

**REFLEX SYMPATHETIC DYSTROPHY
SYNDROME ASSOCIATION OF AMERICA
FINANCIAL STATEMENTS
YEARS ENDED
DECEMBER 31, 2021 AND 2020**

REFLEX SYMPATHETIC DYSTROPHY SYNDROME ASSOCIATION OF AMERICA

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Reflex Sympathetic Dystrophy Syndrome Association of America and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Reflex Sympathetic Dystrophy Syndrome Association of America's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Reflex Sympathetic Dystrophy Syndrome Association of America's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Reflex Sympathetic Dystrophy Syndrome Association of America's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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

New Haven, Connecticut
October 6, 2022

REFLEX SYMPATHETIC DYSTROPHY SYNDROME ASSOCIATION OF AMERICA
STATEMENTS OF FINANCIAL POSITION

	December 31,	
	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 999,467	\$ 916,149
Prepaid expenses	7,876	6,376
Investments	660,149	663,525
Promises to give	13,500	32,885
Security deposits	950	950
Equipment, net	<u>2,773</u>	<u>3,697</u>
TOTAL ASSETS	<u>\$ 1,684,715</u>	<u>\$ 1,623,582</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 20,079	\$ 13,981
Research grants payable	215,639	346,988
Federal Paycheck Protection Program Loan	<u>-</u>	<u>54,500</u>
Total Liabilities	<u>235,718</u>	<u>415,469</u>
Net Assets		
Without donor restrictions		
Unrestricted	850,940	630,008
Board designated - business plan	<u>43,528</u>	<u>43,528</u>
Total Net Assets Without Donor Restrictions	894,468	673,536
With donor restrictions		
Purpose restricted	<u>554,529</u>	<u>534,577</u>
Total Net Assets With Donor Restrictions	554,529	534,577
Total Net Assets	<u>1,448,997</u>	<u>1,208,113</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,684,715</u>	<u>\$ 1,623,582</u>

See accompanying notes to the financial statements.

REFLEX SYMPATHETIC DYSTROPHY SYNDROME ASSOCIATION OF AMERICA
STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2021			Year Ended December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue and Other Support						
Contributions and bequests	\$ 429,818	\$ 73,131	\$ 502,949	\$ 396,472	\$ 64,302	\$ 460,774
Conferences	7,500	-	7,500	1,530	-	1,530
Investment income	8,239	-	8,239	11,991	-	11,991
Other income	-	-	-	8,991	-	8,991
Operating Revenue and Other Support before special events	445,557	73,131	518,688	418,984	64,302	483,286
Special events	89,289	-	89,289	81,807	-	81,807
Less: cost of direct benefit to donors	(4,664)	-	(4,664)	(2,659)	-	(2,659)
Special events, net	84,625	-	84,625	79,148	-	79,148
Net assets released from restrictions	53,179	(53,179)	-	340,809	(340,809)	-
Restrictions satisfied by payments	583,361	19,952	603,313	838,941	(276,507)	562,434
Total Operating Revenue and Other Support	287,587	-	287,587	589,564	-	589,564
Operating Expenses	105,869	-	105,869	114,414	-	114,414
Program services	71,715	-	71,715	48,975	-	48,975
Management and general	465,171	-	465,171	752,953	-	752,953
Fundraising	118,190	19,952	138,142	85,988	(276,507)	(190,519)
Total Expenses	(6,258)	-	(6,258)	18,542	-	18,542
Change in Net Assets from Operations	109,000	-	109,000	-	-	-
Other Changes	220,932	19,952	240,884	104,530	(276,507)	(171,977)
Realized and unrealized (loss)/gains on investments	673,536	534,577	1,208,113	569,006	811,084	1,380,090
Forgiveness of Federal Paycheck Protection loan	-	-	-	-	-	-
Change in Net Assets	\$ 894,468	\$ 554,529	\$ 1,448,997	\$ 673,536	\$ 534,577	\$ 1,208,113
Net Assets, Beginning of Year						
Net Assets, End of Year						

See accompanying notes to the financial statements.

REFLEX SYMPATHETIC DYSTROPHY SYNDROME ASSOCIATION OF AMERICA
STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended				Year Ended			
	December 31, 2021		December 31, 2020		December 31, 2021		December 31, 2020	
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Research expenses	\$ 45,147	\$ -	\$ -	\$ 45,147	\$ 328,257	\$ -	\$ -	\$ 328,257
Salaries	125,134	57,754	9,626	192,514	125,470	62,735	7,842	196,047
Awareness campaign	21,097	-	24,984	46,081	33,973	-	5,161	39,134
Professional fees	28,800	13,298	17,863	59,961	28,800	15,591	20,897	65,288
Conferences, conventions and meetings	2,090	-	-	2,090	2,255	-	-	2,255
Office supplies and expenses	21,035	9,708	1,618	32,361	21,510	10,755	1,344	33,609
Payroll taxes	10,358	4,781	797	15,936	10,425	5,213	652	16,290
Postage	-	-	3,137	3,137	8,316	-	2,772	11,088
Patient assistance	7,934	-	-	7,934	6,743	-	-	6,743
Rent	9,978	4,605	767	15,350	9,440	4,720	590	14,750
Insurance	6,497	2,999	500	9,996	5,603	2,802	350	8,755
State registration fees	-	8,289	-	8,289	-	8,260	-	8,260
Bank fees	-	-	11,667	11,667	-	-	8,761	8,761
Telephone	3,244	1,497	250	4,991	3,124	1,562	195	4,881
Dues and subscriptions	1,917	885	147	2,949	1,276	638	80	1,994
Employee benefits	2,321	205	205	2,731	2,321	205	205	2,731
Equipment rental and maintenance	1,849	853	142	2,844	1,938	969	121	3,028
Travel expenses	32	-	-	32	32	-	-	32
Property tax expense	154	71	12	237	81	40	5	126
Depreciation	-	924	-	924	-	924	-	924
	<u>\$ 287,587</u>	<u>\$ 105,869</u>	<u>\$ 71,715</u>	<u>\$ 465,171</u>	<u>\$ 589,564</u>	<u>\$ 114,414</u>	<u>\$ 48,975</u>	<u>\$ 752,953</u>

See accompanying notes to the financial statements.

