



AUDITED
CONSOLIDATED FINANCIAL
STATEMENTS

DECEMBER 31, 2019 AND 2018

PLATELET SUPPORT DISORDER ASSOCIATION

INDEX

DECEMBER 31, 2019 AND 2018

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT	1
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2019 AND 2018	2
STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2019	3
STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2018	4
STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2019	5
STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2018	6
CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2019 AND 2018	7
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	8

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS
PLATELET DISORDER SUPPORT ASSOCIATION

We have audited the accompanying consolidated financial statements of the Platelet Disorder Support Association ("PDSA"), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Platelet Disorder Support Association as of December 31, 2019 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We previously audited Platelet Disorder Support Association's 2018 consolidated financial statements, and our report dated May 2, 2019, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited consolidated financial statements from which it is derived.

Cleveland, Ohio
June 3, 2020


Certified Public Accountants



PLATELET DISORDER SUPPORT ASSOCIATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2019
(WITH SUMMARIZED TOTALS FOR 2018)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2019	2018
ASSETS				
CURRENT ASSETS				
Cash & Cash Equivalents	\$ 1,165,642	\$ 343,680	\$ 1,509,322	\$ 1,330,733
Accounts Receivable	117,550	-	117,550	73,128
Prepaid Expenses	2,789	-	2,789	1,811
	<u>1,285,981</u>	<u>343,680</u>	<u>1,629,661</u>	<u>1,405,672</u>
FIXED ASSETS, Net	803	-	803	6,542
OTHER ASSETS				
Investments	765,008	-	765,008	503,134
Deposits	16,742	-	16,742	27,992
	<u>781,750</u>	<u>-</u>	<u>781,750</u>	<u>531,126</u>
	<u>\$ 2,068,534</u>	<u>\$ 343,680</u>	<u>\$ 2,412,214</u>	<u>\$ 1,943,340</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable	\$ 24,740	\$ -	\$ 24,740	\$ 17,196
Accrued Research Awards	-	-	-	40,000
Accrued Compensation-Related	63,517	-	63,517	54,415
Deferred Revenue	45,000	-	45,000	110,000
	<u>133,257</u>	<u>-</u>	<u>133,257</u>	<u>221,611</u>
NET ASSETS				
Without Donor Restrictions:				
Board-Designated for Research	293,329		293,329	156,566
Board-Designated - Contingency	270,000		270,000	270,000
Operating	1,371,948	-	1,371,948	961,648
	<u>1,935,277</u>	<u>-</u>	<u>1,935,277</u>	<u>1,388,214</u>
With Donor Restrictions	-	343,680	343,680	333,515
Total Net Assets	<u>1,935,277</u>	<u>343,680</u>	<u>2,278,957</u>	<u>1,721,729</u>
Total Liabilities & Net Assets	<u>\$ 2,068,534</u>	<u>\$ 343,680</u>	<u>\$ 2,412,214</u>	<u>\$ 1,943,340</u>

See accompanying notes.

PLATELET DISORDER SUPPORT ASSOCIATION

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
PUBLIC SUPPORT & REVENUE			
Contributions and Grants	\$ 399,894	\$ 295,598	\$ 695,492
Conference	373,860	-	373,860
Corporate Sponsorship	220,000	-	220,000
Special Events, Net	142,543	-	142,543
Contributions - Membership	141,262	-	141,262
Merchandise Sales	27,180	-	27,180
Interest Income	14,331	-	14,331
Other Revenue	6,872	-	6,872
Net Assets Released from Restrictions	285,433	(285,433)	-
TOTAL PUBLIC SUPPORT AND REVENUE	1,611,375	10,165	1,621,540
EXPENSES			
Programs	909,921	-	909,921
General and Administrative	98,527	-	98,527
Fundraising	55,864	-	55,864
TOTAL EXPENSES	1,064,312	-	1,064,312
CHANGE IN NET ASSETS	547,063	10,165	557,228
NET ASSETS - Beginning of Year	1,388,214	333,515	1,721,729
NET ASSETS - End of Year	\$ 1,935,277	\$ 343,680	\$ 2,278,957

See accompanying notes.

