

**Compassionate Care ALS, Inc.**

Financial Statements

December 31, 2021

**Compassionate Care ALS, Inc.**

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**December 31, 2021**

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

**INDEPENDENT AUDITOR'S REPORT**

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

**Opinion**

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, 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 Compassionate Care ALS, Inc. 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Compassionate Care ALS, Inc. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Compassionate Care ALS, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Compassion Care ALS, Inc.'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 Compassionate Care ALS, Inc.'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 Compassionate Care ALS, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 5, 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.

*Fifty Dayhills LLC*

Certified Public Accountants

Newburyport, Massachusetts

November 11, 2022

# Compassionate Care ALS, Inc.

## Statement of Financial Position

December 31, 2021

(with summarized financial information as of December 31, 2020)

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 2,510,660	\$ 2,171,663
Cash restricted for retreat center operations	-	248,559
Accounts receivable	3,404	3,404
Pledges receivable - current	40,115	27,750
Contract asset	97,863	-
Investments	520,636	-
Prepaid expenses and deposits	44,462	27,383
Total current assets	<u>3,217,140</u>	<u>2,478,759</u>
Pledges receivable - noncurrent	22,676	44,272
Cash restricted for vehicle purchase	13,459	13,459
	<u>36,135</u>	<u>57,731</u>
Property and equipment	5,999,644	5,938,591
Less: Accumulated depreciation	(1,130,419)	(876,429)
Property and equipment, net	<u>4,869,225</u>	<u>5,062,162</u>
Organizational costs	6,110	6,110
Less: Accumulated amortization	(6,110)	(6,110)
Organizational costs, net	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 8,122,500</u>	<u>\$ 7,598,652</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 22,838	\$ 20,070
Accrued expenses	37,490	28,701
Contract liability	-	115,724
Current portion of notes payable	8,105	34,998
Total current liabilities	<u>68,433</u>	<u>199,493</u>
Notes payable, net of current portion	<u>-</u>	<u>443,881</u>
Total Liabilities	<u>68,433</u>	<u>643,374</u>
Net Assets:		
Without donor restrictions	7,990,182	6,621,238
With donor restrictions	63,885	334,040
Total Net Assets	<u>8,054,067</u>	<u>6,955,278</u>
Total Liabilities and Net Assets	<u>\$ 8,122,500</u>	<u>\$ 7,598,652</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, 2021  
(with summarized financial information for the year ended December 31, 2020)

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	2021 <u>Total</u>	2020 <u>Total</u>
Support, Revenues and Reclassifications:				
Public Support and Revenue:				
Contributions	\$ 2,026,650	\$ -	\$ 2,026,650	\$ 975,202
Grants	810,000	-	810,000	2,117,765
Fundraising events	614,219	-	614,219	525,529
Program services	219,259	-	219,259	147,097
PPP loan forgiveness	161,005	-	161,005	126,173
Investment income, net	6,188	-	6,188	5,022
Unrealized gain on investments	2,991	-	2,991	-
Gain/(loss) on disposal of assets	(31,914)	-	(31,914)	15,340
In-kind revenue	86,980	-	86,980	114,380
Net assets released from restrictions:				
Satisfaction of donor restrictions	270,155	(270,155)	-	-
Total Support, Revenues and Reclassifications	4,165,533	(270,155)	3,895,378	4,026,508
Operating Expenses:				
Program Services	1,701,935	-	1,701,935	1,532,930
Supporting Services:				
Administrative	201,491	-	201,491	189,367
Fundraising	215,786	-	215,786	212,406
Total Operating Expenses	2,119,212	-	2,119,212	1,934,703
Change in Net Assets, before Assistance to Individuals	2,046,321	(270,155)	1,776,166	2,091,805
Assistance to Individuals:				
Donated supplies and equipment	34,675	-	34,675	77,871
Less: Assistance to individuals	(712,052)	-	(712,052)	(533,786)
Net Assistance to Individuals	(677,377)	-	(677,377)	(455,915)
Change in Net Assets	1,368,944	(270,155)	1,098,789	1,635,890
Net Assets - Beginning of Year	6,621,238	334,040	6,955,278	5,319,388
Net Assets - End of Year	\$ 7,990,182	\$ 63,885	\$ 8,054,067	\$ 6,955,278

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, 2021  
(with summarized financial information for the year ended December 31, 2020)

