

**Compassionate Care ALS, Inc.**

Financial Statements

December 31, 2019

**Compassionate Care ALS, Inc.**

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December 31, 2019

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**FRITZ DEGUGLIELMO LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**& BUSINESS ADVISORS**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Compassionate Care ALS, Inc.  
Falmouth, Massachusetts

We have audited the accompanying financial statements of Compassionate Care ALS, Inc. (a nonprofit organization), 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 financial statements.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Compassionate Care ALS, Inc. 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 have previously audited the Compassionate Care ALS, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 9, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Fitz DeAngelis LLC*

Certified Public Accountants  
Newburyport, Massachusetts  
June 1, 2020

# Compassionate Care ALS, Inc.

## Statement of Financial Position

December 31, 2019

(with summarized financial information as of December 31, 2018)

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 167,677	\$ 168,571
Cash restricted for retreat center operations	512,285	-
Accounts receivable	32,684	3,404
Pledges receivable - current	32,750	15,086
Prepaid expenses and deposits	43,140	31,957
Total current assets	<u>788,536</u>	<u>219,018</u>
Pledges receivable - noncurrent	64,840	216
Cash restricted for vehicle purchase	60,000	-
Cash restricted for retreat center construction and operations	-	470,786
	<u>124,840</u>	<u>471,002</u>
Property and equipment	5,699,406	4,055,769
Less: Accumulated depreciation	(688,134)	(574,319)
Property and equipment, net	<u>5,011,272</u>	<u>3,481,450</u>
Organizational costs	6,110	6,110
Less: Accumulated amortization	(6,110)	(6,110)
Organizational costs, net	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 5,924,648</u>	<u>\$ 4,171,470</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 31,329	\$ 11,813
Accrued expenses	17,250	10,676
Current portion of notes payable	29,323	26,263
Total current liabilities	<u>77,902</u>	<u>48,752</u>
Notes payable, net of current portion	527,358	554,593
Total Liabilities	<u>605,260</u>	<u>603,345</u>
Net Assets:		
Net assets without donor restrictions		
Designated by the Board for retreat center	-	243,767
Undesignated	4,649,513	2,838,270
Net assets without donor restrictions	<u>4,649,513</u>	<u>3,082,037</u>
With donor restrictions	669,875	486,088
Total Net Assets	<u>5,319,388</u>	<u>3,568,125</u>
Total Liabilities and Net Assets	<u>\$ 5,924,648</u>	<u>\$ 4,171,470</u>

See independent auditor's report and accompanying notes to financial statements.

## Compassionate Care ALS, Inc.

### Statement of Activities

For the year ended December 31, 2019  
(with summarized financial information for the year ended December 31, 2018)

	<u>Without Donor</u>	<u>With Donor</u>	<u>2019</u>	<u>2018</u>
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Total</u>	<u>Total</u>
Support, Revenues and Reclassifications:				
Public Support and Revenue:				
Contributions	\$ 858,630	\$ 174,840	\$ 1,033,470	\$ 407,836
Capital campaign	-	662,559	662,559	420,104
Grants	486,030	-	486,030	475,000
Fundraising events	638,047	-	638,047	692,372
Program services	1,058	-	1,058	807
Interest income	3,965	-	3,965	4,699
Loss on disposal of assets	-	-	-	(5,034)
In-kind revenue	1,014,268	-	1,014,268	57,500
Net assets released from restrictions:				
Satisfaction of donor restrictions	653,612	(653,612)	-	-
Total Support, Revenues and Reclassifications	<u>3,655,610</u>	<u>183,787</u>	<u>3,839,397</u>	<u>2,053,284</u>
Operating Expenses:				
Program Services	1,277,339	-	1,277,339	786,490
Supporting Services:				
Administrative	129,873	-	129,873	202,078
Fundraising	306,556	-	306,556	319,965
Total Operating Expenses	<u>1,713,768</u>	<u>-</u>	<u>1,713,768</u>	<u>1,308,533</u>
Change in Net Assets, before Assistance to Individuals	1,941,842	183,787	2,125,629	744,751
Assistance to Individuals:				
Donated supplies and equipment	23,097	-	23,097	32,389
Less: Assistance to individuals	(397,463)	-	(397,463)	(371,958)
Net Assistance to Individuals	<u>(374,366)</u>	<u>-</u>	<u>(374,366)</u>	<u>(339,569)</u>
Change in Net Assets	1,567,476	183,787	1,751,263	405,182
Net Assets - Beginning of Year	<u>3,082,037</u>	<u>486,088</u>	<u>3,568,125</u>	<u>3,162,943</u>
Net Assets - End of Year	<u>\$ 4,649,513</u>	<u>\$ 669,875</u>	<u>\$ 5,319,388</u>	<u>\$ 3,568,125</u>

See independent auditor's report and accompanying notes to financial statements.