PLATELET DISORDER SUPPORT ASSOCIATION

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2018

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
PUBLIC SUPPORT & REVENUE			
Contributions and Grants	\$ 367,196	\$ 333,286	\$ 700,482
Conference	316,800	-	316,800
Corporate Sponsorship	162,000	-	162,000
Contributions - Membership	120,918	-	120,918
Merchandise Sales	20,373	-	20,373
Other Revenue	14,699	-	14,699
Investment Income	5,504	-	5,504
Net Assets Released from Restrictions	195,083	(195,083)	-
TOTAL PUBLIC SUPPORT AND REVENUE	1,202,573	138,203	1,340,776
EXPENSES			
Programs	788,828	-	788,828
General and Administrative	91,309	-	91,309
Fundraising	44,471	-	44,471
TOTAL EXPENSES	924,608	-	924,608
CHANGE IN NET ASSETS	277,965	138,203	416,168
NET ASSETS - Beginning of Year	1,110,249	195,312	1,305,561
NET ASSETS - End of Year	<u>\$ 1,388,214</u>	<u>\$ 333,515</u>	<u>\$ 1,721,729</u>

See accompanying notes.

PLATELET DISORDER SUPPORT ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2019

	PROGRAMS	GENERAL AND ADMINISTRATIVE	FUNDRAISING	TOTAL
Compensation	\$ 390,127	\$ 67,692	\$ 27,669	\$ 485,488
Conference	237,300	-	-	237,300
Research	63,000	-	-	63,000
Professional Fees	35,415	9,783	5,856	51,054
Travel and Entertainment	39,034	619	1,749	41,402
Printing	23,192	1,411	4,417	29,020
Office Rent	20,937	1,126	450	22,513
ASH Breakfast	17,114	-	-	17,114
Cost of Merchandise Sold	16,681	-	-	16,681
Event Costs	7,195	-	7,194	14,389
Software	8,389	2,796	-	11,185
Postage and Delivery	1,505	6,304	1,389	9,198
Office Supplies and Maintenance	5,814	1,018	436	7,268
Telephone	5,418	948	406	6,772
Bank and Finance Charges	1,846	418	4,028	6,292
Depreciation	5,739	-	-	5,739
Exhibit Expenses	5,712	-	-	5,712
State Registration Fees	1,888	1,888	1,887	5,663
Insurance	3,505	1,407	-	4,912
Utilities	2,714	475	203	3,392
Internet and IT	3,340	-	-	3,340
Research Honorarium	3,150	-	-	3,150
Equipment Rental	2,513	448	180	3,141
Canadian/Australian Regional Meeting	3,126	-	-	3,126
Scholarships	2,750	-	-	2,750
Payroll Processing	-	2,194	-	2,194
Advocacy	1,101	-	-	1,101
Miscellaneous	816	-	-	816
Dues and Subscriptions	600	-	-	600
Total Expenses	<u>\$ 909,921</u>	<u>\$ 98,527</u>	<u>\$ 55,864</u>	<u>\$ 1,064,312</u>

See accompanying notes.

PLATELET DISORDER SUPPORT ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2018

	PROGRAMS	GENERAL AND ADMINISTRATIVE	FUNDRAISING	TOTAL
Compensation	\$ 372,470	\$ 57,912	\$ 27,465	\$ 457,847
Conference	142,703	-	-	142,703
Professional Fees	50,548	9,523	5,982	66,053
Research	53,250	-	-	53,250
Travel and Entertainment	37,835	546	176	38,557
Office Rent	20,327	1,093	437	21,857
Printing	19,784	1,578	415	21,777
ASH Breakfast	21,686	-	-	21,686
Event Costs	6,947	6,946	-	13,893
Software	8,163	2,721	-	10,884
Exhibit Expenses	9,049	-	-	9,049
Bank and Finance Charges	1,468	342	6,509	8,319
Postage and Delivery	2,103	4,220	1,693	8,016
Cost of Merchandise Sold	7,179	-	-	7,179
Depreciation	6,045	-	-	6,045
Telephone	4,726	749	289	5,764
Office Supplies and Maintenance	3,833	608	233	4,674
Internet and IT	4,104	-	-	4,104
Insurance	2,087	1,358	-	3,445
Canadian/Australian Regional Meeting	3,409	-	-	3,409
Utilities	2,764	438	169	3,371
Equipment Rental	2,613	414	160	3,187
State Registration Fees	943	943	943	2,829
Scholarships	2,750	-	-	2,750
Payroll Processing	-	1,918	-	1,918
Miscellaneous	1,442	-	-	1,442
Dues and Subscriptions	600	-	-	600
Total Expenses	<u>\$ 788,828</u>	<u>\$ 91,309</u>	<u>\$ 44,471</u>	<u>\$ 924,608</u>

See accompanying notes.

