

**REFLEX SYMPATHETIC DYSTROPHY  
SYNDROME ASSOCIATION OF AMERICA  
FINANCIAL STATEMENTS  
YEARS ENDED  
DECEMBER 31, 2020 AND 2019**

REFLEX SYMPATHETIC DYSTROPHY SYNDROME ASSOCIATION OF AMERICA

TABLE OF CONTENTS

	<u>PAGE(S)</u>
Independent Auditor's Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 13



Beers, Hamerman, Cohen & Burger, PC

Certified Public Accountants and Business Consultants

Audit  
Tax  
Advisory  
Assurance  
Valuation  
Litigation Support

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Reflex Sympathetic Dystrophy Syndrome Association of America  
Milford, Connecticut

We have audited the accompanying financial statements of Reflex Sympathetic Dystrophy Syndrome Association of America (a non-profit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in 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 Reflex Sympathetic Dystrophy Syndrome Association of America as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Beers, Hamerman, Cohen & Burger, P.C.*

New Haven, Connecticut  
May 27, 2021

REFLEX SYMPATHETIC DYSTROPHY SYNDROME ASSOCIATION OF AMERICA  
STATEMENTS OF FINANCIAL POSITION

	December 31,	
	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 916,149	\$ 850,420
Prepaid expenses	6,376	8,877
Investments	663,525	629,254
Promises-to-give	32,885	42,768
Security deposits	950	950
Equipment, net	<u>3,697</u>	<u>4,621</u>
TOTAL ASSETS	<u>\$ 1,623,582</u>	<u>\$ 1,536,890</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 13,981	\$ 15,812
Research grants payable	346,988	140,988
Federal Paycheck Protection Program Loan	<u>54,500</u>	<u>-</u>
Total Liabilities	<u>415,469</u>	<u>156,800</u>
<b>Net Assets</b>		
Without donor restrictions		
Unrestricted	630,008	525,478
Board designated - business plan	<u>43,528</u>	<u>43,528</u>
Total Net Assets Without Donor Restrictions	673,536	569,006
With donor restrictions		
Purpose restricted	<u>534,577</u>	<u>811,084</u>
Total Net Assets With Donor Restrictions	534,577	811,084
Total Net Assets	<u>1,208,113</u>	<u>1,380,090</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,623,582</u>	<u>\$ 1,536,890</u>

See accompanying notes to the financial statements.

REFLEX SYMPATHETIC DYSTROPHY SYNDROME ASSOCIATION OF AMERICA  
STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2020			Year Ended December 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue and Other Support						
Contributions and bequests	\$ 396,472	\$ 64,302	\$ 460,774	\$ 481,265	\$ 219,702	\$ 700,967
Conferences	1,530	-	1,530	54,891	-	54,891
Investment income	11,991	-	11,991	16,489	-	16,489
Other income	<u>8,991</u>	<u>-</u>	<u>8,991</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Revenue and Other Support before special events	<u>418,984</u>	<u>64,302</u>	<u>483,286</u>	<u>552,645</u>	<u>219,702</u>	<u>772,347</u>
Special events	81,807	-	81,807	107,588	-	107,588
Less: cost of direct benefit to donors	<u>(2,659)</u>	<u>-</u>	<u>(2,659)</u>	<u>(23,375)</u>	<u>-</u>	<u>(23,375)</u>
Special events, net	<u>79,148</u>	<u>-</u>	<u>79,148</u>	<u>84,213</u>	<u>-</u>	<u>84,213</u>
Net assets released from restrictions						
Restrictions satisfied by payments	<u>340,809</u>	<u>(340,809)</u>	<u>-</u>	<u>405,459</u>	<u>(405,459)</u>	<u>-</u>
Total Operating Revenue and Other Support	<u>838,941</u>	<u>(276,507)</u>	<u>562,434</u>	<u>1,042,317</u>	<u>(185,757)</u>	<u>856,560</u>
Operating Expenses						
Program services	589,564	-	589,564	721,100	-	721,100
Management and general	114,414	-	114,414	124,573	-	124,573
Fundraising	<u>48,975</u>	<u>-</u>	<u>48,975</u>	<u>58,978</u>	<u>-</u>	<u>58,978</u>
Total Expenses	<u>752,953</u>	<u>-</u>	<u>752,953</u>	<u>904,651</u>	<u>-</u>	<u>904,651</u>
Change in Net Assets from Operations	85,988	(276,507)	(190,519)	137,666	(185,757)	(48,091)
Other Changes						
Realized and unrealized gains on investments	<u>18,542</u>	<u>-</u>	<u>18,542</u>	<u>55,289</u>	<u>-</u>	<u>55,289</u>
Change in Net Assets	104,530	(276,507)	(171,977)	192,955	(185,757)	7,198
Net Assets, Beginning of Year	<u>569,006</u>	<u>811,084</u>	<u>1,380,090</u>	<u>376,051</u>	<u>996,841</u>	<u>1,372,892</u>
Net Assets, End of Year	<u>\$ 673,536</u>	<u>\$ 534,577</u>	<u>\$ 1,208,113</u>	<u>\$ 569,006</u>	<u>\$ 811,084</u>	<u>\$ 1,380,090</u>

See accompanying notes to the financial statements.