## Compassionate Care ALS, Inc.

### Statement of Functional Expenses

For the year ended December 31, 2019  
(with summarized financial information for the year ended December 31, 2018)

	Program Services	Admin- istration	Fundraising	2019 Total	2018 Total
Director's compensation	\$ 123,993	\$ 6,888	\$ 6,888	\$ 137,769	\$ 133,478
Other wages and salaries	450,983	-	-	450,983	317,957
Payroll taxes	48,500	581	581	49,662	40,954
Benefits	66,336	795	795	67,926	45,292
Capital campaign expenses	-	-	9,396	9,396	1,673
Depreciation	174,761	8,042	-	182,803	104,228
Event expenses	-	-	156,034	156,034	243,217
Insurance	61,065	-	-	61,065	59,768
Interest	13,415	-	-	13,415	14
Landscaping	15,080	-	-	15,080	-
Marketing and website	935	3,947	6,821	11,703	10,896
Occupancy and telephone	53,958	4,905	1,578	60,441	64,761
Office supplies and expense	17,928	17,054	1,132	36,114	27,766
Other	7,244	1,151	230	8,625	7,307
Postage and delivery	8,783	2,202	10,845	21,830	21,164
Printing	1,913	13,315	14,637	29,865	8,229
Professional fees	581	67,700	93,052	161,333	165,062
Retreat center supplies	174,385	-	-	174,385	-
Travel	57,479	3,293	4,567	65,339	56,767
<b>Total Operating Expenses</b>	<b>1,277,339</b>	<b>129,873</b>	<b>306,556</b>	<b>1,713,768</b>	<b>1,308,533</b>
Assistance to individuals	397,463	-	-	397,463	371,958
	<b>\$ 1,674,802</b>	<b>\$ 129,873</b>	<b>\$ 306,556</b>	<b>\$ 2,111,231</b>	<b>\$ 1,680,491</b>

See independent auditor's report and accompanying notes to financial statements.

## Compassionate Care ALS, Inc.

### Statement of Cash Flows

For the year ended December 31, 2019

Cash Flows From Operating Activities:	
Change in net assets	\$ 1,751,263
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Depreciation	182,803
Donated vehicles	(58,222)
Donated retreat center construction costs	(956,046)
Increase in accounts receivable	(29,280)
Increase in prepaid expenses and deposits	(11,183)
Increase in accounts payable and accrued expenses	26,090
Pledge receivables made	(89,840)
Contributions restricted for investment in property	<u>(722,559)</u>
Net cash provided by operating activities	<u>93,026</u>
Cash Flows From Investing Activities:	
Purchase of capital assets	<u>(698,357)</u>
Net cash used in investing activities	<u>(698,357)</u>
Cash Flows From Financing Activities:	
Contributions restricted for investment in property	722,559
Collection of pledges receivable restricted for investment in property	7,552
Repayment of notes payable	<u>(24,175)</u>
Net cash provided by financing activities	<u>705,936</u>
Net Increase in Cash	100,605
Cash and Restricted Cash at Beginning of Year	<u>639,357</u>
Cash and Restricted Cash at End of Year	<u><u>\$ 739,962</u></u>
Non-cash Transactions	
During 2019, the Organization disposed of equipment with a total cost in the amount of \$68,988 and accumulated depreciation of \$68,988.	
Supplemental Disclosures:	
Interest Paid	<u><u>\$ 13,415</u></u>
Income Taxes Paid	<u><u>\$ -</u></u>

See independent auditor's report and accompanying notes to financial statements.



## Compassionate Care ALS, Inc.

### Notes to Financial Statements

December 31, 2019

#### NOTE A – ORGANIZATION AND PROGRAM SERVICES

Compassionate Care ALS, Inc. was incorporated as a non-profit organization in 2002 and grew out of the work of the Gordon T. Heald ALS Fund. Gordon T. Heald was an active New England businessman who participated in and gave generously to local charities. In 1997 he was diagnosed with ALS. Before Gordon's death, the idea of starting a fund for ALS families in his name came to light. An announcement in Gordon's obituary in October 1998 generated the seed money for the Gordon T. Heald ALS Fund. Compassionate Care ALS, Inc. is dedicated to providing assistance to families in dealing with the complexities of ALS. Compassionate Care ALS, Inc. models compassion to those affected by ALS by providing educational and legal resources, respite opportunities, instruction and guidance, subsidy of living aids and assistance, durable goods and intimate dialogue with patients and their caregivers, families, and friends. The Organization's approach draws from hands-on experience and strives to understand the overwhelming dynamics ALS families endure.

