

**Compassionate Care ALS, Inc.**

Financial Statements

December 31, 2020

**Compassionate Care ALS, Inc.**

Contents

December 31, 2020

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## 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, 2020, 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, 2020, 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, including omissions, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 1, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Certified Public Accountants

Newburyport, Massachusetts

November 5, 2021

# Compassionate Care ALS, Inc.

## Statement of Financial Position

December 31, 2020

(with summarized financial information as of December 31, 2019)

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash	\$ 2,171,663	\$ 167,677
Cash restricted for retreat center operations	248,559	512,285
Accounts receivable	3,404	32,684
Pledges receivable - current	27,750	32,750
Prepaid expenses and deposits	27,383	43,140
Total current assets	<u>2,478,759</u>	<u>788,536</u>
Pledges receivable - noncurrent	44,272	64,840
Cash restricted for vehicle purchase	13,459	60,000
	<u>57,731</u>	<u>124,840</u>
Property and equipment	5,938,591	5,699,406
Less: Accumulated depreciation	(876,429)	(688,134)
Property and equipment, net	<u>5,062,162</u>	<u>5,011,272</u>
Organizational costs	6,110	6,110
Less: Accumulated amortization	(6,110)	(6,110)
Organizational costs, net	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 7,598,652</u>	<u>\$ 5,924,648</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 20,070	\$ 31,329
Accrued expenses	28,701	17,250
Contract liability	115,724	-
Current portion of notes payable	34,998	29,323
Total current liabilities	<u>199,493</u>	<u>77,902</u>
Notes payable, net of current portion	443,881	527,358
Total Liabilities	<u>643,374</u>	<u>605,260</u>
Net Assets:		
Without donor restrictions	6,621,238	4,649,513
With donor restrictions	334,040	669,875
Total Net Assets	<u>6,955,278</u>	<u>5,319,388</u>
Total Liabilities and Net Assets	<u>\$ 7,598,652</u>	<u>\$ 5,924,648</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, 2020  
(with summarized financial information for the year ended December 31, 2019)

	<u>Without Donor</u>	<u>With Donor</u>	<u>2020</u>	<u>2019</u>
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Total</u>	<u>Total</u>
Support, Revenues and Reclassifications:				
Public Support and Revenue:				
Contributions	\$ 975,202	\$ -	\$ 975,202	\$1,033,470
Capital campaign	-	-	-	662,559
Grants	2,243,938	-	2,243,938	486,030
Fundraising events	525,529	-	525,529	638,047
Program services	147,097	-	147,097	1,058
Interest income	5,022	-	5,022	3,965
Gain on disposal of assets	15,340	-	15,340	-
In-kind revenue	114,380	-	114,380	1,014,268
Net assets released from restrictions:				
Satisfaction of donor restrictions	335,835	(335,835)	-	-
Total Support, Revenues and Reclassifications	4,362,343	(335,835)	4,026,508	3,839,397
Operating Expenses:				
Program Services	1,532,930	-	1,532,930	1,277,339
Supporting Services:				
Administrative	189,367	-	189,367	129,873
Fundraising	212,406	-	212,406	306,556
Total Operating Expenses	1,934,703	-	1,934,703	1,713,768
Change in Net Assets, before Assistance to Individuals	2,427,640	(335,835)	2,091,805	2,125,629
Assistance to Individuals:				
Donated supplies and equipment	77,871	-	77,871	23,097
Less: Assistance to individuals	(533,786)	-	(533,786)	(397,463)
Net Assistance to Individuals	(455,915)	-	(455,915)	(374,366)
Change in Net Assets	1,971,725	(335,835)	1,635,890	1,751,263
Net Assets - Beginning of Year	4,649,513	669,875	5,319,388	3,568,125
Net Assets - End of Year	\$ 6,621,238	\$ 334,040	\$ 6,955,278	\$ 5,319,388

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, 2020  
(with summarized financial information for the year ended December 31, 2019)

