

**MACULAR DEGENERATION ASSOCIATION, INC.**

**Financial Statements**

**December 31, 2021**

**MACULAR DEGENERATION ASSOCIATION, INC.**  
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**DECEMBER 31, 2021**

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# JAKUSOVAS & COMPANY, P.L.

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Macular Degeneration Association, Inc.  
Sarasota, FL

We have audited the accompanying financial statements of Macular Degeneration Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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 Macular Degeneration Association, Inc. as of December 31, 2021, 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.

*Jakusovas & Company, P.L.*

Jakusovas & Company, P.L.

Sarasota, Florida  
February 22, 2022

**MACULAR DEGENERATION ASSOCIATION, INC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2021**

**ASSETS**

	<b>2021</b>	<b>2020 Total (For comparative purposes only)</b>
<u>Current Assets</u>		
Cash & equivalents	\$ 719,480	\$ 445,801
Contributions receivable	-	12,745
Dividends receivable	-	1,793
Due from related party	10,210	1,231
Prepaid expenses	2,957	980
Total Current Assets	<u>732,647</u>	<u>462,550</u>
Property & equipment, net	<u>6,255</u>	<u>7,337</u>
Total Non-Current Assets	<u>6,255</u>	<u>7,337</u>
<u>Other Assets</u>		
Investments	<u>3,972,786</u>	<u>2,951,487</u>
Total Other Assets	<u>3,972,786</u>	<u>2,951,487</u>
 Total Assets	 <u>\$ 4,711,688</u>	 <u>\$ 3,421,374</u>

**LIABILITIES AND NET ASSETS**

<u>Current Liabilities</u>		
Accounts payables	\$ 117,283	\$ 75,211
PPP loan	-	56,714
Accrued expenses	5,926	-
Total Current Liabilities	<u>123,209</u>	<u>131,925</u>
Total Liabilities	<u>123,209</u>	<u>131,925</u>
<u>Net Assets</u>		
Net assets without donor restrictions	4,588,479	3,289,449
Total Net Assets	<u>4,588,479</u>	<u>3,289,449</u>
Total Liabilities and Net Assets	<u>\$ 4,711,688</u>	<u>\$ 3,421,374</u>

**MACULAR DEGENERATION ASSOCIATION, INC**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	2021	2021	2021	2020
	Without Donor	With Donor	Total	Total (For
	Restrictions	Restrictions		comparative
				purposes only)
<b><u>Support and Revenue</u></b>				
Contributions	\$ 2,138,057	\$ -	\$ 2,138,057	\$ 1,418,517
Bequest	12,630	-	12,630	37,329
Grants	235,000	-	235,000	570,215
Grant - PPP	-	135,175	135,175	-
<b>Total Support and Revenue</b>	<b>2,385,687</b>	<b>135,175</b>	<b>2,520,862</b>	<b>2,026,061</b>
<b><u>Expenses</u></b>				
Program services	1,098,127	-	1,098,127	993,915
General and administrative	303,125	-	303,125	274,330
Fundraising and development	373,871	-	373,871	298,597
<b>Total Expenses</b>	<b>1,775,123</b>	<b>-</b>	<b>1,775,123</b>	<b>1,566,842</b>
<b><u>Other Income and Expenses</u></b>				
Dividend/Interest Income	61,390	-	61,390	27,184
Realized gain/loss on investments	(183)	-	(183)	(1,381)
Unrealized gain/loss on investments	492,084	-	492,084	334,132
	<b>553,291</b>	<b>-</b>	<b>553,291</b>	<b>359,935</b>
<b>Change in net assets before transfers and releases</b>	<b>1,163,855</b>	<b>135,175</b>	<b>1,299,030</b>	<b>819,154</b>
<b>Net assets released from restrictions</b>	<b>135,175</b>	<b>(135,175)</b>	<b>-</b>	<b>-</b>
<b>Net Assets - beginning of year</b>	<b>3,289,449</b>	<b>-</b>	<b>3,289,449</b>	<b>2,470,295</b>
<b>Net Assets - end of year</b>	<b>\$ 4,588,479</b>	<b>\$ -</b>	<b>\$ 4,588,479</b>	<b>\$ 3,289,449</b>