Program services of the organization include the Gordon T. Heald program and Compassionate Care ALS program. Both programs provide assistance to families with ALS. Compassionate Care ALS's range of services helps individuals to live as fully as possible within the parameters of the illness, and to gracefully experience the end of life with conscious choice and compassion. Services offered are tailored to meet the individual needs of each patient and family. Types of assistance offered include:

- **Emotional Support** – The staff visits families at home, listens and suggests options. The staff also facilitates gatherings for caregivers offer counseling, match caregivers with caregivers & patients with patients to foster intimate dialogue at home or in other safe settings.
- **Integrative Therapies** – Subsidized massage, acupuncture, cranial-sacral therapy, self-inquiry, energy work, contemplative practice such as meditation and promoting self-care for both patients and caregivers.
- **Contemplative Practice** – Work one on one with caregivers and families, teaching meditation and visualization techniques to help alleviate fear and anxiety and to promote well-being.
- **Education** – Lead workshops on “Cultivating Compassion” for health care professionals, caregivers, and the community about investigating conscious choice, living and dying with terminal illness, practicing self-care, and other topics related to ALS.
- **Van Service** – Provide the availability of a wheelchair-accessible van for everyday needs and special trips.
- **Youth Program** – Children of ALS patients are offered rites of passage programs and other supportive resources.
- **Gordon T. Heald ALS Fund** – Subsidizes the purchase of home care equipment such as communications devices and wheelchair ramps, and assist with prescription costs and other living expenses as needed.
- **Other assistance** – Responsive to a broad spectrum of special requests to ease the family burden of living with ALS.

#### NOTE B – SIGNIFICANT ACCOUNTING POLICIES

##### Method of Accounting

The Organization maintains its accounts and prepares its financial statements on the accrual basis of accounting.

## Compassionate Care ALS, Inc.

### Notes to Financial Statements

December 31, 2019

#### NOTE B – *continued*

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018, from which the summarized information was derived. Certain reclassifications have been made to the summarized information to be consistent with the presentation in the audited financial statements as of December 31, 2019.

#### Recognition of Contributions with Donor Restrictions

The Organization reports gifts of cash and other assets with restrictions as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions with donor restrictions received and expended in accordance with the donor's restrictions in the same fiscal year are recognized as public support without donor restrictions in these financial statements.

#### Cash and Cash Equivalents

For the purpose of the statements of cash flows, cash and cash equivalents includes checking, savings and money market accounts and certificates of deposit with an initial maturity of three months or less.

#### Accounts Receivable

Accounts receivable consist of grant and program service revenues not yet collected. There was \$32,684 in accounts receivable at December 31, 2019. Management deemed all receivables to be collectible at December 31, 2019 and therefore, no allowance for doubtful accounts has been established.

#### Pledges Receivable

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Management deemed all pledges receivable to be collectible at December 31, 2019 and therefore, no allowance for uncollectible pledges receivable has been established.

#### Property and Equipment

Property and equipment purchases are capitalized at cost, if purchased, or at fair market value at the date of receipt, if donated. The Organization's policy is to capitalize items with a cost or value in excess of \$2,500.

#### Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-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 restrictions.

## Compassionate Care ALS, Inc.

### Notes to Financial Statements

December 31, 2019

#### NOTE B – *continued*

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. The Organization reports contributions restricted by donors as increased in net assets without donor restrictions 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 increased 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 statement of activities as net assets released from restrictions.

#### Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates used.

#### Fair Value Measurements

Management has adopted the criteria of FASB ASC 820-10 (formerly SFAS No. 157, “*Fair Value Measurements*”). FASB ASC 820-10 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles, and expands disclosure about fair value measurements.

FASB ASC 820-10 establishes a fair value framework that prioritizes the inputs and assumptions used to measure fair value. The three levels of the fair value framework under FASB ASC 820-10 are as follows:

- Level 1    Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2    Inputs other than quoted market prices in active markets that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3    Inputs that are unobservable.

An asset’s or liability’s level within the framework is based on the lowest level of any input that is significant to the fair value measurement.

#### Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort, as well as occupancy, which is allocated on a square footage basis. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

#### Subsequent Events

Subsequent events have been evaluated through June 1, 2020 which is the date the financial statements were available to be issued.

