

DEMENTIA SOCIETY OF AMERICA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

(See Independent Auditors' Report)

TABLE OF CONTENTS

Independent Auditors' Report	3-4
Statements of Financial Position	5-6
Statements of Activities	7
Statements of Functional Expenses	8
Statements of Cash Flows	9
Notes to Financial Statements	10-16



936 Easton Rd., PO Box 754, Warrington, PA 18976 | 70 W. Oakland Ave., Doylestown, PA 18901
130 Almshouse Rd. Suite 201A, Richboro, PA 18954
215-343-2727 | www.bbco-cpa.com

Independent Auditors' Report

The Board of Directors
Dementia Society of America
Doylestown, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of Dementia Society of America (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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dementia Society of America as of December 31, 2021, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dementia Society of America and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 these 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 Dementia Society 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.

Auditors' Responsibilities 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 auditors' 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.

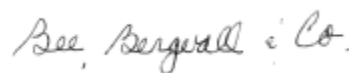
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 Dementia Society 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 Dementia Society 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.

Report on Summarized Comparative Information

We have previously audited the Dementia Society of America's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 30, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Bee, Bergvall and Company, P.C.
Certified Public Accountants

DEMENTIA SOCIETY OF AMERICA
STATEMENTS OF FINANCIAL POSITION

December 31, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current Assets		
Cash and Cash Equivalents	\$ 296,471	\$ 333,123
Accounts Receivable	36,667	98,885
Prepaid Expenses	1,909	1,016
Other Current Assets	<u>1,281</u>	<u>1,281</u>
Total Current Assets	<u>336,328</u>	<u>434,305</u>
Non-Current Assets		
Investment	<u>1,953,223</u>	<u>1,108,534</u>
Total Non-Current Assets	<u>1,953,223</u>	<u>1,108,534</u>
Capital Assets		
Building and Improvements	906,514	897,565
Furniture and Equipment	12,984	12,984
Website	16,425	-
Less: Accumulated Depreciation	<u>(67,960)</u>	<u>(31,985)</u>
Net Capital Assets	<u>867,963</u>	<u>878,564</u>
Other Assets	<u>500</u>	<u>500</u>
 TOTAL ASSETS	 <u>\$ 3,158,014</u>	 <u>\$ 2,421,903</u>

See accompanying notes and independent auditors' report

LIABILITIES AND NET ASSETS

Current Liabilities		
Current portion of note payable	\$ -	\$ 11,391
Accounts Payable	41,225	14,951
Unearned Revenue	<u>7,500</u>	<u>-</u>
Total Current Liabilities	<u>48,725</u>	<u>26,342</u>
Long-Term Liabilities		
Mortgage Payable	<u>-</u>	<u>470,522</u>
Total Long-Term Liabilities	<u>-</u>	<u>470,522</u>
TOTAL LIABILITIES	<u>\$ 48,725</u>	<u>\$ 496,864</u>
Net Assets		
Without Donor Restriction		
Unrestricted	<u>\$3,109,289</u>	<u>\$1,925,039</u>
TOTAL NET ASSETS	<u>3,109,289</u>	<u>1,925,039</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$3,158,014</u>	<u>\$2,421,903</u>

See accompanying notes and independent auditors' report

DEMENTIA SOCIETY OF AMERICA

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Public Support and Revenue		
Contributions	\$ 1,896,219	\$ 1,497,703
Federal Campaigns	20,946	19,507
In Kind Donations	678,289	148,263
Program Revenue	8,686	40,216
Realized Gains (Losses)	5,494	19,943
Unrealized Gains (Losses)	(2,125)	(10,855)
Interest and Dividend Income	31,882	16,065
Total Public Support and Revenues	<u>2,639,391</u>	<u>1,730,842</u>
Functional Expenses		
Program Services	1,204,052	613,543
Support Services		
General and Administrative	118,901	172,614
Fundraising	132,188	57,683
Total Functional Expenses	<u>1,455,141</u>	<u>843,840</u>
Change in Net Assets	1,184,250	887,002
Net Assets Without Donor Restriction, Beginning of Year	<u>1,925,039</u>	<u>1,038,037</u>
Net Assets Without Donor Restriction, End of Year	<u>\$ 3,109,289</u>	<u>\$ 1,925,039</u>

