

**ALS ASSOCIATION,
CONNECTICUT CHAPTER, INC.**

Financial Statements

January 31, 2022 and 2021

ALS ASSOCIATION, CONNECTICUT CHAPTER, INC.
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Simione Macca & Larrow^{LLP}



CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

"On Balance, We Offer You More."

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
ALS Association, Connecticut Chapter, Inc.
Milford, Connecticut

Opinion

We have audited the accompanying financial statements of ALS Association, Connecticut Chapter, Inc. (a nonprofit organization), which comprise the statements of financial position as of January 31, 2022 and 2021, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years 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 ALS Association, Connecticut Chapter, Inc. as of January 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ALS Association, Connecticut Chapter, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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.

INDEPENDENT AUDITORS' REPORT
(Continued)

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 ALS Association, Connecticut Chapter, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 ALS Association, Connecticut Chapter, 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.

INDEPENDENT AUDITORS' REPORT
(Continued)

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ALS Association, Connecticut Chapter, 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.

Sunione Macca & Larrow LLP

Hamden, Connecticut
June 15, 2022

ALS ASSOCIATION, CONNECTICUT CHAPTER, INC.
STATEMENTS OF FINANCIAL POSITION
January 31, 2022 and 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 198,005	\$ 219,901
Contribution and other receivables	40,744	6,619
Marketable securities	2,317,394	2,113,670
Prepaid expenses	10,813	12,593
Total Current Assets	2,566,956	2,352,783
PROPERTY AND EQUIPMENT	87,479	87,956
SECURITY DEPOSIT	1,500	1,500
Total Assets	\$ 2,655,935	\$ 2,442,239
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 26,632	\$ 4,861
Accrued expenses	47,369	43,972
Due to National ALS	41,924	32,882
Total Current Liabilities	115,925	81,715
NET ASSETS		
Net assets without donor restrictions	2,319,268	2,038,219
Net assets with donor restrictions	220,742	322,305
Total Net Assets	2,540,010	2,360,524
Total Liabilities and Net Assets	\$ 2,655,935	\$ 2,442,239

See notes to financial statements.

ALS ASSOCIATION, CONNECTICUT CHAPTER, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended January 31, 2022 and 2021

	2022			2021		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
REVENUES AND SUPPORT						
Contributions, grants, and other revenue	\$ 1,138,308	\$ 47,500	\$ 1,185,808	\$ 922,560	\$ 415,019	\$ 1,337,579
Less amounts raised for National ALS Society	-	-	-	(400)	-	(400)
Special event revenue	329,124	-	329,124	428,304	-	428,304
Less costs of direct benefit to donors	(11,919)	-	(11,919)	(9,155)	-	(9,155)
Investment income	59,010	-	59,010	119,898	-	119,898
Other income	270	-	270			
Net assets released from restrictions:						
Satisfaction of program restrictions	149,063	(149,063)	-	134,356	(134,356)	-
Total Revenues and Support	<u>1,663,856</u>	<u>(101,563)</u>	<u>1,562,293</u>	<u>1,595,563</u>	<u>280,663</u>	<u>1,876,226</u>
EXPENSES						
Program services	1,088,787	-	1,088,787	923,003	-	923,003
Management and general	134,309	-	134,309	105,064	-	105,064
Fundraising	159,711	-	159,711	162,032	-	162,032
Total Expenses	<u>1,382,807</u>	<u>-</u>	<u>1,382,807</u>	<u>1,190,099</u>	<u>-</u>	<u>1,190,099</u>
Change in net assets	281,049	(101,563)	179,486	405,464	280,663	686,127
NET ASSETS, Beginning	<u>2,038,219</u>	<u>322,305</u>	<u>2,360,524</u>	<u>1,632,755</u>	<u>41,642</u>	<u>1,674,397</u>
NET ASSETS, Ending	<u>\$ 2,319,268</u>	<u>\$ 220,742</u>	<u>\$ 2,540,010</u>	<u>\$ 2,038,219</u>	<u>\$ 322,305</u>	<u>\$ 2,360,524</u>

See notes to financial statements.