## Compassionate Care ALS, Inc.

### Notes to Financial Statements

December 31, 2019

#### NOTE B – *continued*

Beginning in March 2020, the COVID-19 pandemic in the United States has caused business disruption and a reduction in economic activity. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration and the impact it will have on the Organization's operations and financial position. Any financial impact to the Organization, if any, cannot be reasonably estimated at this time.

#### NOTE C – PROPERTY AND EQUIPMENT

During the year ended December 31, 2019, the Organization received two donated vehicles with a total fair market value of \$58,222. Also, several contractors associated with the construction of the new retreat center donated labor and materials with a fair market value of \$956,046. These items have been capitalized with a corresponding in-kind revenue adjustment.

During the year ended December 31, 2019, the Organization purchased equipment and furniture in the amount of \$60,199 and incurred costs of \$12,000 relating to the development of the Organization's website. The Organization also incurred construction costs related to its new retreat center in Falmouth, Massachusetts in the amount of \$626,158, including capitalized interest of \$12,383. Capitalized assets are depreciated over their estimated useful lives using the straight-line method of depreciation. Expenditures for maintenance repairs and renewals are charged to expense as incurred, whereas, major betterments are capitalized using the straight-line method, and is charged against income over the estimated useful lives of the assets. A summary of property and equipment as of December 31, 2019 is as follows:

	Estimated <u>Life</u>	<u>Cost</u>	Accumulated <u>Depreciation</u>
Retreat Center	39	\$4,641,007	\$ 59,500
Computer Equipment	3	19,156	10,281
Website and Software	3	25,647	15,647
Office Furniture	5	32,965	14,525
Program Equipment	7	579,640	374,090
Motor Vehicles	5	<u>400,991</u>	<u>214,091</u>
		<u>\$5,699,406</u>	<u>\$ 688,134</u>

#### NOTE D – PLEDGES RECEIVABLE

The Organization has carried out a fund-raising campaign for funds to purchase, construct, and operate property for future use in its programs. As of December 31, 2019, pledges receivable from the campaign were \$7,750. During the year ended December 31, 2019, the Organization received a pledge of \$125,000 to support ongoing programs. Promises to give are restricted to payment of the costs of the new facility and implied time restrictions. The promises to give as of December 31, 2019, are unconditional and due \$32,750 in 2020 and \$75,000 due over the following three years. Promises to give that are due after 2020 are discounted at 5%. The unamortized discount on promises to give is \$10,160 as of December 31, 2019. Uncollectible promises are expected to be insignificant.

#### NOTE E – NOTES PAYABLE

During the year ended December 31, 2014, the Organization purchased real estate in the amount of \$981,261 for future use in its programs. The Organization financed \$600,000 of the purchase through a mortgage secured by the real estate with a local bank. The loan is payable in monthly installments of principal and interest at 4.56% in the amount of \$3,355 until December 1, 2019. On December 1, 2019, the interest rate was adjusted to the Federal Home Loan Bank five-year index plus 2.5%, 4.51%, and monthly payments will be adjusted to a five-year amortizing loan with a maturity date of December 1, 2024. As of December 31, 2019, the balance of the loan was \$527,211.

## Compassionate Care ALS, Inc.

### Notes to Financial Statements

December 31, 2019

#### NOTE E – *continued*

During the year ended December 31, 2018, the Organization purchased a vehicle in the amount of \$26,945. The Organization financed \$16,945 of the purchase through a loan with a financing company. The loan is payable in monthly installments of principal and interest at 1.90% in the amount of \$367 until maturity in September, 2022. As of December 31, 2019, the balance of the loan was \$11,700.

During the year ended December 31, 2018, the Organization purchased a vehicle in the amount of \$35,555. The Organization financed \$25,555 of the purchase through a loan with a financing company. The loan is payable in monthly installments of principal and interest at 1.90% in the amount of \$554 until maturity in September, 2022. As of December 31, 2019, the balance of the loan was \$17,770.

The Organization had a \$130,000 line of credit with a local bank. Interest only payments at the prime rate plus 1.0 floating per annum were due monthly until maturity of December 1, 2019. As of December 31, 2019, the line had expired and was not renewed.

Future maturities of notes payable as December 31, 2019 were as follows:

2020	\$ 29,323
2021	28,558
2022	24,838
2023	19,409
2024	<u>454,553</u>
	<u>\$556,681</u>

#### NOTE F – LEASES AND RELATED PARTY

The Organization leases office space from its executive director under a month to month lease agreement. Monthly payments under the agreement are \$985 per month.