**MACULAR DEGENERATION ASSOCIATION, INC**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>Program Services</b>	<b>General &amp; Administrative</b>	<b>Fundraising &amp; Development</b>	<b>Total Expenses</b>	<b>2020 Total (For comparative purposes only)</b>
Advertising	\$ 6,729	\$ -	\$ -	\$ 6,729	\$ 29,165
Automobile	8,711	1,960	218	10,889	7,890
Bank fees	9,070	2,041	227	11,338	8,096
Conference and education	87,638	-	-	87,638	236,954
Depreciation	-	1,082	-	1,082	541
Direct mailings	321,459	71,435	371,089	763,983	563,675
Meals	1,376	310	34	1,720	-
Medical directors	199,996	-	-	199,996	-
Office expenses	4,216	948	104	5,268	11,878
Payroll and taxes	364,939	162,619	-	527,558	541,867
Postage	1,905	428	48	2,381	4,186
Professional fees	-	42,941	-	42,941	23,429
Rent	56,892	12,801	1,422	71,115	42,996
Supplies	25,266	5,685	632	31,583	40,557
Telephone	3,889	875	97	4,861	3,232
Travel	5,536	-	-	5,536	11,276
Website	505	-	-	505	41,100
<b>Total Functional Expenses</b>	<b>\$ 1,098,127</b>	<b>\$ 303,125</b>	<b>\$ 373,871</b>	<b>\$ 1,775,123</b>	<b>\$ 1,566,842</b>

**MACULAR DEGENERATION ASSOCIATION, INC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>2021</b>	<b>2020 Total (For comparative purposes only)</b>
<b>Cash flow from operating activities:</b>		
Change in net assets	\$ 1,299,030	\$ 819,154
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	1,082	541
Unrealized gain/loss on investments	(492,084)	(334,132)
Changes in operating assets and liabilities:		
Contributions receivable	12,745	(12,745)
Dividends receivable	1,793	(1,793)
Due from related party	(8,979)	(1,231)
Prepaid expenses	(1,977)	(220)
Accounts payable	42,072	(6,660)
Accrued expenses	5,926	-
SBA PPP loan	(56,714)	-
Due to/from related party	-	(1,244)
Net cash provided by operating activities	<u>802,894</u>	<u>461,670</u>
<b>Cash flow from investing activities:</b>		
Purchase of investments	(529,215)	(2,617,355)
Purchase of property and equipment	-	(5,409)
Net cash (used) by investing activities	<u>(529,215)</u>	<u>(2,622,764)</u>
<b>Cash flow from financing activities:</b>		
PPP loan	-	56,714
Net cash provided by financing activities	<u>-</u>	<u>56,714</u>
<b>Net increase (decrease) in cash</b>	<b>273,679</b>	<b>(2,104,380)</b>
<b>Cash and equivalents at the beginning of the year</b>	<b><u>445,801</u></b>	<b><u>2,550,181</u></b>
<b>Cash and equivalents at the end of the year</b>	<b><u>\$ 719,480</u></b>	<b><u>\$ 445,801</u></b>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for:		
Interest	\$ -	\$ -
Taxes	<u>\$ -</u>	<u>\$ -</u>

**MACULAR DEGENERATION ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**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 2021, the Organization provided 32 virtual educational symposiums. These events were provided through 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**

Net assets, public support, revenue, and gains are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions. These net assets include all undesignated, board designated resources available for support of the Organization's operations, and expendable resources designated for special use by the Board.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Organization and/or the passage of time. When the purpose of the restriction is accomplished, these assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization records the support as without donor restriction.

**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.



**MACULAR DEGENERATION ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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

**Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Increases and decreases in fair value are recognized in the period in which they occur and the carrying values of the investments are adjusted to reflect these fluctuations. Net investment return (loss) is reported in the Statement of Activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

**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.

**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 \$2,500. 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 2021 totaled \$1,082.

**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 net assets with donor restrictions. When the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions 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, 2021 totaled \$12,630.

**Functional Expense Allocation**

The costs of providing the various programs and supporting services have been detailed in the statement of functional expenses and summarized on a functional basis in the statement of activities. Expenses which are associated with a specific program, are charged directly to that program. Expenses which benefit more than one program, are allocated to the various programs based on relative benefit provided. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

**MACULAR DEGENERATION ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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

**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**

Contributions of donated professional and volunteer services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Donated materials, when received, are reflected in the accompanying statements at their estimated fair market values at date of receipt. A substantial number of volunteers have made significant contributions of their time to support the programs of the Organization. The estimated value of these donated services has not been recorded in the accompanying financial statements because it does not meet the criteria for recognition as donated revenue under generally accepted accounting principles.