ALS ASSOCIATION, CONNECTICUT CHAPTER, INC.
STATEMENTS OF CASH FLOWS
Years Ended January 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 179,486	\$ 686,127
Adjustments needed to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	48,477	57,436
Unrealized gain on marketable securities	(20,471)	(89,715)
Donated stock	(58,276)	(135,003)
Donated property and equipment	(48,000)	(13,000)
Changes in operating assets and liabilities:		
Accounts receivable	(34,125)	10,823
Prepaid expenses	1,780	898
Accounts payable	21,771	3,837
Accrued expenses	3,397	(18,957)
Due to National ALS	9,042	(68,300)
	103,081	434,146
Net Cash Provided by Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of marketable securities	(124,977)	(520,159)
Net decrease in cash and cash equivalents	(21,896)	(86,013)
CASH AND CASH EQUIVALENTS, Beginning	219,901	305,914
CASH AND CASH EQUIVALENTS, Ending	\$ 198,005	\$ 219,901

See notes to financial statements.

ALS ASSOCIATION, CONNECTICUT CHAPTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended January 31, 2022

	Program Services			Supporting Services		
	Patient & Community Support	Public & Professional Education & Awareness	Total Program Services	Management and General	Fundraising	Total
Salaries	\$ 208,768	\$ 107,714	\$ 316,482	\$ 69,558	\$ 93,458	\$ 479,498
Patient and family support	164,706	70,588	235,294	-	-	235,294
Remittance to National ALS	147,539	63,231	210,770	-	-	210,770
Loan Closet equipment and repairs	130,768	-	130,768	-	-	130,768
Other employee benefits	20,682	11,326	32,008	7,386	9,848	49,242
Depreciation	48,477	-	48,477	-	-	48,477
Rent and utilities	18,447	10,103	28,550	6,589	8,785	43,924
Payroll taxes	15,604	8,545	24,149	5,573	7,430	37,152
Professional fees	-	-	-	32,609	-	32,609
Credit card fees	-	4,907	4,907	-	22,354	27,261
Website and technology	9,802	9,802	19,604	-	4,902	24,506
Office and miscellaneous	9,470	5,186	14,656	3,382	4,509	22,547
Insurance	7,364	4,032	11,396	2,630	3,506	17,532
Supplies	2,037	2,037	4,074	2,037	2,037	8,148
Telephone	2,396	1,312	3,708	856	1,141	5,705
Postage and shipping	2,054	1,027	3,081	770	1,284	5,135
Payroll processing	-	-	-	2,758	-	2,758
Printing	275	137	412	103	172	687
Travel	176	169	345	58	181	584
Meetings and conferences	53	53	106	-	104	210
Total Functional Expenses	\$ 788,618	\$ 300,169	\$ 1,088,787	\$ 134,309	\$ 159,711	\$ 1,382,807

See notes to financial statements.

ALS ASSOCIATION, CONNECTICUT CHAPTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended January 31, 2021

	<u>Program Services</u>			<u>Supporting Services</u>		
	Patient & Community Support	Public & Professional Education & Awareness	Total Program Services	Management and General	Fundraising	Total
Salaries	\$ 188,564	\$ 97,764	\$ 286,328	\$ 66,259	\$ 88,406	\$ 440,993
Patient and family support	117,216	50,235	167,451	-	-	167,451
Remittance to National ALS	110,951	47,550	158,501	-	-	158,501
Loan Closet equipment and repairs	60,110	-	60,110	-	-	60,110
Depreciation	57,436	-	57,436	-	-	57,436
Contributions to National ALS	50,000	-	50,000	-	-	50,000
Other employee benefits	17,841	9,769	27,610	6,371	8,495	42,476
Rent and utilities	17,358	9,505	26,863	6,199	8,266	41,328
Credit card fees	-	6,996	6,996	-	30,091	37,087
Payroll taxes	14,623	8,008	22,631	5,223	6,964	34,818
Website and technology	9,336	9,336	18,672	-	4,668	23,340
Office and miscellaneous	7,320	4,008	11,328	2,614	3,486	17,428
Insurance	7,012	3,841	10,853	2,505	3,340	16,698
Supplies	2,809	2,810	5,619	2,810	2,810	11,239
Postage and shipping	4,273	2,137	6,410	1,602	2,671	10,683
Professional fees	-	-	-	7,541	-	7,541
Telephone	2,435	1,334	3,769	870	1,160	5,799
Payroll processing	-	-	-	2,779	-	2,779
Meetings and conferences	489	489	978	-	976	1,954
Travel	448	434	882	150	463	1,495
Printing	377	189	566	141	236	943
Total Functional Expenses	\$ 668,598	\$ 254,405	\$ 923,003	\$ 105,064	\$ 162,032	\$ 1,190,099

See notes to financial statements.

