

AMAC Foundation, Inc.

Financial Statements
and
Independent Accountants' Review Report

December 31, 2023 and 2022

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Kattell and Company, P.L.

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
AMAC Foundation, Inc.
Lady Lake, FL

We have reviewed the accompanying financial statements of AMAC Foundation, Inc. (the Foundation), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Kattell and Company, P.L.

March 18, 2024

"Not everything that counts can be counted, and not everything that can be counted counts."

Albert Einstein

Statements of Financial Position
December 31, 2023 and 2022
AMAC Foundation, Inc.

	<u>2023</u>	<u>2022</u>
Assets		
Cash – Checking	\$ 36,680	\$ 259,518
Contributions Receivable:		
AMAC	120,000	--
Other	20,527	36,729
Prepaid Expenses	2,095	2,615
Inventory	1,309	1,647
Total Assets	<u>\$ 180,611</u>	<u>\$ 300,509</u>
Liabilities and Net Assets		
Liabilities:		
Accounts Payable	\$ 3,146	\$ 4,640
Accrued Payroll	15,849	14,957
Amounts Held in Trust	--	106
Total Liabilities	18,995	19,703
Net Assets:		
Without Donor Restrictions	161,616	280,806
Total Liabilities and Net Assets	<u>\$ 180,611</u>	<u>\$ 300,509</u>

See accompanying notes and independent accountants' review report.

Statements of Activities
For the Years Ended December 31, 2023 and 2022
AMAC Foundation, Inc.

	<u>2023</u>	<u>2022</u>
<u>Revenues and Support:</u>		
Contributions:		
AMAC Members	\$ 175,728	\$ 192,959
AMAC	120,000	--
Other	57,457	41,627
In-Kind	6,367	17,500
Program Service Revenues	1,000	3,000
Book Revenue:		
Sales and Royalties	391	483
Cost of Goods Sold	(110)	(116)
Net Book Revenue	<u>281</u>	<u>367</u>
Total Support and Revenues	360,833	255,453
<u>Expenses:</u>		
Program	342,391	307,838
Management and General	86,793	75,076
Fundraising	<u>50,839</u>	<u>31,431</u>
Total Expenses	480,023	414,345
Change in Net Assets	(119,190)	(158,892)
Net Assets, Beginning of Year	280,806	439,698
Net Assets, End of Year	<u>\$ 161,616</u>	<u>\$ 280,806</u>

See accompanying notes and independent accountants' review report.

Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022
AMAC Foundation, Inc.

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (119,190)	\$ (158,892)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Changes In:		
Receivables	(103,798)	(353)
Prepays	520	930
Inventory	338	5,588
Payables	(708)	12,231
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	(222,838)	(140,496)
Cash, Beginning of Year	<u>259,518</u>	<u>400,014</u>
Cash, End of Year	<u>\$ 36,680</u>	<u>\$ 259,518</u>

See accompanying notes and independent accountants' review report.

Statements of Functional Expenses
For the Years Ended December 31, 2023 and 2022
AMAC Foundation, Inc.

	Program	Management and General	Fundraising	Totals
2023				
Professional Fees	\$ 1,928	\$ 3,626	\$ 4,976	\$ 10,530
Advertising and Promotion	3,044	--	10,788	13,832
Payroll	262,266	64,683	23,923	350,872
Occupancy	33,561	8,277	3,062	44,900
Insurance	4,149	2,112	355	6,616
IT/Software/Communication	16,583	4,090	1,513	22,186
Other	7,904	1,949	721	10,574
Postage and Printing	4,274	1,027	380	5,681
Bank Fees & Interest	327	81	30	438
Business Registration Fees	--	--	4,740	4,740
Dues, Fees, Education	589	145	54	788
Travel & Meetings	3,254	803	297	4,354
Programs & Workshops	4,622	--	--	4,622
Total Expenses	342,501	86,793	50,839	480,133
Cost of Goods Sold	(110)	--	--	(110)
Total per Statement of Activities	\$ 342,391	\$ 86,793	\$ 50,839	\$ 480,023
2022				
Professional Fees	\$ 4,392	\$ 3,508	\$ 5,000	\$ 12,900
Advertising and Promotion	--	556	7,188	7,744
Payroll	229,515	55,290	10,474	295,279
Occupancy	32,647	7,862	1,491	42,000
Insurance	2,222	535	102	2,859
IT/Software/Communication	13,509	3,253	617	17,379
Other	6,287	1,514	287	8,088
Postage and Printing	10,917	642	1,284	12,843
Bank Fees & Interest	--	414	--	414
Business Registration Fees	256	346	4,988	5,590
Dues, Fees, Education	2,971	1,156	--	4,127
Travel & Meetings	4,175	--	--	4,175
Programs & Workshops	1,063	--	--	1,063
Total Expenses	307,954	75,076	31,431	414,461
Cost of Goods Sold	(116)	--	--	(116)
Total per Statement of Activities	\$ 307,838	\$ 75,076	\$ 31,431	\$ 414,345