See accompanying notes and independent auditors' report

DEMENTIA SOCIETY OF AMERICA

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021

With Summarized Comparative Totals for the Year Ended December 31, 2020

	<u>2021</u>				<u>2020</u>
	<u>Program</u>	<u>General</u>	<u>Fund</u>	<u>Total</u>	<u>Total</u>
	<u>Services</u>	<u>& Admin</u>	<u>Raising</u>		
Programs	\$ 197,322	\$ 445	\$ 26	\$ 197,793	\$ 174,019
Advertising and Promotion	779,570	3,680	38,961	822,211	254,803
Depreciation Expense	12,523	22,794	659	35,976	30,256
Dues and Subscriptions	2,593	21	175	2,789	4,290
Furnishings	-	-	-	-	6,122
Insurance	-	2,333	-	2,333	2,946
Interest	5,938	5,757	-	11,695	24,053
Investment fees	7,631	-	-	7,631	144
Miscellaneous Expenses	23,500	307	375	24,182	18,159
Occupancy Expenses	9,160	16,673	482	26,315	50,644
Office Expenses	8,524	6,304	16,011	30,839	33,385
Postage	19,564	4,437	271	24,272	16,495
Printing	31,987	2,383	801	35,171	12,035
Professional Fees	20,584	47,185	69,982	137,751	101,076
Computers and Software	11,819	1,010	443	13,272	25,740
Taxes	-	-	-	-	8,079
Telephone	10,824	1,966	321	13,111	11,914
Trademark and Copyright Expenses	37,155	100	-	37,255	46,055
Travel and Conferences	2,873	2,825	3,029	8,727	2,502
Web Design	22,485	681	652	23,818	21,123
Total Functional Expenses	<u>\$ 1,204,052</u>	<u>\$ 118,901</u>	<u>\$ 132,188</u>	<u>\$ 1,455,141</u>	<u>\$ 843,840</u>

See accompanying notes and independent auditors' report

DEMENTIA SOCIETY OF AMERICA

STATEMENTS OF CASH FLOWS

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 1,184,250	\$ 887,002
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Realized and Unrealized (Gains) Losses	(3,369)	(9,088)
Donated Crypto Currency	-	(48,185)
Donated Securities	(20,345)	-
Depreciation expense	35,976	30,256
Changes in operating assets and liabilities		
(Increase)/Decrease in accounts receivable	62,218	(97,275)
(Increase)/Decrease in prepaid assets	(893)	94
(Increase)/Decrease in other current assets	-	(225)
(Increase)/Decrease in other assets	-	775
Increase/(Decrease) in accounts payable	26,274	(77,424)
Increase/(Decrease) in deferred revenue	7,500	(25,000)
Net cash provided by (used in) operating activities	<u>1,291,611</u>	<u>660,930</u>
Cash Flows from Investing Activities		
Purchase of property and equipment	(25,375)	(46,930)
Purchase of investments	(1,827,702)	(613,631)
Proceeds from the sale of investments	1,006,727	-
Proceeds from the sale of other assets	-	67,903
Net cash provided by (used in) investing activities	<u>(846,350)</u>	<u>(592,658)</u>
Cash Flows from Financing Activities		
Repayment of mortgage payable	<u>(481,913)</u>	<u>(10,779)</u>
Net cash provided by (used in) financing activities	<u>(481,913)</u>	<u>(10,779)</u>
Net increase/(decrease) in cash and cash equivalents	<u>(36,652)</u>	<u>57,493</u>
Cash and cash equivalents, beginning of year	<u>333,123</u>	<u>275,630</u>
Cash and cash equivalents, end of year	<u>\$ 296,471</u>	<u>\$ 333,123</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	<u>\$ 11,695</u>	<u>\$ 24,053</u>

See accompanying notes and independent auditors' report

DEMENTIA SOCIETY OF AMERICA

Notes to Financial Statements

December 31, 2021

NOTE 1. Reporting Entity

Dementia Society of America is a non-profit organization that enhances the quality of life for those living with dementia, caregivers, and the community.

