

Compassionate Care ALS, Inc.

Financial Statements

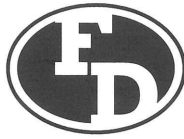
December 31, 2023

Compassionate Care ALS, Inc.

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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, 2023, 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, 2023, 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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 21, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Certified Public Accountants

Newburyport, Massachusetts

November 5, 2024

Compassionate Care ALS, Inc.

Statement of Financial Position

December 31, 2023

(with summarized financial information as of December 31, 2022)

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 1,904,604	\$ 2,324,981
Investments	2,292,584	1,721,800
Accounts receivable	168,978	904
Pledges receivable - current	1,044,541	450,250
Prepaid expenses and deposits	54,668	39,900
Total current assets	<u>5,465,375</u>	<u>4,537,835</u>
Pledges receivable - noncurrent	-	360,544
Right-of-use leased assets, net of accumulated amortization	68,058	37,685
	<u>68,058</u>	<u>398,229</u>
Property and equipment	6,319,868	6,143,874
Less: Accumulated depreciation	(1,528,804)	(1,224,181)
Property and equipment, net	<u>4,791,064</u>	<u>4,919,693</u>
Organizational costs	6,110	6,110
Less: Accumulated amortization	(6,110)	(6,110)
Organizational costs, net	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 10,324,497</u>	<u>\$ 9,855,757</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 39,519	\$ 38,162
Accrued expenses	158,043	50,666
Contract liability	-	97,864
Current portion of lease liability	43,235	20,277
Current portion of notes payable	6,629	6,466
Total current liabilities	<u>247,426</u>	<u>213,435</u>
Lease liabilities, net of current portion	19,567	8,569
Notes payable, net of current portion	12,601	19,232
Total long-term liabilities	<u>32,168</u>	<u>27,801</u>
Total Liabilities	<u>279,594</u>	<u>241,236</u>
Net Assets:		
Without donor restrictions	8,649,458	8,553,727
With donor restrictions	1,395,445	1,060,794
Total Net Assets	<u>10,044,903</u>	<u>9,614,521</u>
Total Liabilities and Net Assets	<u>\$ 10,324,497</u>	<u>\$ 9,855,757</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, 2023
(with summarized financial information for the year ended December 31, 2022)

	<u>Without Donor</u>	<u>With Donor</u>	<u>2023</u>	<u>2022</u>
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Total</u>	<u>Total</u>
Support, Revenues and Reclassifications:				
Public Support and Revenue:				
Contributions	\$ 2,025,963	\$ 644,291	\$ 2,670,254	\$1,971,841
Grants	738,500	-	738,500	2,098,000
Fundraising events	1,367,369	-	1,367,369	736,803
Program services	98,654	-	98,654	196,469
Investment income, net	108,619	-	108,619	21,021
Realized loss on investments	(8,995)	-	(8,995)	(23,204)
Unrealized gain/(loss) on investments	59,235	-	59,235	(48,405)
Gain/(loss) on disposal of assets	(2,596)	-	(2,596)	41,762
In-kind revenue	42,850	-	42,850	71,990
Net assets released from restrictions:				
Satisfaction of donor restrictions	309,640	(309,640)	-	-
Total Support, Revenues and Reclassifications	4,739,239	334,651	5,073,890	5,066,277
Operating Expenses:				
Program Services	2,556,212	-	2,556,212	1,926,548
Supporting Services:				
Administrative	216,496	-	216,496	217,701
Fundraising	518,563	-	518,563	427,277
Total Operating Expenses	3,291,271	-	3,291,271	2,571,526
Change in Net Assets, before Assistance to Individuals	1,447,968	334,651	1,782,619	2,494,751
Assistance to Individuals:				
Donated supplies and equipment	24,375	-	24,375	73,540
Less: Assistance to individuals	(1,376,612)	-	(1,376,612)	(1,007,837)
Net Assistance to Individuals	(1,352,237)	-	(1,352,237)	(934,297)
Change in Net Assets	95,731	334,651	430,382	1,560,454
Net Assets - Beginning of Year	8,553,727	1,060,794	9,614,521	8,054,067
Net Assets - End of Year	\$ 8,649,458	\$1,395,445	\$10,044,903	\$ 9,614,521