	Program Services	Admin- istration	Fundraising	2021 Total	2020 Total
Director's compensation	\$ 147,709	\$ 8,206	\$ 8,206	\$ 164,121	\$ 164,383
Other wages and salaries	846,593	-	-	846,593	679,838
Payroll taxes	79,067	653	653	80,373	66,966
Benefits	88,684	732	732	90,148	77,362
Depreciation	265,962	10,446	-	276,408	268,835
Event expenses	-	-	113,573	113,573	111,305
Insurance	74,226	3,521	-	77,747	63,170
Interest	13,665	-	-	13,665	23,641
Landscaping	26,901	-	-	26,901	32,027
Marketing and website	2,591	3,299	6,044	11,934	10,558
Occupancy and telephone	40,392	1,843	1,843	44,078	57,928
Office supplies and expense	28,433	21,936	2,446	52,815	44,304
Other	710	1,797	35	2,542	6,566
Postage and delivery	14,746	745	16,902	32,393	29,865
Printing	2,125	12,634	7,309	22,068	21,296
Professional fees	15,356	135,556	57,400	208,312	197,223
Retreat center repairs	28,041	-	-	28,041	24,555
Retreat center supplies	839	-	-	839	15,614
Travel	25,895	123	643	26,661	39,267
Total Operating Expenses	1,701,935	201,491	215,786	2,119,212	1,934,703
Assistance to individuals	712,052	-	-	712,052	533,786
	<u>\$ 2,413,987</u>	<u>\$ 201,491</u>	<u>\$ 215,786</u>	<u>\$ 2,831,264</u>	<u>\$ 2,468,489</u>

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, 2021

### Cash Flows From Operating Activities:

Change in net assets	\$ 1,098,789
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Depreciation	276,408
Loss on disposal of assets	31,914
Donated vehicles	(86,980)
Unrealized gain on investments	(2,991)
Increase in contract asset	(97,863)
Increase in prepaid expenses and deposits	(17,079)
Increase in accounts payable and accrued expenses	11,557
Decrease in contract liability	(115,724)
Net cash provided by operating activities	<u>1,098,031</u>

### Cash Flows From Investing Activities:

Purchase of investments	(517,645)
Purchase of capital assets	(28,405)
Net cash used in investing activities	<u>(546,050)</u>

### Cash Flows From Financing Activities:

Collection of pledges receivable restricted for investment in property	9,231
Repayment of notes payable	(470,774)
Net cash used in financing activities	<u>(461,543)</u>

Net Increase in Cash 90,438

Cash and Restricted Cash at Beginning of Year 2,433,681

Cash and Restricted Cash at End of Year \$2,524,119

### Non-cash Transactions

During 2021, the Organization disposed of equipment with a total cost in the amount of \$14,432 and accumulated depreciation of \$14,432. The Organization also donated a van with a cost of \$39,900 and accumulated depreciation of \$7,986.

### Supplemental Disclosures:

Interest Paid	\$ 13,665
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, 2021

#### 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, 2021

### 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, 2020, 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, 2021.

#### 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.

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

#### 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 \$3,404 in accounts receivable at December 31, 2021. Management deemed all receivables to be collectible at December 31, 2021 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.

## Compassionate Care ALS, Inc.

### Notes to Financial Statements

December 31, 2021

#### NOTE B – *continued*

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, 2021 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.

*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.

#### 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.

#### Contract Revenues, Assets and Liabilities

Contract revenues are recognized as consulting services are performed, in an amount that reflects the consideration the Organization expects to be entitled to in exchange for the services. Revenues received in advance are deferred to the applicable period in which the related services are performed. Contract assets include unbilled amounts resulting from the amount of services transferred to date in relation to the remaining services promised under the contract. Contract liabilities include advanced billings on uncompleted services.

# Compassionate Care ALS, Inc.

## Notes to Financial Statements

December 31, 2021

### NOTE B – *continued*

#### Subsequent Events

Subsequent events have been evaluated through November 11, 2022 which is the date the financial statements were available to be issued.

### NOTE C – INVESTMENTS

Investments as of December 31, 2021 consisted of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Measured using Level 1 fair value measures:			
Mutual funds	\$ 356,993	\$ 350,520	(\$ 6,473)
Equity ETPs	<u>160,652</u>	<u>170,116</u>	<u>9,464</u>
Total investments measured at fair value	<u>\$ 517,645</u>	<u>\$ 520,636</u>	<u>\$ 2,991</u>

Net unrealized gain on investments for the year ended December 31, 2021 was \$2,991. Net investment income for the year ending December 31, 2021 was \$7,252. Investment fees were \$1,064 for the year ended December 31, 2021 and are reported net with investment income on the financial statements.

### NOTE D – PROPERTY AND EQUIPMENT

During the year ended December 31, 2021, the Organization received two donated vehicles with a total fair market value of \$86,980. These vehicles have been capitalized with a corresponding in-kind revenue adjustment.

During the year ended December 31, 2021, the Organization purchased equipment in the amount of \$28,405. 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. Depreciation expense for the year ending December 31, 2021 is \$276,408. A summary of property and equipment as of December 31, 2021 is as follows:

	<u>Estimated Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>
Retreat Center	39	\$4,641,007	\$ 297,500
Retreat Center Fixtures & Improvements	7/15	97,071	13,009
Computer Equipment	3	19,156	17,902
Website and Software	3	28,647	25,147
Office Furniture	5/7	32,965	23,814
Program Equipment	7	637,007	460,743
Motor Vehicles	5	<u>543,791</u>	<u>292,304</u>
		<u>\$5,999,644</u>	<u>\$1,130,419</u>

# Compassionate Care ALS, Inc.

## Notes to Financial Statements

December 31, 2021

### NOTE E – 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, 2021, pledges receivable from the campaign were \$2,750. During the year ended December 31, 2019, the Organization received a pledge of \$125,000 to support ongoing programs to be received over five years. During the year ended December 31, 2021, the Organization received a bequest totaling \$12,365 and received the funds in the early part of 2022. 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, 2021 are unconditional with installments of \$40,115 due in 2022 and \$25,000 due the following year. Promises to give that are due after 2022 are discounted at 5%. The unamortized discount on promises to give is \$2,324 as of December 31, 2021. Uncollectible promises are expected to be insignificant.