See accompanying notes and independent accountants' review report.

Notes to the Financial Statements
December 31, 2023 and 2022
AMAC Foundation, Inc.

NOTE 1 – NATURE OF ENTITY AND TAX STATUS

AMAC Foundation, Inc. (the Foundation) was launched in July, 2013, in response to interest expressed by members of the Association of Mature American Citizens, Inc. (AMAC) for a nonprofit organization focused totally on the needs of America's older citizenry. These interests coincided with the stated mission of AMAC; that is, to serve as the voice of Americans 50 years of age and older, and to sponsor initiatives that keep America strong.

The Foundation and AMAC are considered related parties for the following reasons:

- The incorporators of the Foundation included the owner of AMAC and two family members. In addition, three of the ten current board members of the Foundation include the owner of AMAC and family members.
- Prior to June 1, 2022, AMAC donated office space in its corporate office to Foundation employees and therefore paid for all occupancy and many office-related expenses, e.g. telecommunications, copying and use of office equipment. Beginning June 1, 2022, The Foundation paid \$3,500 per month for office space. An in-kind contribution of \$17,500 is reported for the estimated fair value of this donated space and office support for the year ended December 31, 2022.

The Foundation is tax exempt under Section 501(c)(3) of the Internal Revenue Code and does not earn any unrelated business taxable income. Therefore, no provision for income taxes is reflected in the accompanying financial statements. In addition, the Foundation qualifies for the charitable contributions deduction and has been classified by the Internal Revenue Service as an organization that is not a private foundation. The Foundation is operated exclusively for charitable, scientific, and educational purposes.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounts and reporting policies used by the Foundation are described subsequently to enhance the usefulness and understandability of the financial statements.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and are presented using accounting principles generally accepted in the United States of America, as applicable for not-for-profit corporations. (U.S. GAAP)

Cash

Cash consists primarily of deposits in a checking account.

Contributions Receivable

Pledge receivable consists of contributions deposited soon after year end. Other contributions receivable consists primarily of amounts collected by AMAC from its members on behalf of the Foundation. Amounts are remitted to the Foundation shortly after year end. There is no allowance for uncollectable accounts as amounts are considered fully collectible.

Inventory

Inventory consists of *Ask Rusty: What's So Hard About Social Security* and *Ask Rusty: Demystifying Social Security*, social security reference manuals published and printed by the Foundation. Inventory is valued at cost using the first-in, first-out method. A small number of copies of the book are sold; however, the majority of the books are distributed as part of the Foundation's program services.

Notes to the Financial Statements
December 31, 2023 and 2022
AMAC Foundation, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

The Foundation's policy is to capitalize all purchases of furniture, equipment, and other capital assets with a value of \$2,500 or greater and a useful life in excess of one year. Purchased fixed assets would be recorded at cost and donated fixed assets would be initially recorded at estimated fair value. Depreciation expense would be computed on a straight-line basis over estimated useful lives of the assets. The Foundation had no assets meeting this policy during the years ended December 31, 2023 and 2022.

Net Assets

Net assets, revenues, 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.

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 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. No part of the net assets of the Foundation were donor restricted at December 31, 2023 and 2022.

Revenue Recognition - Contributions

Contributions. Contributions are recognized as revenue when assets are received or unconditionally pledged and are recorded at their estimated fair values.