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, 2023
(with summarized financial information for the year ended December 31, 2022)

	Program Services	Admin- istration	Fundraising	2023 Total	2022 Total
Director's compensation	\$ 154,980	\$ 8,610	\$ 8,610	\$ 172,200	\$ 172,200
Other wages and salaries	1,384,708	-	-	1,384,708	981,103
Payroll taxes	140,887	788	788	142,463	87,980
Benefits	134,912	754	754	136,420	114,212
Depreciation	326,226	1,961	-	328,187	297,703
Event expenses	-	-	404,570	404,570	284,586
Insurance	111,807	4,521	91	116,419	90,703
Interest	1,317	-	-	1,317	1,069
Landscaping	62,336	-	-	62,336	21,042
Marketing and website	1,293	9,488	6,462	17,243	7,562
Occupancy and telephone	47,308	265	265	47,838	41,805
Office supplies and expense	29,084	21,713	1,621	52,418	42,824
Other	1,963	2,544	250	4,757	5,873
Postage and delivery	55,912	3,385	10,006	69,303	39,961
Printing	-	-	1,251	1,251	60,836
Professional fees	6,011	162,300	79,935	248,246	230,316
Retreat center repairs	51,149	-	-	51,149	31,006
Retreat center supplies	674	-	-	674	2,104
Travel	45,645	167	3,960	49,772	58,641
Total Operating Expenses	2,556,212	216,496	518,563	3,291,271	2,571,526
Assistance to individuals	1,376,612	-	-	1,376,612	1,007,837
	\$ 3,932,824	\$ 216,496	\$ 518,563	\$ 4,667,883	\$ 3,579,363

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, 2023

Cash Flows From Operating Activities:	
Change in net assets	\$ 430,382
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Depreciation	328,187
Gain on disposal of assets	2,596
Donated vehicles	(42,850)
Donated stock	(12,314)
Realized loss on sale of investments	8,995
Unrealized loss on investments	(59,235)
Decrease in accounts receivable	(168,074)
Pledges made to support operations	(233,747)
Increase in prepaid expenses and deposits	(14,768)
Increase in accounts payable and accrued expenses	108,734
Increase in contract liability	(97,864)
Change in right-of-use lease assets	3,583
Net cash provided by operating activities	<u>253,625</u>
Cash Flows From Investing Activities:	
Purchase of investments	(1,422,669)
Sale of investments	914,439
Purchase of capital assets	(159,304)
Net cash used in investing activities	<u>(667,534)</u>
Cash Flows From Financing Activities:	
Repayment of notes payable	(6,468)
Net cash used in financing activities	<u>(6,468)</u>
Net Decrease in Cash	(420,377)
Cash and Restricted Cash at Beginning of Year	2,324,981
Cash and Restricted Cash at End of Year	<u>\$ 1,904,604</u>
Non-cash Transactions	
During 2023, the Organization disposed of equipment with a total cost in the amount of \$4,670 and accumulated depreciation of \$4,670. The Organization traded-in a van with a total cost basis of \$31,490 and accumulated depreciation of \$18,894 and received trade-in value for the vehicle of \$10,000 used against the purchase of a new vehicle.	
Supplemental Disclosures:	
Interest Paid	<u>\$ 1,317</u>
Income Taxes Paid	<u>\$ -</u>

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

Compassionate Care ALS, Inc.

Notes to Financial Statements

December 31, 2023

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, 2023

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, 2022, 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, 2023.

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 \$168,978 in accounts receivable at December 31, 2023. Management deemed all receivables to be collectible at December 31, 2023 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, 2023

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, 2023 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 increases 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 increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the 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, 2023

NOTE B – *continued*

Subsequent Events

Subsequent events have been evaluated through November 5, 2024 which is the date the financial statements were available to be issued.