ALS ASSOCIATION, CONNECTICUT CHAPTER, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - The ALS Association, Connecticut Chapter, Inc. (the “Association”) is the only not-for-profit voluntary health organization in the State of Connecticut dedicated solely to the fight against amyotrophic lateral sclerosis or ALS, better known as Lou Gehrig’s Disease, on every front including research, care services, public education, and public policy – giving help and hope to those facing the disease, and working toward our vision of a world without ALS. It is the mission of the Association to lead the fight to treat and cure ALS through global research and nationwide advocacy, while also empowering people with Lou Gehrig’s Disease and their families to live fuller lives by providing them with compassionate care and support.

The ALS Association research program is active in more than 150 labs around the globe. From harnessing innovative ideas, to translating concepts to therapies, to advancing treatments for people living with ALS, ALSA’s collaborative and global approach to funding research continues to yield discoveries by top ALS scientists worldwide.

The Association is working directly with patients in Connecticut to improve access to treatment and quality of life providing significant financial support to the ALSA certified centers for excellence which ensures local access by patients to cutting-edge treatment and contributing to a global understanding of ALS.

It is the goal of the Association to continue to be the premier resource in Connecticut for services and education of ALS patients, families and caregivers. Services include, but are not limited to:

- Care Management to provide personal and family support and guidance
- Transportation Program to ensure access to medical care
- Medical Equipment program to provide a full array of adaptive, mobility, and communications devices
- Care Assist Grants to assist with respite care needs and extraordinary expenses associated with ALS.
- Support Groups for People Living with ALS and Family Caregivers in CT
- Community Education
- Resource for education for the individual with ALS, the caregiver and the community at large and increasing public awareness regarding ALS

The ALS Association, Connecticut Chapter, Inc. is chartered by the National ALS Association and is one of approximately 39 chapters across the country.

Basis of Presentation - In accordance with Accounting Standards Codification (“ASC”) Topic 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*, the Association reports information regarding their financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of management and the Board of Directors.

ALS ASSOCIATION, CONNECTICUT CHAPTER, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Net Assets With Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the fund be maintained in perpetuity.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - The Association includes cash on hand, and unrestricted demand deposits with financial institutions, in "Cash and Cash Equivalents" as used in the Statements of Cash Flows. The Association also considers short-term, highly liquid investments with maturities of three months or less from the date of original acquisition to be cash equivalents.

Marketable Securities - Marketable securities are reported at cost, if purchased, or at fair value, if donated. Thereafter, marketable securities are reported at their fair values in the Statements of Financial Position, and changes in fair value are reported as investment income in the Statements of Activities and Changes in Net Assets.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the Statements of Activities and Changes in Net Assets in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

Property and Equipment - Property and equipment purchases are recorded at cost. Depreciation on property and equipment is computed by the straight-line method over the estimated useful lives of the respective assets.

Donated property and equipment is stated at fair market value as determined by management at the date of the contribution.

Maintenance and repair costs are charged to operations as incurred and major renewals and betterments are capitalized to the extent they exceed \$500. The costs relating to assets sold or retired are removed from the account balance at the time of the disposition and the related gains and losses are included in the changes in net assets.

ALS ASSOCIATION, CONNECTICUT CHAPTER, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Receivables - Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions are defined as voluntary, nonreciprocal transfers. Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a 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 Statements of Activities as net assets released from restrictions.

Contributed Services - A substantial number of volunteers have donated significant amounts of their time to the Association's program services and its fund-raising campaign. However, the value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria necessary for recognition.

In-Kind Contributions - During the years ended January 31, 2022 and 2021, donors contributed various medical equipment including power wheelchairs and lifts. The Association has recorded the fair value of the power wheelchairs and lifts donated as a contribution and corresponding property and equipment. The fair market value of the donated power wheelchairs and lifts was \$48,000 and \$13,000 in the years ended January 31, 2022 and 2021, respectively.

Agency Transactions - The Association follows ASC 860 *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*. ASC 860 establishes standards for transactions in which a donor makes an irrevocable contribution to a beneficiary by transferring assets through another entity, the recipient. ASC 860 requires that when a recipient organization is acting like an agent for the ultimate beneficiary organization, the recipient organization is to recognize the fair value of the assets, as well as the liability to the specified beneficiary instead of recognizing a contribution. The Association, in collecting \$400 for the fiscal year ended 2021 on behalf of National ALS for research, acting in an agency capacity, has not recognized the contributions on the books of the Association.