PLATELET DISORDER SUPPORT ASSOCIATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2019
(WITH SUMMARIZED TOTALS FOR 2018)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 557,228	\$ 416,168
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:		
Depreciation	5,739	6,045
Changes in Operating Assets and Liabilities which Provided (Used) Cash:		
Receivables	(44,422)	35,445
Prepaid Expenses	(978)	-
Deposits	11,250	3,250
Accounts Payable	7,544	(4,333)
Accrued Research Awards	(40,000)	40,000
Deferred Revenue	(65,000)	110,000
Accrued Compensation-Related	9,102	4,577
Total Adjustments	<u>(116,765)</u>	<u>194,984</u>
Cash Provided by Operating Activities	440,463	611,152
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale (Purchase) of Short-Term Investments	<u>(261,874)</u>	<u>18,478</u>
Cash Provided by (Used by) Investing Activities	<u>(261,874)</u>	<u>18,478</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	178,589	629,630
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,330,733</u>	<u>701,103</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,509,322</u>	<u>\$ 1,330,733</u>

See accompanying notes.

PLATELET DISORDER SUPPORT ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

1. NATURE OF OPERATIONS AND MISSION STATEMENT

Platelet Disorder Support Association (PDSA) is a nonprofit organization incorporated in the State of New Jersey in 1998 and is located in Cleveland, Ohio. The primary purpose of PDSA is to disseminate timely and accurate information about Immune Thrombocytopenic Purpura (ITP) and other platelet disorders, to encourage and foster pertinent research, and to provide means for patients and their relatives to share experiences, support and improve their medical care.

PDSA's mission is to enhance the lives of people with immune thrombocytopenia (ITP) and other platelet disorders through education, advocacy, research and support.

PDSA's vision is to be recognized as the premier resource for patients, their families, health care providers and government agencies who want to know about the symptoms and treatment of ITP and other platelet disorders.

PDSA's major programs and services are as follows:

Patient Education

We provide on-line and printed information that enhances the knowledge of the disease, treatments, and wellness practices. We investigate and report the most recent research findings and treatment recommendations via our website, three print publications, monthly e-newsletter, social media channels, and 29 educational booklets printed in multiple languages.

Support Services

Our services promote patient-to-patient, patient-to-physician, and patient-to-medical provider communication. We encourage patient involvement in treatment and life-style decisions. PDSA has 43 local support groups including the US, Canada, and New Zealand, and 2 groups via video conference, an annual patient/caregiver meeting, ITP Poke-R-Club for children with ITP, college scholarship program for teens and young adults with ITP, and a patient hotline.

Public Education

Through contacts with the media and the publication of educational materials, we strive to increase the amount of information presented and available about ITP and other platelet disorders. Our annual national walk/run unites patients and communities and raises public awareness. PDSA received the designation for National ITP Awareness MonthSM in 2010. Each September, we celebrate with activities throughout the month, with the last Friday of September as Sport Purple for Platelets DaySM, and the last week of September as Global ITP Awareness WeekSM. PDSA oversees the International ITP International Alliance with 32 patient associations representing 27 countries and website is globalitp.org.

Platelet Disorder Research and Advocacy

We assist and encourage research in the treatment of ITP and other platelet disorders through surveys and collaboration with patients, industry, physicians, and researchers. We attend medical conferences and health care-related meetings and report any significant research and news that pertains to diagnosis and treatment of ITP to our members. The *PDSA Research Program* funds, assists and encourages promising research with the potential to further understand the pathogenesis and management of primary ITP, raise the quality of life for patients, lead to new therapies, and find a cure. The *ITP Natural History Study Registry*, is an international patient-consented registry of individuals with ITP designed to gather data on the natural progression of ITP, diagnosis and treatment, management of care, quality of life, and clinician reporting. PDSA staff participate in numerous advocacy meetings in Washington, D.C., including Rare Disease Day and organizing the NIH/ASH Hill Day on Capitol Hill and interacting with the US Food and Drug Administration.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The consolidated financial statements of PDSA have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

PLATELET DISORDER SUPPORT ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

PDSA classifies its net assets and revenues, expenses, gains and losses on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of PDSA and changes therein are classified as follows:

Net assets without donor restrictions: Net assets are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of PDSA. PDSA's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of PDSA or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

CONSOLIDATION

In January 2017, PDSA formed a 100%-owned Canadian subsidiary in Canada to facilitate grant agreements with Canadian funders. The subsidiary has no bank account and has not conducted any financial transactions from its inception. Because of the immaterial nature of the subsidiary, PDSA has elected to continue to present its consolidated financial statements as a single entity.