NOTE C – INVESTMENTS

Investments as of December 31, 2023 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	\$2,040,429	\$2,048,507	\$ 8,078
Bonds	99,203	98,593	(610)
Stocks	20,869	21,488	619
Equity ETPs	<u>118,467</u>	<u>123,996</u>	<u>5,529</u>
Total investments measured at fair value	<u>\$2,278,968</u>	<u>\$2,292,584</u>	<u>\$ 13,616</u>

Net unrealized gains on investments for the year ended December 31, 2023 was \$59,235. Net realized losses on investments for the year ended December 31, 2023 was \$8,995. Net investment income for the year ending December 31, 2023 was \$114,594. Investment fees were \$5,975 for the year ended December 31, 2023 and are reported net with investment income on the financial statements.

NOTE D – PROPERTY AND EQUIPMENT

During the year ended December 31, 2023, the Organization received two donated vehicles with a total fair market value of \$42,850. The vehicles have been capitalized with a corresponding in-kind revenue adjustment.

During the year ended December 31, 2023, the Organization purchased equipment in the amount of \$11,839 and three vehicles totaling \$157,465. 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, 2023 is \$328,187. A summary of property and equipment as of December 31, 2023 is as follows:

	<u>Estimated Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>
Retreat Center	39	\$4,641,007	\$ 535,501
Retreat Center Fixtures & Improvements	7/15	97,071	30,354
Computer Equipment	3	19,156	19,156
Website and Software	3	28,647	28,647
Office Furniture	5/7	32,965	30,971
Program Equipment	7	646,701	515,650
Motor Vehicles	5	<u>854,321</u>	<u>368,525</u>
		<u>\$6,319,868</u>	<u>\$1,528,804</u>

Compassionate Care ALS, Inc.

Notes to Financial Statements

December 31, 2023

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, 2023, pledges receivable from the campaign were \$2,750. During the year ended December 31, 2022, the Organization received a pledge of \$1,155,000 to support ongoing programs over three years and a pledge for \$25,000 to support ongoing programs over two years. During the year ended December 31, 2023, the Organization received two bequests totaling \$644,291 to be received in the early part of 2024. Promises to give are either restricted for payment of the costs of the new facility or for their time restrictions. The promises to give as of December 31, 2023 are unconditional with installments of \$1,044,541 due in 2024. Promises to give that are due after 2024 are discounted at 5%. There is no unamortized discount on promises to give as of December 31, 2023 as there are no collections expected after 2024. 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, 2023:

	Balance <u>12/31/2022</u>	Billings/ <u>Collections</u>	Revenues <u>Recognized</u>	Balance <u>12/31/2023</u>
Contract Liabilities	\$ <u>97,864</u>	\$ _____	\$ <u>97,864</u>	\$ _____
	\$ <u>97,864</u>	\$ _____	\$ <u>97,864</u>	\$ _____

NOTE G – NOTES PAYABLE

During the year ended December 31, 2022, the Organization purchased a vehicle in the amount of \$45,979. The Organization financed \$26,723 of the purchase through a loan with a financing company. The loan is payable in monthly installments of principal and interest at 2.49% in the amount of \$586 until maturity in October, 2026. As of December 31, 2023, the balance of the loan was \$19,230.

Future maturities of notes payable as December 31, 2023 were as follows:

2024	\$ 6,629
2025	6,796
2026	<u>5,805</u>
	<u>\$ 19,230</u>

NOTE H – LEASES

The Organization has operating lease agreements to lease office and storage space and a vehicle for its operations. All of its leases qualifying as long-term leases are recorded in accordance with *ASC 842 Leases*. During the year ended December 31, 2023, the Organization renewed both its office and storage leases for an additional two years. Due to the extension of the lease during the year ended December 31, 2023, the Organization remeasured the lease asset and liability which increased the storage space right-of-use lease asset and liability by \$43,685 and the office space right-of-use lease asset and liability by \$32,044.

Compassionate Care ALS, Inc.