NOTE 2. Summary of Significant Accounting Policies

Basis of Accounting: The Organization's policy is to prepare its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Under this basis, revenues are recognized when earned and expenses when incurred.

Comparative Information: 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 policies generally accepted in the United State 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.

Reclassifications: Certain amounts in the prior year financial statement have been reclassified for comparative purposes to conform to the current year presentation.

Financial Statement Presentation: Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, a board-designated endowment.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

DEMENTIA SOCIETY OF AMERICA

Notes to Financial Statements

December 31, 2021

NOTE 2. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents: For purposes of the cash flow statement, cash equivalents are any investments with original maturities of three months or less.

Income Taxes: The Organization is a not-for-profit organization that is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and classified as an entity that is not a private foundation.

As required by the FASB Accounting Standards Codification, entities are required to determine whether it is more likely than not that a tax position will be sustained upon examination by the appropriate taxing authorities before any part of the benefit can be recorded in the financial statements. It also provides guidance on the recognition, measurement, and classification of income tax uncertainties, along with any related interest or penalties. This standard had no impact on the Organization's financial statements. The Organization's federal tax return is subject to audit by taxing authorities. The Organization's returns open audit periods are for the years ended December 31, 2018-2020.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses, including functional expenses, during the reporting period. Accordingly, actual results could differ from those estimates.

Contributions: Contributions that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Property and Equipment: Property and equipment are stated at their historical purchased cost. Expenditures that significantly add to productive capacity or useful life of an asset are capitalized. Maintenance and repairs are charged to expense as incurred. When depreciable property is retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and the resulting gain or loss is reflected in income.

DEMENTIA SOCIETY OF AMERICA

Notes to Financial Statements

December 31, 2021

NOTE 2. Summary of Significant Accounting Policies (Continued)

Property and Equipment: (continued)

Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment are reported as Net Assets With Donor Restriction. Absent donor stipulations regarding how long those donated assets must be utilized, the Organization reports net assets released from restrictions when the acquired assets are placed in service.

Property and equipment donated to the Organization are carried at fair market value as determined by an independent appraiser on the date the property was donated.

Depreciation: Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from 5 to 40 years. Depreciation expense for the year ended December 31, 2021 was \$35,976.

Revenue and Revenue Recognition: The Organization receives revenue from a variety of revenue streams. The policy for the material revenue streams is discussed below.

- Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.
- Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

Donated Services and In-kind Contributions: The Organization received donated professional services and other advertising services of \$657,944 for the year ended December 31, 2021. Such amounts, which are based upon information provided by third-party service providers, are recorded at their estimated fair value determined on the date of contribution and are reported as contributions in-kind and supporting services on the accompanying statements of activities and statements of functional expenses. In addition, the Organization received \$20,345 in donated stock.

DEMENTIA SOCIETY OF AMERICA

Notes to Financial Statements

December 31, 2021

NOTE 2. Summary of Significant Accounting Policies (Continued)

Donated Services and In-kind Contributions: (continued)

In addition, volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities, however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

Receivables: Receivables are estimated to be fully collectible and no allowance for bad debts has been provided. If a receivable is determined to be uncollectible, it will be charged directly to operations in the year that determination is made.

Prepaid Expenses: Insurance premiums and membership fees are included in prepaid expenses for all items paid in advance.

Investments: Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their quoted fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets. Donated investments are reflected as contributions at their market values at the date of receipt. Interest earnings, realized gains and losses, and unrealized gain and losses are reported as investment income.

Advertising: All advertising costs are expensed when incurred.

Functional Expenses: The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. In addition, the financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, telephone and web design which are allocated on the basis of estimates of time and usage. All other expenses are charged based on the program or supporting service directly benefited based on direct expenditures incurred.