SUMMARIZED FINANCIAL INFORMATION

The consolidated financial statements and notes to 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 (GAAP). Accordingly, such information should be read in conjunction with PDSA's consolidated financial statements for the year ended December 31, 2018, from which the summarized information was derived.

Certain amounts in the prior-year summarized comparative information have been reclassified to be consistent with the presentation in the current-year consolidated financial statements. These classifications had no impact on changes in net assets as previously presented.

USE OF ESTIMATES

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

CASH AND CASH EQUIVALENTS/CONCENTRATION OF RISK

Cash equivalents are highly liquid investments with an original maturity of three months or less at the date of purchase. Because of the short maturity of these financial instruments, the carrying value approximates the fair value.

Cash accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 for all combined deposits at the same bank. At times during the year, cash balances may exceed the related amount of federal depository insurance. PDSA has cash balances in its banks in excess of amounts federally insured. At December 31, 2019, PDSA's cash balances exceeded federally insured limits by approximately \$950,000. PDSA maintains its cash with high quality financial institutions which PDSA believes limit these risks.

RECEIVABLES AND CREDIT POLICIES

Receivables are stated at the amounts management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance amount is \$-0- at December 31, 2019 and 2018.

PLATELET DISORDER SUPPORT ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

INVESTMENTS

Investments with readily determinable fair values are measured at fair value in the statements of financial position. Interest, dividends, realized and unrealized gains and losses on investments, net of fees, are recorded as investment return in the statements of activities and changes in net assets. Realized gains and losses are determined on a specific identification basis. Realized and unrealized gains and losses, interest, and dividends on investments are recorded as net assets without donor restriction unless such amounts are restricted by the donor or by law. Investments received as gifts are recorded at the estimated fair value at the date of the gift. Investments are classified based on their original maturities. Investments with original maturities of less than 12 months are classified as short-term investments.

FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). PDSA groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

These levels are:

- | | |
|---------|--|
| Level 1 | Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date. |
| Level 2 | Other observable inputs, either directly or indirectly, including: <ul style="list-style-type: none"> • Quoted prices for similar assets/liabilities in active markets; • Quoted prices for identical or similar assets in non-active markets; • Inputs other than quoted prices that are observable for the asset/liability; and, • Inputs that are derived principally from or corroborated by other observable market data. |
| Level 3 | Unobservable inputs that cannot be corroborated by observable market data. |

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost or at their estimated fair value at date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. PDSA's policy is to capitalize personal property fixed asset acquisitions in excess of \$5,000 and real property acquisitions in excess of \$10,000. The cost of maintenance and repairs is expensed when incurred.

CONCENTRATION

For the years ending December 31, 2019 and 2018, one donor accounted for a 15% and 28% of PDSA's total revenue, respectively.

REVENUE AND REVENUE RECOGNITION

Unconditional donor promises to give are reported at fair value at the date that there is sufficient verifiable evidence documenting that a promise was made by the donor and received by PDSA. The gifts are reported as either net assets without donor restriction or net assets with donor restriction if they are received with donor stipulations that sufficiently limit the use of the donated assets. When a donor restriction expires, through the passage of time or when the purpose is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and are reported on the statement of activities and changes in net assets as net assets released from restriction. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support.

PLATELET DISORDER SUPPORT ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restriction; otherwise, the contributions are recorded as net assets without donor restriction. PDSA recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Contributed income of cash or other assets that must be used to acquire long-lived assets are recorded as contributions with donor restrictions and grants until the assets are acquired and placed in service.

Gains and losses on investments are reported as increases or decreases to net assets without donor restrictions unless their use is restricted by donor-imposed stipulation or by state law.