Income Taxes - The Association is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, the Association is exempt from State and Federal income taxes. The Internal Revenue Service has determined that the Association is other than a private foundation. Accordingly, no provision for income taxes has been made in the financial statements.

ALS ASSOCIATION, CONNECTICUT CHAPTER, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Uncertain Tax Positions - Management has determined that the Association does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Association's tax returns will not be challenged by the taxing authorities and that the Association will not be subject to additional tax, penalties, and interest as a result of such challenge. As of January 31, 2022, the Association's tax returns generally remain subject to examination by major tax jurisdictions for the last three years.

Functional Expenses - The costs of providing programs and other activities have been summarized on a natural and functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries	Time and effort
Other employee benefits	Time and effort
Rent and utilities	Time and effort
Payroll taxes	Time and effort
Credit card fees	Time and effort
Website and technology	Time and effort
Office and miscellaneous	Time and effort
Insurance	Time and effort
Supplies	Utility of purchase
Telephone	Time and effort
Postage and shipping	Utility of purchase
Printing	Utility of purchase
Travel	Time and effort
Meetings and conferences	Time and effort

Disclosure of Subsequent Events - Management has evaluated subsequent events through June 15, 2022, the date the financial statements were available to be issued. Management is not aware of any events subsequent to the balance sheet date, which would require additional adjustment to, or disclosure in, the accompanying financial statements.

ALS ASSOCIATION, CONNECTICUT CHAPTER, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - CREDIT RISK

At certain times, the Association has amounts on deposit with financial institutions in excess of the FDIC insured limit. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. As of January 31, 2022, the aggregate cash balances at the financial institutions used by the Association did not exceed the federally insured limit.

Financial instruments which potentially subject the Association to concentrations of credit risk consist principally of marketable securities. Investments are managed and reviewed to prevent risks caused by concentration.

NOTE 3 - MARKETABLE SECURITIES

The Association follows the guidance contained in ASC 820, *Fair Value Measurements and Disclosures*, which defines fair value, establishes guidelines for measuring fair value, and expands disclosure regarding fair value measurements. ASC 820 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three levels. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is available and significant to the fair value measurement. ASC 820 establishes and prioritizes three levels of inputs that may be used to measure fair value.

Level 1 - Quoted prices in active markets for identical assets or liabilities in active markets as of the measurement date.

Level 2 - Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets in non-active markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that cannot be corroborated by observable market data.

The following table presents the Association's marketable securities measured at fair value on a recurring basis at January 31, 2022 and 2021:

ALS ASSOCIATION, CONNECTICUT CHAPTER, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - MARKETABLE SECURITIES (Continued)

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 248,166	\$ -	\$ -	\$ 248,166
Mutual funds	<u>2,069,228</u>	<u>-</u>	<u>-</u>	<u>2,069,228</u>
January 31, 2022	<u>\$ 2,317,394</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,317,394</u>
Money market funds	\$ 904,366	\$ -	\$ -	\$ 904,366
Mutual funds	<u>1,209,304</u>	<u>-</u>	<u>-</u>	<u>1,209,304</u>
January 31, 2021	<u>\$ 2,113,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,113,670</u>

NOTE 4 - AVAILABILITY OF FINANCIAL ASSETS

The following represents the Association's financial assets at January 31, 2022:

Financial assets at year end:	
Cash and cash equivalents	\$ 198,005
Marketable securities	<u>2,317,394</u>
Total financial assets	<u>2,515,399</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	220,742
Less net assets with purpose restrictions to be met in less than a year	<u>(117,450)</u>
	<u>103,292</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,412,107</u>

The Association is expected to maintain financial assets to meet 3 months of operating expenses as outlined by the National ALS Association. The Association's Board has a goal to maintain financial assets to meet 9 months of operating expenses. Amounts in excess of these reserves are invested in marketable securities which can be liquidated if needed.