REFLEX SYMPATHETIC DYSTROPHY SYNDROME ASSOCIATION OF AMERICA  
STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended December 31, 2020				Year Ended December 31, 2019			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Research expenses	\$ 328,257	\$ -	\$ -	\$ 328,257	\$ 368,577	\$ -	\$ -	\$ 368,577
Salaries	125,470	62,735	7,842	196,047	129,562	64,781	8,098	202,441
Awareness campaign	33,973	-	5,161	39,134	69,179	-	17,732	86,911
Professional fees	28,800	15,591	20,897	65,288	20,000	14,520	19,514	54,034
Conferences, conventions and meetings	2,255	-	-	2,255	42,095	-	-	42,095
Office supplies and expenses	21,510	10,755	1,344	33,609	20,894	10,447	1,306	32,647
Payroll taxes	10,425	5,213	652	16,290	13,785	6,892	862	21,539
Postage	8,316	-	2,772	11,088	11,770	5,885	736	18,391
Patient assistance	6,743	-	-	6,743	17,564	-	-	17,564
Rent	9,440	4,720	590	14,750	9,056	4,528	566	14,150
Insurance	5,603	2,802	350	8,755	7,459	3,729	466	11,654
State registration fees	-	8,260	-	8,260	-	9,318	-	9,318
Bank fees	-	-	8,761	8,761	-	-	9,043	9,043
Telephone	3,124	1,562	195	4,881	3,691	1,845	231	5,767
Dues and subscriptions	1,276	638	80	1,994	2,897	1,449	181	4,527
Employee benefits	2,321	205	205	2,731	2,457	137	137	2,731
Equipment rental and maintenance	1,938	969	121	3,028	1,618	809	101	2,528
Travel expenses	32	-	-	32	415	-	-	415
Meetings	-	-	-	-	-	193	-	193
Property tax expense	81	40	5	126	81	40	5	126
Depreciation	-	924	-	924	-	-	-	-
	<u>\$ 589,564</u>	<u>\$ 114,414</u>	<u>\$ 48,975</u>	<u>\$ 752,953</u>	<u>\$ 721,100</u>	<u>\$ 124,573</u>	<u>\$ 58,978</u>	<u>\$ 904,651</u>

See accompanying notes to the financial statements.

REFLEX SYMPATHETIC DYSTROPHY SYNDROME ASSOCIATION OF AMERICA  
STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (171,977)	\$ 7,198
Adjustments to reconcile the change in net assets to net cash provided (used) by operating activities:		
Realized and unrealized gains on investments, net	(18,542)	(55,289)
Donated securities	(4,034)	(8,391)
Depreciation expense	924	-
Changes in operating assets and liabilities:		
Prepaid expenses	2,501	(2,501)
Promises-to-give	9,883	13,224
Accounts payable and accrued expenses	(1,831)	(7,376)
Research grants payable	<u>206,000</u>	<u>(2,699)</u>
Net Cash Provided (Used) by Operating Activities	<u>22,924</u>	<u>(55,834)</u>
Cash Flows from Investing Activities		
Purchase of investments	(11,695)	(14,238)
Sale of investments	-	248,828
Purchase of computer equipment	<u>-</u>	<u>(4,621)</u>
Net Cash (Used) Provided by Investing Activities	<u>(11,695)</u>	<u>229,969</u>
Cash Flows from Financing Activities		
Proceeds from Federal Paycheck Protection Program loan	<u>54,500</u>	<u>-</u>
Net Cash Provided by Financing Activities	<u>54,500</u>	<u>-</u>
Change in Cash	65,729	174,135
Cash and Cash Equivalents, Beginning of Year	<u>850,420</u>	<u>676,285</u>
Cash and Cash Equivalents, End of Year	<u>\$ 916,149</u>	<u>\$ 850,420</u>

See accompanying notes to the financial statements.



REFLEX SYMPATHETIC DYSTROPHY SYNDROME ASSOCIATION OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Reflex Sympathetic Dystrophy Syndrome Association of America (Organization) is a non-profit organization which was organized to heighten visibility and awareness of the reflex sympathetic dystrophy syndrome disorder (RSDS) and to promote research projects associated with the disorder.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ materially from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid instruments with an initial maturity of three months or less.