**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, 2020, 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, 2021, consisted of the following:

Office furniture and equipment	\$22,030
Less: Accumulated depreciation	<u>(15,775)</u>
Net	<u>\$ 6,255</u>

**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, 2021 totaled \$51,000.

**NOTE 4 – Concentration of Credit Risk and Economic Risk:**

The Organization has certain financial instruments that subject it to potential credit risk. Those financial instruments consist primarily of cash and cash equivalents, and investments. The Organization maintains these balances with financial institutions. At times, these balances may exceed the Federal Deposit Insurance Corporation insured limits. The Organization has not experienced any loss on these accounts and believes there is no significant exposure of credit risk on cash and cash equivalents. Cash balances in excess of FDIC limits as of December 31, 2021 totaled \$323,700.

**MACULAR DEGENERATION ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 4 – Concentration of Credit Risk and Economic Risk - Continued:**

The Organization invests in a variety of investment vehicles, as described in Note 11. These investment securities are exposed to interest rate, market, credit, and other risks depending on the nature of the specific investment. Accordingly, it is reasonably possible that these factors will result in changes to the value of the Organization's investments, which could materially affect amounts reported in the financial statements.

**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, 2021 totaled \$6,729.

**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 financial statements for the year ended December 31, 2021. The Organization's federal income tax returns for fiscal years ended December 31, 2020, 2019 and 2018, are subject to examination by the Internal Revenue Service, generally for three years after the federal income tax returns were filed.

**NOTE 8 – Liquidity and Availability:**

Financial assets available within one year of the Statement of Financial Position date for general expenditures are as follows:

Cash and cash equivalents	\$ 719,480
Investments	<u>3,972,786</u>
Total financial assets available within one year	<u>4,692,266</u>
Less: Amounts unavailable for general expenditures within one year due to:	
Restricted by donors with purpose	<u>0</u>
Total financial assets available to management for general expenditures within one year	<u>\$4,692,266</u>

**MACULAR DEGENERATION ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 9 – Related Party Transactions:**

The Organization shares rent expense with a related nonprofit organization Parkinson Research Foundation (PRF). The CEO's daughter is employed by the Organization and earned \$28,150.

**NOTE 10 – 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 2021, 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 \$763,983 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	\$371,089
Educational programs	321,459
General and administrative	71,435

**NOTE 11 – Long -Term Investments:**

The components of investments at December 31, 2021 are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Accumulated Unrealized Gain</u>
Cash and cash alternatives	\$ 30,776	\$ 30,777	\$ 0
Corporate equities	<u>3,122,252</u>	<u>3,942,009</u>	<u>819,757</u>
Total	<u>\$3,153,028</u>	<u>\$3,972,786</u>	<u>\$819,757</u>

Investment activity for the year ended December 31, 2021 is comprised of the following:

Interest and dividends	\$ 61,390
Realized net gain/loss on investments	(183)
Unrealized net gain/loss on investments	492,084
Investment fees	<u>(33,832)</u>
Total investment return, net of investment expenses	<u>\$ 519,459</u>

**MACULAR DEGENERATION ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 12 – Payroll Protection Program Loan:**

On May 11, 2020, the Organization received a Payroll Protection Program (PPP) loan of \$56,714 granted by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which was enacted March 27, 2020. On March 10, 2021, the Organization received a second PPP loan of \$78,461. The PPP loans bear interest at a fixed rate of 1% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the SBA. Funds from the loan can be used for payroll costs, including benefits, and other qualifying expenses. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses and meet other conditions as described in the CARES Act.

The Organization has accounted for the loans as a conditional contribution under ASC 958-605. Because the Organization believes it has substantially met all of the conditions of PPP loan forgiveness, the full amount of the loans have been recognized as contributed revenue in grants for the year ended December 31, 2021. The Organization filed requests for the PPP loan forgiveness and on September 2, 2021, and October 25, 2021, respectively, the SBA authorized full forgiveness of the Organization's PPP loans in the total amount of \$135,175.

**NOTE 13 – Subsequent Events:**

Subsequent events have been evaluated through February 22, 2022, which is the date the financial statements were available to be issued.