	Program Services	Admin- istration	Fundraising	2020 Total	2019 Total
Director's compensation	\$ 147,945	\$ 8,219	\$ 8,219	\$ 164,383	\$ 137,769
Other wages and salaries	679,838	-	-	679,838	450,983
Payroll taxes	65,662	652	652	66,966	49,662
Benefits	75,856	753	753	77,362	67,926
Capital campaign expenses	-	-	-	-	9,396
Depreciation	258,021	10,814	-	268,835	182,803
Event expenses	-	-	111,305	111,305	156,034
Insurance	63,170	-	-	63,170	61,065
Interest	23,641	-	-	23,641	13,415
Landscaping	32,027	-	-	32,027	15,080
Marketing and website	425	1,922	8,211	10,558	11,703
Occupancy and telephone	54,852	1,538	1,538	57,928	60,441
Office supplies and expense	13,267	30,037	1,000	44,304	36,114
Other	1,952	4,488	126	6,566	8,625
Postage and delivery	14,373	2,364	13,128	29,865	21,830
Printing	11,442	1,331	8,523	21,296	29,865
Professional fees	12,202	126,913	58,108	197,223	161,333
Retreat center repairs	24,555	-	-	24,555	-
Retreat center supplies	15,614	-	-	15,614	174,385
Travel	38,088	336	843	39,267	65,339
<b>Total Operating Expenses</b>	<b>1,532,930</b>	<b>189,367</b>	<b>212,406</b>	<b>1,934,703</b>	<b>1,713,768</b>
Assistance to individuals	533,786	-	-	533,786	397,463
	<b>\$ 2,066,716</b>	<b>\$ 189,367</b>	<b>\$ 212,406</b>	<b>\$ 2,468,489</b>	<b>\$ 2,111,231</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, 2020

Cash Flows From Operating Activities:	
Change in net assets	\$ 1,635,890
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Depreciation	268,835
Gain on disposal of assets	(15,340)
Donated vehicles	(114,380)
Decrease in accounts receivable	29,280
Decrease in prepaid expenses and deposits	15,757
Increase in accounts payable and accrued expenses	192
Increase in contract liability	115,724
Net cash provided by operating activities	<u>1,935,958</u>
Cash Flows From Investing Activities:	
Purchase of capital assets	<u>(190,005)</u>
Net cash used in investing activities	<u>(190,005)</u>
Cash Flows From Financing Activities:	
Collection of pledges receivable restricted for investment in property	25,568
Repayment of notes payable	<u>(77,802)</u>
Net cash provided by financing activities	<u>(52,234)</u>
Net Increase in Cash	1,693,719
Cash and Restricted Cash at Beginning of Year	<u>739,962</u>
Cash and Restricted Cash at End of Year	<u><u>\$2,433,681</u></u>
Non-cash Transactions	
During 2020, the Organization disposed of equipment with a total cost in the amount of \$5,800 and accumulated depreciation of \$4,640. The Organization also traded-in two vans with a total cost of \$110,400 and accumulated depreciation of \$75,900 and received trade-in value for the two vehicles of \$51,000 against the purchase of a new vehicle.	
Supplemental Disclosures:	
Interest Paid	<u>\$ 23,641</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, 2020

#### 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, 2020

#### 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, 2019, 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, 2020.

#### 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 \$3,404 in accounts receivable at December 31, 2020. Management deemed all receivables to be collectible at December 31, 2020 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, 2020 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, 2020

#### 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.

#### 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, 2020

#### NOTE B – *continued*

##### Subsequent Events

Subsequent events have been evaluated through November 5, 2021 which is the date the financial statements were available to be issued.

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, 2020, the Organization received three donated vehicles with a total fair market value of \$114,380. These vehicles have been capitalized with a corresponding in-kind revenue adjustment.