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions that are unrestricted by the donor are reported as an increase in net assets without donor restrictions as are contributions with donor-imposed restrictions which expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Conference Revenue

Conferences are held with contributions from individuals and organizations. The conferences are integrative health conferences which provide information, workshops, research, and access to support for attendees.

Computer Equipment

Computer equipment are carried at cost. Depreciation is computed primarily under the straight-line method over the useful lives of the depreciable assets. Expenditures for repairs and maintenance that materially increase the useful lives of assets are capitalized. The Organization's policy is to capitalize expenditures for those items in excess of \$1,000.

Research Grants

The organization makes grants based on applications received from researchers, and approved by the Board of Directors. The grants are included in research expenses in the statement of activities as of the award date. Grants are typically paid over the duration of the research period, and any unpaid balances on approved grants are included in research grants payable in the statements of financial position.

REFLEX SYMPATHETIC DYSTROPHY SYNDROME ASSOCIATION OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and related costs, office supplies and rent are allocated based on estimates of actual time spent on program activities, management and general activities and fundraising activities.

Donated Services

The Organization recognizes donated services that create or enhance nonfinancial assets or require specialized skills that would typically need to be purchased if not provided by donation. The Organization utilizes many volunteers for a variety of tasks that assist the Organization. These services, however, do not meet the criteria for recognition of donated services.

Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Organization's income tax filings are subject to audit by various taxing authorities.

Investments

Investments are recorded at fair value based on quoted market prices in an active market. Investment income and net appreciation or depreciation in the fair value of investments is included in the statement of activities.

NOTE 2 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Liquidity

The operations and programs of the Organization are primarily funded through public support and conferences, and the earnings on its investments. Public support revenue is unpredictable for the future; however, the Organization has a long history of support and is well established in its donor community.

REFLEX SYMPATHETIC DYSTROPHY SYNDROME ASSOCIATION OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

NOTE 2 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS – (CONTINUED)

Availability of Financial Assets

The following reflects the Organization’s financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts available include donor-restricted amounts that are available for general expenditures in the following year.

	December 31,	
	<u>2020</u>	<u>2019</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 916,149	\$ 850,420
Investments	663,525	629,254
Promises to give	<u>32,885</u>	<u>42,768</u>
	<u>1,612,559</u>	<u>1,522,442</u>
Less amounts not available for general expenditures within one year:		
Net assets with donor restrictions	534,577	811,084
Board designated net assets - business plan	<u>43,528</u>	<u>43,528</u>
	<u>578,105</u>	<u>854,612</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 1,034,454</u>	<u>\$ 667,830</u>

REFLEX SYMPATHETIC DYSTROPHY SYNDROME ASSOCIATION OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

NOTE 3 - INVESTMENTS

Investments are stated at fair value and consist of the following:

	<u>December 31, 2020</u>		
	<u>Market</u>		<u>Unrealized</u>
	<u>Value</u>	<u>Cost</u>	<u>Appreciation</u>
Equities	\$ 4,378	\$ 4,034	\$ 344
Mutual funds			
Short-term bonds	648,442	630,384	18,058
Equity	<u>10,705</u>	<u>4,600</u>	<u>6,105</u>
	<u>\$ 663,525</u>	<u>\$ 639,018</u>	<u>\$ 24,507</u>

	<u>December 31, 2019</u>		
	<u>Market</u>		<u>Unrealized</u>
	<u>Value</u>	<u>Cost</u>	<u>Appreciation</u>
Mutual funds			
Short-term bonds	\$ 619,718	\$ 618,661	\$ 1,057
Equity	<u>9,536</u>	<u>4,600</u>	<u>4,936</u>
	<u>\$ 629,254</u>	<u>\$ 623,261</u>	<u>\$ 5,993</u>

GAAP defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value in three broad levels:

Level 1: Inputs are based upon adjusted quoted prices for identical instruments traded in active markets.

Level 2: Inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets and liabilities.

REFLEX SYMPATHETIC DYSTROPHY SYNDROME ASSOCIATION OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

NOTE 3 - INVESTMENTS – (CONTINUED)

Level 3: Inputs are generally unobservable and typically reflect management’s estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are, therefore, determined using model-based techniques that include option pricing models, discounted cash flows models, and similar techniques. These inputs reflect the assumptions of management about assumptions market participants would use in pricing the investments.

The fair values of common stock and mutual funds held are based on quoted prices in an active market and are therefore classified as Level 1.

