Deferred revenue	(100,000)	100,000
Due to/from related party	18,597	(18,861)
Net cash provided by operating activities	1,784,850	514,744
Cash flow from investing activities:		
Purchase of property and equipment	-	(3,769)
Net cash provided (used) by investing activities	-	(3,769)
Net increase in cash	1,784,850	510,975
Cash and equivalents at the beginning of the year	765,331	254,356
Cash and equivalents at the end of the year	$ 2,550,181	$ 765,331
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	$ -	$ -
Taxes	$ -	$ -

The accompanying notes are an integral part of these financial statements.

MACULAR DEGENERATION ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Organization and Summary of Significant Accounting Policies:

Organization

Macular Degeneration Association, Inc. ("The Organization"), a Virginia Corporation, was founded on June 29, 2010, as a not-for-profit. The main function of the Organization is to support medical research into the cause, cure, and treatment of Macular Degeneration disease and to inform the general public about Macular Degeneration disease. This involves the soliciting of funds via direct mail campaigns and the Organization's web site in support of its charitable and education programs. The Organization is dedicated to funding and developing sophisticated education and outreach programs to Macular Degeneration patients through education symposiums, website and mailing educational materials, and advocacy and awareness programs designed to provide Macular Degeneration patients with an improved quality of life.

In 2019, the Organization conducted twenty patient education symposiums in different locations throughout the United States thru the support of two major pharmaceutical companies and others. The program allowed Macular Degeneration the opportunity to provide macular patients and caregivers an introduction to new treatment options, educate participants about the latest therapy and drug advances and provide a forum for physicians, patients and caregivers to share information.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting and reflect all significant receivables, payables, and other liabilities in accordance with generally accepted accounting principles. Net assets, revenues, support, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. If donor-imposed restrictions are met in the same period as the gift or investment income is received, the amount is reported as unrestricted revenues. Accordingly, net assets of the Organization are classified and reported as follows:

> Unrestricted – Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors
>
> Temporarily Restricted – Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time. No temporarily restricted assets were held at December 31, 2019.
>
> Permanently Restricted – Net assets restricted by the donor to be maintained permanently by the Organization. No permanently restricted assets were held at December 31, 2019.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers money market funds and all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Promises to Give

Unconditional Promises to Give are recognized as revenue in the period received and as assets. Conditional Promises to Give are recognized only when the conditions on which they depend are substantially met and the promise becomes unconditional.

NOTE 1 - Organization and Summary of Significant Accounting Policies - Continued:

Property and Equipment

Property and equipment is reflected in the financial statements at cost, or if donated, at the estimated fair value on the date of donation. The Organization capitalizes all assets purchased greater than $500. Depreciation expense is computed using the straight-line method over the estimated useful life of the assets which range from three to five years. Depreciation Expense for 2019 was $753.

Grants and Contributions

Grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received with donor stipulations that limit the use of donated assets are treated as temporarily restricted net assets. When the purpose of the 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.

Bequests

Bequests are contributions that are recognized as revenues when the donor makes an unconditional promise to give to the organization at the net realizable value as estimated by management after consulting with the decedent's representative. Bequest revenue for the year ending December 31, 2019 was $1,750,423.

Functional Expense Allocation

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

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Donated Services and In-kind Contributions

The Organization recognizes donated services that 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.

NOTE 1 - Organization and Summary of Significant Accounting Policies - Continued:

Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018, from which the summarized information was derived. Certain prior year accounts have been reclassified in order to conform to current year presentation.

NOTE 2 – Property and Equipment

Property and equipment at December 31, 2019, consisted of the following:

Office furniture and equipment	$16,620
Less: Accumulated depreciation	(14,151)
Net	$ 2,469

NOTE 3 – Leases:

The Organization leases office space shared with a related nonprofit organization. The Organization's share of rent expense for the year ending December 31, 2019 was $30,000.

NOTE 4 – Uninsured Cash Balance:

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash deposits. The Organization places its cash and cash equivalents with local financial institutions. At times, cash balances may be in excess of the Federal Deposit Insurance Corporation limit. Management considers the risk to be minimal. Cash balances in excess of FDIC limits as of December 31, 2019 were $2,308,087.

NOTE 5 – Concentrations:

The Organization uses different vendors to provide lists of donor leads, postage and mailing coordination services during the year. Payment to these service providers each represents more than ten percent (10%) of the Organization's annual expenses for the year.

NOTE 6 – Advertising Costs:

Advertising costs are expensed as incurred. The costs incurred for the year ending December 31, 2019 were $70,975.

MACULAR DEGENERATION ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – Income Tax Status:

The Organization is exempt from federal income tax under Section 501(C)(3) of the Internal Revenue Code and qualifies for a charitable contribution deduction by individual donors. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private organization under Section 509(a)(2).

Management has evaluated the effect of an accounting standard relating to accounting for uncertainty in income taxes. Management has determined that the Organization had no uncertain income tax positions that could have a significant effect on the consolidated financial statements for the year ended December 31, 2019. The Organization's federal income tax returns for fiscal years ended December 31, 2018, 2017 and 2016 are subject to examination by the Internal Revenue Service, generally for three years after the federal income tax returns were filed.

NOTE 8 – Related Party Transactions:

The Organization shares rent expense with a related nonprofit organization Parkinson Research Foundation (PRF). As of December 31, 2019, the Organization owes PRF $1,244. The Organization also paid Malvern Group, LLC $16,595 for website design which is owned by a relative of the CEO. The CEO's daughter is employed by the Organization and earned $26,315.

NOTE 9 – Allocation of Joint Costs:

The Organization allocates expenditures between program services, general and administrative, and fundraising activities, in accordance with the provisions of the American Institute of Certified Public Accountants' Statement of Position (SOP 98-2) "Accounting for Costs of Activities of Not-For-Profit Organizations That Includes Fundraising". The mission of the foundation is to help find a cure for Macular Degeneration disease through funding research, while providing education and services that improve the quality of life for Macular patients and caregivers.

In 2019, the Organization conducted activities that included (a) requests for contributions, (b) program services and (c) general and administrative components. These activities included direct mail fund raising campaigns and distribution of and introduction to educational information. The cost of conducting activities included a total of $596,113 of joint costs which are not specifically attributable to a particular component of the activities. Joint cost for these activities have been allocated pursuant to SOP 98-2 as set forth in the Statement of Functional Expenses and include:

Fundraising	$298,056
Educational programs	238,446
General and administrative	59,611

NOTE 10 – Subsequent Events:

Subsequent events have been evaluated through February 22, 2020, which is the date the financial statements were available to be issued.