The Organization also entered into a lease of warehouse space expiring April 30, 2021. The lease has payments of \$1,650 per month through April 30, 2018, \$1,675 through April 30, 2019, \$1,700 through April 30, 2020 and \$1,725 through April 30, 2021. Future minimum lease commitments under this lease are as follows:

2020	\$ 20,600
2021	<u>6,900</u>
	<u>\$ 27,500</u>

Total lease expense for the year ended December 31, 2019 was \$32,145.

#### NOTE G – ASSISTANCE TO INDIVIDUALS

During 2010, the Board of Directors of the Organization determined that all equipment intended for use in the Organization's programs is to be considered equipment owned by the Organization, unless title is specifically transferred to the individual. As of December 31, 2019, the Organization inventoried and capitalized the value of equipment held or provided for use in programs.

During 2019, assistance to individuals expense includes donated supplies and equipment with an estimated value of \$23,097 as well as purchased supplies and equipment and other financial assistance of \$374,366.

## Compassionate Care ALS, Inc.

### Notes to Financial Statements

December 31, 2019

#### NOTE H – CONCENTRATIONS

The Organization maintains cash balances in three financial institutions that at times may have amounts in excess of Federal Deposit Insurance Corporation (FDIC) coverage of \$250,000. The excess at one of the financial institutions is insured in full. The excess at one of the other financial institutions isn't covered by additional insurance, and, as of December 31, 2019, the Organization's uninsured cash balance totals \$89,603.

#### NOTE I – BOARD DESIGNATED NET ASSETS

During the year ending December 31, 2019, the Organization fully used the board designated net assets of \$243,767 for costs relating to the construction of the new retreat center.

#### NOTE J – NET ASSETS WITH RESTRICTIONS

During the year ended December 31, 2019, the Organization received support with donor restrictions in the amount of \$662,559 for the construction and operating costs of a new retreat center in Falmouth, Massachusetts. As of December 31, 2019, construction had been completed and the retreat center was placed in service. Net assets with donor restrictions as of December 31, 2019 were \$520,035, which consists of all capital campaign contributions received but unexpended as of December 31, 2019. The remaining balance of restricted funds for the retreat center will be used for the operation of the center, including mortgage payments.

During the year ended December 31, 2019, the Organization received a pledge of \$125,000 that would be received in five equal installments over the next five years to be used for the support of patients, families and caregivers effected by ALS. The first payment of \$25,000 was received during 2019. Due to the implied time restrictions of the support, the remaining amount, net of discount, of \$89,940 is included in net assets with donor restrictions.

During the year ended December 31, 2019, the Organization received support with donor restrictions in the amount of \$60,000 for the purchase of a new van. The van was not purchased prior to December 31, 2019 and the full amount has been included in net assets with donor restrictions.

#### NOTE K – INCOME TAX STATUS

The Organization is organized and operated exclusively for charitable purposes. Income related to its charitable purpose is exempt from federal and state income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code.

The Organization has adopted the application of the provisions of FASB ASC 740-10 (formerly FASB Interpretation No. 48, "*Accounting For Uncertainty in Income Taxes*"). The primary tax positions made by the Organization are the existence of Unrelated Business Income Tax and the Organization's status as an exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Organization currently evaluates all tax positions, and makes determinations regarding the likelihood of those positions being upheld under review. For the years presented, and as a result of adoption, the Organization has not recognized any tax benefits or loss contingencies for uncertain tax positions based on its evaluations. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending December 31, 2019, 2018, 2017 and 2016 are subject to examination by the IRS, generally for 3 years after they were filed.

**Compassionate Care ALS, Inc.**

Notes to Financial Statements

December 31, 2019

**NOTE L – LIQUIDITY AND 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 because of contractual or donor-imposed restrictions within one year of the statement of financial position date. As of December 31, 2019, donor-restricted.

Financial assets at year-end:	\$805,396
Donor-restricted to purchase van	<u>60,000</u>

Financial assets available to meet cash needs for general expenditure within one year: \$745,396

As of December 31, 2019, the Organization’s only borrowing commitments are the notes payable described in Note D above.

**NOTE M – CASH AND RESTRICTED CASH**

Cash as of December 31, 2019 consist of the following:

Cash	\$167,677
Cash restricted for retreat center operations	512,285
Cash restricted for vehicle purchase	<u>60,000</u>
Total cash and restricted cash	<u>\$739,962</u>