PDSA records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

PDSA recognizes in-kind services in accordance with applicable accounting standards if the services received (a) create or enhance non-financial assets or (b) require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

In addition, PDSA receives services from volunteers who give significant amounts of their time to PDSA's programs, fundraising campaigns, and management. No amounts have been reflected for these types of donated services as they do not meet the criteria for recognition.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of program and supporting service activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses reflects the natural classification detail of expenses by function. Certain costs are attributed to more than one program or supporting function and, therefore, require allocation amount the programs and supporting services benefited. Management believes their allocations are done on a reasonable and consistent basis. Most personnel costs, office expenses, professional services, and other expenses are identified with a specific program or supporting function at the time they are incurred and are reported accordingly. However, some of these expenses require allocation, which is done on the basis of estimates of time and effort.

RESEARCH AWARDS AND GRANTS

Awards and grants are recorded as expenses in the year in which the award is made.

COMPENSATED ABSENCES

Employees of PDSA are entitled to paid vacations, sick days and personal days off depending on job classification, length of service and other factors. PDSA's policy is to recognize the costs of compensated absences when actually paid to employees. The effect of this method instead of accruing these costs is minimal in 2019 and 2018.

INCOME TAX STATUS

PDSA is incorporated as a not-for-profit that is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and is not considered a private foundation under Section 509(a)(1). PDSA currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

PDSA's policy is to record a liability for any tax position taken that is beneficial to the PDSA, including penalties and interest, when it is more likely than not the position taken will be overturned by a taxing authority upon examination. Management believes there are no such positions as of December 31, 2019 and, accordingly, no liability has been accrued.

PLATELET DISORDER SUPPORT ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

ACCOUNTING PRONOUNCEMENTS ADOPTED IN 2019

During 2019, PDSA adopted FASB's ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU assists organizations in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities. PDSA adopted ASU 2018-08 using a modified prospective method effective January 1, 2019. Under the modified prospective method, this ASU only applies to agreements not completed or entered into (revenue or expense that has not yet been recognized) as of January 1, 2019. As a result, the 2018 financial statements are not restated and there was no cumulative-effect adjustment to opening net assets as of January 1, 2019. There were no material changes to the recognition of contribution revenue during 2019.

During 2019, PDSA adopted FASB's ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. This ASU amends the presentation of restricted cash and cash equivalents within the statement of cash flows. The new guidance requires that restricted cash and cash equivalents be added to cash and cash equivalents for purposes of the statements of cash flows. This ASU has been applied retrospectively to all periods presented.

ACCOUNTING GUIDANCE PENDING ADOPTION

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance, and requires significantly expanded disclosures about revenue recognition. The core principle of the revenue model is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In 2020, the FASB delayed the effective date for nonpublic entities to fiscal years beginning after December 15, 2019. PDSA is currently evaluating the impact on the financial statements and the options of adopting using either a full retrospective or a modified approach.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This ASU requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the statement of activities and changes in net assets and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance. In 2020, the FASB delayed the effective date for nonpublic entities to fiscal years beginning after December 15, 2021. Early adoption is permitted. PDSA is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

3. FAIR VALUE MEASUREMENT

The fair value of investment assets, measured on a recurring basis at December 31 are as follows:

	Fair Value Measurements Using:			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
2019				
Certificates of Deposit Board-Designated	\$ 765,008 (270,000)	\$ - -	\$ - -	\$ 765,008 (270,000)
Operating Investments	<u>\$ 495,008</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 495,008</u>
2018				
Certificates of Deposit Board-Designated	\$ 503,134 (270,000)	\$ - -	\$ - -	\$ 503,134 (270,000)
Operating Investments	<u>\$ 233,134</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,134</u>

PLATELET DISORDER SUPPORT ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

4. FIXED ASSETS

Fixed assets at December 31 consist of the following:

	2019	2018
Furniture and Fixtures	\$ 28,371	\$ 28,371
Computer Equipment	5,364	5,364
Software	25,227	25,227
	<u>58,962</u>	<u>58,962</u>
Less: Accumulated Depreciation	(58,159)	(52,420)
	<u>\$ 803</u>	<u>\$ 6,542</u>

Depreciation expense in each of the years ended December 31, 2019 and 2018 amounted to \$5,739 and \$6,045, respectively.

5. NET ASSETS - BOARD-DESIGNATED

At its discretion, the Board redirects operating net assets to the "Research Fund" to support initiatives that lead to better outcomes for those affected by ITP. In 2019 and 2018, the Board approved a contribution to the Fund in the amount of \$136,763 and \$69,488, respectively. PDSA's research fund will provide grants to fund research that furthers the understanding of the pathogenesis, diagnosis and management of primary ITP.