Notes to Financial Statements

December 31, 2023

NOTE H – *continued*

Lease agreements, including modifications, are summarized as follows:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Asset/Liability	Accum. Amort. 12/31/2023	Net Asset 12/31/2023	Liability Balance 12/31/2023
Storage Space	5/1/2021	4 years	\$1,910	5.00%	\$ 71,407	\$ 41,804	\$ 29,603	\$ 29,903
222 Main Street - Office	7/1/2021	4 years	\$1,400	5.00%	56,375	32,044	24,331	24,331
Toyota Tacoma	8/25/2022	3 years	\$723	5.00%	24,928	10,804	14,124	8,568
Total Lease Agreements					<u>\$152,710</u>	<u>\$ 84,652</u>	<u>\$ 68,058</u>	<u>\$ 62,802</u>

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending 31-Dec	Principal	Interest	Total
2024	\$43,235	\$1,976	\$45,211
2025	19,567	185	19,752
2026	-	-	-
2027	-	-	-
2028	-	-	-
Thereafter	-	-	-
	<u>\$62,802</u>	<u>\$2,161</u>	<u>\$64,963</u>

For the year ended December 31, 2023, total amortization expense of leased assets was \$45,357 and total interest expense on lease liability was \$2,549. The total lease expense for the year ended December 31, 2023 was \$47,906.

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, 2023, the Organization inventoried and capitalized the value of equipment held or provided for use in programs.

During 2023, assistance to individuals expense includes donated supplies and equipment with an estimated value of \$24,375, purchased supplies and equipment totaling \$947,232, and other financial assistance totaling \$405,005.

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 these financial institutions are not covered by additional insurance, and, as of December 31, 2023, the Organization’s uninsured cash balance totaled \$1,540,704.

Compassionate Care ALS, Inc.

Notes to Financial Statements

December 31, 2023

NOTE J – *continued*

The Organization's investments are held with a brokerage company and are subject to market risk of loss and are uninsured against such loss. In the case that the brokerage company becomes financially-troubled, security accounts held with this brokerage company are insured up to \$500,000 by Securities Investor Protection Corporation (SIPC) of which up to \$250,000 in cash balances are insured. Amounts in excess of \$500,000 are further covered by "excess of SIPC" coverage provided by the brokerage company that is limited to \$1,900,000 per customer. As of December 31, 2023, the Organization's investments that were uninsured against custodial loss should the brokerage firm fail was \$400,035.

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 related to the capital project as of December 31, 2023 were \$2,750, which consists of pledges not yet received of \$2,750 as of December 31, 2023.

During the year ended December 31, 2022 the Organization received a pledge of \$1,155,000 that would be received in three equal installments over three years to be used to support ongoing programs. The second payment of \$385,000 was received during 2023. During the year ended December 31, 2022 the Organization received a pledge of \$25,000 that would be received in two equal installments to be used to support ongoing programs. The first installment of \$12,500 was received in 2023. During the year ended December 31, 2023 the Organization received two bequests totaling \$644,291 to be received in 2024 to be used to support ongoing programs. Due to the implied time restrictions of the support, the remaining amount, net of discount, of \$1,041,791 is included in net assets with donor restrictions.

During the year ended December 31, 2022, the Organization received support with donor restrictions in the amount of \$250,000 to be used for the salary of a palliative care doctor. During the year ended December 31, 2023, the \$385,000 payment previously mentioned was received but was restricted for the salary and program costs related to palliative care. For the year ended December 31, 2023, the Organization incurred expenses totaling \$284,096 relating to the program. The remaining unspent restricted net assets are \$350,904 as of December 31, 2023.

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, 2023, 2022, 2021 and 2020 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, 2023

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, 2023, donor-restricted.

Financial assets at year-end (all current assets excluding prepaids):	\$5,410,707
Less those unavailable for general expenditures within one year:	_____ -
Financial assets available to meet cash needs for general expenditure within one year:	<u>\$5,410,707</u>

As of December 31, 2023, the Organization’s only borrowing commitments are the notes payable described in Note G above.