ALS ASSOCIATION, CONNECTICUT CHAPTER, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - PROPERTY AND EQUIPMENT

The Association’s property and equipment consist of the following:

	2022	2021
Loan Closet equipment	\$ 531,397	\$ 483,397
Office furniture and computers	60,409	60,409
Transportation equipment	45,760	45,760
	637,566	589,566
Less accumulated depreciation	550,087	501,610
Property and Equipment, net	\$ 87,479	\$ 87,956

NOTE 6 - CONDITIONAL CONTRIBUTIONS

On April 30, 2020, the Association received loan proceeds from Webster Bank in the aggregate amount of \$84,200 pursuant to the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for Small Business Administration (“SBA”) loans to qualifying businesses. The loans and accrued interest are forgivable after an eight or twenty-four week period as long as the borrower uses the loan proceeds for eligible purposes and maintains its payroll levels. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of all payments until the date the SBA remits the borrower’s loan forgiveness amount to the lender (or until ten months after the covered period if the borrower does not apply for forgiveness). The Association’s use of loan proceeds have met the conditions for forgiveness by the SBA and the loan was forgiven during the year ended January 31, 2022. The loan was recorded as a contribution in the Statement of Activities and Changes in Net Assets for the year ended January 31, 2021.

The Association has a cost-reimbursement type grant through June 2029 with a maximum total reimbursement of \$700,000 over the term of the agreement for amounts spent on ALS community members’ transportation costs. Through the year ended January 31, 2022, a total of \$81,108 has been spent, with a remaining \$618,892 available to the Association under this grant. As of January 31, 2022, the Association was owed \$40,744 of unreimbursed costs.

NOTE 7 - RETIREMENT PLAN

The Association sponsors a Simple IRA plan that covers all eligible employees who elect to participate. Employer contributions to the plan are a 100% match of up to 3% of the employee’s gross wages, and are fully vested immediately. Retirement plan expense was \$11,402 and \$10,186 for the years ended January 31, 2022 and 2021, respectively.

ALS ASSOCIATION, CONNECTICUT CHAPTER, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available at January 31, 2022 and 2021 for the following purposes:

	2022	2021
Program growth and strategy development	\$ 192,500	\$ 302,500
Education, outreach, and support	14,000	-
Technology	6,792	-
Durable equipment	5,620	19,005
Other	1,830	800
Total Net Assets With Donor Restrictions	\$ 220,742	\$ 322,305

NOTE 9 - OPERATING LEASES

The Association leases office and storage space in Milford, Connecticut. The lease began on November 1, 2014, with a 3% rent escalation for each year beginning June 1, 2015 through June 1, 2021. The lease expires on May 31, 2022. The Association has renewed the lease for an additional three years through May 31, 2025 with continued rent escalation through June 1, 2024.

During June 2016, the Association entered into an operating lease arrangement for a copier with a monthly rental of \$94 through May 2021. The lease has continued past the May 2021 expiration on a month-to-month arrangement at the same monthly rental.

The company also leases office equipment through an operating lease with a quarterly rental of \$118 expiring in February 2027.

Total rent expense under operating lease arrangements was \$37,055 and \$36,113 for the fiscal years ended January 31, 2022 and 2021, respectively.

Future minimum lease payments at January 31, 2022 are as follows:

ALS ASSOCIATION, CONNECTICUT CHAPTER, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - OPERATING LEASES (Continued)

Twelve Months Ended January 31,	Facility	Equipment	Total
2023	\$ 37,032	\$ 471	\$ 37,503
2024	38,143	471	38,614
2025	39,289	471	39,760
2026	13,225	471	13,696
Total Operating Lease Commitments	<u>\$ 127,689</u>	<u>\$ 1,884</u>	<u>\$ 129,573</u>

NOTE 10 - RELATED PARTY TRANSACTIONS

The Association makes revenue sharing payments to the National ALS Association based on a percentage of contributions, excluding contributions made for research which are given in full to the National ALS Association. During 2022 and 2021, revenue sharing payments to the National ALS Association were \$210,770 and \$158,501, respectively. As of January 31, 2022 and 2021, the Association has a payable to the National ALS Association of \$41,924 and \$32,882, respectively.

NOTE 11 - CONTINGENCY

On March 11, 2020, the World Health Organization officially declared COVID-19, the disease caused by the novel coronavirus, a pandemic. The national economy has felt the effects of this global Coronavirus pandemic, including the temporary curtailment or limitation of on-site activity by certain types of businesses. The duration and extent of those effects on the Association cannot be accurately determined by Management.

Based on world events it is reasonably possible that the Association's financial position could be adversely affected. Management continues to monitor world, national and local events as they relate to future business opportunities and labor availability.