### NOTE F – CONTRACT ASSETS AND LIABILITIES

Contract assets include unbilled amounts typically resulting from income received from contracts when the percentage of services transferred to date relative to the remaining services obligated under the contract is utilized and revenue recognized exceeds the amount billed to the customer. Contract liabilities include billings in excess of revenue recognized. Contract assets and contract liabilities were as follows for the year ended December 31, 2021:

	Balance <u>12/31/2020</u>	Billings/ <u>Collections</u>	Revenues <u>Recognized</u>	Balance <u>12/31/2021</u>
Contract Assets	\$ -	\$ 97,863	\$ 97,863	\$ 97,863
Contract Liabilities	( 115,724)	-	115,724	-
	<u>(\$ 115,724)</u>	<u>\$ 97,863</u>	<u>\$ 213,587</u>	<u>\$ 97,863</u>

### NOTE G – 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. On December 1, 2019, the interest rate was adjusted to the Federal Home Loan Bank five-year index plus 2.5%, or 4.00% total, and monthly payments were adjusted to a five-year amortizing loan with a maturity date of December 1, 2024. Monthly principal and interest payments are now \$3,366. The Organization paid of the mortgage in 2021 and as of December 31, 2021 the balance of the loan was \$0.

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, 2021, the balance of the loan was \$3,277.

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, 2021, the balance of the loan was \$4,828.

Future maturities of notes payable as December 31, 2021 were as follows:

2022	<u>\$ 8,105</u>
	<u>\$ 8,105</u>

## Compassionate Care ALS, Inc.

### Notes to Financial Statements

December 31, 2021

#### NOTE H – 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 \$1,463 per month. The lease of the property came to an end in June 2021.

The Organization entered into a lease of warehouse space expiring April 30, 2023. The lease has payments of \$1,700 per month through April 30, 2020, \$1,725 through April 30, 2021, \$1,750 through April 30, 2022, and \$1,800 through April 30, 2023.

The Organization entered into a lease agreement for office space commencing July 2021 and ending in June 2023. Monthly payments under the agreement are \$1,400 per month.

Future minimum lease commitments under these leases are as follows:

2022	\$ 38,200
2023	<u>15,600</u>
	<u>\$ 53,800</u>

Total lease expense for the year ended December 31, 2021 was \$38,045.

#### NOTE I – 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, 2021, the Organization inventoried and capitalized the value of equipment held or provided for use in programs.

During 2021, assistance to individuals expense includes donated supplies and equipment with an estimated value of \$34,675 as well as purchased supplies and equipment and other financial assistance of \$677,377.

#### NOTE J – 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 two of the financial institutions aren't covered by additional insurance, and, as of December 31, 2021, the Organization's uninsured cash balance totals \$1,934,050.

The Organization's investments are held with a financial institution and are subject to market risk of loss and are uninsured against such loss. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Organization will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

#### NOTE K – NET ASSETS WITH RESTRICTIONS

During prior years, the Organization received support with donor restrictions 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, 2021 were \$2,750, which consists of pledges not yet received of \$2,750 as of December 31, 2021.

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 third payment of \$25,000 was received during 2021. Due to the implied time restrictions of the support, the remaining amount, net of discount, of \$47,676 is included in net assets with donor restrictions.

# Compassionate Care ALS, Inc.

## Notes to Financial Statements

December 31, 2021

### NOTE K – *continued*

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 Organization purchased two vans totaling \$46,541 during the year ending December 31, 2020. The remaining amount of \$13,459 has been included in net assets with donor restrictions as of December 31, 2021.

### NOTE L – 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, 2021, 2020, 2019 and 2018 are subject to examination by the IRS, generally for 3 years after they were filed.

### NOTE M – 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, 2021, donor-restricted.

Financial assets at year-end (all current assets excluding prepaids):	\$3,172,678
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Less those unavailable for general expenditures within one year:	<u>-</u>
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Financial assets available to meet cash needs for general expenditure within one year:	<u>\$3,172,678</u>
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As of December 31, 2021, the Organization’s only borrowing commitments are the notes payable described in Note G above.

### NOTE N – CASH AND RESTRICTED CASH

Cash as of December 31, 2021 consisted of the following:

Cash	\$2,510,660
Cash restricted for vehicle purchase	<u>13,459</u>
Total cash and restricted cash	<u>\$2,524,119</u>