Contributions – Donor Restrictions. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Amounts that are restricted for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support; however, donor-restricted contributions whose restrictions are met within the same fiscal year are reported as unrestricted support. When a temporary restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Foundation received no such gifts for the years ended December 31, 2023 and 2022.

Contributions – Non-financial Assets. Contributed non-financial assets consist of donated services and office space.

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. The Foundation received no donated services that meet these criteria for recognition.

Contributed office space is reported as occupancy expense.

Revenue Recognition – Contracts with Customers

Revenue from the sale of inventory is recognized at the point of sale. Program service revenues are recognized when the service is rendered. There are no contract assets or liabilities reported for the year ended December 31, 2023 and 2022.

Notes to the Financial Statements
December 31, 2023 and 2022
AMAC Foundation, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Use of Estimates

The preparation of financial statements in conformity with U. S. GAAP requires the Foundation to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from these estimates.

Functional Expenses

Expenses are classified in the following functional categories:

Program Services – Program services consist of direct costs of the following projects and an allocation of overhead costs:

- Operation of two daily, subject-oriented websites: SocialSecurityReport.org and MedicareReport.org.
- Seminars/Workshops including some of the following areas/topics:
 - New to Medicare
 - Social Security Overview
 - Women and Social Security
 - Veterans Benefits
 - “Sudden Death – Are Your Prepared?”
 - Understanding Advance Directives
 - Combating the Growing Problem of Elder Fraud
 - Understanding & Responding to Dementia-Related Behavior
- Production of external publications of interest to our constituency (e.g., “Ask Rusty: What’s so hard about Social Security”; Weekly blog on topics important to Seniors).
- Maintenance of a searchable reference database identifying programs, services, and general information in support of the Veteran Community.
- Operation of an advisory program for the public to address questions about individual Social Security qualifications, featuring seven trained and NSSA-Accredited Advisors on the Foundation staff. This service also operates a weekly column on Social Security issues (“Ask Rusty”) published to over 7,000 media outlets across the nation in written and audio formats.

Fundraising – Fundraising expenses include an allocation of contract labor and overhead costs, as well as other direct expenses.

Management and General – Management and general expenses include all activities required to conduct the affairs of the Foundation which are not allocable to other functional areas.

Expenses that can be identified with a specific function are charged directly to that function, whereas costs common to multiple functions have been allocated. Allocated costs consist primarily of personnel, occupancy, and general office costs and are allocated based on estimates of the percentage of time spent in each function by employees.

NOTE 3 – CASH

Deposits in financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per institution. The Foundation held \$0 and \$10,412 in excess of insured limits at December 31, 2023 and 2022, respectively.

Notes to the Financial Statements
December 31, 2023 and 2022
AMAC Foundation, Inc.

NOTE 4 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Cash	\$ 36,680	\$ 259,518
Contributions receivable	<u>140,527</u>	<u>36,729</u>
Total Financial Assets	<u>\$ 177,207</u>	<u>\$ 296,247</u>

The Foundation has structured its financial assets to be available as its general expenditures and liabilities come due. The Foundation does not generally experience cash deficits and, therefore, has instituted no mechanism for financing them. The Foundation currently has no process to invest cash in excess of foreseeable cash needs.

NOTE 5 – FACILITIES

The Foundation occupies space in offices owned by a founder and board member. The space was donated until May 31, 2022. Effective June 1, 2022, the Foundation entered into an informal lease agreement for \$3,500 per month with no specified term. Lease expense consists of the following for the years ending December 31:

	<u>2023</u>	<u>2022</u>
Estimated Value of Donated Space	\$ --	\$ 17,500
Rent Paid	<u>42,000</u>	<u>24,500</u>
Total Occupancy Expense	<u>\$ 42,000</u>	<u>\$ 42,000</u>

NOTE 6 – RELATED PARTY TRANSACTIONS

For the years ended December 31, 2023 and 2022, the Foundation paid \$42,000 and \$24,500, respectively, in rent to one board member and \$4,800 and \$4,971, respectively, in professional fees to a company owned by another board member.

NOTE 7 – SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions for potential recognition or disclosure through March 18, 2024, which is the date the financial statements were available to be issued.