NOTE 4 - JOINT COSTS

The costs incurred to produce the Organization’s periodic newsletter are considered to be joint costs and have been allocated between program services and fundraising expenses on the statements of activities and functional expenses. The total cost of the newsletter was \$20,117 and \$46,136 for the years ended December 31, 2020 and 2019, respectively, and is recorded in awareness campaign in the statements of functional expenses. In 2020, \$15,088 was classified as program services and \$5,029 was classified as fundraising expenses. In 2019, \$34,602 was classified as program services and \$11,534 was classified as fundraising expenses. The allocation was based on the nature of the content of the newsletters.

NOTE 5 - OPERATING LEASES

The Organization leases office space in Milford, Connecticut on a month-to-month basis at \$1,250 per month. Rent expense related to the office lease was \$14,750 and \$14,150 for the years ended December 31, 2020 and 2019, respectively.

In addition, the Organization has non-cancelable operating leases for office equipment which expire through 2022. Lease expense for the equipment was \$3,028 and \$2,528 for the years ended December 31, 2020 and 2019, respectively.

Year Ending <u>December 31,</u>	
2021	\$ 815
2022	<u>815</u>
	<u>\$ 1,630</u>

REFLEX SYMPATHETIC DYSTROPHY SYNDROME ASSOCIATION OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

NOTE 6 - CREDIT RISK

The Organization maintains its cash with financial institutions. These balances from time to time may exceed the federally insured limits. As of December 31, 2020 and 2019, the Organization had cash in excess of the federally insured limits of \$421,110 and \$329,321, respectively. The Organization held investments of \$163,525 and \$129,254 as of December 31, 2020 and 2019, respectively, in excess of the amount insured by the Securities Investor Protection Corporation.

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

The Organization's net assets with donor restrictions consist of the following:

	December 31,	
	<u>2020</u>	<u>2019</u>
Research	\$ 244,943	\$ 515,158
Twenty-year study	56,837	94,325
Medical financial assistance	87,591	83,567
Externship	44,922	44,922
Camp Courageous	19,425	18,473
Education initiatives	10,677	12,504
Marketing	11,085	11,085
National support group expansion	10,705	10,863
Young Adult Retreat	8,992	8,562
Pediatric video	6,232	6,232
Website design	5,393	5,393
Conference	<u>27,775</u>	<u>-</u>
	<u>\$ 534,577</u>	<u>\$ 811,084</u>

NOTE 8 - RELATED PARTY TRANSACTIONS

During the year ended December 31, 2019, the board authorized a payment of \$15,000 to a board member, who is responsible for periodically updating the Organization's publication on treatment guidelines. The full \$15,000 is in research grants payable as of December 31, 2019. During 2020, \$4,000 of the grant was paid.

The Organization provides support to the International Research Consortium (IRC), a related 501(c)(3) entity with which it has board members in common, but no common control relationship between the Organization and the IRC exists. One of the qualifications for financial grants in the medical research community is a demonstrated ability to achieve a sufficient sample size of patient subjects. CRPS/RSD is an orphan disease whose potential patient subjects are low in number and widely dispersed making it difficult to achieve sample sizes to meet research grant requirements. Support provided is reported under research program expenses, and was \$29,791 and \$27,138 for the years ended December 31, 2020 and 2019, respectively.

REFLEX SYMPATHETIC DYSTROPHY SYNDROME ASSOCIATION OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

NOTE 9 - COVID-19 AND FEDERAL PAYCHECK PROTECTION PROGRAM

During 2020, the Organization experienced a reduction in contributions and conference revenue, primarily due to the cancellation of in-person events to comply with COVID-19 restrictions. As of the date of our report, the overall impact on the Organization's financials is uncertain at this time. On April 27, 2020, the Organization received a loan in the amount of \$54,500 under the Federal Paycheck Protection Program established as part of the Coronavirus Aid, Relief, and Economic Securities Act (CARES ACT). The PPP provides for loans to qualifying entities for amounts up to 2.5 times average monthly payroll expenses of the qualifying entity. The loan and accrued interest are forgivable if the borrower uses the PPP loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. Unpaid interest at an annual rate of 1% and principal on the unforgiven portion of the PPP loan is due and payable over two years from the date the Small Business Administration notifies the lender of the forgiveness amount. As of the date of these financial statements, management believes it has complied with all regulations related to the PPP and expects the total amount of the loan to be forgiven. The Organization has elected to record the proceeds from the loan as debt until either (1) the loan is partly or wholly forgiven and the Organization has been legally released or (2) the Organization pays off the loan.

NOTE 10 - SUBSEQUENT EVENTS

In January 2021, the Organization received a second round of Federal Paycheck Protection Program loan proceeds in the amount of \$54,500.

In April 2021, the Organization received notice of forgiveness for the first round Federal Paycheck Protection loan in the amount of \$54,500.

Other than noted above, the Organization did not have any subsequent events through May 27, 2021, which is the date the financial statements were available to be issued.