During the year ended December 31, 2020, the Organization purchased equipment, vehicles and furniture in the amount of \$89,934 and incurred costs of \$3,000 relating to the development of the Organization's website. The Organization also incurred costs related to its new retreat center in Falmouth, Massachusetts in the amount of \$97,071. 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, 2020 is as follows:

	Estimated <u>Life</u>	<u>Cost</u>	Accumulated <u>Depreciation</u>
Retreat Center	39	\$4,641,007	\$ 178,500
Retreat Center Fixtures & Improvements	7/15	97,071	4,336
Computer Equipment	3	19,156	14,526
Website and Software	3	28,647	20,147
Office Furniture	5	32,965	19,169
Program Equipment	7	623,034	426,881
Motor Vehicles	5	<u>496,711</u>	<u>212,870</u>
		<u>\$5,938,591</u>	<u>\$ 876,429</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, 2020, 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. 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, 2020 are unconditional with installments of \$27,750 due in 2020 and \$50,000 due over the following two years. Promises to give that are due after 2021 are discounted at 5%. The unamortized discount on promises to give is \$5,728 as of December 31, 2020. Uncollectible promises are expected to be insignificant.

## Compassionate Care ALS, Inc.

### Notes to Financial Statements

December 31, 2020

#### NOTE E – 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, 2020:

	Balance	Billings/	Revenues	Balance
	<u>12/31/2019</u>	<u>Collections</u>	<u>Recognized</u>	<u>12/31/2020</u>
Contract Assets	\$ -	\$ -	\$ -	\$ -
Contract Liabilities	<u>-</u>	<u>262,192</u>	<u>146,468</u>	<u>115,724</u>
	<u>\$ -</u>	<u>\$ 262,192</u>	<u>\$ 146,468</u>	<u>\$ 115,724</u>

#### NOTE F – 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. As of December 31, 2020, the balance of the loan was \$459,991.

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, 2020, the balance of the loan was \$7,579.

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, 2020, the balance of the loan was \$11,309.

Future maturities of notes payable as December 31, 2020 were as follows:

2021	\$ 34,998
2022	29,592
2023	24,257
2024	390,032
2025	-
	<u>\$478,879</u>

#### NOTE G – 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, 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.

## Compassionate Care ALS, Inc.

### Notes to Financial Statements

December 31, 2020

#### NOTE G – *continued*

Subsequent to year-end but prior to the release of the financial statement, 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:

2021	\$ 29,300
2022	38,200
2023	<u>15,600</u>
	<u>\$ 83,100</u>

Total lease expense for the year ended December 31, 2020 was \$32,395.

#### NOTE H – 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, 2020, the Organization inventoried and capitalized the value of equipment held or provided for use in programs.

During 2020, assistance to individuals expense includes donated supplies and equipment with an estimated value of \$77,871 as well as purchased supplies and equipment and other financial assistance of \$455,915.

#### NOTE I – 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, 2020, the Organization's uninsured cash balance totals \$1,426,944.

#### NOTE J – 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, 2020 were \$251,309, which consists of all capital campaign contributions received but unexpended of \$248,559 and pledges not yet received of \$2,750 as of December 31, 2020. 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 second payment of \$25,000 was received during 2020. Due to the implied time restrictions of the support, the remaining amount, net of discount, of \$69,272 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 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.

## Compassionate Care ALS, Inc.

### Notes to Financial Statements

December 31, 2020

#### 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, 2020, 2019, 2018 and 2017 are subject to examination by the IRS, generally for 3 years after they were filed.

#### 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, 2020, donor-restricted.

Financial assets at year-end:	\$2,464,835
Less: Donor-restricted to purchase van	<u>13,459</u>
Financial assets available to meet cash needs for general expenditure within one year:	<u>\$2,451,376</u>

As of December 31, 2020, 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, 2020 consist of the following:

Cash	\$2,171,663
Cash restricted for retreat center operations	248,559
Cash restricted for vehicle purchase	<u>13,459</u>
Total cash and restricted cash	<u>\$2,433,681</u>