In January 2008, the Board approved a "Contingency Fund" to create asset balances to allow for shortfalls from economic fluctuations, single or multi-year project opportunities, or capital expenditures. All withdrawals from the account require Board approval. Interest, gains and earnings from investments accrue to operations. All investment fees/expenses and fund-related investment losses, to the extent of cumulative board-designations, are borne by operating assets. There were no contributions by the Board to the Contingency Fund in 2019 and 2018.

6. NET ASSETS - WITH DONOR RESTRICTIONS

At December 31 net assets with donor restrictions were as follows:

	2019			
	BEGINNING NET ASSETS	CONTRIBUTIONS	NET ASSETS RELEASED FROM RESTRICTION	ENDING NET ASSETS
History Study Registry	\$ 20,000	\$ -	\$ (20,000)	\$ -
ITP Hotline	6,875	30,000	(25,625)	11,250
Research	184,765	74,698	(60,000)	199,463
Walk/Run Events	29,375	123,400	(91,058)	61,717
Website and Newsletter	92,500	67,500	(88,750)	71,250
	<u>\$ 333,515</u>	<u>\$ 295,598</u>	<u>\$ (285,433)</u>	<u>\$ 343,680</u>

	2018			
	BEGINNING NET ASSETS	CONTRIBUTIONS	NET ASSETS RELEASED FROM RESTRICTION	ENDING NET ASSETS
History Study Registry	\$ -	\$ 30,000	\$ (10,000)	\$ 20,000
ITP Booklet	10,000	-	(10,000)	-
ITP Hotline	-	30,000	(23,125)	6,875
Research	139,479	85,286	(40,000)	184,765
Walk/Run Events	13,333	65,000	(48,958)	29,375
Website and Newsletter	32,500	123,000	(63,000)	92,500
	<u>\$ 195,312</u>	<u>\$ 333,286</u>	<u>\$ (195,083)</u>	<u>\$ 333,515</u>

PLATELET DISORDER SUPPORT ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

7. COMMITMENTS

PDSA operates at its office in Cleveland, Ohio. Lease terms call for monthly rent of approximately \$1,900 through March 31, 2022. PDSA also leases certain office equipment through November 2024. Rent expense amounted to approximately \$26,000 for 2019 and \$25,000 for 2018. Minimum annual lease payments are as follows:

2020	\$	25,800
2021		24,500
2022		7,600
2023		1,900
2024		1,800
	\$	<u>61,600</u>

8. AVAILABILITY AND LIQUIDITY

The following represents PDSA's financial assets at December 31:

	2019	2018
Financial Assets at Year-End:		
Cash & Cash Equivalents	\$ 1,509,322	\$ 1,330,733
Investments	765,008	503,134
Receivables	<u>117,550</u>	<u>73,128</u>
Total Financial Assets	2,391,880	1,906,995
Less Amounts not Available to be Used Within One Year:		
Net Assets with Donor Restrictions - Cash	(343,680)	(195,312)
Designated by the Board for Research Grants	(293,329)	(87,078)
Designated by the Board for Operating Reserve	<u>(270,000)</u>	<u>(270,000)</u>
	<u>(907,009)</u>	<u>(552,390)</u>
Financial Assets Available to meet General Expenditures Over the Next Twelve Months	<u>\$ 1,484,871</u>	<u>\$ 1,354,605</u>

PDSA is substantially supported by restricted grants. Because a grantor's restriction requires resources to be used in a particular manner or in a future period, PDSA must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of PDSA's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, PDSA invests its cash in excess of daily requirements in interest-bearing money market funds and certificates of deposit. Additionally, there is a fund established by the governing board that may be drawn upon the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. The balance in this fund was \$270,000 as of December 31, 2019 and 2018.

9. SUBSEQUENT EVENTS

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, as of March 22, 2020, Governor DeWine ordered the closure of the physical location of every non-essential business for what may be an extended period of time. There has been no immediate impact to our operations, however we had to close our physical locations and all employees must work remotely as they can. Future potential impacts may include disruptions or restrictions on our employees' ability to work in the physical office, impairment of our ability to obtain contributions, conduct and manage national and regional meetings or conventions, and utilize volunteers. The future effects of these issues are unknown.

Subsequent to year-end, PDSA received \$125,000 in COVID-19 related unrestricted grants from two companies.

In preparing these financial statements, PDSA has evaluated events and transactions for potential recognition or disclosure through June 3, 2020, the date the financial statements were available to be issued.