Subsequent Events: The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through the date of this report, which is the date the financial statements were available for release. No items were noted which required adjustment to or disclosure in the financial.

DEMENTIA SOCIETY OF AMERICA

Notes to Financial Statements

December 31, 2021

NOTE 2. Summary of Significant Accounting Policies (Continued)

Future Accounting Pronouncements: ASU No. 2016-02 (Topic 842), Leases: This standard substantially changes current principles of lease accounting and offers specific accounting guidance for lessees, lessors and sale-leaseback transactions. ASU 2016-02 establishes a right-of-use (“ROU”) model that requires lessees to record a ROU asset and lease liability in the statement of financial position for all leases with terms longer than 12 months (the standard may optionally be applied to leases with term of 12 months or less). Leases will be classified as either finance leases or operating leases depending on the characteristics of the lease; consistent with current generally accepted accounting principles, the recognition, measurement and presentation of expenses and cash flows arising from the lease will depend on the lease classification. This standard will be implemented in the fiscal year ending 2022. The Organization is currently evaluating this new standard and the impact it will have on its financial statements.

ASU No. 2020-07 (Topic 958), Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets: This standard changes the presentation and disclosure requirements of contributed nonfinancial assets. The term nonfinancial asset includes fixed assets, use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The standard requires that contributed nonfinancial assets be presented as a separate line item in the statement of activities and additional disclosures will be presented, including disaggregation of amounts, qualitative information, and valuation techniques and inputs be disclosed that were used to arrive at the fair value of the contributed nonfinancial asset. This standard will be implemented in the fiscal year ending 2022. The Organization is currently evaluating this new standard and the impact it will have on its financial statements.

NOTE 3. Concentration of Credit Risk

The Organization places its cash balances with high credit quality institutions. At times, such balances may be in excess of the \$250,000 FDIC insurance limits on interest bearing accounts thus exposing the Organization to a loss in the amount of the excess. There is no limit on FDIC insurance for non-interest bearing accounts. As of December 31, 2021 there was no amount in excess of FDIC.

DEMENTIA SOCIETY OF AMERICA

Notes to Financial Statements

December 31, 2021

NOTE 4. Liquidity and Availability

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and Cash Equivalents	\$ 296,471
Account Receivables	36,667
Investment	<u>1,953,223</u>
	<u>\$ 2,286,361</u>

The interest earned on board designated investments is available for general use. As part of the liquidity management plan, the Organization invests in cash in excess of daily requirements in short-term investments and money market funds.

NOTE 5. Fair Value of Financial Instruments

The Organization follows Fair Value Measurements as required by the FASB Standards Codification, which applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. The Codification emphasizes that fair value is a market-based measurement, not an entity specific measurement. Therefore, a fair value measurement should be determined based on the assumption that market participants would use in pricing the asset or liability and establishes a fair value hierarchy.

The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 - Inputs that utilized quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 - Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair value for these instruments are estimated using pricing models, quoted pricing models, quoted prices of securities with similar characteristics, or discount cash flows.

Level 3 - Inputs that are unobservable inputs for the asset or liabilities, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

DEMENTIA SOCIETY OF AMERICA

Notes to Financial Statements

December 31, 2021

NOTE 5. Fair Value of Financial Instruments (Continued)

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table represents the Organization's fair value hierarchy for those investments that are measured at fair value on a recurring basis as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Equities	\$ 451,191	\$ -	\$ -	\$ 451,191
Mutual Funds	<u>1,502,032</u>	<u>-</u>	<u>-</u>	<u>1,502,032</u>
	<u>\$ 1,953,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,953,223</u>

NOTE 6. Commitments

In 2021 the Organization entered into a commitment in which they will donate \$20,000 in 2022 and an additional \$20,000 in 2023 to an unrelated Organization.

NOTE 7. Risks and Uncertainties

In December, 2019 a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world has caused significant volatility in the United States. There is significant uncertainty around the breadth and duration of business disruptions related COVID-19.