REFLEX SYMPATHETIC DYSTROPHY SYNDROME ASSOCIATION OF AMERICA
STATEMENTS OF CASH FLOWS

	Year Ended	
	December 31,	
	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 240,884	\$ (171,977)
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Realized and unrealized gains/(losses) on investments, net	6,258	(18,542)
Donated securities	-	(4,034)
Depreciation expense	924	924
Forgiveness of Federal Paycheck Protection Program loan	(109,000)	-
Changes in operating assets and liabilities:		
Prepaid expenses	(1,500)	2,501
Promises to give	19,385	9,883
Accounts payable and accrued expenses	6,098	(1,831)
Research grants payable	<u>(131,349)</u>	<u>206,000</u>
Net Cash Provided by Operating Activities	<u>31,700</u>	<u>22,924</u>
Cash Flows from Investing Activities		
Purchase of investments	(9,085)	(11,695)
Sale of investments	<u>6,203</u>	<u>-</u>
Net Cash Used by Investing Activities	<u>(2,882)</u>	<u>(11,695)</u>
Cash Flows from Financing Activities		
Proceeds from Federal Paycheck Protection Program loan	<u>54,500</u>	<u>54,500</u>
Net Cash Provided by Financing Activities	<u>54,500</u>	<u>54,500</u>
Change in Cash and Cash Equivalents	83,318	65,729
Cash and Cash Equivalents, Beginning of Year	<u>916,149</u>	<u>850,420</u>
Cash and Cash Equivalents, End of Year	<u>\$ 999,467</u>	<u>\$ 916,149</u>

See accompanying notes to the financial statements.

REFLEX SYMPATHETIC DYSTROPHY SYNDROME ASSOCIATION OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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 statements 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, 2021 AND 2020

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, management and general 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, 2021 AND 2020

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>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 999,467	\$ 916,149
Investments	660,149	663,525
Promises to give	<u>13,500</u>	<u>32,885</u>
	<u>1,673,116</u>	<u>1,612,559</u>
Less amounts not available for general expenditures within one year:		
Net assets with donor restrictions	554,529	534,577
Board designated net assets - business plan	<u>43,528</u>	<u>43,528</u>
	<u>598,057</u>	<u>578,105</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 1,075,059</u>	<u>\$ 1,034,454</u>

REFLEX SYMPATHETIC DYSTROPHY SYNDROME ASSOCIATION OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 3 - INVESTMENTS

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

<u>December 31, 2021</u>	
Equities	\$ 3,500
Mutual funds	
Short-term bonds	644,165
Equity	<u>12,484</u>
	<u>\$ 660,149</u>

<u>December 31, 2020</u>	
Equities	\$ 4,378
Mutual funds	
Short-term bonds	648,442
Equity	<u>10,705</u>
	<u>\$ 663,525</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, 2021 AND 2020

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 equities 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 in the statements of activities and functional expenses. There were no newsletter costs in 2021. The total cost of the newsletter was \$20,117 for the year ended December 31, 2020, and is recorded in the awareness campaign in the statements of functional expenses. Of the total, \$15,088 was classified as program services and \$5,029 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 \$15,350 and \$14,750 for the years ended December 31, 2021 and 2020, respectively.

In addition, the Organization has non-cancelable operating lease for office equipment which expires in 2022. The remaining lease payment is \$815 Lease expense for the equipment was \$2,844 and \$3,028 for the years ended December 31, 2021 and 2020, respectively.

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, 2021 and 2020, the Organization had cash in excess of the federally insured limits of \$488,560 and \$421,110, respectively. The Organization held investments of \$156,650 and \$163,525 as of December 31, 2021 and 2020, respectively, in excess of the amount insured by the Securities Investor Protection Corporation.

REFLEX SYMPATHETIC DYSTROPHY SYNDROME ASSOCIATION OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

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

	December 31,	
	<u>2021</u>	<u>2020</u>
Research	\$ 272,074	\$ 244,943
Twenty-year study	31,862	56,837
Medical financial assistance	83,684	87,591
Externship	44,922	44,922
Camp Courageous	21,286	19,425
Education initiatives	10,677	10,677
Marketing	11,085	11,085
National support group expansion	10,547	10,705
Young Adult Retreat	8,992	8,992
Pediatric video	6,232	6,232
Website design	25,393	5,393
Conference	<u>27,775</u>	<u>27,775</u>
	<u>\$ 554,529</u>	<u>\$ 534,577</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. During 2020, \$4,000 of the grant was paid, and the remaining \$11,000 is included in research grants payable as of December 31, 2021 and 2020.

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. Complex Regional Pain Syndrome/Reflex Sympathetic Dystrophy Syndrome 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 \$18,438 and \$29,791 for the years ended December 31, 2021 and 2020, respectively.

REFLEX SYMPATHETIC DYSTROPHY SYNDROME ASSOCIATION OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 9 - FEDERAL PAYCHECK PROTECTION PROGRAM

On April 27, 2020 and January 23, 2021 the Organization received two loans 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. Formal notification of forgiveness was received for both loans in 2021 and \$109,000 was recorded in the statement of activities.

NOTE 10 - SUBSEQUENT EVENTS

The Organization did not have any subsequent events through October 6, 2022, which is the date the financial statements were available to be issued.